

1 August 2022

ASX: DRR

QUARTERLY ROYALTY REVENUE UPDATE

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to confirm total royalty receipts for the June 2022 quarter of \$113.1 million bringing total royalty receipts for FY22 of \$265.2 million. Deterra had three producing royalties in the quarter, comprising:

- Mining Area C (MAC), which generated iron ore revenue royalties of \$67.0 million and a capacity payment of \$46.0 million for total revenue of \$111.0 million of the quarter.
- Two Western Australian mineral sands operations which generated \$0.1 million combined.

During the quarter increasing sales volumes from the ramp-up of the South Flank mine led to MAC iron ore revenue royalties increasing by 13.3% compared to the December 2021 quarter.

Deterra royalty receipts						
AUD million	Sep 2021	Dec 2021	Mar 2022	Jun 2022	QoQ (%)	YTD
Mining Area C						
Royalty revenue ¹	59.6	33.1	59.1	67.0	13.3%	218.8
Capacity payments	-	-	-	46.0	-	46.0
Other Royalties	0.1	0.1	0.1	0.1	-	0.4
Total	59.7	33.2	59.2	113.1	91%	265.2

Julian Andrews, Deterra's Managing Director and CEO said;

"It is really pleasing to see such strong revenue performance from the company's royalty assets in our second year as a listed company. Deterra has recorded royalty revenue of \$265 million in FY22 which represents an 83% increase year on year.

It is with credit to our mining partner BHP at MAC for the impressive operational execution of the South Flank project. South Flank was commissioned in May 2021 and reached an average capacity

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.

utilisation rate of 84% in the June 2022 quarter. The project is now ahead of schedule in ramping MAC up to 145 million wet metric tonnes per annum of iron ore by the end of FY24².

During FY22 Deterra benefitted from both its 1.232 per cent royalty as well as the significant capacity payments as Mining Area C continued in its growth towards becoming the world's largest iron ore hub.

Deterra's positioning as an inflation resilient investment is becoming increasingly prominent as the only mining royalty company of scale on the ASX. We provide our investors with a high margin, top line exposure to high quality mining assets. We don't have the same exposure to rising costs as direct mining equity investment, whilst retaining exposure to extensions and expansions at no cost."

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 (MdmT) increase in annual mine production are determined for the period ending 30 June. The current demonstrated annual capacity level has been re-set to 105MdmT.

Mining Area C production and sales information

	Sep 2021	Dec 2021	Mar 2022	Jun 2022	QoQ (%)	YTD
BHP Reported MAC production (million wet metric tonnes)²	22.3	27.0	29.3	32.6	11.2%	111.1
MAC sales (MdmT)³	21.0	24.8	27.3	30.6	12.1%	103.7

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

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² Source: BHP Operational Review for the period ended 30 June 2022 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.