

ASX Announcement

26 May 2022

2022 Annual General Meeting of Stockholders: Chairman's Address

Coronado Global Resources Inc (ASX: CRN) is pleased to provide a copy of the Chairman's Address to be delivered at the Annual General Meeting of Stockholders (AGM) on Thursday 26 May 2022, 10.00am Australian Eastern Standard Time (or Wednesday 25 May 2022 at 8.00pm US Eastern Time) conducted by live webcast.

Please refer to the details for attendance at the virtual AGM are set out in the Proxy Statement (including Notice of Meeting) lodged with the ASX on 14 April 2022 and on Coronado's website at: <https://coronadoglobal.com/annual-general-meeting-information/>.

– Ends –

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

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Forward-Looking Statements

This release contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, 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 impact of the COVID-19 pandemic and related governmental and economic responses thereto, as well as our plans, objectives and expectations for our business, operations, financial performance and condition. Forward-looking statements may be identified by words such as "may," "could," "believes," "estimates," "expects," "intends," "plans," "anticipate," "forecast," "outlook," "target," "likely," "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, our announced plans, including our plan to issue dividends and distributions, or an investment in our securities include, but are not limited to: uncertainty in global economic conditions, including the extent, duration and impact of the Russian and Ukraine war, as well as 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 future public health crisis (such as COVID-19) 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, including sales related and maintenance costs; the loss of, or significant reduction in, purchases by our largest customers; risks unique to international mining and trading operations, including tariffs and other barriers to trade; unfavorable economic and financial market conditions; our ability to continue acquiring and developing coal reserves that are economically recoverable; uncertainties in estimating our economically recoverable coal reserves; transportation for our coal becoming unavailable or uneconomic for our customers; the risk that we may be required to pay for unused capacity pursuant to the terms of our take-or-pay arrangements with rail and port operators; our ability to retain key personnel and attract qualified personnel; any failure to maintain satisfactory labor relations; our ability to obtain, renew or maintain permits and consents necessary for our operations; potential costs or liability under applicable environmental laws and regulations, including with respect to any exposure to hazardous substances caused by our operations, as well as any environmental contamination our properties may have or our operations may cause; extensive regulation of our mining operations and future regulations and developments; our ability to provide appropriate financial assurances for our obligations under applicable laws and regulations; assumptions underlying our asset retirement obligations for reclamation and mine closures; concerns about the environmental impacts of coal combustion, including perceived impacts on global climate issues, which could result in increased regulation of coal combustion in many jurisdictions and divestment efforts affecting the investment community; the extensive forms of taxation that our mining operations are subject to, and future tax regulations and developments; any cyber-attacks or other security breaches that disrupt our operations or result in the dissemination of proprietary or confidential information about us, our customers or other third parties; a decrease in the availability or increase in costs of key supplies, capital equipment or commodities, such as diesel fuel, steel, explosives and tires; the risk that we may not recover our investments in our mining, exploration and other assets, which may require us to recognize impairment charges related to those assets; risks related to divestitures and acquisitions; and the risk that diversity in interpretation and application of accounting principles in the mining industry may impact our reported financial results.

For additional factors affecting the business of the Issuer and the Company, refer to Part I – Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2021 and other filings filed with the Securities and Exchange Commission.

You are urged to carefully consider these risk factors.

Mr William Koeck
2022 Annual General Meeting of Stockholders: Chairman's Address
Thursday 26 May 2022

From the second half of 2019 through to the first half of 2021, Coronado endured some of the toughest market and economic conditions faced by the global Met Coal industry ever. A series of trade disputes, the severe impact of COVID-19, and a reduction in demand from key markets caused massive disruption with severe and prolonged downward pressure on pricing.

In contrast, renewed demand and the unprecedented rise in Met Coal pricing sustained over the second half of 2021 contributed to a much improved financial performance from Coronado, including a return to paying dividends, and I am pleased to say that the outlook for 2022 is very positive.

While the turnaround in demand, access to new markets, and the limits to global Met Coal supply combined to create substantially better market conditions, Coronado's success in 2021 was built on four key factors:

- Materially strengthened balance sheet, improved liquidity and more flexible capital structure;
- Geographic diversity as a Met Coal supplier of scale;
- Sustained record Met Coal pricing; and
- Improved operating performances from our US and Australian operations.

Global Met Coal Markets

A rapid recovery in demand for Met Coal across ex-China markets from mid-2021, and the positive impact on Met Coal pricing, was a fundamental driver of our improved performance in 2021.

The average Hard Coking Coal index price for Australian Met Coal increased by 92% in the third quarter of 2021 to \$264 per tonne and a further 40% in the fourth quarter to \$369 per tonne. Average Australian index prices increased again by 32% in the first quarter of 2022 to \$486 per tonne with the Russia/Ukraine conflict pushing spot prices to unprecedented levels reaching a peak of \$670 per tonne in March.

Throughout this period, we have focused on increasing production. Our U.S. operations are at full capacity servicing the domestic market, where we increased contract pricing by \$100 per tonne over the previous year, and export markets such as China.

