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ASX Announcement

11 May 2021

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

Coronado Global Resources Inc. (ASX: CRN) advises that it has lodged the attached Form 10-Q with the U.S. Securities and Exchange Commission (SEC).

This announcement was authorised to be given to ASX by the Board of Coronado Global Resources Inc.

– Ends –

For further information please contact:

Investors

Matthew Sullivan

P: +61(0) 412 157 276

E: msullivan@coronadoglobal.com.au

Media

Brett Clegg

P: +61 (0) 487 436 985

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

FORM 10-Q

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

For the quarterly period ended March 31, 2021

OR

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

For the transition period from _____ to _____

Commission File Number: 1-16247

Coronado Global Resources Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

83-1780608

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

Level 33, Central Plaza One, 345 Queen Street

Brisbane, Queensland, Australia 4000

(Address of principal executive offices) (Zip Code)

(61) 7 3031 7777

(Registrant's telephone number, including area code)

N/A

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

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

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

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

Yes ☒ No ☐

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

Yes ☒ No ☐

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

Yes ☐ No ☒

The registrant's common stock is publicly traded on the Australian Securities Exchange in the form of CHESS Depositary Interests, or CDIs, convertible at the option of the holders into shares of the registrant's common stock on a 10-for-1 basis. The total number of shares of the registrant's common stock, par value \$0.01 per share, outstanding on April 30, 2021, including shares of common stock underlying CDIs, was 138,387,890.

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PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS**

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

		(Unaudited)	
	Note	March 31, 2021	December 31, 2020
Assets			
Current assets:			
Cash and restricted cash		\$ 33,700	\$ 45,736
Trade receivables		140,023	175,206
Related party trade receivables	15	57,843	81,970
Income tax receivable		19,261	20,325
Inventories	5	113,240	110,135
Other current assets		43,361	44,006
Assets held for sale		51,320	52,524
Total current assets		<u>458,748</u>	<u>529,902</u>
Non-current assets:			
Property, plant and equipment, net	6	1,483,334	1,521,508
Right of use asset – operating leases, net		19,146	19,498
Goodwill		28,008	28,008
Intangible assets, net		4,166	4,217
Deposits and reclamation bonds		12,800	8,425
Deferred income tax assets		38,784	24,654
Other non-current assets		10,743	12,264
Total assets		<u>\$ 2,055,729</u>	<u>\$ 2,148,476</u>
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable		\$ 48,689	\$ 74,651
Accrued expenses and other current liabilities	7	205,768	234,526
Asset retirement obligations		5,949	6,012
Contract obligations		40,229	40,295
Lease liabilities		9,341	8,414
Other current financial liabilities		5,188	7,129
Liabilities held for sale		15,872	16,719
Total current liabilities		<u>331,036</u>	<u>387,746</u>
Non-current liabilities:			
Asset retirement obligations		117,218	116,132
Contract obligations		174,833	185,823
Deferred consideration liability		220,240	216,513
Interest bearing liabilities	9	324,113	327,625
Other financial liabilities		17,646	—
Lease liabilities		18,781	20,582
Deferred income tax liabilities		62,227	64,366
Other non-current liabilities		24,818	22,826
Total liabilities		<u>1,290,912</u>	<u>1,341,613</u>
Common stock \$0.01 par value; 1,000,000,000 shares authorized, 138,387,890 shares are issued and outstanding as of March 31, 2021 and December 31, 2020		1,384	1,384
Series A Preferred stock \$0.01 par value; 100,000,000 shares authorized, 1 Share issued and outstanding as of March 31, 2021 and December 31, 2020		—	—
Additional paid-in capital		991,811	993,052
Accumulated other comprehensive losses	13	(28,489)	(28,806)
Accumulated losses		<u>(199,889)</u>	<u>(158,919)</u>
Coronado Global Resources Inc. stockholders' equity		764,817	806,711
Noncontrolling interest		—	152
Total stockholders' equity		<u>764,817</u>	<u>806,863</u>
Total liabilities and stockholders' equity		<u>\$ 2,055,729</u>	<u>\$ 2,148,476</u>

See accompanying notes to unaudited condensed consolidated financial statements.

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Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income

(In US\$ thousands, except share data)

	Note	Three Months Ended March 31,	
		2021	2020
Revenues:			
Coal revenues	3	\$ 299,161	\$ 319,492
Coal revenues from related parties	3, 15	68,041	80,118
Other revenues	3	8,909	9,707
Total revenues		<u>376,111</u>	<u>409,317</u>
Costs and expenses:			
Cost of coal revenues (exclusive of items shown separately below)		274,103	256,887
Depreciation, depletion and amortization		53,081	45,302
Freight expenses		52,141	42,381
Stanwell rebate		15,819	32,628
Other royalties		20,947	24,298
Selling, general, and administrative expenses		<u>5,775</u>	<u>6,195</u>
Total costs and expenses		<u>421,866</u>	<u>407,691</u>
Operating (loss) income		<u>(45,755)</u>	<u>1,626</u>
Other income (expense):			
Interest expense, net		(15,135)	(12,253)
Unwind of discounting and credit losses	15	3,778	—
Other, net	4	<u>(2,928)</u>	<u>4,053</u>
Total other income (expense), net		<u>(14,285)</u>	<u>(8,200)</u>
Loss before tax		(60,040)	(6,574)
Income tax benefit (expense)	8	<u>19,068</u>	<u>(2,291)</u>
Net loss		(40,972)	(8,865)
Less: Net loss attributable to noncontrolling interest		(2)	(2)
Net loss attributable to Coronado Global Resources Inc.		<u>\$ (40,970)</u>	<u>\$ (8,863)</u>
Other comprehensive income, net of income taxes:			
Foreign currency translation adjustment	13	(4,609)	(53,567)
Net gain (loss) on cash flow hedges, net of tax	13	<u>4,926</u>	<u>(34,192)</u>
Total other comprehensive income (loss)		<u>317</u>	<u>(87,759)</u>
Total comprehensive loss		(40,655)	(96,624)
Less: Net loss attributable to noncontrolling interest		(2)	(2)
Total comprehensive loss attributable to Coronado Global Resources Inc.		<u>\$ (40,653)</u>	<u>\$ (96,622)</u>
Loss per share of common stock			
Basic	11	(0.30)	(0.09)
Diluted	11	(0.30)	(0.09)

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Common stock		Preferred stock		Additional paid in capital	Accumulated other comprehensive losses	(Accumulated losses)	Noncontrolling interest	Total stockholders equity
	Series								
	Shares	Amount	A	Amount					
Balance December 31, 2020	\$ 138,387,890	1,384	1	—	993,052	(28,806)	(158,919)	152	806,863
Net loss	—	—	—	—	—	—	(40,970)	(2)	(40,972)
Other comprehensive loss (net of \$2,111 tax)	—	—	—	—	—	317	—	—	317
Total comprehensive loss	—	—	—	—	—	317	(40,970)	(2)	(40,655)
Share-based compensation for equity classified awards	—	—	—	—	(538)	—	—	—	(538)
Acquisition of noncontrolling interest	—	—	—	—	(703)	—	—	(150)	(853)
Balance March 31, 2021	\$ 138,387,890	1,384	1	—	991,811	(28,489)	(199,889)	—	764,817

	Common stock		Preferred stock		Additional paid in capital	Accumulated other comprehensive losses	Retained earnings	Noncontrolling interest	Total stockholders equity
	Shares	Amount	Series A	Amount					
Balance December 31, 2019	\$ 96,651,692	967	1	—	820,247	(45,206)	91,712	221	867,941
Net loss	—	—	—	—	—	—	(8,863)	(2)	(8,865)
Other comprehensive loss (net of \$13,781 tax)	—	—	—	—	—	(87,759)	—	—	(87,759)
Total comprehensive loss	—	—	—	—	—	(87,759)	(8,863)	(2)	(96,624)
Share-based compensation for equity classified awards	—	—	—	—	148	—	—	—	148
Dividends paid	—	—	—	—	—	—	(24,163)	—	(24,163)
Balance March 31, 2020	\$ 96,651,692	967	1	—	820,395	(132,965)	58,686	219	747,302

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities:		
Net loss	\$ (40,972)	\$ (8,865)
Adjustments to reconcile net income to cash and restricted cash provided by operating activities:		
Depreciation, depletion and amortization	53,081	45,302
Amortization of right of use asset - operating leases	2,246	7,074
Amortization of deferred financing costs	1,379	1,364
Non-cash interest expense	6,647	5,060
Amortization of contract obligations	(8,509)	(6,530)
Loss on disposal of property, plant and equipment	101	75
Decrease in contingent royalty consideration	—	(1,051)
Gain on operating lease derecognition	—	(1,180)
Equity-based compensation expense	(555)	148
Deferred income taxes	(18,437)	(176)
Reclamation of asset retirement obligations	(557)	(759)
Unwind of discounting and credit losses	(3,778)	—
Changes in operating assets and liabilities:		
Accounts receivable - including related party receivables	59,690	(103,280)
Inventories	(4,701)	11,522
Other current assets	2,255	5,187
Accounts payable	(19,849)	10,262
Accrued expenses and other current liabilities	(26,790)	(8,481)
Operating lease liabilities	(2,758)	(7,512)
Change in other liabilities	6,746	(8,147)
Net cash provided by (used in) operating activities	<u>5,239</u>	<u>(59,987)</u>
Cash flows from investing activities:		
Capital expenditures	(28,604)	(41,420)
Purchase of deposits and reclamation bonds	(4,550)	(27)
Redemption of deposits and reclamation bonds	250	—
Net cash used in investing activities	<u>(32,904)</u>	<u>(41,447)</u>
Cash flows from financing activities:		
Proceeds from interest bearing liabilities and other financial liabilities	53,489	145,000
Debt issuance costs and other financing costs	(1,266)	(72)
Principal payments on interest bearing liabilities and other financial liabilities	(38,110)	(23,156)
Principal payments on finance lease obligations	—	(319)
Dividends paid	—	(24,162)
Net cash provided by financing activities	<u>14,113</u>	<u>97,291</u>
Net decrease in cash and restricted cash	(13,552)	(4,143)
Effect of exchange rate changes on cash and restricted cash	1,516	(3,967)
Cash and restricted cash at beginning of period	45,736	26,553
Cash and restricted cash at end of period	<u><u>\$ 33,700</u></u>	<u><u>\$ 18,443</u></u>
Supplemental disclosure of cash flow information:		
Cash payments for interest	\$ 7,111	\$ 5,906
Cash paid for taxes	\$ —	\$ 1,448

See accompanying notes to unaudited condensed consolidated financial statements.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business, Basis of Presentation

(a) Description of the Business

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

(b) Basis of Presentation

The interim unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of the U.S. Generally Accepted Accounting Principles, or U.S. GAAP, and with the instructions to Form 10-Q and Article 10 of Regulation S-X related to interim financial reporting issued by the Securities and Exchange Commission, or the SEC. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K filed with the SEC and the Australian Securities Exchange, or the ASX, on February 25, 2021.

