

ASX Announcement

9 November 2023

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).

– Ends –

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

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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 September 30, 2023

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 (Address of principal executive offices)	4000 (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, a 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 checked="" type="checkbox"/>	Accelerated filer	<input 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 October 31, 2023, including shares of common stock underlying CDIs, was 167,645,373.



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Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023.



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PART I – FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****Condensed Consolidated Balance Sheets**
(In US\$ thousands, except share data)

Assets	Note	(Unaudited) September 30, 2023	December 31, 2022
Current assets:			
Cash and restricted cash		\$ 337,097	\$ 334,629
Trade receivables, net		262,601	409,979
Income tax receivable		10,409	—
Inventories	5	207,272	158,018
Other current assets	7	118,422	60,188
Assets held for sale	4	—	26,214
Total current assets		935,801	989,028
Non-current assets:			
Property, plant and equipment, net	6	1,426,769	1,389,548
Right of use asset – operating leases, net	9	48,479	17,385
Goodwill		28,008	28,008
Intangible assets, net		3,159	3,311
Restricted deposits	16	67,942	89,062
Deferred income tax assets		1,567	—
Other non-current assets		21,291	33,585
Total assets		\$ 2,533,016	\$ 2,549,927
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable		\$ 84,863	\$ 61,780
Accrued expenses and other current liabilities	8	257,461	343,691
Income tax payable		—	119,981
Asset retirement obligations		15,549	10,646
Contract obligations		38,495	40,343
Lease liabilities	9	16,580	7,720
Other current financial liabilities		3,944	4,458
Liabilities held for sale	4	—	12,241
Total current liabilities		416,892	600,860
Non-current liabilities:			
Asset retirement obligations		138,279	127,844
Contract obligations		67,924	94,525
Deferred consideration liability		254,001	243,191
Interest bearing liabilities	10	234,718	232,953
Other financial liabilities		5,748	8,268
Lease liabilities	9	35,248	15,573
Deferred income tax liabilities		109,444	95,671
Other non-current liabilities		35,332	27,952
Total liabilities		\$ 1,297,586	\$ 1,446,837
Common stock \$0.01 par value; 1,000,000,000 shares authorized, 167,645,373 shares issued and outstanding as of September 30, 2023 and December 31, 2022		1,677	1,677
Series A Preferred stock \$0.01 par value; 100,000,000 shares authorized, 1 Share issued and outstanding as of September 30, 2023 and December 31, 2022		—	—
Additional paid-in capital		1,093,845	1,092,282
Accumulated other comprehensive losses	14	(121,970)	(91,423)
Retained earnings		261,878	100,554
Total stockholders' equity		1,235,430	1,103,090
Total liabilities and stockholders' equity		\$ 2,533,016	\$ 2,549,927

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)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2023	2022	2023	2022
Revenues:					
Coal revenues		\$ 707,303	\$ 863,709	\$ 2,163,093	\$ 2,821,334
Other revenues		10,527	10,948	47,977	33,152
Total revenues	3	717,830	874,657	2,211,070	2,854,486
Costs and expenses:					
Cost of coal revenues (exclusive of items shown separately below)		501,471	385,504	1,262,907	1,140,467
Depreciation, depletion and amortization		34,749	37,508	113,052	126,901
Freight expenses		71,746	63,026	192,542	189,316
Stanwell rebate		37,100	54,575	105,357	124,160
Other royalties		92,700	137,331	268,606	299,711
Selling, general, and administrative expenses		12,221	10,405	29,976	28,657
Total costs and expenses		749,987	688,349	1,972,440	1,909,212
Other (expense) income:					
Interest expense, net		(14,496)	(17,220)	(43,341)	(52,034)
Loss on debt extinguishment		(1,385)	—	(1,385)	—
Decrease (increase) in provision for discounting and credit losses		536	12	4,255	(572)
Other, net		8,189	32,898	17,704	55,191
Total other (expense) income, net		(7,156)	15,690	(22,767)	2,585
(Loss) income before tax		(39,313)	201,998	215,863	947,859
Income tax benefit (expense)	11	18,230	(51,423)	(37,775)	(235,391)
Net (loss) income attributable to Coronado Global Resources Inc.		\$ (21,083)	\$ 150,575	\$ 178,088	\$ 712,468
Other comprehensive loss, net of income taxes:					
Foreign currency translation adjustments	14	(18,247)	(41,998)	(30,547)	(75,908)
Total other comprehensive loss		(18,247)	(41,998)	(30,547)	(75,908)
Total comprehensive (loss) income attributable to Coronado Global Resources Inc.		\$ (39,330)	\$ 108,577	\$ 147,541	\$ 636,560
(Loss) earnings per share of common stock					
Basic	12	(0.13)	0.90	1.06	4.25
Diluted	12	(0.13)	0.90	1.06	4.25

See accompanying notes to unaudited condensed consolidated financial statements.

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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	Retained earnings	Total stockholders equity
	Shares	Amount	Series A	Amount				
Balance December 31, 2022	167,645,373	\$ 1,677	1	\$ —	\$ 1,092,282	\$ (91,423)	\$ 100,554	\$ 1,103,090
Net income	—	—	—	—	—	—	107,860	107,860
Other comprehensive loss	—	—	—	—	—	(4,503)	—	(4,503)
Total comprehensive (loss) income	—	—	—	—	—	(4,503)	107,860	103,357
Share-based compensation for equity classified awards	—	—	—	—	(308)	—	—	(308)
Dividends	—	—	—	—	—	—	(8,382)	(8,382)
Balance March 31, 2023	167,645,373	\$ 1,677	1	\$ —	\$ 1,091,974	\$ (95,926)	\$ 200,032	\$ 1,197,757
Net income	—	—	—	—	—	—	91,311	91,311
Other comprehensive loss	—	—	—	—	—	(7,797)	—	(7,797)
Total comprehensive (loss) income	—	—	—	—	—	(7,797)	91,311	83,514
Share-based compensation for equity classified awards	—	—	—	—	1,289	—	—	1,289
Balance June 30, 2023	167,645,373	\$ 1,677	1	\$ —	\$ 1,093,263	\$ (103,723)	\$ 291,343	\$ 1,282,560
Net loss	—	—	—	—	—	—	(21,083)	(21,083)
Other comprehensive loss	—	—	—	—	—	(18,247)	—	(18,247)
Total comprehensive loss	—	—	—	—	—	(18,247)	(21,083)	(39,330)
Share-based compensation for equity classified awards	—	—	—	—	582	—	—	582
Dividends	—	—	—	—	—	—	(8,382)	(8,382)
Balance September 30, 2023	167,645,373	\$ 1,677	1	\$ —	\$ 1,093,845	\$ (121,970)	\$ 261,878	\$ 1,235,430

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	Common stock		Preferred stock		Additional	Accumulated other	Retained	Total
	Shares	Amount	Series A	Amount	paid in capital	comprehensive losses	earnings	stockholders equity
Balance December 31, 2021	167,645,373	\$ 1,677	1	\$ —	\$ 1,089,547	\$ (44,228)	\$ 30,506	\$ 1,077,502
Net income	—	—	—	—	—	—	269,898	269,898
Other comprehensive income	—	—	—	—	—	16,258	—	16,258
Total comprehensive income	—	—	—	—	—	16,258	269,898	286,156
Share-based compensation for equity classified awards	—	—	—	—	84	—	—	84
Dividends	—	—	—	—	—	—	(150,881)	(150,881)
Balance March 31, 2022	167,645,373	\$ 1,677	1	\$ —	\$ 1,089,631	\$ (27,970)	\$ 149,523	\$ 1,212,861
Net income	—	—	—	—	—	—	291,995	291,995
Other comprehensive loss	—	—	—	—	—	(50,168)	—	(50,168)
Total comprehensive (loss) income	—	—	—	—	—	(50,168)	291,995	241,827
Share-based compensation for equity classified awards	—	—	—	—	1,731	—	—	1,731
Dividends	—	—	—	—	—	—	(200,040)	(200,040)
Balance June 30, 2022	167,645,373	\$ 1,677	1	\$ —	\$ 1,091,362	\$ (78,138)	\$ 241,478	\$ 1,256,379
Net income	—	—	—	—	—	—	150,575	150,575
Other comprehensive loss	—	—	—	—	—	(41,998)	—	(41,998)
Total comprehensive (loss) income	—	—	—	—	—	(41,998)	150,575	108,577
Share-based compensation for equity classified awards	—	—	—	—	289	—	—	289
Dividends	—	—	—	—	—	—	(125,734)	(125,734)
Balance September 30, 2022	167,645,373	\$ 1,677	1	\$ —	\$ 1,091,651	\$ (120,136)	\$ 266,319	\$ 1,239,511

See accompanying notes to unaudited condensed consolidated financial statements.

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

	Nine months ended September 30,	
	2023	2022
Cash flows from operating activities:		
Net income	\$ 178,088	\$ 712,468
Adjustments to reconcile net income to cash and restricted cash provided by operating activities:		
Depreciation, depletion and amortization	113,052	126,901
Amortization of right of use asset - operating leases	6,894	5,597
Amortization of deferred financing costs	1,595	1,451
Loss on debt extinguishment	1,385	—
Non-cash interest expense	24,748	23,544
Amortization of contract obligations	(23,896)	(26,883)
Loss on disposal of property, plant and equipment	393	433
Equity-based compensation expense	1,563	2,104
Deferred income taxes	13,140	49,929
Reclamation of asset retirement obligations	(3,168)	(3,961)
(Decrease) increase in provision for discounting and credit losses	(4,255)	572
Changes in operating assets and liabilities:		
Accounts receivable	147,956	(170,094)
Inventories	(54,704)	6,094
Other assets	(5,197)	(30,109)
Accounts payable	25,676	(3,371)
Accrued expenses and other current liabilities	(69,303)	161,224
Operating lease liabilities	(9,311)	(6,202)
Income tax payable	(128,418)	88,614
Change in other liabilities	7,443	7,073
Net cash provided by operating activities	223,681	945,384
Cash flows from investing activities:		
Capital expenditures	(182,442)	(141,928)
Purchase of restricted and other deposits	(26,836)	(9,558)
Redemption of restricted and other deposits	26,250	816
Net cash used in investing activities	(183,028)	(150,670)
Cash flows from financing activities:		
Debt issuance costs and other financing costs	(3,420)	—
Principal payments on interest bearing liabilities and other financial liabilities	(2,732)	(9,773)
Principal payments on finance lease obligations	(98)	(91)
Premiums paid on early redemption of debt	—	(90)
Dividends paid	(16,755)	(473,900)
Net cash used in financing activities	(23,005)	(483,854)
Net increase in cash and restricted cash	17,648	310,860
Effect of exchange rate changes on cash and restricted cash	(15,180)	(50,144)
Cash and restricted cash at beginning of period	334,629	437,931
Cash and restricted cash at end of period	\$ 337,097	\$ 698,647
Supplemental disclosure of cash flow information:		
Cash payments for interest	\$ 14,598	\$ 19,035
Cash paid for taxes	\$ 148,775	\$ 90,888
Restricted cash	\$ 251	\$ 251

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. 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 United States, or U.S.

(b) Basis of Presentation

The interim unaudited condensed consolidated financial statements have been prepared in accordance with the requirements of 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 21, 2023.

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. and its wholly-owned subsidiaries. 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" and "Coronado" are used interchangeably to refer to Coronado Global Resources Inc. and its subsidiaries, collectively, or to Coronado Global Resources Inc., as appropriate to the context. 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, 2022 has been derived from the Company's audited consolidated balance sheet at that date. The Company's results of operations for the three and nine months ended September 30, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

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, 2022 included in Coronado Global Resources Inc.'s Annual Report on Form 10-K filed with the SEC and ASX on February 21, 2023.

(a) Newly Adopted Accounting Standards

During the period, there has been no new Accounting Standards Update issued by the Financial Accounting Standards Board that had a 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 U.S. The operations in Australia, or Australian Operations, comprise the 100%-owned Curragh producing mine complex. The operations in the United States, or U.S. Operations, comprise two 100%-owned producing mine complexes (Buchanan and Logan), one 100%-owned idled mine complex (Greenbrier) and two development properties (Mon Valley and Russell County).

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

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.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

Adjusted EBITDA is defined as earnings before interest, taxes, 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 the Company's 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 unaudited Condensed Consolidated Financial Statements.

