TerraCom

Quarterly Activity Report

For the quarter ended 30 September 2026

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Quarterly Overview

Blair Athol sales of produced coal of 378 kt (3% lower qoq); total coal sales of 409 kt including 31 kt of purchased coal. South African sales up 13% to 1,225 kt.

Blair Athol FY27 sales guidance maintained at 2.0–2.2 Mt, supported by the third fleet, new excavator and a product mix that is improving yield.

CORPORATE

As at 30 September 2026, TerraCom held Cash at Bank[2] of $3.338 million, with a further $54.441 million of restricted cash associated with rehabilitation bonding requirements at Blair Athol.

No dividend has been declared for the period.

During the quarter, Mr Gerard Hutchinson was appointed as a Non-Executive Director of the Company. At the end of October Mr Glenn Splatt resigned as a Non-Executive Director of the Company. Ms Clare Matthews was appointed as Company Secretary, effective 28 October 2026, to support the Company's corporate governance and assist with its company secretarial and administrative responsibilities.

OPERATIONS

Blair Athol Mine – Queensland, Australia

- Run of Mine production: 457 kt (2 percent higher qoq)
- Saleable coal production: 324 kt (4 percent lower qoq)
- Sales of produced coal: 378 kt (3 percent lower qoq)
- Total coal sales: 409 kt (5 percent higher qoq), including 31 kt of purchased coal
- Total equivalent saleable coal stocks: 21 kt at period end
- The Company maintains Blair Athol FY27 sales guidance of 2.0–2.2 Mt based on coal that will be produced by the third fleet in upcoming quarters and the new sales mix improving Operational Yield

Sales of Produced Coal Aus[1]
1Q FY2027

0.38 Mt

Total Coal Sales South Africa[1]
1Q FY2027

1.22 Mt

Total Coal Sales Group[1]
1Q FY2027

1.63 Mt

Equity Coal Sales Group[1]
1Q FY2027

1.01 Mt

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 during the quarter remained below plan, with ROM coal production 12 percent and saleable coal production 19 percent below the FY27 mine plan for the quarter.

To enhance blending options to maximise Product Yield and to meet shipping commitments while production recovered, Blair Athol purchased 31 kt of third-party coal, which was sold alongside 378 kt of produced coal. From this quarter, sales of produced and purchased coal are reported separately. Buying small volumes of third-party coal widens our blending options, opens new markets and helps us get more value from each tonne mined.

The average coal price achieved for the quarter on total coal sales (including purchased coal) was A$136.32 per tonne (June quarter 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 combined coal sales of 1,225 kt for the quarter, 13 percent higher than the June quarter, with higher sales at both NCC and NBC.

SAFETY (12-month rolling)

Group safety performance for the September 2026 quarter reflected continued focus on TerraCom's commitment to a safe and responsible workplace. No recordable injuries or High Potential Incidents were recorded across the Group in September.

- Lost Time Injury Frequency Rate (LTIFR): 4.1
- Total Recordable Injury Frequency Rate (TRIFR): 8.1

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

"Our priorities are the same: increase production, reduce unit costs, make the operation more resilient, and get more value from every tonne of Blair Athol's high-quality reserves."

Dear Shareholders

The September quarter, the first of FY27, brought higher coal sales from Blair Athol. Production was still below plan while our expanded fleet completed the pre-strip work needed to release more coal from the December quarter.

At Blair Athol, ROM production was 12 percent below the FY27 mine plan for the quarter, and saleable production was 19 percent below it. Total coal sales rose 5 percent on the June quarter to 409 kt. We are maintaining FY27 sales guidance of 2.0–2.2 Mt.

Our priorities remain clear: increase production, reduce unit costs, improve operational resilience, and get more value from every tonne of Blair Athol's high-quality reserves.

Lifting production

We have mobilised a third 350-tonne-class mining fleet, and recruitment is nearly complete. The fleet is working in its own pit, removing the pre-strip that sits above the coal underpinning our guidance. We expect first coal from this pit in the December quarter, with volumes building through the second half. The new pit also gives the dragline and dozer push fleets another place to work, including a drier area during the wet season. That should improve dragline utilisation.