The interim unaudited condensed consolidated financial statements are presented in U.S. dollars, unless otherwise stated. They include the accounts of Coronado Global Resources Inc., its wholly owned subsidiaries and subsidiaries in which it has a controlling interest. References to “US\$” or “USD” are references to U.S. dollars. References to “A\$” or “AUD” are references to Australian dollars, the lawful currency of the Commonwealth of Australia. The Company, or Coronado, are used interchangeably to refer to Coronado Global Resources Inc. and its subsidiaries, or to Coronado Global Resources Inc., 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 upon consolidation.

In the opinion of management, these interim financial statements reflect all normal, recurring adjustments necessary for the fair presentation of the Company’s financial position, results of operations, comprehensive income, cash flows and changes in equity for the periods presented. Balance sheet information presented herein as of December 31, 2020 has been derived from the Company’s audited consolidated balance sheet at that date. The Company’s results of operations for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for future quarters or for the year ending December 31, 2021.

2. Summary of Significant Accounting Policies

Please see Note 2 “Summary of Significant Accounting Policies” contained in the audited consolidated financial statements for the year ended December 31, 2020 included in Coronado Global Resources Inc.’s Annual Report on Form 10-K filed with the SEC and ASX on February 25, 2021.

(a) Newly Adopted Accounting Standards

“Income Taxes - Simplifying the Accounting for Income Taxes” - In December 2019, the FASB issued ASU 2019-12, which simplified various aspects related to accounting for income taxes. ASU 2019-12 removed certain exceptions to the general principles in Topic 740 and clarifies and amended existing guidance to improve consistent application. ASU 2019-12.

The adoption of ASU 2019-12 on January 1, 2021 did not have material impact on the Company’s consolidated financial statements

3. Segment Information

The Company has a portfolio of operating mines and development projects in Queensland, Australia and in the states of Pennsylvania, Virginia and West Virginia in the USA. The Australian Operations comprise the 100%-owned Curragh producing mine complex. The U.S. Operations comprise two 100%-owned producing mine complexes (Buchanan and Logan), one 100%-owned idled mine complex (Greenbrier), two development properties (Pangburn-Shaner-Fallowfield and Russell County) and one idle property (Amonate).

The Company operates its business along two reportable segments: Australia and the United States. The organization of the two reportable segment reflects how the Company’s chief operating decision maker, or CODM, manages and allocate resources to the various components.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The CODM uses Adjusted EBITDA as the primary metric to measure each segment's operating performance. Adjusted EBITDA is not a measure of financial performance in accordance with U.S. GAAP. Investors should be aware that the Company's presentation of Adjusted EBITDA may not be comparable to similarly titled financial measures used by other companies.

Adjusted EBITDA is defined as earnings before interest, tax, depreciation, depletion and amortization and other foreign exchange losses. Adjusted EBITDA is also adjusted for certain discrete items that management exclude in analyzing each of our segments' operating performance. "Other and corporate" relates to additional financial information for the corporate function such as accounting, treasury, legal, human resources, compliance, and tax. As such, the corporate function is not determined to be a reportable segment but is discretely disclosed for purposes of reconciliation to the Company's consolidated financials.

Reportable segment results as of and for the three months ended March 31, 2021 and 2020 are presented below:

	Australia	United States	Other and Corporate	Total
			(\$ thousands)	
Three months ended March 31, 2021				
Total revenues	238,293	137,818	—	376,111
Adjusted EBITDA	(23,059)	36,530	(5,830)	7,641
Net (loss) income	(42,331)	10,391	(9,032)	(40,972)
Total assets	1,082,586	855,527	117,616	2,055,729
Capital expenditures	7,032	14,538	1,034	22,604
Three months ended March 31, 2020				
Total revenues	245,142	164,175	—	409,317
Adjusted EBITDA	13,065	38,250	(5,893)	45,422
Net income (loss)	(5,967)	9,130	(12,028)	(8,865)
Total assets	967,809	1,122,521	47,749	2,138,079
Capital expenditures	5,269	35,522	629	41,420

The reconciliation of Adjusted EBITDA to net income attributable to the Company for the three months ended March 31, 2021 and 2020 are as follows:

	Three months ended March 31,	
	2021	2020
	(US\$ thousands)	
Net loss	\$ (40,972)	\$ (8,865)
Depreciation, depletion and amortization	53,081	45,302
Interest expense (net of income)	15,135	12,253
Other foreign exchange losses (gains)	1,749	(5,559)
Income tax (benefit) expense	(19,068)	2,291
Losses on idled assets held for sale ⁽¹⁾	1,494	—
Unwind of discounting and credit losses	(3,778)	—
Consolidated adjusted EBITDA	<u>\$ 7,641</u>	<u>\$ 45,422</u>

⁽¹⁾ These losses relate to idled non-core assets that the Company has classified as held for sale with the view that these will be sold within the next twelve months.

The reconciliation of capital expenditures per the Company's segment information to capital expenditures disclosed on the unaudited consolidated statement of cash flows for the three months ended March 31, 2021 and 2020, are as follows:

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Three months ended March 31,	
	2021	2020
	(\$ thousands)	
Capital expenditures per Consolidated Statement of Cash flows	28,604	41,420
Payment for capital acquired in prior periods	(6,000)	—
Capital expenditures per segment detail	22,604	41,420

Disaggregation of Revenue

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

	Three months ended March 31, 2021		
	Australia	United States	Total
	(\$ thousands)		
Product Groups:			
Metallurgical coal	206,452	136,984	343,436
Thermal coal	22,998	768	23,766
Total coal revenue	229,450	137,752	367,202
Other ⁽¹⁾	8,843	66	8,909
Total	238,293	137,818	376,111

	Three months ended March 31, 2020		
	Australia	United States	Total
	(\$ thousands)		
Product Groups:			
Metallurgical coal	212,922	159,361	372,283
Thermal coal	25,606	1,721	27,327
Total coal revenue	238,528	161,082	399,610
Other ⁽¹⁾	6,614	3,093	9,707
Total	245,142	164,175	409,317

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

4. Expenses

Other, Net

	Three months ended March 31,	
	2021	2020
	(US\$ thousands)	
Other foreign exchange (losses) gains	(1,749)	5,559
Other expenses	(1,179)	(1,506)
Total Other, net	\$ (2,928)	\$ 4,053

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Inventories

	March 31,	December
(US\$ thousands)	2021	31,2020
Raw coal	\$ 9,371	\$ 19,557
Saleable coal	40,996	26,581
Total coal inventories	50,367	46,138
Supplies inventory	62,873	63,997
Total inventories	\$ 113,240	\$ 110,135

6. Property, Plant and Equipment

	March 31,	December
(US\$ thousands)	2021	31,2020
Land	\$ 27,801	\$ 27,985
Buildings and improvements	90,712	89,726
Plant, machinery, mining equipment and transportation vehicles	953,067	939,521
Mineral rights and reserves	374,310	374,340
Office and computer equipment	4,302	4,316
Mine development	575,599	577,631
Asset retirement obligation asset	80,775	81,603
Construction in process	33,587	38,321
	2,140,153	2,133,443
Less accumulated depreciation, depletion and amortization	656,819	611,935
Net property, plant and equipment	\$ 1,483,334	\$ 1,521,508

7. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	March 31,	December
(US\$ thousands)	2021	31,2020
Wages and employee benefits	\$ 32,523	\$ 32,386
Taxes other than income taxes	7,732	7,024
Accrued royalties	28,823	36,149
Accrued freight costs	32,312	29,199
Accrued mining fees	60,334	76,044
Acquisition related accruals	32,689	33,119
Other liabilities	11,355	20,605
Total accrued expenses and other current liabilities	\$ 205,768	\$ 234,526

Included within acquisition related accruals is an amount outstanding for stamp duty payable on the Curragh acquisition of \$32.7 million (A\$43.0 million). This amount is outstanding as at March 31, 2021 and December 31, 2020 pending assessment by the Office of State Revenue in Queensland, Australia.

8. Income Taxes

For the three months ended March 31, 2021 and 2020, the Company estimated its annual effective tax rate and applied this effective tax rate to its year-to-date pretax income at the end of the interim reporting period. The tax effect of unusual or infrequently occurring items, including effects of changes in tax laws or rates and changes in judgment about the realizability of deferred tax assets, are reported in the interim period in which they occur. The Company's 2021 effective tax rate is 31.8%. The Company had an income tax benefit of \$19.1 million for the three months ended March 31, 2021 on a loss before tax of \$60.0 million.

Income tax expense of \$2.3 million for the three months ended March 31, 2020, was calculated based on an effective tax rate of 34.8% for the period.

The Company utilizes the "more likely than not" standard in recognizing a tax benefit in its financial statements. For the three months ended March 31, 2021 and the year ended December 31, 2020, the Company had no unrecognized tax benefits.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

If accrual for interest or penalties is required, it is the Company's policy to include these as a component of income tax expense.

The Company is subject to taxation in the United States and its various states, as well as Australia and its various localities. In the United States and Australia, the first tax return was lodged for the year ended December 31, 2018.

On March 27, 2020, the United States Congress enacted the Coronavirus Aid, Relief and Economic Security Act, or CARES Act, to provide certain relief as a result of the COVID-19 outbreak. The CARES Act (PL 116-136), allows for a five-year carryback for losses arising in tax years beginning in 2018, 2019 and 2020.

As there was U.S. taxable income in tax years 2018 and 2019, the Company will be able to carryback the 2020 losses in order to receive a refund of taxes assessed in these tax years of approximately \$11.3 million, which is in "Income tax receivable" in the unaudited consolidated balance sheet.

The Australian group was in a tax loss position for 2020 and will choose to apply the tax loss carryback tax offset rules in order to receive refunds of taxes assessed in 2019 of approximately \$7.9 million, which is in "Income tax receivable" in the unaudited consolidated balance sheet.

On April 9, 2021, West Virginia Gov. Jim Justice signed into law House Bill 2026, adopting significant changes to the state's income tax code including market-based sourcing, single-sales factor apportionment and limitations on temporary or mobile worker withholding. Although no material impact is expected, the Company is currently evaluating the effect it will have on its consolidated financial statements.

9. Interest Bearing Liabilities

The Company's Multicurrency Revolving Syndicated Facility Agreement, or SFA, dated September 15, 2018 and amended on September 11, 2019, comprises of Facility A (\$334 million loan facility), Facility B (A\$130 million bank guarantee facility) and Facility C (\$191 million loan facility). The SFA has a termination date of February 15, 2023.