Reportable segment results as of and for the three and nine months ended September 30, 2023 and 2022 are presented below:

(in US\$ thousands)	Australia	United States	Other and Corporate	Total
Three months ended September 30, 2023				
Total revenues	\$ 455,774	\$ 262,056	\$ —	\$ 717,830
Adjusted EBITDA	(32,353)	47,630	(11,899)	3,378
Total assets	1,217,712	1,012,399	302,905	2,533,016
Capital expenditures	10,625	50,709	173	61,507
Three months ended September 30, 2022				
Total revenues	\$ 546,485	\$ 328,172	\$ —	\$ 874,657
Adjusted EBITDA	88,035	145,890	(10,349)	223,576
Total assets	1,405,333	988,728	410,349	2,804,410
Capital expenditures	17,289	31,174	103	48,566
Nine months ended September 30, 2023				
Total revenues	\$ 1,286,242	\$ 924,828	\$ —	\$ 2,211,070
Adjusted EBITDA	35,580	349,160	(29,088)	355,652
Total assets	1,217,712	1,012,399	302,905	2,533,016
Capital expenditures	34,352	115,917	253	150,522
Nine months ended September 30, 2022				
Total revenues	\$ 1,730,172	\$ 1,124,314	\$ —	\$ 2,854,486
Adjusted EBITDA	523,319	578,183	(28,579)	1,072,923
Total assets	1,405,333	988,728	410,349	2,804,410
Capital expenditures	64,005	75,595	433	140,033

The reconciliations of Adjusted EBITDA to net income attributable to the Company for the three and nine months ended September 30, 2023 and 2022 are as follows:

(in US\$ thousands)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Net (loss) income	\$ (21,083)	\$ 150,575	\$ 178,088	\$ 712,468
Depreciation, depletion and amortization	34,749	37,508	113,052	126,901
Interest expense (net of interest income)	14,496	17,220	43,341	52,034
Income tax (benefit) expense	(18,230)	51,423	37,775	235,391
Other foreign exchange gains ⁽¹⁾	(7,859)	(31,917)	(17,265)	(55,064)
Loss on extinguishment of debt	1,385	—	1,385	—
Losses (gains) on idled assets ⁽²⁾	456	(1,221)	3,531	621
(Decrease) increase in provision for discounting and credit losses	(536)	(12)	(4,255)	572
Consolidated Adjusted EBITDA	\$ 3,378	\$ 223,576	\$ 355,652	\$ 1,072,923

⁽¹⁾ The balance primarily relates to foreign exchange gains and losses recognized in the translation of short-term inter-entity balances in certain entities within the group that are denominated in currencies other than their respective functional currencies. These gains and losses are included in "Other, net" on the unaudited Consolidated Statement of Operations and Comprehensive Income.

⁽²⁾ These losses relate to idled non-core assets that the Company has an active plan to sell. Prior to March 31, 2023, the Company had idled assets that were classified as held for sale. Refer to Note 4 "Assets held for sale" for further details.

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The reconciliations of capital expenditures per the Company's segment information to capital expenditures disclosed on the unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2023 and 2022 are as follows:

(in US\$ thousands)	Nine months ended September 30,			
	2023		2022	
Capital expenditures per unaudited Condensed Consolidated Statements of Cash Flows	\$	182,442	\$	141,928
Accruals for capital expenditures		898		5,580
Payment for capital acquired in prior periods		(11,241)		(7,475)
Advance payment to acquire long lead capital items		(21,577)		—
Capital expenditures per segment detail	\$	150,522	\$	140,033

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.

(in US\$ thousands)	Three months ended September 30, 2023			
	Australia	United States	Total	
Product Groups:				
Metallurgical coal	\$ 419,032	\$ 232,870	\$	651,902
Thermal coal	27,783	27,618		55,401
Total coal revenue	446,815	260,488		707,303
Other ⁽¹⁾	8,959	1,568		10,527
Total	\$ 455,774	\$ 262,056	\$	717,830

(in US\$ thousands)	Three months ended September 30, 2022			
	Australia	United States	Total	
Product Groups:				
Metallurgical coal	\$ 518,010	\$ 309,609	\$	827,619
Thermal coal	19,246	16,844		36,090
Total coal revenue	537,256	326,453		863,709
Other ⁽¹⁾	9,229	1,719		10,948
Total	\$ 546,485	\$ 328,172	\$	874,657

(in US\$ thousands)	Nine months ended September 30, 2023			
	Australia	United States	Total	
Product Groups:				
Metallurgical coal	\$ 1,195,413	\$ 773,184	\$	1,968,597
Thermal coal	65,328	129,168		194,496
Total coal revenue	1,260,741	902,352		2,163,093
Other ⁽¹⁾	25,501	22,476		47,977
Total	\$ 1,286,242	\$ 924,828	\$	2,211,070

(in US\$ thousands)	Nine months ended September 30, 2022			
	Australia	United States	Total	
Product Groups:				
Metallurgical coal	\$ 1,615,364	\$ 1,098,186	\$	2,713,550
Thermal coal	86,537	21,247		107,784
Total coal revenue	1,701,901	1,119,433		2,821,334
Other ⁽¹⁾	28,271	4,881		33,152
Total	\$ 1,730,172	\$ 1,124,314	\$	2,854,486

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

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****4. Assets Held for Sale**

During the fourth quarter of 2020, the Company committed to a plan to sell the Greenbrier mining asset and determined that all of the criteria to classify assets and liabilities as held for sale were met. The asset is part of our U.S. segment, located in the State of Virginia in the United States. The Greenbrier asset does not form part of the Company's core business strategy and has been idle since April 1, 2020.

The Company remains committed to a plan to sell the asset, however, on March 31, 2023, the Company concluded that the timing of the sale within the next twelve months is uncertain. As such, the Greenbrier mining asset has been reclassified as held and used since March 31, 2023, as it does not meet the criteria for classification as held for sale.

The Greenbrier mining asset remains idle and the Company does not intend to recommence operations at the mine.

The assets and liabilities of Greenbrier met the criteria for classification as held for sale as of December 31, 2022, therefore the Condensed Consolidated Balance Sheet continues to reflect these assets and liabilities as held for sale as of that date.

5. Inventories

(in US\$ thousands)	September 30, 2023	December 31, 2022
Raw coal	\$ 72,839	\$ 50,604
Saleable coal	80,082	45,913
Total coal inventories	152,921	96,517
Supplies inventory	54,351	61,501
Total inventories	\$ 207,272	\$ 158,018

Coal inventories measured at its net realizable value were \$1.6 million and \$5.0 million as at September 30, 2023 and December 31, 2022, respectively, and primarily relates to coal designated for deliveries under the Stanwell non-market coal supply agreement.

6. Property, Plant and Equipment

(in US\$ thousands)	September 30, 2023	December 31, 2022
Land	\$ 27,847	\$ 27,711
Buildings and improvements	87,900	91,336
Plant, machinery, mining equipment and transportation vehicles	1,088,959	1,012,844
Mineral rights and reserves	390,394	373,309
Office and computer equipment	9,586	9,488
Mine development	548,733	565,106
Asset retirement obligation asset	76,698	87,877
Construction in process	153,162	82,713
Total cost of property, plant and equipment	2,383,279	2,250,384
Less accumulated depreciation, depletion and amortization	956,510	860,836
Property, plant and equipment, net	\$ 1,426,769	\$ 1,389,548

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****7. Other Assets**

(in US\$ thousands)	September 30, 2023	December 31, 2022
Other current assets		
Prepayments	\$ 33,761	\$ 26,831
Long service leave receivable	7,901	7,884
Tax credits receivable	4,183	4,183
Deposits to acquire capital items	33,289	—
Short term deposits	21,618	—
Other	17,670	21,290
Total other current assets	\$ 118,422	\$ 60,188

The Company has other current assets which includes prepayments, favorable mineral leases, long service leave receivable, equipment deposits, short term deposits and coalfield employment enhancement tax credit receivable.

Short term deposits are term deposits that do not meet the cash and cash equivalents criteria.

8. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

(in US\$ thousands)	September 30, 2023	December 31, 2022
Wages and employee benefits	\$ 45,355	\$ 38,687
Taxes other than income taxes	8,123	5,988
Accrued royalties	61,831	117,131
Accrued freight costs	32,290	44,496
Accrued mining fees	81,466	103,492
Acquisition related accruals	11,172	11,669
Other liabilities	17,224	22,228
Total accrued expenses and other current liabilities	\$ 257,461	\$ 343,691

Acquisition related accruals is an accrual for the estimated remaining stamp duty payable on the Curragh acquisition, including penalty interest, of \$11.2 million (A\$17.3 million). Refer to Note 16 "Contingencies" for further details.

9. Leases

From time to time, the Company enters into mining services contracts, which may include embedded leases of mining equipment and other contractual agreements to lease mining equipment and facilities. Based upon the Company's assessment of terms within these agreements, the Company classifies a lease as either finance or operating.

During the nine months period ended September 30, 2023, the Company entered into a number of agreements to lease mining equipment. On mobilization of this mining equipment, the Company recognized right-of-use assets and operating lease liabilities of \$38.9 million.

As of September 30, 2023, there are additional operating leases of mining equipment, which have not yet been mobilized, that have a present value of minimum lease payments of approximately \$34.0 million. These operating leases have commenced in October 2023 with lease terms of 5 years.

Information related to the Company's right-of-use assets and related lease liabilities are as follows:

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

(in US\$ thousands)	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Operating lease costs	\$ 5,200	\$ 1,699	\$ 9,697	\$ 6,514
Cash paid for operating lease liabilities	4,310	2,039	9,311	6,202
Finance lease costs:				
Amortization of right of use assets	32	31	92	130
Interest on lease liabilities	2	4	8	21
Total finance lease costs	\$ 34	\$ 35	\$ 100	\$ 151
(in US\$ thousands)			September 30, 2023	December 31, 2022
Operating leases:				
Operating lease right-of-use assets			\$ 48,479	\$ 17,385
Finance leases:				
Property and equipment			360	371
Accumulated depreciation			(243)	(186)
Property and equipment, net			117	185
Current operating lease obligations			16,484	7,593
Operating lease liabilities, less current portion			35,248	15,505
Total operating lease liabilities			51,732	23,098
Current finance lease obligations			96	127
Finance lease liabilities, less current portion			—	68
Total Finance lease liabilities			96	195
Current lease obligation			16,580	7,720
Non-current lease obligation			35,248	15,573
Total Lease liability			\$ 51,828	\$ 23,293
			September 30, 2023	December 31, 2022
Weighted Average Remaining Lease Term (Years)				
Weighted average remaining lease term – finance leases			0.75	1.52
Weighted average remaining lease term – operating leases			3.19	4.11
Weighted Average Discount Rate				
Weighted discount rate – finance lease			7.60%	7.60%
Weighted discount rate – operating lease			9.00%	8.94%

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

The Company's operating leases have remaining lease terms of 1 year to 5 years, some of which include options to extend the terms where the Company deems it is reasonably certain the options will be exercised. Maturities of lease liabilities as at September 30, 2023, are as follows:

(in US\$ thousands)	Operating Lease	Finance Lease
Year ending December 31,		
2023	\$ 5,483	\$ 33
2024	19,430	66
2025	18,642	—
2026	11,333	—
2027	3,213	—
Thereafter	1,093	—
Total lease payments	59,194	99
Less imputed interest	(7,462)	(3)
Total lease liability	\$ 51,732	\$ 96

10. Interest Bearing Liabilities

The following is a summary of interest-bearing liabilities at September 30, 2023:

(in US\$ thousands)	September 30, 2023	December 31, 2022	Weighted Average Interest Rate at September 30, 2023	Final Maturity
10.75% Senior Secured Notes	\$ 242,326	\$ 242,326	12.14% ⁽²⁾	2026
New ABL Facility	—	—		2026
Discount and debt issuance costs ⁽¹⁾	(7,608)	(9,373)		
Total interest bearing liabilities	\$ 234,718	\$ 232,953		

⁽¹⁾ Debt issuance costs incurred on the establishment of the ABL Facility has been included within "Other non-current assets" in the unaudited Condensed Consolidated Balance Sheet.

⁽²⁾ Represents the effective interest rate.

Senior Secured Notes

As of September 30, 2023, the Company's aggregate principal amount of the 10.750% Senior Secured Notes due 2026, or the Notes, outstanding was \$242.3 million. The Notes mature on May 15, 2026 and are senior secured obligations of the Company.

The terms of the Notes are governed by an indenture, dated as of May 12, 2021, or the Indenture, among Coronado Finance Pty Ltd, an Australian proprietary company, as issuer, Coronado, as parent guarantor, the other guarantors party thereto and Wilmington Trust, National Association, as trustee. The Indenture contains customary covenants for high yield bonds, including, but not limited to, limitations on investments, liens, indebtedness, asset sales, transactions with affiliates and restricted payments, including payment of dividends on capital stock. As of September 30, 2023, the Company was in compliance with all applicable covenants under the Indenture.

Under the terms of the Indenture, upon the occurrence of a "Change of Control" (as defined in the Indenture), the issuer is required to make an offer, or a Change of Control Offer, to repurchase the Notes at 101% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. Alternatively, if the issuer elects to redeem all of the Notes, during the 12-month period commencing on May 15 of the years set forth below at the redemption prices (expressed in percentages of principal amount on the redemption date) set forth below, plus accrued and unpaid interest to, but not including, the redemption date, the issuer is not required to make a Change of Control Offer:

Period	Redemption price
2023	108.06%
2024	104.03%
2025 and thereafter	100.00%

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)***New Asset Based Revolving Credit Facility*

On May 8, 2023, the Company, Coronado Coal Corporation, a Delaware corporation and wholly owned subsidiary of the Company, Coronado Finance Pty Ltd, an Australian proprietary company and a wholly owned subsidiary of the Company, or an Australian Borrower, Coronado Curragh Pty Ltd, an Australian proprietary company and wholly owned subsidiary of the Company, or an Australian Borrower and, together with the other Australian Borrower, the Borrowers, and the other guarantors party thereto, collectively with the Company, the Guarantors and, together with the Borrowers, the Loan Parties, entered into a senior secured asset-based revolving credit agreement in an initial aggregate amount of \$150.0 million, or the New ABL Facility, with Global Loan Agency Services Australia Pty Ltd, as the Administrative Agent, Global Loan Agency Services Australia Nominees Pty Ltd, as the Collateral Agent, the Hongkong and Shanghai Banking Corporation Limited, Sydney Branch, as the Lender, and DBS Bank Limited, Australia Branch, as the Lender and, together with the other Lender, the Lenders.