We have bought a new Hitachi EX3600-7 excavator, which we expect to be operating on site by the end of November. It will replace the hired equipment in the third fleet. This should lower operating costs, improve equipment availability and lift productivity. We are also looking at augering coal from previously mined-out areas of the site.

Cost pressure and resilience

Unit costs rose in the quarter. FOB operating costs (excluding royalties and purchased coal) averaged A$171 per tonne, up from A$126 per tonne in the June quarter. The causes were lower production volumes, higher diesel prices and demurrage while vessels waited for coal. Higher coal volumes from the third fleet and replacing hired equipment are the main ways we will bring these costs down.

Ahead of the wet season, the extra pumping capacity and larger pipe infrastructure installed in earlier quarters will help Blair Athol recover faster from rain. This matters most while we mine the lower sections of the pit over roughly the next two years.

Getting more from every tonne

During the quarter we bought 31 kt of third-party coal. It helped us meet shipping commitments while production caught up, and it let us trial new product blends.

These trials are part of a wider effort to develop new products for Asian customers. The aims are to:

- recover more saleable coal from each tonne mined

- broaden our product range
- link more of our sales to Newcastle benchmark pricing.

The first trial cargoes were loaded in September for new customers. They increased site yield and lowered costs, because less coal had to go through the CHPP. We plan more trials and more third-party coal purchases in November and December. Together with the third fleet, these yield gains support our guidance despite the slow start to the year.

South Africa

Our South African operations had a stronger quarter. Combined sales rose 13 percent to 1,225 kt, with higher sales at both NCC and NBC.

Systems and risk

Blair Athol has begun trialling AI tools we developed in-house. They streamline reporting and give faster insight into production, performance and costs. The rollout will continue through the year, with the aim of faster, better-informed decisions at the coal face and across the business.

The Company is reviewing currency and commodity hedging to reduce our exposure to market volatility. The Board supports using hedging in a disciplined way, and we will put hedges in place when market conditions and commercial terms are right.

Outlook

For the rest of FY27 we are focused on lifting production, reducing unit costs and delivering the shipping program. There is work ahead. The third fleet, the new excavator and the better product mix give us a clear path to higher output and lower costs.

I look forward to working with our people, the Board, customers and shareholders as we build on this quarter.

Yours sincerely

Chris Bourke
Interim Chief Executive Officer
TerraCom Limited

Production and sales performance

Total tonnes (continuing operations)[1]

	SEPTEMBER 2026 QUARTER			JUNE 2026 QUARTER		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Produced coal	378	0	378	390	0	390
Purchased coal	31	0	31	–	–	–
Australia total	409	0	409	390	0	390
South Africa	160	1,065	1,225	246	839	1,085
TOTAL	569	1,065	1,634	636	839	1,475

Equity tonnes (continuing operations)[1]

	SEPTEMBER 2026 QUARTER			JUNE 2026 QUARTER		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Produced coal	378	0	378	390	0	390
Purchased coal	31	0	31	–	–	–
Australia total	409	0	409	390	0	390
South Africa	78	522	600	121	411	532
TOTAL	487	522	1,009	511	411	922

Financial year-to-date operational results

	TOTAL TONNES[1]			EQUITY TONNES[1]		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Produced coal	378	0	378	378	0	378
Purchased coal	31	0	31	31	0	31
Australia total	409	0	409	409	0	409
South Africa	160	1,065	1,225	78	522	600
TOTAL	569	1,065	1,634	487	522	1,009

Australia Business Unit

Blair Athol – 100% equity interest

Thousands of tonnes (kt)	Sep 1Q FY2027	Jun 4Q FY2026	Change %	Sep 1Q FY2026	Change %
ROM Coal Production	457	446	2%	653	(30%)
Saleable Coal	324	336	(4%)	463	(30%)
Sales of Produced Coal	378	390	(3%)	440	(14%)
Sales of Purchased Coal	31	–	n/a	–	n/a
Total Coal Sales	409	390	5%	440	(7%)
Inventory (ROM)	5	5	0%	51	(90%)
Inventory (Saleable)	16	64	(75%)	44	(64%)

ROM coal production for the September 2026 quarter was 457 kt, up 2 percent on the June quarter and 30 percent lower than the prior corresponding period last year. Saleable coal production of 324 kt was 4 percent below the June quarter and 30 percent lower year on year.