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

During 2020, due to the global impacts of COVID-19 on the demand and pricing for metallurgical coal and the resulting uncertainties associated with the pandemic, the Company executed the First Syndicated Facility Agreement Waiver Letter and the Second Syndicated Facility Agreement Waiver Letter, or the waiver, to waive compliance with certain financial covenants to September 30, 2021, or the waiver period.

As part of the waiver extension agreement, the Company's credit facility permanently reduced by \$25.0 million in February 2021 and will permanently reduce in a further two steps by \$25.0 million each, in May and August 2021.

At the end of, or after the waiver period, a breach of financial covenants will constitute an event of default under the SFA and all amounts outstanding at that point may become due and payable. The terms of the SFA will revert to the originally agreed terms (but not amounts) at the end of the waiver period.

The availability to fully draw down under the SFA is subject to a modified liquidity buffer of \$50.0 million, leading to a review event process if amounts within this buffer are drawn down during the extended waiver period (i.e. before 30 September 2021). However, lender consent required to access the remaining \$50.0 million was removed as part of the recent waiver extension.

As at March 31, 2021, the Company met its undertakings under the SFA (as modified and waived in accordance with the terms of the waiver which expires on September 30, 2021). The Company is continuing to pursue a number of strategic initiatives to strengthen its liquidity. These initiatives include, among other things, further operating and capital cost control measures, potential for non-core asset sales and other funding measures. Subsequent to March 31, 2021, the Company announced a proposed refinancing package comprising a new senior secured notes offering and a new asset-based revolving credit facility in conjunction with an equity raise. A portion of the proceeds from these proposed note and equity transactions are intended to repay all the outstanding obligations under the SFA and to terminate such agreement. See note 17 "Subsequent Events."

Due to uncertainties surrounding the impact of the COVID-19 pandemic on global markets into the future, the Company cannot currently predict the extent of any potential material adverse impact to its business, results of operations, financial condition and ability to comply with financial covenants under the SFA.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During the three months ended March 31, 2021, the Company borrowed a total amount of \$30.0 million under the SFA for working capital and corporate purposes. Repayments of \$33.5 million were made during the three months ended March 31, 2021.

The total interest bearing liabilities outstanding under the SFA was \$324.1 million and \$327.6 million as at March 31, 2021 and December 31, 2020, respectively.

10. Other Financial Liabilities

On January 6, 2021, the Company entered into an agreement with a third-party financier to sell and leaseback items of property, plant and equipment owned by Curragh, a wholly owned subsidiary of the Company. The transaction did not satisfy the sale criteria under ASC 606 – Revenues from Contracts with Customers. As a result, the transaction was deemed a financing arrangement and the Company has continued to recognize the underlying property, plant and equipment on its consolidated balance sheet. The proceeds received from the transaction of \$23.5 million (A\$30.2 million) was recognized as other financial liabilities on the balance sheet. The term of the financing arrangement ranges up to five years with an implied interest rate up to 7.8% per annum. The carrying value of this financial liability, net of issuance costs, was \$21.6 million as at March 31, 2021, \$3.9 million of which is classified as a current liability.

11. Earnings per Share

Basic earnings per share of common stock is computed by dividing net income attributable to the Company for the period, by the weighted-average number of shares of common stock outstanding during the same period. Diluted earnings per share of common stock is computed by dividing net income attributable to the Company by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities.

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

(US\$ thousands, except per share data)	Three Months Ended	
	March 31, 2021	March 31, 2020
Numerator:		
Net (loss) income	\$ (40,972)	\$ (8,865)
Less: Net loss attributable to Non-controlling interest	(2)	(2)
Net (loss) income attributable to Company stockholders	<u>\$ (40,970)</u>	<u>\$ (8,863)</u>
Denominator (in thousands):		
Weighted-average shares of common stock outstanding	138,388	96,652
Weighted average diluted shares of common stock outstanding	138,388	96,652
Earnings Per Share (US\$):		
Basic	(0.30)	(0.09)
Dilutive	(0.30)	(0.09)

12. Derivatives and Fair Value Measurement

(a) Derivatives

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

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

Forward fuel contracts

In 2020, the Company entered into forward derivative contracts to hedge its exposure to diesel fuel that is used, or expects to be used, at its operations in Australia, or Australian Operations, during 2021. The aggregate notional amount for all outstanding derivative contracts had a purchase value of \$39.2 million at March 31, 2021.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Unrealized gains, net of tax, recognized in “Accumulated other comprehensive loss” of \$4.1 million as at March 31, 2021, are expected to be recognized into “Cost of coal revenues” in the Unaudited Condensed Statements of Operations and Comprehensive Income within the next nine months when the hedged transaction impacts income. Refer to Note 13 “Accumulated Other Comprehensive Losses” for further disclosure.

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

(US\$ thousands)	Classification	March 31, 2021	December 31, 2020
		Derivative asset	Derivative liability
Forward fuel contracts (Level 2)	Other current assets	4,139	—
	Other current financial liabilities	—	2,898
		<u>4,139</u>	<u>2,898</u>

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

	March 31, 2021			December 31, 2020		
	Notional amount (thousands)	Unit of measure	Varying maturity dates	Notional amount (thousands)	Unit of measure	Varying maturity dates
Forward fuel contracts (Level 2)	102,068	Liters	April 2021 - December 2021	135,114	Liters	January 2021 – December 2021

(b) Fair Value of Financial Instruments

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

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

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.

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Financial Instruments Measured on a Recurring Basis

As of March 31, 2021, the Company has the following liabilities that are required to be measured at fair value on a recurring basis:

- Forward fuel contracts: valued based on a valuation that is corroborated by the use of market-based pricing (Level 2)

Other Financial Instruments

The following methods and assumptions are used to estimate the fair value of other financial instruments as of March 31, 2021 and December 31, 2020:

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

13. Accumulated Other Comprehensive Losses

Accumulated other comprehensive losses consisted of the following at March 31, 2021:

(US\$ thousands)	Foreign currency translation adjustments	Net unrealized gain (loss)	
		Cash flow fuel hedges	Total
Balance at December 31, 2020	(26,777)	(2,029)	(28,806)
Net current-period other comprehensive income (loss):			
Gain (loss) in other comprehensive income (loss) before reclassifications	(445)	8,010	7,565
Loss on long-term intra-entity foreign currency transactions	(4,164)	—	(4,164)
Gains reclassified from accumulated other comprehensive income (loss)	—	(973)	(973)
Tax effects	—	(2,111)	(2,111)
Total net current-period other comprehensive gain (loss)	(4,609)	4,926	317
Balance at March 31, 2021	(31,386)	2,897	(28,489)

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
14. Commitments
(a) Mineral Leases

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

(US\$ thousands)	Amount
Year ending December 31,	
2021	4,934
2022	5,389
2023	5,211
2024	5,174
2025	4,754
Thereafter	26,095
Total	<u>51,557</u>

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

(b) Other commitments

As of March 31, 2021, purchase commitments for capital expenditures were \$20.1 million, all of which is obligated within the next 12 months.

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 access on an annual basis. As of March 31, 2021, these Australian and U.S. commitments under take-or-pay arrangements totaled \$1.4 billion, of which approximately \$109.3 million is obligated within the next year.

15. Related-Party Transactions
Xcoal

During the three months ended March 31, 2021, the Company sold coal to Xcoal Energy and Resources, or Xcoal, an entity associated with Non-Executive director, Mr. Ernie Thrasher. Revenues from Xcoal of \$68.0 million and \$80.1 million, respectively, are recorded as “Coal revenues from related parties” in the unaudited Condensed Consolidated Statement of Operations and Comprehensive Income for the three months ended March 31, 2021 and 2020.

At March 31, 2021, amounts due from Xcoal in respect of coal sales were \$63.1 million, of which \$57.8 million was past due and \$5.3 million was secured by letter of credit. At December 31, 2020, amounts due from Xcoal in respect of coal sales were \$91.0 million. These balances are included in related party receivables. Sales to Xcoal are currently on prepayment, letter of credit or cash on delivery terms. During the quarter ended March 31, 2021, the Company collected \$27.4 million from Xcoal in respect of their past due receivables. Subsequent to March 31, 2021, Xcoal has reduced its past due account receivable by \$4.3 million to \$53.5 million at April 30, 2021. The Company expects to receive all outstanding trade receivables amounts from Xcoal by September 30, 2021. To account for the expected timing of collection, a provision for discounting and credit losses of \$9.0 million was recognized at December 31, 2020. During the three months ended March 31, 2021, the provision for discounting and credit losses was unwound to account for passage of time and payments made by Xcoal during the quarter resulting in a benefit of \$3.8 million recorded in the Company’s unaudited condensed consolidated statement of operations and comprehensive income. The carrying value of related party trade receivables from Xcoal, net of the provision for discounting and credit losses, as at March 31, 2021, was \$57.8 million.

16. Contingencies

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

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NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Facility B of the SFA provides A\$130 million for issuing multicurrency bank guarantees. At March 31, 2021, Facility B of the SFA had been utilized to issue A\$87.3 million of bank guarantees on behalf of the Company.

For the U.S. Operations in order to provide the required financial assurance, the Company generally uses surety bonds for post-mining reclamation. The Company can also use bank letters of credit to collateralize certain obligations. As of March 31, 2021, the Company had outstanding surety bonds of \$30.0 million, to secure various obligations and commitments.

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

17. Subsequent Events

On May 3, 2021 the Company entered into an underwriting agreement, whereby it has agreed to issue approximately 29.26 million shares of its common stock in the form of CHESS Depositary Interests, or CDIs, each of which represents a beneficial interest of 1/10th of a fully paid share of the Company's common stock, in a transaction including a pro rata non-renounceable entitlement offer to eligible existing CDI holders, or the Equity Offering. The Equity offering will raise gross proceeds of \$100 million and will be conducted at a price of A\$0.45 per CDI.

On May 4, 2021, a wholly-owned subsidiary of the Company, Coronado Finance Pty Ltd, priced an offering for \$350 million aggregate principal amount of 10.750% Senior Secured Notes due 2026, or the Notes. The Notes will bear interest at an annual rate of 10.750 percent and will be issued at a price of 98.112 percent of their principal amount.

The issuances of CDIs in the Equity Offering and the offering of the Notes will be made in transactions that are exempt from the registration requirements of the Securities Act.

Concurrent with the issuance of the Notes, the Company intends to enter into a senior secured asset-based revolving credit agreement in an initial aggregate principal amount of \$100.0 million, or the ABL Facility. The Company intends to use the proceeds from the offering of the Notes, along with the proceeds from the Equity Offering to (i) repay all outstanding obligations under the SFA and to terminate such agreement; (ii) cash collateralize one or more credit support facilities with approximately \$70.0 million in cash which will be used to replace and/or provide back-to-back support for bank guarantees which have been issued under the SFA 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) are referred to as 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 Notes 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 common stock. The Company expects that the ABL Facility will have substantially the same covenants as the Notes. However, the covenants under the ABL Facility are expected to contain certain additional covenants.