On August 3, 2023, the Company satisfied all conditions precedent under the New ABL Facility, at which time it became effective and replaced the predecessor ABL Facility.

The New ABL Facility matures in August 2026 and provides for up to \$ 150.0 million in borrowings, including a \$100.0 million sublimit for the issuance of letters of credit and \$70.0 million sublimit as a revolving credit facility. Availability under the New ABL Facility is limited to an eligible borrowing base, determined by applying customary advance rates to eligible accounts receivable and inventory.

Borrowings under the New ABL Facility bear interest at a rate per annum equal to an applicable rate of 2.80% plus BBSY, for loans denominated in A\$, or SOFR, for loans denominated in US\$, at the Borrower's election.

The New ABL Facility is guaranteed by the Guarantors. Amounts outstanding under the New ABL Facility are secured by (i) first priority lien in the accounts receivable and other rights to payment, inventory, intercompany indebtedness, certain general intangibles and commercial tort claims, commodities accounts, deposit accounts, securities accounts and other related assets and proceeds and products of each of the foregoing, collectively, the New ABL Collateral, (ii) a second-priority lien on substantially all of the Company's assets and the assets of the guarantors, other than the New ABL Collateral, and (iii) solely in the case of the obligations of the Australian Borrower, a featherweight floating security interest over certain assets of the Australian Borrower, in each case, subject to certain customary exceptions.

The New ABL Facility contains customary representations and warranties and affirmative and negative covenants including, among others, a covenant regarding the maintenance of leverage ratio to be less than 3.00 times, a covenant regarding maintenance of interest coverage ratio to be more than 3.00 times, covenants relating to the payment of dividends, or purchase or redemption of, with respect to any Equity Interests of Holdings or any of its Subsidiaries, covenants relating to financial reporting, covenants relating to the incurrence of liens or encumbrances, covenants relating to the incurrence or prepayment of certain debt, compliance with laws, use of proceeds, maintenance of properties, maintenance of insurance, payment obligations, financial accommodation, mergers and sales of all or substantially all of the Borrowers and Guarantors', collectively the Loan Parties, assets and limitations on changes in the nature of the Loan Parties' business.

Subject to customary grace periods and notice requirements, the New ABL Facility also contains customary events of default.

Under the terms of New ABL Facility, a Review Event (as defined in the New ABL Facility) is triggered if, among other matters, a "change of control" (as defined in the New ABL Facility) occurs.

Following the occurrence of a Review Event, the Borrowers must promptly meet and consult in good faith with the Administrative Agent and the Lenders to agree a strategy to address the relevant Review Event including but not limited to a restructure of the terms of the New ABL Facility to the satisfaction of the Lenders. If at the end of a period of 20 business days after the occurrence of the Review Event, the Lenders are not satisfied with the result of their discussion or meeting with the Borrowers or do not wish to continue to provide their commitments, the Lenders may declare all amounts owing under the ABL Facility immediately due and payable, terminate such Lenders' commitments to make loans under the ABL Facility, require the Borrowers to cash collateralize any letter of credit obligations and/or exercise any and all remedies and other rights under the New ABL Facility.

To establish the New ABL Facility, the Company incurred debt issuance costs of \$ 3.4 million. The Company has elected an accounting policy to present debt issuance costs incurred before the debt liability is recognized (e.g. before the debt proceeds are received) as an asset which will be amortized ratably over the term of the facility. The costs will not be subsequently reclassified as a direct deduction of the liability. The carrying value of debt issuance costs, recorded as "Other non-current assets" in the unaudited Condensed Consolidated Balance Sheet was \$2.9 million as at September 30, 2023.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

As at September 30, 2023, the letter of credit sublimit had been partially used to issue \$ 21.6 million of bank guarantees on behalf of the Company and no amounts were drawn under the revolving credit sublimit of New ABL Facility. As at September 30, 2023, the Company was in compliance with all applicable covenants under the New ABL Facility.

Predecessor ABL Facility

On August 3, 2023, the New ABL Facility replaced the predecessor ABL Facility. As a result of the early termination of the predecessor ABL Facility, the Company recorded a loss on debt extinguishment of \$1.4 million in its unaudited Condensed Consolidated Statement of Operations and Comprehensive Income for each of the three and nine months ended September 30, 2023.

The foregoing descriptions of the Notes and the New ABL Facility are subject to the disclosure in Note 17. "Related Party Transactions" incorporated herein by reference.

11. Income Taxes

For the nine months ended September 30, 2023 and 2022, 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 effects 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 2023 estimated annual effective tax rate is 18.5%, which has been favorably impacted by mine depletion deductions in the United States. The Company had an income tax expense of \$37.8 million based on an income before tax of \$215.9 million for the nine months ended September 30, 2023, which includes a discrete benefit of \$2.1 million relating to the prior year for Australia.

Income tax expense of \$235.4 million for the nine months ended September 30, 2022 was calculated based on an estimated annual effective tax rate of 24.8% for the period.

The Company utilizes the "more likely than not" standard in recognizing a tax benefit in its financial statements. For the nine months ended September 30, 2023, the Company had no unrecognized tax benefits. 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 U.S. and its various states, as well as Australia and its various localities. In the U.S. and Australia, the first tax return was lodged for the year ended December 31, 2018. In the U.S., companies are subject to open tax audits for a period of seven years at the federal level and five years at the state level. In Australia, companies are subject to open tax audits for a period of four years from the date of assessment.

The Company assessed the need for valuation allowances by evaluating future taxable income, available for tax strategies and the reversal of temporary tax differences.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****12. 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):

(in US\$ thousands, except per share data)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Numerator:				
Net (loss) income attributable to Company stockholders	\$ (21,083)	\$ 150,575	\$ 178,088	\$ 712,468
Denominator (in thousands):				
Weighted-average shares of common stock outstanding	167,645	167,645	167,645	167,645
Effects of dilutive shares	—	342	447	185
Weighted average diluted shares of common stock outstanding	167,645	167,987	168,092	167,830
(Loss) Earnings Per Share (US\$):				
Basic	(0.13)	0.90	1.06	4.25
Dilutive	(0.13)	0.90	1.06	4.25

The Company's common stock is publicly traded on the ASX in the form of CDIs, convertible at the option of the holders into shares of the Company's common stock on a 10-for-1 basis.

13. Fair Value Measurement

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.

Financial Instruments Measured on a Recurring Basis

As of September 30, 2023, there were no financial instruments required to be measured at fair value on a recurring basis.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****Other Financial Instruments**

The following methods and assumptions are used to estimate the fair value of other financial instruments as of September 30, 2023 and December 31, 2022:

- Cash and restricted cash, accounts receivable, short-term deposits, 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.
- Restricted deposits, lease liabilities, interest bearing liabilities and other financial liabilities: The fair values approximate the carrying values reported in the unaudited Condensed Consolidated Balance Sheets.
- Interest bearing liabilities: The Company's outstanding interest-bearing liabilities are carried at amortized cost. As of September 30, 2023, there were no amounts drawn under the revolving credit sublimit of the New ABL Facility. The estimated fair value of the Notes as of September 30, 2023 was approximately \$249.6 million based upon quoted market prices in a market that is not considered active (Level 2).

14. Accumulated Other Comprehensive Losses

The Company's Accumulated Other Comprehensive Losses consists of foreign currency translation adjustment of subsidiaries for which the functional currency is different of the Group's functional currency in U.S. dollar.

Accumulated other comprehensive losses consisted of the following at September 30, 2023:

(in US\$ thousands)	Foreign currency translation adjustments
Balance at December 31, 2022	\$ (91,423)
Net current-period other comprehensive income (loss):	
Loss in other comprehensive income before reclassifications	(11,939)
Loss on long-term intra-entity foreign currency transactions	(18,608)
Total net current-period other comprehensive loss	(30,547)
Balance at September 30, 2023	\$ (121,970)

15. 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 as of September 30, 2023 are as follows:

(in US\$ thousands)	Amount
Year ending December 31,	
2023	\$ 2,115
2024	5,448
2025	5,342
2026	5,213
2027	5,188
Thereafter	26,099
Total	\$ 49,405

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

(b) Other commitments

As of September 30, 2023, purchase commitments for capital expenditures were \$ 24.0 million, all of which is obligated within the next twelve months.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**

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 13 years. In the U.S., the Company typically negotiates its rail and coal terminal access on an annual basis. As of September 30, 2023, these Australian and U.S. commitments under take-or-pay arrangements totaled \$0.8 billion, of which approximately \$92.0 million is obligated within the next twelve months.

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.

As required by certain agreements, the Company had cash collateral in the form of deposits in the amount of \$67.9 million and \$89.1 million as of September 30, 2023 and December 31, 2022, respectively, to provide back-to-back support for bank guarantees, financial payments, other performance obligations, various other operating agreements and contractual obligations under workers compensation insurance. These deposits are restricted and classified as long-term assets in the unaudited Condensed Consolidated Balance Sheets.

In accordance with the terms of the New ABL Facility, the Company may be required to cash collateralize the New ABL Facility to the extent of outstanding letters of credit after the expiration or termination date of such letter of credit. As of September 30, 2023, no letter of credit was outstanding after the expiration or termination date and no cash collateral was required.

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 September 30, 2023, the Company had outstanding surety bonds of \$40.9 million and letters of credit of \$16.8 million issued from our available bank guarantees under the New ABL Facility, to meet contractual obligations under workers compensation insurance and to secure other obligations and commitments.

For the Australian Operations, the Company had bank guarantees outstanding of \$24.1 million, including \$4.9 million issued from the New ABL Facility, as at September 30, 2023, primarily in respect of certain rail and port arrangements.

As at September 30, 2023, the Company in aggregate had total outstanding bank guarantees provided of \$40.9 million to secure obligations and commitments, including \$21.6 million issued for the New ABL Facility. Future regulatory changes relating to these obligations could result in increased obligations, additional costs or additional collateral requirements.

Stamp duty on Curragh acquisition

On September 27, 2022, the Company received from the Queensland Revenue Office, or QRO, an assessment of the stamp duty payable on its acquisition of the Curragh mine in March 2018. The QRO assessed the stamp duty on this acquisition at an amount of \$53.1 million (A\$82.2 million) plus unpaid tax interest of \$7.8 million (A\$12.1 million). On November 23, 2022, the Company filed an objection to the assessment and is currently awaiting the outcome of this objection. The outcome of this objection remains uncertain.

The Company continues to maintain its position and the estimated accrual of \$27.8 million (A\$43.0 million) stamp duty payable on the Curragh acquisition based on legal and valuation advice obtained. In October 2022, the Company made a partial payment following filing of the objection reducing the estimated accrual to \$11.2 million (A\$17.3 million), which is included within "Accrued Expenses and Other Current Liabilities" in its unaudited Condensed Consolidated Balance sheet, as at September 30, 2023.

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.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****17. Related-Party Transactions*****The Energy & Minerals Group***

On September 25, 2023, Energy & Minerals Group, the Company's controlling stockholder through its ownership of Coronado Group LLC, including through certain of its affiliates and managed funds (the Sellers), advised the Company that it had entered into a membership interest purchase agreement, or MIPA, with Seven Global Investments a.s., or SGI. A copy of the MIPA has not been made available to the Company or the Special Committee referred to below as of the date of this Quarterly Report on Form 10-Q. However, the Company understands that, pursuant to the terms of the MIPA, the Sellers agreed to sell all of their interests in Coronado Group LLC to a wholly-owned subsidiary of SGI. We refer to the proposed transaction as the SGI Transaction. The Company also understands that, under the MIPA, the SGI Transaction is subject to customary closing conditions including regulatory approvals in the U.S. and Australia.

The Board of Directors has appointed a special committee of independent directors, or the Special Committee, to, among other things, assess the impact and consequences of the SGI Transaction on the Company and take such actions as the Special Committee deems appropriate in connection with the SGI Transaction.

The Energy and Minerals Group has reported that following the closing of the SGI Transaction, SGI will be the direct or indirect owner of Coronado Group LLC. As of the date of this Quarterly Report on Form 10-Q, Coronado Group LLC is currently the direct owner of 845,061,399 CDIs (representing a beneficial interest in 84,506,140 shares of common stock, or 50.4% of the Company's outstanding total common stock) and the one Series A Share.

Based on information that the Company is currently aware of, on completion of the SGI Transaction, a change of control as defined under the terms of Notes and New ABL Facility may occur. Refer to Note 10. "Interest Bearing Liabilities" for further information.

Under the Company's 2018 Equity Incentive Plan, the change of control provisions may also be triggered on completion of the SGI Transaction, however the Compensation and Nominating Committee of the Board of Directors, at its sole discretion, will determine how the outstanding awards under the plan will be dealt with, which may include acceleration of the vesting conditions.

In addition, certain contract counterparties, including Stanwell, customers, suppliers and third-party providers may assert contractual rights, such as consent or termination rights that may be triggered by the change of control resulting from the consummation of the SGI Transaction.

