The resources investment that pays

Corporate Presentation

December 2022

Deterra
ROYALTIES

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Reporting Period

Financial Year 2021, FY21 and Period ended 30 June 2021 all refer to the period 15 June 2020 to 30 June 2021.

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Non-IFRS Financial Information

This document may contain non-IFRS financial measures including EBITDA, Underlying EBITDA, EBIT, free cash flow, and net debt amongst others. Deterra management considers these to be key financial performance indicators of the business and they are defined in the Full Year Report for the year ended 30 June 2022. Non-IFRS measures have not been subject to audit or review.

All figures are expressed in Australian dollars unless stated otherwise.

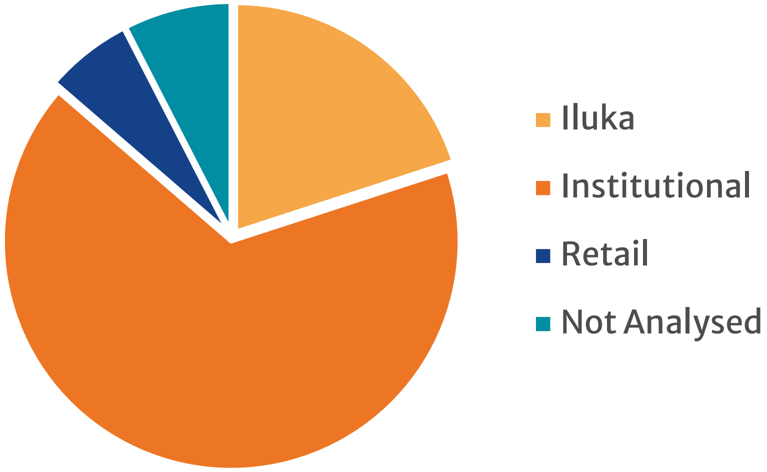
In accordance with ASX Listing Rule 15.5, Deterra confirms that this presentation has been authorised for release to ASX by Deterra's Managing Director.

Corporate overview

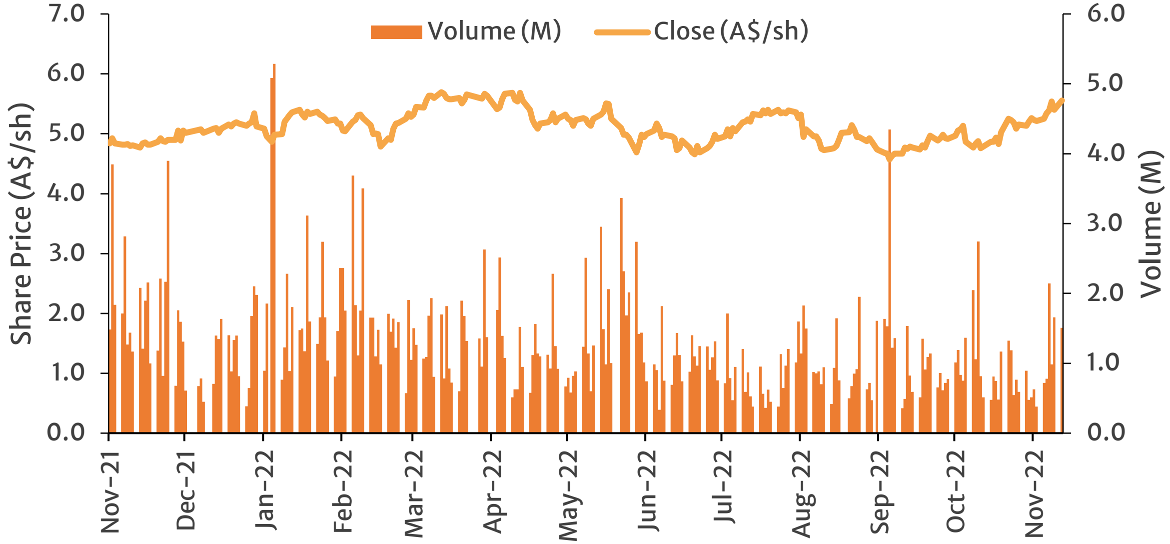
Share price[1]	$4.76
Shares on issue	528.5m
Market capitalisation	$2.5bn
Cash (30 June 2022)	$27.5m
FY'22 Dividend Declared	33.76¢
Royalty agreements	6