Our Australian operations continue to export to long-term customers in India, Japan, Taiwan and Korea and are increasingly receiving inquiries from European markets. However, with current production already contracted, there is little opportunity to service additional markets until we expand production at Curragh. Our CEO, Gerry Spindler, will talk more about the "One Curragh" expansion plan in his presentation.

While Met Coal prices are expected to moderate over the course of 2022, we anticipate they will remain elevated above historical averages due to ongoing trade restraints from Russia and China and elevated thermal coal pricing providing a floor for Met Coal prices.

2021 Financial Performance

Coronado is in a significantly stronger financial position than 12 months ago. A very strong second half in 2021 delivered increased revenue, EBITDA and Net Profit and we returned the balance sheet to a Net Cash position. We were able to take advantage of the rapid increase in Met Coal prices because of the hard decisions taken in mid-2021 to restructure our debt arrangements through a \$550 million

refinancing package and the sale of various non-core assets. These decisive actions enhanced liquidity and provided a more flexible structure that enables us to respond to volatility in the market.

A solid operating performance and a positive approach to the challenging conditions prevalent in the first half of 2021 underpinned Coronado's strong second half and full year financial results.

- **Revenue** of \$2,149 million was up 47% compared to FY20;
- **Net Income** of \$189 million represented a 184% turnaround over the previous year;
- **Adjusted EBITDA** of \$486 million was up 804%;
- **Net Cash** was \$123 million at year end, compared to Net Debt position of \$282 million in the prior year.
- **Saleable Production** of 17.4 million tonnes in 2021 exceeded the 2020 production of 17 million tonnes while **Sales Volumes** reduced slightly by 2%;
- The **Group Realised Met Coal Price** of US\$138.0 per tonne was a 52% improvement over the US\$90.5 per tonne average price achieved in 2020;
- **Group Mining Costs per Tonne Sold** increased by 18% to US\$65.7, primarily on account of higher FX, but was lower than revised guidance.

Coronado was one of the first pure-play coal operators in the world to return to a Net Cash position following the impacts of COVID-19 and the lower price cycle. As a result of this much improved performance, we distributed \$151 million in dividends to security holders in April 2022.

Capital Management and Dividend Policy

Reflecting the renewed strength of our balance sheet, Coronado updated its Capital Management and Distribution Policy this year.

Coronado is committed to a balanced capital management plan that involves:

1. Maintaining a strong Balance Sheet
2. Distributions to Shareholders
3. Pursuing organic growth opportunities; and
4. Pursuing accretive inorganic growth opportunities.

First, let me state that there is no change to the Company's policy to distribute 60% to 100% of Free Cash Flow per year. However, reflecting the strength of the balance sheet and substantially improved liquidity, the Board decided to initiate a biannual fixed dividend of 0.5 US cents per CDI, or 1 US cent per CDI per annum, in addition to the variable dividend which may take the form of cash dividends, share buy-backs or other distributions. Subject to Board approval, Coronado expects to distribute fixed dividend payments following the release of the Company's half year and full year results.

The payment of dividends under this policy will be subject in each instance to Board review and approval in the context of Coronado's profitability, retained earnings, capital priorities, working capital requirements, covenants in the terms of the Senior Secured Notes issued in 2021, acquisition opportunities, market conditions and forward financial assessments. Dividends, including fixed dividends, will initially remain unfranked until sufficient franking credits are accumulated. Payment of dividends remains at the discretion and approval of the Board of Directors.

The recently announced \$200 million unfranked special dividend, declared in May 2022, is a special dividend that was declared after Coronado's record first quarter results and will be paid on 21 June 2022. This dividend is the result of a unique set of circumstances and does not signal an intention to pay dividends on a quarterly basis. Once this special dividend is paid, Coronado will have distributed in excess of US\$1 billion since listing on the ASX in October 2018.

Safety and Wellbeing

Despite the many successes of 2021, we were deeply saddened by the passing of Mr Clark Peadon, an employee at Curragh, who was fatally injured while working in the Dragline operations. We extend our deepest sympathies and sincere condolences to the family, friends and colleagues of Mr Peadon.

This tragic incident serves as a reminder to all that safety is the most important aspect of our operations and is our number one priority. While our reportable safety rates in Australia and the U.S. were below the relevant industry benchmarks in 2021, a workplace fatality is unacceptable. We will continue to focus on the safety and wellbeing of all employees and contractors and continue to execute action plans to manage risk and safeguard our people.

In Australia, the 12-month rolling average Total Reportable Injury Frequency Rate (TRIFR) at 31 December 2021 was 3.07 compared to 9.04 at the end of December 2020, a 67% improvement year-on-year. In the U.S., the 12-month rolling average Total Reportable Incident Rate (TRIR) at 31 December 2021 was 2.51 compared to 2.28 at the end of December 2020.