For a number of customers and supplier agreements, including contractor agreements, the completion of the SGI Transaction may trigger a financial or suitability assessment by the counterparty, which may entitle the counterparty to terminate the agreement, request further security or seek amendments to the terms of the agreement.

[Table of Contents](#)**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)****18. Material Transactions***Curragh Housing Transaction*

On May 8, 2023, the Company entered into an agreement, the Curragh Housing Agreement, for accommodation services and to sell and leaseback housing and accommodation assets included in property, plant and equipment. The transaction did not satisfy the sale criteria under ASC 606 – *Revenues from Contracts with Customers* and was deemed a financing arrangement. As a result, the Company continued to recognize the underlying property, plant and equipment on its condensed consolidated balance sheet. Upon completion, the proceeds of \$22.3 million (A\$34.6 million) received from the transaction will be recorded as "Other Financial Liabilities" on the Company's Condensed Consolidated Balance Sheet. The term of the financing arrangement is ten years with an effective interest rate of 12.8%.

In connection with this transaction, the Company will borrow an additional amount of \$26.1 million (A\$40.4 million) which will be recorded in "Interest Bearing Liabilities" on completion date. The term of the arrangement is ten years with an effective interest rate of 12.8%.

The Curragh Housing Agreement is subject to conditions precedent not completed as at September 30, 2023.

In line with the Company's capital management strategy, the above transactions provide additional liquidity. In addition, the accommodation services component of the Curragh Housing Agreement is anticipated to enhance the level of service for our employees at our Curragh mine.

[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 September 30, 2023, the related condensed consolidated statements of operations and comprehensive income for the three and nine-month periods ended September 30, 2023 and 2022, the condensed consolidated statements of stockholders' equity for the three-months periods ended March 31, June 30 and September 30, 2023 and 2022, the condensed consolidated statements of cash flows for the nine-month periods ended September 30, 2023 and 2022, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, 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, 2022, the related consolidated statements of operations 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 21, 2023, 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, 2022, 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
November 8, 2023.

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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 Quarterly Report on Form 10-Q. In addition, this Quarterly Report on Form 10-Q report should be read in conjunction with the Consolidated Financial Statements for year ended December 31, 2022 included in Coronado Global Resources Inc.'s Annual Report on Form 10-K for the year ended December 31, 2022, filed with the U.S. Securities and Exchange Commission, or SEC, and the Australian Securities Exchange, or the ASX, on February 21, 2023.

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 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, 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, or an investment in our securities include, but are not limited to:

- the prices we receive for our coal;
- uncertainty in global economic conditions, including the extent, duration and impact of ongoing civil unrest and wars, as well as risks related to government actions with respect to trade agreements, treaties or policies;
- a decrease in the availability or increase in costs of key supplies, capital equipment or commodities, such as diesel fuel, steel, explosives and tires, as the result of inflationary pressures or otherwise;
- the extensive forms of taxation that our mining operations are subject to, and future tax regulations and developments. For example, the amendments to the coal royalty regime implemented by the Queensland state Government in Australia in 2022 introducing higher tiers to the coal royalty rates applicable to our Australian Operations;
- concerns about the environmental impacts of coal combustion and greenhouse gas, or GHG, emissions, relating to mining activities, including possible impacts on global climate issues, which could result in increased regulation of coal combustion and requirements to reduce GHG emissions in many jurisdictions, including federal and state government initiatives to control GHG emissions could increase costs associated with coal production and consumption, such as costs for additional controls to reduce carbon dioxide emissions or costs to purchase emissions reduction credits to comply with future emissions trading programs, which could significantly impact our financial condition and results of operations, affect demand for our products or our securities and reduced access to capital and insurance;

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- the impact of the SGI Transaction, including the impact of the SGI Transaction on change of control and related provisions in material agreements;
- severe financial hardship, bankruptcy, temporary or permanent shut downs or operational challenges, due to future public health crisis (such as the COVID-19 pandemic), 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 demand for steel products, which impacts the demand for our metallurgical, or Met, coal;
- risks inherent to mining operations could impact the amount of coal produced, cause delay or suspend coal deliveries, or increase the cost of operating our business;
- 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;
- 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;
- 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

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- other risks and uncertainties detailed herein, 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, 2022, filed with the SEC and ASX on February 21, 2023, and Part II, Item 1A. “Risk Factors” of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, filed with SEC and ASX on May 8, 2023, 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.

We caution you that the risks and uncertainties identified by us may not be all of the factors that are important to you. You should not interpret the disclosure of any risk to imply that the risk has not already materialized. 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 the states of 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) and two development properties (Mon Valley and Russell County). In addition to Met coal, our Australian Operations sell thermal coal domestically, which is used to generate electricity, to Stanwell and some thermal coal in the export market. Our U.S. Operations primarily focus 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.

During the third quarter of 2023, Coronado navigated through some operational headwinds that were out of our control, including adverse geological conditions at our U.S. Operations impacting production rates yield and unexpected downtime for repairs and maintenance following a mechanical failure of one of the draglines at our Australian Operations. In addition, coal production rates at our Australian Operations were lower in the third quarter of 2023 primarily due to planned focus on advancing pre-strip waste movement and the completion of planned maintenance on the two coal preparation plants. Overall, these events contributed to the lower saleable production of 0.8 MMt compared to the three months ended June 30, 2023. Despite the lower production, sales volume compared to the three months ended June 30, 2023 increased as the Company drew down on coal inventory built in the previous quarter.

Coking coal index prices improved in the third quarter of 2023 compared to the previous quarter due to a combination of tight supply from the Australian coal market, which was impacted negatively by continued rail constraints and planned maintenance disruptions to operations and at Queensland ports, and heightened demand from Indian steel mills restocking raw material as the monsoon season comes to an end. The Australian Premium Low Volatile Hard Coking Coal, or AUS PLV HCC, index price averaged \$263.6 per Mt for the three months ended September 30, 2023, \$20.8 per Mt higher, compared to the three months ended June 30, 2023. The AUS PLV HCC averaged \$283.5 per Mt for the nine months ended September 30, 2023, \$109.0 per Mt lower, compared to the nine months ended September 30, 2022. The spot price of AUS PLV HCC reached \$333 per Mt during the three months ended September 30, 2023.

Our results for the nine months ended September 30, 2023, were adversely impacted by (1) lower average realized Met price per Mt sold compared to the nine months ended September 30, 2022, (2) additional fleets deployed to recover pre-strip overburden removal, (3) significant wet weather events during the first quarter of 2023 and equipment breakdown at our Australian Operations impacting production, (4) rail constraints and disruption to port operations impacting timing of sales at our Australian Operations, (5) adverse geological

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conditions at our U.S. Operations resulting in slower production rates and yield in the quarter ended September 30, 2023, and (6) continued inflationary pressure on labor and supply costs.

For the nine months ended September 30, 2023, we produced 11.9 MMt and sold 11.7 MMt of coal. Met coal sales represented 75.8% of our total volume of coal sold and 91.0% of total coal revenues for the nine months ended September 30, 2023, compared to 78.4% and 96.2%, respectively, for the nine months ended September 30, 2022.

Coal revenues of \$2,163.1 million for the nine months ended September 30, 2023, decreased by 23.3% compared to the same period in 2022, driven by average realized Met price per Mt sold, which was \$57.9 per Mt lower than the average realized price per Mt sold of \$279.4 for the nine months ended September 30, 2022. Additionally, sales volumes were 0.7 Mt lower for the nine months ended September 30, 2023, compared to the same period in 2022, primarily driven by lower production as well as required coal qualities to meet sales commitments during the nine months ended September 30, 2023.

Mining costs for the nine months ended September 30, 2023, were \$1,210.4 million or \$105.5 per Mt sold, \$17.9 per Mt sold higher compared to the corresponding period in 2022, largely driven by elevated inflation levels, the impacts of lower production following significant weather events, equipment breakdown, adverse geological conditions at our U.S. Operations and additional fleets mobilized at our Australian Operations during the nine months ended September 30, 2023.

Dividends

In September 2023, the Company settled its previously declared dividends of \$8.4 million, which were paid to stockholders from available cash.

Liquidity

As of September 30, 2023, our net cash position, comprising of \$336.8 million cash (excluding restricted cash) less \$242.3 million aggregate principal amount of Notes outstanding, was \$94.5 million. Coronado has available liquidity of \$486.8 million as of September 30, 2023, consisting of cash (excluding restricted cash), unrestricted short term deposits of \$21.6 million and \$128.4 million availability under our New ABL facility.

Safety

For our Australian Operations, the twelve-month rolling average Total Reportable Injury Frequency Rate, or TRIFR, at September 30, 2023 was 2.43, compared to a rate of 3.92 at the end of December 31, 2022. At our U.S. Operations, the twelve-month rolling average Total Reportable Incident Rate, or TRIR, at September 30, 2023 was 1.60, compared to a rate of 2.42 at the end of December 31, 2022. These strong results year to date reflect a record safety rate at our U.S. Operations and the best safety rate since July 2018 for our Australian Operations. Reportable rates for our Australian and U.S. Operations are below the relevant industry benchmarks.

Our Logan mining complex at our U.S. Operations, which includes multiple underground and surface mines, achieved 1.5 million hours Lost Time Injury, or LTI, free during the quarter.

The health and safety of our workforce is our number one priority and Coronado continues implement safety initiatives to improve our safety rates every quarter.

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) Adjusted EBITDA; (iii) total sales volumes and average realized price per Mt sold, which we define as total coal revenues divided by total sales volume; (iv) Met coal sales

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volumes and average realized Met price per Mt sold, which we define as Met coal revenues divided by Met coal sales volume; (v) average segment mining costs per Mt sold, which we define as mining costs divided by sales volumes (excluding non-produced coal) for the respective segment; (vi) average segment operating costs per Mt sold, which we define as segment operating costs divided by sales volumes for the respective segment; and (vii) net cash, which we define as cash and cash equivalents (excluding restricted cash) less outstanding aggregate principal amount of the Notes.

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. Sales to the export market from our U.S. Operations are generally recognized when title to the coal passes to the customer at the mine load out similar to a domestic sale. For our domestic sales, customers typically bear the cost of freight. As such, freight expenses are excluded from cost of coal revenues to allow for consistency and comparability in evaluating our operating performance.

Non-GAAP Financial Measures; Other Measures

The following discussion of our results includes references to and analysis of Adjusted EBITDA, Segment Adjusted EBITDA and mining costs, which are financial measures not recognized in accordance with U.S. GAAP.

Non-GAAP financial measures, including Adjusted EBITDA, Segment Adjusted EBITDA and mining costs, are used by investors to measure our operating performance.

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by U.S. GAAP. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with U.S. GAAP.

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 including total revenues, total costs and expenses, net income or cash flows from operating activities as those terms are defined by U.S. GAAP. Adjusted EBITDA may therefore 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 a 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.

[Table of Contents](#)**Three Months Ended September 30, 2023 Compared to Three Months Ended September 30, 2022****Summary**

The financial and operational highlights for the three months ended September 30, 2023 include:

- Net loss of \$21.1 million for the three months ended September 30, 2023, was \$171.7 million lower compared to net income of \$150.6 million for the three months ended September 30, 2022. This decrease was driven by lower coal revenues due to lower average realized Met coal price per Mt sold, higher mining and operating costs, partially offset by tax benefit of \$18.2 million in the third quarter of 2023 compared to an income tax expense of \$51.4 million for the same period in 2022.
- Average realized Met price per Mt sold of \$207.4 for the three months ended September 30, 2023, was \$45.6 per Mt lower compared to average realized price of \$253.0 per Mt sold for the same period in 2022. Although coking coal index prices improved during the third quarter of 2023 due to tight supply, coking coal prices were significantly lower than the same period in 2022 when supply in global met coal market was readjusting from the impact of the Russia and Ukraine war.
- Despite lower saleable production, sales volume of 4.1 MMt for the three months ended September 30, 2023, increased 0.1 MMt as compared to the same period in 2022, as the Company drew down on coal inventory built in the second quarter of 2023.
- Adjusted EBITDA for the three months ended September 30, 2023, of \$3.4 million, a decrease of \$220.2 million, compared to \$223.6 million for the three months ended September 30, 2022, largely due to lower coal sales revenues and higher operating costs.
- As of September 30, 2023, the Company had total available liquidity of \$486.8 million, consisting of \$336.8 million cash (excluding restricted cash), \$21.6 million of unrestricted short-term deposits and \$128.4 million of availability under the New ABL Facility.