The Company does not intend to draw on the ABL Facility in connection with the closing of the transactions. The Company expects the offering of Notes to close prior to the consummation of the Equity Offering and, as a result, 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 institutional portion of the Equity Offering, provided that the escrow proceeds, together with the proceeds of the institutional portion of the Equity Offering, are used for the Refinancing. The availability of commitments under the ABL Facility will be subject to, among other conditions, the closing of the offering of the Notes and the institutional portion of the Equity Offering as well as the consummation of the Refinancing. In addition, the institutional portion of the Equity Offering will be subject to the closing of the ABL Facility and the placement of proceeds from the sale of Notes in escrow.

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, or 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 ABL Facility.

[Table of Contents](#)**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM****To the Stockholders and Board of Directors of Coronado Global Resources Inc.****Results of Review of Interim Financial Statements**

We have reviewed the accompanying condensed consolidated balance sheet of Coronado Global Resources Inc. (the Company) as of March 31, 2021, the related condensed consolidated statements of operation and comprehensive income, stockholders' equity and cash flows for the three-month period ended March 31, 2021 and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our review, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2020, the related consolidated statements of operation and comprehensive income, stockholders' equity and cash flows for the year then ended, and the related notes (not presented herein), and in our report dated February 25, 2021, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2020, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young

Brisbane, Australia
May 10, 2021.

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

The following Management’s Discussion and Analysis of our Financial Condition and Results of Operations, or MD&A, should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and the related notes to those statements included elsewhere in this Form 10-Q. In addition, this Form 10-Q report should be read in conjunction with the Consolidated Financial Statements for year ended December 31, 2020 included in Coronado Global Resources Inc.’s Annual Report on Form 10-K for the year ended December 31, 2020, filed with the U.S. Securities and Exchange Commission, or SEC, and the Australian Securities Exchange, or the ASX, on February 25, 2021.

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

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

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, concerning our business, operations, financial performance and condition, the coal, steel and other industries, the effect of COVID-19 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 may be identified by words such as “may,” “could,” “believes,” “estimates,” “expects,” “likely,” “intends,” “considers” and other similar words.

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

- 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, or Met, coals;
- risks inherent to mining;
- the loss of, or significant reduction in, purchases by our largest customers;

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- 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;
- the risk that diversity in interpretation and application of accounting principles in the mining industry may impact our reported financial results; and
- other risks and uncertainties detailed in this report, including, but not limited to, those discussed in “Risk Factors,” set forth in Part II, Item 1A of this Quarterly Report on Form 10-Q.

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

See Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC and ASX on February 25, 2021, for a more complete discussion of the risks and uncertainties mentioned above and for discussion of other risks and uncertainties we face that could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements, as well as others made in this Quarterly Report on Form 10-Q and hereafter in our other filings with the SEC and public communications. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

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

Overview

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

Our Australian Operations comprise the 100%-owned Curragh producing mine complex. Our U.S. Operations comprise two 100%-owned producing mine complexes (Buchanan and Logan), one 100%-owned idled mine complex (Greenbrier), two development properties (Pangburn-Shaner-Fallowfield and Russell County) and one idle property (Amonate). In addition to Met coal, our Australian Operations sell thermal coal domestically, which is used to generate electricity, to Stanwell Corporation Limited, or Stanwell, and some thermal coal in the export market. Our U.S. Operations primarily focuses on the production of Met coal for the North American domestic and seaborne export markets and also produce and sell some thermal coal that is extracted in the process of mining Met coal.

For the three months ended March 31, 2021, we produced 4.6 MMt and sold 4.4 MMt of coal. Met coal and thermal coal sales represented approximately 82.6% and 17.4%, respectively, of our total volume of coal sold and approximately 93.5% and 6.5% respectively, of total coal revenues, for the three months ended March 31, 2021.

Our results for the three months ended March 31, 2021, were adversely impacted by (1) seasonal wet weather conditions in Australia which disrupted certain mining and logistics activities, (2) China's ban on Australian coal imports, in place since October 2020, which continues to distort the global metallurgical coal market with higher CFR China prices drawing in additional spot supply from U.S., Canada, Russia and Mongolia replacing traditional Australian imports, (3) operational issues at the Australian Operations from a three week breakdown of certain mining equipment, (4) cost of additional fleets deployed at Curragh to accelerate overburden removal which will increase coal availability in subsequent quarters, and (5) labor shortages and adverse geological conditions in certain mines of our U.S. Operations. Despite these adverse conditions, our results benefited from lower capital expenditure across our business and the continued ramp up of production at our U.S. Operations driven by increased demand from China for U.S. sourced metallurgical coals. As a global supplier of metallurgical coal, our geographic diversification has helped us withstand the negative impact on benchmark pricing stemming from Chinese import restrictions on Australian coal. Our U.S. Operations have successfully taken advantage of the policy shift by increasing sales volumes directly into the country during the quarter.

From our Australian Operations, production and sales volumes were higher for the three months ended March 31, 2021 compared to the same period in 2020 as a result of the steel market recovery to pre-pandemic levels. Coal sales volumes increased 0.3 MMt, or 14.0%, while averaged realized met coal pricing decreased from \$120.3 to \$94.2 per Mt sold, resulting in a reduction in coal revenues by 3.8% compared to the prior comparative period. Operating costs for the three months ended March 31, 2021 were \$29.7 million, or 12.9%, higher compared to March 31, 2020, resulting in an unfavorable increase in Operating costs of \$0.8 per Mt sold.

From our U.S. Operations, production and sales volumes were lower for the three months ended March 31, 2021 compared to the same period in 2020. Production decreased by 0.3 MMt due to labor shortages and adverse geological conditions incurred at certain operations in the first quarter of 2021 as well as no production from the idled Greenbrier operations. Coal sales volumes decreased by 0.4 MMt, or 23.6%, as a result of poor rail service which delayed timing of certain shipments. Coal revenues decreased by 14.5% compared to the prior comparative period due to lower sales volumes partially offset by higher average realized Met prices per Mt sold. Operating costs for the three months ended March 31, 2021 were \$22.9 million, or 18.1% favorable compared to the corresponding period in 2020 driven by continued cost controls measures implemented in response to COVID-19.

COVID-19 response

The COVID-19 Steering Committee continues to monitor the effect of the pandemic across our Australian Operations and U.S. Operations and has implemented proactive preventative measures to ensure the safety and well-being of employees and contractors. The Steering Committee has successfully established a roll-out of vaccinations at our U.S. Operations to ensure the continued health and safety of our workforce and mitigate future impacts to production at our U.S. Operations from the pandemic. The Committee has partnered with local vaccine providers in West Virginia and Virginia to inoculate those employees who have requested the vaccination. To date, 392 employees have received the first shot with 222 of those employees being fully vaccinated. The partnerships with vaccine providers allowed most of our employees to be vaccinated on site. The supply of the three vaccinations (Pfizer, Moderna, and Johnson & Johnson) remain plentiful, and as additional employees request the vaccination, they will be directed to the providers in their area who can distribute the vaccine usually within 24-hours of the request. We aim to have the majority of the workforce at our U.S. Operations vaccinated as soon as possible and the workforce at our Australian Operations will be vaccinated according to the Australian Federal government's vaccination program.

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Segment Reporting

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

Results of Operations

How We Evaluate Our Operations

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

Our management uses a variety of financial and operating metrics to analyze our performance. These metrics are significant factors in assessing our operating results and profitability. These financial and operating metrics include: (i) safety and environmental metrics; (ii) total sales volumes and average realized price per Mt sold, which we define as total coal revenues divided by total sales volume; (iii) Met sales volumes and average realized Met price per Mt sold, which we define as Met coal revenues divided by Met sales volume; (iv) average segment mining costs per Mt sold, which we define as mining costs divided by sales volumes for the respective segment; and (v) average segment operating costs per Mt sold, which we define as segment operating costs divided by sales volumes for the respective segment.

Coal revenues are shown on our statement of operations and comprehensive income exclusive of other revenues. Generally, export sale contracts for our Australian Operations require us to bear the cost of freight from our mines to the applicable outbound shipping port, while freight costs from the port to the end destination are typically borne by the customer. The majority of the export sales from our U.S. Operations are recognized at the mine load out when title to the coal passes to the customer similar to a domestic sale. However, for certain U.S. export sales title passes to the customer when the coal is loaded into the vessel at the port, accordingly we bear the cost of freight from our mines to the applicable outbound shipping port as well as the port costs. For our domestic sales, customers typically bear the cost of freight, therefore there are no freight expenses included in the cost of coal revenues.

Non-GAAP Financial Measures; Other Measures

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

Adjusted EBITDA, a non-GAAP measure, is defined as earnings before interest, tax, depreciation, depletion and amortization and other foreign exchange losses. Adjusted EBITDA is also adjusted for certain discrete non-recurring items that we exclude in analyzing each of our segments’ operating performance. Adjusted EBITDA is not intended to serve as an alternative to U.S. GAAP measures of performance and may not be comparable to similarly titled measures presented by other companies. A reconciliation of Adjusted EBITDA to its most directly comparable measure under U.S. GAAP is included below.

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

Mining costs, a non-GAAP measure, is based on reported cost of coal revenues, which is shown on our statement of operations and comprehensive income exclusive of freight expense, Stanwell rebate, other royalties, depreciation, depletion and amortization and selling, general and administrative expenses, adjusted for other items that do not relate directly to the costs incurred to produce coal at mine. Mining costs excludes these cost components as our CODM does not view these costs as directly attributable to the production of coal. Mining costs is used as a supplemental financial measure by management, providing an accurate view of the costs directly attributable to the production of coal at our mining segments, and by external users of our financial statements, such as investors, industry analysts and ratings agencies, to assess our mine operating performance in comparison to the mine operating performance of other companies in the coal industry.

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Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020
Summary

The financial and operational highlights for the three months ended March 31, 2021:

• Sales volume totaled 4.4 MMt for the three months ended March 31, 2021, compared to 4.5 MMt for the three months ended March 31, 2020.

• Net loss increased by \$32.1 million, from \$8.9 million for the three months ended March 31, 2020, to \$41.0 million for the three months ended March 31, 2021. The higher net loss was primarily due to lower coal sales revenues and higher operating costs, partially offset by an income tax benefit.

• Lower coal market prices during the three months ended March 31, 2021 resulted in average realized Met coal pricing of \$94.3 per Mt sold, 7.5% lower compared to \$102.0 per Mt sold for the three months ended March 31, 2020.

• Adjusted EBITDA for the three months ended March 31, 2021, of \$7.6 million, a decrease of \$37.8 million, from Adjusted EBITDA of \$45.4 million for the three months ended March 31, 2020.