Total coal sales for the quarter were 409 kt, 5 percent higher than the June 2026 quarter and 7 percent lower than the prior corresponding period. Sales comprised 378 kt of produced coal and 31 kt of purchased coal. Total coal stockpiles at the quarter end were 21 kt, comprising 5 kt of ROM and 16 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)	Sep 1Q FY2027	Jun 4Q FY2026	Change %	Sep 1Q FY2026	Change %
ROM Coal Production	1,904	1,622	17%	1,582	20%
Saleable Coal	1,241	1,203	3%	1,347	(8%)
Coal Sales	1,225	1,085	13%	1,385	(12%)
Inventory (ROM)	208	191	9%	131	59%
Inventory (Saleable)	93	93	0%	91	2%

The South African operations achieved combined coal sales of 1,225 kt for the September 2026 quarter, 13 percent higher than the prior quarter.

New Clydesdale Colliery (NCC)

Thousands of tonnes (kt)	Sep 1Q FY2027	Jun 4Q FY2026	Change %	Sep 1Q FY2026	Change %
ROM Coal Production	939	733	28%	582	61%
Saleable Coal	516	456	13%	448	15%
Coal Sales	500	418	20%	532	(6%)
Inventory (ROM)	169	75	125%	87	94%
Inventory (Saleable)	50	43	16%	39	28%

NCC achieved total coal sales of 500 kt for the September quarter, 20 percent higher than the June quarter. Sales to Eskom and other domestic customers accounted for 358 kt, with export coal sales of 142 kt (up 19 percent on the June quarter).

ROM production for the quarter totalled 939 kt, up 28 percent on the previous quarter, while saleable coal production increased 13 percent to 516 kt.

North Block Complex (NBC)

Thousands of tonnes (kt)	Sep 1Q FY2027	Jun 4Q FY2026	Change %	Sep 1Q FY2026	Change %
ROM Coal Production	965	889	9%	1,001	(4%)
Saleable Coal	725	747	(3%)	899	(19%)
Coal Sales	725	667	9%	853	(15%)
Inventory (ROM)	39	116	(66%)	44	(11%)
Inventory (Saleable)	43	50	(14%)	52	(17%)

NBC achieved total coal sales of 725 kt for the September quarter, 9 percent higher than the June quarter. Sales to Eskom and other domestic customers accounted for 707 kt, with export sales contributing 18 kt (June quarter 127 kt).

ROM production for the quarter totalled 965 kt, a 9 percent increase on the prior quarter, while saleable coal production was 725 kt, 3 percent lower than the June quarter.

Outlook

Coal Markets

Thermal coal prices finished the September quarter strongly. The NEWC 6,000 kcal benchmark fell from an average of US$143/t in June to US$130/t in July and held steady in August (US$131/t), before rallying 10 percent to average US$145/t in September 2026, supported by stronger oil and gas markets. The quarter averaged US$135/t. Forward pricing has remained firm, with the GFI NEWC curve pricing the December 2026 quarter at US$153/t at 21 October 2026.

Demand across TerraCom's core markets remained resilient. Northeast 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 to medium 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 and purchased coal) for 1Q FY2027 averaged A$171 per tonne (4Q FY2026: A$126 per tonne), reflecting lower production volumes, higher diesel, oils and lubricants prices and increased demurrage.

Costs were elevated during the quarter, with significant increases to diesel prices adding further pressure. TerraCom is implementing measures to reduce costs, including value improvement programs across both Australian and South African operations.

Foreign Exchange

As at 30 September 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, planning and commercial workstreams during the quarter. Significant effort has gone into getting the current EPBC approvals to an advanced stage in the approval process. TerraCom and Wintime are seeking to conclude commercial discussions by the end of the calendar year, subject to the timing of approvals progressing. The Company will provide further updates as discussions progress, subject to regulatory approvals and customary conditions.