Managing Director, CEO	Julian Andrews
Independent Non-Executive Chair	Jenny Seabrook
Non-Executive Director	Graeme Devlin
Non-Executive Director	Joanne Warner
Non-Executive Director[2]	Adele Stratton
Chief Financial Officer	Brendan Ryan

Register composition



Share price performance[1]



(1) As of 5 December 2022
(2) Iluka Resources nominee

What we offer investors

Quality	MAC royalty covers a world class iron ore hub, Operated by BHP the world's largest mining company[1]
Margins	97% EBITDA Margin
Dividends	100% of NPAT, Fully Franked paid to date[2]
Growth	South Flank expected to grow MAC volumes to 145Mwmtpa [3] Patient and disciplined approach to value accretive M&A
ESG	Net zero operational GHG footprint in FY22 ESG integral to our investment process

(1) BHP is the world's largest listed mining company by market capitalization as of 9 September 2022
(2) Deterra's approach to dividends and dividend policy will be determined by the Deterra Board at its discretion and may change over time
(3) BHP delivers first production from South Flank (20 May 2021), available at www.BHP.com

A better way to invest in resources

Reduce operational exposure, capture upside

The nature of our business model means our investors are exposed to lower capital and operating risk than typical mining investments but retain exposure to the upside through expansions and extensions at no cost.

"Top line" cashflows	Commodity price leverage	Project optionality
Royalty revenue derived from asset's revenue line.	Direct exposure to underlying commodity price.	Asset expansions and extensions drive value of royalty investments.

No capital cost obligations	Limited operating cost exposure	Cost inflation resistance
Royalty owner is free carried through future project capital requirements.	No direct exposure to project operating costs.	High margins, and protection against cost inflation.

Business Highlights

FY2022 was a year of robust organic growth for Deterra

Assets Performing Strongly

Record MAC production of 111Mwmt
- Up 80% on FY21
- South Flank ahead of schedule

Record revenue of $265M
- Up 83% on FY21
- $219M revenue royalty
- $46M capacity payment
- NPAT $178M

Positioning for Growth

Evaluated multiple opportunities
- Limited value on offer

$350 million credit facility in place
- 100% undrawn
- Liquidity available for value accretive transactions

Prioritised Shareholder Returns

Dividend policy
- Prioritise shareholder returns

Final dividend of 22.08 cents/share
- Fully franked
- 100% of NPAT

Full Year dividend of 33.76 cents/share
- Fully franked
- 100% of NPAT

FY’22 Highlights

Lean business model delivering strong financial performance

REVENUE	**$265M**		
EBITDA[1]	**$257M**		**97%** EBITDA MARGIN
NPAT	**$178M**		PAYOUT **100%** NPAT
DIVIDENDS	**$178M**	**22.08¢/sh** Final (declared)	**33.76¢/sh** Full-Year

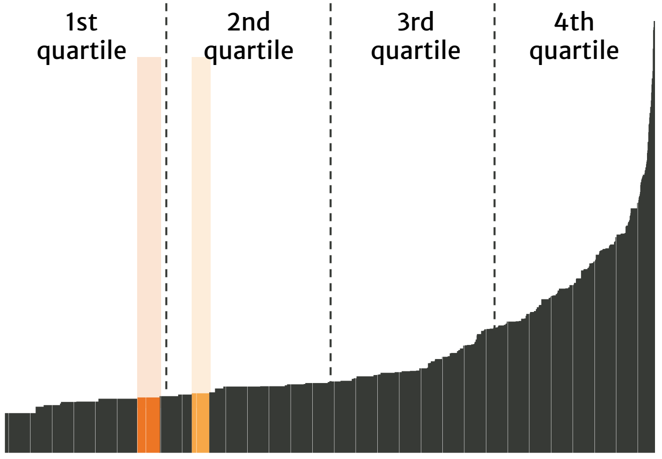
(1) See notes on slide 2 – Non-IFRS Measures.

