18 August 2022

ASX: DRR

FY22 Financial Results and Outlook Presentation

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to release a results and outlook presentation for its full year results for the financial year ended 30 June 2022 (FY22). An investor and analyst briefing will be held at 07:00 (AWST) / 09:00 (AEDT) today by Mr Julian Andrews, Managing Director and Chief Executive Officer, and Mr Brendan Ryan, Chief Financial Officer.

The live audio webcast and on-demand replay of the results briefing will be available at www.deterraroyalties.com and via the following link:

https://edge.media-server.com/mmc/p/prhvhv6n

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

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The resources investment that pays

Full Year Results and Outlook

Financial Year 2022

Deterra
ROYALTIES

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This presentation has been prepared by Deterra Royalties Limited (“Deterra”, “the Company”). By accessing this presentation you acknowledge that you have read and understood the following statement.

The material in this presentation is general background information about Deterra and its activities current as at the date of the presentation on 18 August 2022. The information in this presentation is given in summary form and does not purport to be complete. Information in this presentation is provided to assist sophisticated investors with their own analysis of the Company but should not be relied upon as a predictor of future performance. The current outlook parameters supersede all previous key physical and financial parameters. The information in this presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investors. Investors should consider these factors and consult with their financial, legal or other professional adviser.

This presentation should be read in conjunction with Deterra's other periodic and continuous disclosure announcements which are available at www.asx.com.au.

Reporting Period

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

Reserves, resources and other technical information

Except where otherwise stated, the information in this presentation relating to the mining assets to which Deterra's royalty interests are referrable 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 Deterra. Accordingly, Deterra does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information. Specifically, Deterra has limited, if any, access to the mining assets in respect of which royalties are derived by the Deterra. Deterra generally relies on publicly available information regarding the mining assets and generally have no ability to independently verify such information.

Forward-looking Statements

This presentation contains certain statements which constitute “forward-looking statements”. Often, but not always, forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “plan”, “believes”, “estimate”, “anticipate”, “outlook” and “guidance”, or similar expressions, and may include, without limitation, statements regarding plans; strategies and objectives of management; anticipated performance; estimates of future expenditure; expected costs; estimates of future royalty income, product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

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No independent third party has reviewed the reasonableness of the forward-looking statements or any underlying assumptions.

Past performance

Investors should note that past performance metrics and figures in this presentation are given for illustrative purposes only and cannot be relied upon as an indicator of (and provide no guidance as to) future Deterra performance, including future share price performance. Any such historical information is not represented as being, and is not, indicative of Deterra's views on its future financial condition and/or performance.

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.

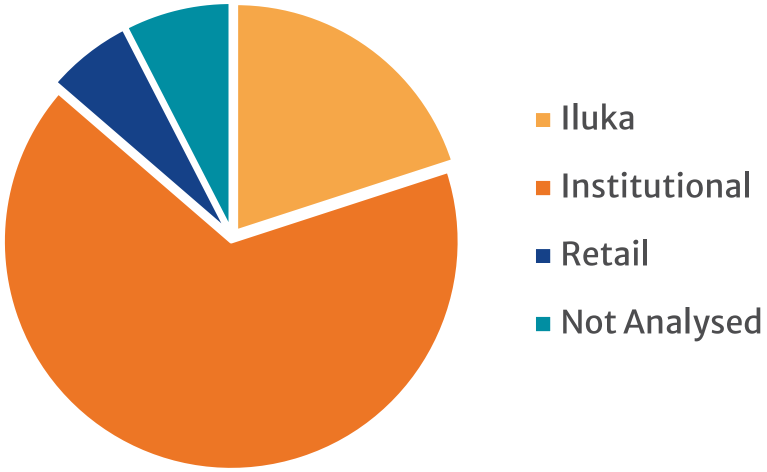
In accordance with ASX Listing Rule 15.5, Deterra confirms that this presentation has been authorised for release to ASX by Deterra's Managing Director.

