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30 October 2025

September 2025 Quarterly Activity Report

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) is pleased to present its Quarterly Activity Report for the quarter ended 30 September 2025 (Q1 FY26).

KEY HIGHLIGHTS

SNAPSHOT

- **Total coal sales[1]:** 1.8 Mt (+9 percent on prior quarter)
- **Total Equity coal sales[2]:** of 1.1 Mt (+4 percent on prior quarter)

CORPORATE

Closing cash at bank[3] of $4.95 million, with an additional $58.2 million held as restricted cash for rehabilitation bonding purposes associated with the Blair Athol (BA) mine.

During the quarter, Blair Athol submitted and received an Estimated Rehabilitation Cost (ERC) determination resulting in a reduction of $7.7 million in bonding requirements. Funds of $3.9 million have already been returned, with a further $3.8 million expected to be released in the December 2025 quarter.

Reflecting current thermal coal market conditions, the Board has determined that no dividend will be declared for the three months ended 30 September 2025.

The Company continues to maintain a disciplined capital structure and prudent approach to cash management, ensuring flexibility across operating jurisdictions and market cycles.

OPERATIONS

Blair Athol Mine – Queensland, Australia

- Run-of-Mine (ROM) production of 653 kt (+24 percent quarter-on-quarter)
- Saleable coal production of 463 kt (+15 percent quarter-on-quarter)
- Total coal sales of 440 kt (-12 percent quarter-on-quarter)
- Total equivalent saleable coal stocks of 84 kt at period end

Average coal price achieved for the quarter was A$121.9 per tonne, down 5 percent on the previous quarter ($128.0 per tonne), in line with market movements. Headline NEWC FOB Newcastle prices closed at US$103.9 per tonne for September 2025, compared to US$126.6 per tonne at December 2024 (-18 percent) and US$139.5 per tonne at September 2024 (-26 percent).

The FY26 mine plan continues to emphasise value over volume, with a responsive production strategy underpinned by a lean cost base and disciplined operating controls.

FOB operating costs, excluding royalties, are tracking below the previous year's levels, targeting between A$105 and $115 per tonne.

South Africa Operations

The Company's South African operations continued to deliver steady performance, supported by ongoing improvements in plant efficiency and productivity across the regional mines. Operational discipline and strong local leadership teams remain core drivers of reliable output and cost control.

SAFETY

Group safety performance for the September 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): 1.7**

These results demonstrate the effectiveness of the Company's safety leadership and risk-management culture across its operations.

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COMMENT from Managing Director, Danny McCarthy

> ***"TerraCom has delivered another solid quarter of operational performance across both our Australian and South African assets, demonstrating the resilience of our diversified business and the discipline of our people.***
>
> *At Blair Athol, production, cost and sales outcomes remained in line with plan, supported by strong execution and careful capital management. The recently updated JORC Resource and Reserve statement for Blair Athol reinforces it's longevity, and continued capacity to generate sustainable cashflows through market cycles.*
>
> *Our South African operations also performed well, highlighting the depth and stability of our regional leadership teams and their focus on safe, reliable production.*
>
> *On the corporate front, we continue to strengthen TerraCom's governance and financial framework to support our growth agenda. The appointment of Jen Williams as Chief Financial Officer and Company Secretary marks an important step in building on our strong foundation and delivering further operational and financial efficiency.*
>
> *With a clear focus on cost discipline, reliable production, and sustainable returns, TerraCom remains well positioned to deliver long-term value for shareholders while advancing strategic growth initiatives. We continue to progress our partnership with Wintime Energy Group Co. Ltd to progress the Moorlands Project in Queensland, and are also evaluating a number of opportunities both here in Australia and across select international jurisdictions with supportive policy and regulatory environments that align with our diversification strategy.*
>
> *Our purpose remains clear: to deliver responsible, reliable energy and strong returns for our shareholders and stakeholders through every cycle, in every market."*

OUTLOOK

TerraCom enters the December 2025 quarter with a stable operational profile, a disciplined cost base, and a clear focus on value creation. The Company will continue to pursue efficiencies at Blair Athol and within its South African operations while progressing organic and strategic growth opportunities that enhance shareholder returns.

