

26 June 2026

TerraCom Chairman Update to Shareholders

TerraCom Limited (ASX: TER) advises shareholders that the Board and management team are focused on restoring operational performance, strengthening the balance sheet and positioning the Company for sustainable growth.

Blair Athol Operational Performance

Blair Athol remains TerraCom's primary operational focus. Following a challenging March quarter, management has implemented initiatives aimed at improving production volumes, mining efficiency, coal recovery, logistics performance and cost control.

For FY2026, TerraCom expects coal sales of approximately 1.52 million tonnes. A vessel originally scheduled for shipment before 30 June is now expected to load in early July. Had this shipment occurred before year-end, total FY2026 sales would have been approximately 1.60 million tonnes.

The Company currently expects FY2026 cost of sales to be approximately A\$120 per tonne excluding royalty, representing an improvement from the March quarter performance. Subject to Board approval, planning for FY2027 is based on coal sales exceeding 2.0 million tonnes, supported by higher production and increased exposure to index-linked coal pricing.

Balance Sheet and Leadership

TerraCom's balance sheet has been strengthened following the repayment of debt. The Company continues to review opportunities to improve cash generation, reduce costs and enhance financial resilience.

The process to appoint a permanent Chief Executive Officer is progressing, while an orderly CFO transition remains underway.

Strategic Review

The Board is undertaking a strategic review of the South African operations to ensure capital is allocated to assets capable of delivering appropriate shareholder returns.

The Moorlands project remains an important growth opportunity. The project continues to progress through the approvals process, and the Company will provide updates as key milestones are achieved.



FY2027 Priorities

The Board's priorities are to:

- Improve Blair Athol production and cost performance;
- Strengthen cash generation and financial flexibility;
- Complete CEO and CFO appointments;
- Advance the Moorlands approvals process; and
- Complete the strategic review of South African operations.

The Board remains committed to improving transparency and maintaining regular communication with shareholders as the Company progresses these initiatives.

This announcement has been approved by the Board of TerraCom Limited.

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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



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