Corporate overview

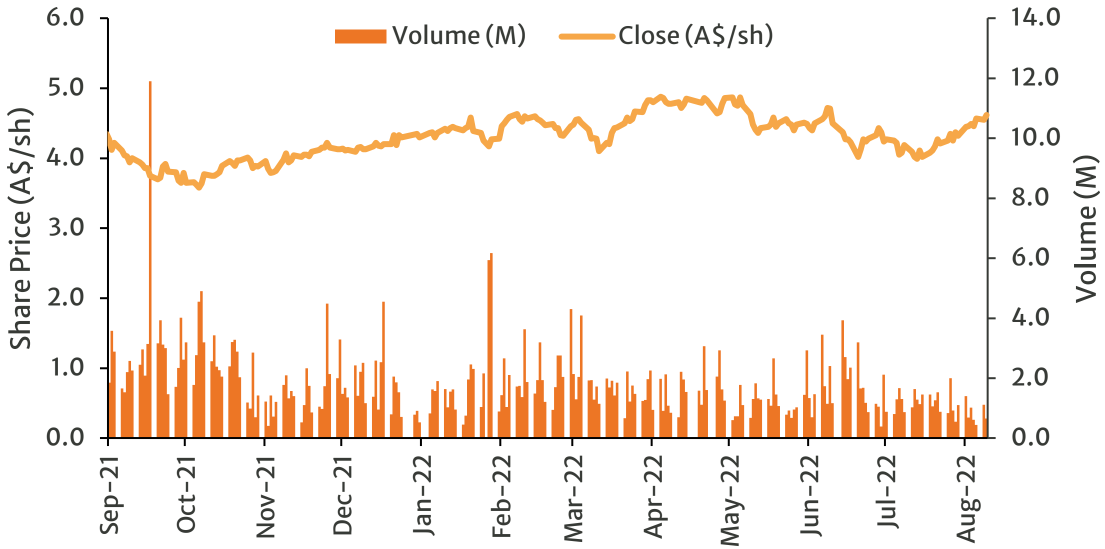
Share price[1]	$4.59
Shares on issue	528.5m
Market capitalisation	$2.4bn
Cash (30 June 2022)	$27.5m
FY'22 Dividend Declared	33.76¢
Royalty agreements	6

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 17 August 2022
(2) Iluka Resources nominee

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

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 17 August 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

Royalty revenue derived from asset's revenue line.

Commodity price leverage

Direct exposure to underlying commodity price.

Project optionality

Asset expansions and extensions drive value of royalty investments.

No capital cost obligations

Royalty owner is free carried through future project capital requirements.

Limited operating cost exposure

No direct exposure to project operating costs.

Cost inflation resistance

High margins, and protection against cost inflation.

Financial Results

Simple business model continues to deliver strong financial performance

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

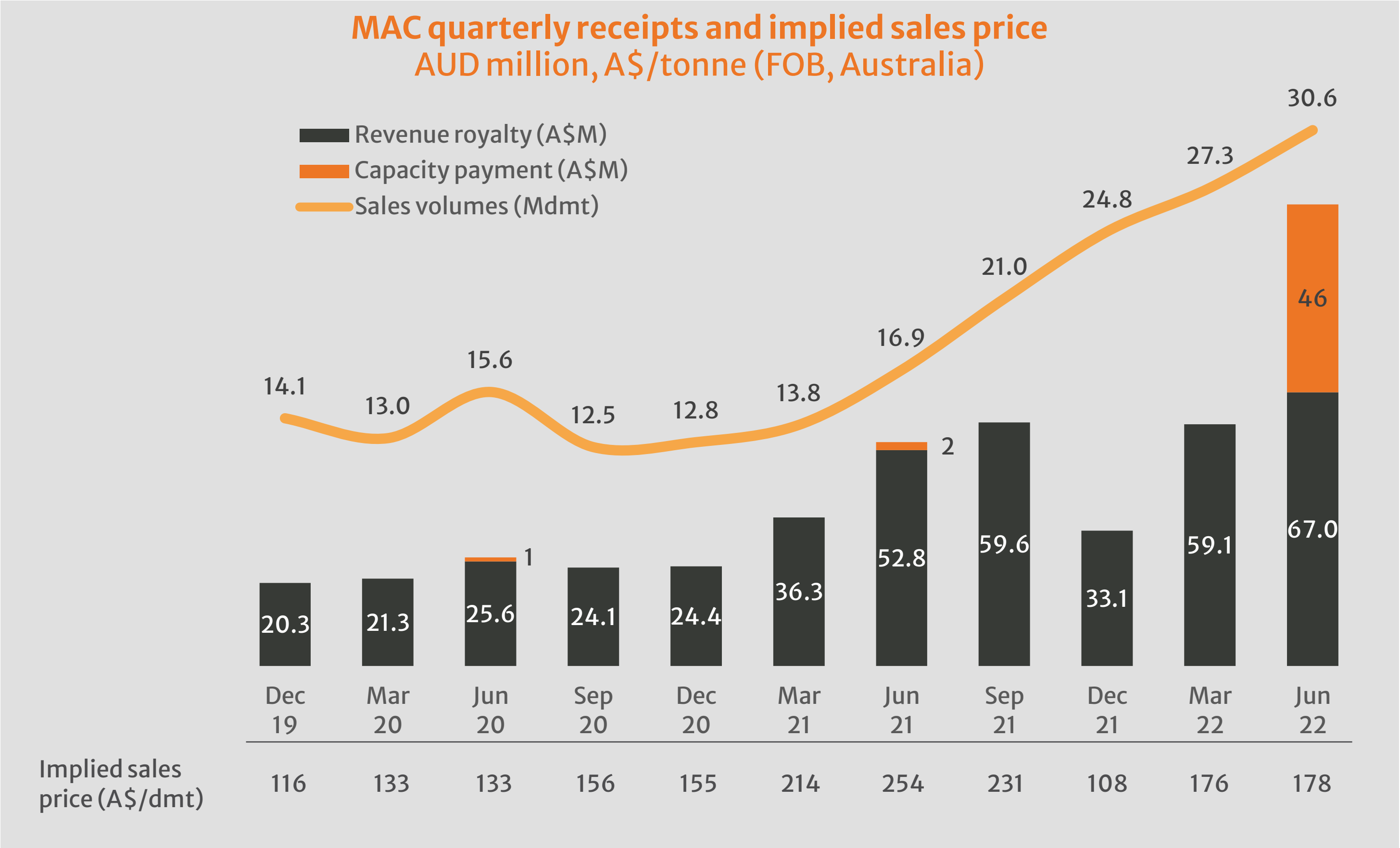
(1) See notes on slide 2 – Non-IFRS Measures.

