

ASX ANNOUNCEMENT 23 December 2025

Market Update

TerraCom Limited (ASX: TER) (**TerraCom** or the **Company**) today provides an update on operational performance at its Blair Athol Mine (Blair Athol), shipping activity during the December 2025 quarter (December Quarter), and the Company's liquidity and balance sheet position.

As announced today, TerraCom is undertaking a partially underwritten renounceable entitlement offer to raise up to approximately A\$60 million to strengthen the balance sheet. This capital initiative is being undertaken to restore liquidity headroom following a period of constrained cash receipts associated with shipment timing, while the underlying operational performance of the business remains stable.

This Market Update also follows the Company's ASX announcement dated 17 November 2025 regarding rail and supply chain constraints affecting the timing of coal deliveries from Blair Athol to the Dalrymple Bay Coal Terminal (DBCT), and provides an update on matters outlined in that announcement.

Operational performance at Blair Athol

Mining activities at Blair Athol have continued without interruption throughout the December Quarter. The operation has delivered safe, stable and efficient performance with mining, processing and coal handling activities progressing in line with plan, despite external logistics constraints, reflecting the strength and reliability of the underlying operation.

The Blair Athol team has maintained a consistent operating rhythm across mining, ensuring coal continues to be produced and prepared for shipment as logistics capacity has permitted.

Shipping and sales activity

As at the date of this announcement, Blair Athol has shipped four vessels during the December Quarter and expects a fifth vessel to sail prior to quarter end, with railing for this vessel scheduled to commence on or around 23 December 2025. This reflects continued strong execution by site and logistics teams in a constrained rail and port environment.

Notwithstanding this progress, total sales volumes for the December Quarter will be lower than those achieved in the September 2025 quarter due to the timing of rail access and vessel loading windows, reflecting one fewer shipment during the quarter. These impacts relate to shipment timing rather than mine performance or product quality and are consistent with the matters outlined in the Company's 17 November announcement.



Project and portfolio updates

Workstreams associated with the Moorlands development project continue to progress. The Company expects to provide further material updates during the March 2026 quarter in relation to binding key commercial agreements and anticipated project commencement timing, subject to receipt of federal environmental approvals.

In relation to its South African operations, TerraCom continues discussions with interested parties regarding a potential sale process. While engagement remains active, the Company does not expect completion of any transaction, or receipt of sale proceeds, in the immediate short term.

Cash flow, liquidity and balance sheet management

The reduction in sales volumes during the December Quarter reflects the timing of shipments and the conversion of sales into cash receipts, rather than any change in underlying operational performance. Blair Athol continues to operate safely and efficiently, supported by a competitive cost base.

As a result of this period of constrained cash receipts, and to ensure appropriate balance sheet capacity and liquidity headroom, TerraCom has announced today a partially underwritten renounceable entitlement offer to raise up to approximately A\$60 million.

The Entitlement Offer represents a deliberate balance sheet strengthening initiative, undertaken to improve liquidity resilience and financial flexibility. It is intended to position the Company conservatively through a period of shipment timing variability and prevailing coal price conditions, while allowing management to remain focused on safe and efficient operations and execution of strategic priorities.

Outlook

TerraCom remains confident in the underlying operational performance of Blair Athol and the long term outlook for thermal coal and global energy demand. As logistics availability continues to normalise, the Company is focused on converting operational performance into improved cash flow and financial outcomes over time.

This announcement has been approved by the Board for release.

For further enquiries please contact:

Danny McCarthy

Managing Director

P: +61 7 4983 2038

E: investors@terracom.au

Jen Williams

Chief Financial Officer

P: +61 7 4983 2038

E: investors@terracom.au



Forward-Looking Statements

This announcement contains forward looking statements that involve risks and uncertainties. Actual results may differ materially from those expressed or implied. No representation or warranty is made as to the accuracy or likelihood of achievement of such statements.

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 sector. 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.