TerraCom

Quarterly Activity Report

For the quarter ended 30 June 2026

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Quarterly Overview

June Quarter Sales were impacted by timing of logistics, and impacts of mud and water in pit from over one year's rainfall during the March quarter; September quarter sales contracted.

FY27 guidance at 2.0-2.2 Mt. Additional mining equipment supporting stronger production in the year ahead

CORPORATE

As at 30 June 2026, TerraCom held Cash at Bank[2] of A$8.4 million, with a further A$54.4 million of restricted cash associated with rehabilitation bonding requirements at Blair Athol. Proceeds of ~A$12 million received on 2 July 2026 from a June shipment.

No dividend has been declared for the period, with the Company prioritising balance sheet strength and operational stability.

During the quarter, Mr Mark Chadwick was appointed as Non-Executive Director and Mr Richard Clarke was appointed as Interim Chief Financial Officer and Company Secretary.

After quarter end, Mr Mark Chadwick resigned from the Board.

OPERATIONS

Blair Athol Mine – Queensland, Australia

- Run of Mine production: 446 kt (9 percent higher qoq)
- Saleable coal production: 336 kt (11 percent higher qoq)
- Total coal sales: 390 kt (54 percent higher qoq)
- Total equivalent saleable coal stocks: 69 kt at period end
- The Company provides Blair Athol FY27 sales guidance of 2.0-2.2 Mt

Total Coal Sales Aus[1]
4Q FY2026

0.39 Mt

Total Coal Sales South Africa[1]
4Q FY2026

1.09 Mt

Total Coal Sales Aus[1]
FY2026

1.45 Mt

Total Coal Sales South Africa[1]
FY2026

4.45 Mt

Impacted by weather disruption

Blair Athol
FY27 Guidance

2.0 – 2.2 Mt

[1] **Total Tonnes** – Represents total production and sales volumes on a 100 percent ownership basis and includes 100 percent of output from the South African operations. **Equity Tonnes** refers to TerraCom's equity interests in these operations which range from 48.9 percent to 49.0 percent.

[2] **Cash at Bank** – Represents operational cash holdings and is not equivalent to the cash amount reported under International Financial Reporting Standards (IFRS) from a consolidation perspective.

Production and sales were impacted by significant rainfall with over one year's worth of rain falling in the previous quarter which caused significant quantities of water and mud to be present in active mining areas, and disrupted mining productivity and coal handling. These impacts primarily affected shipment timing.

The Company has contracted the September quarter, providing a clear pathway to achieving FY27 sales guidance of 2.0-2.2 Mt.

The average coal price achieved for the quarter was A$146.44 per tonne.

The FY27 mine plan remains focused on increasing production, ensuring operational reliability and improvements in cost performance.

South Africa Operations

The Company's South African operations delivered stable sales during the quarter, with performance reflecting variability across individual operations.

The Kangala plant continued to ramp up toll washing activities following commencement in the December quarter. Performance has been in line with expectations, providing an additional revenue stream while Eloff approvals and development activities continue.

SAFETY (12 month rolling)

Group safety performance for the June 2026 quarter reflected continued focus on TerraCom's commitment to a safe and responsible workplace.

- Lost Time Injury Frequency Rate (LTIFR): 0.6
- Total Recordable Injury Frequency Rate (TRIFR): 0.6

These results reflect continued emphasis on safety leadership and disciplined risk management across the Group.

Interim Chief Executive Officer’s Report

Chris Bourke
Interim CEO

“With coal prices strengthening, the Company intends to capture the benefits of the improved market while spreading Blair Athol’s fixed operating costs across a larger production base.”

Dear Shareholders

The June quarter was focused on completing the recovery from the extraordinary rainfall experienced earlier in the year but it also laid the operational foundations for increased production, improved efficiency and stronger financial performance in FY27.

Our priorities remain clear: increase production, reduce unit costs, improve operational resilience and maximise the value of Blair Athol’s high-quality coal reserves.

