



Deterra Royalties

Very Independent Research Virtual Conference

8 October 2024 | ASX: DRR



Deterra
ROYALTIES

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Except where otherwise stated, the information in this presentation relating to the mining assets to which the Company's royalty interests are referable is based solely on information publicly disclosed by the owners or operators of these mining assets and information and data available in the public domain as at the date of this presentation, and none of this information has been independently verified by the Company. Accordingly, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

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Certain of these estimates have not been prepared by the operators of the respective mining assets in accordance with the standards outlined in 2012 edition of the Joint Ore Reserves Committee's Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), or the applicable disclosure regulations in the ASX Listing Rules.

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Access to information regarding the operation of royalties

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Some of the Company's royalty arrangements may be subject to confidentiality arrangements which govern the disclosure of information with regard to royalties and, as such, Deterra may not be in a position to publicly disclose non-public information with respect to its royalty's performance.

Similarly, the Company depends on the operators of the mining assets relating to the Company's royalties for the accurate calculation of royalty payments that it receives. The Company has limited ability to independently verify such information or achieve assurance that such third-party information is complete or accurate. Any audit rights under the contracts governing the relevant royalties are limited to those set out in the relevant contracts and the audit may occur months after the Company's recognition of the royalty revenue.

Third parties control operations and development of mining assets

The operation of the mining assets relating to the Company's royalties is dependent upon third party holders and operators of the mining assets. The Company has no input into the operation of these mining assets, and the operators' failure to perform could affect the revenues generated by the the Company.

Similarly, the Company will have limited or no decision-making influence as to how these mining assets are exploited, including

decisions to expand, continue or reduce production from, or exploration of, a mining asset. The interests of the Company and third-party holders and operators of mining assets may not always be aligned.

If an operator does not bring parts or all of a mining asset into production and operate in accordance with feasibility studies, technical or reserve reports or other plans for any reason, including due to unexpected problems or delays, then the acquired royalty may not yield the expected financial return that was estimated.

Development, expansion and operation of mining assets is very capital intensive and any inability of the operators of the mining assets relating to the Company's royalties to meet liquidity needs, obtain financing or operate profitably could have material adverse effects on the value of, and revenue from, the Company's royalties.

The inability of the Company to control the operations or development of the mining assets relating to the Company's royalties may have a material adverse effect on the Company's financial performance and ability to pay a dividend.

Forward-looking statements

This presentation may contain forward-looking statements such as, without limitation, statements regarding the future performance of the Company and its assets; the Company's strategy to expand and diversify its royalty base; the Company's intentions regarding its dividend policy; the Company's expectations regarding the financial impact of the acquisition of Trident Royalties Plc (**Trident**), the perceived and potential synergies and other benefits of the acquisition of Trident; the integration of Trident's business and assets; and the Company's intentions in respect of the post-implementation Deterra Group.

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Non-IFRS Financial Information

This presentation may contain non-IFRS financial measures including 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 Deterra's 2024 Annual Report, available at www.deterraroyalties.com. Non-IFRS measures have not been subject to audit or review.

All figures are expressed in Australian dollars unless stated otherwise.

This presentation has been authorised for release to ASX by Deterra's Managing Director.

Deterra corporate snapshot

The largest and only significant royalty company on the ASX



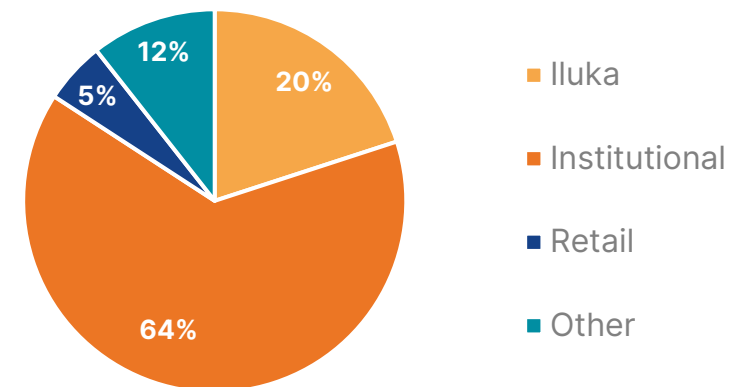
BOARD AND KEY MANAGEMENT

Non-Executive Chairman	Jennifer Seabrook
Managing Director and CEO	Julian Andrews
Non-Executive Director	Graeme Devlin
Non-Executive Director ²	Adele Stratton
Non-Executive Director	Jason Neal
Chief Financial Officer	Jason Clifton

