Deterra
ROYALTIES

Annual Report

2024

ASX Appendix 4E

Results for Announcement to the Market[1]

This statement includes the consolidated results of Deterra Royalties Limited for the year ended 30 June 2024 (FY24) on a statutory basis.

Report for the year ended 30 June 2024	2024 $'000	2023 $'000	Up/ Down	Movement %
Revenue from ordinary activities	240,509	229,264	Up	5%
Profit from ordinary activities after tax attributable to members	154,886	152,458	Up	2%
Net profit after tax attributable to members	154,886	152,458	Up	2%

Dividend information	Cents Per Share	Franked Amount	Tax rate for franking
Final dividend for period ended 30 June 2023	16.85	100%	30%
Interim dividend	14.89	100%	30%
Final dividend for period ended 30 June 2024	14.40	100%	30%

Final dividend dates for the year ended 30 June 2024	
Ex-dividend date	27 August 2024
Record date	28 August 2024
Payment date	24 September 2024

Tangible assets	30 June 2024	30 June 2023
Net tangible assets per share (cents)	13.69	15.86

Dividends – Further information on dividends paid or recommended is provided in the Directors' Report.

Further details and analysis can be found in the following pages that constitute Deterra's "FY24 Annual Report".

Notes:

[1] This page and the accompanying 102 pages comprise the year-end financial information given to the Australian Securities Exchange (ASX) under Listing Rule 4.2A.3.

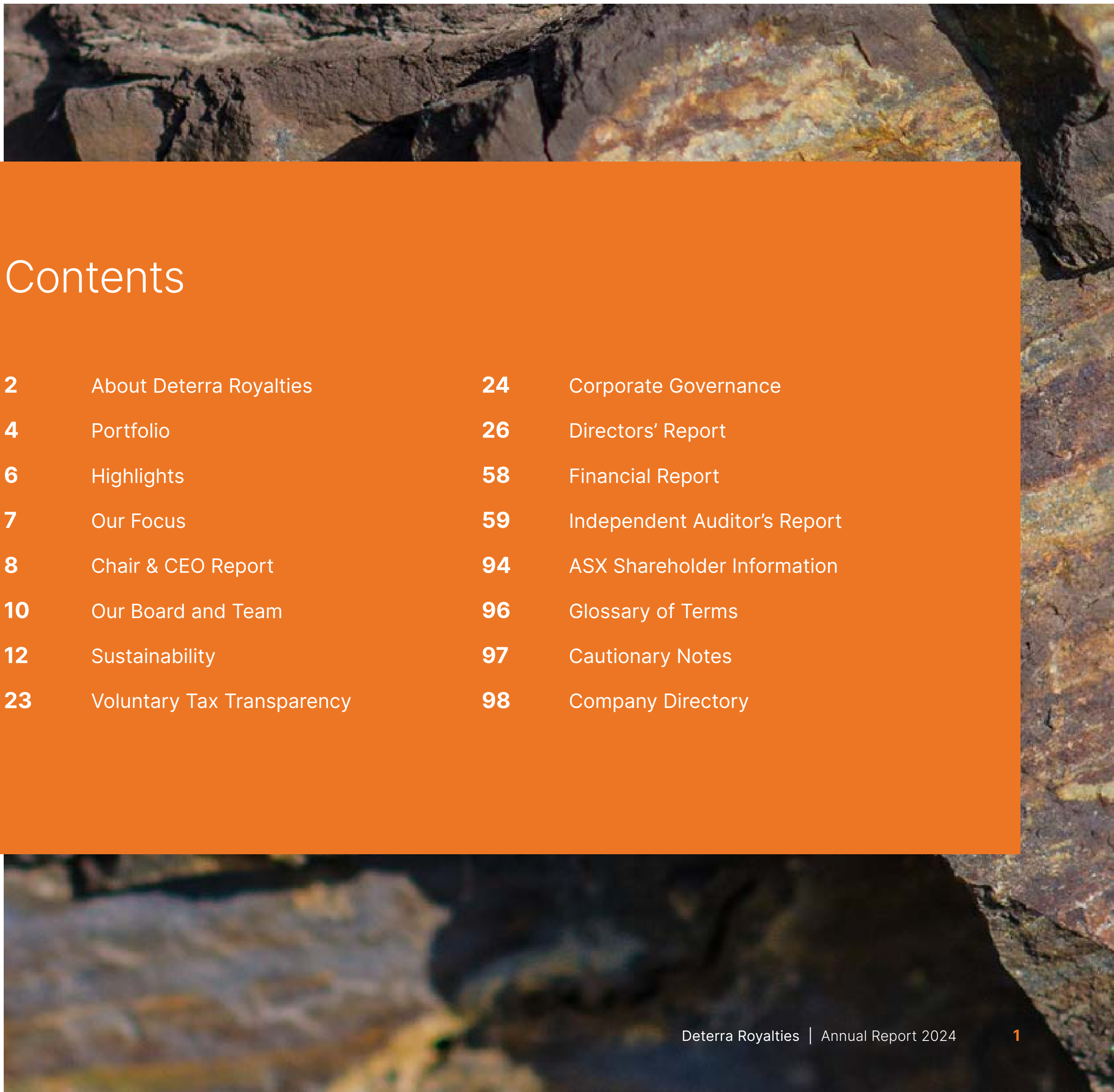
On the cover:

Image on the front cover courtesy of Deterra Royalties' Senior Resource Geologist, James Thomson.
Image is of Squiggle Cave, Grand Central Deposit, South Flank.

Calendar of Key Events

Date	Event
21 August 2024	Closure of Acceptances of Director Nominations for AGM
22 October 2024	Closure of Acceptances of Proxies for AGM
24 October 2024	Annual General Meeting. A notice of Annual General Meeting will be issued in due course.

A resources focused royalties business



Contents

About Deterra Royalties

Deterra Royalties Limited is based in Perth and is listed on the Australian Securities Exchange (ASX code: DRR).

The Company's principal activity is the management and growth of a portfolio of royalty assets across a range of commodities, primarily focused on bulk, base and battery metals. Deterra's existing portfolio includes royalties held over Mining Area C, in the Pilbara region of Western Australia, our cornerstone asset, as well as five smaller royalties including Yalyalup (Yoongarillup), Wonnerup, Eneabba and St Ives.

Partnering with developers and operators to finance the mines of the future by providing tailored **solutions** across:

Primary Royalties

Project financing

Streaming and royalty finance is well established in North America for financing new mining projects alongside debt and equity.

Acquisition financing

By using streaming and royalty financing, miners have acquired larger and higher quality assets that could not have been financed through debt and equity alone.

Debt reduction

In various stages of the mining cycle, royalties and streams have helped mining companies improve their balance sheets.

Secondary Royalties

Non Core Asset Sales

Acquisition of a single or portfolio of royalties from an owner where the asset is a non-operating or non-core part of the business.

Corporate M&A

Corporate M&A between mining royalty companies.

A portfolio of royalty assets

Deterra holds six royalties in its current portfolio, creating growth through asset life extensions and exploration.

Our key royalty investment activities involve acquisition of royalties from third parties and providing finance to resource companies in return for royalties.

Iron Ore

MINING AREA C

Pilbara, Western Australia

Producing

End Uses

Construction

Household Appliances

Transport

Energy infrastructure

Mineral Sands

YALYALUP (YOONGARILLUP) PROJECTS

South West, Western Australia

Producing

Exploration

WONNERUP

South West, Western Australia

Producing

YANDANOOKA

Mid West, Western Australia

Exploration

End Uses

Ceramics

Sunscreen

Paint Pigments

Cosmetics

Gold

ST IVES GOLD PROJECT

Eastern Goldfields, Western Australia

Exploration

End Uses

Jewellery

Dentistry

Technology

Bars & Coins

Highlights

Deterra Royalties (**ASX: DRR**) is pleased to release its Annual Report for the year 1 July 2023 to 30 June 2024.

Revenue	$241m
EBITDA	$228m
NPAT	$155m
Dividends	$155m

Final Declared Dividend

14.40¢

per share

Full Year Dividend

29.29¢

per share

✓ Lean business model delivering strong financial performance

✓ Developing value accretive growth options in addition to increased production from MAC South Flank

Our Focus

Is simple and transparent, focused on high margins and disciplined growth.

Our Business Model

Offers a lower risk, higher margin exposure to the resources sector with a focus on shareholder returns.

Our core asset gives exposure to one of the world's most valuable iron ore operations.

Our Strategy

Maximise Returns

We operate with integrity, monitoring performance and maintaining transparency

Grow Value Responsibly

We diversify our portfolio whilst acting with discipline and managing risk

Our Values

Discipline

Ensure we are disciplined in our processes and decision making.

Creativity

Think creatively to develop opportunities to add value to our stakeholders.

Collaboration

Work collaboratively within the company and with our shareholders.

Challenge

Challenge the status quo.

Integrity

Act with integrity in everything we do.

Chair and CEO Report

Net profit after tax

$154.9m

Increased by 2 per cent

Final Declared Dividend

14.40¢

per share fully franked, equal to 100 per cent of NPAT

Full Year Dividend

29.29¢

per share fully franked, equal to 100 per cent of NPAT

Dear Shareholders,

It is our pleasure to present to you Deterra Royalties' Annual Report for the financial year 2023/24 (FY24).

FY24 has been an important year in the development of Deterra.

There is no doubt that our flagship royalty, the Mining Area C (MAC) royalty, is an outstanding asset. During the year, Mining Area C reached an important milestone, with BHP announcing that the South Flank expansion has completed its ramp up, reaching nameplate capacity on a run-rate basis in the final quarter of FY24. This USD3.6 billion investment by BHP and its partners has delivered significant volume growth to our portfolio as it has more than doubled production tonnes subject to our royalty in the three years since commissioning began in mid-2021.

The MAC royalty will remain the cornerstone of our business for many years to come, with an expected mine life extending well beyond 2050, and a core element of our strategy remains focused on delivering to shareholders value generated by this world-class asset.

Equally, as we have stated since our listing, our strategy is also to use this asset as a foundation on which to develop a globally diversified royalty portfolio, with multiple sources of earnings growth over time leveraging our scalable operating cost structure. In doing so, we are looking to build a future business which is not solely reliant on MAC and captures the value that a diversified royalties portfolio of scale can deliver in the market.

This year, after reviewing many potential opportunities to add to our portfolio we selected an investment that aligns with our target investment parameters and meets our disciplined value and returns expectations. We announced an offer to acquire Trident Royalties Plc, a London Stock Exchange AIM-listed, diversified mining royalty company with an attractive portfolio of 21 royalty and royalty-like offtake assets including its name plate royalty over the advanced development US lithium asset Thacker Pass.

This acquisition of Trident will provide immediate cash flow from currently producing operations, as well multiple sources of near- and medium-term growth from assets in construction and longer-term optionality from development stage assets. The transaction has been approved by Trident shareholders although remains subject to UK court approval and is expected to complete in the third quarter of calendar 2024.

Whilst the Trident offer is an important investment in its own right, we remain active in reviewing other investments and in that regard we are encouraged by the number and quality of growth opportunities we continue to see in the market, and believe it remains a prospective period for value accretive growth.

Capital Management

We have consistently stated that in the absence of alternative uses for our income we would distribute 100 per cent to our shareholders. Accordingly, on the announcement of our first investment, the Trident Royalties offer, we took the opportunity to provide further guidance on our capital management framework and how our approach will balance shareholder returns with investment in attractive opportunities as they arise and our targeted gearing.

From next year, FY25, we will be targeting a dividend payout of a minimum of 50 per cent of our net profit after tax, franked to the extent possible, subject to board discretion and balance sheet and investment requirements.

We see dividends as an important part of our capital allocation strategy going forward, but we are also committed to creating shareholder value through a targeted and disciplined investment strategy. Over time we would expect to be able to continue to pay attractive dividends, but this will always be considered alongside our investment pipeline and balance sheet needs.

Asset Performance

Our portfolio of producing assets recorded another year of strong production volumes. Mining Area C reported production volumes of 124.6 million wet tonnes (mwmt) as the South Flank operations reached nameplate capacity on a run-rate basis. With a combined production capacity of 145mwmt a year Mining Area C is now the largest iron ore production hub in the world.

Our mineral sands royalties also recorded $1.2 million.

Financial Performance

The Company has also reported another strong set of results with total revenue of $241 million, up 4.9 per cent on FY23. Our core asset, the MAC royalty continues to generate substantial revenue – $239 million in FY2024 and more than $750 million since our listing in late 2020 – as iron ore prices performed strongly over the course of the year. Although no one-off capacity payments were received from Mining Area C this year, the potential for growth in full year volumes remains as MAC completed its ramp up to nameplate capacity in the final quarter of the current year. Other royalty revenues were up 16 per cent at $1.2 million for the year.

Full-year earnings before interest, tax, depreciation and amortisation (EBITDA) was $227 million at an EBITDA margin of 95 per cent. No capacity payment received (FY23: $13 million) and operating expenses increased from $10.4 million to $13.1 million, reflecting greater activity in business development including costs associated with the Trident offer.

This has allowed us to declare a final dividend of 14.40 cents per share, bringing the total dividend for FY24 to 29.29 cents per share fully franked, equal to 100 per cent of net profit after tax.

Executing on growth

As we note above, an important part of our strategy is to develop a leading, globally diversified royalty portfolio through acquisition of existing royalties and creation of new instruments through the funding of mining development.

In June this year, we took an important first step in this growth strategy. Our acquisition of Trident will provide commodity diversification through exposure to precious, base and battery metals.

In particular, Trident's flagship royalty over Lithium America Corporation's large-scale, long-life Thacker Pass lithium project in Nevada in the US provides significant exposure to future battery metals demand. The project is well advanced with Lithium Americas announcing significant conditional funding commitments from the US Department of Energy amongst others. Lithium Americas has completed all early-works construction for Phase 1 at Thacker Pass with earthworks continuing to advance in preparation for major construction in the second hand of calendar year 2024 and expects to achieve commissioning and first production in 2027-2028.

In addition, along with three producing royalties across copper, iron ore and mineral sands, Trident holds cashflow producing gold offtakes which can provide an immediate revenue contribution to our portfolio. These gold offtakes can be considered as royalty-like instruments with gold purchased under specific offtake terms and subsequently sold over short time windows.

We recognise that gold is not core to our target commodity focus, and hence we will look to assess where Trident's gold offtakes fit within Deterra's longer-term strategy post-completion of the acquisition. This may result in a decision to retain these assets or seek to divest them.

Sustainability

We are committed to continued focus on our environment, social and governance performance. Our progress in that regard is discussed in detail in the Sustainability Report on page 12. However, our key achievements include:

- a review of, and recommitment to, our sustainability approach following a Materiality Assessment in line with Global Reporting Initiative (GRI) Standards;
- meeting our net zero emissions again in FY24; and
- our continued support of local communities, illustrated by our partnership with Earbus Foundation WA and support of fund-raising efforts by individual team members.

We would like to take this opportunity to thank Dr Joanne Warner who announced her retirement from the Board on 31 March 2024. Dr Warner has been a member of the Board from the listing of the Company and an important influence of the development of the Company, particularly through her role as chair of the People and Performance Committee.

We also welcomed Jason Clifton to our management team as Chief Financial Officer enabling Brendan Ryan to dedicate his focus on the growing demands of his role as Head of Corporate Development.

In summary, it has been a pivotal year in the development of the Company, with continued strong financial performance and the start of our journey of value-accretive growth and all that entails. We remain focused on our core principles of creating value for shareholders and growing the business in a patient and disciplined way and look forward your support and trust in management and the Board in these endeavours.

Jennifer Seabrook
Independent Chair

Julian Andrews
Managing Director &
Chief Executive Officer

Our Board

From left to right: Adele Stratton, Jason Neal, Jennifer Seabrook, Julian Andrews, Graeme Devlin.

Deterra has a well credentialled board with extensive expertise in the global resources sector with deep and diverse networks in the mining industry.

Jennifer Seabrook

Independent Chair

Jason Neal

Independent Non-Executive Director

Julian Andrews

Managing Director &
Chief Executive Officer

Adele Stratton

Non-Executive Director (Iluka nominee)

Graeme Devlin

Independent Non-Executive Director

Our Team

Our team brings together a unique blend of corporate and mining finance experience spanning a diverse range of projects, mining companies and financial institutions.

Julian Andrews

Managing Director &
Chief Executive Officer

Jason Clifton

Chief Financial Officer &
Company Secretary

Brendan Ryan

Head of Corporate
Development

Bronwyn Kerr

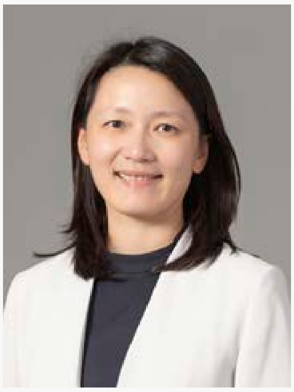
General Counsel &
Company Secretary

Adrian Stone

Chief Technical Advisor,
Business Development

Vanessa Pereira

Executive Assistant &
Office Manager



Li Li

Financial Controller

James Thomson

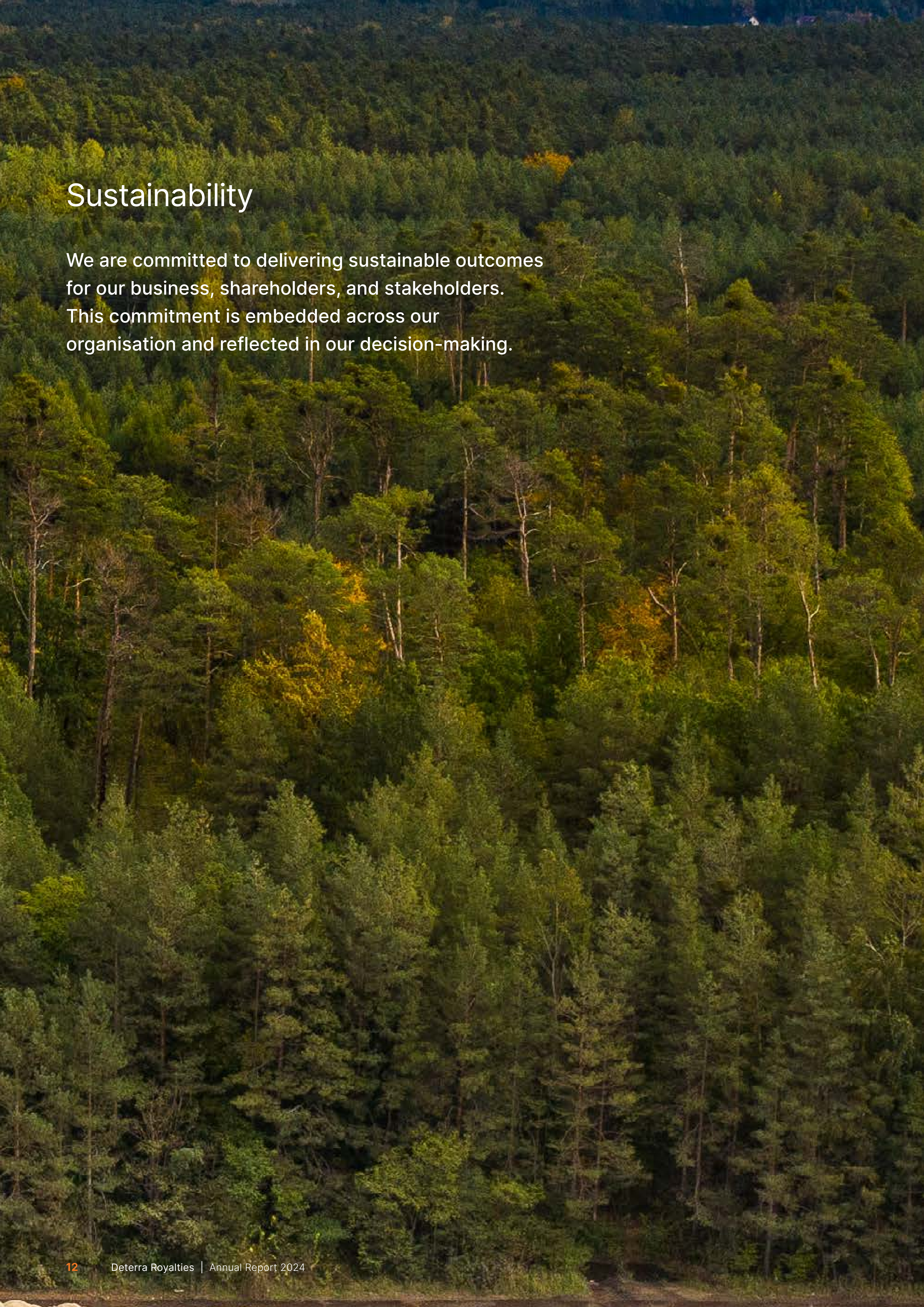
Senior Resource Geologist

Sruti Simon

Business Development Analyst

Ben Van Heurck

Business Development Analyst



Sustainability

We are committed to delivering sustainable outcomes for our business, shareholders, and stakeholders. This commitment is embedded across our organisation and reflected in our decision-making.

Key Sustainability Achievements

Governance

We are committed to strong corporate governance and believe it is essential for building a sustainable business and creating long term value for our stakeholders.

