TerraCom

ASX Release

31 August 2026

Market update

Blair Athol Mine operational update

TerraCom Limited (ASX: TER) (**TerraCom** or **Company**) advises that following the operational challenges experienced during the June quarter, Blair Athol Mine, near Clermont Queensland, has continued to produce below plan during the early part of FY2027.

A number of factors have contributed to the lower-than-planned performance, including workforce recruitment and availability, seasonal illness within the local workforce, equipment availability, water management and lower-than-expected coal preparation plant yields.

Recently delivered mining equipment, the commencement in July of operations in a new pit and other operational initiatives are intended to increase productivity and operating efficiency. As a result, TerraCom maintains its FY2027 production guidance of between 2.0 and 2.2 million tonnes at this time. The Company is closely monitoring operational performance and productivity and will provide further guidance to the market should its expectations materially change.

Capital and liquidity management

TerraCom is currently debt free (excluding lease commitments), with the coal prepayment arrangement entered into in April 2025 having now been fully repaid.

The lower production performance has resulted in the deferral of some coal deliveries and reduced sales volumes during the period. This has put pressure on the Company's near-term working capital position. To address this, the Company is progressing a number of initiatives designed to provide necessary liquidity and working capital flexibility while it works to overcome its recent operational challenges.

The initiatives the Company is pursuing include a further coal prepayment arrangement, additional cost reductions and other capital management measures. Discussions in relation to a possible prepayment arrangement, which if entered into is anticipated to alleviate near-term liquidity challenges (assuming production returns to planned levels), are well advanced with term sheets expected imminently. Noting future outcomes cannot be assured, the Company presently expects that it will be able to secure a suitable arrangement on acceptable terms. TerraCom will need to explore additional funding solutions to supplement any prepayment arrangement that may be entered into in order to strengthen its balance sheet and reduce liquidity risks.

Management remains focused on restoring Blair Athol's operating performance, improving productivity and maintaining appropriate financial flexibility as production builds through

FY2027. The Company will continue to keep shareholders informed of material developments in accordance with its continuous disclosure obligations.

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**.