CAPITAL STRUCTURE

Share price ¹	A\$3.95
Shares on issue	528.8m
Market capitalisation ¹	A\$2.1bn
Cash (30 June 2024)	A\$31.1m
FY24 Net Profit after Tax	A\$155m
Assets	28

SHARE REGISTER³



(1) S&P Capital IQ as of 7 October 2024

(2) Iluka Resources Limited nominee

(3) As of 30 August 2024



A royalty vehicle with a difference

Existing royalty assets underwrite our strong financial performance and provide a solid foundation for value accretive growth

High quality assets delivering strong financial performance



REVENUE

>A\$850 million since listing

At an average 95% EBITDA¹ Margin

DISCIPLINED CAPITAL ALLOCATION

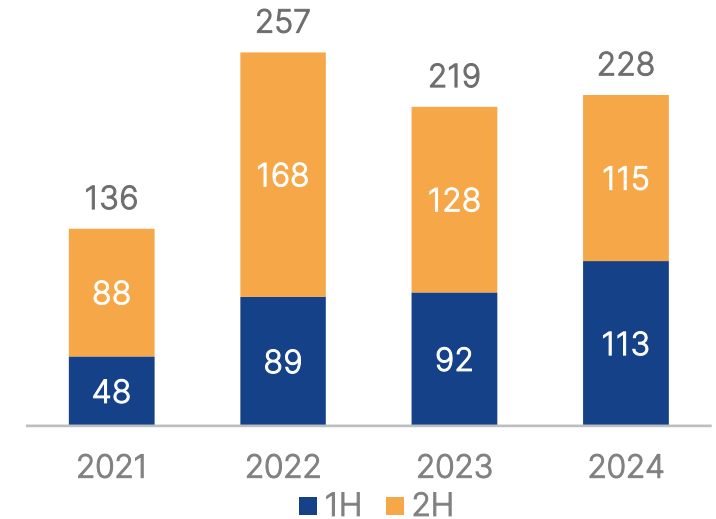
~A\$560 million

Total dividends since listing²

LIQUIDITY

\$A500 million credit facilities

~\$200 million available for value accretive investments³



EBITDA¹
A\$ million

Supporting shareholder returns



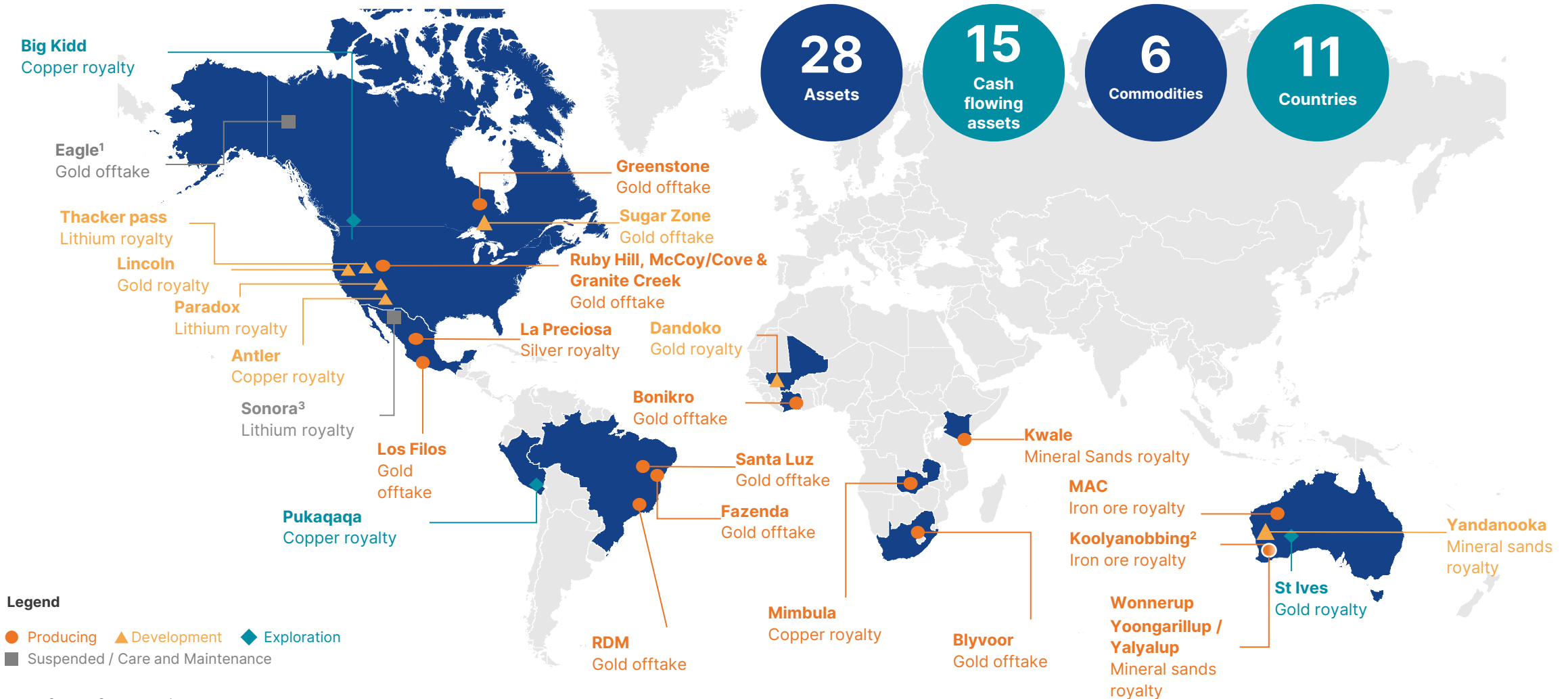
Building a platform for investment and growth