Our core asset – the Mining Area C Royalty

The South Flank expansion is BHP's newest and most technically advanced operation and will make Mining Area C the world's largest iron ore hub, producing some of the lowest cost and lowest carbon emitting iron ore in the world

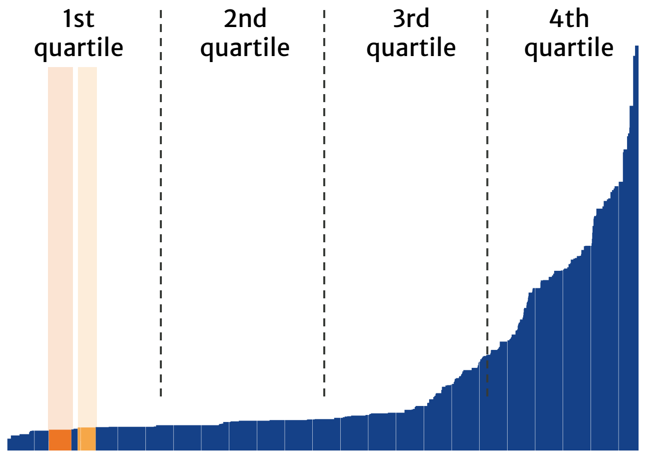
Low Costs

Iron ore total cash cost curve (2025F)[1]



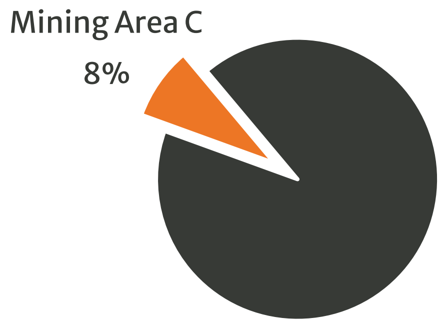
Low Emissions

Iron ore GHG Intensity curve (2025F)[2]



Large Scale

Mining Area C will account for 8% of global seaborne supply at full capacity[3]



Global seaborne iron ore supply is expected to be 1592Mt in 2025[3]

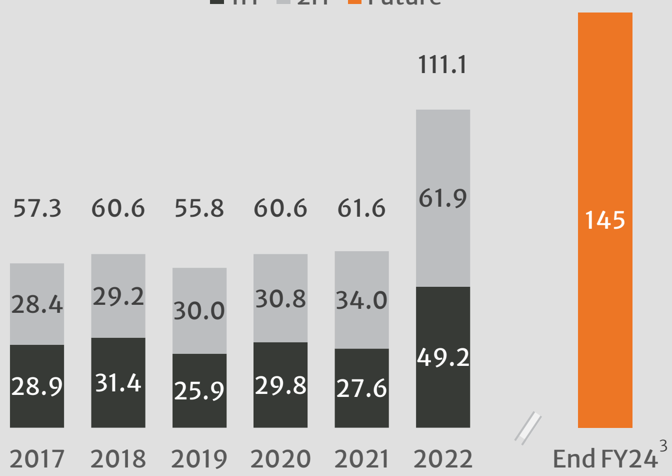
(1) Source: Wood Mackenzie. Total cash costs are defined as direct cash cost associated with mining, processing and transport of marketable products, including G&A costs directly related to mine production, royalties, levies and other indirect taxes. Units are US$/t
(2) Source: Wood Mackenzie. GHG emissions intensity. Scope 1 plus Scope 2. Units are kgCO_2e/T
(3) Source: Wood Mackenzie. Global Iron Ore Strategy Planning Outlook – Q1 2022 (31 March 2022)

Our core asset – the Mining Area C Royalty

Low risk exposure to a long-life operation with near term growth and potential for further extension