PRODUCTION AND SALES PERFORMANCE

TOTAL TONNES[1] (CONTINUING OPERATIONS)

	SEPTEMBER 2025 QUARTER			JUNE 2025 QUARTER		
	Export (000's)	**Domestic (000's)**	**Total (000's)**	**Export (000's)**	**Domestic (000's)**	**Total (000's)**
Australia	440	-	**440**	498	-	**498**
South Africa	59	1,326	**1,385**	167	1,011	**1,178**
Total	**499**	**1,326**	**1,825**	**665**	**1,011**	**1,676**

EQUITY TONNES[2] (CONTINUING OPERATIONS)

	SEPTEMBER 2025 QUARTER			JUNE 2025 QUARTER		
	Export (000's)	**Domestic (000's)**	**Total (000's)**	**Export (000's)**	**Domestic (000's)**	**Total (000's)**
Australia	440	-	**440**	498	-	**498**
South Africa	29	650	**679**	82	496	**578**
Total	**469**	**650**	**1,119**	**580**	**496**	**1,076**

FINANCIAL YEAR-TO-DATE OPERATIONAL RESULTS

	TOTAL TONNES[1]			EQUITY TONNES[2]		
	Export (000's)	**Domestic (000's)**	**Total (000's)**	**Export (000's)**	**Domestic (000's)**	**Total (000's)**
Australia	440	-	**440**	440	-	**440**
South Africa	59	1,326	**1,385**	29	650	**679**
Total	**499**	**1,326**	**1,825**	**469**	**650**	**1,119**

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OPERATIONS

AUSTRALIA BUSINESS UNIT

Blair Athol – 100% EQUITY INTEREST

Thousands of tonnes (kt)	SEP 2025 QTR	JUN 2025 QTR	Change %	SEP 2025 QTR	SEP 2024 QTR	Change %
ROM Coal Production	653	526	24%	653	535	22%
Saleable Coal	463	403	15%	463	386	20%
Coal Sales	440	498	(12%)	440	404	9%
Inventory (ROM)	51	24	>100%	51	5	>100%
Inventory (Saleable)	44	21	>100%	44	27	63%

ROM coal and saleable coal production in the September 2025 quarter exceeded both the prior and comparable periods, reflecting continued improvement in equipment productivity and adherence to planned mining rates. ROM production of 653 kt represented a 24 percent increase on the June 2025 quarter and a 22 percent increase on the September 2024 quarter. Saleable coal production of 463 kt was up 15 percent and 20 percent respectively.

Coal sales for the quarter totalled 440 kt, representing a 12 percent reduction compared to the June 2025 quarter and a 9 percent increase on the prior corresponding period, as the Company managed shipping schedules and built inventory ahead of the December quarter.

Total coal stockpiles remained strong at approximately 95 kt, comprising 51 kt of ROM and 44 kt of saleable coal, providing operational flexibility into the next quarter.

The mine's operational focus for FY26 remains centred on maintaining high dragline availability, optimising performance, and sustaining low unit costs to underpin consistent and efficient production from Blair Athol.

BA mine pictures at end of September 2025



Blair Athol CHPP delivering consistent throughout



Processed Blair Athol thermal coal stockpiled from the CHPP



Blair Athol train loading facility – supporting reliable logistics



Bulk dozer push operations at Blair Athol for coal exposure

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SOUTH AFRICA (SA) BUSINESS UNIT

Thousands of tonnes (kt)	SEP 2025 QTR	JUN 2025 QTR	Change %	SEP 2025 QTR	SEP 2024 QTR	Change %
ROM Coal Production	1,582	1,791	(12%)	1,582	1,957	(19%)
Saleable Coal	1,347	1,123	20%	1,347	1,397	(4%)
Coal Sales	1,385	1,178	18%	1,385	1,346	3%
Inventory (ROM)	131	370	(65%)	131	155	(16%)
Inventory (Saleable)	91	44	>100%	91	79	15%

The South African operations achieved combined coal sales of 1.39 Mt for the September 2025 quarter, an 18 percent increase on the prior quarter, driven by strong operational performance across the North Block Complex.

ROM production of 1.58 Mt was down 12 percent on the June 2025 quarter and 19 percent on the prior corresponding period, reflecting planned sequencing within the mine schedule. Saleable coal production of 1.35 Mt was 20 percent higher than the previous quarter, supported by improved plant efficiency and processing throughput.

Coal sales increased 18 percent quarter-on-quarter to 1.39 Mt, reflecting both higher production and improved logistics performance. Total coal inventories closed at 222 kt, comprising 131 kt of ROM and 91 kt of saleable coal.

Operational discipline, productivity improvements, and cost management across the region continued to support consistent performance and stable contribution to Group results.