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	2023	Three months ended September 30, 2022 (in US\$ thousands)	Change	%
Revenues:				
Coal revenues	\$ 707,303	\$ 863,709	\$ (156,406)	(18.1%)
Other revenues	10,527	10,948	(421)	(3.8%)
Total revenues	717,830	874,657	(156,827)	(17.9%)
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	501,471	385,504	115,967	30.1%
Depreciation, depletion and amortization	34,749	37,508	(2,759)	(7.4%)
Freight expenses	71,746	63,026	8,720	13.8%
Stanwell rebate	37,100	54,575	(17,475)	(32.0%)
Other royalties	92,700	137,331	(44,631)	(32.5%)
Selling, general, and administrative expenses	12,221	10,405	1,816	17.5%
Total costs and expenses	749,987	688,349	61,638	9.0%
Other income (expenses):				
Interest expense, net	(14,496)	(17,220)	2,724	(15.8%)
Loss on debt extinguishment	(1,385)	—	(1,385)	100.0%
Decrease in provision for discounting and credit losses	536	12	524	4,366.7%
Other, net	8,189	32,898	(24,709)	(75.1%)
Total other (expenses) income, net	(7,156)	15,690	(22,846)	(145.6%)
Net (loss) income before tax	(39,313)	201,998	(241,311)	(119.5%)
Income tax benefit (expense)	18,230	(51,423)	69,653	(135.5%)
Net (loss) income attributable to Coronado Global Resources, Inc.	\$ (21,083)	\$ 150,575	\$ (171,658)	(114.0%)

Coal Revenues

Coal revenues were \$707.3 million for the three months ended September 30, 2023, a decrease of \$156.4 million, compared to \$863.7 million for the three months ended September 30, 2022. Lower Met coal price indices, due to varied market conditions compared to the third quarter of 2022, saw the average realized Met coal price for the three months ended September 30, 2023, reduced by \$45.6 to \$207.4 per Mt sold compared to \$253.0 per Mt sold for the same period in 2022.

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

Cost of coal revenues comprise 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 \$501.5 million for the three months ended September 30, 2023, \$116.0 million, or 30.1% higher, compared to \$385.5 million for the three months ended September 30, 2022.

Cost of coal revenues for our U.S. Operations for the three months ended September 30, 2023, was \$38.8 million higher compared to the three months September 30, 2022, largely due draw down of coal stocks from the previous quarter, as sales volume exceeded saleable production in the 2023 period, combined with continued impact of inflation on labor, contractor and other supply costs. Our Australian Operations contributed to \$77.2 million of the increase in cost of coal revenues, primarily driven by additional fleets mobilized during 2023 to advance pre-strip overburden removal, impact of high inflation on mining costs and drawn of coal inventory, resulting from sales volume exceeding saleable production in the 2023 period. Increase in costs were partially offset by favorable average foreign exchange rate on translation of the Australian Operations for the three months ended September 30, 2023, of A\$/US\$: 0.66 compared to 0.68 for the same period in 2022.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was \$34.7 million for the three months ended September 30, 2023, a decrease of \$2.8 million, compared to \$37.5 million for the three months ended September 30, 2022. The decrease was associated with assets fully depreciated, lower depreciation rates following annual useful life

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review at the beginning of 2023 and favorable average foreign exchange rate on translation of the Australian Operations, partially offset by additional equipment brought into service during the twelve months since September 30, 2022.

Freight Expenses

Freight expenses relate to costs associated with rail and port providers, including take-or-pay commitments at our Australian Operations, and demurrage costs. Freight expenses totaled \$71.7 million for the three months ended September 30, 2023, an increase of \$8.7 million, compared to \$63.0 million for the three months ended September 30, 2022. Our Australian Operations' freight costs contributed \$11.8 million to the increase primarily driven by penalties incurred due to underutilization of rail capacity. This was partially offset by freight cost at our U.S. Operations, which decreased by \$3.1 million, driven by lower coal sales under Free on Board, or FOB, terms, compared to the three months ended September 30, 2022.

Stanwell Rebate

The Stanwell rebate was \$37.1 million for the three months ended September 30, 2023, a decrease of \$17.5 million, compared to \$54.6 million for the three months ended September 30, 2022. The decrease was largely driven by lower realized reference coal pricing for the prior twelve-month period applicable to three months ended September 30, 2023, used to calculate the rebate compared to the same period in 2022, and favorable foreign exchange rate on translation of our Australian Operations.

Other Royalties

Other royalties were \$92.7 million in the three months ended September 30, 2023, a decrease of \$44.6 million, compared to \$137.3 million for the three months ended September 30, 2022. The decrease in Other royalties was due to lower coal revenues, largely driven by lower average realized prices, for the three months ended September 30, 2023, compared to the same period in 2022, combined with favorable foreign exchange rate on translation of our Australian Operations.

Interest Expense, net

Interest expense, net was \$14.5 million in the three months ended September 30, 2023, a decrease of \$2.7 million compared to \$17.2 million for the three months ended September 30, 2022. The decrease was due to lower Notes outstanding during the three months ended September 30, 2023, following redemptions since September 30, 2022.

Other, net

Other, net was \$8.2 million for the three months ended September 30, 2023, a decrease of \$24.7 million compared to \$32.9 million for the three months ended September 30, 2022. The decrease was largely driven by lower exchange losses on translation of short-term inter-entity balances in certain entities within the group that are denominated in currencies other than their respective functional currencies.

Income Tax Benefit (Expense)

Income tax benefit of \$18.2 million for the three months ended September 30, 2023, variance of \$69.7 million, compared to the income tax expense of \$51.4 million for the three months ended September 30, 2022, driven by net loss before tax in the 2023 period.

[Table of Contents](#)**Nine months ended September 30, 2023 compared to Nine months ended September 30, 2022****Summary**

The financial and operational highlights for the nine months ended September 30, 2023 include:

- Net income of \$178.1 million for the nine months ended September 30, 2023, decreased by \$534.4 million, from \$712.5 million for the nine months ended September 30, 2022. The decrease was a result of lower revenues and higher operating costs partially offset by lower income tax expense.
- Sales volume totaled 11.7 MMt for the nine months ended September 30, 2023, or 0.7 MMt lower than the nine months ended September 30, 2022. The lower sales volumes were primarily driven by the impact of wet weather and equipment breakdowns on production performance, coal availability, and required coal qualities to meet sales commitments at our Australian Operations combined with adverse geological conditions caused by a rock intrusion at our U.S. Operations.
- Average realized Met price of \$221.5 per Mt sold for the nine months ended September 30, 2023 was 20.7% lower compared to \$279.4 per Mt sold for the nine months ended September 30, 2022, as the Met coal price index rebalanced from record highs achieved in 2022, particularly in the first half of 2022, as steel demand weakened. During the third quarter of 2023, the Met coal prices trended upwards, however, the Company was not able to take full advantage of this due to the three-month lag in price realizations for certain sales contracts at our Australian Operation.
- Adjusted EBITDA of \$355.7 million for the nine months ended September 30, 2023, was \$717.3 million lower compared to \$1,072.9 million for the nine months ended September 30, 2022. This decrease was a result of lower coal revenues and higher operating costs.
- As of September 30, 2023, the Company had net cash of \$94.5 million, consisting of a closing cash balance (excluding restricted cash) of \$336.8 million and \$242.3 million aggregate principal amount outstanding of the Notes.

	2023	Nine months ended September 30, 2022	Change	%
	(in US\$ thousands)			
Revenues:				
Coal revenues	\$ 2,163,093	\$ 2,821,334	\$ (658,241)	(23.3%)
Other revenues	47,977	33,152	14,825	44.7%
Total revenues	2,211,070	2,854,486	(643,416)	(22.5%)
Costs and expenses:				
Cost of coal revenues (exclusive of items shown separately below)	1,262,907	1,140,467	122,440	10.7%
Depreciation, depletion and amortization	113,052	126,901	(13,849)	(10.9%)
Freight expenses	192,542	189,316	3,226	1.7%
Stanwell rebate	105,357	124,160	(18,803)	(15.1%)
Other royalties	268,606	299,711	(31,105)	(10.4%)
Selling, general, and administrative expenses	29,976	28,657	1,319	4.6%
Total costs and expenses	1,972,440	1,909,212	63,228	3.3%
Other income (expenses):				
Interest expense, net	(43,341)	(52,034)	8,693	(16.7%)
Loss on debt extinguishment	(1,385)	—	(1,385)	100.0%
Decrease (increase) in provision for discounting and credit losses	4,255	(572)	4,827	(843.9%)
Other, net	17,704	55,191	(37,487)	(67.9%)
Total other (expenses) income, net	(22,767)	2,585	(25,352)	(980.7%)
Net income before tax	215,863	947,859	(731,996)	(77.2%)
Income tax expense	(37,775)	(235,391)	197,616	(84.0%)
Net income	178,088	712,468	(534,380)	(75.0%)
Net income attributable to Coronado Global Resources, Inc.	\$ 178,088	\$ 712,468	\$ (534,380)	(75.0%)

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Coal Revenues

Coal revenues were \$2,163.1 million for the nine months ended September 30, 2023, a decrease of \$658.2 million, compared to \$2,821.3 million for the nine months ended September 30, 2022. The decrease was largely driven by lower average realized Met price of \$221.5 per Mt sold compared to \$279.4 per Mt sold for the nine months ended September 30, 2022, combined with 0.7 MMt lower sales volume compared to the same period in 2022.

Other Revenues

Other revenues were \$48.0 million for the nine months ended September 30, 2023, an increase of \$14.8 million, compared to \$33.2 million for the nine months ended September 30, 2022. This increase was primarily driven by a termination fee revenue from a coal sales contract cancelled at our U.S. Operations.

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

Total cost of coal revenues was \$1,262.9 million for the nine months ended September 30, 2023, an increase of \$122.4 million, compared to \$1,140.5 million for the nine months ended September 30, 2022.

Cost of coal revenues for our Australian Operations in the nine months ended September 30, 2023, were \$85.6 million higher compared to the same period in 2022, primarily driven by additional fleets mobilized during 2023 to advance pre-strip overburden removal, the continued impact of inflation on labor, contractor and other supply costs, higher maintenance expenses following a dragline propel failure, partially offset by a significant build in coal inventories from saleable production exceeding sales volume in period compared to a draw down in the same period in 2022, lower purchase coal and favorable foreign exchange rate on translation of our Australian Operations for the nine months ended September 30, 2023, of A\$/US\$: 0.67 compared to 0.71 for the same period in 2022. Cost of coal revenues for our U.S. Operations were \$36.8 million higher for the nine months ended September 30, 2023, compared to the same period in 2022, also impacted by an elevated inflationary environment and higher consumables and maintenance costs following a rock intrusion in the quarter ended September 30, 2023.

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization was \$113.1 million for the nine months ended September 30, 2023, a decrease of \$13.8 million, as compared to \$126.9 million for the nine months ended September 30, 2022. The decrease was associated with assets fully depreciated, lower depreciation rates following annual useful life review at the beginning of 2023 and favorable average foreign exchange rate on translation of the Australian Operations, partially offset by additional equipment brought into service during the twelve months since September 30, 2022.

Freight Expenses

Freight expenses totaled \$192.5 million for the nine months ended September 30, 2023, an increase of \$3.2 million, compared to \$189.3 million for the nine months ended September 30, 2022. Our Australian Operations contributed \$4.4 million to the increase due to higher rail costs primarily driven by penalties incurred due to underutilization of rail capacities in our Australian Operations, partially offset by lower sales volumes reducing freight costs at our Australian Operations and U.S. Operations.

Stanwell Rebate

The Stanwell rebate was \$105.4 million for the nine months ended September 30, 2023, a decrease of \$18.8 million, as compared to \$124.2 million for the nine months ended September 30, 2022. The decrease was due lower realized reference coal pricing for the prior twelve-month period applicable to the nine months ended September 30, 2023, used to calculate the rebate compared to the same period in 2022 and favorable average foreign exchange rate on translation of the Australian Operations.

Other Royalties

Other royalties were \$268.6 million for the nine months ended September 30, 2023, a decrease of \$31.1 million, as compared to \$299.7 million for the nine months ended September 30, 2022. Our Australian Operations contributed to \$27.7 million of the decrease due to lower average realized export pricing for the nine months ended September 30, 2023, compared to the same period in 2022 and favorable average foreign exchange rate on translation of the Australian Operations, partially offset by the adverse impact that the new royalty regime, which was effective from July 1, 2022, had in the first half of 2023 compared to the first half of 2022 under the old regime. The new royalty regime resulted in \$58.7 million additional royalty costs in the 2023 period.

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Interest Expense, net

Interest expense, net was \$43.3 million in the nine months ended September 30, 2023, a decrease of \$8.7 million compared to \$52.0 million for the nine months ended September 30, 2022. The decrease was due to lower Notes outstanding following redemptions since September 30, 2022.

Decrease (increase) in Provision for Discounting and Credit Losses

Decrease in provision for discounting and credit losses of \$4.3 million in the nine months ended September 30, 2023, a favorable movement of \$4.8 million compared to increase in provision for discounting and credit losses of \$0.6 million for the nine months ended September 30, 2022. The lower provision was primarily driven by timely collection of certain overdue trade receivables at December 31, 2022 during the nine months ended September 30, 2023.

Other, net

Other, net was \$17.7 million in the nine months ended September 30, 2023, a decrease of \$37.5 million compared to the net gain of \$55.2 million for the nine months ended September 30, 2022. The decrease was driven by lower foreign exchange gains on translation of short-term inter-entity balances in certain entities within the group that are denominated in currencies other than their respective functional currencies.

Income Tax Expense

Income tax expense of \$37.8 million for the nine months ended September 30, 2023 decreased by \$197.6 million, compared to \$235.4 million tax expense for the nine months ended September 30, 2022, primarily driven by lower net income before tax in the 2023 period.

The income tax expense for the nine months ended September 30, 2023 is based on an annual effective tax rate of 18.5%, which includes a discrete benefit of \$2.1 million relating to prior year for Australia.