• Cash provided by operating activities was \$5.2 million for the three months ended March 31, 2021, an improvement of \$65.2 million compared to cash used of \$60.0 million for the three months ended March 31, 2020.

• As of March 31, 2021, the Company had cash of \$33.4 million (excluding restricted cash) and \$200.9 million of availability under the Syndicated Facility Agreement, subject to a modified liquidity buffer of \$50.0 million.

	For Three months ended March 31,			
	(\$ in thousands)			
	2021	2020	Change	%
Revenues:				
Coal revenues	367,202	399,610	(32,408)	(8.1%)
Other revenues	8,909	9,707	(798)	(8.2%)
Total revenues	376,111	409,317	(33,206)	(8.1%)
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	274,103	256,887	17,216	6.7%
Depreciation, depletion and amortization	53,081	45,302	7,779	17.2%
Freight expenses	52,141	42,381	9,760	23.0%
Stanwell rebate	15,819	32,628	(16,809)	(51.5%)
Other royalties	20,947	24,298	(3,351)	(13.8%)
Selling, general, and administrative expenses	5,775	6,195	(420)	(6.8%)
Total costs and expenses	421,866	407,691	14,175	3.5%
Operating (loss) income	(45,755)	1,626	(47,381)	(2,914.0%)
Other income (expenses):				
Interest expense, net	(15,135)	(12,253)	(2,882)	23.5%
Unwind of discounting and credit losses	3,778	—	3,778	100.0%
Other, net	(2,928)	4,053	(6,981)	(172.2%)
Total other income (expense), net	(14,285)	(8,200)	(6,085)	74.2%
Net (loss) income before tax	(60,040)	(6,574)	(53,466)	813.3%
Income tax benefit (expense)	19,068	(2,291)	21,359	(932.3%)
Net (loss) income	(40,972)	(8,865)	(32,107)	362.2%
Less: Net loss attributable to noncontrolling interest	(2)	(2)	—	—
Net (loss) income attributable to Coronado Global Resources, Inc.	(40,970)	(8,863)	(32,107)	362.3%

Coal Revenues

Coal revenues were \$367.2 million for the three months ended March 31, 2021, a decrease of \$32.4 million, compared to \$399.6 million for the three months ended March 31, 2020. This decrease was driven by lower sales volumes and lower average realized Met coal price for the three months to March 31, 2021, of \$94.3 per Mt sold, a reduction of \$7.7 per Mt sold compared to \$102.0 per Mt sold for the same period in 2020. The negative impact of Chinese import restrictions on

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Australian sourced coal and subsequent pricing were partially offset by the benefits of increased realized Met prices at our U.S. Operations from increased Chinese demand.

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

Cost of coal revenues comprise of costs related to produced tons sold, along with changes in both the volumes and carrying values of coal inventory. Cost of coal revenues include items such as direct operating costs, which includes employee-related costs, materials and supplies, contractor services, coal handling and preparation costs and production taxes. Total cost of coal revenues was \$274.1 million for the three months ended March 31, 2021, an increase of \$17.2 million, or 6.7%, as compared to \$256.9 million for the three months ended March 31, 2020.

The cost of coal revenues for our U.S. Operations decreased \$27.2 million due to lower sales and production volumes. This decrease was offset by an increase in cost of coal revenues for our Australian Operations of \$44.4 million driven by, higher production and sales volumes, higher seasonal wet weather, an equipment breakdown, additional fleet mobilized to accelerate overburden removal and unfavorable average foreign exchange rate on translation of the Australian Operations for the three months ended March 31, 2021 of A\$/US\$: 0.77 compared to 0.66 for the three months ended March 31, 2020.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was \$53.1 million for the three months ended March 31, 2021, an increase of \$7.8 million, as compared to \$45.3 million for the three months ended March 31, 2020. The increase was largely driven by depreciation on additional equipment brought into service during the twelve months since March 31, 2020 and unfavorable average foreign exchange rate on translation of the Australian Operations.

Freight Expenses

Freight expenses primarily relate to the Australian operations and relate to costs associated with take-or-pay commitments for rail and port providers and demurrage costs. Freight expenses totaled \$52.1 million for the three months ended March 31, 2021, an increase of \$9.8 million, as compared to \$42.4 million for the three months ended March 31, 2020. Curragh's freight costs contributed \$5.8 million to this increase driven by higher sales volumes which resulted in higher rail and port charges and unfavorable average foreign exchange rate on translation of the Australian Operations. The remaining increase related to our U.S. Operations driven by certain contracts for which we arrange and pay for transportation costs that did not exist to the same extent in the three months ended March 31, 2020, partially offset by lower sales volumes in the period.

Stanwell Rebate

The Stanwell rebate was \$15.8 million for the three months ended March 31, 2021, a decrease of \$16.8 million, as compared to \$32.6 million for the three months ended March 31, 2020. The decrease was largely driven by lower realized coal pricing during 2021 partially offset by unfavorable average foreign exchange rate on translation of the Australian Operations.

Other Royalties

Other royalties were \$20.9 million in the three months ended March 31, 2021, a decrease of \$3.4 million, as compared to \$24.3 million in the three months ended March 31, 2020. Lower royalties were a product of lower coal sales revenues for the three months ended March 31, 2021, compared to the same period in 2020.

Interest Expense, net

Interest expense, net of \$15.1 million for the three months ended March 31, 2021, increased \$2.9 million, as compared to \$12.3 million for the three months ended March 31, 2020. The increase in interest expense was due to higher average interest rate for the three months ended March 31, 2021, compared to the same period in 2020, partially offset by lower average interest-bearing liabilities period on period.

Unwind of discounting and credit losses

We recognized a provision for discounting and credit losses of \$9.3 million as at December 31, 2020, largely in respect of related party trade receivables from Xcoal. During the three months ended March 31, 2021, the provision for discounting and credit losses was partially unwound to account for passage of time and payments made by Xcoal during the quarter resulting in a benefit of \$3.8M recorded in the Company's results of operations.

Income tax benefit (expense)

Income tax benefit of \$19.1 million for the three months ended March 31, 2021, increased by \$21.4 million, as compared to a tax expense of \$2.3 million for the three months ended March 31, 2020. The 2021 income tax benefit is based on an effective tax rate of 31.8%

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Supplemental Segment Financial Data

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

Australia

	For Three Months Ended March 31,			
	(\$ in thousands)			
	2021	2020	Change	%
Sales volume (MMt)	2.9	2.6	0.3	14.0%
Total revenues (\$)	238,293	245,142	(6,849)	(2.8)%
Coal revenues (\$)	229,450	238,528	(9,078)	(3.8)%
Average realized price per Mt sold (\$/Mt)	78.1	92.6	(14.5)	(15.7)%
Met sales volume (MMt)	2.2	1.8	0.4	23.9%
Met coal revenues (\$)	206,452	212,922	(6,470)	(3.0)%
Average realized Met price per Mt sold (\$/Mt)	94.2	120.3	(26.1)	(21.7)%
Mining costs (\$)	178,977	138,144	40,833	29.6%
Mining cost per Mt sold (\$/Mt)	62.9	54.3	8.6	15.8%
Operating costs (\$)	259,862	230,188	29,674	12.9%
Operating costs per Mt sold (\$/Mt)	88.5	89.3	(0.8)	(0.9)%
Segment Adjusted EBITDA (\$)	(23,059)	13,065	(36,124)	(276.5)%

Coal revenues for Australian Operations for the three months ended March 31, 2021, were \$229.5 million, a decrease of \$9.1 million or 3.8%, compared to \$238.5 million for the three months ended March 31, 2020. This decrease was largely driven by lower average realized Met coal pricing as a result of China’s import restrictions on Australian coal leading to lower Australian seaborne benchmark pricing. The average realized Met price for the current quarter was \$94.2 per Mt sold, which is \$26.1 per Mt lower compared to the same quarter last year. The impact on the Australian Operations from a volume perspective is minimal. Our Australian Operations do not have term volume contracts with Chinese counterparts and only sell into this market sporadically. Sales volumes were 0.3 MMt higher in the three months ended March 31, 2021, compared to the same period last year, primarily due to the impact of temporary suspension of operations at the Curragh Mine following safety incident in the first quarter of 2020.

Operating costs increased by \$29.7 million, or 12.9%, for the three months ended March 31, 2021, compared to the three months ended March 31, 2020. The increase was driven by higher mining costs and freight costs, partially offset by lower royalties and Stanwell rebate (mainly due to lower realized coal pricing). Mining cost per ton of \$62.9 per Mt sold was 15.8% higher compared to the three months ended March 31, 2020, impacted by higher seasonal wet weather, mine equipment breakdown, additional fleet mobilized to accelerate overburden removal and unfavorable average foreign exchange rate on translation of the Australian Operations for the three months ended March 31, 2021 of A\$/US\$: 0.77 compared to 0.66 for the three months ended March 31, 2020, partially offset by higher sales volumes.

Adjusted EBITDA decreased by \$36.1 million, to a loss of \$23.1 million for the three months ended March 31, 2021 as compared to Adjusted EBITDA \$13.1 million for the three months ended March 31, 2020, due to lower coal revenues and higher operating costs.

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United States

	For Three Months Ended March 31,			
	(\$ in thousands)			
	2021	2020	Change	%
Sales volume (MMt)	1.5	1.9	(0.4)	(23.6)%
Total revenues (\$)	137,818	164,175	(26,357)	(16.1)%
Coal revenues (\$)	137,752	161,082	(23,330)	(14.5)%
Average realized price per Mt sold (\$/Mt)	93.6	83.6	10.0	12.0%
Met sales volume (MMt)	1.4	1.9	(0.5)	(22.9)%
Met coal revenues (\$)	136,984	159,361	(22,377)	(14.0)%
Average realized Met price per Mt sold (\$/Mt)	94.5	84.7	9.8	11.6%
Mining costs (\$)	89,206	116,625	(27,419)	(23.5)%
Mining cost per Mt sold (\$/Mt)	60.7	60.5	0.2	0.3%
Operating costs (\$)	103,149	126,006	(22,857)	(18.1)%
Operating costs per Mt sold (\$/Mt)	70.1	65.4	4.7	7.2%
Segment Adjusted EBITDA (\$)	36,530	38,250	(1,720)	(4.5)%

Coal revenues decreased by \$23.3 million, or 14.5%, to \$137.8 million for the three months ended March 31, 2021 as compared to \$161.1 million for the three months ended March 31, 2020. This decrease was largely driven by lower sales volumes of 1.5 MMt for the first quarter of 2021 compared to 1.9 MMt for the same period in 2020, resulting from poor rail service which delayed timing of certain shipments and lower production. This decrease was partially offset by higher average realized Met coal pricing of \$94.5 per Mt sold, \$9.8 per Mt sold higher for the three months March 31, 2021, compared to \$84.7 per Mt sold for the same period in 2020. Average realized price per Mt sold has improved due to increased demand from China for U.S. sourced metallurgical coal benefitting from the current Chinese import restrictions on Australian sourced coal. The restrictions do not apply to our U.S. Operations which has seen Buchanan cargoes to China increase during the quarter. Towards the end of the quarter we started to see materially improved pricing for Buchanan.