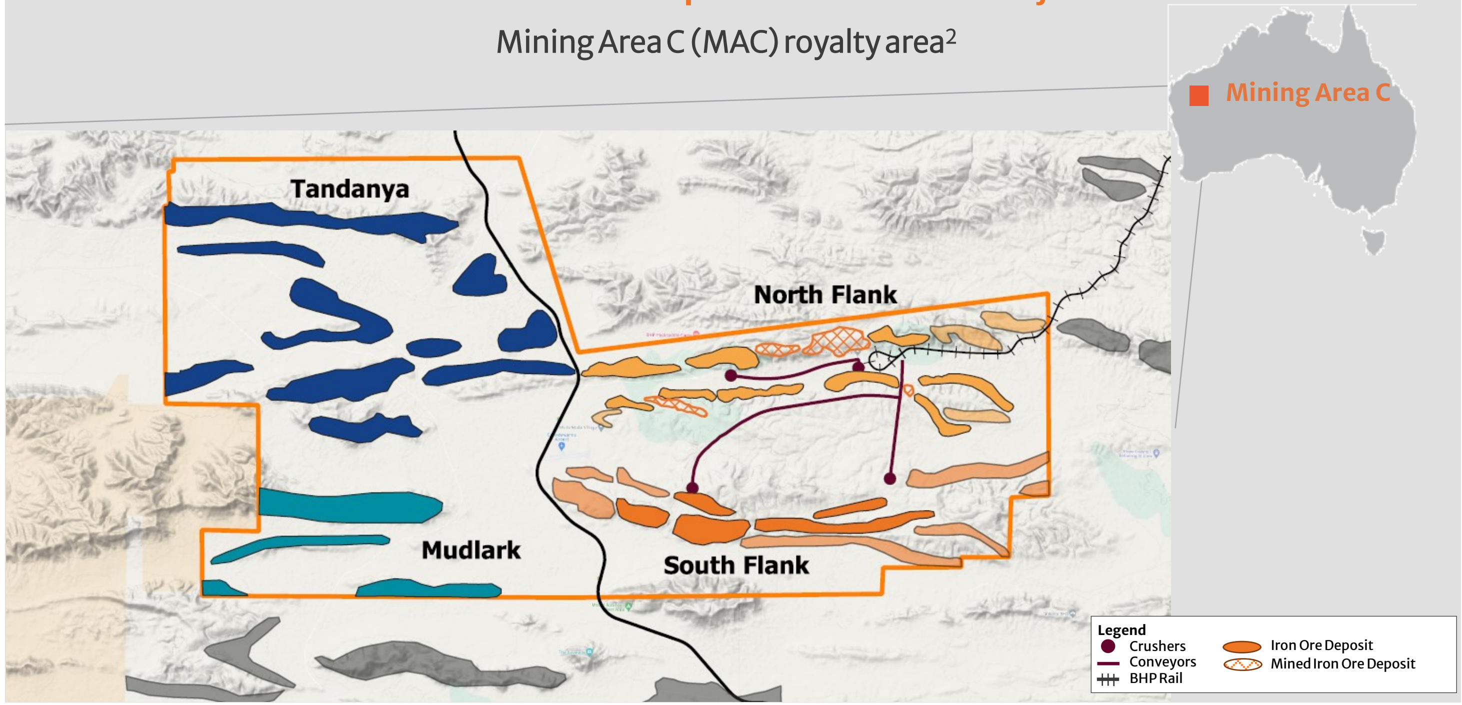
Realising organic growth through South Flank expansion

Mining Area C production
(Financial years, Mwmt)[1]



Further resource extension potential in a low-risk jurisdiction

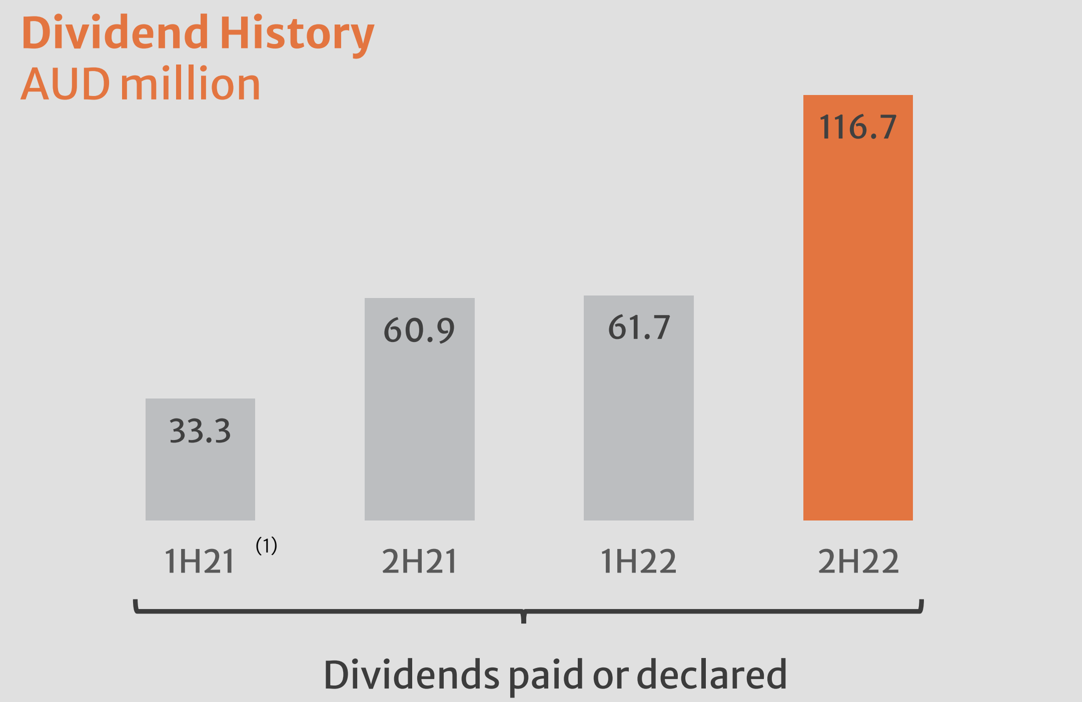
Mining Area C (MAC) royalty area[2]