Supplemental Segment Financial Data**Three months ended September 30, 2023 compared to three months ended September 30, 2022****Australia**

	2023	Three months ended September 30, 2022	Change	%
		(in US\$ thousands)		
Sales volume (MMt)	2.6	2.4	0.2	7.1%
Total revenues (\$)	455,774	546,485	(90,711)	(16.6)%
Coal revenues (\$)	446,815	537,256	(90,441)	(16.8)%
Average realized price per Mt sold (\$/Mt)	172.3	221.8	(49.5)	(22.3)%
Met sales volume (MMt)	1.8	1.7	0.1	7.2%
Met coal revenues (\$)	419,032	518,010	(98,978)	(19.1)%
Average realized Met price per Mt sold (\$/Mt)	236.2	313.0	(76.8)	(24.5)%
Mining costs (\$)	310,727	241,674	69,053	28.6%
Mining cost per Mt sold (\$/Mt)	121.7	99.8	21.9	21.9%
Operating costs (\$)	487,864	458,405	29,459	6.4%
Operating costs per Mt sold (\$/Mt)	188.2	189.3	(1.1)	(0.6)%
Segment Adjusted EBITDA (\$)	(32,353)	88,035	(120,388)	(136.8)%

Coal revenues for our Australian Operations, for the three months ended September 30, 2023, were \$446.8 million, a decrease of \$90.4 million, or 16.8%, compared to \$537.3 million for the three months ended September 30, 2022. This decrease was driven by lower average realized Met coal price per Mt sold of \$236.2 for the three months ended September 30, 2023, compared to \$313.0 per Mt sold for the same period in 2022, when supply in global met coal market was readjusting from the impact of the Russia and Ukraine war. The lower realized pricing was partially offset by higher sales volume of 0.2 MMt compared to the same period in 2022. Production, and sales, performance in the three months ended September 30, 2022, was impacted by unprecedented wet weather events at our Australian Operations.

Operating costs were \$487.9 million, an increase of \$29.5 million or 6.4%, for the three months ended September 30, 2023, compared to \$458.4 million for the three months ended September 30, 2022. The increase was largely

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driven by additional fleets mobilized in 2023 to advance pre-strip overburden removal, continued inflationary pressures on contractor and supply costs, higher freight expense and increased third-party coal purchases to meet sales commitments. This was partially offset by favorable average foreign exchange rates on translation of the Australian Operations. Mining cost per Mt sold for the three months ended September 30, 2023, increased by \$21.9 to \$121.7, compared to the same period in 2022, driven by higher mining costs, partially offset by higher sales volumes.

Segment Adjusted EBITDA decreased by \$120.4 million, or 136.8%, to an EBITDA loss of \$32.4 million for the three months ended September 30, 2023, compared to \$88.0 million for the three months ended September 30, 2022, largely driven by lower coal revenues and higher operating costs.

United States

	2023	Three months ended September 30, 2022	Change	%
		(in US\$ thousands)		
Sales volume (MMt)	1.5	1.7	(0.2)	(11.3)%
Total revenues (\$)	262,056	328,172	(66,116)	(20.1)%
Coal revenues (\$)	260,488	326,453	(65,965)	(20.2)%
Average realized price per Mt sold (\$/Mt)	172.6	193.1	(20.5)	(10.6)%
Met sales volume (MMt)	1.4	1.6	(0.2)	(15.9)%
Met coal revenues (\$)	232,870	309,609	(76,739)	(24.8)%
Average realized Met price per Mt sold (\$/Mt)	170.2	191.6	(21.4)	(11.2)%
Mining costs (\$)	175,883	132,380	43,503	32.9%
Mining cost per Mt sold (\$/Mt)	119.3	81.4	37.9	46.6%
Operating costs (\$)	215,153	182,031	33,122	18.2%
Operating costs per Mt sold (\$/Mt)	142.6	107.0	35.6	33.3%
Segment Adjusted EBITDA (\$)	47,630	145,890	(98,260)	(67.4)%

Coal revenues decreased by \$66.0 million, or 20.2%, to \$260.5 million for the three months ended September 30, 2023, compared to \$326.5 million for the three months ended September 30, 2022. This decrease was primarily a result of lower average realized Met price per Mt sold for the three months ended September 30, 2023, which was \$20.5 per Mt sold below for the same period in 2022, due to lower coal price indices albeit at the back of a less volatile coal market. Coal revenues were also impacted by lower sales volume of 0.2 MMt due to adverse geological conditions impacting production at our Buchanan mine complex.

Operating costs increased by \$33.1 million, or 18.2%, to \$215.2 million for the three months ended September 30, 2023, compared to operating costs of \$182.0 million for the three months ended September 30, 2022. The increase was largely driven by higher mining costs due to continued impact of inflation on supplies and labor costs and a higher drawdown of coal inventories, resulting from lower sales production volumes outweighing lower sales volume when comparing the third quarter of 2023 to the third quarter of 2022. Sales volume exceeding saleable production in the period. The increase in mining costs was partially offset by lower freight expense from lower sales on FOB terms and lower royalties as a result of lower coal revenues.

Segment Adjusted EBITDA of \$47.6 million for the three months ended September 30, 2023, decreased by \$98.3 million compared to \$145.9 million for the three months ended September 30, 2022, primarily driven by lower average realized Met price per Mt sold and higher operating costs.

Corporate and Other Adjusted EBITDA

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

	2023	Three months ended September 30, 2022	Change	%
		(in US\$ thousands)		
Selling, general, and administrative expenses	\$ 12,221	\$ 10,405	\$ 1,816	17.5%
Other, net	(322)	(56)	(266)	n/m
Total Corporate and Other Adjusted EBITDA	\$ 11,899	\$ 10,349	\$ 1,550	15.0%

n/m – Not meaningful for comparison.

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Corporate and other costs of \$11.9 million for the three months ended September 30, 2023, were \$1.6 million higher compared to \$10.3 million for the three months ended September 30, 2022, due to timing of certain corporate costs.

Mining and operating costs for the three months ended September 30, 2023 compared to three months ended September 30, 2022

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

	Three months ended September 30, 2023			
(in US\$ thousands)	Australia	United States	Other / Corporate	Total Consolidated
Total costs and expenses	\$ 501,021	\$ 236,478	\$ 12,488	\$ 749,987
Less: Selling, general and administrative expense	—	—	(12,221)	(12,221)
Less: Depreciation, depletion and amortization	(13,157)	(21,325)	(267)	(34,749)
Total operating costs	487,864	215,153	—	703,017
Less: Other royalties	(80,726)	(11,974)	—	(92,700)
Less: Stanwell rebate	(37,100)	—	—	(37,100)
Less: Freight expenses	(49,712)	(22,034)	—	(71,746)
Less: Other non-mining costs	(9,599)	(5,262)	—	(14,861)
Total mining costs	310,727	175,883	—	486,610
Sales Volume excluding non-produced coal (MMt)	2.6	1.5	—	4.0
Mining cost per Mt sold (\$/Mt)	121.7	119.3	—	120.8

	Three months ended September 30, 2022			
(in US\$ thousands)	Australia	United States	Other / Corporate	Total Consolidated
Total costs and expenses	\$ 475,496	\$ 202,167	\$ 10,686	\$ 688,349
Less: Selling, general and administrative expense	—	—	(10,405)	(10,405)
Less: Depreciation, depletion and amortization	(17,091)	(20,136)	(281)	(37,508)
Total operating costs	458,405	182,031	—	640,436
Less: Other royalties	(122,820)	(14,511)	—	(137,331)
Less: Stanwell rebate	(54,575)	—	—	(54,575)
Less: Freight expenses	(37,885)	(25,141)	—	(63,026)
Less: Other non-mining costs	(1,451)	(9,999)	—	(11,450)
Total mining costs	241,674	132,380	—	374,054
Sales Volume excluding non-produced coal (MMt)	2.4	1.6	—	4.0
Mining cost per Mt sold (\$/Mt)	99.8	81.4	—	92.4

Average realized Met price per Mt sold for the three months ended September 30, 2023 compared to three months ended September 30, 2022

A reconciliation of the Company's average realized Met price per Mt sold is shown below:

	Three months ended September 30,			
	2023	2022	Change	%
	(in US\$ thousands)			
Met sales volume (MMt)	3.1	3.3	(0.2)	(4.3)%
Met coal revenues (\$)	651,902	827,619	(175,717)	(21.2)%
Average realized Met price per Mt sold (\$/Mt)	207.4	253.0	(45.6)	(18.0)%

[Table of Contents](#)**Nine months ended September 30, 2023 compared to Nine months ended September 30, 2022****Australia**

	2023	Nine months ended September 30, 2022	Change	%
	(in US\$ thousands)			
Sales volume (MMt)	7.2	7.5	(0.3)	(3.8)%
Total revenues (\$)	1,286,242	1,730,172	(443,930)	(25.7)%
Coal revenues (\$)	1,260,741	1,701,901	(441,160)	(25.9)%
Average realized price per Mt sold (\$/Mt)	174.0	225.9	(51.9)	(23.0)%
Met sales volume (MMt)	5.0	5.0	—	0.5%
Met coal revenues (\$)	1,195,413	1,615,364	(419,951)	(26.0)%
Average realized Met price per Mt sold (\$/Mt)	238.5	323.9	(85.4)	(26.4)%
Mining costs (\$)	772,561	648,965	123,596	19.0%
Mining cost per Mt sold (\$/Mt)	107.8	89.3	18.5	20.7%
Operating costs (\$)	1,249,490	1,206,022	43,468	3.6%
Operating costs per Mt sold (\$/Mt)	172.5	160.1	12.4	7.7%
Segment Adjusted EBITDA (\$)	35,580	523,319	(487,739)	(93.2)%

Coal revenues for our Australian Operations for the nine months ended September 30, 2023, were \$1,260.7 million, a decrease of \$441.2 million, or 25.9%, compared to \$1,701.9 million for the nine months ended September 30, 2022. This decrease was driven by lower average realized Met price per Mt sold of \$238.5, \$85.4 per Mt lower compared to \$323.9 per Mt sold for the nine months ended September 30, 2022, as Met coal price index rebalanced from record highs achieved in 2022, particularly in the first half of 2022, as steel demand weakened. Coal revenues were further impacted by significant wet weather events and equipment breakdown and their associated recovery time resulting in sales volumes 0.3 MMt lower compared to the nine months ended September 30, 2022.

Operating costs increased by \$43.5 million, or 3.6%, for the nine months ended September 30, 2023, compared to the nine months ended September 30, 2022, primarily driven by higher mining costs and freight expense. Mining costs were \$123.6 million higher for the nine months ended September 30, 2023, due to additional fleets mobilized in 2023 to advance pre-strip overburden removal, the continued impact of inflation on contractor and supply costs, and costs associated with equipment breakdown. This increase was partially offset by favorable average foreign exchange on translation of our Australian Operations and lower Stanwell rebate and other royalties expense. Increase in costs and lower sales volumes saw Mining and Operating costs per Mt sold increased by \$18.5 and \$12.4, respectively, compared to the same period in 2022.

For the nine months ended September 30, 2023, Adjusted EBITDA of \$35.6 million, were \$487.7 million lower compared to \$523.3 million for the nine months ended September 30, 2022. This decrease was a result of lower coal revenues and higher mining and operating costs.

United States

	2023	Nine months ended September 30, 2022	Change	%
	(in US\$ thousands)			
Sales volume (MMt)	4.5	4.9	(0.4)	(8.1)%
Total revenues (\$)	924,828	1,124,314	(199,486)	(17.7)%
Coal revenues (\$)	902,352	1,119,433	(217,081)	(19.4)%
Average realized price per Mt sold (\$/Mt)	201.2	230.5	(29.3)	(12.6)%
Met sales volume (MMt)	3.9	4.7	(0.8)	(18.4)%
Met coal revenues (\$)	773,184	1,098,186	(325,002)	(29.6)%
Average realized Met price per Mt sold (\$/Mt)	199.5	232.4	(32.9)	(14.0)%
Mining costs (\$)	437,860	396,562	41,298	10.4%
Mining cost per Mt sold (\$/Mt)	101.6	85.0	16.6	19.8%
Operating costs (\$)	579,922	547,632	32,290	5.9%
Operating costs per Mt sold (\$/Mt)	129.3	112.8	16.5	14.8%
Segment Adjusted EBITDA (\$)	349,160	578,183	(229,023)	(39.6)%

Coal revenues decreased by \$217.1 million, or 19.4%, to \$902.4 million for the nine months ended September 30, 2023, compared to \$1,119.4 million for the nine months ended September 30, 2022. This decrease was

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primarily due to lower average realized Met price per Mt sold for the nine months ended September 30, 2023 of \$199.5 compared to \$232.4 per Mt sold for the same period in 2022, product mix skewed towards lower quality Met coal and lower sales volume driven by lower production which was impacted by adverse geological conditions and wet weather events in the 2023 period.

Operating costs of \$580.0 million were \$32.3 million higher compared to \$547.6 million for the nine months ended September 30, 2023. Mining costs contributed \$41.3 million of the increase driven by continued inflationary impact on labor and supply costs and unplanned maintenance costs. Mining and Operating costs per Mt sold increased by \$16.6 and \$16.5, respectively, due to lower sales volume and higher costs in the nine months ended September 30, 2023.

Adjusted EBITDA of \$349.2 million decreased by \$229.0 million, or 39.6%, for the nine months ended September 30, 2023, compared to \$578.2 million for the nine months ended September 30, 2022. This decrease was primarily driven by lower coal revenues and higher mining and operating costs.

