The resources investment that pays

1H23 Results Presentation

February 2023

Deterra
ROYALTIES

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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.

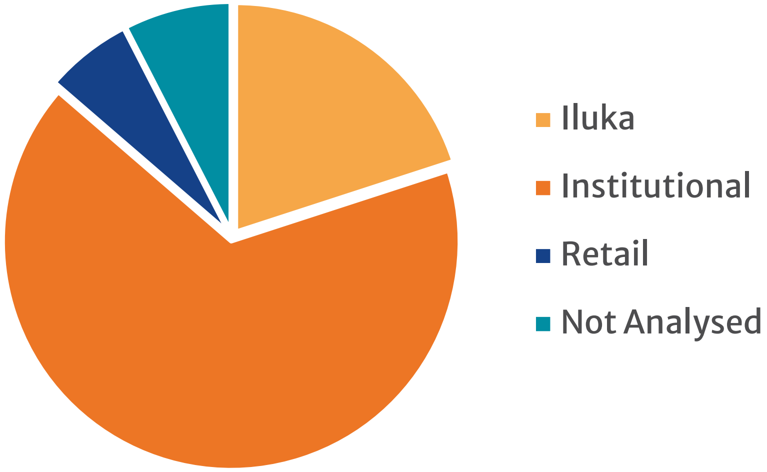
In accordance with ASX Listing Rule 15.5, Deterra confirms that this presentation has been authorised for release to ASX by Deterra's Managing Director.

Corporate overview

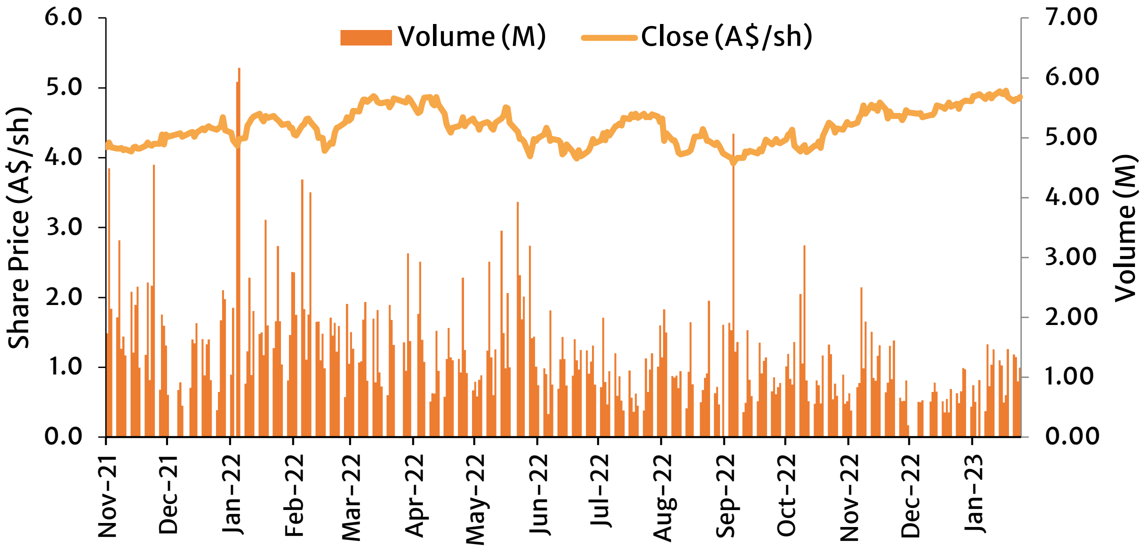
Share price[1]	$4.87
Shares on issue	528.5m
Market capitalisation	$2.6bn
Cash (31 Dec 2022)	$21.5m
FY23 Interim Dividend Declared	12.00¢
Royalty agreements	6

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

Register composition



Share price performance[1]



(1) As of 16 February 2023
(2) Iluka Resources nominee

Business Highlights

STRONGLY PERFORMING ASSETS

REVENUE

A$96.4M ⬆ 4% on pcp[1]