Reflecting this renewed focus, TerraCom is targeting FY27 sales of between 2.0 million and 2.2 million tonnes. With coal prices strengthening, the Company intends to capture the benefits of the improved market while spreading Blair Athol’s fixed operating costs across a larger production base.

The Blair Athol team has already mobilised a third 350-tonne-class mining fleet, with recruitment for the expanded operation nearing completion. The third fleet has commenced mining within its own pit and is undertaking the pre-strip activity required to access additional coal. The benefits of this expansion are expected to become increasingly evident from the second quarter of FY27.

TerraCom is also progressing the acquisition of a new Hitachi EX3600-7 excavator. Once operational, the excavator will replace the equipment currently hired for the third fleet, which is expected to reduce operating costs, improve equipment availability and deliver a further productivity uplift.

As the new pit advances, it will also provide an additional operating location for the dragline. This should improve dragline utilisation and efficiency by creating greater flexibility to cycle between available mining areas.

These initiatives provide TerraCom with a clear operational pathway towards achieving its FY27 sales guidance.

The June quarter also involved a considerable recovery effort following the exceptional rainfall experienced during the March quarter, when Blair Athol received more than a full year’s average rainfall in just three months. This left substantial volumes of water and mud within the mining areas and affected access to parts of the pit.

In response, the Company installed additional pumping capacity and larger pipe infrastructure during the June quarter. This investment will help Blair Athol recover more quickly from future rainfall events, particularly while mining continues through the lower sections of the pit over the next approximately 24 months.

Alongside the production ramp-up, the team is examining opportunities to develop additional coal products for Asian customers. The objective is to generate greater value from Blair Athol's reserves, diversify the mine's product offering and increase the proportion of sales linked to Newcastle benchmark pricing. TerraCom is targeting its first trial shipments of these products during the September quarter.

We are also introducing new technology to improve how the operation is managed. Blair Athol has commenced trialling customised, internally developed artificial intelligence tools to streamline reporting and provide faster insights into production, performance and costs.

The application of these tools is still developing, but the opportunity is significant. Over time, we expect better access to real-time information to support faster, more informed decision-making at the coal face and across the broader business.

The Company is also reviewing appropriate currency and commodity hedging strategies to reduce exposure during periods of market volatility. The Board supports the disciplined use of these measures, and the Company will seek to implement them when market conditions and commercial opportunities are appropriate.

TerraCom enters FY27 with a strengthened operational plan, additional mining capacity and a clear focus on execution. There is much work ahead, but the initiatives already underway provide a strong foundation for higher production, lower costs and improved operational performance.

I look forward to working with our workforce, the Board, customers and shareholders as we build on the progress made during the June quarter and pursue the opportunities ahead.

Yours sincerely

Chris Bourke
Interim Chief Executive Officer
TerraCom Limited

Production and sales performance

Total tonnes (continuing operations)[1]

	JUNE 2026 QUARTER			MARCH 2026 QUARTER		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Australia	390	0	390	253	0	253
South Africa	246	839	1,085	243	742	985
TOTAL	636	839	1,475	496	742	1,238

Equity tonnes (continuing operations)[1]

	JUNE 2026 QUARTER			MARCH 2026 QUARTER		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Australia	390	0	390	253	0	253
South Africa	121	411	532	119	364	483
TOTAL	511	411	922	372	364	736

Financial year-to-date operational results

	TOTAL TONNES[1]			EQUITY TONNES[1]		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Australia	1,452	0	1,452	1,452	0	1,452
South Africa	630	3,821	4,451	309	1,872	2,181
TOTAL	2,082	3,821	5,903	1,761	1,872	3,633

Australia Business Unit

Blair Athol – 100% equity interest

Thousands of tonnes (Kt)	Jun 4Q FY2026	Mar 3Q FY2026	Change %	Jun 4Q FY2025	Change %
ROM Coal Production	446	410	9%	526	(15%)
Saleable Coal	336	302	11%	403	(17%)
Coal Sales	390	253	54%	498	(22%)
Inventory (ROM)	5	24	(79%)	24	(79%)
Inventory (Saleable)	64	110	(42%)	21	205%

ROM coal production for the June 2026 quarter was 446 kt, up 9 percent on the March quarter and 15 percent lower than the prior corresponding period. Saleable coal production of 336 kt was 11 percent above the March quarter and 17 percent lower year on year.