11

Employees,
45% female

5

Board members,
40% female

Updated Human Rights Policy

Environment

We are committed to maintaining net zero emissions (Scope 1 & 2) within our own operations and investing responsibly.

Net Zero

Maintained Net Zero (Scope 1, 2) GHG emissions in own operations

Social

Our team is passionate about supporting worthy causes and the local community such as Earbus Foundation and cancer research.

Earbus Foundation WA

Continued partnership with **Earbus Foundation WA** and increased team involvement in supporting community services.

Operating with Integrity

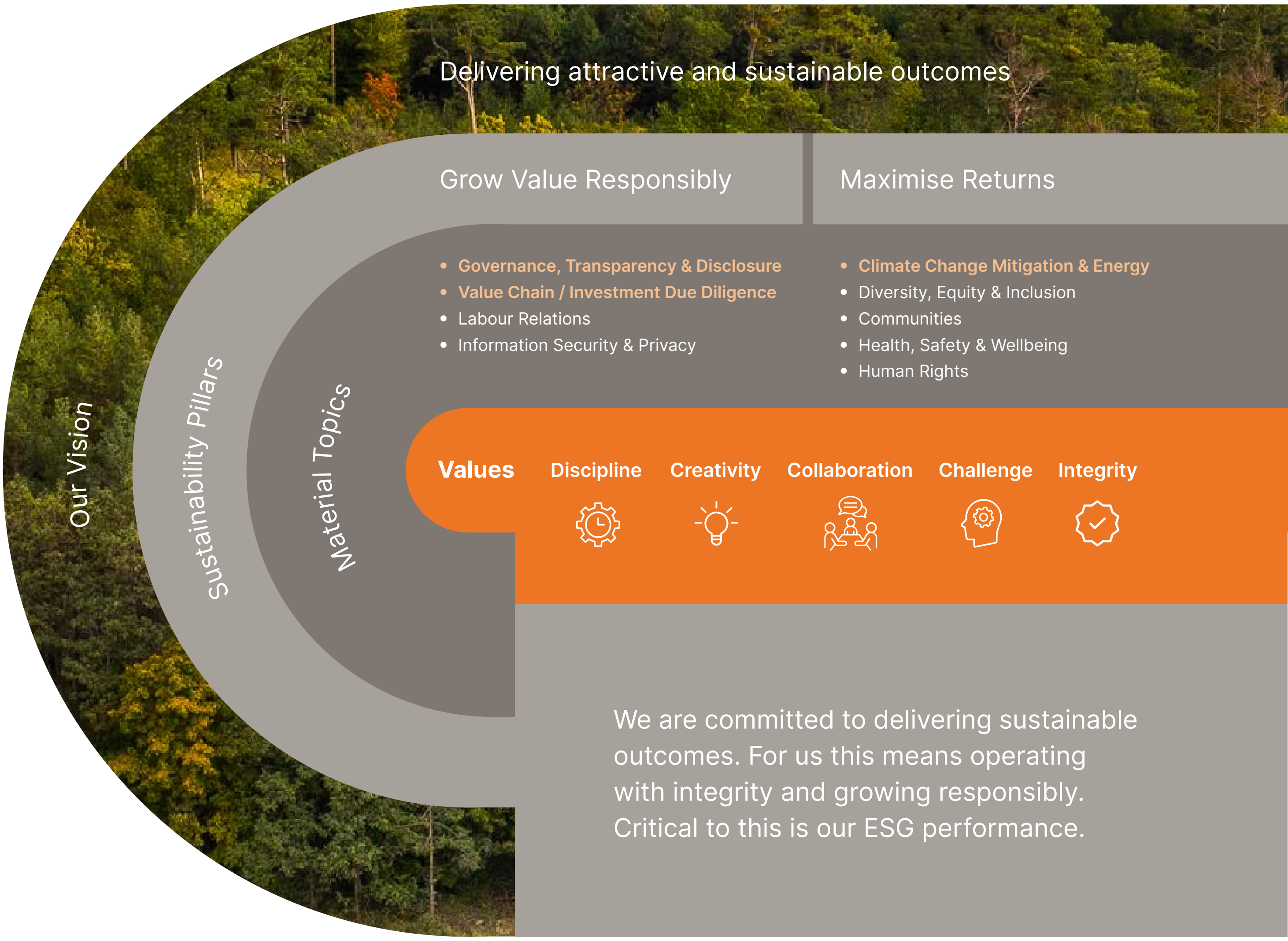
Materiality

Our approach to sustainability is guided by Global Reporting Initiative (GRI) Standards. In FY24 we completed a materiality assessment. This enables us to identify and prioritise sustainability topics, with a focus on where we can have a material impact directly through our own actions or indirectly through our investment partners.

Given the nature of our industry, our direct sustainability risk exposure is limited. However, we recognise that we are indirectly exposed to sustainability risks through the assets in which we invest. As we continue to grow, we understand the importance of carefully assessing not only the quality of the assets we invest in but also our operating partners in order to manage our indirect sustainability risk exposure. This is reflected in our material topics.

In FY24, in determining our material issues, we conducted a review of our business, the external landscape and peer and competitor disclosure practices. This helped to establish a 'material universe' or list of potentially material topics. The list of material topics was then prioritised based on the significance of the potential impact of the topic to our business and the influence the topic may have on our stakeholder's decisions. The list of material topics was then endorsed by our Board, and we talk to each of these topics in the following sections.

Material Topic	Description
Governance, Transparency & Disclosure	This encompasses the systems by which entities are directed and controlled and the structures and processes that facilitate decision making. It incorporates the need to disclose an organisation's corporate governance, including policies, structures, and performance. It also captures the systems an organisation has in place for assessing, mitigating, and protecting the company from potential social, environmental, governance and financial risks. Collectively this information provides stakeholders with an understanding of how an organisation operates.
Value Chain Due Diligence	This includes the sustainability related pressures placed on Deterra as well as its royalty streams. Key to this is evaluation of material sustainability risks related to an asset prior to an investment by Deterra.
Climate Change & Energy	This includes the sustainability related pressures placed on Deterra as well as its royalty streams. Key to this is evaluation of material sustainability risks related to an asset prior to an investment by Deterra.



Governance, Transparency and Disclosure

We are committed to strong corporate governance and believe it is essential for building a sustainable business and creating long term value for our stakeholders.

We are committed to acting ethically, with integrity. We aim to embed this behaviour across the organisation and in all our business dealings.

Our governance framework is designed to support our team in delivering on this commitment, as it provides the guidelines for effective and responsible decision-making.

The Board is responsible for providing oversight of the Company's strategic direction and value for its stakeholders. Our senior management team is responsible for implementation of our strategy and day-to-day management of our ESG performance.

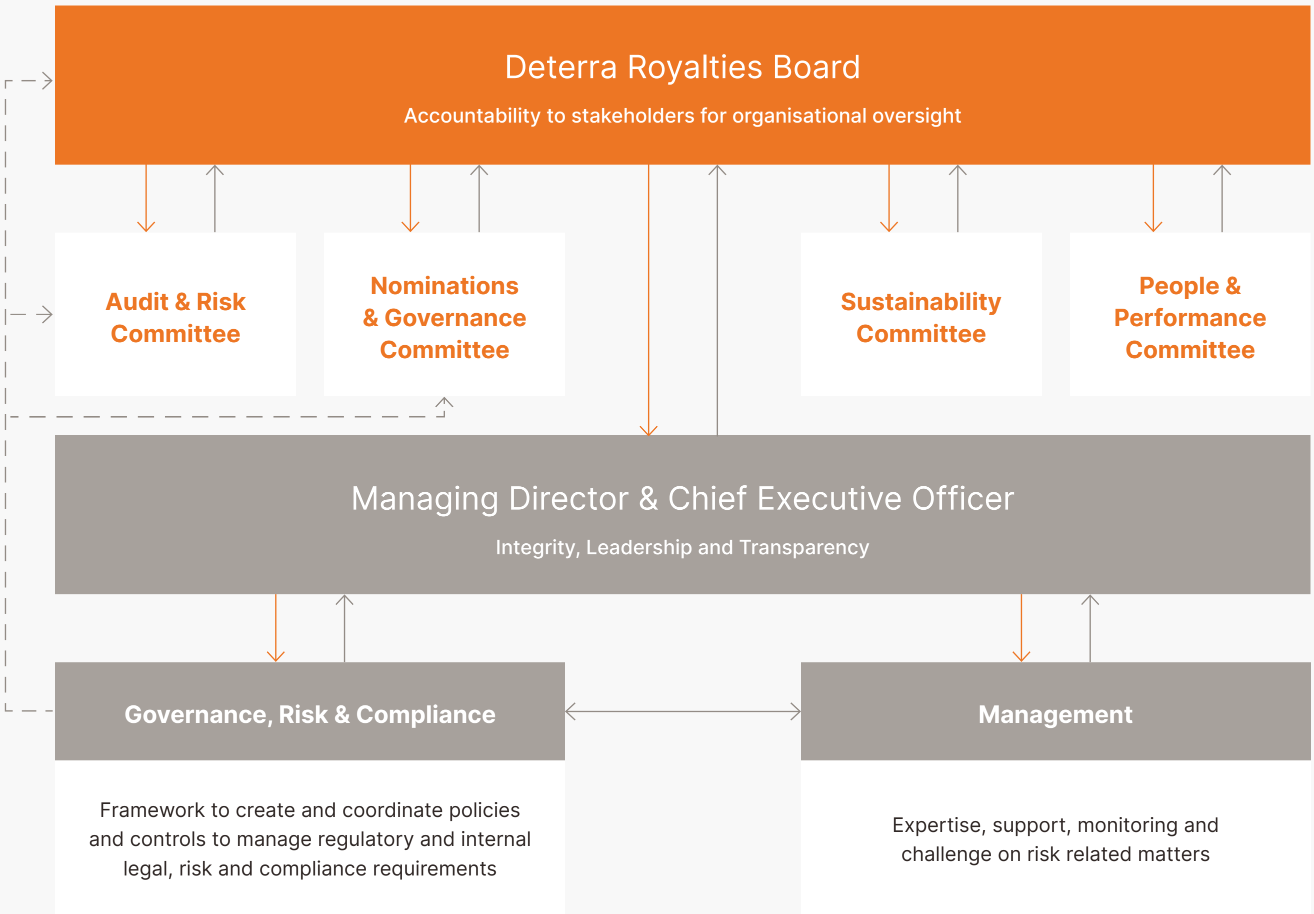
The Board has four standing committees: the Audit and Risk Committee, Nomination and Governance Committee, People and Performance Committee and Sustainability Committee.

The Sustainability Committee assists the Board by overseeing the relevant sustainability and corporate social responsibility policies, strategies, and programs. In addition to assessing sustainability issues which may affect the Company, reviewing and recommending sustainability disclosures and performance as set out in annual reporting documents.

Our Code of Conduct applies to all our directors, employees, and contractors. This Code provides a guideline for ensuring our company culture and values are upheld. The Code of Conduct in conjunction with our Whistleblower Policy and Anti- Bribery and Corruption Policy help us deliver on our values. All of these policies are available on our website.

In line with our commitment to transparency, and in accordance with the ASX regulations, we produce an annual Voluntary Tax Transparency Disclosure Statement and an annual Corporate Governance Statement.

We also implement a range of measures on data protection and information security, including quarterly security risk assessments and regular training for employees on cyber security.



Key:

↓ Independent reporting line - delegation, direction, resources, oversight

↑ Accountability, reporting

⟷ Alignment, communication, coordination, collaboration

— — Independent reporting line

Diversity and Inclusion

As guided by our Diversity and Inclusion Policy, we strive to demonstrate diversity at the board level. Our board is comprised of 40% female representation.

Additionally, we aim to attract diverse candidates when recruiting our workforce. At 30 June 2024, 45% of our employees were female.

Moving forward we will continue to foster an environment that promotes and values diversity by embedding this into our decision-making, in line with our Diversity and Inclusion Policy.

Attracting, developing, and retaining employees

At Deterra, we are committed to fostering a positive workplace culture, which we recognise underpins our ability to attract and retain talent. We have embedded a range of mechanisms to do this, including:

- Structured regular performance reviews
- Performance linked incentives, which are paid as a combination of cash and share rights.
- Paid parental leave for both primary and secondary carers.
- Support for part-time hours, flexible hours, and remote working arrangements. At present, 18% of our staff are employed on a part-time basis.

Human Rights

In 2021, our Board adopted a Human Rights Policy, which applies to the whole company. This outlines our commitment to prevent or mitigate human rights impacts in connection with our activities. Additionally, this policy assists us to conduct our business activities with appropriate due diligence in accordance with relevant standards, laws, and regulations. This year we have updated this policy to reflect our commitment to comply with the United Nations Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Further to this our Human Right's policy now recognises that all employees and contractors have the right to minimum wage, collective bargaining, and freedom to associate. We submit an annual Modern Slavery Statement, in line with the Australian Modern Slavery Act (2018). As reflected in our Statement, to understand and address our direct modern slavery risks, we continually assess our suppliers through a combination of methods, including direct engagement with our suppliers, supplier surveys and review of public disclosures produced by our suppliers.

However, we recognise that we are indirectly exposed to modern slavery risks through the assets in which we invest. We acknowledge it is important we carefully assess not only the quality of our assets, but also our operating partners prior to making investment decisions to manage our indirect exposure to modern slavery risks (see Value Chain Due Diligence section below).

Climate Change and Energy

We are committed to maintaining net zero emissions (Scope 1 & 2) within our own operations.

We view climate change as a global priority where we all have a role to play in reducing our impact and feel a responsibility to support decarbonisation and the transition to a low carbon economy.

Due to the nature of our business our direct impact on climate change is small. However, we do acknowledge that although our direct emissions are small, the operations in which we invest may have a greater impact. Therefore, we recognise the importance of deploying capital to operators that are working to drive down their carbon footprint. To this end, a key part of our due diligence process is assessing the emissions profile of prospective future investments.

Greenhouse Gas Emissions Inventory

We have committed to investigating ways to reduce our emissions.

We have used the Greenhouse Gas Protocol Corporate Standard Technical Guidance for calculating our GHG emissions. There are no direct emissions from owned or controlled sources, therefore our Scope 1 emissions remain zero in FY24. We procured renewable energy for our Perth office via the purchase of Large scale Generation Certificates. We have disclosed both location-based and market-based figures for our electricity consumption.

Emissions source	FY24	FY23	FY22
Scope 1 (tCO_2-e)	0	0	0
Scope 2 (tCO_2-e) – location-based (purchased electricity)	5.88	3.45	3.88
Purchased electricity from renewable energy (%)	100	100	100
Scope 2 (tCO_2-e) – market-based	0	0	0

Net Zero Commitment

In FY24 we updated our Climate Change Policy to reflect our achievement of net zero GHG emissions (scope 1 & 2) in our own operations. We have also maintained our achievement of net zero emissions by continuing to have zero, direct Scope 1 emissions and ongoing procurement of renewable electricity to match our Scope 2 electricity such that our Scope 2 market- based emissions are also zero.

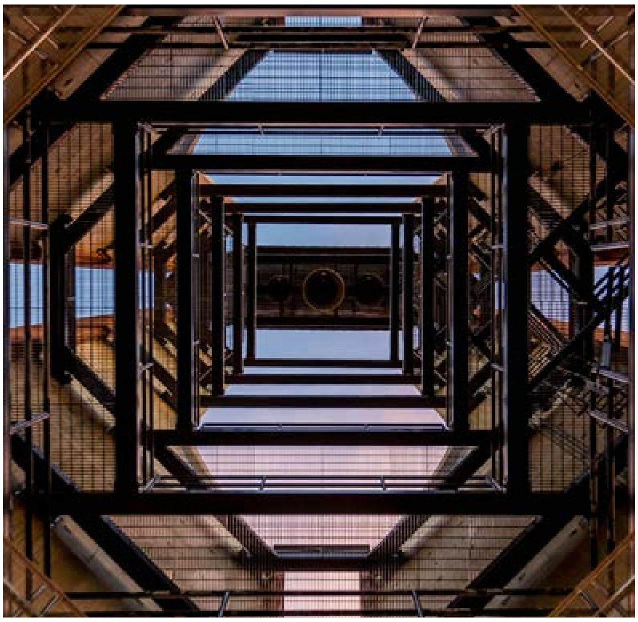
In addition, we have measured our travel related Scope 3 operational emissions including flights, taxis/rideshare, hotel accommodation and employee commuting. We have offset these emissions via the purchase of Gold Standard certified offsets.

Physical and Transitional Risk

Climate related risks associated with our operations have been identified as minor. However, we do appreciate that there are risks associated with the investments that we make.

To manage our risk, through our due diligence process, we screen for physical climate related risks, including adaptation and mitigation strategies, over short, medium and long term intervals. We also assess the credentials of the operators of the projects under consideration and the jurisdictions in which the projects are located. This forms part of our decision-making process when entering into new agreements. The due diligence process is undertaken by our staff along with consultants who have experience assessing ESG, technical, and financial risks. Of note, we have made a commitment to not target coal projects for new investment.

However, this is not just a risk, but also an opportunity. As a royalties company we are well placed to support the transition to a low carbon economy. As such we are embedding transitional risk analysis into our business model, where we will assess investment opportunities in commodities used for low emission products and services.



Iron Ore:

Iron Ore is a critical commodity in modern society and is fundamental for the transition to a low carbon economy as it is used in technologies such as wind turbines and electric vehicles.

The production of steel is energy intensive, and in order to reduce emissions it is essential to decarbonize the process. Our main asset is BHP's Mining Area C, which contains high quality ore with a higher percentage of lump than many suppliers requiring less energy in a blast furnace. In addition, BHP has partnered with the University of Newcastle to research methods to decarbonise steelmaking. They have also partnered with Rio Tinto and BlueScope Steel to develop a pilot facility to demonstrate the use of renewable power combined with Direct Reduced Iron process technology. These partnerships reflect a number of steps being taken to reduce greenhouse gas emissions.

https://www.bhp.com/news/media-centre/releases/2022/02/bhp-extends- low-carbon-steel-research-partnership-with-the-university-of-newcastle

Value Chain / Investment Due Diligence

Our business model involves investing, principally through holding royalties and streams, in mining projects that are owned and operated by third parties. This means that we do not directly control or influence the operations in which we have a financial interest. However, we are committed to responsible mining practices.

As we continue to build our business and our portfolio of assets, we recognise the importance of making responsible investments. This means assessing not only the quality of the assets but also our operating partners carefully prior to making an investment in order to manage our ESG risk exposure.

Prior to entering into royalty and stream agreements we undertake an ESG due diligence process, to understand and assess potential risks relating to an asset. The due diligence process varies based on a number of factors, including the development stage of the asset, the commodity, and the location of the asset. Where necessary we engage third party specialists including technical, sustainability and legal experts to assist with our ESG due diligence.

This ESG due diligence process is guided by the ESG Assessment Criteria, along with our Risk Appetite Statement and Procedures and Risk Management Framework. We continually test these documents to ensure we continue to identify and manage any potential risks early in the investment cycle. Prior to making an investment we undertake an ESG due diligence process, to understand and assess potential risks relating to an asset.

Environment

- **E1** **Compliance:** international standards, government regulations, etc.
- **E2** **Energy:** sources, intensity of use, etc.
- **E3** **Climate change:** Scope 1, 2, 3 emissions, physical and transitional risks, and opportunities, etc.
- **E4** **Water:** usage, sources, recycling, disposal, etc.
- **E5** **Waste:** general waste, tailings, hazardous waste, etc.
- **E6** **Emissions:** noise, dust, air, vibrations, etc.
- **E7** **Biodiversity:** conservation status species and ecosystems, etc.
- **E8** **Closure:** planning, rehabilitation, etc.

Social

- **S1** **Health and safety:** incidents, fatalities, lost time injury frequency rates, etc.
- **S2** **People:** diversity and inclusion, attraction and retention, training, and development, etc.
- **S3** **Human rights (inclusive of modern slavery):** commitment, assessment, remedy, etc.
- **S4** **Communities:** social impact management, stakeholder engagement, local content, etc.
- **S5** **Indigenous people:** engagement, agreements, etc.
- **S6** **Shared value:** contributions, programs, etc.
- **S7** **Supply chain management:** due diligence, etc.

Governance

- **G1** **Structures:** corporate governance roles and responsibilities.
- **G2** **Policies:** corporate policies (e.g. Whistleblower Policy) and relevant codes of conduct for directors, employees, and suppliers, etc.
- **G3** **Anti-bribery and corruption:** commitment, allegations, etc.
- **G4** **Memberships:** internationally recognised associations, organisations, and standards (e.g. International Council on Mining & Metals ("ICMM")).
- **G5** **Public disclosures:** Sustainability and financial performance, tax, etc.

Assessment criteria to facilitate consistent and thorough due diligence of investment opportunities.

Our Assets

We hold six royalties in our current portfolio. Our key royalty investment activities involve acquisition of royalties from third parties and providing financing to resource companies in return for royalties. See pages 4 - 5 of this Annual Report for further detail.