(1) See notes on slide 2 – Non-IFRS Measures
(2) Excludes dividend paid prior to demerger
(3) As at 2 September 2024

With a growing portfolio

Deterra's assets have grown from 6 to 28 following the completion of the Trident acquisition



Source: Company releases

(1) On 24 June 2024 Victoria Gold Corp (TSX:VGCX) announced the suspension of Eagle mine operations following a heap leach containment incident

(2) Mineral Resources (operator) announced closure of the Yilgarn hub as of the end of December 2024

(3) In April 2022 and May 2023, the Mexican mining law was amended to prohibit lithium concessions. The General Directorate of Mines (DGM) issued a formal notice indicating nine of the lithium concessions underpinning the Sonora project were cancelled in August 2023. This matter remains under dispute. Refer to [Ganfeng Lithium Annual Report 2023](#)

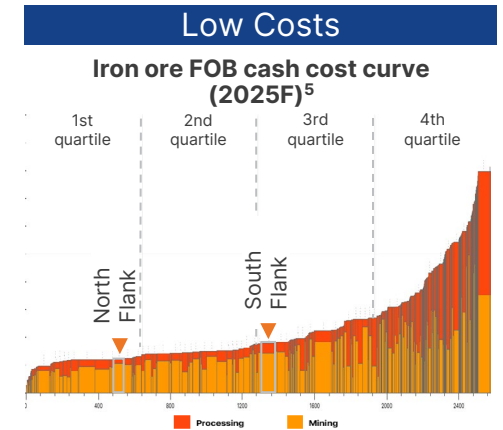
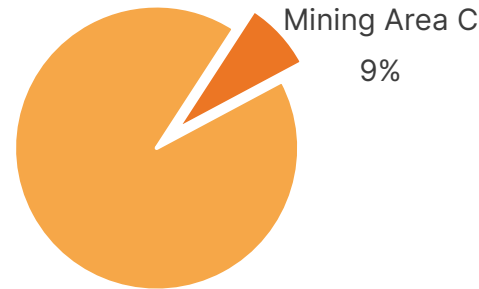
Founded on a world-class cornerstone asset