Operating costs decreased by \$22.9 million, or 18.1%, to \$103.1 million for the three months ended March 31, 2021 compared to operating costs of \$126.0 million for the three months ended March 31, 2020. The decrease was due to lower mining costs of \$27.2 million, as a result of lower sales and production volumes partially offset by an increase in freight expenses driven by certain contracts for which we arrange and pay for transportation costs that did not exist to the same extent during the same period in 2020.

For the three months ended March 31, 2021, Adjusted EBITDA decreased by \$1.7 million, or 4.5%, compared to the March 31, 2020 quarter, which was driven by lower coal revenues partially offset by lower operating costs.

Corporate and Other Adjusted EBITDA

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

	For Three Months Ended March 31,			
	(\$ in thousands)			
	2021	2020	Change	%
Selling, general, and administrative expenses	5,775	6,195	(420)	(6.8)%
Other, net	55	(302)	357	118.2%
Total Corporate and Other Adjusted EBITDA	5,830	5,893	(63)	(1.1)%

Corporate and other costs decreased \$0.1 million to \$5.8 million for the three months ended March 31, 2021, as compared to \$5.9 million for the three months ended March 31, 2020. The decrease in selling, general, and administrative expenses was primarily driven by improved efficiencies and cost saving initiatives to reduce corporate spend in 2021 compared to the 2020 comparative period.

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Mining and operating costs for the Three Months Ended March 31, 2021 compared to Three Months Ended March 31, 2020

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

For Three Months Ended March 31, 2021				
(\$ in thousands)				
	Australia	United States	Other / Corporate	Total Consolidated
Total costs and expenses	287,749	128,163	5,954	421,866
Less: Selling, general and administrative expense	—	(1)	(5,774)	(5,775)
Less: Depreciation, depletion and amortization	(27,887)	(25,013)	(181)	(53,081)
Total operating costs	259,862	103,149	(1)	363,010
Less: Other royalties	(16,265)	(4,682)	—	(20,947)
Less: Stanwell rebate	(15,819)	—	—	(15,819)
Less: Freight expenses	(43,134)	(9,007)	—	(52,141)
Less: Other non-mining costs	(5,667)	(254)	—	(5,921)
Total mining costs	178,977	89,206	(1)	268,182
Sales Volume excluding non-produced coal (MMt)	2.8	1.5	—	4.3
Mining cost per Mt sold (\$)	62.9	60.7	—	62.2

For Three Months Ended March 31, 2020				
(\$ in thousands)				
	Australia	United States	Other / Corporate	Total Consolidated
Total costs and expenses	249,957	151,363	6,371	407,691
Less: Selling, general and administrative expense	—	—	(6,195)	(6,195)
Less: Depreciation, depletion and amortization	(19,769)	(25,357)	(176)	(45,302)
Total operating costs	230,188	126,006	—	356,194
Less: Other royalties	(19,961)	(4,337)	—	(24,298)
Less: Stanwell rebate	(32,628)	—	—	(32,628)
Less: Freight expenses	(37,337)	(5,044)	—	(42,381)
Less: Other non-mining costs	(2,118)	—	—	(2,118)
Total mining costs	138,144	116,625	—	254,769
Sales Volume excluding non-produced coal (MMt)	2.5	1.9	—	4.4
Mining cost per Mt sold (\$)	54.3	60.5	—	56.8

Average realized Met coal revenue for the Three Months Ended March 31, 2021 compared to Three Months Ended March 31, 2020

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

For Three Months Ended September 30,				
(\$ in thousands)				
	2021	2020	Change	%
Met sales volume (MMt)	3.6	3.7	(0.1)	(2.7)%
Met coal revenues (\$)	343,436	372,283	(28,847)	(7.7)%
Average realized Met price per Mt sold (\$/Mt)	94.3	102.0	(7.7)	(7.5)%

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Reconciliation of Non-GAAP Financial Measures

Adjusted EBITDA

	For Three Months Ended	
	March 31,	
	2021	2020
	(US \$ thousands)	
Reconciliation to Adjusted EBITDA:		
Net (loss) income	(40,972)	(8,865)
Add: Depreciation, depletion and amortization	53,081	45,302
Add: Interest expense (net of income)	15,135	12,253
Add: Other foreign exchange losses (gains)	1,749	(5,559)
Add: Income tax (benefit) expense	(19,068)	2,291
Add: Losses on idled assets held for sale	1,494	—
Add: Unwind of discounting and credit losses	(3,778)	—
Adjusted EBITDA	7,641	45,422

Liquidity and Capital Resources

Overview

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

Our main uses of cash have historically been, and are expected to continue to be, the funding of our operations, working capital and capital expenditure and debt service obligations. Based on our outlook for the next 12 months, which is subject to continued changing demand from our customers, volatility in coal prices and the uncertainty of impacts from the COVID-19 pandemic on the global economy and the uncertainty of timing of the Chinese ban on Australian sourced coal, we believe expected cash generated from operations together with available borrowing facilities and other strategic and financial initiatives, will be sufficient to meet the needs of our existing operations and service our debt obligations.

Our ability to generate sufficient cash depends on our future performance which may be subject to a number of factors beyond our control, including general economic, financial and competitive conditions and other risks described in this document and in Part I, Item 1A. “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC and ASX on February 25, 2021. The Company is continuing to pursue a number of strategic initiatives to strengthen its liquidity and ensure compliance with its financial covenants when the waiver period expires on September 30, 2021. These initiatives include, among other things, further operating and capital cost control measures, potential for non-core asset sales or other funding measures and, if required, engagement on further extensions to the waiver. These steps are expected to ensure the continuing availability of the SFA beyond September 30, 2021.

Liquidity as of March 31, 2021 and December 31, 2020 was as follows:

	March 31, 2021	December 31, 2020
	(\$ in thousands)	
Cash, excluding restricted cash	33,449	45,485
Availability under Revolving Syndicate Facility Agreement ⁽¹⁾	200,887	222,375
Total	234,336	267,860

⁽¹⁾ The availability to fully draw down under the SFA is subject to a modified liquidity buffer of \$50 million, leading to a review event process if amounts within this buffer are drawn down during the extended waiver period (i.e. before 30 September 2021). However, lender consent required to access the remaining \$50 million was removed as part of the recent waiver extension.

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Our total indebtedness as of March 31, 2021 and December 31, 2020 consisted of the following:

	March 31, 2021	December 31, 2020
	(\$ in thousands)	
Current instalments of other financial liabilities and finance lease obligations	5,188	4,231
Interest bearing liabilities, excluding current instalments	324,113	327,625
Other financial liabilities, excluding current instalments	17,646	—
Total	346,947	331,856

Liquidity

As of March 31, 2021, available liquidity was \$234.3 million comprising cash and cash equivalents (excluding restricted cash) of \$33.4 million and \$200.9 million of available borrowing facilities under the SFA, \$50 million of which is subject to a modified liquidity buffer (described above). As of December 31, 2020, available liquidity was \$267.9 million comprising cash and cash equivalents of \$45.5 million and \$222.4 million of available borrowing facilities.

In light of the COVID-19 pandemic, the Company has taken steps to strengthen its financial position and maintain financial flexibility.

On May 25, 2020 the Company concluded an agreement with lenders under the SFA to waive compliance with certain financial covenants for the period from May 25, 2020 to February 28, 2021. On August 12, 2020, the Company secured a further extension to the waiver of its financial covenants to September 30, 2021.

The waiver provides additional flexibility to work through this period of significant uncertainty, lower demand and pricing for Met coal that has been brought about by the global COVID-19 pandemic. During the waiver period the Company will have additional reporting undertakings and additional restrictions on certain terms and conditions, including in relation to divestments, dividends and new indebtedness. During the waiver period we are required to provide additional financial information to the lenders each month and have agreed to limit financial indebtedness and asset sales that are not pre-approved by lenders.

On January 6, 2021, we raised financing of \$23.5 million (A\$30.2 million) post the completion of sale and leaseback arrangements with a third-party financier for selected Heavy Mining Equipment, or HME, assets at our Australian Operations. In accordance with the Second Waiver Letter, all the proceeds we received from the transaction were used to repay a portion of drawn balances under the SFA.

The Company continues to actively review plans for reducing operating, corporate and capital expenditure to ensure sufficient available liquidity under the SFA during this period of uncertainty and volatility.

Refinancing Update:

On May 3, 2021, we entered into an underwriting agreement to issue approximately 29.26 million shares of our common stock in the form of CDIs, or the Equity Offering, at a price per CDI of \$0.45 for gross proceeds of approximately \$100.0 million.

On May 4, 2021, a wholly-owned subsidiary of the Company, Coronado Finance Pty Ltd, successfully price an offering for US\$350 million aggregate principal amount of 10.750% Senior Secured Notes due 2026, or the Notes.

Concurrent with the issuance of the Notes, we also intend to enter into a senior secured asset-based revolving credit agreement in an initial aggregate principal amount of US\$100.0 million, or the ABL Facility.

We intend to use the proceeds from the offering of the Notes, along with the proceeds from the institutional portion of the Equity Offering, to, among other things, (i) repay all outstanding obligations under the SFA and to terminate such agreement; and (ii) cash collateralize one or more credit support facilities with approximately \$70.0 million in cash which will be used to replace and/or provide back-to-back support for bank guarantees which have been issued under the SFA or to temporarily cash collateralize some or all such bank guarantees to allow for their orderly replacement under a credit support facility.

The Company does not intend to draw on the ABL Facility in connection with the closing of the transactions. See note 17 “Subsequent Events.”

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Cash

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

Secured Credit Facilities

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

- Facility A — \$334 million multicurrency revolving loan facility available for general working capital and corporate purposes;
- Facility B — A\$130 million multicurrency bank guarantee facility; and
- Facility C — \$191 million multicurrency revolving loan facility available for general working capital and corporate purposes.

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

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

At March 31, 2021, the Company had \$272.9 million drawn and \$61.2 million undrawn under Facility A, and \$ 51.3 million drawn and \$139.6 million undrawn under Facility C.

On May 25, 2020, the Company executed a Syndicated Facility Agreement Waiver Letter, or First Waiver Letter, which, among other matters, waived compliance with certain financial covenants for the period from May 25, 2020 to February 28, 2021.