Our cornerstone royalty asset is over Mining Area C, which is operated by BHP Limited, a global diversified miner rated "A" by MSCI Inc for its approach to ESG issues. We plan to diversify our royalty portfolio over time through the disciplined investment in value accretive royalties as outlined in the above section.

Mining Area C

Operator: BHP

Country: Australia

Commodity: Iron Ore

Climate: Deterra estimates that Mining Area C's emissions across Scope 1 and Scope 2 for FY24 will total 762 kT CO2e (AME, GHG emissions intensity). BHP has set targets to reduce its operational emissions by at least 30% from 2020 levels by 2030 and achieve net zero by 2050.

Water Management: In FY19 BHP developed a Water Stewardship Position Statement that expresses BHP's commitment to and advocacy for water stewardship. BHP has committed to setting public, context based, business level targets that aim to both improve its management of water and support shared approaches to water management within the regions it operates. By FY2040, around 40 per cent of the ore at Western Australia Iron Ore (WAIO) is expected to be accessed from below the water table. It is anticipated that in Mining Area C additional aquifer reinjection bores and infiltration ponds are planned to be expanded so that more than 70 per cent of surplus water is returned to the ground.

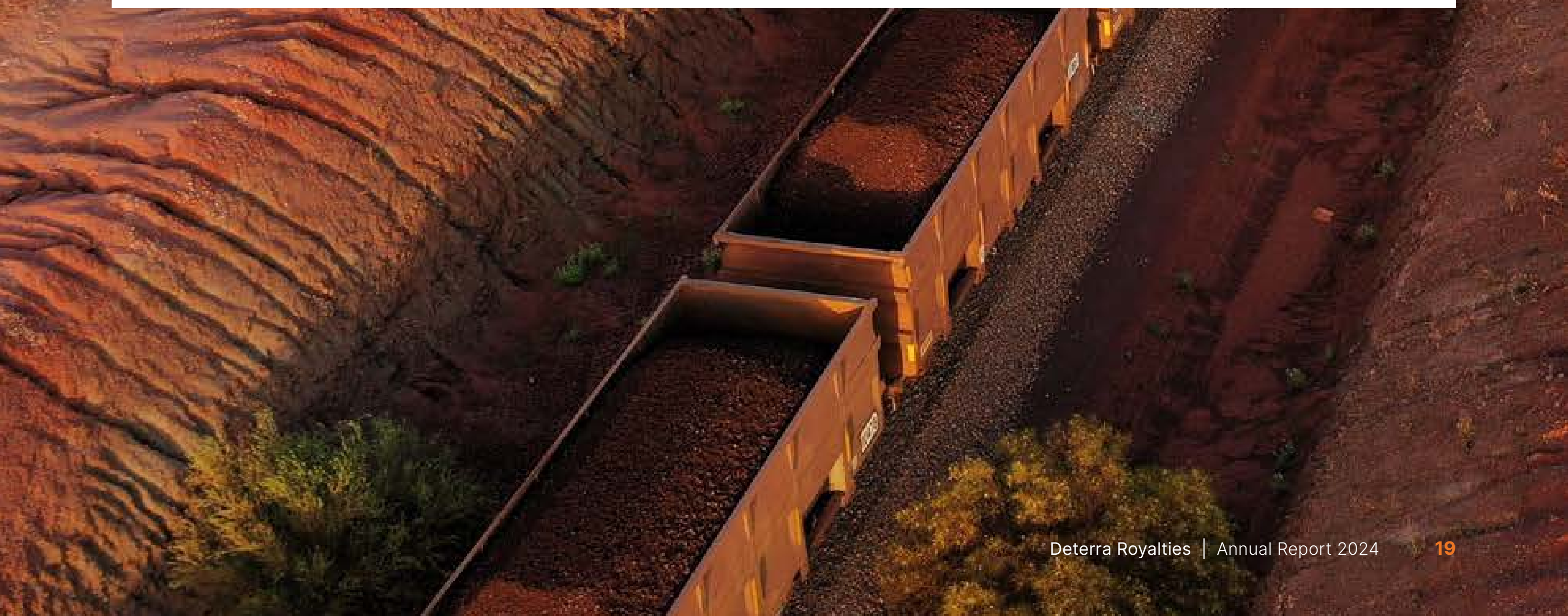
Biodiversity: Mining Area C is located in the Pilbara Region of Western Australia. BHP's 2030 healthy environment goal aims to encourage contributions to national and international efforts to mitigate biodiversity loss. This goal aims to have at least 30% of the land/water stewarded by BHP under conservation, restoration, or regenerative practices by the end of FY30. BHP is committed to the effective management of the land and biodiversity risks, and to contributing to a resilient environment beyond the immediate areas of their operational activities. Supporting conservation efforts beyond its footprint as a way of creating value for society.

Diversity & Inclusion: In 2016 BHP publicly announced its aspiration to achieve gender balance within its workforce globally by the end of FY25. As of the end of FY23 22.9% of leadership and 33.1% of the employee workforce was female. BHP have also set targets to achieve Indigenous employment of 8% in its Australian workforce by FY25. At 30June 2023 BHP's Australian operations had reached this target with 8.6% Indigenous employment. BHP has conducted LGBT+ awareness training across its operated assets and work has progressed to reach LGBT+ people in the regions and ensure employees are safe and supported onsite.

Health & Safety: BHP acknowledges the health and safety of its workforce and communities in which it operates is paramount. They have introduced the Fatality Elimination Program, Integrated Contractor Management Program and Field Leadership Program to enable the achievement of its safety targets. In FY23, the total recordable injury frequency (TRIF) performance was 6.5 per million hours. This is a 25% increase from FY22 resulting from two fatalities (one employee and one contractor). BHP undertakes a range of activities to enhance the physical and mental wellbeing of its employees in addition to a range of targeted health programs such as the better sleep program.

Transparency: BHP supports transparency and disclosure initiatives and partners with Transparency International, has representation on the board of Extractive Industries Transparency Initiative Standard, contributes to the Bribery Prevention Network (Australia) and established the BHP Foundation. BHP published comprehensive reports on BHP's Climate Transition Action Plan, and in FY23 BHP has published their Annual Report (inclusive of Sustainability), ESG Standards and Databook, Modern Slavery Statement and Tailings and Storage Facility Policy Statement.

Source unless stated: https://www.bhp.com/sustainability



> "We are pleased to partner with the Earbus Foundation on its mobile clinics, a programme that provides access to important healthcare for children in remote regions and communities"

Managing Director & Chief Executive Officer, Julian Andrews

Community Investment

Deterra's Continued Partnership with Earbus

As part of our commitment to supporting local communities, particularly those near our assets, we are continuing our support for the Earbus Foundation of Western Australia. This year we have committed a further $100,000 to build on our initial $100,000 funding in 2023. This will assist the Earbus Foundation to continue delivering its innovative ear health program in Newman and the Western Desert in Western Australia.

The Earbus Foundation is a children's charity that works to reduce the incidence and impact of middle ear disease and hearing loss in Aboriginal and at-risk children in Western Australia.

An under-estimated and under-treated condition, middle ear disease, also known as Otitis media, can affect every aspect of early childhood development, particularly speech and language. Children who cannot hear, cannot learn, leading to lifelong barriers in education and employment. By addressing middle ear disease, there is an opportunity to give children the best possible start in life.

Bringing together experts from education, health, culture, and communities, the Earbus Foundation outreach services are delivered through a purpose-built mobile audiology and specialist clinic which can go where the kids are.

Deterra's support to date has enabled Earbus to provide one-stop-shop ear assessments to about 150 children across 4 schools, day care centres and early learning centres. This has involved providing 357 ear screens, 201 hearing tests and 247 health checks.

> "This renewed partnership with Deterra Royalties will allow us to continue this vital program with our team that includes an ear health screener, audiologist and nurse practitioner, enabling us to provide a quality screening, treatment and surveillance program"

Earbus Foundation of WA CEO and Co-founder Dr Lara Shur.

Our team's commitment to community

Our team is passionate about supporting worthy causes. This year they participated in a number of events including volunteering with St Vincent De Paul Service, Perkins Walk for Women's Cancer, and the MACA Cancer 200 Ride for Research.

Perkins Walk for Women's Cancer

In April 2024, a team of 26 dedicated walkers completed the 35km Walk for Women's Cancer, which included members from our corporate team and their families. Together we raised $21,300 for much needed cancer research at the Harry Perkins Institute of Medical Research.

St Vincent De Paul Volunteering Service

The valuable work of St Vinnies is vital in providing emergency relief, care and support to individuals and families in need. In July 2023, our team volunteered working at the initial stage of the clothing process, by sorting items into winter and summer categories.

MACA Cancer 200 Ride for Research

In October 2023, for the second year, the Deterra team participated in the MACA Cancer 200. The ride raised funds for the Harry Perkins Institute of Medical Research dedicated to vital cancer research. The 'Deterrarisers' embarked on a two day, 200km bike ride from Perth to Mandurah, raising over $16,800 in WA.

United Nations Global Compact Index

We aim to demonstrate sustainability leadership in our practices, actions, and investments. In early 2022, we joined the United Nations Global Compact (UNGC), committing to implement its Ten Principles for sustainability. As part of this commitment, we submit an annual report that outlines our performance against each of the principles – our UNGC Communication on Progress.

Area	Principle	For more information
Human Rights	1. Business should support and respect the protection of internationally proclaimed human rights; and 2. Business should make sure that they are not complicit in human rights abuses.	See Human Rights section
Labour	3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of all forms of forced and compulsory labour; 5. The effective abolition of child labour, and; 6. The elimination of discrimination in respect of employment and occupation	See Investing Responsibly section See Human Rights section
Environment	7. Businesses should support a precautionary approach to environmental challenges; 8. Undertake initiatives to promote greater environmental responsibility; and 9. Encourage the development and diffusion of environmentally friendly technologies.	See Climate Change Mitigation and Energy section
Anti-Corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.	See Corporate Governance, Transparency and Disclosure section

We are committed to delivering sustainable outcomes. For us this means operating with integrity and growing responsibly.

Voluntary Tax Transparency Disclosures

1. Tax governance, tax strategy and dealing with authorities

The Board of Directors is responsible for setting the Company's tax policy and overseeing tax governance. The Chief Financial Officer has oversight responsibility for tax strategy, the management of tax risk as well as the operational responsibility for execution of tax policies. The Chief Financial Officer reports to the Board's Audit and Risk Committee on a regular basis.

Deterra Royalties Limited, together with its 100 per cent controlled Australian subsidiaries, is a tax consolidated group (the Deterra Group) for Australian income tax purposes.

The Deterra Group:

- Recognises its responsibility to pay tax to all revenue authorities according to the tax rules and legislation of the jurisdictions in which it operates;
- Manages tax risk in the same manner as any other operational risk;
- Engages service providers with appropriate qualifications and experience to manage its tax obligations;
- Engages with revenue authorities, including the Australian Taxation Office, in a transparent and cooperative manner; and
- Has in place a Board approved Tax Policy that affirms the above principles and ensures that tax related decisions are made having regard to Deterra maintaining its integrity and reputation, including that they are made at an appropriately senior level and are supported by appropriate documentation.

2. Tax payments in FY24

Deterra Group is expecting to lodge its FY24 income tax return in November 2024. Table 1 below represents direct taxation payments made to governments by the Deterra Group for the year ended 30 June 2024.

Table 1 excludes taxes collected by the Deterra Group and passed on to revenue authorities such as goods and services tax and pay-as-you-go withholding on employee salaries:

Table 1: Direct tax payments to government	$'000
Income tax instalments	74,457
State and Territory taxes (Payroll tax)	220
Total tax payments to Australian Federal and State Governments	74,677

3. Financial statement disclosures

Income tax expense and effective tax rates

Table 2 extracts the 30 June 2024 accounting profit before income tax expense and effective tax rate from the 2024 annual financial statements disclosed in this Annual Report (Notes 5 and 6 in the Annual Financial Report).

Table 2: Calculations of effective tax rate	$'000
Accounting profit before tax	221,588
Income tax expense (current and deferred tax expense)	66,702
Effective tax rate	30.01%

The reconciliation of the accounting profit before tax to the Income tax expense is disclosed in note 5(b) of the Financial Report.

Material temporary differences are disclosed in note 6 of the Financial Report.

Reconciliation of income tax liabilities/(assets)

A reconciliation of the income tax expense per the annual financial statements to income tax liabilities/ (assets) at 30 June 2024 are as follows:

Table 3: Income tax liabilities/(assets) reconciliation	$'000
Income tax liabilities/(assets) at beginning of period	(620)
Current income tax expense	73,590
Income tax instalments paid - relating to FY23	(41)
Income tax instalments paid - relating to FY24	(74,416)
Income tax liabilities/(assets)	(1,487)

4. International related party dealings

Deterra predominantly engages in regular business activities in Australia with funding sourced from unrelated independent financial institutions. For the year ended 30 June 2024, Deterra did not have any financing transactions with related parties.

Corporate Governance

At Deterra, we believe that strong corporate governance is essential for building a sustainable business and creating long-term value for all our stakeholders.

Whilst the Board of Directors is responsible for the Company's corporate governance, it is critical that all those who work at Deterra act ethically, with integrity and within the law. We aim to embed this behaviour across the organisation and in all our business dealings.

Our governance framework is designed to support our team in the delivery of our strategy and provides the guidelines for effective and responsible decision making at Deterra.

The Board is responsible for promoting the success of Deterra whilst ensuring that the interests of shareholders and stakeholders are protected. The key functions for which the board are accountable include, setting the long term corporate strategy, reviewing and approving business plans and annual budgets, overseeing the risk management framework, approving material investments, approving financial statements, approving and monitoring the adherence to Company policies, developing and promoting corporate governance and demonstrating, promoting and endorsing an ethical culture.

Board Committees

To assist the Board to discharge its responsibilities, the Board has established the following Committees:

- Audit & Risk
- Nominations & Governance
- People & Performance
- Sustainability

Each Committee works within a Charter approved by the Board, which sets out the roles and responsibilities, composition, structure and membership requirements for the Committee. Details of relevant qualifications and experience for all Committee members can be found on pages 28 and 29 of this Annual Report.

Further information about the Committees can be found in the FY24 Corporate Governance Statement and copies of the Board and Committee Charters can be found in the Governance section of Deterra's website at https://deterraroyalties.com/sustainability/corporate-governance.

Image: Deterra Board

Table 4: Summary of Committees

Members	Key Accountabilities
Audit & Risk Committee	
Mr Graeme Devlin (Chair) Ms Jennifer Seabrook Mr Jason Neal	• Approve selection and review performance of independent external auditor • Review accounting policies, financial statements and financial reporting • Recommend risk management framework • Review processes for managing risk • Review procedures for compliance
Nominations & Governance Committee	
Mr Graeme Devlin (Chair) Ms Jennifer Seabrook Mr Jason Neal Ms Adele Stratton	• Review and recommend Director selection, appointment and re-election process • Review and recommend succession of Board and Chair • Undertake evaluation of performance of Board, Committees, Directors and Chair • Review corporate governance statement, framework and related legal developments
People & Performance Committee	
Mr Jason Neal (Chair) Ms Jennifer Seabrook Mr Graeme Devlin Ms Adele Stratton	• Recommend remuneration of Executive KMP and Non-Executive Directors • Review and recommend selection for CEO, succession planning for CEO and other senior executives • Assess and approve measurable diversity targets • Review compliance with Codes of Conduct
Sustainability Committee	
Ms Jennifer Seabrook (Chair) Ms Adele Stratton Mr Graeme Devlin	• Advise on ESG matters including emerging risks • Review and recommend sustainability objectives and disclosures

Corporate Governance Statement

The Company's FY24 Corporate Governance Statement outlines the Company's current corporate governance framework, by reference to the Corporate Governance Principles and Recommendations contained in the ASX Corporate Governance Council's 4th Edition of its Corporate Governance Principles and Recommendations (ASX Recommendations). During FY24, the Company's corporate governance practices complied with all relevant ASX Recommendations.

The Corporate Governance Statement is current as at the date of this report and has been approved by the Board. This statement can be found in the Governance section of Deterra's website at https://deterraroyalties.com/sustainability/corporate-governance along with the ASX Appendix 4G, a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement and the FY24 Annual Report.

Directors' Report

Directors' Report

Directors' Statement of Tenure

The names of directors who held office during the reporting period and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Jennifer Seabrook	Independent Non-Executive Chair
Julian Andrews	Managing Director and Chief Executive Officer
Graeme Devlin	Independent Non-Executive Director
Jason Neal	Independent Non-Executive Director
Joanne Warner	Independent Non-Executive Director (Retired 31 March 2024)
Adele Stratton	Non-Executive Director

Joint Company Secretaries

Jason Clifton	Chief Financial Officer (Appointed 4 December 2023); and Joint Company Secretary (Appointed 18 December 2023)
Bronwyn Kerr	Company Secretary and General Counsel
Brendan Ryan	Head of Corporate Development (formerly Chief Financial Officer until 4 December 2023); and Joint Company Secretary (Resigned 18 December 2023)

Principal Activities

Deterra Royalties Limited is an Australian company listed on the Australian Securities Exchange (ASX code: DRR). The Group's principal activity is the management of a portfolio of existing royalties and growth through the addition of new and existing royalties across bulk commodities, base and battery metals. The existing portfolio includes six royalties over: Mining Area C, Yoongarillup/ Yalyalup (under two royalty agreements), Eneabba, Wonnerup and St Ives.

Dividends Paid or Recommended

Deterra's intent is to pay semi-annual dividends (franked to the maximum extent possible) from excess cash. Payment of dividends and dividend policy is determined by the Deterra Board at its discretion.

The total dividend declared for the period of this Annual Report is $154,844,000 which represents a payout of 100 percent of NPAT. The two dividends paid or declared in relation to the period include:

- Interim Period Dividend of $78,716,000 or 14.89 c/share paid on 21 March 2024.
- Final Dividend declared of $76,128,000 or 14.40 c/share, to be paid on 24 September 2024 for shareholders on record as at 28 August 2024.

Board Profile

Jennifer Seabrook

Independent Chair and Non Executive Director

BCom, FCA, FAICD

Term Of Office

Ms Seabrook was appointed 15 June 2020

Board Committees

Chair of Sustainability

Member of Audit and Risk

Member of People and Performance

Member of Nominations and Governance

Experience

Ms Seabrook brings over 30 years of corporate experience across capital markets, mergers and acquisitions and accounting advisory roles and several Non-Executive directorships for listed, unlisted and federal and state government corporations. Ms Seabrook is currently the Chair of BGC Australia Group of Companies and a Non Executive Director and Chair of the Audit Committee for HBF Health Limited.

Current Listed Directorships

Nil

Former Listed Directorships In The Last 3 Years

Nil

Graeme Devlin

Independent Non Executive Director

BAppSci, MBA, GAICD

Term Of Office

Mr Devlin was appointed 16 October 2020

Board Committees

Chair of Audit and Risk

Chair of Nominations and Governance

Member of People and Performance

Member of Sustainability

Experience

Mr Devlin brings a deep and varied set of experiences from his business development, operational, investment evaluation and structured finance roles within BHP Group, Rio Tinto and CRA Limited. He served as BHP's head of acquisitions and divestments from 2009 to 2016. Mr Devlin led the transformation of BHP's capital investment decision making rigour, capability and processes. He was instrumental in the reshaping of BHP's core asset portfolio.

Current Listed Directorships

Nil

Former Listed Directorships In The Last 3 Years

Nil

Adele Stratton

Non Executive Director (Iluka Nominee)

BA (Hons), FCA, GAICD

Term Of Office

Ms Stratton was appointed 15 June 2020

Board Committees

Member of People and Performance

Member of Sustainability

Member of Nominations and Governance

Experience

Ms Stratton brings finance, operations and commercial experience to Deterra. As Chief Financial Officer and Head of Development at Iluka Resources Limited, she has over 20 years' experience working in both professional practice and public listed companies, including KPMG and Rio Tinto. Ms Stratton is a qualified Chartered Accountant.

Current Listed Directorships

Nil

Former Listed Directorships In The Last 3 Years

Nil

Jason Neal

Independent Non Executive Director

BBA

Term Of Office

Mr Neal was appointed 30 November 2022

Board Committees

Member of People and Performance. Appointed Chair from 31 March 2024.

Member of Audit and Risk

Member of Nominations and Governance

Experience

Mr Neal is a Founding Partner of Whetstone Resources, an active private acquisition company, and serves as Lead Director of G Mining Ventures. He served as Executive Vice President at Kirkland Lake Gold and President & Chief Executive Officer of TMAC Resources Inc., both of which have been merged into Agnico Eagle to create the third largest global gold producer. Mr. Neal had a 21 year investment banker career with BMO Capital Markets, where he served as Co-Head and Managing Director of the Global Metals and Mining Group.

Current Listed Directorships

G Mining Ventures

Former Listed Directorships In The Last 3 Years

Nil

Board and Executive Profile

Executive Profile

Joanne Warner

Independent Non Executive Director

BAppSc (Hons), DPhil, MAICD

Term Of Office

Dr Warner was appointed 16 October 2020 and resigned 31 March 2024

Board Committees*

Chair of People and Performance

Member of Sustainability

Member of Nominations and Governance

* For the period ending 31 March 2024

Experience

Dr Warner has extensive asset management experience including eight years as Head of Global Resources at Colonial First State Global Asset Management. Her broad mining and energy sector experience includes visits to over 450 mining and resource assets across over 30 countries.