Corporate and Other Adjusted EBITDA

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

	2023	Nine months ended September 30, 2022		Change	%
		(in US\$ thousands)			
Selling, general, and administrative expenses	\$ 29,976	\$ 28,657	\$ 1,319	4.6%	
Other, net	(888)	(78)	(810)	n/m	
Total Corporate and Other Adjusted EBITDA	\$ 29,088	\$ 28,579	\$ 509	1.8%	

n/m – Not meaningful for comparison.

Corporate and other costs of \$29.1 million for the nine months ended September 30, 2023, were \$0.5 million higher compared to \$28.6 million for the nine months ended September 30, 2022, due to timing of certain corporate costs.

[Table of Contents](#)**Mining and operating costs for the Nine months ended September 30, 2023 compared to Nine months ended September 30, 2022**

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

	Nine months ended September 30, 2023			
(in US\$ thousands)	Australia	United States	Other / Corporate	Total Consolidated
Total costs and expenses	\$ 1,297,492	\$ 644,168	\$ 30,780	\$ 1,972,440
Less: Selling, general and administrative expense	—	—	(29,976)	(29,976)
Less: Depreciation, depletion and amortization	(48,002)	(64,246)	(804)	(113,052)
Total operating costs	1,249,490	579,922	—	1,829,412
Less: Other royalties	(231,443)	(37,163)	—	(268,606)
Less: Stanwell rebate	(105,357)	—	—	(105,357)
Less: Freight expenses	(120,747)	(71,795)	—	(192,542)
Less: Other non-mining costs	(19,382)	(33,104)	—	(52,486)
Total mining costs	772,561	437,860	—	1,210,421
Sales Volume excluding non-produced coal (MMt)	7.2	4.3	—	11.5
Mining cost per Mt sold (\$/Mt)	107.8	101.6	—	105.5

	Nine months ended September 30, 2022			
(in US\$ thousands)	Australia	United States	Other / Corporate	Total Consolidated
Total costs and expenses	\$ 1,270,397	\$ 609,291	\$ 29,524	\$ 1,909,212
Less: Selling, general and administrative expense	—	—	(28,657)	(28,657)
Less: Depreciation, depletion and amortization	(64,375)	(61,659)	(867)	(126,901)
Total operating costs	1,206,022	547,632	—	1,753,654
Less: Other royalties	(259,140)	(40,571)	—	(299,711)
Less: Stanwell rebate	(124,160)	—	—	(124,160)
Less: Freight expenses	(116,386)	(72,930)	—	(189,316)
Less: Other non-mining costs	(57,371)	(37,569)	—	(94,940)
Total mining costs	648,965	396,562	—	1,045,527
Sales Volume excluding non-produced coal (MMt)	7.3	4.7	—	11.9
Mining cost per Mt sold (\$/Mt)	89.3	85.0	—	87.6

Average realized Met price per Mt sold for the Nine months ended September 30, 2023 compared to Nine months ended September 30, 2022

A reconciliation of the Company's average realized Met price per Mt sold is shown below:

	Nine months ended September 30,			
	2023	2022	Change	%
	(in US\$ thousands)			
Met sales volume (MMt)	8.9	9.7	(0.8)	(8.7)%
Met coal revenues (\$)	1,968,597	2,713,550	(744,953)	(27.5)%
Average realized Met price per Mt sold (\$/Mt)	221.5	279.4	(57.9)	(20.7)%

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Reconciliation of Non-GAAP Financial Measures
Adjusted EBITDA

(in US\$ thousands)	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Reconciliation to Adjusted EBITDA:				
Net (loss) income	\$ (21,083)	\$ 150,575	\$ 178,088	\$ 712,468
Add: Depreciation, depletion and amortization	34,749	37,508	113,052	126,901
Add: Interest expense (net of interest income)	14,496	17,220	43,341	52,034
Add: Other foreign exchange gains	(7,859)	(31,917)	(17,265)	(55,064)
Add: Loss on extinguishment of debt	1,385	—	1,385	—
Add: Income tax expense	(18,230)	51,423	37,775	235,391
Add: Losses on idled assets	456	(1,221)	3,531	621
Add: (Decrease) increase in provision for discounting and credit losses	(536)	(12)	(4,255)	572
Adjusted EBITDA	\$ 3,378	\$ 223,576	\$ 355,652	\$ 1,072,923

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 and cash equivalents, cash flow from operations and availability under our debt facilities.

Our main uses of cash have historically been, and are expected to continue to be, the funding of our operations, working capital, capital expenditure, debt service obligations, business or assets acquisitions and payment of dividends. Based on our outlook for the next twelve months, which is subject to completion of the SGI Transaction, continued changing demand from our customers, volatility in coal prices, ongoing interruptions and uncertainties surrounding China's import restrictions, such as trade barriers imposed by China on Australian sourced coal and the uncertainty of impacts from ongoing civil unrest and wars, 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, capital expenditure, service our debt obligations and, if declared, payment of dividends.

Under the Senior Secured Notes Indenture, upon a change of control, we are required to make an offer to purchase the Notes from the holders at a price of 101% of the principal amount thereof, plus accrued and unpaid interest.

Under the New ABL Facility, a change of control constitutes a Review Event pursuant to which the Lenders may request to meet and consult with us to agree a strategy to address the relevant Review Event including but not limited to a restructure of the terms of the New ABL Facility to the satisfaction of the Lenders. Refer to Note 10. "Interest Bearing Liabilities" for further information.

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 Part I, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC and ASX on February 21, 2023, and Part II, Item 1A. "Risk Factors" of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, filed with the SEC and ASX on May 8, 2023.

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Liquidity as of September 30, 2023 and December 31, 2022 was as follows:

(in US\$ thousands)	September 30, 2023	December 31, 2022
Cash, excluding restricted cash	\$ 336,845	\$ 334,378
Short term deposits	21,618	—
Availability under the Predecessor ABL Facility	—	100,000
Availability under the New ABL Facility ⁽¹⁾	128,382	—
Total	\$ 486,845	\$ 434,378

⁽¹⁾ The New ABL Facility provides for up to \$150.0 million in borrowings, including a \$100.0 million sublimit for the issuance of letters of credit, of which \$21.6 million has been issued, and \$70.0 million sublimit as a revolving credit facility. The letter of credit sublimit contributes to our liquidity as the Company has the ability to replace cash collateral, provided in the form of restricted deposits, with letters of credit allowing the release of such restricted deposits to cash and cash equivalents.

Our total indebtedness as of September 30, 2023 and December 31, 2022 consisted of the following:

(in US\$ thousands)	September 30, 2023	December 31, 2022
Current installments of interest bearing liabilities	\$ 242,326	\$ 242,326
Current installments of other financial liabilities and finance lease obligations	4,040	4,585
Other financial liabilities and finance lease obligations, excluding current installments	5,748	8,336
Total	\$ 252,114	\$ 255,247

Liquidity

As of September 30, 2023, available liquidity was \$486.8 million, comprised of cash and cash equivalents (excluding restricted cash) of \$336.8 million, unrestricted short term deposits of \$21.6 million and \$128.4 million of available borrowings under our New ABL Facility.

As of December 31, 2022, available liquidity was \$434.4 million, comprised of cash and cash equivalents (excluding restricted cash) of \$334.4 million and \$100.0 million of available borrowings under our ABL Facility.

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.

Senior Secured Notes

As of September 30, 2023, the outstanding principal amount of our Notes was \$242.3 million. Interest on the Notes is payable semi-annually in arrears on May 15 and November 15 of each year. The Notes mature on May 15, 2026 and are senior secured obligations of the Company.

The Notes are guaranteed on a senior secured basis by the Company and its wholly-owned subsidiaries (other than the Issuer) (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 other 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), or the Notes 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.

The terms of the Notes are governed by the Indenture. The Indenture contains customary covenants for high yield bonds, including, but not limited to, limitations on investments, liens, indebtedness, asset sales, transactions with affiliates and restricted payments, including payment of dividends on capital stock.

The Company may redeem some or all of the Notes at the redemption prices and on the terms specified in the Indenture. In addition, the Company may, from time to time, seek to retire or purchase outstanding debt through open-market purchases, privately negotiated transactions or otherwise. Such repurchases, if any, will be upon such terms and at such prices as the Company may determine, and will depend on prevailing market conditions, liquidity requirements, contractual restrictions and other factors.

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Based on information that we are currently aware of, on completion of the SGI Transaction, a "Change of Control" as defined under the terms of the Notes may occur. Refer to Part I, Item I. Financial Statements, Note 10. "Interest Bearing Liabilities" for further information.

As of September 30, 2023, we were in compliance with all applicable covenants under the Indenture.

New ABL Facility

On May 8, 2023, we entered into a senior secured asset-based revolving credit agreement in an initial aggregate amount of \$150.0 million, or the New ABL Facility.

On August 3, 2023, the Company satisfied all conditions precedent under the New ABL Facility, at which time it became effective and replaced the predecessor ABL Facility.

The New ABL Facility matures in August 2026 and provides for up to \$150.0 million in borrowings, including a \$100.0 million sublimit for the issuance of letters of credit and \$70.0 million sublimit as a revolving credit facility. Availability under the New ABL Facility is limited to an eligible borrowing base, determined by applying customary advance rates to eligible accounts receivable and inventory.

Borrowings under the New ABL Facility bear interest at a rate per annum equal to applicable rate of 2.80% and BBSY, for loans denominated in A\$, or SOFR, for loans denominated in US\$, at the Borrower's election.

Subject to customary grace periods and notice requirements, the New ABL Facility also contains customary events of default.

Based on information that we are currently aware of, on completion of the SGI Transaction, a "Change of Control" as defined under the terms of the New ABL Facility may occur. Refer to Part I, Item I. Financial Statements, Note 10. "Interest Bearing Liabilities" for further information.

As at September 30, 2023, letter of credit sublimit had been partially used to issue \$21.6 million of bank guarantees on behalf of the Company and no amounts were drawn and no letters of credit were outstanding under the revolving credit sublimit of New ABL Facility. As at September 30, 2023, the Company was in compliance with all applicable covenants under the New ABL Facility.

Predecessor ABL Facility

On August 3, 2023, the Company satisfied all conditions precedent under the New ABL Facility at which time the New ABL Facility replaced the predecessor ABL Facility. As a result of the early termination of the predecessor ABL Facility, the Company recorded a loss on debt extinguishment of \$1.4 million in its unaudited Condensed Consolidated Statement of Operations and Comprehensive Income for each of the three and nine months ended September 30, 2023.

Bank Guarantees and Surety Bonds

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.

As required by certain agreements, we had cash collateral in the form of deposits in the amount of \$67.9 million and \$89.1 million as of September 30, 2023, and December 31, 2022, respectively, to provide back-to-back support for bank guarantees, financial payments, other performance obligations, various other operating agreements and contractual obligations under workers compensation insurance. These deposits are restricted and classified as long-term assets in the unaudited Condensed Consolidated Balance Sheets.

In accordance with the terms of the ABL Facility, we may be required to cash collateralize the ABL Facility to the extent of outstanding letters of credit after the expiration or termination date of such letter of credit. As of September 30, 2023, no letter of credit was outstanding after the expiration or termination date and no cash collateral was required.

For the U.S. Operations in order to provide the required financial assurance, we generally use surety bonds for post-mining reclamation. We can also use bank letters of credit to collateralize certain obligations. As of September 30, 2023, we had outstanding surety bonds of \$40.9 million and letters of credit of \$16.8 million issued from our available bank guarantees under the New ABL Facility, to meet contractual obligations under workers compensation insurance and to secure other obligations and commitments.

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For the Australian Operations, we had bank guarantees outstanding of \$24.1 million, including \$4.9 million issued from the New ABL Facility, as at September 30, 2023, primarily in respect of certain rail and port arrangements of the Company.

As at September 30, 2023, we had total outstanding bank guarantees provided of \$40.9 million to secure obligations and commitments. Future regulatory changes relating to these obligations could result in increased obligations, additional costs or additional collateral requirements.

Dividend

On February 21, 2023, our Board of Directors declared a bi-annual fully franked fixed ordinary dividend of \$8.4 million, or 0.5 cents per CDI. On April 5, 2023, the Company paid \$8.3 million, net of \$0.1 million foreign exchange gain on payment of dividends to certain CDI holders who elected to be paid in Australian dollars.

On August 7, 2023, our Board of Directors declared a bi-annual fully franked fixed ordinary dividend of \$8.4 million, or 0.5 cents per CDI. On September 19, 2023, the Company paid \$8.3 million, net of \$0.1 million foreign exchange loss on payment of dividends to certain CDI holders who elected to be paid in Australian dollars.

Capital Requirements

Our main uses of cash have historically been the funding of our operations, working capital, capital expenditure, the payment of interest and dividends. We intend to use cash to fund debt service payments on our Notes, the New ABL Facility and our other indebtedness, to fund operating activities, working capital, capital expenditures, partial redemption of the Notes, business or assets acquisitions and, if declared, payment of dividends.