Mining Area C (MAC) royalty provides top line exposure to one of the premier iron ore mines globally by scale, cost position, quality of the operator and remaining asset life

- World's largest iron ore hub¹
- Long-life, high-grade, low-cost asset forming part of BHP's integrated Western Australia Iron Ore Operations¹
- Operated by BHP, the world's largest mining company²
- >45-year asset life³

At full capacity Mining Area C will account for 9% of global seaborne iron ore supply (1,606Mdm³ in 2025)⁴



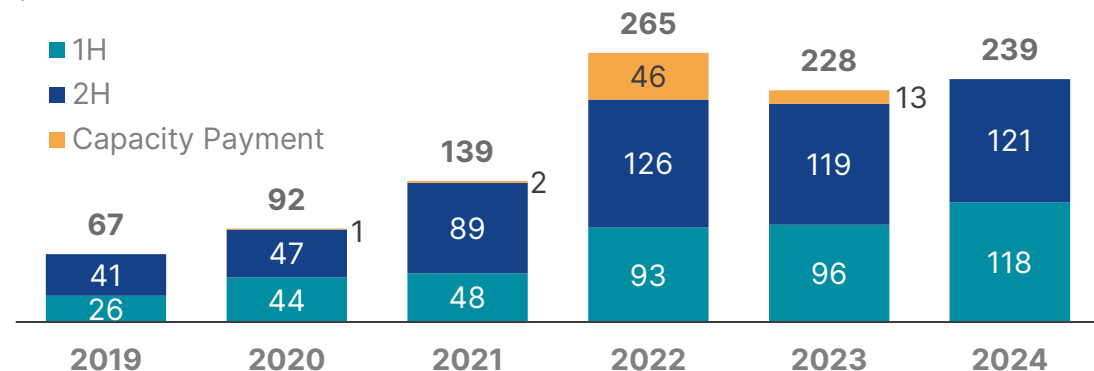
Generating significant cash flow

Base Royalty: 1.232% of A\$ denominated revenue from the MAC Royalty Area

plus

Capacity Payments: A\$1 million for every million dry tonne increase in annual production from the MAC Royalty Area above the previous highest level

Mining Area C (MAC) royalty receipts A\$ million



(1) BHP Western Australia Iron Ore site tour presentation: South Flank, ASX, 4 October 2022
 (2) By market capitalisation
 (3) BHP marks official opening of South Flank – BHP media release (Oct-22): [221005_southflankspeech.pdf](https://www.bhp.com/221005_southflankspeech.pdf) (bhp.com)
 (4) AME Research. Iron Ore Strategic Study Q4 2023
 (5) AME Research. Total cash costs are defined as direct cash cost associated with mining and processing. Units are US\$/t

Mining Area C royalty



	Description ¹
Large	145Mtpa hub, comprised of 80Mtpa from South Flank and 65Mtpa from North Flank
Long Life	MAC hub has the potential to support 45+ year mine life
Expandable	~ 35% of WAIO total Mineral Resource is located within 50km of MAC processing infrastructure
Low Cost	Lowest unit cost operation in WAIO achieved through shared facilities and advanced operational design