Current Listed Directorships

Non executive Director of First Quantum Minerals - May 2019 to present

Former Listed Directorships In The Last 3 Years

Nil

Julian Andrews

Managing Director and Chief Executive Officer

BCom (Hons), PhD, CFA, GAICD

Term Of Office

Mr Andrews was appointed as Director 15 June 2020 and as Managing Director and Chief Executive Officer 2 November 2020

Board Committees

Nil

Experience

Mr Andrews' experience spans over 25 years in broad project finance, capital raising and mergers and acquisitions across the mining, energy and chemicals industry landscape. Prior to his appointment as Managing Director, Mr Andrews was Head of Strategy, Planning and Business Development at Iluka Resources and previously held various roles at Wesfarmers, including General Manager Business Development and Chief Financial Officer in Wesfarmers Chemicals, Energy & Fertilisers division.

Current Listed Directorships

Nil

Former Listed Directorships In The Last 3 Years

Nil

Jason Clifton

Chief Financial Officer and Company Secretary

BCom, CFA, FFSI, AICD

Term Of Office

Mr Clifton was appointed as Chief Financial Officer and Company Secretary on 18 December 2023

Board Committees

Nil

Experience

Jason has over 25 years experience in finance, strategy, capital management and business integration across the banking, energy and resources industries. Jason's previous roles include Chief Financial Officer of Australian Strategic Materials, Senior Vice President Financial Services at Woodside Energy, Chief Financial Officer of Bankwest and Chief Financial Officer of Westpac New Zealand.

Jason is a Board member of the Cancer Council WA, holds a Bachelor of Commerce from UWA, is a Fellow of the Institute of Chartered Accountants, a Fellow of the Financial Services Institute of Australia and a Member of the Australian Institute of Company Directors.

Bronwyn Kerr

General Counsel and Company Secretary

LLB (Hons), BA, FCIS, GAICD

Term Of Office

Ms Kerr was appointed as General Counsel on 27 October 2021 and as Company Secretary on 8 November 2021

Board Committees

Nil

Experience

Ms Kerr is an experienced General Counsel and Company Secretary, joining Deterra from Pilbara iron ore producer Atlas Iron. Ms Kerr has advised companies on governance, mergers and acquisitions, capital raising, leveraged finance and project development, including procurement, land access and community engagement.

Ms Kerr is admitted to practice law in Western Australia and holds post-graduate qualifications in finance and corporate governance.

Skills and Experience

The Board undertakes a comprehensive review of the Board skills matrix on an annual basis. Following the review, it was determined that the Board and Committees currently have a strong combination of skills and experience across the key desired areas relevant for each committee. A copy of the Board skills matrix is included in Deterra's 2024 Corporate Governance Statement.

Meetings of Directors

The number of meetings held and attended by each director of the Company during the financial year are:

Table 5: Director Meetings

	Board		Audit & Risk		People & Performance		Nominations & Governance		Sustainability	
Name	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held
Non-Executive Directors										
J Seabrook	13	13	3	3	5	5	2	2	3	3
G Devlin	13	13	3	3	5	5	2	2	3	3
J Warner*	7	7	2	2	3	3	2	2	3	3
J Neal	12	13	3	3	5	5	2	2	3	3
A Stratton	13	13	3	3	5	5	2	2	3	3
Executive Director										
J Andrews**	13	13	3	3	5	5	2	2	3	3

Notes:

* For the period ending 31 March 2024

** Mr Andrews attended all Committee meetings by invitation. He is not a member of these Committees.

Attended - Number of meetings the director attended

Held - Total number of meetings of the Committee held over the financial year

Interest of Directors

The relevant interest of each director held directly or indirectly in the shares, interest in registered schemes and rights or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, is in the table below.

Table 6: Directors' Shareholding Interests

Name	Ordinary Shares	Rights over Ordinary Shares
Non-Executive Directors		
J Seabrook	95,000	-
G Devlin	55,000	-
J Warner	50,000[1]	-
J Neal	37,000	-
A Stratton	43,260	-
Executive Director		
J Andrews	194,366	652,120

Notes:

[1] As at Dr Warner's retirement date of 31 March 2024.

Indemnification and Insurance of Directors and Officers

The Company indemnifies all directors of the Company named in this report and current and former executive officers of the Company and its controlled entities against all liabilities to persons (other than the Company or the related body corporate) which arise out of the performance of their normal duties as director or executive officer unless the liability relates to conduct involving bad faith. The Company also has a policy to indemnify the directors and executive officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

During the year the Company has paid a premium in respect of directors' and executive officers' insurance. The contract contains a prohibition on disclosure of the amount of the premium and the nature of the liabilities under the policy.

Operations & Financial Review

This review should be read in conjunction with the financial statements and the accompanying notes.

Introduction

In FY24 the Company was focused on continuing to promote to investors the value of the royalty business model and clearly explain the unique quality of the royalty assets already under Deterra ownership. In parallel we continued to build out the skills, capacity and processes required to support investment in value accretive growth options.

Throughout the financial year we have seen central bank rates remain elevated and access to equity capital markets remain challenging for many mine operators and developers. Both of these dynamics increase our competitiveness as a source of capital for resource development and we have seen strong interest in our offering. This has resulted in a record number of opportunities assessed during FY24 and culminated in our offer to acquire Trident Royalties Plc. Our team remains active in focusing on further value adding opportunities, and we expect this disciplined approach to investing will be of benefit to Deterra.

With the broader macro-economic conditions remaining tight for the foreseeable future, we anticipate that royalty funding will continue to improve in relative attractiveness to potential royalty partners. We also expect to see our ongoing efforts to build relationships with owners of existing royalties and high priority prospective mining projects continue to deliver attractive future growth opportunities.

Strategy and Business Model

Deterra is Australia's largest listed royalty investment company and represents an opportunity for ASX investors to participate in the global resources sector in a different way. Headquartered in Perth, Australia, Deterra's portfolio of royalty assets provides a financial interest in mining activity, with limited exposure to operating margins or capital costs.

The Company's cornerstone asset is a royalty over the BHP-operated Mining Area C iron ore operation in the Pilbara region of Western Australia (referred to as the MAC Royalty), complemented by five other smaller royalty interests. The MAC Royalty has several attractive characteristics, including:

- Quality: High quality exposure to one of the world's premium iron ore mining districts, operated by one of the world's leading miners in BHP;
- Strong cash flow generation: the revenue based royalty provides high margin cash flows with limited exposure to operating costs or capital contributions for the life of the operation;
- Embedded growth: South Flank completed ramp up to full production capacity of 80 Mtpa (100% basis) on a run rate basis in FY24 as planned[1], bringing name-plate production capacity to 145 million wet metric tonnes per annum, making the MAC operation the largest iron ore hub in the world[2]; and
- Long asset life: BHP estimates a mine life of more than 30 years for Mining Area C South Flank operations[3] with identified extension options that are at least partially within the MAC Royalty Area.

The Company's principal activities are the management and growth of this portfolio of assets. Inorganic growth will be achieved by diversifying the royalty portfolio through disciplined and value accretive investments over time. The key objectives of the disciplined growth strategy are to:

- Provide additional sources of earnings over time;
- Improve cash flow resilience to commodity price fluctuations through portfolio diversification; and
- Leverage Deterra's operating structure to grow the business.

Consistent with this strategy, in the fourth quarter of FY24 the Company announced it had reached agreement on the terms of an offer to acquire Trident Royalties Plc., an AIM-listed mining royalty and streaming company with a diversified and cash generating portfolio of royalties and offtakes. This investment is an attractive opportunity to introduce to diversify our portfolio through additional assets with exposure to base, precious, bulk and battery metals, including lithium, gold, silver, copper, zinc, mineral sands and iron ore at an opportune time in the commodity cycle. This offer has been approved by Trident shareholders and is expected to complete in the third quarter of calendar year 2024[4].

Notes:

1 BHP Operational Review for year ended 30 June 2024 – 17 July 2024

2 BHP Operational Review for year ended 30 June 2021

3 BHP, Western Australia Iron Ore South Flank update - Presentation & Speech, 4 October 2022

4 Deterra's offer acquire Trident Royalties was announced on 13 June 2024. The offer was approved by Trident Royalties shareholders on 26 July 2024 and remains subject to court approval.

Principal Risks affecting the group

Risk Management

Deterra operates in the resource sector where the macro price environment is uncertain, and the performance of its key assets is outside the direct control of management. As a consequence, the Company's Board and management have developed risk processes that aim to identify and monitor these key uncertainties and where appropriate, mitigate any potential adverse outcomes.

Deterra's approach to managing risk is documented in a Board approved Risk Management Framework and Risk Appetite Statement. The overall approach seeks to ensure that risk management is embedded throughout the business and managed in a structured and systematic manner. The Risk Management Framework is reviewed annually and will be updated as the Company's asset portfolio and business environment evolve and the underlying risks change.

On 13 June 2024, Deterra announced an offer to acquire Trident which remains subject to UK court approval and is expected to complete in the third quarter of calendar 2024. The factors below are all capable of having a material adverse effect on the business and together with Trident and future potential investments, could affect the prospects of the Group and change the risks affecting the Group in future financial years.

Environmental, Social and Governance Risks

Deterra operates in an environment of increasing focus by investors and stakeholders on Environmental, Social and Governance (ESG) risks, including changes in community expectations and legislation (e.g. matters related to climate change). Deterra's core business is to receive royalty income streams from non-managed mining assets. The ability of Deterra to attract equity investment and raise funds in debt markets may be impacted by a diminishing appetite for companies that receive revenues from the resources sector.

The Group considers ESG as an integral part of its investment process and seeks advice from third party experts to assist with its exposure and management of these risks. These risks are discussed in more detail in the Sustainability section of this Annual Report.

Strategy and Investment Risks

Deterra is seeking to grow its business through the acquisition or creation of new royalty assets. There are risks that Deterra may be unable to execute on this growth strategy due to an inability to effectively compete for royalty assets from a price, cost of capital, structure, jurisdiction and commodity perspective. Conversely, there is a risk of making an investment that may not deliver the expected returns.

Deterra has employed a small but highly experienced team and supplements this capacity with third party advisors to assist with the identification, negotiation, and execution of acquisitions. All investments will comply with internal investment criteria and material investments will be subject to additional Board assessment and approval.

Inability to Access Equity and Debt Markets Risk

Deterra will be reliant on equity and debt capital to successfully grow its business. Changes to macro conditions in financial markets may impact on the ability of Deterra to access these equity and debt capital markets.

Deterra has existing bilateral credit facilities that provide substantial liquidity and continues to build relationships with a range of participants in the equity and debt capital markets and will monitor current and future conditions to ensure investment decisions take these market conditions into account.

Climate Risk

The mining assets relating to Deterra's royalties could be adversely affected by the impacts of climate change. The corresponding increase in the severity and frequency of extreme weather events could adversely affect the operations and development of those mining assets and the demand for commodities to which these royalties relate.

Deterra has implemented an ESG Investment Policy which requires the Company to consider ESG risk exposure and opportunities when considering new investments.

Mining Area C Revenue Risks

As a royalty owner, Deterra has material exposure to volume and price achieved by BHP at Mining Area C (MAC) over which Deterra has limited ability to influence or control.

Key external risks that could impact its financial performance include:

- Material fluctuations in iron ore price and foreign exchange rates;
- Material production disruption at MAC from a natural disaster, catastrophic infrastructure or operations incident (mine, rail, or port), environmental or heritage licensing issues; and
- Geopolitical risks associated with Chinese steel mill end customers including potential trade barriers or cessation of iron ore exports to China.
- Contract Default Risk

The company monitors potential adverse developments in MAC operations as well as the geopolitical landscape through its network of business relationships and other information sources.

Deterra maintains a conservative balance sheet and low overheads to withstand fluctuations in revenues derived from MAC. Deterra will seek to further diversify its revenue streams via investment in royalty streams in the future. Rising geopolitical tensions among major economies, increasing resource and economic nationalism as well as increased volatility and uncertainty in the international trading, business and financial environment, could cause disruption of global supply chains and affect macroeconomic conditions and our ability to sell to particular customers or markets.

Management and Key Person Risks

Deterra has a small number of key executives and employees. A loss of or extended absence of key executives may impact on the ability to execute its growth strategy.

The Board has developed a range of plans and policies to assist with the retention of key executives, succession planning, and any loss of corporate knowledge.

Information Technology and Cyber Security Risks

Deterra is exposed to the risk of loss arising from the failure of the information technology. Deterra has engaged third party outsourced expertise to protect its information technology systems and data from cyber security threats and general operational outages. Additional staff training and education has been undertaken on sound cyber security practices.

Operational Risks

Operational errors by Deterra or its outsourced administrative providers may impact on Deterra's operations, financial performance, and/or compliance requirements, including ASX listing requirements.

Deterra has documented its financial and operational procedures and implemented a control framework that seeks to identify and prevent errors.

Fraud Risks

Deterra may be at risk of the theft of funds or confidential information by employees or outsource partners.

Deterra has documented operational and contractual arrangements with all outsourced providers and has implemented a control framework that seeks to reduce or minimize the impact of fraud or theft.

Due diligence is undertaken on all outsourced providers, including periodic contract review and oversight. Under the outsourced contract agreements, business-critical information is required to be secured at all times.

Review of the Group's Assets

Table 7: Description of the operations

Project	Counterparty	Location	Commodity	Status	Royalty Key Terms
Mining Area C (MAC)	BHP Billiton Minerals Pty Ltd; Itochu Minerals & Energy of Australia Pty Ltd; Mitsui Iron Ore Corporation Pty Ltd	Pilbara, WA	Iron Ore	Producing	1.232% of MAC product revenue $1 million per 1mdmt increase in capacity
Yalgalup (Yoongarillup) Project (under two royalty agreements)	Doral Mineral Sands Pty Ltd	South West, WA	Mineral Sands	Producing	2% of revenue from sales of Minerals
Yandanooka Project	Image Resources Limited	Mid West, WA	Mineral Sands	Exploration	1.5% of gross revenue from sales of Minerals
Wonnerup Project	Cable Sands (W.A.) Pty Ltd	South West, WA	Mineral Sands	Producing	$0.70 per tonne of Valuable Heavy Mineral
St Ives Gold Project	St Ives Gold Mining Company Pty Ltd	Eastern Goldfields, WA	Minerals	Exploration	3% of gross revenue (subject to conditions)

During the period the following developments occurred across our producing royalty assets:

- **Mining Area C -** Deterra holds contractual rights over the Mining Area C (MAC) royalty area. The Group receives revenue payments via two separate mechanisms from this cornerstone royalty contract:
  1. a 1.232 per cent royalty on all Australian dollar denominated FOB revenue from the sale of material produced at MAC, payable quarterly; and
  2. a one off capacity payments of A$1 million per million dry metric tonnes (mdmt) for any increase in annual mine production, determined for the year ending 30 June, payable annually. The demonstrated annual capacity level as at 30 June 2024 is 118 mdmt.

  Mining Area C is one of four hubs within BHP's Western Australian Iron Ore (WAIO) business and consists of two major mining areas, North Flank and South Flank. The North Flank operation has been in production since 2003 with nameplate capacity of 65 million wet metric tonnes per annum (wmtpa). South Flank achieved its first ore production in May 2021 and ramped up to full production capacity of 80 million wet pa (100% basis) on a run-rate based in FY24 as planned[1]. The combined MAC mining hub is expected to operate for over 30 years[2] ramping up to 145 million wmtpa to form the largest operating iron ore hub in the world.

  Mining Area C production for the FY24 was 124.6 million wmt (100 per cent basis)[1]. Revenue for the FY24 from Mining Area C was $239.3 million from the 1.232 per cent revenue royalty with no annual capacity payment.

- **Yalyalup Mineral Sands Mine -** Deterra holds a two per cent royalty on revenue from the sale of minerals under two royalty agreements over certain mineral leases operated by mineral sand producer Doral Mineral Sands Pty Ltd. The Yalyalup mine commenced production in Q2 2022 and has an expected production capacity of 100ktpa of heavy mineral concentrate over a four to five year mine life, with the possibility of further extension subject to approvals[3]. Revenue for FY24 from the Yalyalup operation was $1.1 million.

- **Wonnerup Mineral Sands Mine -** Deterra holds a $0.70 per tonne royalty on all valuable heavy minerals produced over mineral leases currently being mined by mineral sand producer Tronox through its subsidiary Cable Sands Pty Ltd. Mining at Wonnerup North using the existing facilities is underway[4]. Mining has commenced after successfully receiving all environmental and regulatory approvals required for the Stage 2 extension for use of the existing facilities for an additional five years. Revenue for the FY24 from Wonnerup was $0.04 million.

Deterra also notes no change to the two non-producing royalty assets:

- **Yandanooka Project -** Deterra holds a 1.5% gross revenue royalty over certain mineral leases owned by mineral sand producer Image Resources Limited. Image acquired the tenements, formerly known as Sheffield Resources' Eneabba Project, in late 2021[5]. On 19 April 2024 Image provided pre-feasibility results, updated Mineral Resource estimate and maiden Ore Reserve estimate[6].
- **St Ives Gold Project -** Deterra holds a royalty agreement over certain mineral leases near Kambalda currently operated by Gold Fields. There have been no public updates on this asset during the period and no mining activity is anticipated on these leases in the immediate future.

Figure 1: Locations of Deterra's royalty assets

Our key royalty investment activities involve acquisition of royalties from third parties and providing finance to resource companies in return for royalties.

Notes

1. BHP Operational Review for year ended 30 June 2024 – 17 July 2024
2. BHP Mining Area C Mine Closure Plan, October 2017
3. Doral Website Company Profile Yalyalup Operations – July 2024
4. Tronox Company Website – Western Operations Fact Sheet
5. Image Resources Release – Strategic Acquisition of Eneabba Tenement Package - 29 Nov 2021
6. Image Resources Release – Strong Feasibility Results - Yandanooka Project 19 Apr 2024

Directors' Report

Financial Review

"It is pleasing to see another strong year of revenue generation from the company's assets with total royalty revenue for FY24 of $240.5 million."

Non-IFRS

Deterra uses both International Financial Reporting Standards (IFRS) and non-IFRS financial information such as underlying EBITDA, underlying EBIT and net cash to measure operational performance. We believe these non-IFRS measures provide useful information, but should not be considered as an indication of, or an alternative to, profit after tax as an indicator of actual operating performance or as an alternative to cash flow as a measure of liquidity. Non-IFRS measures are unaudited but derived from the audited accounts and reconciliations included on page 38.

Period

This Annual Report covers the period of 1 July 2023 to 30 June 2024.

Operating Results

The continued strong performance in FY24 highlights the strength of the underlying business model. The $240.5 million in revenue demonstrates the top line exposure to resource production levels and pricing, while the 95 per cent EBITDA margin demonstrates the limited exposure to typical inflationary pressures in the mining sector.

FY24 saw strong production from the MAC asset, driven by the ramp up by BHP of the US$3.6 billion South Flank expansion. At full nameplate capacity of 145mtpa, MAC, will form the largest iron ore hub in the world and the baseload capacity of BHP's Western Australian Iron Ore operations.

The operators of Deterra's two mineral sands royalties at Yalyalup and Wonnerup North have also both recently further extended the mine lives of these assets.

- **Revenue -** Group revenue for FY24 was $240.5 million representing an increase of 5% per cent. This is driven by MAC revenue of $239.3 million with growth in the revenue royalty due to stronger AUD iron ore pricing more than offsetting the lack of capacity payment (FY23: $13 million). An additional $1.2 million was received from ongoing operations at the Yalyalup and Wonnerup mineral sands assets.
- **Costs -** Total operating costs for FY24 were $13.1 million. Functional operating costs of $9.1 million reflect the low cost base inherent in the royalty business model. This is slightly higher than the comparative functional operating costs of $8.5 million in FY23 as we built out our internal business development capacity. Depreciation and amortisation of $0.5 million remains broadly flat. Deterra saw a significant increase in project related business development costs from $1.4 million in FY23 to $3.5 million in FY24 reflecting a material increase in activity relating to the Trident transaction and detailed due diligence on other potential investment opportunities during the period.

  Derivative financial instrument loss of $4.2 million reflects non cash fair value adjustment on a foreign currency forward. On 13 June 2024, an all-cash offer of GBP 144 million was made to acquire Trident. The Group was exposed to foreign exchange risk when the offer was made and entered into a foreign currency forward agreement manage that currency.
- **EBITDA -** EBITDA for FY24 of $227.9 million represents an increase of 4 per cent over FY23. The EBITDA margin of 95 per cent demonstrates the strength of the low cost, royalty business model.
- **Tax -** The Group's effective tax rate was 30 per cent reflects the prevailing Australian corporate tax rate.
- **NPAT -** Group profit after income tax for FY24 totaled $154.9 million reflecting an increase of 2 per cent relative to $152.5 million for FY23. The continued robust NPAT for the group, reflects the significant revenue generated from MAC driven by higher received prices and no capacity payment in FY24.
- **Capital Management -** As at 30 June 2024, Deterra had net cash of $31.1 million and royalty receivables of $58.5 million. Available credit facilities included $500 million from undrawn bilateral credit facilities and a $284 million (GBP150 million) undrawn bridge facility established on 13 June 2024 to satisfy the UK takeover requirements associated with the Trident transaction.

