

3 May 2021

ASX: DRR

QUARTERLY ROYALTY REVENUE UPDATE

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to confirm total royalty receipts for the March 2021 quarter of \$36.4 million. Deterra had three producing royalties in the period, comprising:

- Iron ore royalties of \$36.3 million from Mining Area C (MAC); and
- Other royalties of \$0.1 million from Western Australian mineral sands operations.

MAC iron ore royalties increased by 49% compared to the December 2020 quarter as sales volumes increased and iron ore prices strengthened. Adjustments to provisional pricing¹ for the month of December further contributed to the increase in MAC revenue for the March 2021 quarter.

Deterra royalty revenue

AUD million	Mar 2020	Sep 2020	Dec 2020	Mar 2021	QoQ (%)
Mining Area C					
Royalty revenue	21.3	24.1	24.4	36.3	49.0%
Capacity payments	-	-	-	-	
Other Royalties	0.0	0.4	0.2	0.1	-49.6%
Total	21.3	24.4	24.6	36.4	48.1%

¹ Iron ore sales typically reflect average iron ore index prices for the month of shipping, with adjustments for ore quality. Deterra's royalty receipts are based on sales invoiced during the period which may reflect, in part, provisional pricing. Accordingly, quarterly revenues can be impacted by the timing of adjustments to align achieved pricing to provisional pricing from the prior quarter.

The company receives an ongoing royalty of 1.232% of Australian dollar denominated quarterly FOB revenue from the MAC royalty area. Additional, one-off capacity payments of A\$1 million per one million dry metric tonne (Mdm) increase in annual mine production are determined for the period ending 30 June. The current demonstrated annual capacity level is set at 57Mdm.

Mining Area C quarterly production and sales information

	Mar 2020	Sep 2020	Dec 2020	Mar 2021	QoQ (%)
BHP Reported MAC production (million wet metric tonnes)²	14.3	14.0	13.6	15.3	12.5%
MAC sales (Mdm)³	13.0	12.5	12.8	13.8	7.7%

This document was approved and authorised for release by Deterra's Managing Director.

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² Source: BHP Operational Review for the nine months ended 31 March 2021 and similar prior Operational Reviews.

³ MAC sales volumes are reported on a dry basis and will vary from BHP reported production due to product moisture factors and the timing of sales and inventory movements in any reporting period.