NPAT A$63.4M, 95% EBITDA Margin

MAC production 62.7 Mwmt

POSITIONED FOR GROWTH

A$350M

Undrawn credit facility

Significant available liquidity for value accretive transactions

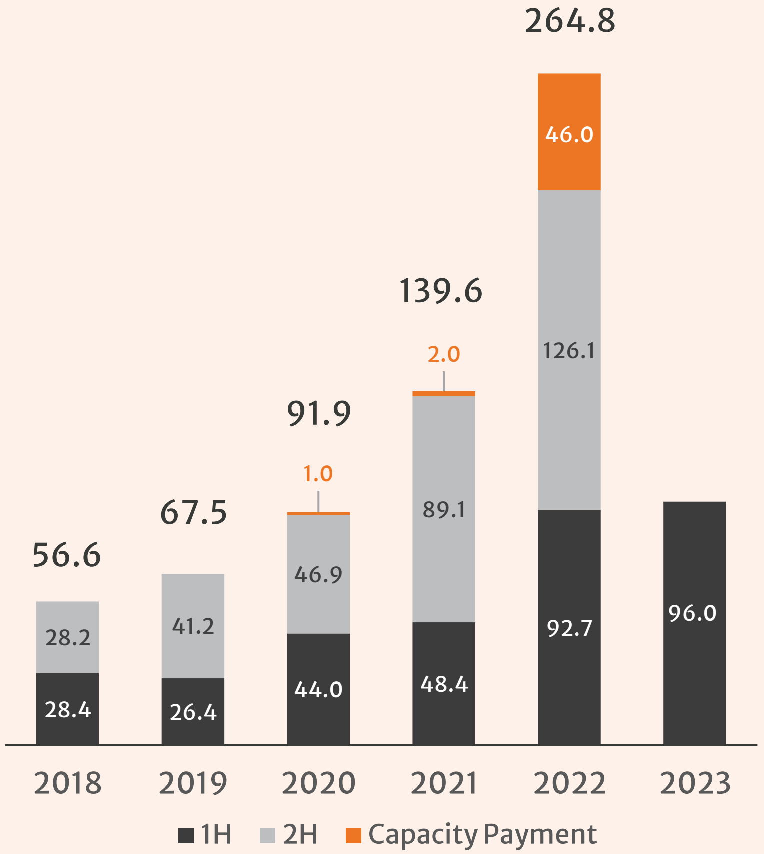
PRIORITISING RETURNS

12.00¢/share

FY23 Interim Dividend

100% of NPAT, fully franked

MAC royalty receipts (A$M)



(1) Prior comparable period: 1H FY2022

We offer investors 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.

Quality	MAC royalty covers a world class iron ore hub, Operated by BHP the world's largest mining company[1]
Margins	95% 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 capitalisation as of 16 February 2023
(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

Financial Results

Simple business model continues to deliver strong financial performance

1H23 Highlights

High quality assets delivering strong financial performance

REVENUE	$96M	
EBITDA[1]	$92M	95% EBITDA MARGIN
NPAT	$63M	PAYOUT 100% NPAT
DIVIDENDS	$63M	12.00¢/sh FY23 Interim Dividend (declared)

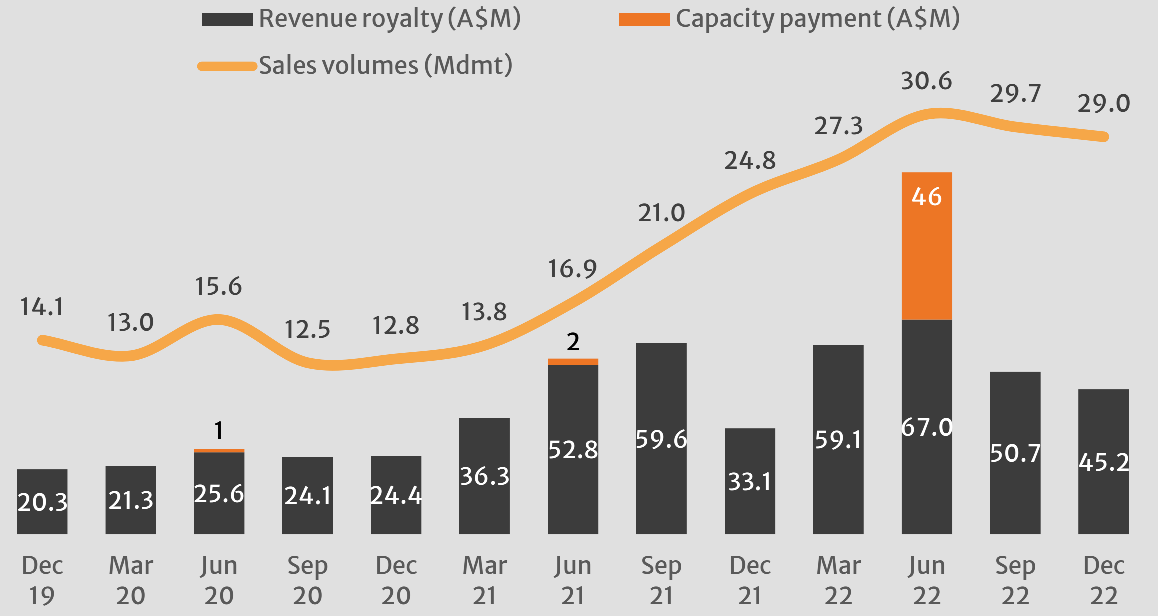
(1) See notes on slide 2 – Non-IFRS Measures.