Mining Area C Royalty Performance

MAC reported significant increases in production volumes, up 78% on the prior year

- BHP's MAC operation has performed strongly with incremental production from South Flank reaching a utilisation rate of 84% in the June 2022 quarter[(1)].

- The South Flank project is ahead of schedule in ramping MAC up to 145Mwmtpa by the end of FY24[(1)].

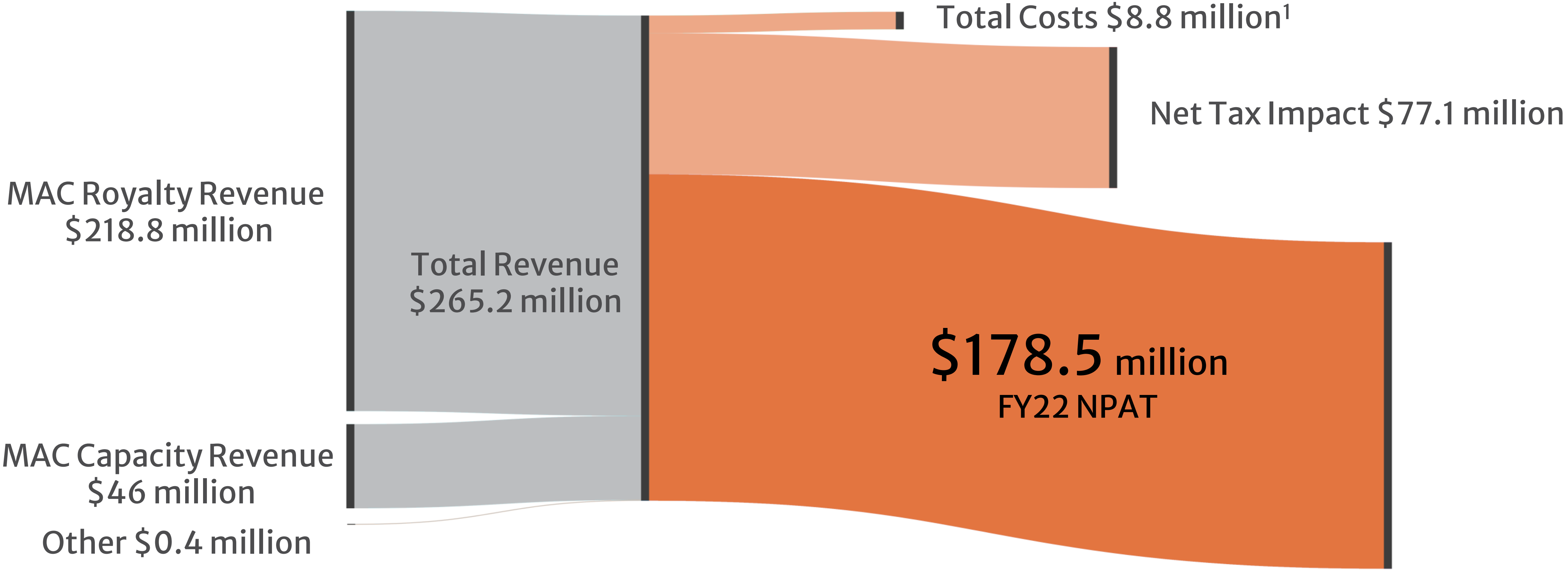


(1) BHP Operational Review for the year ended 30 June 2022

Simplified Income Statement