Coal sales for the quarter totalled 390 kt, representing a 54 percent increase from the March 2026 quarter and a 22 percent decrease on the prior corresponding period, however total coal stockpiles at the quarter end were 69 kt, comprising 5 kt of ROM and 64 kt of saleable coal.

The operational focus for FY27 remains on maintaining high dragline availability, optimising and increasing mining performance, and sustaining a competitive unit cost base to underpin consistent and efficient production from Blair Athol.

South Africa Business Unit (100% basis)

Thousands of tonnes (Kt)	Jun 4Q FY2026	Mar 3Q FY2026	Change %	Jun 4Q FY2025	Change %
ROM Coal Production	1,622	1,355	20%	1,791	(9%)
Saleable Coal	1,203	863	39%	1,123	7%
Coal Sales	1,085	985	10%	1,178	(8%)
Inventory (ROM)	191	319	(40%)	370	(48%)
Inventory (Saleable)	93	86	8%	44	111%

The South African operations achieved combined coal sales of 1,085 kt for the June 2026 quarter, 10 percent higher than the prior quarter.

New Clydesdale Colliery (NCC)

Thousands of tonnes (Kt)	Jun 4Q FY2026	Mar 3Q FY2026	Change %	Jun 4Q FY2025	Change %
ROM Coal Production	733	603	22%	549	34%
Saleable Coal	456	421	8%	275	66%
Coal Sales	418	528	(21%)	323	29%
Inventory (ROM)	75	37	103%	175	(57%)
Inventory (Saleable)	43	28	54%	28	54%

NCC achieved total coal sales of 418 kt for the June quarter, decreased by 8% on the March quarter. Sales to Eskom accounted for 299 kt of this result and export coal sales were 119 kt. Export sales down 8% from previous quarter.

ROM production for the quarter totalled 733 kt, up 22% on the previous quarter, while the saleable coal production increased 8% to 456 kt.

North Block Complex (NBC)

Thousands of tonnes (Kt)	Jun 4Q FY2026	Mar 3Q FY2026	Change %	Jun 4Q FY2025	Change %
ROM Coal Production	889	752	18%	1,242	(28%)
Saleable Coal	747	442	69%	848	(12%)
Coal Sales	667	457	46%	855	(22%)
Inventory (ROM)	116	282	(59%)	195	(41%)
Inventory (Saleable)	50	58	(14%)	16	213%

NBC achieved total coal sales of 667 kt for the June quarter, 46% higher than the March quarter. Sales to Eskom accounted for 540 kt, with export sales contributing 127 kt.

ROM production for the quarter totalled 889 kt, an 18% increase on the prior quarter, while saleable coal production increased 69% to 747 kt, reflecting higher processing volumes.

Outlook

Coal Markets

Thermal coal prices strengthened through the June quarter, with the NEWC 6,000 kcal benchmark rising from an average of US$134/t in March to average of US$143/t in June 2026, supported by firm seaborne demand and tighter global energy markets.

Demand across TerraCom's core markets remained resilient. North Asian utilities continued to prioritise secure, high quality thermal coal supply, with a preference for established producers capable of delivering consistent specifications. In India, import demand was underpinned by power generation requirements, with buying activity increasing as domestic inventories normalised and electricity demand strengthened.

Medium energy, low impurity thermal coal continues to attract solid demand from customers focused on plant efficiency and reliability. TerraCom's product quality and established customer relationships position the Company well to capture value across both contracted and spot sales channels.

Looking ahead, market conditions are expected to remain supportive in the near term; however, the Company remains focused on operational discipline, cost control and reliable delivery to support consistent cash generation.

Production Costs

Blair Athol's Free on Board (FOB) operating costs (excluding royalties) for 4Q FY2026 averaged A$126 per tonne, reflecting lower shipment volumes, previous quarter's weather-related impacts, increased demurrage and logistics costs, and higher diesel, oils and lubricants prices.