  On 14 August 2023, Deterra increased its total credit limits from $350 million to $500 million. This increase was undertaken to improve funding flexibility and was achieved by expanding the size of the pre-existing four year bilateral credit facility, expiring February 2026, by $150 million with one of our five partner banks on current terms.

  The existing bilateral credit facilities were implemented on 21 February 2022 on an unsecured basis and provided by leading Australian and international banks with proven credentials in resources and royalty financing on competitive terms.

  Minimum annual costs associated with these facilities increased to $3.3 million, consisting of $2.6 million in undrawn commitment fees with the remainder in amortised annual establishment costs.

  Note 7d of Deterra's Financial Report provides details of the Group's maturity profile and interest rate exposure.

Dividends

Deterra's practice is to pay semi annual dividends (franked to the maximum extent possible) from excess cash. Payment of dividends and dividend policy is determined by the Deterra Board at its discretion.

The total dividend declared for the period of this Annual Report is $154,844,000 which represents a payout of 100 percent of NPAT. The two dividends paid or declared during the period include:

- Interim Dividend of $78,716,000 or 14.89 cents per share paid on 21 March 2024.
- Final Dividend declared of $76,128,000 or 14.40 cents per share, to be paid on 24 September 2024 September 2024 for shareholders on record as at 28 August 2024.

A summary of the Deterra Statement of Profit and Loss and Cashflows are provided are provided in Tables 8 and 9.

Table 8: Statement of profit or loss	2024 $'000	2023 $'000
MAC royalty	239,321	215,185
MAC capacity payment	-	13,000
Other royalties	1,188	1,079
Total Royalty revenue	**240,509**	**229,264**
Expenses	(18,921)	(11,552)
Profit before tax	**221,588**	**217,712**
Income tax expense	(66,702)	(65,254)
Total income tax expense	**(66,702)**	**(65,254)**
Net Profit After Tax (NPAT)	154,886	152,458
Other comprehensive profit for the period, net of tax	-	-
Total comprehensive profit for the period	154,886	152,458
Total and continuing earnings per share:		
Basic earnings per share (Cents)	29.30	28.85
Diluted earnings per share (Cents)	29.25	28.83

Table 9: Statement of cashflows	2024 $'000	2023 $'000
Cash Flows from Operating Activities		
Receipts from customers	254,985	269,480
Payments to suppliers and employees (inclusive of GST)	(9,444)	(8,430)
Interest received	1,846	1,192
Interest expense	(2,747)	(1,963)
Tax paid	(74,457)	(77,957)
Net cash inflow/(outflow) from operating activities	170,183	182,322
Cash Flows from Investing Activities		
Payments for property, plant, and equipment	(88)	(89)
Net cash outflow from investing activities	(88)	(89)
Cash Flows from Financing Activities		
Dividends paid	(167,793)	(180,123)
Payment of borrowing establishment fee	(581)	-
Proceeds from borrowings	26,700	27,500
Repayment of borrowings	(26,700)	(27,500)
Repayment of lease liability	(148)	(74)
Net cash (outflow)/inflow from financing activities	(168,522)	(180,197)
Net increase/(decrease) in cash and cash equivalents	1,573	2,036
Cash and cash equivalents at the start of the period	29,491	27,456
Cash and cash equivalents at the end of the period	31,064	29,491

Table 10: Earnings and earnings adjustments	2024 $'000	2023 $'000
Net Profit After Tax (NPAT)	154,886	152,458
add back Income tax expense	66,702	65,254
Profit before tax	221,588	217,712
add back Net finance costs and FX gains	5,855	1,233
Operating profit before finance cost	227,443	218,945
Underlying EBIT	227,443	218,945
add back Depreciation and Amortisation	462	396
Underlying EBITDA	227,905	219,341
Adjusted Revenue	240,509	229,264
Underlying EBITDA margin (%)	95%	96%

Market Overview and Outlook

Deterra's primary commodity market exposure is to iron ore. The key ingredient in steel production, iron ore is a globally traded commodity with mature index pricing that reflects the supply and demand characteristics of the industry.

The first half of FY24 saw the 62% index price (CFR China) for iron ore range between US$100 to US$140 per tonne, averaging circa US$120 per tonne, an almost 2% increase from the second half of FY23. The second half of FY24 saw iron ore price range between US$97 and US$130 per tonne and averaging circa US$118 per tonne. Overall, realised price from the MAC Royalty averaging around US$110 per tonne (FOB) for FY24.

More recently, we have continued to see a decline in sentiment towards the global macroeconomic environment as well as medium term prospects for the Chinese economy. We anticipate that continued inflation, geopolitical instability and capital market uncertainty will create further headwinds for the global economy.

Whilst Deterra's royalty assets are not fully protected from these changed market conditions, the revenue based nature of the royalty instruments, low overheads, combined with exposure to high quality mining assets, demonstrates the relative attractiveness of our business model in inflationary environment. Within this context, Deterra's strategy remains to provide our shareholders with exposure to the excess cash generated by our existing assets, whilst actively seeking to build a larger, diversified portfolio of bulks, base and battery metal royalties through targeted value accretive transactions.

We anticipate further organic growth within our existing portfolio, as MAC looks to maintain the nameplate production capacity achieved in Q4 FY24 across a full year. At full name plate capacity of 145mtpa MAC will be the largest iron ore hub in the world and will form the baseload capacity of BHP's Western Australian Iron Ore operations. On completion of the Trident acquisition in early third quarter calendar year 2024 further royalties will be added to our portfolio.

Deterra's role as financier in a cyclical industry continues to focus on longer term investment horizons. Deterra continues to maintain a strong balance sheet and liquidity to ensure we have the required flexibility to make value accretive investments throughout the commodity cycle. We are now seeing that the changes in the global markets are presenting greater opportunity to demonstrate the relative advantages of the royalty financing model. We aim to continue to capitalise on this changed context to invest in a disciplined manner in attractive royalty opportunities.

Remuneration Report

Table of Contents

1 Letter from Committee Chair

Dear Shareholder,

On behalf of the Board, I am pleased to present this Remuneration report for the financial year to 30 June 2024 (FY24).

Performance outcomes

As noted in this Annual Report, 2024 was an important year in the execution of Deterra's business strategy. Key highlights include:

- **Strong financial performance and dividends to shareholders.** FY24 saw an increase in the Company's revenue and earnings, with strong realised iron ore pricing and more than offsetting slightly lower Mining Area C sales, notwithstanding the absence of a capacity payment (FY23: $13 million). This result has been reflected in dividend payments to shareholders with the Company declaring total FY24 dividends of 29.29 cents per share, fully franked;
- **Commencement of the Company's growth strategy,** with the announcement of an offer to acquire Trident Royalties Plc, bringing an attractive portfolio that provides immediate geographical diversification, commodity exposure to battery and precious metals, and multiple sources of earnings growth over time; and
- **Progress on key ESG objectives,** including improvement in third party ESG ratings, continued achievement of net zero emissions, and continuation of sponsorship of the Earbus program.

Disappointingly, despite generating strong earnings in FY24, the company did not consistently trade at a valuation premium that adequately reflects the high quality, high margin and financial exposure Deterra offers to a world class iron ore asset as well as the potential of Deterra to deliver accretive portfolio growth. In addition, the Trident acquisition and change to dividend payout approach were announced shortly before the June 30 year end and have negatively impacted share price as at 30 June 2024. Management remains focused on promoting the understanding of the Company's business model and growth strategy in both Australian and offshore markets.

Changes to FY24 remuneration approach

The Executive KMP remuneration framework was designed to promote long term sustainable growth and alignment between the management team and shareholders through a combination of fixed remuneration and a variable equity-based component linked to share price performance.

Executive KMP continue to be rewarded through a combination of fixed remuneration, short-term term individual performance-based incentives and long-term share performance-based incentives, as described in this report. No significant change to this structure was made in FY24.

Details of the operation of the remuneration framework for FY24 are provided in section 6.

As the Company pursues its growth strategy and begins to build a more diversified portfolio of assets, as exemplified by the proposed acquisition of Trident, we recognise that the remuneration structure will need to evolve to reflect the changing drivers of company performance. In that regard, it is anticipated that the Executive KMP structure will be refined by introducing an additional LTI performance metric based on shareholder returns relative to peer royalty companies. No change to the quantum of the opportunity is expected. Details of the change will be provided in the 2024 Notice of Annual General Meeting.

Remuneration outcomes

In determining FY24 remuneration, the Board has sought to maintain a balance between company performance, individual achievement and shareholder returns. In summary, FY24 outcomes are:

- **Fixed remuneration:** no fixed remuneration increases were awarded to Executive KMP in FY24;
- **Short term Incentive Plan (STI):** the Board has determined an STI outcome of 75 per cent of maximum for the Managing Director and Chief Executive Officer (MD & CEO), to be delivered two thirds in equity deferred equally over one and two years, and one third in cash. The Head of Corporate Development (formerly Chief Financial Officer until 4 December 2023) award is 75 per cent of maximum, also delivered two thirds in equity deferred equally over one and two years, and one third in cash. The Chief Financial Officer (CFO) (appointed 4 December 2023) award is 70 per cent of maximum, pro-rated for period of service during the year, also delivered two thirds in equity deferred equally over one and two years, and one third in cash;
- **Long term Incentive (LTI):** testing of the 2021 KMP LTI against performance threshold has resulted in the Board approving an outcome of 50.0 per cent of maximum for both the MD & CEO and the HCD (formerly CFO), with the award to be made in equity (see Section 6.3.4); and
- **Board fee movement:** no changes to the Non-Executive Director fees were made during FY24.

The Board believes these outcomes recognise fairly the performance of the business and management.

Sincerely,

Jason Neal

Chair, People and Performance Committee

2 Remuneration report overview

The directors of Deterra Royalties Limited present the Remuneration Report (the Report) for the Company and its controlled entities for the year ended 30 June 2024. The Report forms part of the Directors' Report and has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (the Act) and in compliance with AASB124 Related Party Disclosures and audited as required by section 308(3C) of the Act.

3 Remuneration Governance

3.1 People and Performance Committee

The People and Performance Committee (PPC or the Committee) provides advice and recommendations to the Board regarding remuneration matters.

A copy of the charter of the Committee is available on Deterra's website in the Policies and Charters section https://www.deterraroyalties.com/sustainability/policies-and-charters/.

Members of the Committee during FY24 were:

- J Warner – Independent Non-Executive Director and Chair of the People and Performance Committee (retired 31/3/2024)
- J Neal – Independent Non-Executive Director (full year), and Chair of the People and Performance Committee (appointed 31/3/2024)
- J Seabrook – Independent Non-Executive Director and Board Chair
- G Devlin – Independent Non-Executive Director
- A Stratton – Non-Executive Director

At the Committee's invitation, the Managing Director, and other relevant managers attend meetings in an advisory capacity and coordinate the work of external, independent advisors as requested. All executives are excluded from any discussions impacting their own remuneration.

Under its Charter, the Committee must meet at least twice a year. The Committee formally met four times during FY24. The Committee also met informally on a number of occasions to progress issues on foot and consider other matters as they arose.

The Committee engages external advisors as required. External advisers provide advice on market remuneration levels and mix, market trends, incentives and performance measurement, governance, taxation and legal compliance.

None of the Committee's engagements with remuneration consultants were for work that constituted a remuneration recommendation for the purposes of the Australian Corporations Act 2001. Findings were reported directly to the Committee or the Board.

3.2 Share Trading Policy

The Company's securities trading policy applies to all Non-Executive Directors (NEDs) and Executives. The policy prohibits employees from dealing in Deterra Royalties Limited securities while in possession of material non-public information relevant to the Company.

Executives must not enter into any hedging arrangements over unvested rights under the Company's equity incentive plans. Breach of this policy may lead to disciplinary action and potentially dismissal.

4 Key management personnel

Key management personnel (KMP) covered in this report are detailed below (See page 28 and 29 for details of each KMP). KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling activities of the company.

Senior executives including the Manager Director, Chief Executive Officer (MD & CEO), Head of Corporate Development and Chief Financial Officer (CFO) are referred to as "Executive KMP".

Table 1: Key management personnel

Non-Executive Directors		
J Seabrook	Independent Non-Executive Chair	Full year
G Devlin	Independent Non-Executive Director	Full year
J Warner	Independent Non-Executive Director	Retired 31 March 2024
A Stratton	Non-Executive Director	Full year
J Neal	Independent Non-Executive Director	Full year
Executive Director		
J Andrews	MD & CEO	Full year
Executives		
B Ryan	Head of Corporate Development (formerly CFO until 3 December 2023)	Full year
J Clifton	CFO and Joint Company Secretary	Appointed 4 December 2023

5 Remuneration strategy

The principles and objectives of the Deterra remuneration policy are to:

- Attract, retain and motivate the talented people with the necessary skills to create value for shareholders;
- Reward executives and other employees fairly and responsibly, having regard for the performance of Deterra, the competitive environment and the individual performance of each employee;
- Ensure alignment of executive interests with shareholders;
- Provide a clear link between company performance and remuneration outcomes;
- Ensure remuneration outcomes are consistent with Deterra's short-term and long-term strategic objectives and the delivery of long-term shareholder wealth creation; and
- Comply with all relevant legal and regulatory provisions.

6 Executive remuneration

Deterra's Executive KMP remuneration structure for FY24 incorporates fixed and variable components:

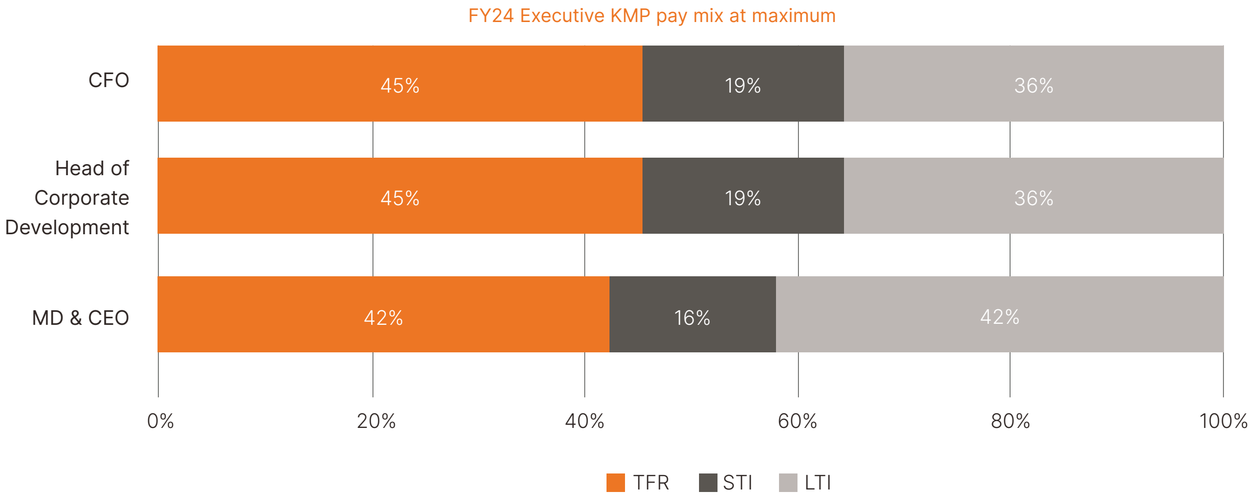
Table 2: Remuneration mix

Fixed pay	Variable, at risk, pay
Total Fixed Remuneration (TFR) comprises cash salary, employer contributions to superannuation and salary sacrifice benefits. Approach: TFR is reviewed annually by the Board to ensure it remains competitive in the market for which the Company seeks executives. In setting the TFR, the Board has regard for the size and complexity of the position, the skills and experience required for success, and individual qualifications. No change in TFR was made for FY24.	**STI** Purpose: To reward Executive KMP for achievement of strategic objectives over an annual performance period that will contribute to increasing shareholder value. Approach: Annual Executive KMP performance is set and assessed by the Board through a balanced scorecard that includes a range of key measures that directly affect shareholder value. Each scorecard measure is weighted according to its importance, is measurable and is assessed quantitatively and qualitatively. Two thirds of the STI outcome is to be in the form of share rights and deferred for up to two years. One third is to be in cash and payable at the conclusion of the STI performance period. No change in STI was made for FY24. **LTI** Purpose: To align executive accountability and remuneration with the long-term interests of shareholders by rewarding the delivery of sustained performance. Approach: LTI is provided in the form of performance rights and is subject to a three-year performance period. No change in LTI was made for FY24.

6.1 Executive remuneration mix

The following diagram shows the proportion of executive remuneration that is fixed and at risk.

Figure 1: Remuneration at maximum

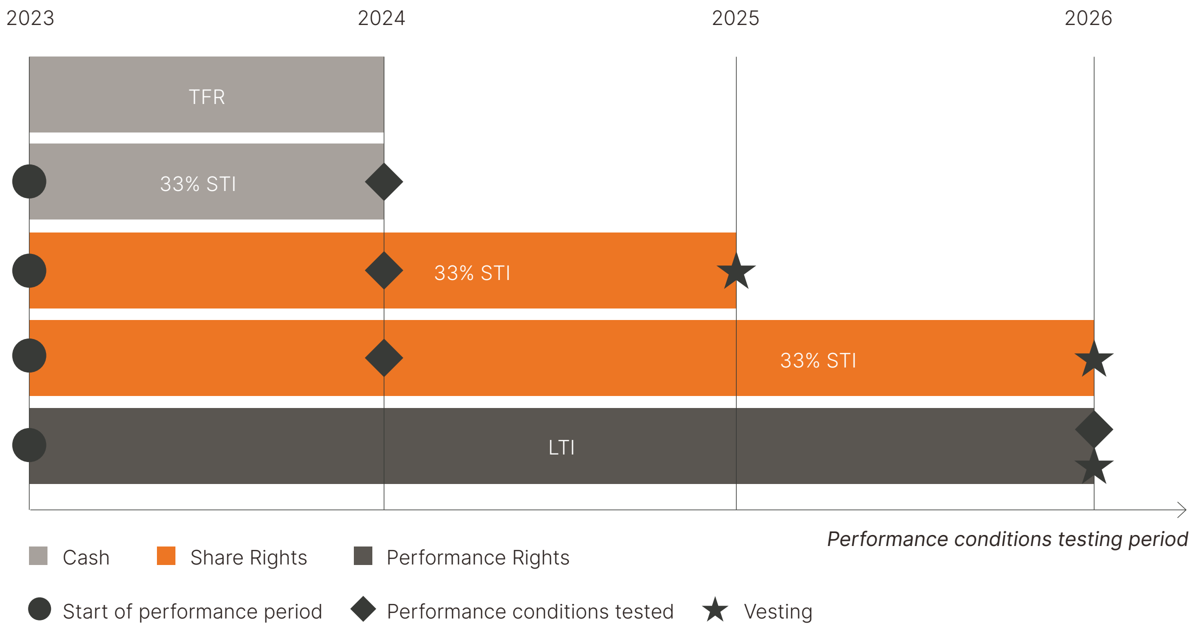


In addition, a one-off Initial Equity Grant (IEG) of Performance Rights was granted to the CFO on his appointment in FY24. The award is 20% of the CFO's TFR, to be vested in two tranches in December 2024 and 2025, respectively. See section 6.2.3 for the performance rights details.

6.2 Executive TFR and incentive remuneration structure

The following diagram outlines the executive remuneration structure. Further details on the individual elements is provided below.

Figure 2: Remuneration structure[1]



[1] The figure does not include the one-off incentives as discussed in section 6.1.

6.2.1 Short-term incentive (STI)

The elements and terms of the STI are set out in Table 3 below.