Illustrative FY22 statement of profit or loss

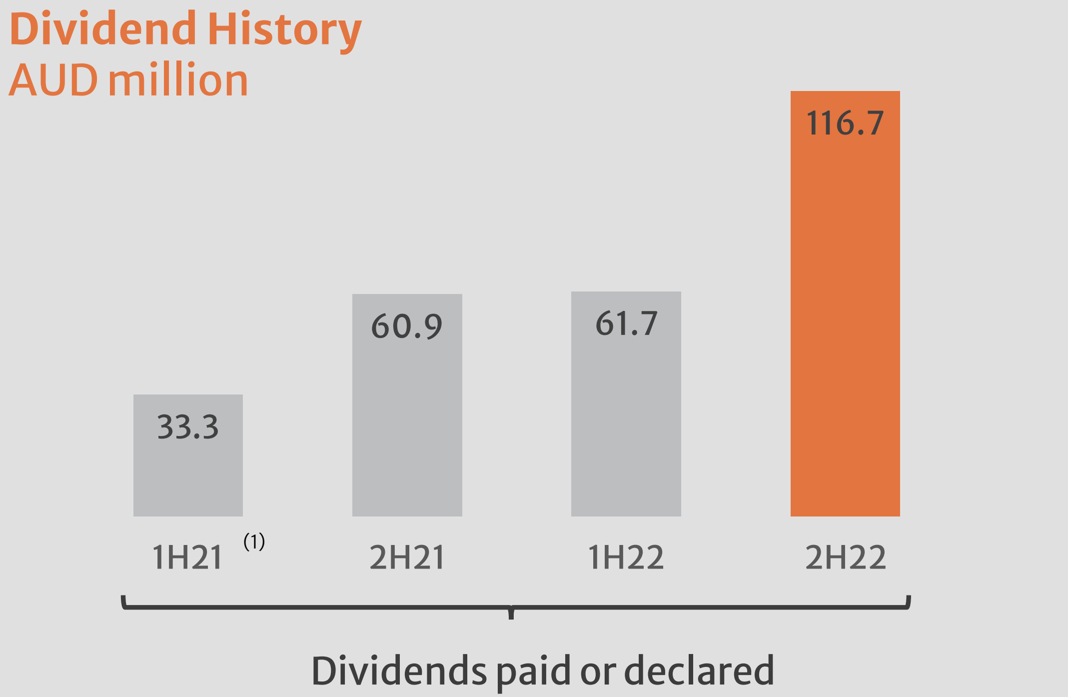
AUD million



(1) Total Costs of $8.8 million includes $7.6 million of operating expenses, $0.7 million of business development and $0.4 million of D&A.

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.

Strategy and Outlook

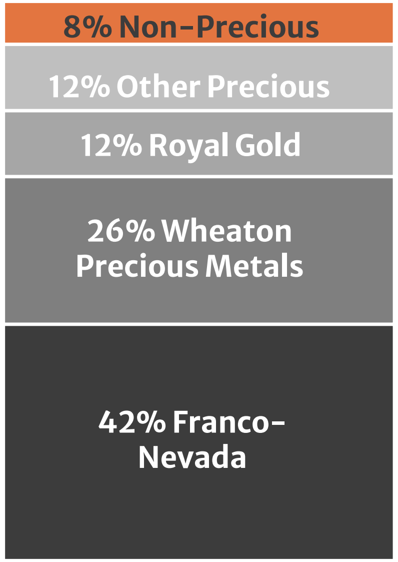
Maximise returns and grow value responsibly

Royalty and streaming company landscape

Deterra holds a leading position in the non-precious royalty streaming sub-sector