TerraCom continues to prioritise a sustainable low-cost operating structure and is advancing value improvement programs across both Australian and South African operations. Costs have been under pressure from recent significant increases to diesel, oils and lubricants prices.

Foreign Exchange

As at 30 June 2026, TerraCom had no foreign exchange hedges in place for USD denominated coal sales. The Group continues to monitor currency movements and is assessing the potential benefits of implementing currency and commodity hedging programs to support effective exposure management objectives.

Cooperation Agreement with Wintime Energy Group Co. Ltd

TerraCom and Wintime continued to progress strategic Government approvals during the quarter. Commercial negotiations and planning to integrate operations are well advanced. Wintime is progressing plans for a new exploration program and has prepared a preliminary exploration drilling plan for TerraCom's technical review. The program is intended to improve geological understanding of the deposit and increase confidence in the existing resource model to support future development planning. The Company will provide further updates as discussions and planning progress, subject to regulatory approvals and customary conditions.

Mining and Exploration Tenements

Mining and exploration tenements held at the end of June 2026 quarter

Operation/ Project	Tenement	% interest at the start of the quarter	% interest at the end of the quarter	Location	Commodity
Blair Athol	ML1804	100	100	Australia	Coal
New Clydesdale Colliery	MP30/5/1/2/2/429MR	49	49	South Africa	Coal
North Block Complex	MP30/5/1/2/1/326MR MR30/5/1/1/2/19MR (10068MR)	49	49	South Africa	Coal
Ubuntu	MP30/5/1/2/2/10027MR	48.9	48.9	South Africa	Coal
Eloff	MP30/5/1/2/2/10169MR	49	49	South Africa	Coal
Kangala	MP30/5/1/2/2/429MR MP30/5/1/1/2/641PR Mining Right application MP30/5/1/1/2/10179MR	70.5	70.5	South Africa	Coal
Berenice	Prospecting Right (PR) LP30/5/1/1/2/376PR Mining Right: LP30/5/1/1/2/10131MR – under application	50	50	South Africa	Coal
Cygnus	LP30/5/1/1/2/1276PR Mining Right application LP30/5/1/1/2/10169MR	50	50	South Africa	Coal
Northern Galilee (Hughenden)	EPC1300, EPC1394, EPC1477, EPC1478, EPC2049	100	100	Australia	Coal
Northern Galilee (Pentland)	EPC1890, EPC1892, EPC1893, EPC1964	100	100	Australia	Coal
Northern Galilee (Clyde Park)	EPC1260	64.4	64.4	Australia	Coal
Springsure (Springsure)	EPC1674, MDL3002	90.1	90.1	Australia	Coal
Springsure (Fernlee)	EPC1103	100	100	Australia	Coal

This ASX announcement has been approved by the board for release.

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TerraCom Profile

TerraCom Limited (ASX: TER) is an Australian based mining and resources company with a global footprint, comprising a large portfolio of operating assets in Australia and South Africa within the coal sector. TerraCom is a low-cost producer focused on delivering strong performance and returns from its diversified asset base. The Company continues to expand through strategic partnerships and the provision of integrated mining and infrastructure services. To learn more about TerraCom visit **terracom.au**

Forward Looking Statement

This document contains summary information about, TerraCom, its subsidiaries, and its activities which are current as at the date of this document. The information in this document is general in nature and does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in TerraCom or that would be required in a prospectus or product disclosure statement prepared in accordance with the Corporations Act 2001 (Cth). Information in this document should therefore be read in conjunction with other announcements made by TerraCom to the ASX.

All numbers presented with a $ or A$ represent the Company's presentation currency, being Australian dollars.

If reported, operating EBITDA results, unless stated, represent 100% of the result from the South Africa Business Unit and therefore includes other equity holders. TerraCom's equity interest in the operating mines ranges from 48.9% to 49.0%.

Operating EBITDA data does not include the TerraCom corporate costs.

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