Table 3: STI plan

Purpose	To reward Executive KMP for achievement of strategic objectives over an annual performance period that contribute to increasing shareholder value.
Participants	MD & CEO, CFO, Head of Corporate Development
Payment vehicle	One third of the STI award is paid in cash and two-thirds are deferred in share rights.
Maximum opportunity	40% of TFR for the MD & CEO, CFO and the Head of Corporate Development
Performance period	1 July 2023 to 30 June 2024; 4 December 2023 to 30 June 2024 (CFO only)
Performance Measurement Date	Following finalisation of FY24 financial results
Performance	Annual Executive KMP performance is set and assessed by the Board through a balanced scorecard condition that includes a range of key financial and non financial measures that directly affect shareholder value. Each scorecard measure is weighted according to its importance, is measurable and is assessed quantitatively and qualitatively. For FY24, Performance measures revolve around four main categories: • Strategic Initiatives • Shareholder returns • People, culture & capabilities • Environment, social and governance Section 6.3.2 provides a detailed explanation of the targets set for FY24, how they were measured and our assessment of performance.
Scorecard	STI scorecard outcomes are calculated based on the following schedule. Awards from 50 to 100% of opportunity are on a linear basis consistent with the level of performance attained.
Award timing	The cash payment (one-third of STI award) is made, and the share rights (two-thirds of STI award) are granted as soon as practicable after the performance period and no later than three months after that date. The share rights will vest in two equal tranches, subject to continued service or Board discretion for good leaver: • 50% vests after 30 June 2025, and • 50% vests after 30 June 2026.
Allocation	Share rights are granted by the Company and are based on the five trading day volume weighted method average price of Deterra's shares during the period of 1 July 2024 to 7 July 2024 ($4.10). Share rights held by the participant subject to the satisfaction of the vesting conditions. Shares to satisfy the exercise of vested share rights may be issued by the Company or acquired on market.
Treatment of dividends and voting rights	Share rights do not have voting rights or dividend rights during the performance period and before being vested. For share rights that vest, additional shares may be allocated, or a cash payment will be made, equal in value to the amount of dividends paid (not grossed up for franking credits) on the underlying shares during the period from grant of the rights to exercise on a reinvested basis.
Malus and/or clawback	The Deterra Board may apply malus to incentives that have yet to vest and even clawback incentives that have already vested where: • the executive acts fraudulently or dishonestly; or • there is material misstatement or omission in the accounts of Deterra; or • the award has resulted in an inappropriate benefit being awarded.
Restriction on hedging	Hedging of entitlements by executives is not permitted.
Treatment on termination	The share rights are granted on the basis that they remain on foot on cessation of employment with the Board having the discretion to forfeit some, none or all of the STI Rights having regard for the facts and circumstances in which the executive's employment ceases.
Board discretion	The Board has discretion to vary STI outcomes having regard for the circumstances at the time (including in the event the STI outcome would result in an inappropriate outcome).
Change of control	Vesting is subject to board discretion, taking into account performance to the date of change in control.

6.2.2 Long-term incentive (LTI)

The elements and terms of the LTI are set out in Table 4.

Table 4: LTI plan

Purpose	To align executive accountability and remuneration with the long term interests of shareholders by rewarding the delivery of sustained performance.
Participants	MD & CEO, Head of Corporate Development and CFO
Date of grant	1 November 2023 (MD & CEO, Head of Corporate Development) 19 December 2023 (CFO)
Equity vehicle	Performance Rights (PRs) which are rights to acquire ordinary shares in the Company for nil consideration, conditional on the achievement of predetermined market performance requirements within defined time restrictions.
Maximum opportunity	100% of TFR for the MD & CEO 80% of TFR for the CFO and Head of Corporate Development Performance rights were allocated at face value using the five trading day volume weighted average price of Deterra shares during the period 1 July 2023 to 7 July 2023 ($4.57) for MD & CEO and Head of Corporate Development, and the five trading day volume weighted average price of Deterra shares during the period 4 December 2023 to 8 December 2023 ($4.99)
Performance period	1 July 2023 to 30 June 2026; 4 December 2023 to 30 June 2026 (CFO only)
Performance measurement date	Following finalisation of FY26 financial results
Vesting of PRs	As soon as practicable after testing at the end of the performance period.
Performance conditions	There are two equally weighted performance conditions one based on relative TSR and one on share price performance. For the purpose of calculating TSR, share price performance and the performance of ASX 200 Resources Accumulation Index or the Platts 62% Iron Ore CFR China Index, the following opening and closing measures will be used: • Opening price will be based on the 30 trading day volume weighted share price/index price starting on the first day of the Performance Period. • Closing price will be based on the 30 trading day volume weighted share price/index price up to and including the final day of the Performance Period. Further details are set out in section 6.2.2.1.
Acquisition of PRs and shares	PRs are granted by the Company and held by the participant subject to the satisfaction of the vesting conditions. The number of rights held may be adjusted pro rata, consistent with ASX adjustment factors for any capital restructure. Shares to satisfy the exercise of vested PRs may be issued by the Company or acquired on market.
Treatment of dividends and voting rights	Performance rights do not have voting rights or dividend rights during the performance period and before being vested. For performance rights that vest, additional shares may be allocated, or a cash payment will be made, equal in value to the amount of dividends paid (not grossed up for franking credits) on the underlying shares during the period from grant of the rights to exercise on a reinvested basis.
Malus and/or clawback	The Deterra board may apply malus to incentives that have yet to vest and even clawback incentives that have already vested where: • the executive acts fraudulently or dishonestly; or • there is material misstatement or omission in the accounts of Deterra; or • the award has resulted in an inappropriate benefit being awarded.
Restriction on hedging	Hedging of entitlements by executives is not permitted
Treatment on termination	Unless the Board determines otherwise, in an event an executive KMP is terminated for cause, any unvested Rights will lapse. Where the employment was ceased for other reasons, unless the board determines otherwise, the unvested Rights will generally remain on foot subject to the original terms of grant.
Board discretion	The Board has discretion to vary LTI outcomes having regard for the circumstances at the time (including in the event the LTI outcome would result in an inappropriate outcome).
Change of control	Vesting is subject to board discretion, taking into account performance to the date of change in control.

6.2.2.1 Performance conditions

The relative TSR tranche (which forms 50 per cent of the performance condition) provides that the TSR of the Company will be measured against the ASX 200 Resources Accumulation Index over the performance period to determine the level of vesting.

The vesting scale that will apply to the Performance Rights subject to the relative TSR test is shown in Table 5:

Table 5: TSR vesting condition

Performance level	DRR TSR ranking	% vesting
Less than threshold	Below index performance	0%
Threshold	Equal to index performance	50%
Above threshold but below maximum	Above index performance but less than 6% above index	Linear vesting between 50% and 100%
Maximum	6% or more above index	100%

The tranche for the relative share price performance (which forms the other 50 per cent of the performance condition) is based on the Company's compound annual share price performance compared to the Australian dollar equivalent Platts 62 per cent Iron Ore CFR China Index.

The vesting scale that will apply to the Performance Rights subject to the relative share price performance is shown in Table 6.

Table 6: Relative share price performance vesting condition

	Share	% vesting
Less than threshold	<2% above index	0%
Threshold	Equal to 2% above index	50%
Above threshold but below maximum	More than 2% above index but less than 6% above index	Linear vesting between 50% and 100%
Maximum	6% and above index	100%

6.2.3 IEG Award

A one-off Initial Equity Grant of Performance Rights was granted to the CFO on his appointment in FY24. The Board determined the award on the following key terms:

Table 7: IEG Award

Participant	CFO
Date of grant	19 December 2023
Equity vehicle	Performance Rights (PRs) which are rights to acquire ordinary shares in the Company for nil consideration, conditional on the achievement of predetermined market performance requirements within defined time restrictions.
Maximum opportunity	20% of TFR Performance rights were allocated at face value using the five trading day volume weighted average price of Deterra shares during the period 27 November 2023 to 1 December 2023 ($4.99).
Performance periods	Tranche 1: 4 December 2023 to 3 December 2024 Tranche 2: 4 December 2023 to 3 December 2025
Vesting of PRs	As soon as practicable after testing at the end of the performance period.
Performance conditions	Each tranche of performance rights will be subject to two equally weighted performance conditions, the same as the LTI award. Refer to details in section 6.2.2 and 6.2.2.1.

6.3. Remuneration outcomes for FY24

6.3.1. Company Performance

Table 8: FY24 Financial performance

		FY24	FY23
Revenue	$'000	240,509	229,264
Net profit/(loss) after tax	$'000	154,886	152,458
Basic earnings per share	$	0.2930	0.2885
Diluted earnings per share	$	0.2925	0.2883
Closing share price (30 June)	$	3.99	4.60

6.3.2. 2024 STI Scorecard and Outcomes Achieved

The STI Scorecard is approved by the Board at the start of the financial year. The following targets and objectives are set for MD & CEO for FY24:

Table 9: STI scorecard

Scorecard measure	Weight	Performance	Score
Strategic initiatives	50%		41
• Improve origination capability and competitive position by ensuring: • visibility on and access to high quality investment deal-flow • reputation as a high-quality counter-party; • capital management maturity and flexibility providing access to capital at a competitive cost		• Continued growth in quality and quantity of opportunities assessed • Active pipeline of new investment opportunities • Expansion and extension of credit facilities at competitive cost	
• Market engagement: • Identify and develop new sources of investor demand • Increase awareness of DRR outside of existing markets		• Implemented targeted investor marketing activity	
• Improve investment review and decision making processes		• Risk and value-based assessment and evaluation approach updated	
Shareholder returns	20%		10
• Deliver sustainable earnings growth • Gain recognition of Deterra as a high quality investment with valuation reflecting option value		• Earnings growth achieved, with EBITDA up 4% and EPS 2% • Deterra trading at a discount to NAV, as measured by consensus of DRR analyst coverage	
Environment, social & capability	10%		8
• Ensure ESG considerations are factored into all decision making • Improve Deterra's ratings with key ESG rating agencies		• ESG considerations applied in investment evaluation and decision making • Achieved year on year improvement in external agency ESG ranking	
People, Culture & Capability	20%		16
• Promotes, reinforces and reflect Deterra values • Ensure capability to execute strategy through team structure, resourcing and development		• Demonstrates personal values strongly aligned with DRR (discipline, challenge, collaboration, creativity, integrity) • Capability enhanced through additional resourcing and structural realignment	
Total	100%		75

6.3.3. STI Awards from FY24 Scorecard Outcomes

The following table presents the outcomes of the STI award attributed to the performance year ended at 30 June 2024. The face value of the share rights has been presented, as the fair value will not be determined until the grant is made in late August 2024.

Table 10: STI outcome for FY24

Executive KMP	Maximum STI Opportunity	% of maximum STI earned	% of maximum STI forfeited	STI Cash	Tranche 1 Share Rights	Tranche 2 Share Rights	Total
J Andrews	$360,000	75%	25%	$90,000	$90,000	$90,000	$270,000
B Ryan	$230,000	75%	25%	$57,500	$57,500	$57,500	$172,500
J Clifton[1]	$127,460	70%	30%	$29,740	$29,740	$29,740	$89,220

Notes:

1 J Clifton commenced as the CFO on 4 December 2023.

6.3.4. 2022 LTI outcome in FY24

The following table presents the vesting test results of the 2022 LTI award:

Table 11: 2022 LTI outcome in FY24

Measure	Performance Outcome	% Weighting	% of LTI that vested
Relative TSR	Lapsed	50%	0%
Relative share price growth to Iron Ore Price	Vested	50%	50%
	Overall	100%	50%

6.3.5. Vesting of FY23 Management Alignment Rights

In FY23, a one-off Management Alignment Rights were granted to the Head of Corporate Development (CFO in FY23), given the heightened demand for senior executives with resource experience globally at the time, the stage of development of the Company's investment process, the increased volume of opportunities being considered, both internally and externally generated, and a desire to maintain corporate knowledge and stability in the team.

The rights were fully vested and exercisable in FY24, given the vesting condition of continued employment to 1 September 2023 has been met.

6.3.6. Actual pay received/ receivable in FY24

Table 12 below sets out the 'Actual Pay Received/ receivable' by Executive KMP for FY24 in Australian dollars. It is included to complement the statutory remuneration disclosures to better illustrate the remuneration received or receivable by Executives for service and performance over FY24.

Table 12: Actual pay received/ receivable in FY24

			STI				
Executive	TFR	Other[1]	Cash[2]	Share Rights[2]	2022 LTI[3]	MAR[4]	Total
J Andrews	$900,000	$53,466	$90,000	$180,000	$381,246	-	$1,604,712
B Ryan	$575,000	$41,528	$57,500	$115,000	$194,090	$142,983	$1,126,101
J Clifton[5]	$318,651	$5,050	$29,740	$59,480	-	-	$412,921

Notes:

1 Represents dividend equivalent payments for J Andrews in relation to vesting of 2021 LTI award and 2022 STI award, dividend equivalent payments for B Ryan in relation to vesting of 2021 LTI award, MAR award and 2022 STI award, and parking for J Andrews, B Ryan and J Clifton.

2 Represents outcome from FY24 STI per table 10. Cash is to be paid in August 2024. The value of the share rights presented is the face value of the award, as the fair value will not be determined until the grant is made in late August 2024.

3 Relates to outcome from 2022 LTI per table 11, which will vest and become exercisable into shares in August 2024. The estimated market value of the 2022 LTI performance rights was calculated using 30 June 2024 closing share price of $3.99.

4 Relates to the one-off Management Alignment Rights granted in FY23 which vested in September 2023. The value shown as pay received is the number of shares that vested (32,131) multiplied by the vesting date share price ($4.45).

5 J Clifton commenced as the CFO on 4 December 2023.

While this disclosure is not the same as the remuneration expensed (see table 13) in accordance with the accounting standards, it has been audited together with the rest of the remuneration report.

6.3.7. Executive KMP statutory

Table 13 sets out the remuneration of Executive KMP for FY24 in Australian Dollars and has been prepared in accordance with the requirements of Section 300A of the Australian Corporations Act 2001 and associated accounting standards.

Table 13: Statutory remuneration

Executive	Base Salary	Super-annuation	Non-monetary Benefits[1]	Short-term cash incentive[2]	Annual Leave	Share Based Payment: Restricted Shares	Share Based Payment: Performance/ Share Rights[3]	Total Statutory Remuneration	% of performance-based remuneration
J Andrews									
2024	$872,601	$27,399	$10,097	$90,000	$17,096	-	$642,348	$1,659,541	44%
2023	$799,708	$25,292	$9,368	$77,000	($33,283)	$19,841	$664,892	$1,562,818	49%
B Ryan									
2024	$547,601	$27,399	$10,097	$57,500	$32,002	-	$374,642	$1,048,242	41%
2023	$499,708	$25,292	$9,368	$52,500	$12,497	-	$461,889	$1,061,254	37%
J Clifton[4]									
2024	$302,668	$15,983	$5,050	$29,740	$6,648	-	$74,715	$436,238	24%
2023	-	-	-	-	-	-	-	-	-

Notes:

1 Represents car parking for Executive KMP

2 FY24 Short-term Incentive award cash component will be paid in August 2024. The value shown is that accrued for FY24.

3 Represents the value of vested and unvested equity expensed during the period including the probability of the incentives vesting, in accordance with AASB 2 Share-based Payment, related to grants made to the executive. Vesting of the majority of securities remains subject to significant performance and service conditions as outlined in the above sections.

4 J Clifton commenced as the CFO on 4 December 2023.

6.4 Executive KMP Share and other equity holdings

6.4.1 Executive KMP shareholdings

The movements in share and other equity holdings for executive KMP are set out in Table 14. Details of Non-Executive director shareholdings are set out in Table 21 in Section 8.

Table 14: Executive KMP shareholdings

Executive	Instrument	Held at 1/7/23	Granted as compensation	Received on exercise of rights	Disposed	Held at 30/6/2024
J Andrews[1]	Ordinary shares	126,909	-	72,507	(5,050)	194,366
B Ryan	Ordinary shares	20,000	-	36,969		56,969
J Clifton	Ordinary shares	-	-	-	-	

Notes:

1 J Andrews' disposal reflects cessation of indirect interests following distribution of shares held on trust to beneficiary.

6.4.2. Performance and Share Rights details

All Performance Rights and Share Rights are exercisable following vesting. Table 15 provides details of the various Performance Rights and Share Rights granted and that remain on foot. Performance Rights and Share Rights are exercised into ordinary shares on a one for one basis.

Table 15: Performance Rights and Share Rights details

					Balance at the start of the year						Balance at the end of the year	
Name & Grant Dates	Grant Type	Fair Value at Grant Date	Vesting Year	Expiry Year[1]	Rights Outstanding	Granted in FY24	Vested/ exercised		Lapsed		Unvested	Rights vested not exercised
		$			#		#	%	#	%	#	
J Andrews												
7-Dec-20	2021 LTI PRs	$3.50/ $3.10	FY24	FY24	192,888		72,507	38%	120,381	62%	-	
20, Dec, 2021[2]	2022 LTI PRs	$2.44/ $3.21	FY25	FY30	191,101						191,101	
9-Nov-22	2023 LTI PRs	$2.02/ $2.48	FY26	FY31	198,646						198,646	
1-Nov-23	2024 LTI PRs	$3.09/ $2.20	FY26	FY32	-	196,898					196,898	
9-Nov-22	2022 STI SRs	$4.23	FY24	FY31	15,892						15,892	15,892
9-Nov-22	2022 STI SRs	$4.23	FY25	FY31	15,892						15,892	
15-Aug-23	2023 STI SRs	$4.57	FY25	FY32	-	16,846					16,846	
15-Aug-23	2023 STI SRs	$4.57	FY26	FY32	-	16,846					16,846	
FY25[3]	2024 STI SRs	$3.99	FY26	FY32	-						-	
FY25[3]	2024 STI SRs	$3.99	FY27	FY32	-						-	
Total					614,419	230,590	72,507		120,381		652,121	15,892

Notes:

1 Rights vested under various awards are not automatically exercised and must be exercised by the Executive KMP before the expiry date.

2 Refer to section 6.2.2.1 for the vesting result of 2022 LTI award.

3 The performance period for the FY24 STI was concluded on 30 June 2024. The share rights under the award will be granted in late August 2024, which will be allocated based on 5 day VWAP from 1/7/2024 to 5/7/2024. The fair value at grant represents the estimated fair value using the closing share price of $3.99 at 30 June 2024. The actual value will be the closing price on the actual grant date. The estimated number of share rights to be granted in late August are 21,964, 14,033, and 7,175 for Mr Andrews, Mr Ryan and Mr Clifton, respectively.

6.4.2. Performance and Share Rights details (continued)

Table 15: Performance Rights and Share Rights details

Name & Grant Dates	Grant Type	Fair Value at Grant Date	Vesting Year	Expiry Year[1]	Balance at the start of the year: Rights Outstanding	Granted in FY24	Vested/ exercised		Lapsed		Balance at the end of the year: Unvested	Rights vested not exercised
		$			#		#	%	#	%	#	
B Ryan												
7-Dec-20	2021 LTI PRs	$3.5/ $3.1	FY24	FY24	98,198		36,913	38%	61,285	62%	-	
20 Dec, 2021[2]	2022 LTI PRs	$2.44/ $3.21	FY25	FY30	97,288						97,288	
9-Nov-22	2023 LTI PRs	$2.02/ $2.48	FY26	FY31	101,128						101,128	
1-Nov-23	2024 LTI PRs	$3.09/ $2.20	FY26	FY32	-	100,637					100,637	
9-Nov-22	2022 STI SRs	$4.23	FY24	FY31	10,113						10,113	10,113
9-Nov-22	2022 STI SRs	$4.23	FY25	FY31	10,113						10,113	
14-Dec-22	MAR SRs	$4.66	FY24	FY31	32,131						32,131	32,131
15-Aug-23	2023 STI SRs	$4.57	FY25	FY32	-	11,486					11,486	
15-Aug-23	2023 STI SRs	$4.57	FY26	FY32	-	11,486					11,486	
FY25[3]	2024 STI SRs	$3.99	FY26	FY32	-						-	
FY25[3]	2024 STI SRs	$3.99	FY27	FY32	-						-	
Total					348,971	123,609	36,913		61,285		374,382	42,244
J Clifton												
19-Dec-23	2024 LTI PRs	$2.90/ 2.95	FY26	FY32	-	50,591					50,591	
19-Dec-23	IEG SRs	$2.59/ $2.74	FY25	FY32	-	11,022					11,022	
19-Dec-23	IEG SRs	$2.82/ $2.85	FY26	FY32	-	11,021					11,021	
FY25[3]	2024 STI SRs	$3.99	FY26	FY32	-						-	
FY25[3]	2024 STI SRs	$3.99	FY27	FY32	-						-	
Total					-	72,634	-		-		72,634	-

Notes:

1 Rights vested under various awards are not automatically exercised and must be exercised by the Executive KMP before the expiry date.

2 Refer to section 6.2.2.1 for the vesting result of 2022 LTI award.

3 The performance period for the FY24 STI was concluded on 30 June 2024. The share rights under the award will be granted in late August 2024, which will be allocated based on 5 day VWAP from 1/7/2024 to 5/7/2024. The fair value at grant represents the estimated fair value using the closing share price of $3.99 at 30 June 2024. The actual value will be the closing price on the actual grant date. The estimated number of share rights to be granted in late August are 21,964, 14,033, and 7,175 for Mr Andrews, Mr Ryan and Mr Clifton, respectively.

6.5. Key Terms of Executive KMP Employment Contracts

6.5.1. Notice and termination payments

Table 16 sets out the contractual provisions for current Executive KMP.

Table 16: KMP contracts

Name	Position	Contract Type	Notice Period for Company	Notice Period for Employee	Termination Payment	Treatment of LTI on termination
J Andrews						
	MD & CEO	Permanent	6 Months	6 Months	6 Months	Board discretion
B Ryan						
	Head of Corporate Development	Permanent	6 Months	6 Months	6 Months	Board discretion
J Clifton						
	CFO	Permanent	6 Months	6 Months	6 Months	Board discretion

Termination payments are calculated based upon total fixed remuneration at the date of termination. No payment is made for termination due to gross misconduct.