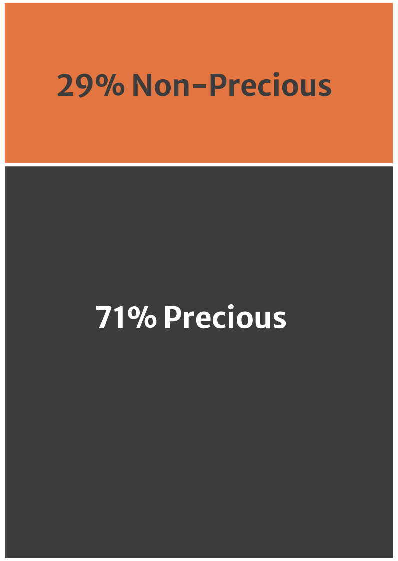
Listed Royalty Companies[1]

Total US$58bn **market cap**
with only **8% Non-Precious Focused**

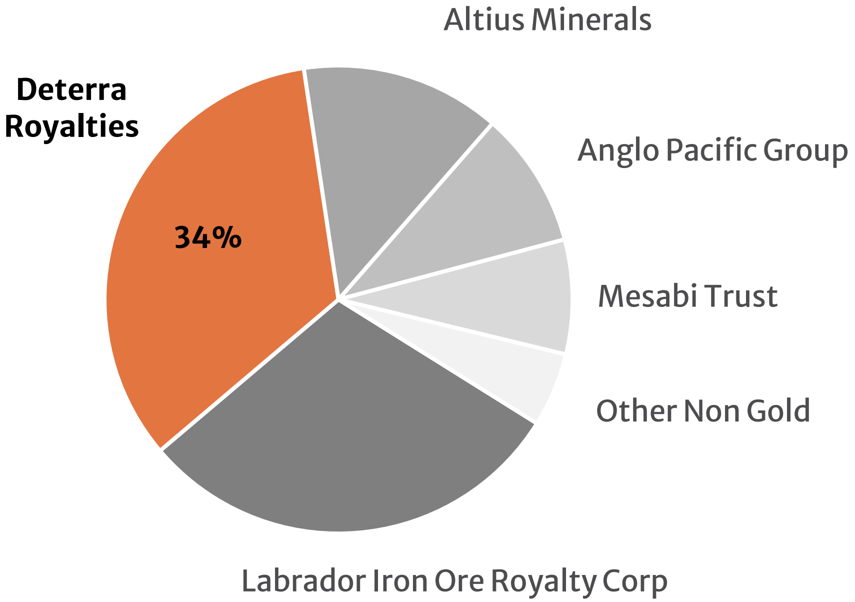


Opportunity Pool of Existing Royalties[2]

29% of **Existing Royalties** are Non-Precious



Non-Precious Focused Listed Royalty Companies[1]



Globally, the listed mining royalty company universe has a total market capitalisation of ~US$58bn.

- Only 8% of that market capitalisation is dedicated to the non-precious metal segment.
- Deterra is one of the leading companies in the non-precious metal royalty segment and focused on bulk, base and battery metals.

(1) S&P Capital IQ. Average market capitalisation for the peer group during July 2022. Universe includes; TSX:FNV, NYSE:WPM, NasdaqGS:RGLD, TSX:OR, TSX:TFPM, TSX:SSL, NYSEAM:GROY, TSX:MMX, TSX:NSR, TSXV:MTA, TSXV:EMX, TSXV:VOX, TSXV:ELE, AIM:ALS, TSXV:FISH, TSXV:OGN, TSXV:EMPR, TSX:LIF, ASX:DRR, TSX:ALS, LSE:APF, NYSE:MSB, TSXV:URC, AIM:TRR
(2) Number of royalties from Deterra analysis of S&P Capital IQ.

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
Broad mandate driven by ability to add value

("Sweet spot" of A$100 – A$300M)

Commodity
- Bulks
- Base metals
- Battery metals

Geography
Developed mining jurisdictions, incl:
- Australia
- N. America
- S. America
- Europe