(1) Source: BHP Operational Review for the year period 31 May 2021 and similar prior Operational Reviews, available at www.asx.com.au; BHP delivers first production from South Flank (20 May 2021), available at www.BHP.com.
(2) Location and mineralisation outline are for illustrative purposes only. Source: BHP public documents, Google Earth and Western Australian Department of Mines, Industry Regulation and Safety (DMIRS), with Deterra overlay of royalty area.
(3) Source: Western Australia Iron Ore briefing – Day 2 (05 Oct 2022), available at www.asx.com.au ; Expect to achieve run rate sustainably within the planned three year timeframe.

Delivering strong shareholder returns

Continuing to build a track record of disciplined capital management and shareholder returns



Declared

2H22 dividend of 22.08 cents per share (fully franked)
- Record date: 26 August 2022
- Payment date: 21 September 2022

Deterra's capital management framework

Prioritise Returns
- Prioritise returns to shareholders whilst acknowledging the opportunity to invest in growth
- Return all surplus cash, franked to the maximum extent possible

Optimise Use of Debt
- Optimise use of debt funding for future acquisitions

Maintain Targeted Leverage
- Expectation that cash flow from future royalties would, at least in part, be utilised to maintain leverage
- Targeted range of 0–15% of enterprise value over time

(1) Includes Pre-Demerger Dividend to Iluka of $20.4M

Capital structure for growth and returns

The high-quality MAC cash flows and conservative capital management provides Deterra with strong capacity to fund growth and dividends

Cornerstone MAC Royalty

Royalty revenue = 1.232% of A$ revenue from MAC Royalty Area[1]

Other Royalties

5 x small royalty assets

New Royalty Revenue

Potential new asset

New investments

Deterra Royalties

Scalable structure: Low overheads and debt

Access to Capital

Shareholder Returns

Capital management framework continues to prioritise shareholder returns whilst acknowledging growth strategy

Quality of underlying assets provides substantial funding capacity

Bilateral credit facilities of **$350M** at lower rates and longer tenor than previous working capital facility

Focus on shareholder returns

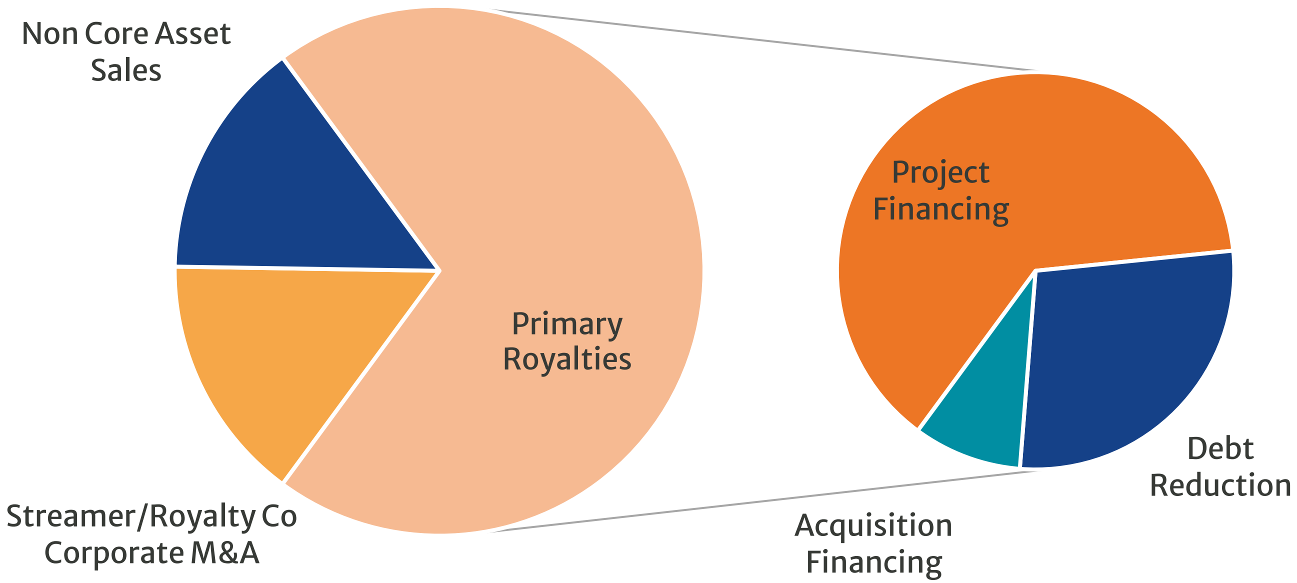
100% of NPAT, fully franked, paid to date