Summary of royalty key terms

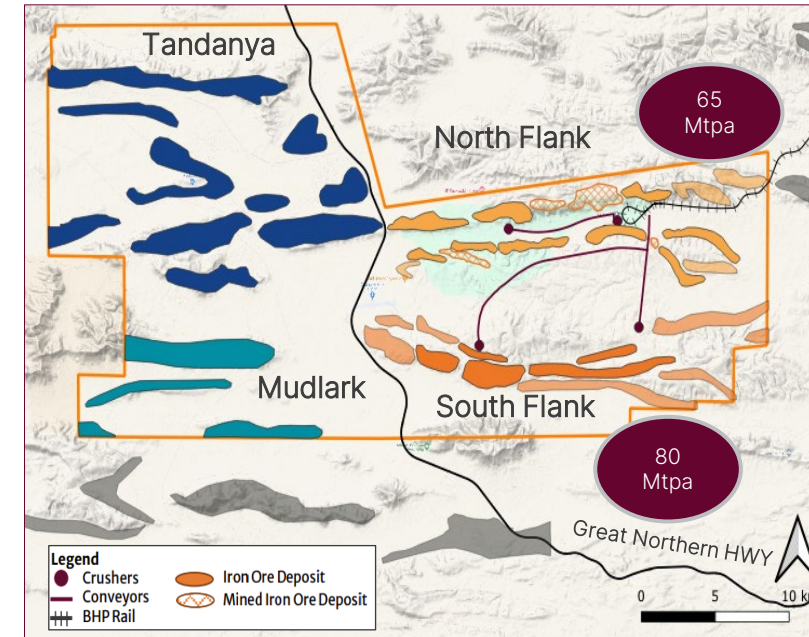
Term	Description
Agreement type	Gross revenue royalty
Royalty rate	1.232 % of AUD denominated revenue from MAC Royalty Area
Payment currency	AUD
Capacity payment	One-off payments of \$1 million per million dry tonne increase in the annual production level from the MAC Royalty Area during any 12 month period ending 30 June above the previous highest annual production level.

1. BHP – Western Australia Iron Ore South Flank – Site Tour Presentation (4 October 2022)

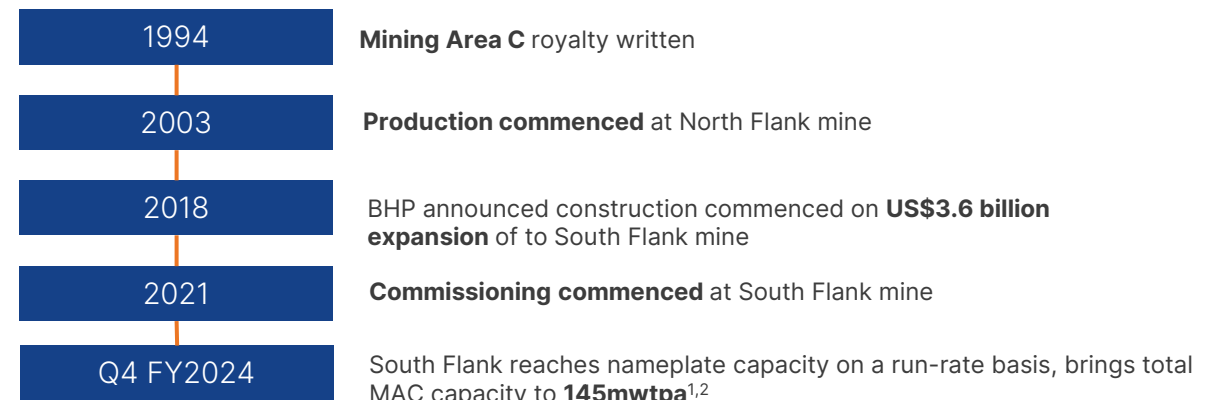
2. BHP – BHP Operation Review for the year end 30 June 2024

3. 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

MAC royalty area⁽³⁾



Key milestones



With growing exposure to critical minerals

Thacker Pass royalty provides long life, large-scale exposure to the battery materials sector in USA



Scalable asset with extension potential

- ✓ Long life asset with M&I resources of 16.1Mt LCE at 0.21% Li¹ and reserves of 3.7Mt LCE at 0.32% Li¹, supporting 40+ year mine life²
- ✓ Global scale with 40ktpa initial operation, expanding to 80ktpa in Phase 2

Advanced lithium project in USA

- ✓ Early works construction complete
- ✓ Lithium Americas expect full Notice to Proceed to occur in 2H 2024²

Strong stakeholder support

- ✓ Project funding largely secured with US\$650m GM investment, US\$275m equity raise, and DOE conditional commitment for US\$2.26 billion loan
- ✓ Offtake secured – General Motors has rights to all Phase 1 production for 10 years, with an option to extend an additional 5 years.