New Clydesdale Colliery (NCC) – 49% EQUITY INTEREST

Thousands of tonnes (kt)	SEP 2025 QTR	JUN 2025 QTR	Change %	SEP 2025 QTR	SEP 2024 QTR	Change %
ROM Coal Production	582	549	6%	582	805	(28%)
Saleable Coal	448	275	63%	448	579	(23%)
Coal Sales	532	323	65%	532	558	(5%)
Inventory (ROM)	87	175	(50%)	87	103	(16%)
Inventory (Saleable)	39	28	40%	39	45	(13%)

NCC recorded total coal sales of 532 kt for the September 2025 quarter, representing a 65 percent increase compared to the June 2025 quarter. The result was underpinned by improved rail performance and higher domestic sales volumes.

Of the total sales, 473 kt were delivered to Eskom and other domestic customers, with export coal sales contributing 59 kt. Export volumes declined relative to the prior quarter due to limited train allocations. This remains a structural challenge across the South African coal sector, with rail constraints continuing to affect export logistics.

To mitigate this, NCC has implemented a strategy of increasing Free On Train (FOT) mine gate sales to reputable coal traders, ensuring consistent offtake and revenue generation for export-quality product.

ROM production for the quarter totalled 582 kt, up 6 percent on the previous quarter, while saleable coal production rose 63 percent to 448 kt, reflecting strong operational recovery following earlier weather and logistics impacts.

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North Block Complex (NBC) – 49% EQUITY INTEREST

Thousands of tonnes (kt)	SEP 2025 QTR	JUN 2025 QTR	Change %	SEP 2025 QTR	SEP 2024 QTR	Change %
ROM Coal Production	1,001	1,242	(19%)	1,001	1,152	(13%)
Saleable Coal	899	848	6%	899	818	10%
Coal Sales	853	855	-	853	788	8%
Inventory (ROM)	44	195	(77%)	44	53	(17%)
Inventory (Saleable)	52	16	>100%	52	34	53%

ROM coal production for NBC totalled 1.0 Mt for the September 2025 quarter, a 19 percent decrease on the June 2025 quarter and 13 percent lower than the prior corresponding period. The decrease reflects planned sequencing within the mine schedule and temporary equipment availability constraints in the quarter.

Saleable coal production of 899 kt increased 6 percent quarter-on-quarter and 10 percent year-on-year, supported by improved plant efficiency and higher product yields.

Domestic coal sales of 853 kt, with sales composition weighted toward domestic customers as there were no export volumes this quarter compared to 81 kt in the prior period, reflecting continued rail allocation challenges.

Total coal inventories closed at 96 kt, comprising 44 kt of ROM and 52 kt of saleable coal. The operation continues to focus on maintaining production flexibility and optimising domestic market opportunities to mitigate ongoing logistical constraints affecting South African coal exports.

CORPORATE INFORMATION

On 4 July 2025, TerraCom announced that the Federal Court of Australia dismissed the case brought by the Australian Securities and Investments Commission (ASIC) against TerraCom's Managing Director, Danny McCarthy and three former directors and officers of the Company (File number NSD176/2023).

On 4 August 2025, TerraCom confirmed the appointment of Jen Williams as Chief Financial Officer (CFO) and Company Secretary, effective 7 August 2025.Jen is an experienced finance leader with more than 15 years of experience in the Australian coal industry, encompassing commercial management, accounting, corporate finance, treasury, risk and governance, as well as capital raising and debt financing. In her role as CFO and Company Secretary, Jen will lead TerraCom's financial strategy and governance agenda, working closely with the Board to support the Company's long-term growth and deliver shareholder value. As part of TerraCom's executive leadership team, she will contribute to strategic decision-making and the continued development of the business.

THERMAL COAL MARKET INFORMATION AND OUTLOOK

The NEWC6000 index rebounded during the September 2025 quarter, averaging US$108.53 per tonne, compared to US$100.46 per tonne for the June quarter. However, the closing price of US$103.85 per tonne was US$2.67 per tonne (-3 percent) lower than the June 2025 close. Market conditions remain mixed, with thermal coal prices soft but showing signs of recovery in forward markets.

The forward structure continues to trade within a narrow range of US$100 to $105 per tonne, reflecting expectations for modest import demand recovery offset by ongoing supply discipline among producers. Market positioning indicates relative stability through the December quarter, with upside potential driven by Chinese winter procurement and Indian coastal demand.

Consistent with prior periods, TerraCom anticipates continued steady demand from key long-term customers in Japan, South Korea and India extending into the next quarter.

