TerraCom

Quarterly Activity Report

For the quarter ended 31 March 2026

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Quarterly Overview

March Quarter impacted by weather; Recovery supported by April forecast shipments; June Quarter sales contracted; FY26 guidance maintained at 1.6 Mt

Logistics disruption delayed shipments, with stockpile drawdown and improved conditions supporting a stronger June quarter.

Underlying mining and processing operations at Blair Athol remained stable during the March 2026 quarter, with conditions improving post quarter end.

CORPORATE

The key corporate activity during the quarter was the completion of a fully subscribed $60 million entitlement offer, strengthening the Company's balance sheet and supporting operational continuity.

As at 31 March 2026, TerraCom held cash at bank of A$32.9 million, with a further A$54.4 million of restricted cash associated with rehabilitation bonding requirements at Blair Athol.

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

During the quarter, Mr Mark Lochtenberg, Mr Glen Lewis and Mr Mark Ludski resigned from the Board. Mr Andrew Coles, Mr Glenn Splatt and Mr Stephen Barber were appointed as Non-Executive Directors.

After quarter end, Mr Danny McCarthy stepped down as Managing Director. Mr Chris Bourke has been appointed Interim Chief Executive Officer, and Mr Andrew Coles has been appointed Non-Executive Chairman. Chief Financial Officer and Company Secretary Ms Jen Williams resigned and is supporting transition arrangements while the Company undertakes a recruitment process for her replacement.

Total Coal Sales[1]
3Q FY2026

1.24 Mt

Impacted by weather disruption

Blair Athol
April Shipments (Forecast)

~229 kt

Strong recovery post quarter

Blair Athol
June Quarter Sales (Forecast)

~550 kt

100% Contracted

Blair Athol
FY26 Guidance

1.6 Mt

Cash at Bank[2]
31 March 2026

$32.9M

[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. Movements in cash from the September 2025 quarter primarily reflect receipts from revenue, offset by costs of sales, operating expenses and regulatory payments including tax.

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OPERATIONS

Blair Athol Mine – Queensland, Australia

- Run of Mine production: 410 kt (4 percent lower qoq)
- Saleable coal production: 302 kt (19 percent lower qoq)
- Total coal sales: 253 kt (31 percent lower qoq)
- Total equivalent saleable coal stocks: 127 kt at period end
- The Company maintains Blair Athol FY26 sales guidance of 1.6 Mt

Production and sales were impacted by significant rainfall and cyclone activity, which disrupted mining productivity, coal handling, rail performance and port logistics. These impacts were external in nature and primarily affected shipment timing rather than underlying mine performance or product quality.

Conditions improved post quarter end, with April shipments indicating improved logistics availability and the commencement of stockpile drawdown.

The Company expects a stronger June quarter, with forecast sales of approximately 550 kt, providing a clear pathway to achieving FY26 sales guidance of 1.6 Mt.

The average coal price achieved for the quarter was A$117.54 per tonne, with higher pricing expected from April 2026.

Blair Athol's FOB operating costs excluding royalties were elevated during the March quarter. Costs are expected to moderate as shipment volumes increase and logistics performance improves.

The FY26 mine plan remains focused on maintaining consistent production, operational reliability and cost discipline as conditions normalise.

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 and is now fully operational processing third party coal. 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 March 2026 quarter reflected continued focus on TerraCom's commitment to a safe and responsible workplace.

- Lost Time Injury Frequency Rate (LTIFR): 1.0
- Total Recordable Injury Frequency Rate (TRIFR): 2.4

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

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Interim Chief Executive Officer's Report



Dear Shareholders

The March 2026 quarter reflected significant weather-related disruption across Queensland, which affected logistics and shipment timing, while mining and processing activities remained operational. This resulted in lower sales volumes and increased stockpiles at site and port. Conditions improved post quarter end, with forecast April shipments indicating recovery, supporting a pathway to achieving FY26 guidance.

Blair Athol: stable operations, weather impacted logistics

Throughout the quarter, mining, processing and coal handling activities at Blair Athol remained stable; however, rainfall and cyclone activity reduced mining efficiency and constrained coal handling and logistics, while rail and broader supply chain disruptions further affected delivery timing and vessel loading. This resulted in lower sales volumes and elevated stockpiles at site and port, with coal sales for the quarter totalling 253 kt.

These impacts were related to shipment timing rather than underlying mine performance or product quality, with customer demand remaining strong and 100% of June quarter sales contracted. Following improved conditions after quarter end, April shipments are forecast at approximately 229 kt, reflecting improved logistics availability and stockpile drawdown.

The Company expects a stronger June quarter, with forecast sales of approximately 550 kt, providing a clear pathway to achieving FY26 sales guidance of 1.6 Mt. The average coal price achieved during the quarter was A$117.54 per tonne, with higher pricing expected from April 2026, while FOB operating costs increased due to weather disruption, lower shipment volumes and higher logistics costs and are expected to moderate as conditions normalise.

Mining at Blair Athol continues in line with plan, with operating conditions improving following the March quarter.