Mining and Exploration Tenements

Mining and exploration tenements held at the end of the September 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	MP30/5/1/2/2/492MR	49	49	South Africa	Coal
North Block Complex	MP30/5/1/2/2/10090MR	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	70.5	70.5	South Africa	Coal
Berenice	Mining Right: LP30/5/1/1/2/10131MR	50	50	South Africa	Coal
Cygnus	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.

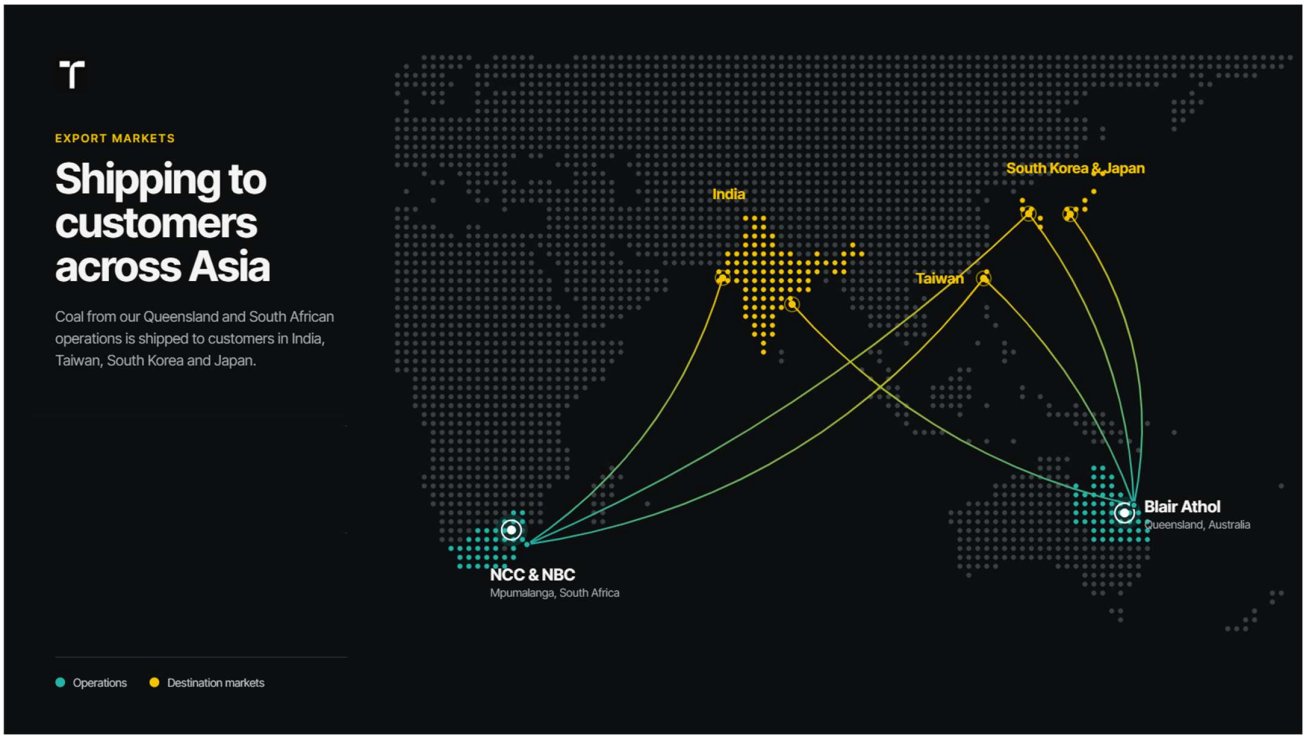
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TerraCom Profile

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 include 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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Accordingly, results, events or outcomes could differ materially from the results, events or outcomes expressed in or implied by the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in product prices and exchange rates and business and operational risk management. Subject to any continuing obligations under applicable law or relevant stock exchange listing rules, TerraCom undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events.

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