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FINANCIAL INFORMATION

Financing and Working Capital

Given the decline in thermal coal prices and associated pressures on operating margins, TerraCom remains focused on disciplined cost control, cashflow management and working capital optimisation. A range of initiatives are underway to enhance liquidity and provide short to medium-term flexibility.

Production costs

Free on Board (**FOB**) operating costs, excluding royalties for BA, for the September 2025 Quarter averaged A$105.1 per tonne.

For the 2026 financial year, FOB costs excluding royalties are expected to remain broadly stable on an overall basis, targeting A$105 to $115 per tonne. TerraCom continues to prioritise a sustainable low-cost operating structure and is advancing several value improvement programs across its Australian and South African operations.

Foreign exchange

As at 30 September 2025, TerraCom had no foreign exchange hedges in place for USD-denominated coal sales. The Group continues to monitor currency movements and assess the potential benefits of implementing currency hedging programs to support effective exposure management objectives.

COOPERATION AGREEMENT WITH WINTIME ENERGY GROUP CO. LTD

As announced on 12 August 2024, TerraCom entered into a Cooperation Agreement with Wintime Energy Group Co. Ltd (Wintime), a Shanghai Stock Exchange-listed company, to jointly develop and operate the Moorlands Thermal Coal Project in Queensland and pursue other strategic opportunities.

TerraCom and Wintime continue to progress through approvals and planning, with commercial negotiations well advanced and completion targeted for November 2025.

GROWTH OPPORTUNITIES

TerraCom continues to assess a range of strategic growth opportunities that align with its disciplined operating model and diversified asset base. The Company remains focused on jurisdictions, both within Australia and internationally, that offer stable political, regulatory, and fiscal environments supportive of responsible resource development and long-term investment.

Across these potential growth destinations, TerraCom is targeting opportunities that complement its existing operations, enhance geographic diversity, and strengthen resilience through market cycles. The Company's evaluation process remains structured and selective, ensuring that any new initiative aligns with its broader strategy of sustainable value creation and disciplined capital allocation.

TerraCom will update the market as these evaluations progress and material developments occur.

EVENTS SUBSEQUENT TO BALANCE DATE

On 15 October 2025, TerraCom announced an updated JORC Code Resource and Reserve Statement for its flagship Blair Athol Mine in Queensland. The 2025 JORC Code assessment reaffirms Blair Athol as a long life, low cost and resilient operation capable of sustained value creation for shareholders through all market conditions.

The update underscores the quality of the deposit, the capability of the operating team, and the mine's proven capacity to deliver reliable production and strong cashflow performance.

Despite annual depletion, Blair Athol has maintained or extended its Life of Mine for four consecutive years and is now projected to 2033, based on forecast annual sales of approximately 1.6 to 1.8 million tonnes. This continued extension reinforces the enduring quality of the resource base and the operational excellence that underpins consistent returns for shareholders.

REFERENCES

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. TerraCom's equity interests in these operations range from 48.9 percent to 49.0 percent.
2. **Equity Tonnes** – Represents TerraCom's attributable share of production and sales based on its equity ownership percentage.
3. **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. Movements in cash from the June 2025 quarter primarily reflect receipts from revenue, offset by costs of sales, operating expenses and regulatory payments including tax.

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MINING TENEMENTS HELD AT THE END OF SEPTEMBER 2025 QUARTER

Operation / Project	Tenement	Interest at the start of qtr	Interest at the end of qtr	Location	Commodity
Blair Athol	ML1804	100%	100%	Australia	Coal
New Clydesdale Colliery (NCC)	MP30/5/1/2/2/429MR	49.0%	49.0%	South Africa	Coal
North Block Complex (NBC)	MP30/5/1/2/1/326MR MP30/5/1/1/2/19MR (10068MR) MP30/5/1/2/2/10090MR	49.0%	49.0%	South Africa	Coal
Ubuntu	MP30/5/1/2/2/10027MR	48.9%	48.9%	South Africa	Coal
Eloff	MP30/5/1/2/2/10169MR	49.0%	49.0%	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 announcement has been approved by the board for release.

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About TerraCom Limited

TerraCom Limited (ASX: TER) is an Australian-based mining resources company with a global footprint, comprising a large portfolio of operating assets in Australia and South Africa within the coal sectors. We are a renowned low-cost producer focused on delivering exceptional outcomes from our high-yielding diversified asset portfolio for its investors. 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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