Stage
- Production
- Near production

Other opportunities considered on merit on a case by case basis

Investment criteria

ESG
ESG risk and opportunity

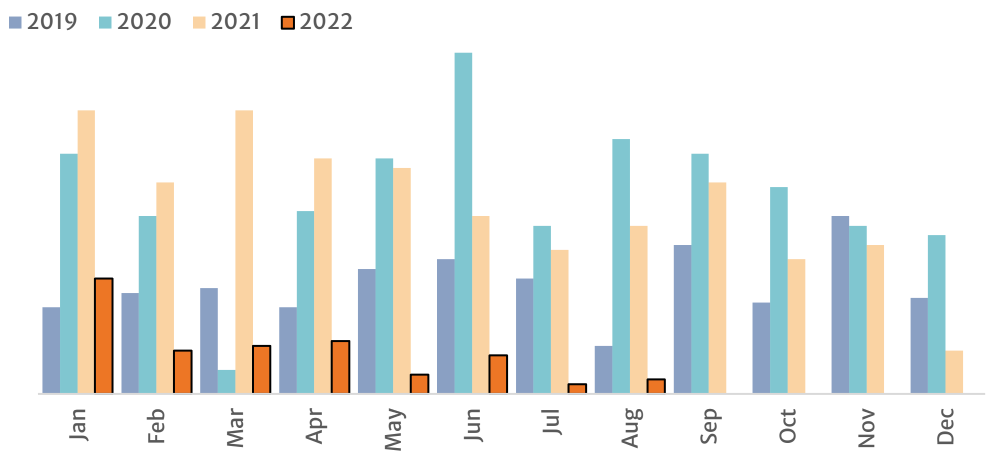
Value
Ability to generate return in excess of asset-specific cost of capital

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

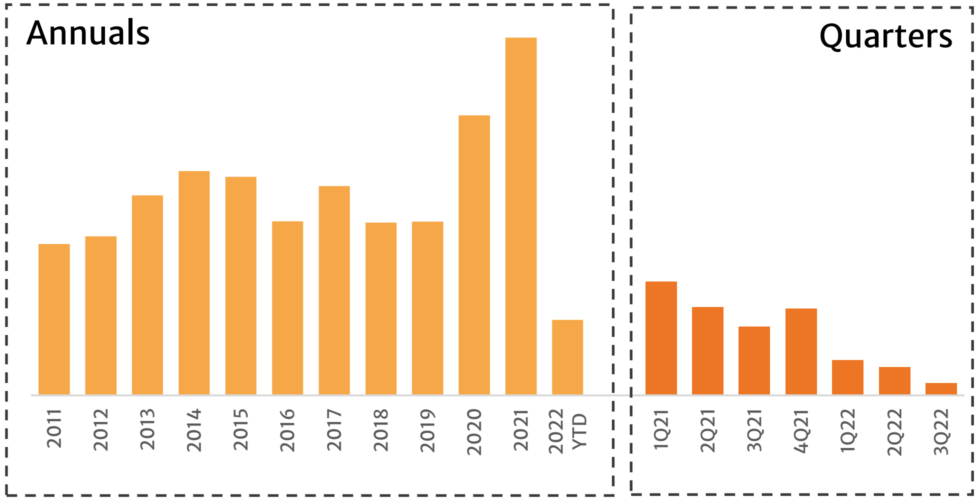
Positioned to grow in changing capital markets

Access to traditional funding sources is becoming more challenging

U.S. High Yield Debt Issuance



Global Equity Issuance



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 69% 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

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.

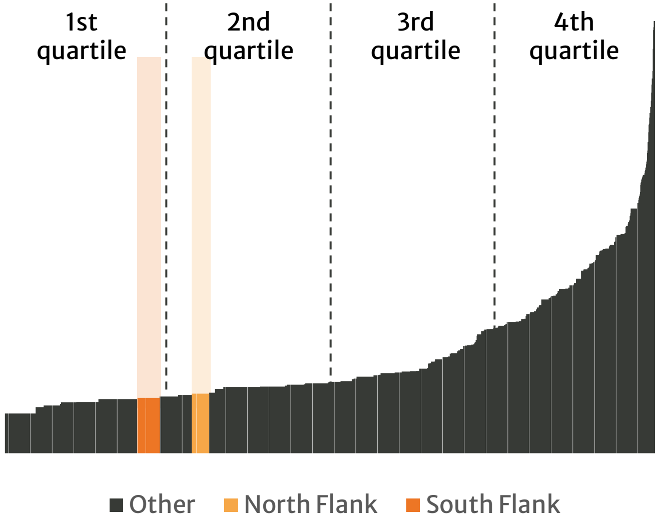
Appendix – Mining Area C

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.