On August 12, 2020, the Company executed the Second Waiver Letter to further waive its financial covenants to September 30, 2021, or waiver period. The waiver extension was conditional upon the successful completion of a minimum equity raising on the ASX, completed on August 26, 2020, which was used to repay a portion of drawn down balances under the SFA. As part of the waiver extension agreement, the Company's credit facility permanently reduced by \$25.0 million in February 2021 and will permanently reduce in a further two steps by \$25.0 million each, in May and August 2021. The net proceeds of certain permitted disposals are required to be applied towards repayment of the existing facilities and 40% of such net proceeds will contribute towards the facility limit reduction obligation.

The Second Waiver Letter provides the Company with additional flexibility to work through the current period of lower demand and pricing for Met coal as a result of COVID-19. Testing of financial covenants will occur as at September 30, 2021 with the compliance certificate to be delivered by October 31, 2021.

During the waiver period the Company has agreed to additional reporting requirements and other restrictions, including on new indebtedness and asset sales. The payment of dividends during the waiver period is also subject to additional conditions including demonstrating compliance with the financial covenants in the SFA (both historical and on a 6-month forecast basis) as if there had not been a financial covenant waiver, and no review event continuing or resulting from the payment of the dividend. In addition, under the Second Waiver Letter, availability to fully draw down under the SFA is subject to a modified liquidity buffer of \$50 million leading to a review event process if amounts within this buffer are drawn down during the waiver period (i.e. before September 30, 2021). However, the lender consent previously required to access the remaining \$50 million has been removed by the Second Waiver Letter. As a result, where the available balance of certain of the facilities under the SFA is less than \$50 million, the Company must enter into an up to 30 day negotiation period with the lenders in relation to the terms on which the majority lenders would be prepared to continue to provide, fund or maintain the facilities. If no agreement is reached, the Company's lenders may cancel whole or part of the facility, and require repayment.

At the end of, or after the waiver period, a breach of the financial covenants will constitute an event of default under the SFA and all amounts outstanding at that point may become due and payable, unless the lenders extend the waiver period. The terms of the SFA will revert to the originally agreed terms at the end of the waiver period.

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Subsequent to March 31, 2021, the Company announced a proposed refinancing package comprised of a new senior secured notes offering and a new asset-based revolving credit facility in conjunction with an equity raise. A portion of the proceeds from these proposed transactions are intended to repay all the outstanding obligations under the SFA and to terminate such agreement. See “Refinancing Update” above and note 17 “Subsequent Events” to our unaudited condensed consolidated financial statements for further information.

Bank Guarantees

We are required to provide financial assurances and securities to satisfy contractual and other requirements generated in the normal course of business. Some of these assurances are provided to comply with state or other government agencies’ statutes and regulations. Facility B is available for this purpose and as of March 31, 2021, we had issued multicurrency Bank Guarantees totaling A\$87.3 million to satisfy these requirements, leaving A\$42.7 million available under Facility B.

Secured Credit Facilities Terms

Interest Rate

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

Financial Covenants

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

As discussed above under “Liquidity - *Secured Credit Facilities*”, on August 12, 2020, the Company executed the Second Waiver Letter, which waives compliance with certain financial covenants for the period to September 30, 2021. The Second Waiver Letter provides the Company with additional flexibility to work through this period of lower demand and pricing for Met coal as a result of COVID-19.

Dividend

During the three months to March 31, 2021 we did not pay dividends to stockholders and CDI holders on the ASX.

Capital Requirements

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

Historical Cash Flows

The following table summarizes our cash flows for the three months ended March 31, 2021 and 2020, as reported in the accompanying consolidated financial statements:

Cash Flow

	For Three months ended March 31,	
	2021	2020
	(\$ in thousands)	
Net cash provided by (used in) operating activities	5,239	(59,987)
Net cash used in investing activities	(32,904)	(41,447)
Net cash provided by financing activities	14,113	97,291
Net change in cash and cash equivalents	(13,552)	(4,143)
Effect of exchange rate changes on cash and restricted cash	1,516	(3,967)
Cash and restricted cash at beginning of period	45,736	26,553
Cash and restricted cash at end of period	<u>33,700</u>	<u>18,443</u>

Operating activities

Net cash provided by operating activities was \$5.2 million for the three months ended March 31, 2021, compared to a cash used in operating activities of \$60.0 million for the three months ended March 31, 2020. The increased in cash provided by

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operating activities was primarily due to a reduction in working capital, driven largely by collections of amounts outstanding from customers including trade receivables from a related party, Xcoal, partially offset by a decline in operating income.

Investing activities

Net cash used in investing activities was \$32.9 million for the three months ended March 31, 2021, compared to \$41.5 million for the three months ended March 31, 2020. Capital expenditures for the three months ended March 31, 2021 was \$28.6 million, of which \$7.0 million related to the Australian Operations, \$20.5 million related to the U.S. Operations and the remaining \$1.1 million for other and corporate. During the three months ended March 31, 2021, \$4.5 million of additional deposits were provided as collateral for our U.S. workers compensation obligations.

Financing activities

Net cash provided by financing activities was \$14.1 million for the three months ended March 31, 2021, compared to \$97.3 million for the three months ended March 31, 2020. Included in the net cash provided in financing activities for the three months ended March 31, 2021, were proceeds from borrowings of \$53.5 million, including proceeds of \$23.5 million post completion of a financing arrangement for the sale and lease back of heavy mining equipment owned by Curragh, repayment of borrowings of \$38.1 million, and \$1.3 million for debt issuance costs.

Net cash provided by financing activities during the three months ended March 31, 2020, included proceeds from borrowings of \$145.0 million, repayment of borrowings of \$20.0 million and \$24.2 million for dividends paid to shareholders of the Company.

Contractual Obligations

There were no material changes to our contractual obligations from the information previously provided in Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC and ASX on February 25, 2021.

Critical Accounting Policies and Estimates

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

Our critical accounting policies are discussed in Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC and ASX on February 24, 2021.

Newly Adopted Accounting Standards and Accounting Standards Not Yet Implemented

See Note 2. (a) “Newly Adopted Accounting Standards” and Note 2. (b) “Accounting Standards Not Yet Implemented” to our unaudited condensed consolidated financial statements for a discussion of newly adopted accounting standards and accounting standards not yet implemented.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

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

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

Commodity Price Risk

Coal Price Risk

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

Access to international markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import or export of certain commodities. For example, the current imposition of tariffs and import quota restrictions by China on U.S. and Australian coal imports, respectively, including the ongoing suspension of imports of Australian coal into China, may in the future have a negative impact on our profitability. We may or may not be able to access alternate markets for our coal should additional interruptions and trade barriers occur in the future. An inability for Met coal suppliers to access international markets, including China, would likely result in an oversupply of Met coal and may result in a decrease in prices and or the curtailment of production.

We manage our commodity price risk for our non-trading, thermal coal sales through the use of long-term coal supply agreements in our U.S. Operations. In Australia, thermal coal is sold to Stanwell on a supply contract. See Item 1A. “Risk Factors—Risks related to the Supply Deed with Stanwell may adversely affect our financial condition and results of operations” in our Annual Report on Form 10-K filed with the SEC and ASX on February 25, 2021.

Sales commitments in the Met coal market are typically not long-term in nature, and we are therefore subject to fluctuations in market pricing. Certain coal sales in our Australian Operations are provisionally priced initially. Provisionally priced sales are those for which price finalization, referenced to the relevant index, is outstanding at the reporting date. The final sales price is determined within 7 to 90 days after delivery to the customer. At March 31, 2021, there were \$33.4 million of outstanding provisionally priced sales. If prices were to decrease 10%, provisionally priced sales would decrease by \$3.3 million. See item 1A. “Risk Factors—Our profitability depends upon the prices we receive for our coal. Prices for coal are volatile and can fluctuate widely based upon a number of factors beyond our control” in our Annual Report on Form 10-K filed with the SEC and ASX on February 25, 2021.

Diesel Fuel

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

The fuel required for our U.S. Operations in fiscal year 2021 will be purchased under fixed-price contracts or on a spot basis. For our Australian Operations, we have entered into forward derivative contracts to purchase diesel fuel with respect to our fuel requirements at Curragh in 2021 of which 102.1 million liters were outstanding as of March 31, 2021. The fair value of the forward derivative contracts as of March 31, 2021 was an asset of \$4.1 million.

Interest Rate Risk

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

As of March 31, 2021, we had \$22.8 million of fixed-rate borrowings and \$324.1 million of variable-rate borrowings outstanding. As discussed in Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of

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Operations—Liquidity and Capital Resources—Liquidity,” as of March 31, 2021, the drawn debt facility of \$324.1 million incurred a variable interest rate of LIBOR or BBSY bid plus a margin. As of March 31, 2021, a 10% increase in the market interest rate on our variable-rate borrowings of \$324.1 million would increase our annual interest expense by \$0.1 million. We currently do not hedge against interest rate fluctuations.

Foreign Exchange Risk

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

Our main exposure is to the A\$-US\$ exchange rate through our Australian Operations, which have predominantly A\$ denominated costs. Greater than 90% of expenses incurred at Curragh are denominated in A\$. Approximately 10% of Curragh’s purchases are made with reference to US\$, which provides a natural hedge against foreign exchange movements on these purchases (including fuel, some port handling charges, demurrage, purchased coal and some insurance premiums). Appreciation of the A\$ against US\$ will increase Curragh’s US\$ reported cost base and reduce US\$ reported net income. For the portion of US\$ required to purchase A\$ to settle Curragh’s operating costs, a 10% increase in the A\$ to US\$ exchange rate would increase reported total costs and expenses by approximately \$23.1 million for the three months ended March 31, 2021.

Under normal market conditions, we generally do not consider it necessary to hedge our exposure to this foreign exchange risk. However, there may be specific commercial circumstances, such as the hedging of significant capital expenditure, acquisitions, disposals and other financial transactions, where we may deem foreign exchange hedging as appropriate and where a US\$ contract cannot be negotiated directly with suppliers and other third parties.

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

We currently do not hedge our non-US\$ exposures against exchange rate fluctuations.

Credit Risk

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

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

We are also exposed to counterparty credit risk arising from our operating activities, primarily from trade receivables. Customers who wish to trade on credit terms are subject to credit verification procedures, including an assessment of their independent credit rating, financial position, past experience and industry reputation. We monitor the financial performance of counterparties on a routine basis to ensure credit thresholds are achieved. Where required, we will request additional credit support, such as letters of credit, to mitigate against credit risk. Credit risk is monitored regularly, and performance reports are provided to our management and Board of Directors.

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ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Group Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure based solely on the definition of “disclosure controls and procedures” in Rule 13a-15(e) promulgated under the Exchange Act. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of the end of the period covered by this report, we carried out an evaluation under the supervision and with the participation of our management, including the Chief Executive Officer and the Group Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on the foregoing, the Chief Executive Officer and the Group Chief Financial Officer concluded that our disclosure controls and procedures were effective.