Mining Area C Royalty Performance

South Flank has contributed to significant volume growth at MAC

- BHP's MAC operation has performed strongly with 1H23 production up 71% compared to 1H22.
- Significant organic growth remains with the South Flank project on schedule for MAC to reach 145Mwmtpa by the end of FY24[1].

MAC quarterly receipts and implied sales price
AUD million, A$/tonne (FOB, Australia)



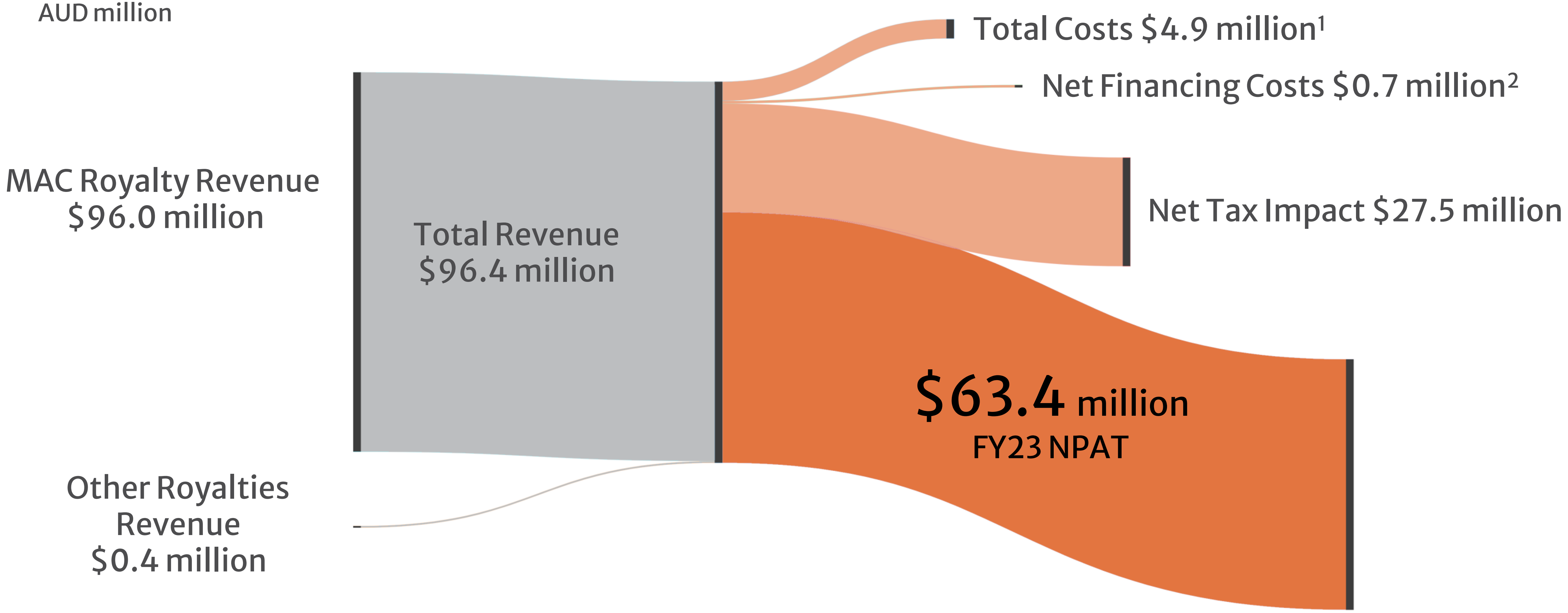
	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22	Sep 22	Dec 22
Implied sales price (A$/dmt)	116	133	133	156	155	214	254	231	108	176	178	139	127

(1) BHP Operational Review for the period ended 31 December 2022

Simplified Income Statement

Illustrative 1H'23 statement of profit or loss

AUD million



(1) Total Costs of $4.9 million includes $4.1 million of operating expenses, $0.5 million of business development and $0.2 million of D&A.
(2) Net Financing Costs of $0.7 million includes net finance costs of $0.648 million and net foreign exchange losses of $0.06 million.