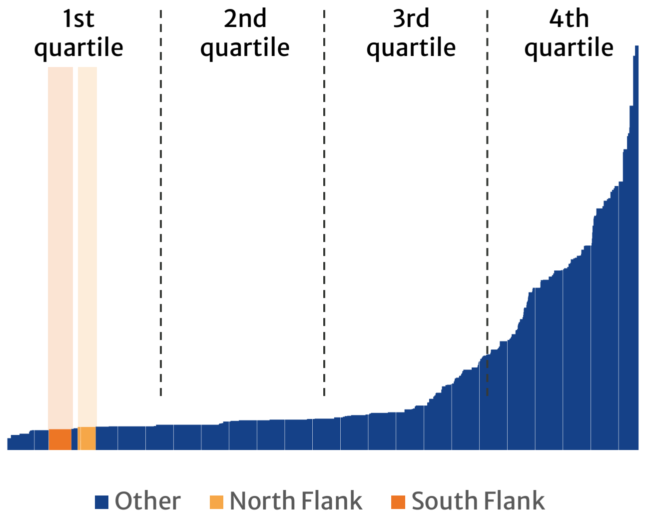
Low Costs

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



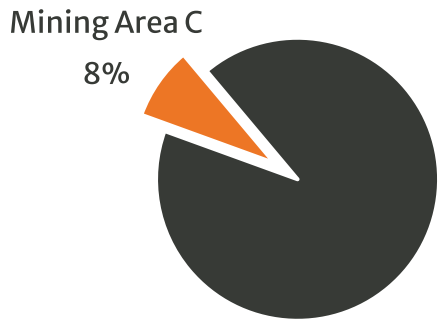
Low Emissions

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]

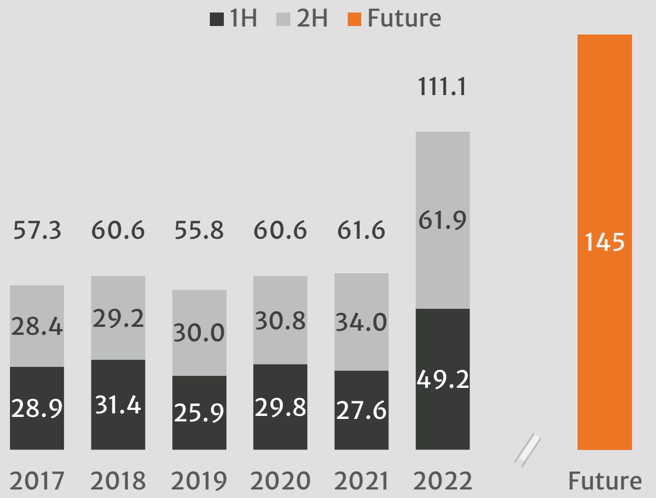
(1) Source: Wood Mackenzie. Total cash costs are defined as direct cash cost associated with mining, processing and transport of marketable products, including G&A costs directly related to mine production, royalties, levies and other indirect taxes. Units are US$/t
(2) Source: Wood Mackenzie. GHG emissions 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

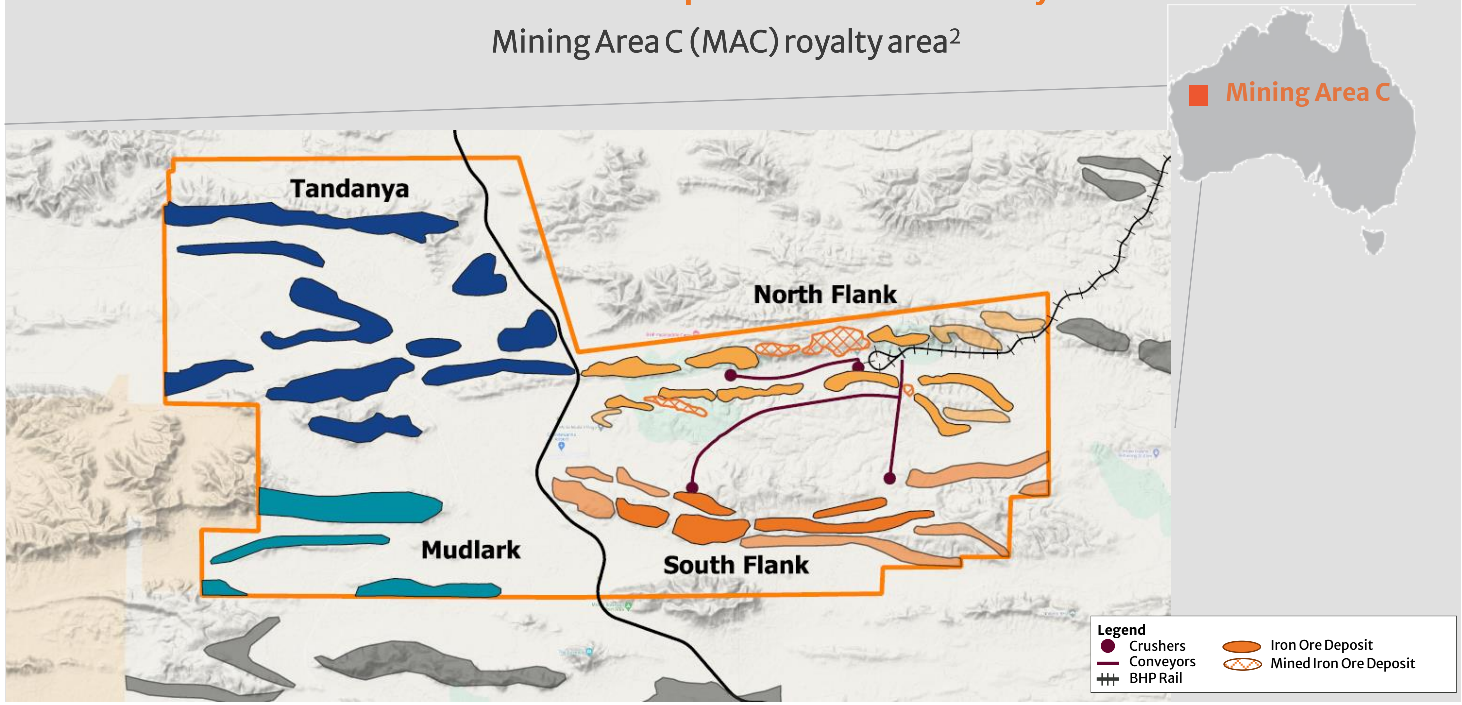
Realising organic growth through South Flank expansion