Historical Cash Flows

The following table summarizes our cash flows for the nine months ended September 30, 2023 and 2022, as reported in the accompanying consolidated financial statements:

Cash Flow

(in US\$ thousands)	Nine months ended September 30,	
	2023	2022
Net cash provided by operating activities	\$ 223,681	\$ 945,384
Net cash used in investing activities	(183,028)	(150,670)
Net cash used in financing activities	(23,005)	(483,854)
Net change in cash and cash equivalents	17,648	310,860
Effect of exchange rate changes on cash and restricted cash	(15,180)	(50,144)
Cash and restricted cash at beginning of period	334,629	437,931
Cash and restricted cash at end of period	\$ 337,097	\$ 698,647

Operating activities

Net cash provided by operating activities was \$223.7 million for the nine months ended September 30, 2023, compared to \$945.4 million for the nine months ended September 30, 2022. The decrease in cash from operating activities was driven by the lower coal revenues, higher operating costs and income tax paid during the period, including \$107.6 million relating to 2022 taxable income.

Investing activities

Net cash used in investing activities was \$183.0 million for the nine months ended September 30, 2023, compared to \$150.7 million for the nine months ended September 30, 2022. Cash spent on capital expenditures for the nine months ended September 30, 2023 was \$182.4 million, of which \$ 44.3 million was related to the Australian Operations and \$ 138.1 million was related to the U.S. Operations.

Financing activities

Net cash used in financing activities was \$23.0 million for the nine months ended September 30, 2023, compared to cash used in financing activities of \$483.9 million for the nine months ended September 30, 2022. The net cash used in financing activities for the nine months ended September 30, 2023 largely related to dividends payment of \$16.8 million, payment of deferred debt issuance costs for the New ABL Facility of \$3.4 million and repayment of borrowings and other financial liabilities of \$2.8 million.

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Included in net cash used in financing activities for the nine months ended September 30, 2022, were dividends paid of \$473.9 million and repayment of borrowings and other financial liabilities of \$10.0 million.

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 Conditions and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC and ASX on February 21, 2023.

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, 2022, filed with the SEC and ASX on February 21, 2023.

Newly Adopted Accounting Standards and Accounting Standards Not Yet Implemented

See Note 2. (a) "Newly Adopted Accounting Standards" to our unaudited condensed consolidated financial statements for a discussion of newly adopted accounting standards. As of September 30, 2023, there were no 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 rates, 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.

The expectation of future prices for coal depends upon many factors beyond our control. Met coal has been volatile commodity over the past ten years. In the second quarter of 2022, seaborne prices reached record levels with both the Australian and U.S. Met coal price indices exceeding \$600 per Mt, largely as result of supply concerns in key Met coal markets and continued trade flow disruptions caused by geopolitical tensions following Russian invasion of Ukraine. The demand and supply in the Met coal industry changes from time to time. There are no assurances that oversupply will not occur, that demand will not decrease or that overcapacity will not occur, which could cause declines in the prices of coal, which could have a material adverse effect on our financial condition and results of operations.

Access to international markets may be subject to ongoing interruptions and trade barriers due to policies and tariffs of individual countries. For example, the imposition of tariffs and import quota restrictions by China on U.S. and Australian coal imports, respectively, may in the future have a negative impact on our profitability. We may or may not be able to access alternate markets of our coal should additional interruptions or trade barriers occur in the future. An inability for metallurgical 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 21, 2023.

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 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. As of September 30, 2023, we had \$26.7 million of outstanding provisionally priced receivables subject to changes in the relevant price index. If prices decreased 10%, these provisionally priced receivables would decrease by \$2.7 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 21, 2023.

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). The expectation of future prices for diesel depends upon many factors beyond our control. The current Israel-Palestine conflict could create significant uncertainty regarding interruptions to global oil supply causing significant volatility in prices of related commodities, including the price

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of diesel fuel we purchase. 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 operations for the remainder of fiscal year 2023 will be purchased under fixed-price contracts or on a spot basis.

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 our financial performance, investment decisions and stockholder return. 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 September 30, 2023, we had \$252.1 million of fixed rate borrowings and Notes and no variable-rate borrowings outstanding.

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 60% of expenses incurred at our Australian Operations are denominated in A\$. Approximately 40% of our Australian Operations' purchases are made with reference to US\$, which provides a natural hedge against foreign exchange movements on these purchases (including fuel, several port handling charges, demurrage, purchased coal and some insurance premiums). Appreciation of the A\$ against US\$ will increase our Australian Operations' US\$ reported cost base and reduce US\$ reported net income. For the portion of US\$ required to purchase A\$ to settle our Australian Operations' operating costs, a 10% increase in the A\$ to US\$ exchange rate would increase reported total costs and expenses by approximately \$34.4 million and \$86.1 million for the three and nine months ended September 30, 2023, respectively.

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 nonmonetary 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.

As of September 30, 2023, we had financial assets of \$690.1 million, comprising of cash and restricted cash, trade receivables and restricted and other deposits, which are exposed to counterparty credit risk. These financial assets have been assessed under ASC 326, *Financial Instruments – Credit Losses*, and a provision for discounting and credit losses of \$0.8 million was recorded as of September 30, 2023.

[Table of Contents](#)**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 Quarterly Report on Form 10-Q, 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 control 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 on Form 10-Q, 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, 2022, filed with the SEC and ASX on February 21, 2023 and Part II, Item 1A, "Risk Factors", of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, filed with the SEC and ASX on May 8, 2023.

Consummation of the proposed SGI Transaction may constitute a change of control under our Senior Secured Notes Indenture and our New ABL Facility, which could materially and adversely affect our business, financial condition and results of operations.

On September 25, 2023, the Sellers advised the Company that the Sellers had entered into a MIPA with SGI. The Company understands that, pursuant to the terms of the MIPA, the Sellers agreed to sell all of their interests in Coronado Group LLC to a wholly-owned subsidiary of SGI in the SGI Transaction. For a more detailed description of the SGI Transaction refer to Note 17. "Related Party Transactions" to the unaudited condensed consolidated financial statements included in Part I, Item 1. "Financial Statements" of this Quarterly Report on Form 10-Q, which information is incorporated by reference herein.

Energy & Minerals Group has reported that following the closing of the SGI Transaction, the timing of which the Company is not aware, SGI will be the direct or indirect owner of Coronado Group LLC. Coronado Group LLC is currently the direct owner of 845,061,399 CDIs (representing a beneficial interest in 84,506,140 shares of common stock, or 50.4% of the Company's outstanding total common stock) and the one Series A Share.

The consummation of the proposed SGI Transaction may constitute a change of control under the Company's Senior Secured Notes Indenture, dated as of May 12, 2021, pursuant to which the Company has issued and outstanding approximately \$242.3 million aggregate principal amount of its 10.750% Senior Secured Notes due 2026, or the Notes, as of September 30, 2023. Upon a change of control, Coronado Finance Pty Ltd., the issuer of the Notes, is required to offer to repurchase all or any part of a holder's Notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase, subject to the terms and conditions of the indenture. Failure to consummate a required repurchase offer, whether as a result of lack of sufficient funds or otherwise, is an event of default under the Senior Secured Notes Indenture that would accelerate the maturity of the Notes and permit holders to pursue available remedies.

The consummation of the proposed SGI Transaction may also constitute a change of control under our New ABL Facility. A change of control, under the New ABL Facility constitutes a Review Event, pursuant to which the Lenders may request to meet and consult with us to agree a strategy to address the relevant Review Event including but not limited to, a restructure of the terms of the New ABL Facility to the satisfaction of the Lenders, for example any unpaid amounts may become due and payable or existing undrawn commitments may be cancelled. As of September 30, 2023, the Company had drawn down \$21.6 million of borrowings and had \$128.4 million of undrawn commitments under our New ABL Facility.

Should these potential events collectively occur, we may need to seek to refinance the Notes, replace the New ABL Facility, raise new capital through a public offering or modify existing or future capital expense projects to restore the Company's liquidity. Although we would expect to have numerous options available to us to address our liquidity needs, there is no assurance that the Company will be able to refinance the Notes, replace the New ABL Facility, raise new capital through a public offering or modify existing capital expense projects, on terms which are favorable to us, in which case and taken as a whole, our liquidity profile could deteriorate which could materially and adversely affect our financial condition.

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Uncertainty about the effects of the SGI Transaction may affect our potential and existing financial arrangements and customer relationships, including contractual rights triggered upon a change of control in connection with the SGI Transaction, and may materially and adversely affect our business, results of operations and financial condition.

Certain contract counterparties, including customers, suppliers and third-party providers may assert contractual rights, such as consent or termination rights that may be triggered by the consummation of the SGI Transaction. In relation to the arrangements with Stanwell, we are required to request Stanwell's prior consent to the change of control that is expected to occur on consummation of the SGI Transaction. Stanwell must either give or refuse to give consent within a specified period following receipt of the request, and may only refuse to consent if in its' reasonable opinion, it determines, that the SGI Transaction will have a material adverse effect on the financial ability of Coronado Curragh Pty Ltd to perform its obligations under the Stanwell agreements. In circumstances where consent is not obtained, the Company would seek to find mutually agreeable alternative terms on which Stanwell would consent to the change in control.

The Company is also required to request Aurizon's consent to the change of control that is expected to occur on consummation of the SGI Transaction under the Aurizon UT5 Rail Access Agreement. A failure to obtain Aurizon's consent to the consummation of the SGI Transaction will constitute a breach of the agreement, entitling Aurizon to legal or equitable remedies which may include termination of the agreement.

For a number of customers and supplier agreements, including contractor agreements, the completion of the SGI Transaction may trigger a financial or suitability assessment by the counterparty, which may entitle the counterparty to terminate the agreement, request further security or seek amendments to the terms of the agreement. The termination of these arrangements, or the requirement to provide further security, could harm our relationships with such third parties and could have a material adverse effect on our business, financial condition, and results of operations.

Consummation of the SGI Transaction will also constitute a "changed holder event" for the purposes of Queensland financial provisioning legislation relating to rehabilitation obligations for the Curragh mining tenements, which may result in the Queensland government reviewing the "risk category" to which the mining tenements are allocated (i.e., very low, low, moderate or high), which may require us to provide further contribution or surety to the Queensland government.

Following the consummation of the SGI Transaction, we expect that SGI through Coronado Group LLC will have significant influence over corporate matters, including control over certain decisions that require the approval of stockholders.

The Special Committee is reviewing the terms of the Certificate of Incorporation regarding the Series A Preferred Stock and the terms of the Stockholder's Agreement dated as of September 24, 2018 between the Company and Coronado Group LLC to evaluate whether the rights ascribed collectively to "EMG" (as defined thereunder) will inure to SGI as the new owner of the Coronado Group LLC. Even apart from those rights, SGI as the indirect owner of a majority of the Company's common stock will have significant influence over corporate matters.

Further, uncertainty about the timing of; and effects of the SGI Transaction on counterparties to contracts, employees and other parties may have an adverse effect on us. These uncertainties could cause contract counterparties and others who deal with us to seek to terminate or amend their existing business relationships with us, and may impair our ability to attract, retain and motivate key personnel for a period of time prior to and following the consummation of the SGI Transaction. As a result, uncertainties regarding the timing of; and impact of the SGI Transaction on our business strategy may have a material and adverse effect on our business, financial condition and results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

[Table of Contents](#)**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 Inc.

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

During the quarter ended September 30, 2023, no director or officer (as defined in Rule 16a-1(f) promulgated under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408 of Regulation S-K).

[Table of Contents](#)**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)
10.1	Second Amendment to Syndicated Facility Agreement, dated as of July 1, 2023, among Citibank, N.A., as administrative agent, Coronado Coal Corporation, as U.S. Borrower, Coronado Finance Pty Ltd, as Australian Borrower, and the other Loan Parties, Administrative Agent and the lenders named therein (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K (File No. 000-56044) filed on July 6, 2023 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)

* Certain schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the Securities and Exchange Commission upon request.

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

Coronado Global Resources Inc.

By: /s/ Gerhard Ziems
Gerhard Ziems
Group Chief Financial Officer (as duly authorized officer
and as principal financial officer of the registrant)

Date: November 8, 2023

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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):

1. Registration Statement (Form S-3 No. 333-239730) of Coronado Global Resources Inc.;
2. Registration Statement (Form S-8 No. 333-236597) pertaining to the Coronado Global Resources Inc. 2018 Equity Incentive Plan and the Coronado Global Resources Inc. 2018 Non-Executive Director Plan; and
3. Registration Statement (Form S-8 No. 333-249566) pertaining to the Coronado Global Resources Inc. 2018 Equity Incentive Plan

of our review reports dated May 8, 2023, August 7, 2023 and November 8, 2023, relating to the unaudited condensed consolidated interim financial statements of Coronado Global Resources Inc. that are included in its Forms 10-Q for the quarters ended March 31, 2023, June 30, 2023 and September 30, 2023.

/s/ Ernst & Young
Brisbane, Australia
November 8, 2023

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

I, Douglas Thompson, 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: November 8, 2023.

/s/ Douglas Thompson
Douglas Thompson
Managing Director and Chief Executive Officer

[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: November 8, 2023.

/s/ Gerhard Ziems
Gerhard Ziems
Group Chief Financial Officer

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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 September 30, 2023, 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/ Douglas Thompson
Douglas Thompson
Managing Director and Chief Executive Officer

/s/ Gerhard Ziems
Gerhard Ziems
Group Chief Financial Officer

Date: November 8, 2023.

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.