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

Deterra Royalties

Scalable structure: Low overheads and debt

Shareholder Returns

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

New investments

Access to Capital

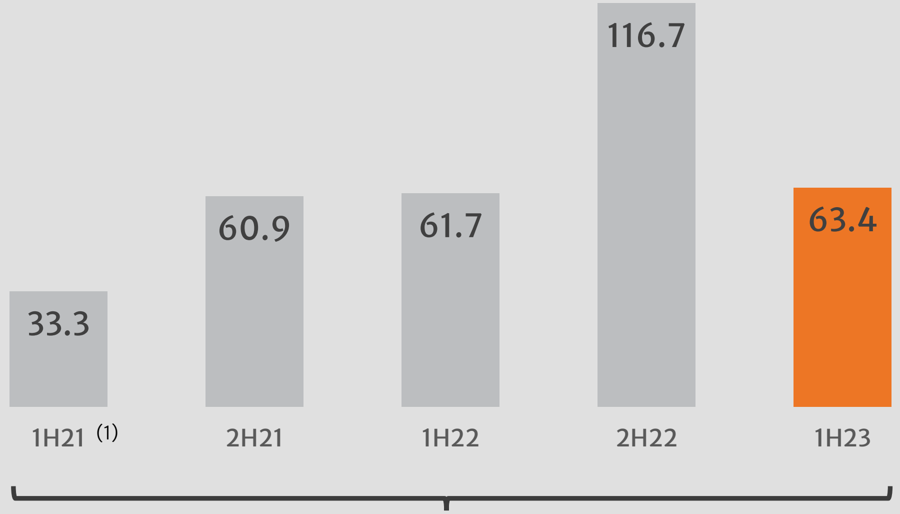
Quality of underlying assets provides substantial funding capacity	Bilateral credit facilities of **$350M**
Focus on shareholder returns	100% of NPAT, fully franked, paid to date

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

Prioritised shareholder returns

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

Dividend History
AUD million



Dividends paid or declared

Declared

1H23 dividend of 12.00 cents per share (fully franked)

- Record date: 27 February 2023
- Payment date: 23 March 2023

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

Strategy and Outlook

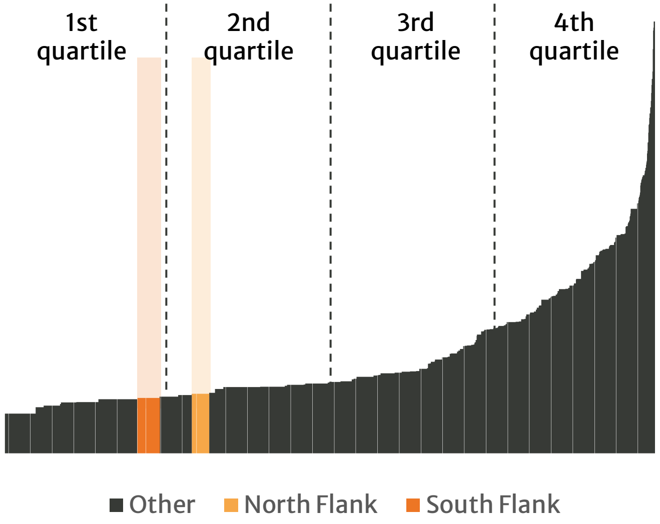
Maximise returns and grow value responsibly

High quality 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.