Substantially de-risked project execution

- ✓ All state and federal permits received for Phase 1
- ✓ Advancing detailed engineering (>30% complete)
- ✓ Integrated lithium technical development centre commissioned to demonstrate full flowsheet and produce samples for testing
- ✓ Process flow utilizes proven technology and equipment
- ✓ Established mining jurisdiction
- ✓ Established local power and transport infrastructure to support development

Summary of royalty key terms²

Term	Description
Agreement type	Gross revenue royalty
Royalty rate	8.0% GRR reduced to 4.0% after US\$22m royalty payments (100% basis; 4.8% reduced to 2.4% after US\$13.2m royalty payments on a 60% attributable basis) if buyback not exercised
Payment currency	USD
Buyback rights	Right to reduce royalty to 1.75% GRR if LAC buy-back for US\$22m (100% basis; 1.05% if LAC buy-back for US\$13.2m on a 60% attributable basis)

Location



Key milestones¹

- Jun-2018** Lithium Americas announces **Preliminary Feasibility Study** results
- Dec-2020** The Bureau of Land Management (BLM) issues the Final Environmental Impact Statement
- Jan-2021** The BLM issues a **Record of Decision** approving development of the mine
- Nov-2022** Lithium Americas releases the **Feasibility Study** for the Thacker Pass Project
- Jan-2023** General Motors makes a **US\$650 million equity investment** and agrees **offtake terms**
- Mar-2023** Lithium Americas **commences early-works construction** at Thacker Pass (completed in 2024)
- Mar-2024** The US DoE extends a **US\$2.3 billion conditional loan** under the Advanced Technology Vehicles Manufacturing (ATVM) Loan Program
- Apr-2024** Lithium Americas closes **US\$275 million equity offering** to advance the project

1. Based on Lithium Americas Corporate Presentation of May 2024, Lithium Americas Pre-Feasibility Study (2018) and Feasibility Study (2022)
 2. Based on Lithium Americas 2023 Annual Report

Disciplined in pursuit of growth

Targeting value accretive opportunities



Prioritising where we have a competitive advantage

Quality: world class foundation in long-life MAC royalty

Liquidity: cash flow and debt facilities provide investment capacity

Focus: targeting less competitive niche in higher value non-precious metal royalties



Size

Broad mandate driven by ability to add value

“Sweet spot” of A\$100 – 300M



Commodity

- Bulks
- Base metals
- Battery metals



Geography

Developed mining jurisdictions, including:

- Australia
- N. America
- S. America
- Europe



Stage

- Production
- Near production

Other opportunities considered on merit on a case-by-case basis

Liquidity and flexibility to fund growth and manage returns



Capital management framework balances future growth and shareholder returns

Funding capacity

Strong cash flow generation

- Established cash generating platform
- Long-life MAC Royalty and gold offtakes
- New cashflow producing assets

Access to capital markets

- Ability to leverage debt and equity financing
- Dividend Reinvestment Plan(DRP)



Capital management framework

Liquidity

Flexibility to invest counter-cyclically

- Existing bi-lateral facilities of \$500 million (BBSY + ~135 b.p. margin)
- ~\$200 million available at 2 Sept 2024
- Offers competitive advantage

Leverage

Optimise use of debt funding

- Retain strong balance sheet
- Target net debt range 0 – 15% of EV

Cash flow allocation

Disciplined return of excess capital

- Target **minimum** dividend payout ratio of 50% of NPAT, franked to extent possible
- Maximise returns when not required for investment or balance sheet management



Priorities

Shareholder returns

- Minimum dividend payout target of 50% of NPAT
- Surplus cash flow not required for investment or balance sheet management

Investing in value accretive growth

- Targeting opportunities in line with stated investment parameters that are accretive to NAV and cash flow over time



The power of royalty assets

Lower exposure to capital and operating risk than typical mining investments whilst retaining exposure to the upside through expansions and extensions.



“Top line” cashflows

Royalty revenue derived from asset’s revenue line, or with limited, defined deductions



Commodity price leverage

Direct exposure to underlying commodity price



Project optionality

Asset expansions and extensions drive royalty values



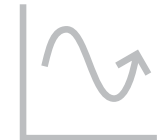
Limited capital cost obligations

No direct exposure to sustaining or expansion capital expenditure



Limited operating cost exposure

No direct exposure to project operating costs



Cost inflation resistance

High margins, and protection against cost inflation

For more information

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