Yours sincerely

Chris Bourke
Interim Chief Executive Officer
TerraCom Limited

Production and sales performance

Total tonnes (continuing operations)[1]

	MARCH 2026 QUARTER			DECEMBER 2025 QUARTER		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Australia	253	0	253	369	0	369
South Africa	243	742	985	82	914	996
TOTAL	496	742	1,238	451	914	1,365

Equity tonnes (continuing operations)[1]

	MARCH 2026 QUARTER			DECEMBER 2025 QUARTER		
	Export (000s)	Domestic (000s)	Total (000s)	Export (000s)	Domestic (000s)	Total (000s)
Australia	253	0	253	369	0	369
South Africa	119	364	483	40	448	488
TOTAL	372	364	736	409	448	857

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	1,062	0	1,062	1,062	0	1,062
South Africa	384	2,982	3,366	188	1,461	1,649
TOTAL	1,446	2,982	4,428	1,250	1,461	2,711

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Australia Business Unit

Blair Athol – 100% equity interest

Thousands of tonnes (Kt)	Mar 3Q FY2026	Dec 2Q FY2026	Change %	Mar 3Q FY2025	Change %
ROM Coal Production	410	429	(4%)	428	(4%)
Saleable Coal	302	373	(19%)	314	(4%)
Coal Sales	253	369	(31%)	321	(21%)
Inventory (ROM)	24	8	200%	8	200%
Inventory (Saleable)	110	55	100%	103	7%

ROM coal production for the March 2026 quarter was 410 kt, down 4 percent on the December quarter and 4 percent lower than the prior corresponding period. Saleable coal production of 302 kt was 19 percent below the December quarter and 4 percent lower year on year, consistent with the lower ROM feed.

Coal sales and shipment timing at Blair Athol were impacted by wet-weather conditions. Coal sales for the quarter totaled 253 kt, representing a 31 percent reduction from the December 2025 quarter and a 21 percent decrease on the prior corresponding period, however total coal stockpiles at the quarter end were 134 kt, comprising 24 kt of ROM and 110 kt of saleable coal.

The operational focus for FY26 remains on maintaining high dragline availability, optimising 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)	Mar 3Q FY2026	Dec 2Q FY2026	Change %	Mar 3Q FY2025	Change %
ROM Coal Production	1,355	1,507	(10%)	1,900	(29%)
Saleable Coal	863	1,005	(14%)	1,233	(30%)
Coal Sales	985	996	(1%)	1,228	(20%)
Inventory (ROM)	319	282	13%	341	(6%)
Inventory (Saleable)	86	152	(43%)	69	25%

The South African operations achieved combined coal sales of 985 kt for the March 2026 quarter, 1 percent lower than the prior quarter.

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New Clydesdale Colliery (NCC)

Thousands of tonnes (Kt)	Mar 3Q FY2026	Dec 2Q FY2026	Change %	Mar 3Q FY2025	Change %
ROM Coal Production	603	501	20%	585	3%
Saleable Coal	421	344	22%	439	(4%)
Coal Sales	528	387	36%	497	6%
Inventory (ROM)	37	136	(73%)	126	(71%)
Inventory (Saleable)	28	82	(66%)	25	12%

NCC achieved total coal sales of 528 kt for the March Quarter, increased by 36% on the December Quarter. Sales to Eskom accounted for 398 kt of this result and export coal sales were 130 kt. Export sales were up 7% from previous quarter.

ROM production for the quarter totalled 603 kt, up 20% on the previous quarter, while the saleable coal production increased 22% to 421 kt.

North Block Complex (NBC)

Thousands of tonnes (Kt)	Mar 3Q FY2026	Dec 2Q FY2026	Change %	Mar 3Q FY2025	Change %
ROM Coal Production	752	1,006	(25%)	1,316	(43%)
Saleable Coal	442	661	(33%)	794	(44%)
Coal Sales	457	609	(25%)	731	(37%)
Inventory (ROM)	282	146	93%	215	31%
Inventory (Saleable)	58	70	(17%)	43	35%

NBC achieved total coal sales of 457 kt for the December quarter, 25% lower than the December quarter. Sales to Eskom accounted for 344 kt, while higher-priced export sales contributed 113 kt. Although export sales were not part of the mix in prior periods, their introduction this quarter partially offset lower Eskom volumes.

ROM production for the quarter totalled 752 kt, a 25% decrease on the prior quarter, while saleable coal production declined 33% to 442 kt, reflecting lower processing volumes.

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Outlook

Coal Markets

Thermal coal prices strengthened through the March quarter, with the NEWC 6,000 kcal benchmark rising from US$110/t in late December to US$135/t by March 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) averaged A$148.1 per tonne, reflecting lower shipment volumes, weather-related disruption, increased demurrage and logistics costs, and higher fuel prices.

With forecasted improved shipping performance planned in the June quarter, Blair Athol's full year 2026 FOB costs excluding royalties are expected to be at the upper end of guidance (A$105 to $115 per tonne sold). Costs have been under pressure from recent significant increases to fuel prices due to the global energy shock, as well as high logistics costs. TerraCom continues to prioritise a sustainable low-cost operating structure and is advancing value improvement programs across both Australian and South African operations.

Foreign Exchange

As at 31 March 2026, 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

TerraCom and Wintime continued to progress approvals and planning during the quarter, with commercial negotiations well advanced. The Company will provide further updates as discussions progress, subject to the timing of regulatory approvals and customary conditions.

Mining and Exploration Tenements

Mining and exploration tenements held at the end of March 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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