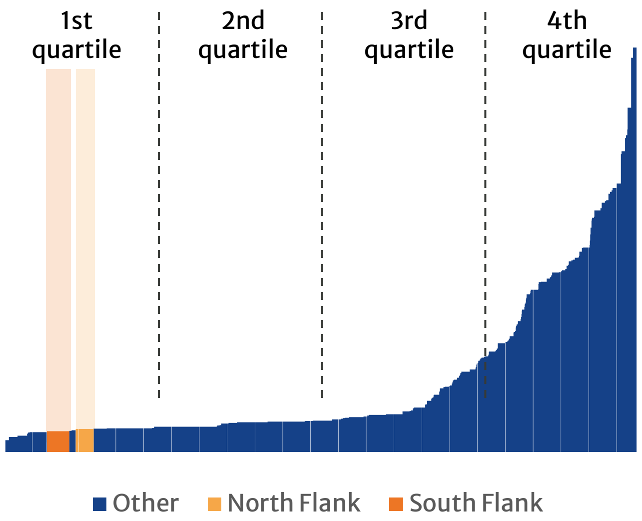
Low Costs

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



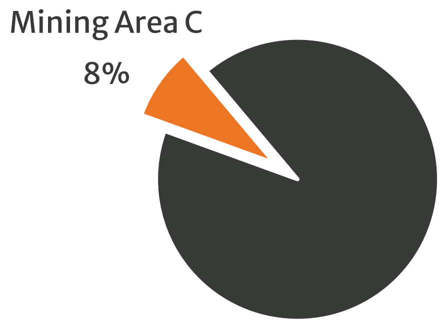
Low Emissions

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 1675Mt in 2025[3]

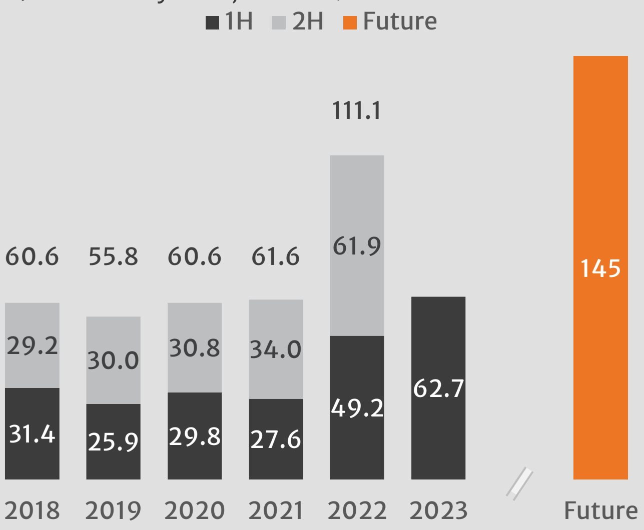
(1) Source: Wood Mackenzie. Total cash costs are defined as direct cash cost associated with mining, processing and transport of marketable products, including G&A costs directly related to mine production, royalties, levies and other indirect taxes. Units are US$/t
(2) Source: Wood Mackenzie. GHG emissions intensity. Scope 1 plus Scope 2. Units are $kgCO_2e/T$
(3) Source: Wood Mackenzie. Global Iron Ore Strategy Planning Outlook – Q4 2022 (13 December 2022)

Performing strongly – the Mining Area C Royalty

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

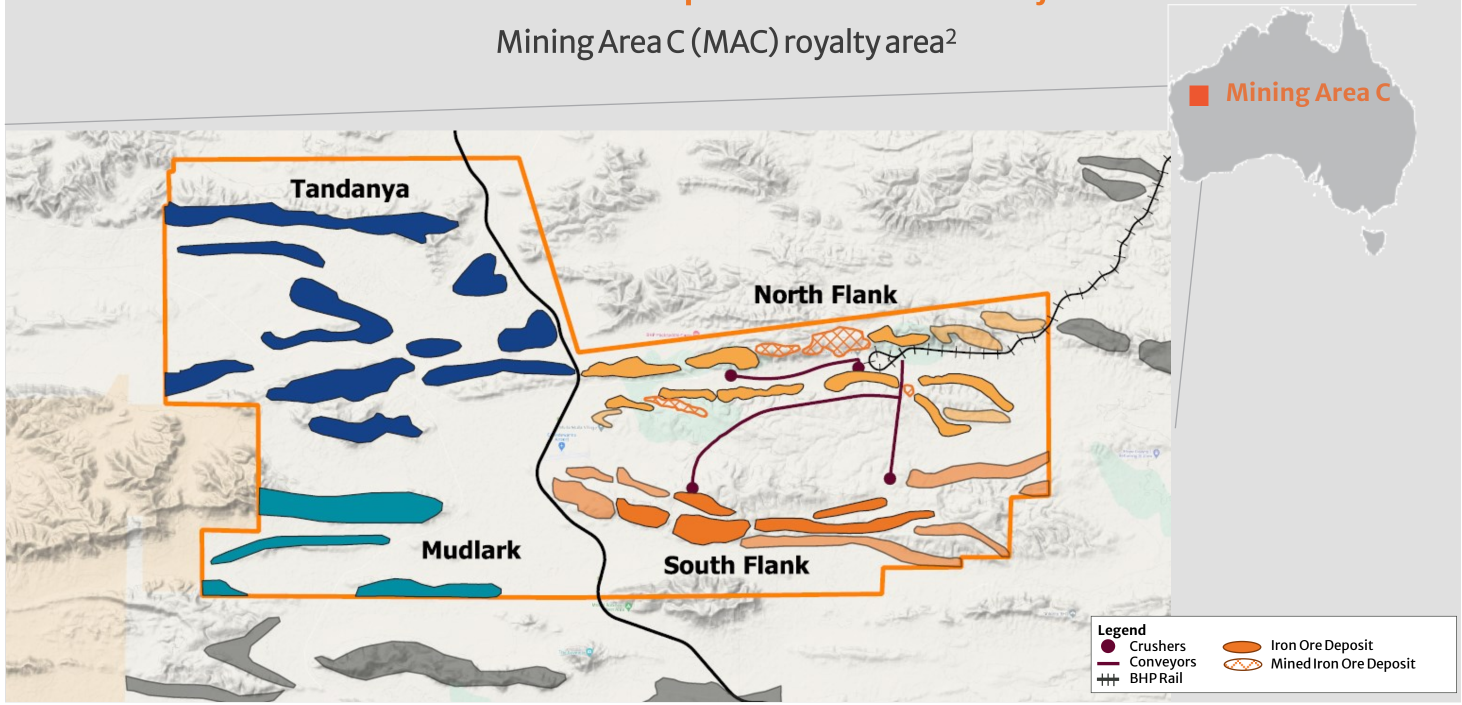
Realising organic growth through South Flank expansion