6.5.2. Managing Director & Chief Executive Officer employment agreement

Table 17: Managing Director & Chief Executive Officer contract Feature

Feature	Approach
Term	Until terminated by either party.
TFR	$900,000 per annum. Fixed remuneration includes superannuation and non cash benefits but excludes entitlements to reimbursement.
STI	Mr Andrews is eligible to receive an annual STI and the maximum STI opportunity is 40% of TFR. The STI is paid one third cash, and two thirds share rights. Further details are discussed in section 6.2.1
LTI	Mr Andrews is eligible to receive an annual LTI grant and the maximum LTI opportunity is 100% of TFR. Further details are discussed in section 6.2.2
Termination	Mr Andrews can resign: By providing six months' written notice; or • Immediately in circumstances where there is a fundamental change in his role or • responsibilities. In these circumstances, Mr Andrews is entitled to a payment in lieu of 6 months' notice. Deterra can terminate Mr Andrews' employment: • Immediately for misconduct or other circumstances justifying summary dismissal; or • By providing 6 months' written notice. If Mr Andrews resigns he will be subject to a six month post employment restraint.
Other	The agreement contains provisions regarding leave entitlements, duties, confidentiality, intellectual property, moral rights and other facilitative and ancillary clauses. It also contains provisions regarding corporate governance and a provision dealing with the Corporations Act 2001 (Cth) limits on termination benefits to be made to Mr Andrews.

7 Non-Executive director remuneration

7.1. Remuneration Policy

Remuneration for Non-Executive Directors is determined by reference to relevant external market data and takes into consideration the level of fees paid to directors of other Australian corporations of similar size and complexity to Deterra. Remuneration for Non-Executive Directors is subject to the aggregate limit of $1 million in any calendar year that may be changed in future years with shareholder approval.

Fees for Non-Executive Directors are fixed and are not linked to the financial performance of the Company. Non-Executive Directors are not entitled to retirement benefits.

Table 18 sets out the fee structure that has applied since listing in October 2020.

Table 18: Board fees policy per annum, inclusive of superannuation

	FY24
Chair fees	$225,000
Member fees	$150,000

No additional or separate fees are paid for service.

In addition to Board fees, Non-Executive Directors are entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, Committees or shareholders or while engaged on Deterra business.

There are no share or performance based plans for Deterra Non-Executive Directors. Table 19 details the statutory remuneration for the Non-Executive Directors.

Table 19: Non-Executive Director statutory remuneration

Name	Year	Base Fees	Superannuation	Non-Monetary Benefits	Total Statutory Remuneration
J Seabrook	2024	$225,000	-	-	$225,000
	2023	$214,310	$10,690	-	$225,000
G Devlin	2024	$135,135	$14,865	-	$150,000
	2023	$135,747	$14,253	-	$150,000
J Warner[1]	2024	$101,351	$11,149	-	$112,500
	2023	$135,747	$14,253	-	$150,000
A Stratton[2]	2024	-	-	-	-
	2023	-	-	-	-
J Neal[3]	2024	$150,000	-	-	$150,000
	2023	$88,077	-	$2,325	$90,402

Notes:

1 J Warner retired as director on 31 March 2024.

2 A Stratton is a nominee of Deterra's largest shareholder Iluka Resources Limited and is not remunerated.

3 J Neal commenced as director on 30 November 2022. The non-monetary benefits in FY23 included the Australian immigration and tax services for J. Neal (a non-Australian resident).

8 Minimum Shareholding Requirement Policy

Deterra has adopted a Minimum Shareholding Policy to strengthen the alignment of the interests of directors and executives of Deterra with the long term interests of Deterra's shareholders.

Executive Key Management Personnel

The Policy was first extended to Executive KMP in August 2021 and revised in April 2023, requiring:

- the CEO & Managing Director to meet a minimum shareholding requirement of 100 per cent of his total fixed remuneration; and
- the Head of Corporate Development and CFO to meet a minimum shareholding requirement of 80 per cent of his total fixed remuneration.
- In each case within five years of appointment to the participating position.

While newly appointed CFO has not yet accumulated the required shareholding value, it is expected he will meet the timeframe requirement through participating in Deterra's employee incentive schemes.

Non-Executive Directors

The Policy required all Non-Executive directors to meet a minimum shareholding requirement of 100 per cent of their annual base fees (pre-tax) within five years of appointment. The policy was revised in April 2023 for all NEDs to meet this requirement within three years of appointment.

Table 20 summarises the current applicable MSR under this Policy, while Table 21 shows share movements that occurred during the financial year.

Table 20: Minimum Shareholding Policy requirements

Individual covered by this policy	Minimum Shareholding Percentage of TFR / annual fees
MD & CEO	100%
Head of Corporate Development	80%
CFO	80%
Chair of the Board	100%
Other Non-Executive Directors	100%

Table 21: KMP shareholdings

	Ordinary Shares					Share / Performance Rights[1]		
Director	Held at 30/6/23	Received on exercise of rights	Acquisition	Disposal	Held at 30/6/24	Vested & exercisable	Unvested	Minimum shareholding met
J Seabrook[2]	94,776		24,224	24,000	95,000			Yes
G Devlin[3]	40,000		15,000		55,000			Yes
J Warner[4]	50,000				50,000			Yes
A Stratton	43,260				43,260			Yes
J Neal[5]	5,000		32,000		37,000			Yes
J Andrews[6]	126,909	72,507		5,050	194,366	15,892	49,584	Yes
B Ryan	20,000	36,913			56,913	42,244	55,103	Yes
J Clifton[7]	-				-			No

Notes:

1 The minimum shareholding assessment takes into account vested performance or share rights; and unvested performance/ share rights, where the only unsatisfied vesting condition relates to continuity of service.

2 J Seabrook's acquisition comprises on-market purchase of 16,224 shares and receipt of bequest of 8,000 shares. Disposal of shares represent lapse of power of attorney.

3 G Devlin's acquisition comprises on market purchase.

4 J Warner retired on 31 March 2024, shareholding at 30 June represents the shares held on retirement.

5 J. Andrew's disposal reflects cessation of indirect interests following distribution of shares held on trust to beneficiary.

6 J Neal commenced as director on 30 November 2022. His acquisition comprises on market purchase.

7 J Clifton commenced as CFO on 4 December 2023.

Corporate Governance

Matters subsequent to the EOFY (Refer notes)

There are no matters or circumstances that have arisen since 30 June 2024 that have significantly affected, or may significantly affect the consolidated entity’s operations, the results of those operations, or the consolidated entity’s operations, or the consolidated entity’s state of affairs in future financial years other than (1) the Board recommending a final dividend of 14.40 cents per share which is equal to $76,128,000; (2) Shareholders of Trident have voted to approve the Scheme of Arrangement; and (3) The Group has extended $130 million facilities expiring in 2025 to 2028. For further information regarding matters subsequent to the end of the financial year, see Note 16 on page 79 of the Financial Report.

Likely developments (Refer Operations & Financial Review)

In the opinion of the Directors, it would prejudice the interests of the Group to provide additional information, except as reported in this Directors’ Report (including the Operating and Financial Review from pages 26 to 39 of this report), relating to likely developments in the operations of the Group and the expected results of those operations in the financial years subsequent to the financial year ended 30 June 2024.

Environmental regulation (Refer Sustainability Report)

The consolidated entity seeks to be compliant with all applicable environmental laws and regulations relevant to its operations. Management is not aware of any environmental laws or regulations that have not been complied with during the financial year. For further information regarding Deterra’s sustainability reporting, see page 12 of this Annual Report.

Auditor

PricewaterhouseCoopers continues in office, in accordance with the *Corporations Act 2001* (Cth) (Corporations Act). For a copy of the Auditor’s Independence Declaration, as required under section 307C of the Corporations Act, see page 58.

Non-audit services

The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the Company and/or the Group are important. No non-audit services were provided by PwC for the year ended 30 June 2024.

Corporate Governance Statement (Refer CGS)

The Company has, for FY24, elected to disclose the Corporate Governance Statement only on the Company’s website. The Corporate Governance Statement can be found at https://www.deterraroyalties.com/sustainability/corporate-governance/.

Use of cash and assets

During the period between admission to the Official List of ASX and the end of the reporting period, Deterra used the cash and assets in a form readily convertible to cash that it had at the time of admission to the ASX, in a way consistent with its business objectives. This statement is made pursuant to ASX Listing Rule 4.10.19.

Jennifer Seabrook
Independent Chair

Julian Andrews
Managing Director &
Chief Executive Officer

Auditor's Independence Declaration

As lead auditor for the audit of Deterra Royalties Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Deterra Royalties Limited and the entities it controlled during the period.

Ian Campbell
Partner
PricewaterhouseCoopers

Perth
19 August 2024

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Financial Report

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Royalty revenue	2	240,509	229,264
Business Development		(3,521)	(1,395)
Operating expenses	3	(9,083)	(8,528)
Depreciation and amortisation		(462)	(396)
Operating profit before finance cost		**227,443**	**218,945**
Net finance cost	4	(1,667)	(1,215)
Derivative financial instrument loss	12a	(4,174)	-
Net foreign exchange losses		(14)	(18)
Profit before tax		**221,588**	**217,712**
Income tax expense	5	(66,702)	(65,254)
Net Profit After Tax		**154,886**	**152,458**
Other comprehensive profit for the period, net of tax		-	-
Total comprehensive profit for the period		**154,886**	**152,458**
Total and continuing earnings per share:			
Basic earnings per share ($)	20	0.2930	0.2885
Diluted earnings per share ($)	20	0.2925	0.2883

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $'000	2023 $'000
Current Assets			
Cash and cash equivalents	7a	31,064	29,491
Trade and other receivables	7b	58,660	73,104
Income tax receivable		1,487	620
Prepayments		1,065	558
Total Current Assets		**92,276**	**103,773**
Non-Current Assets			
Royalty intangible assets	8	7,982	8,289
Property, plant and equipment		156	99
Prepayments		415	1,141
Right-of-use assets		465	171
Total Non-Current Assets		**9,018**	**9,700**
Total Assets		**101,294**	**113,473**
Current Liabilities			
Trade and other payables	7c	2,686	768
Provisions		223	130
Lease liability		95	70
Derivative financial instrument	12a	4,174	-
Total Current Liabilities		**7,178**	**968**
Non-Current Liabilities			
Lease liability		402	116
Borrowings	7d	-	-
Deferred tax	6	13,362	20,251
Total Non-Current Liabilities		**13,764**	**20,367**
Total Liabilities		**20,942**	**21,335**
Net Assets		**80,352**	**92,138**
Equity			
Share capital	9	0	0
Share-based payment reserves		4,174	3,037
Retained earnings		76,178	89,101
Total Equity		**80,352**	**92,138**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Share Capital $'000	Retained Earnings $'000	Share-based payment reserve $'000	Total Equity $'000
Balance at 1 July 2022	**0**	**116,766**	**1,859**	**118,625**
Profit for the period	-	152,458	-	152,458
Total comprehensive income/(loss) for the period	**-**	**152,458**	**-**	**152,458**
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	1,178	1,178
Dividend declared/paid	-	(180,123)	-	(180,123)
	-	**(180,123)**	**1,178**	**(178,945)**
Balance at 30 June 2023	**0**	**89,101**	**3,037**	**92,138**
Balance at 1 July 2023	**0**	**89,101**	**3,037**	**92,138**
Profit for the period	-	154,886	-	154,886
Total comprehensive income/(loss) for the period	**-**	**154,886**	**-**	**154,886**
Transactions with owners in their capacity as owners:				
Share-based payments	-	(16)	1,137	1,121
Dividend declared/paid	-	(167,793)	-	(167,793)
	-	**(167,809)**	**1,137**	**(166,672)**
Balance at 30 June 2024	**0**	**76,178**	**4,174**	**80,352**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash Flows from Operating Activities			
Receipts from customers		254,985	269,480
Payments to suppliers and employees		(9,444)	(8,430)
Interest received		1,846	1,192
Interest paid		(2,747)	(1,963)
Income tax paid		(74,457)	(77,957)
Net cash inflow from operating activities	10	**170,183**	**182,322**
Cash Flows from Investing Activities			
Payments for property, plant, and equipment		(88)	(89)
Net cash outflow from investing activities		**(88)**	**(89)**
Cash Flows from Financing Activities			
Dividend paid		(167,793)	(180,123)
Payment of borrowing establishment fee		(581)	-
Proceeds from borrowings		26,700	27,500
Repayment of borrowings		(26,700)	(27,500)
Repayment of lease liabilities		(148)	(74)
Net cash outflow from financing activities		**(168,522)**	**(180,197)**
Net increase in cash and cash equivalents		1,573	2,036
Cash and cash equivalents at the start of the period		29,491	27,455
Cash and cash equivalents at the end of the period		**31,064**	**29,491**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Contents of the notes to the consolidated financial statements

How the numbers are calculated:

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operation of the Group, including:

* Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with the particular type of transaction
* Analysis and subtotal, including segment information
* Information about estimates and judgements made in relation to particular items

1. Segment information
2. Royalty revenue
3. Breakdown of expenses by nature
4. Net finance income/(cost)
5. Income tax expense
6. Deferred tax
7. Financial assets and liabilities
8. Royalty intangible assets
9. Share capital
10. Cash flow information

1. Segment Information

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

The Group is organised into a single operating segment, being royalty arrangements in Australia.

2. Royalty Revenue

	2024 $'000	2023 $'000
MAC royalty	239,321	215,185
MAC capacity payment	-	13,000
Other royalties	1,188	1,079
Total Royalty revenue	**240,509**	**229,264**

Royalty revenue

The revenue of the Group comprises mainly royalty revenue. As described further in note 8, the Group considers royalty interests to represent a retained interest in the relevant mineral asset. The royalty is therefore a payment by the operator of each mining property on which the royalty interest is held for the right to extract and sell commodities from that retained interest. Royalty arrangements typically provide Deterra with a right to periodic payments calculated as a percentage of the amounts invoiced by the operator in the given period. Certain of the Group's arrangements also provide an entitlement for lump sum payments when the operator meets certain production thresholds (called capacity payments).

The Group recognises royalty revenue when commodities are sold by the operator under customer contracts (the Group is not a party to these contracts). Invoices are generally issued by the operator at the point when commodities are sold. Practically, the Group is provided with periodic communication from the operator about the amounts invoiced. Revenue from royalty arrangements is measured each period based on the agreed terms of the royalty arrangement and confirmed with the operator of each mining property.

Revenue from capacity payments is recognised proportionately when it is highly probable that the relevant annual production capacity threshold will be exceeded. For current arrangements, this is generally when the Group is informed by the counterparty that this has occurred. It is measured at the amount calculated using the agreed terms in the royalty agreement and confirmed with the counterparty.

3. Breakdown of expenses by nature

	2024 $'000	2023 $'000
Employee benefits expenses	4,848	4,200
Other expenses	4,235	4,328
Total operating expenses	**9,083**	**8,528**

4. Net Finance Income/(Cost)

	2024 $'000	2023 $'000
Finance Income		
Interest on bank deposits	1,844	1,284
Total finance income	1,844	1,284
Finance Cost		
Finance costs – leases	(48)	(4)
Credit facility fees and interest	(3,463)	(2,495)
Total finance costs	(3,511)	(2,499)
Total Net Finance Income/(Costs)	**(1,667)**	**(1,215)**

Interest income

Interest income is accrued on a time basis, by reference to the carrying value and at the effective interest rate applicable.

Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets which take more than 12 months to prepare for their intended use.

5. Income Tax Expense

	2024 $'000	2023 $'000
(a) Income tax expense		
Current tax		
Current income tax on profits for the period	73,591	77,818
Total Current income tax	**73,591**	**77,818**
Deferred tax		
Increase in deferred tax assets	(2,653)	(513)
Decrease in deferred tax liabilities	(4,236)	(12,051)
Total deferred tax benefit	(6,889)	(12,564)
Income tax expense	**66,702**	**65,254**
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	221,588	217,712
Tax at the average effective tax rate of 30%	66,476	65,314
Income tax expense adjustments:		
Effect of non-deductible expenses	89	94
Employee share-based plan	137	(154)
Income tax expense	**66,702**	**65,254**

The income tax expense or benefit represents the sum of current and deferred income taxes.

Current tax assets and liabilities for the current and prior year are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's taxable income. The tax rates and tax laws used are those that are enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

6. Deferred Tax

	2024 $'000	2023 $'000
Deferred tax assets		
The balance comprises temporary differences attributable to:		
Provisions and accruals	1,972	54
Lease liabilities	149	56
Demerger expenses	278	556
Share-based payments	576	499
Other	1,395	552
Gross deferred tax assets	4,370	1,717
Amount offset to deferred tax liabilities pursuant to set-off provision	(4,370)	(1,717)
Net deferred tax assets	-	-
Deferred tax liability		
The balance comprises temporary differences attributable to:		
Property, plant and equipment	3	6
Right-of-use assets	139	51
Royalty receivable	17,553	21,873
Other	37	38
Gross deferred tax liabilities	17,732	21,968
Amounts offset to deferred tax assets pursuant to set-off provision	(4,370)	(1,717)
Net deferred tax liabilities	13,362	20,251

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting nor taxable profit or loss; or are associated with investments and loans in controlled entities and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity and not in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off tax assets against tax liabilities and the deferred tax assets and liabilities relate to the same taxation authority.

7. Financial Assets and Financial Liabilities

The Group holds the following financial instruments:

		2024 $'000	2023 $'000
Financial assets			
Financial assets at amortised cost			
Cash and cash equivalents	7a	31,064	29,491
Trade and other receivables	7b	58,660	73,104
Financial liabilities			
Financial liabilities at amortised cost			
Trade and other payables	7c	2,686	768
Borrowings	7d	-	-
Lease liability		497	186
Derivative liability	12a	4,174	-

a) Cash and cash equivalents

	2024 $'000	2023 $'000
Operating bank account	31,064	29,491
Total cash & cash equivalents	**31,064**	**29,491**

Cash and cash equivalents comprise cash on hand which are subject to an insignificant risk of changes in value.

b) Trade and other receivables

	2024 $'000	2023 $'000
Current		
Royalties receivable	58,461	72,909
Accrued interest income	117	120
Other receivable	82	75
	58,660	**73,104**

Trade and other receivables principally comprise amounts relating to royalties receivable. The Directors consider that the carrying amount of trade and other receivables is approximately their fair value.

Trade receivables are held in order to collect the contractual cash flows and are initially measured at the amount communicated as receivable from the counterparty under the terms of the royalty agreement. Impairment losses are recognised based on lifetime expected credit losses in profit or loss and are estimated as $nil given the credit quality of the counterparties.

Other receivables are held in order to collect the contractual cash flows and accordingly are measured at initial recognition at fair value, which ordinarily equates to cost and are subsequently measured at cost less impairment due to their short-term nature.

c) Trade and other payables

	2024 $'000	2023 $'000
Current		
Trade payables	171	109
Employee liabilities	380	299
Accrued expenses	2,108	351
Other payables	27	9
Total current trade & other payables	**2,686**	**768**

The Directors consider that the carrying amount of trade and other payables approximates their fair value. All amounts are considered short term, and none are past due.

The amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

Trade payables are not interest bearing and are stated at their fair value on initial recognition. After initial recognition these are measured at amortised cost using the effective interest method.

d) Borrowings

Interest bearing bank facilities are initially recognised at fair value, net of directly attributable transaction costs. Transaction costs are recognised in prepayments and amortised over the term of the bilateral credit facilities as they relate to the provision of the facility over that period.

(i) *Bilateral Credit Facility Agreement*

In 2022, Deterra established $350 million of Bilateral Credit Facilities with maturities of three, four and five years on an unsecured basis. During FY24, Deterra expanded the Bilateral Credit Facilities to $500 million with one of the existing financiers on the same terms and extended $45 million facility expiring in 2025 to 2027.

The table below details the facility expiries:

A$ million	**Total facility**	**Facility Expiry**		
		2025	**2026**	**2027**
At 30 June 2024	$500m	$130m	$250m	$120m
At 30 June 2023	$350m	$175m	$100m	$75m

In August 2024, subsequent to the reporting period, the Group has extended the $130 million facilities expiring in 2025 to 2028.

Undrawn funds of the Bilateral Credit Facility at 30 June 2024 were $500 million (2023: $350 million).

(ii) Bridge Facility Agreement

On 13 June 2024, Deterra entered into a bridging facility of £150 million ($284,125,000[1]) on an unsecured basis to support the potential acquisition of Trident Royalties PLC (Trident). Refer to Note 15 and 16 for details of the potential acquisition. The facility matures in 1 year and remained undrawn at 30 June 2024.

[1] *GBP/ AUD fx rate of 0.527936 as at 30/6/2024*

(iii) *Financial covenants*

Under the term of both the bilateral credit facility and the bridge facility agreements, the Group is required to comply with certain financial covenants typical of a facility and business of this nature, including covenants that relate to the ratio of Earnings before Interest, Taxation and Depreciation and Amortisation ("EBITDA") to Net Finance Expense and the ratio of Net Debt to EBITDA. The covenants are tested at specific intervals and the Group remains in compliance with all covenants.

8. Royalty intangible assets

The Group's royalty intangible assets currently comprise the Group's royalty interests over Mining Area C.