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.

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Deterra ROYALTIES

Income statement

Statement of profit or loss	2022 $'000	2021 $'000
Royalty Revenue	265,155	145,209
Business Development	(729)	(237)
Operating expenses	(7,642)	(4,604)
Depreciation and amortization	(393)	(365)
Demerger expenses	–	(4,637)
Operating profit before finance cost	**256,391**	**135,366**
Net finance income/(cost)	(852)	(220)
Net foreign exchange gains/(losses)	(7)	(11)
Fair Value gain on asset acquisition	–	6,512
Profit before tax	**255,532**	**141,647**
Income tax expense	(77,070)	(47,387)
Net Profit After Tax (NPAT)	**178,462**	**94,260**
Total and continuing earnings per share:		
Basic earnings per share ($)	0.3377	0.1784
Diluted earnings per share ($)	0.3374	0.1783

(1) Half-year ended 31 December 2020 refers to the initial interim period from 15 June 2020 (date of incorporation) to 31 December 2020

Balance Sheet

$'000	2022 $'000	2021 $'000
Cash and cash equivalents	27,456	24,206
Trade and other receivables	113,220	54,955
Income tax assets	482	
Prepayments	602	644
Total Current Assets	**141,760**	**79,805**
Royalties intangible assets	8,596	8,903
Other intangible assets	4	5
Property, plant, and equipment	26	30
Prepayments	1,675	53
Right-of-use assets	229	297
Total Non-Current Assets	**10,530**	**9,288**
Total Assets	**152,290**	**89,093**
Trade and other payables	479	801
Provision	123	65
Lease liability	68	67
Income tax liability	–	10,904
Total Current Liabilities	**670**	**11,837**
Lease liability	180	244
Borrowings	–	–
Deferred tax	32,815	15,289
Total Non-Current Liabilities	**32,995**	**15,533**
Total Liabilities	**33,665**	**27,370**
Net Assets	**118,625**	**61,723**

Underlying EBITDA and earnings adjustment

Earnings and earnings adjustments[1]	2022 $'000	2021 $'000
Net Profit After Tax	**178,462**	**94,260**
add back income tax expense	77,070	40,875
add back income tax expense on acquired receivable	–	6,512
Profit before tax	**255,532**	**141,647**
less Valuation gain on acquired receivable	–	(6,512)
add back Net finance costs and FX gains	859	231
Operating profit before finance cost	**256,391**	**135,366**
Adjustments to Underlying earnings		
add back one-off demerger expenses	–	4,637
less demerger-related adjustments relating to prior period revenue	–	(4,848)
Total adjustments	–	(211)
Underlying EBIT	**256,391**	**135,155**
add back Depreciation and Amortisation	393	365
Underlying EBITDA	**256,784**	**135,520**
Adjusted Revenue	265,155	140,361
Underlying EBITDA margin (%)	97%	97%

(1) See notes on slide 2 – Non-IFRS Measures
(2) Half-year ended 31 December 2020 refers to the initial interim period from 15 June 2020 (date of incorporation) to 31 December 2020