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.

Positioned for value accretive growth

Prioritising opportunities where we have a competitive advantage

Quality of underlying assets underpins $350 million credit facilities to provide liquidity to act upon investment opportunities

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

Primary royalties
Create new royalties

Secondary royalties
Acquire existing royalties

Value and ESG

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

Opportunity pipeline continues to grow as business builds reach and access to traditional funding sources has become more challenging for mining businesses.

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
- Defined social investment strategy

Next Steps

- Maintain emissions monitoring and net-zero operational GHG footprint
- 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 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.

For more information:

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Income Statement

	Half-year ended 31 Dec 2022	Half-year ended 31 Dec 2021
Royalty Revenue	96,409	92,848
Operating Expenses	(4,143)	(3,666)
Business Development Expenses	(537)	(482)
Depreciation and Amortisation	(199)	(198)
Operating profit before finance cost	**91,530**	**88,502**
Net finance income/(cost)	(648)	(48)
Net foreign exchange gains/(losses)	(6)	(1)
Profit before tax	**90,876**	**88,453**
Income tax expense	(27,495)	(26,751)
Net Profit After Tax (NPAT)	**63,381**	**61,702**
Total and continuing earnings per share:		
Basic earnings per share ($)	0.1199	0.1168
Diluted earnings per share ($)	0.1198	0.1167

Balance Sheet

Consolidated statement of financial position ($'000)	31 Dec 2022	30 Jun 2022
Cash and cash equivalents	21,485	27,456
Trade and other receivables	45,883	113,220
Income tax assets	698	482
Prepayments	1,322	602
Total Current Assets	**69,388**	**141,760**
Royalty intangible assets	8,441	8,596
Other intangible assets	4	4
Property, plant, and equipment	24	26
Prepayments	1,408	1,675
Right-of-use assets	204	229
Total Non-Current Assets	**10,081**	**10,530**
Total Assets	**79,469**	**152,290**
Trade and other payables	368	479
Provisions	175	123
Lease liability	70	68
Total Current Liabilities	**613**	**670**
Lease liability	153	180
Borrowings	-	-
Deferred tax	12,815	32,815
Total Non-Current Liabilities	**12,968**	**32,995**
Total Liabilities	**13,581**	**33,665**
Net Assets	**65,888**	**118,625**

Underlying EBITDA and earnings adjustment

Earnings and earnings adjustments ($'000)[1]	Half-year ended 31 Dec 2022	Half-year ended 31 Dec 2021
	$'000	$'000
Net Profit After Tax	**63,381**	**61,702**
add back income tax expense	27,495	26,751
Profit before tax	**90,876**	**88,453**
add back Net finance costs and FX gains	654	49
Operating profit before finance cost (EBIT)	**91,530**	**88,502**
add back Depreciation and Amortisation	199	198
Underlying EBITDA	**91,729**	**88,700**
Adjusted Revenue	96,409	92,848
Underlying EBITDA margin (%)	95%	96%

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