(1) Deterra Royalties also received capacity payments under the MAC Royalty Agreement.

Royalty and Streaming Deal Flow

Historical royalty and streaming deal flow covers primary and secondary assets throughout the mining cycle

Royalty and Streaming Deals 2004 – Sept 2022



Primary Royalties

- **Project financing –** Streaming and royalty finance is well established in North America for financing new mining projects alongside debt and equity.
- **Acquisition financing –** By using streaming and royalty financing, miners have acquired larger and higher quality assets that could not have been financed through debt and equity alone.
- **Debt reduction –** In various stages of the mining cycle, royalties and streams have helped mining companies improve their balance sheets.

Secondary Royalties

- **Non Core Asset Sales –** Acquisition of secondary royalties from an entity that is not currently operating the underlying asset.
- **Streamer/Royalty Co Corporate M&A –** Corporate M&A between mining royalty companies.

Source: Scotiabank

Strategy focused on value-accretive growth

Deterra's screening process and investment criteria prioritise opportunities where it has a competitive advantage

Primary royalties
Creating new royalties for:
- Project capital
- Balance sheet repair
- M&A finance support

Secondary royalties
Acquire existing royalties to:
- Improve liquidity
- Recognise value
- Diversify risk

How we prioritise opportunities

Size	Commodity	Geography	Stage
Broad mandate driven by ability to add value ("Sweet spot" of A$100 – A$300M)	• Bulks • Base metals • Battery metals	Developed mining jurisdictions, incl: • Australia • N. America • S. America • Europe	• Production • Near production