Changes to Internal Control over Financial Reporting

During the fiscal quarter covered by this Quarterly Report on Form 10-Q, there were no changes in the Company's internal controls over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act, that materially affected, or are reasonably likely to materially affect, the Company’s internal controls over financial reporting.

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PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are subject to various legal and regulatory proceedings. For a description of our significant legal proceedings refer to Note 16. “Contingencies” to the unaudited condensed consolidated financial statements included in Part I, Item 1. “Financial Statements” of this Quarterly Report, which information is incorporated by reference herein.

ITEM 1A. RISK FACTORS

Except as set forth below, there were no material changes to the risk factors previously disclosed in Part I, Item 1A, “Risk Factors”, of our Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC and ASX on February 25, 2021:

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

Access to international markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries, and the actions of certain interest groups to restrict the import or export of certain commodities. For example, the current imposition of tariffs and import quota restrictions by China on U.S. and Australian coal imports, respectively, including the ongoing suspension of imports of Australian coal into China, may in the future have a negative impact on our profitability. The timing of any change to these measures remains uncertain, and there can be no guarantee that other tariffs, import quota restrictions, bans or other trade barriers will not be imposed (whether as a result of geopolitical tensions or for other reasons), either by China or in other markets for our products. We may or may not be able to access alternate markets for our coal should additional interruptions and trade barriers occur in the future. An inability for Met coal suppliers to access international markets, including China, would likely result in an oversupply of Met coal and may result in a decrease in prices and or the curtailment of production, which could have a material adverse effect on our financial condition and results of operations.

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

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Safety is the cornerstone of the Company’s values and is the number one priority for all employees at Coronado Global Resources.

Our U.S. Operations include multiple mining complexes across three states and are regulated by both the U.S. Mine Safety and Health Administration, or MSHA, and state regulatory agencies. Under regulations mandated by the Federal Mine Safety and Health Act of 1977, or the Mine Act, MSHA inspects our U.S. mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act.

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

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

ITEM 5. OTHER INFORMATION

NONE.

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ITEM 6. EXHIBITS

The following documents are filed as exhibits hereto:

Exhibit No.	Description of Document
3.1	Amended and Restated Certificate of Incorporation (filed as Exhibit 3.1 to the Company’s Registration Statement on Form 10 (File No. 000-56044) filed on April 29, 2019 and incorporated herein by reference)
3.2	Amended and Restated By-Laws (filed as Exhibit 3.2 to the Company’s Registration Statement on Form 10 (File No. 000-56044) filed on April 29, 2019 and incorporated herein by reference)
15.1	Acknowledgement of Independent Registered Public Accounting Firm
31.1	Certification of the Chief Executive Officer pursuant to SEC Rules 13a-14(a) or 15d-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Group Chief Financial Officer pursuant to SEC Rules 13a-14(a) or 15d-14(a) adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
95.1	Mine Safety Disclosures
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

<https://www.sec.gov/Archives/edgar/data/0001770561/000156276221000212/Form10-Q...> 11/05/2021

EXHIBIT 15.1

**ACKNOWLEDGMENT OF ERNST & YOUNG,
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

We are aware of the incorporation by reference in the following Registration Statements (including all amendments thereto) of Coronado Global Resources Inc. (the “Company”):

Form S-3 No. 333-239730

Form S-8 No. 333-236597 and No. 333-249566

of our review report dated May 10, 2021 relating to the unaudited condensed consolidated interim financial statements of the Company that are included in its Form 10-Q for the quarter ended March 31, 2021.

/s/ Ernst & Young
Brisbane, Australia
May 10, 2021

EX-31.1 3 ex311.htm EX-31.1

[Table of Contents](#)**EXHIBIT 31.1****CERTIFICATION**

I, Garold Spindler, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coronado Global Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021.

/s/ Garold Spindler
Garold Spindler
Managing Director and Chief Executive Officer

EX-31.2 4 ex312.htm EX-31.2

[Table of Contents](#)**EXHIBIT 31.2****CERTIFICATION**

I, Gerhard Ziems, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Coronado Global Resources Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2021.

/s/ Gerhard Ziems

Gerhard Ziems
Group Chief Financial Officer

EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Coronado Global Resources Inc. (the “Company”) on Form 10-Q for the quarterly period ended March 31, 2021, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the company certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

/s/ Garold Spindler

Garold Spindler
Managing Director and Chief Executive Officer

/s/ Gerhard Ziems

Gerhard Ziems
Group Chief Financial Officer

Date: May 10, 2021.

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff on request.

Exhibit 95.1

Mine Safety Disclosures

Safety is the cornerstone of our Company’s values and is the number one priority for all employees at Coronado Global Resources. Our mining operation at Curragh, located in Australia, is subject to regulation by the Queensland Department of Natural Resources, Mine and Energy, or DNRME, under the Coal Mining Safety and Health Act 1999 (Qld). The operation of our mines located in the United States is subject to regulation by the Mine Safety and Health Administration, or MSHA, under the Federal Mine Safety and Health Act of 1977, or the Mine Act. MSHA inspects these mines on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. We present information below regarding certain mining safety and health citations that MSHA has issued with respect to our mining operations. In evaluating this information, consideration should be given to factors such as: (i) the number of citations and orders will vary depending on the size of the mine; (ii) the number of citations issued will vary from inspector to inspector and mine to mine; and (iii) citations and orders can be contested and appealed and, in that process, are often reduced in severity and amount, and are sometimes dismissed. Since MSHA is a branch of the U.S. Department of Labor, its jurisdiction only applies to our operations in the United States. As such, the mine safety disclosures included herein do not contain information related to our Australian mines.

Under the Dodd-Frank Act, each operator of a coal or other mine is required to include certain mine safety results within its periodic reports filed with the Securities and Exchange Commission, or the SEC. As required by the reporting requirements included in §1503(a) of the Dodd-Frank Act and Item 104 of Regulation S-K (17 CFR 229.104), we present the following items regarding certain mining safety and health matters, for the quarter ended March 31, 2021, for each of our mine locations that are covered under the scope of the Dodd-Frank Act.

The table that follows reflects citations and orders issued to us by MSHA during the quarter ended March 31, 2021. The table only includes those mines that were issued orders or citations during this period, and commensurate with SEC regulations, does not reflect orders or citations issued to independent contractors working at our mines. The proposed assessments for the quarter ended March 31, 2021, were retrieved from the MSHA Data Retrieval System, or MSHA DRS, as of April 1, 2021.

MSHA Mine ID No.	Mine Name (1)(2)(3)	(A)	(B)	(C)	(D)	(E)	(F)	(G)
		Section 104 S&S Citations	Section 104(b) Orders	Section 104 (d) Citations and Orders	Section 110 (b)(2) Violations	Section 107(a) Orders	Total Dollar Value of MSHA Assessments Proposed (\$ Thousands)	Total Number of Mining Related Fatalities
4404856	Buchanan Mine #1	7	—	—	—	—	\$13.1	—
4609217	Powellton #1 Mine	14	—	—	—	—	\$43.0	—
4609319	Lower War Eagle	5	—	—	—	—	\$6.6	—
4609563	Eagle No. 1 Mine	8	—	—	—	—	\$6.3	—
4609084	Laurel Fork Mine	—	—	—	—	—	\$0.1	—
4602140	Saunders Prep Plant	5	—	—	—	—	\$1.6	—
4609292	Buck Lilly Surface Mine	—	—	—	—	—	—	—
4609564	Elklick Surface Mine	1	—	—	—	—	\$0.3	—
4609514	Muddy Bridge	3	—	—	—	—	\$1.1	—
4609175	Mountaineer Pocahontas No. 1 Load-Out	—	—	—	—	—	—	—
4609101	Toney Fork Surface Mine	2	—	—	—	—	\$2.1	—
Total:		45	—	—	—	—	\$74.1	—

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- (1) The definition of “mine” under Section 3 of the Mine Act includes the mine, as well as other items used in, or to be used in, or resulting from, the work of extracting coal, such as land, structures, facilities, equipment, machines, tools and coal preparation facilities. Also, there are instances where the mine name per the MSHA system differs from the mine name utilized by us.
- (2) Idle facilities are not included in the table above unless they received a citation, order or assessment by MSHA during the current quarterly reporting period or are subject to pending legal actions.
- (3) During the quarter ended March 31, 2021, none of the Company’s mines have received written notice from MSHA of a pattern of violations or the potential to have such a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety standards under section 104(e) of the Mine Act.

References used in the table above are as follows:

- A. The total number of violations of mandatory health or safety standards that could significantly and substantially contribute to the cause and effect of a coal or other mine safety or health hazard under section 104 of the Mine Act (30 U.S.C. 814) for which the operator received a citation from MSHA.
- B. The total number of orders issued under section 104(b) of the Mine Act (30 U.S.C. 814(b)).
- C. The total number of citations and orders for unwarrantable failure of the mine operator to comply with mandatory health or safety standards under section 104(d) of the Mine Act (30 U.S.C. 814(d)).
- D. The total number of flagrant violations under section 110(b)(2) of the Mine Act.
- E. The total number of imminent danger orders issued under section 107(a) of the Mine Act (30 U.S.C. 817(a)).
- F. The total dollar value of proposed assessments from MSHA under the Mine Act (30 U.S.C. 801 et seq.).
- G. The total number of mining-related fatalities.

The table below presents legal actions pending before the Federal Mine Safety and Health Review Commission, or FMSHRC, for each of the Company’s mines as of March 31, 2021, together with the number of legal actions initiated and the number of legal actions resolved during the quarter ended March 31, 2021.

		Legal Actions Pending as of Last Day of Quarter (March 31, 2021) (1)							
MSHA Mine ID No.	Mine Name	Contests of Citations and Orders (Subpart B)	Contests of Proposed Penalties (Subpart C)	Complaints for Compensation (Subpart D)	Complaints of Discharge, Discrimination or Interference (Subpart E)	Applications of Temporary Relief (Subpart F)	Appeals of Judges’ Decisions or Orders (Subpart H)	Legal Actions Initiated During Quarter	Legal Actions Resolved During Quarter
4404856	Buchanan Mine #1	—	—	—	—	—	—	—	3
4609563	Eagle No. 1 Mine	—	—	—	—	—	—	—	2
4609217	Powellton #1 Mine	—	4	—	—	—	—	3	1
4609319	Lower War Eagle Mine	—	3	—	—	—	—	2	—
4602140	Saunders Prep Plant	2	—	—	—	—	—	2	2
Total:		2	7	—	—	—	—	7	8

- (1) The legal actions pending shown in the table above have been categorized by type of proceeding with reference to the procedural rules established by the FMSHRC under 29 CFR Part 2700. Reference to the applicable Subparts under this Rule are listed in the columns above.