The substantial improvement in these safety metrics in Australia, and another year of safety excellence in the U.S., are a credit to the efforts of our employees and contractors. Coronado is committed to developing best-of-class safety initiatives to achieve the target of zero work-related fatalities in 2022 and for years to come.

Coronado's COVID-19 Steering Committee continues to manage the risks associated with the virus including being prepared for COVID-19 mutations and variants. The Committee remains vigilant in dealing with variants and their impacts on our people, operations and customers. Sanitisation processes, social distancing, mask-wearing, vaccine advocacy, vaccine rollout, educational and regular pre-start communications continue.

Our U.S. Operations were heavily impacted by COVID-19 in 2021. Several employees were hospitalised and two of our employees lost their lives after contracting the virus. A total of 376 employees tested positive, and 770 employees were quarantined due to exposure. To encourage U.S. employees to be fully vaccinated, Coronado initiated a Vaccine Incentive Plan with modest monetary rewards.

Prior to the introduction of the Vaccine Incentive Plan, only 32% of our employees were vaccinated against COVID-19. At the end of the program an additional 399 employees had been fully vaccinated, pushing our total vaccination rate up to 66%. This program more than doubled the number of our workforce that were fully vaccinated. This 66% vaccination rate is above the U.S. National Average of 64% and well above the West Virginian vaccination rate of 57%.

In Australia, we committed to promoting vaccination to the Curragh workforce through COVID-19 education, promotion of local government vaccination clinics and targeted vaccination and booster clinics for employees and contractors onsite within our accommodation facilities. Vaccination rates within the local region of Blackwater exceeded 70% (fully vaccinated) by December 2021 and are continuing to increase.

Sustainability and Carbon Management

Coronado strives to be a socially and environmentally conscious employer, putting its people and their communities first. Underpinned by the core values of Collaboration, Accountability, Respect, and Excellence, Coronado continues to positively engage with local communities, support a diverse, inclusive culture and put safety and wellbeing at the centre of its operations.

Sustainability and carbon management are increasingly important aspects of our operations, risk management and strategic planning. We recently released our 2021 Sustainability Report (available on our website and the ASX) that highlights the progress we are making across a number of areas including:

- Implementing a directional intent to be net zero by 2050 by acknowledging our responsibility to security holders and introducing changes to our business in a sustainable manner;
- Advancing our action plan on greenhouse gas emissions, particularly through the introduction of measurable targets and further research and investment into decarbonization projects; For example,
 - We are committing to a 30% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030;
- Maintaining our record of zero cultural heritage and significant environmental incidents in 2021;
- Rehabilitated 54 hectares in the U.S.;
- Increasing the use of recycled water and the recycling of commercial and industrial waste;
- Publishing our first Modern Slavery Statement;
- Formally reporting against the Global Reporting Initiative (GRI) core option; and
- Partially reporting against the Task Force on Climate-Related Financial Disclosures (TCFD) for the first time.

These initiatives, particularly emissions targets, decarbonisation projects, and TCFD reporting, underline the strategic importance of sustainability for our Met Coal business as developed economies transition to low carbon energy sources in coming decades.

As one of the world's largest producers of Met Coal, Coronado plays a pivotal role in meeting the growing demand for steel globally. Steel is an essential material in the creation of future technologies, including electric vehicles, solar panels and wind turbines. Coronado is monitoring technologies which have the potential to decarbonise the steel production process as we work to achieve our aspiration of net zero by 2050.

The Year Ahead

I'm pleased to report that the 2022 Financial Year is off to a great start with record first quarter results. These results, together with a strong balance sheet and high liquidity levels, have allowed us to declare a \$200 million special dividend payable in June. This is a welcome reward for all our shareholders.

Looking ahead over the remainder of 2022, notwithstanding recent extensive rainfall in Queensland, Coronado will continue to take advantage of sustained high prices. Our mine plans are weighted to higher production in the second half of the year and we are targeting full year Saleable Production of 18 to 19 million tonnes, up from 17.4 million tonnes in 2021. To achieve this, we will double our investment in the business, increasing Capital Expenditure from \$91.1 million to between \$170 million to \$190 million. Continually strengthening our business will allow us to take advantage of opportunities as they arise and deliver the next phase of growth.

Our employees, contractors and management have worked tirelessly in the face of many challenges over the past two years and I would like to thank them for their efforts and commend them for their resilience, commitment and positive attitude. Already, as the threat of COVID-19 appears to dissipate, our workplaces are once again becoming a more enjoyable social environment.

I would also like to thank my fellow Directors for their contributions, insight and support. While we have entered a period of sustained high prices, that also comes with risks such as inflation and cost control. I look forward to working with you on the challenges ahead.

In closing, Coronado is a significantly stronger company now in 2022 than it was at the same time last year. We remain focused on safety, operational efficiency, production, cost reduction, and liquidity to ensure that Coronado is well positioned to maximise opportunities and deliver growth.

I now hand over to our Group Chief Financial Officer, Gerhard Ziems, who will present on behalf of our Managing Director and CEO, Gerry Spindler.