Other opportunities considered on merit on a case by case basis

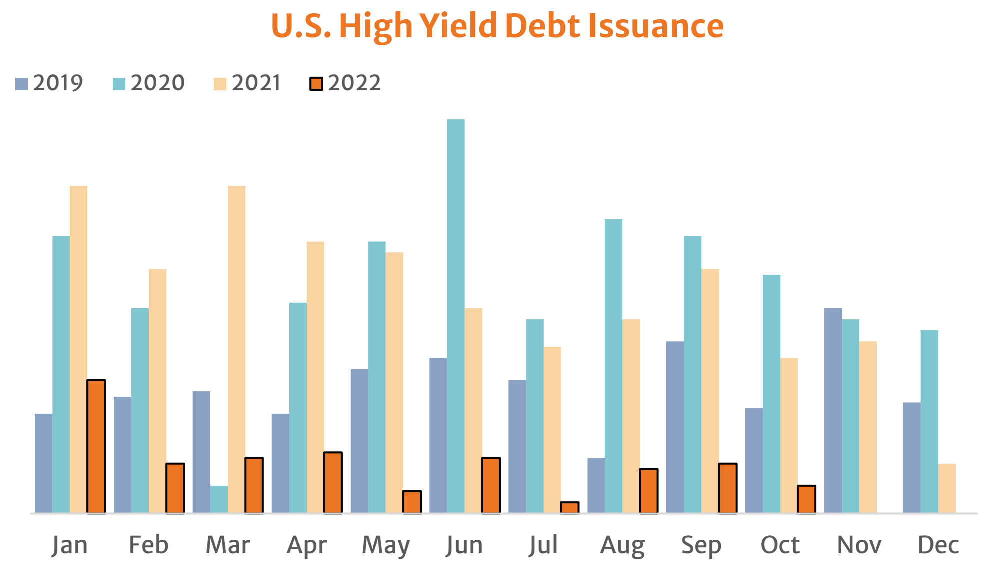
Investment criteria

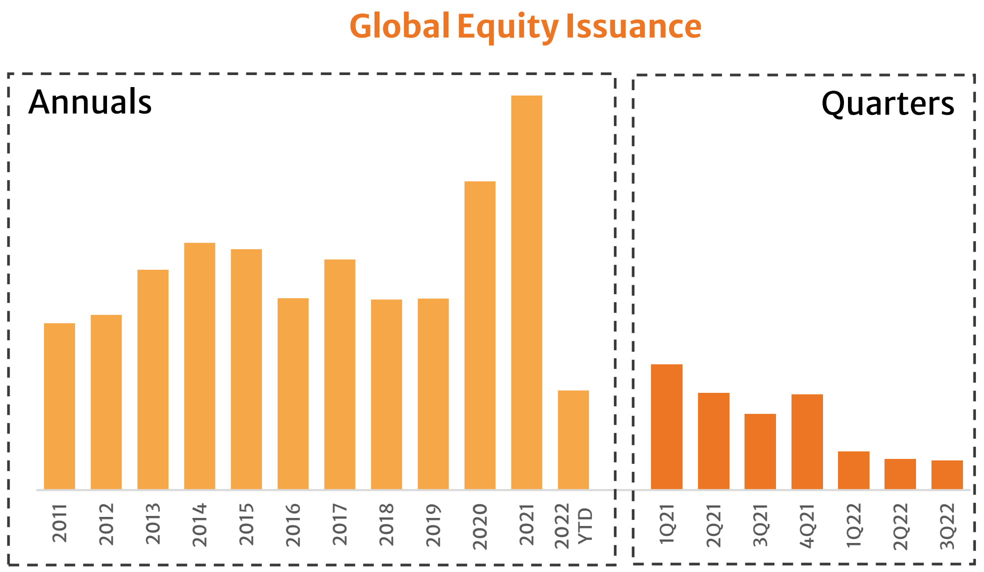
ESG	Value
ESG risk and opportunity	Ability to generate return in excess of asset-specific cost of capital

Growth strategy focused on increasing earnings and diversification through value-accretive investments over time.

Positioned to grow in changing capital markets

Access to traditional funding sources is becoming more challenging





Debt has become more expensive and less accessible;

- Bond yields and credit spreads are increasing
- High yield monthly issuance is declining

Equity capital markets have slowed;

- Issuance volumes are down 65% globally year to date
- Equity issuance is becoming more challenging

Deterra's $350 million credit facilities and quality of underlying assets provides liquidity to act on investment opportunities

Source: Bloomberg, Dealogic as of 4 November 2022.

Committed to sustainable shareholder returns

Our sustainability roadmap outlines our commitment to transparent reporting of our ESG performance and objectives

Complete

- Established Climate Policy and achieved net-zero operational GHG footprint
- Materiality assessment
- Established Human Rights Policy and issued first annual Modern Slavery Statement
- Published first Corporate Governance Statement and Voluntary Tax Disclosure
- Developed ESG due diligence criteria
- Participant in the UN Global Compact
- No health and safety incidents
- Maintained diverse Board and improved gender balance of workforce

Next Steps

- Maintain emissions monitoring and net-zero operational GHG footprint
- Define social investment strategy
- Continual improvement of our ESG due diligence process, ESG data collection and reporting
- First UNGC Communication on Progress reporting

A better way to invest in the resources industry

Investment Proposition

1. Top-line exposure to one of the world's best iron ore operations
2. Limited exposure to operating and capital cost inflation
3. Prioritised returns with 100% of NPAT dividend payout ratio, fully franked paid to date[1]
4. Organic growth through South Flank expansion project and focus on providing value accretive M&A[2]

Our Business Model

(1) Deterra's approach to dividends and dividend policy will be determined by the Deterra Board at its discretion and may change over time
(2) BHP delivers first production from South Flank (20 May 2021), available at www.BHP.com.

For more information:

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