	2024 $'000	2023 $'000
Gross carrying amount		
Opening balance	9,210	9210
Additions through asset acquisition	-	-
Closing balance	9,210	9,210
Amortisation		
Opening balance	(921)	(614)
Amortisation charge	(307)	(307)
Closing balance	(1,228)	(921)
Carrying Amount 30 June	**7,982**	**8,289**

Royalties are initially measured at cost, including any transaction costs.

The Group considers the substance of a royalty to be economically similar to holding a direct interest in the underlying mineral asset. Existence risk (the commodity physically existing in the quantity demonstrated), production risk (that the operator can achieve production and operate a commercially viable project), timing risk (commencement and quantity produced, determined by the operator) and price risk (returns vary depending on the future commodity price, driven by future supply and demand and foreign exchange rates) are all risks which the Group participates in on a similar basis to an owner of the underlying mineral licence.

Furthermore, there is only a right to receive cash to the extent there is production and there are no interest payments, minimum payment obligations or means to enforce production or guarantee repayment. These are accounted for as intangible assets under AASB 138.

Amortisation of intangible assets

The Group's royalty intangible assets are amortised in a manner consistent with the underlying usage of mineral reserves and resources in the period compared to those for the estimated remaining life of the mine. The amortisation starts upon the commencement of production at the underlying mining operation.

The Group's royalty intangible assets were amortised as follows during the period:

Royalty interest	Acquisition value $'000	Carrying value at 30 June 2024 $'000	Estimated life of mine	Remaining life of mine
Mining Area C	9,210	7,982	360 months	312 months

9. Share Capital

	Number of shares	$
Ordinary shares at 1 July 2022	528,525,704	1
Employee shares issued - 17 Feb 2023	14,403	-
Ordinary shares at 30 June 2023	528,540,107	1
Employee shares issued - 16 August 2023	109,420	-
Ordinary shares at 30 June 2024	528,649,527	1

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

The Group issued 72,507 shares and 36,913 shares to the Managing Director & CEO and the Head of Corporate Development, respectively on 16 August 2023 upon the vesting of the Executive Incentive Plan. Refer to note 18.

10. Cash Flow Information

	2024 $'000	2023 $'000
Reconciliation of cash flows from operating activities with profit from ordinary activities after income tax:		
Profit for the year	154,886	152,458
Adjusted for non-cash items:		
Profit on termination of lease	(8)	-
Depreciation of PPE	37	20
Depreciation of right-of-use asset	117	69
Amortisation of intangibles	307	307
Amortisation of loan establishment fees	716	534
Share-based payment	1,203	1,214
Annual leave provision	94	7
Interest income accrued	3	(92)
Finance cost on lease liabilities	48	3
Net unrealised foreign exchange (gains)/losses	(1)	1
Changes in assets and liabilities:		
Decrease in operating receivables	14,476	40,216
Decrease in prepayments	84	44
Increase/(Decrease) in trade and other payables	1,803	(138)
Increase in Financial liabilities	4,174	244
Decrease in tax payable	(867)	-
Decrease in deferred tax liability	(6,889)	(12,564)
Net cash flows from operations	**170,183**	**182,322**

Managing risk:
This section of the notes discusses the Group's exposure to various risks and shows how these could affect the Group's financial position and performance: 11. Critical estimates, judgements, and errors 12. Financial risk management 13. Capital management

11. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

During FY 2024, there have been no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the current financial period.

12. Financial Risk Management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

a) Market Risk

Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, which will affect the Group's profit or loss or the value of its financial instruments.

i. Foreign currency risk

On 13 June 2024, an all-cash offer of GBP 144 million was made to acquire Trident. The Group was exposed to foreign exchange risk when the offer was made. This risk is hedged with the objective of minimising the volatility of the Australian currency cost of the potential future transaction payment. Aside from the potential acquisition transaction, the Group is not exposed to other material foreign exchange risk.

On 13 June 2024, the Group entered into a foreign currency (GBP/ AUD) forward. The key terms of the forward contract are:

Contract date	13-Jun-24
Notional Amount	GBP 144 million
Forward strike	0.51998
Settlement period	Within 6 months

The forward contract was initially recognised at fair value on the date it was entered into ($nil at 13 June 2024), and subsequently remeasured to the fair value based on the GBP/ AUD exchange rate at the end of the reporting period. The subsequent change in fair value accounted for through profit or loss. As at 30 June 2024, the group recognised:

	2024 $'000
Derivative financial instrument liability (current)	(4,174)
Derivative instrument Loss	4,174

ii. Group Sensitivity

Based on the Group's derivative instrument liability balance at 30 June 2024, the following table demonstrates the estimated sensitivity to a -/+ 2 per cent movement in the GBP dollar spot exchange rate, with all other variables held constant, on the Group's pre-tax profit/ loss for the year:

	-2% GBP Weaken Profit/ (loss) $000	2% GBP Strengthen Profit/ (loss) $000
30/06/2024	($ 5,348)	$5,567

iii. Interest rate risk

Interest rate arises from the Group's borrowings and cash deposits. At 30 June 2024, the Group had the full Bilateral Credit Facility and the Bridge Facility available for drawdown. Accordingly, the Group did not have any interest rate exposure from the facilities. The applicable interest rate for each drawdown is determined with reference to the prevailing interest rates at drawdown date. The contractual repricing date of all the floating rate interest bearing liabilities at the balance date is within one year of drawdown.

The interest rate risk from cash deposits is not significant.

b) Credit risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, receivables and favourable derivative financial instruments. The Group closely monitors its financial assets and maintains its cash and derivative transactions in high-quality financial institutions with a minimum A-/A3 credit rating.

As at 30 June 2024, the Group is unaware of any information which would cause it to believe that the cash deposits are not fully recoverable. The credit risk relating to receivables is discussed in Note 7 (b).

c) Liquidity risk

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands. The Group manages its exposure to liquidity risk through prudent management of its financial position, including maintaining sufficient cash on hand or undrawn credit facilities. The Group has in place a planning and budgeting process to help determine the funds required to support the Group's normal operating requirements on an ongoing basis. Management continuously monitors and reviews both actual and forecast cash flows.

(i) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024 $'000	2023 $'000
Floating rate		
a) Bilateral Credit Facility		
- Expiring within one year	130,000	-
- Expiring beyond one year	370,000	350,000
	500,000	350,000
b) Bridge Credit Facility		
- Expiring within one year	284,125	-

(ii) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

Contractual maturities of financial liabilities	Less than 1 year $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000
As at 30 June 2024					
Trade and other payables	2,685	-	-	-	2,685
Lease liabilities	138	295	170	-	603
Total non-derivatives	2,823	295	170	-	3,288
As at 30 June 2023					
Trade and other payables	768	-	-	-	768
Lease liabilities	74	76	39	-	189
Total non-derivatives	842	76	39	-	957

13. Capital Management

a) Risk management

The Group defines capital as the total equity attributable to common shareholders. Capital is managed by the Group's management and governed by the Board of Directors. The Group is not subject to any externally imposed capital requirements and relevant financial covenants are disclosed in note 7(d)(iii).

b) Dividends

i) Ordinary shares

	2024 $'000	2023 $'000
Fully franked at 30 per cent		
Final dividend for FY23: 16.85 cents per share (FY22: 22.08 cents per share)	89,077	116,698
Interim dividend for FY24: 14.89 cents per share (FY23: 12.00 cents per share)	78,716	63,425
	167,793	180,123

ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of 14.40 cents per fully paid ordinary share. The aggregate amount of the proposed dividend expected to be paid on 24 September 2024, but not recognised as a liability at year end, is $76,128,000.

iii) Franking credits

The final dividends recommended after 30 June 2024 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax relating to the year ending 30 June 2024.

	2024 $'000	2023 $'000
Franking credits available for subsequent reporting periods	36,950	40,025

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

Group structure:

This section provides information that will help users understand how the group structure affects the financial position and performance of the Group as a whole. In particular, there is information about changes to the structure that occurred during the year.

A list of significant subsidiaries is provided in note 14.

14. Interest in Subsidiaries

The condensed consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described below:

Name of entity	Country of incorporation	Equity holding* 2024	Equity holding* 2023
Deterra Royalties (MAC) Limited	Australia	100%	100%
Deterra Royalties Holdings Pty Limited	Australia	100%	100%
Deterra Global Holdings Pty Limited	Australia	100%	100%

* The proportion of ownership interest is equal to the proportion of voting power held.

Principles of consolidation

i. Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Deterra Royalties Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended. Deterra Royalties Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Consolidated Entity, are shown separately within the Equity section of the consolidated Statement of Financial Position and in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Intercompany transactions, balances, and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrecognised items:

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

15. Commitments and Contingencies
16. Subsequent events

15. Commitments and Contingencies

On 13 June 2024, the Group made an all- cash offer to acquire the entire issued and to be issued share capital of Trident for total consideration of approximately GBP 144 million (A$276 million). The transaction is implemented by a UK scheme of arrangement which is subject to Trident shareholder and Court approvals and other conditions precedent that are customary for a UK scheme.

An approximate $8,200,000 transaction cost is contingent on success under the scheme of arrangement.

There are no other material commitments or contingent liabilities outstanding at 30 June 2024.

16. Subsequent Events

Subsequent to period end:

- The Board of Directors recommended a final dividend of 14.40c per share which is equal to $76,128,000.
- Shareholders of Trident have voted to approve the Scheme of Arrangement. Subject to Scheme Sanction Hearing, which is scheduled on 29 August 2024, the Scheme is expected to become effective on 2 September 2024.
- In August 2024, prior to issuance of this report, the Group has extended $130 million facilities expiring in 2025 to 2028.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Further details:

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements.

17. Related party transactions
18. Share-based payments
19. Remuneration of auditors
20. Earnings per share
21. Parent entity financial information
22. Summary of significant accounting policies

17. Related party transactions

a) *Subsidiaries*

Interests in subsidiaries are set out in note 14.

b) *Key management personnel compensation*

	2024 $	2023 $
Short-term employee benefits	2,592,246	1,982,009
Post-employment benefits	96,794	89,782
Share-based payments	1,092,139	1,143,484
	3,781,179	3,215,275

Detailed remuneration disclosures are provided in the remuneration report on pages 41 to 56.

c) *Transactions with other related parties*

	2024 $	2023 $
Dividends paid to Iluka Resources		
Total dividends paid	33,546,774	36,019,977

d) *Payable to related party*

At 30 June 2024 there were no (30 June 2023: $0) amounts payable to related parties.

18. Share Based Payments

Equity settled transactions

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using valuation techniques appropriate to the instrument being valued, such as Black-Scholes models or Monte Carlo simulations.

In determining the fair value of the equity instruments granted, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Deterra Royalties Limited.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- the extent to which the vesting period has expired; and
- the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Consolidated Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

During the year, equity settled share-based payments were awarded to the MD & CEO, CFO, Head of Corporate Development and eligible employees under the Group's various incentive plans, details are provided in 20(i) – 20(iv) below.

The share-based payment expense recognised is summarised below:

	2024 $'000	2023 $'000
Share-based payment expense recognised in profit or loss	1,203	1,221
Total expense for the period	1,203	1,221

The following table shows the performance or share rights granted and outstanding at the beginning and end of the reporting period:

	LTI Rights	STI Rights	IEG Rights	Alignment Award
Opening balance	**903,130**	**130,329**	**-**	**32,131**
Opportunity granted during the year	348,126	127,843	22,043	-
Exercised during the year	(109,420)	-	-	-
Lapsed during the year	(185,743)	(8,694)	-	-
Other adjustments during the year	-	4,112	-	-
As at 30 June 2024	**956,093**	**253,590**	**22,043**	**32,131**
Rights vested but not exercised at 30 June 2024	**-**	**26,005**	**-**	**32,131**
Weighted average remaining contractual life [1]	6.44 years	3.95 years	7.47 years	6.46 years

[1] *The remaining contractual life is measured to when the Rights can be last exercised. Certain rights can be exercised up to 8 years from the initial grant date.*

i. Long Term Incentive (LTI) Award

Performance rights under the Long Term Incentive Plan were granted to the MD & CEO, Head of Corporate Development each year, with an effective date of 1 July. The same award was grant to CFO upon his appointment on 4 December 2023. Under the award, there are two performance hurdles being relative TSR and share price growth compared to the ASX200 Resources Accumulation Index and the Platts 62% Iron Ore CFR China Index, respectively.

The fair value of the performance rights is determined using an option pricing model with the following inputs:

	MD & CEO, Head of Corporate Development	CFO
Effective date	1-Jul-23	4-Dec-23
Grant date	1-Nov-23	19-Dec-23
Share price at grant date	$4.69	$5.27
Volatility	26.55%	26.09%
Dividend yield	6.15%	5.47%
Risk-free rate	4.43%	3.80%
FV at grant date (avg)	$2.65	$2.93
Performance period	1-Jul-23 to 30-June-26	4-Dec-23 to 30-June-26
Performance or service conditions	Performance	Performance

ii. Short Term Incentive Award – Executives

Short-Term Incentive Award is offered to the MD & CEO and CFO each year, effective as of 1 July. The same award was grant to CFO upon his appointment on 4 December 2023. Under the award, the performance is assessed based on a balanced score card at the end of each financial year. One-third of the outcome is paid in cash, and two- thirds is to be in the form of share rights and deferred for up to two years. The fair value of the share rights is determined with reference to the closing share price at the grant date (2024: $3.99, 2023: $4.60).

iii. Initial Equity Grant

Performance rights under the Initial Equity Grant were granted to the CFO upon his appointment. Under the grant there are two performance hurdles being relative TSR and share price growth compared to the ASX Resources Accumulation Index and Platts 62% Iron Ore CFR China Index, respectively.
The fair value of the performance rights is determined using an option pricing model with the following inputs:

Effective date	4-Dec-23
Grant date	19-Dec-23
Share price at grant date	$5.27
Volatility	25.37%
Dividend yield	5.47%
Risk-free rate	3.84%
FV at grant date (avg)	$2.75
Performance periods	Tranche 1 (11,022 rights): 4-Dec-23 to 3-Dec-24 Tranche 2 (11,021 rights): 4-Dec-23 to 3-Dec-25
Performance or service conditions	Performance

iv. Short Term Incentive Award – Employees

Short-Term Incentive Award was granted to eligible employees annually, effective as of 1 July 2022. Under the award, the performance is assessed based on a balanced score card. Fifty per-cent of the outcome is paid in cash, and fifty per-cent is to be in the form of share rights and deferred for up to two years. The fair value of the share rights is determined with reference to the closing share price at the grant date ($3.99).

i. Management Alignment Award (MAR) Rights

The one-off Management Alignment Award was granted on 14 December 2022 to the Head of Corporate Development, effective as of 1 September 2022. Under the award, the rights vest upon the completion of a 12-month continuous employment period. The fair value of the share rights is determined with reference to the closing share price at the grant date ($4.66).

19. Remuneration of Auditors

During the year the following exact amount of fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC), as the auditor of the parent entity, Deterra Royalties Limited:

	2024 $'000	2023 $'000
Audit and review of financial reports		
Group	49	37
Controlled Entities	-	-
Total audit and review of financial reports	49	37
Other services		
Consulting services	-	-
Total services provided by PwC	49	37

20. Earnings Per Share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to equity holders of the company excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-tax effect of interest and other financing costs associated with the dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Earnings per ordinary share is calculated on the Group's profit after tax of $154,886,000 and the weighted average number of shares in issue during the year of 528,635,775

	2024 $'000	2023 $'000
Net profit attributable to shareholders		
Earnings per share - basic	$0.2930	$0.2885
Earnings per share - diluted	$0.2925	$0.2883

The number of diluted shares was calculated based on the total number of performance rights that had a dilutive effect at 30 June 2024 time weighted for the year ended 30 June 2024.

The weighted average number of shares on issue for the purpose of calculating basic and diluted earnings per share and basic and diluted adjusted earnings per share are as follows:

	2024 Number	2023 Number
Weighted average number of shares on issue		
Basic weighted average number of shares outstanding	528,635,775	528,530,992
Dilutive effect of Employee Performance Rights	866,960	348,601
Diluted number of shares outstanding	529,502,735	528,879,593

21. Parent entity financial information

	Parent 2024 $'000	Parent 2023 $'000
Balance sheet		
Current assets	33,815	30,865
Total assets	97,117	86,669
Current liabilities	3,003	967
Total liabilities	16,767	21,333
Shareholders' equity		
Share capital	0	0
Reserves	4,174	3,037
Retained earnings	76,176	62,299
	80,350	65,336
Profit/(Loss) for the period	181,687	244,842
Total comprehensive income/(loss)	**181,687**	**244,842**

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(a) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of the parent entity. Dividends received from subsidiaries are recognised in the parent entity's profit or loss when its right to receive the dividend is established. After 30 June 2024 but prior to issuance of this report, Deterra subsidiaries have declared and paid a final dividend to the parent entity, providing the parent entity sufficient profits and net assets for the announced final dividend payment.

(b) Deed of cross guarantee

Deterra Royalties Limited and its controlled entities entered into a deed of cross guarantee under which each entity cross guarantees the debts of the others. By entering into the deed, the wholly owned subsidiaries have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. For the purposes of the cross guarantee, the Group is a 'closed group'. The closed group's financial position at 30 June 2024 as well as the profit and cashflows for the period ended on that date are the same as the consolidated financial position, consolidated profit and cashflows presented in this financial report.

(c) Tax consolidation legislation

Deterra Royalties Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation and formed a tax consolidated group. The members of the tax consolidated group have entered into a tax sharing agreement which limits joint and several liability of the wholly-owned entities in the case of a default by the head entity, Deterra Royalties Limited.

22. Summary of Material Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to the period presented. These financial statements present the financial information for Deterra Royalties Limited as a consolidated entity consisting of Deterra Royalties Limited and the entities controlled throughout the period (Group or consolidated entity). The Group is a for-profit entity for the purpose of this financial report.

(a) ***Basis of preparation***

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. In addition, the financial statements comply with International Financial Reporting Standards issued by the International Accounting Standards Board. Deterra Royalties Limited is a for-profit entity for the purpose of preparing the financial statements.

i. Historical cost convention

These financial statements have been prepared on the historical cost basis, except for share based payments that is measured at grant date fair value (refer Note 18).

ii. Rounding

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

iii. New and Amended standards adopted by the group

The group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The group also elected to adopt the following amendments early:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]

iv. New standards and interpretations not yet adopted

Certain amendments to accounting standards have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(b) ***Foreign currency translation***

i. Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Deterra Royalties Limited's functional and presentation currency.

ii. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the balance sheet date. Exchange differences arising from the application of these procedures are taken into the Profit or Loss and Other Comprehensive Income.

iii. Group companies

Should an entity in the Group have a functional currency different from the presentation currency (and not a currency in a hyperinflationary economy), their results and financial position are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position;
- Income and expenses for the consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of profit or loss and other comprehensive income, as part of the gain or loss on sale where applicable. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at the closing rate.

(c) ***Provisions***

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

	Entity Type	% of share capital	Country of incorporation	Australian or foreign resident	Foreign jurisdiction of foreign residents
Deterra Royalties Limited	Body Corporate	100%	Australia	Australian	n/a
Deterra Royalties (MAC) Ltd	Body Corporate	100%	Australia	Australian	n/a
Deterra Royalties Holdings Pty Ltd	Body Corporate	100%	Australia	Australian	n/a
Deterra Global Holdings Pty Ltd	Body Corporate	100%	Australia	Australian	n/a
Deterra Employee Share Trust	Trust	n/a	n/a	Australian	n/a

Basis of Preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. In determining tax residency, the consolidated entity has applied the following interpretations:

• Australian tax residency

The group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

• Foreign tax residency

The Group does not have any foreign subsidiaries nor operates in any jurisdiction other than Australia. The foreign tax residency test does not apply.

Directors' Declaration
For the year ended 30 June 2024

In the directors' opinion:

(a) the financial statements and notes set out on pages 59 to 87 are in accordance with the Corporations Act 2001, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial period ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

(c) the consolidated entity disclosure statement on page 88 is true and correct, and

(d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 16 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 21, and

Note 22(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

Jennifer Seabrook
Independent Chair

Perth, Western Australia

Julian Andrews
Managing Director & Chief Executive Officer

Perth, Western Australia

Independent auditor's report

To the members of Deterra Royalties Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Deterra Royalties Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO Box D198, PERTH WA 6840
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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	***Key audit matters***
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Royalty revenue • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Royalty revenue *(Refer to note 2)* As described in note 2, royalty revenue is earned on royalty interests held by the Group. This was a key audit matter due to the financial significance of revenue to the financial statements of the Group.	Our audit procedures included the following, amongst others: • Evaluating the appropriateness of the revenue recognition policy against the requirements of accounting standards. • Testing royalty revenue recognised by the Group by agreeing the revenue recognised to the royalty statements received from the relevant counterparties and tracing receipt of these amounts to the Group's bank account. • We compared the formula used in the royalty statement to that stipulated in the royalty agreement. We agreed the inputs used in the royalty statement to supporting information provided by the counterparty to the Group. • We assessed the completeness of royalty revenue by evaluating the amount of revenue recognised

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Key audit matter	*How our audit addressed the key audit matter*
	against publicly available information in relation to the quantity of ore produced and average ore prices during the period. • Evaluated the adequacy of the disclosures made in note 2 in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Deterra Royalties Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Ian Campbell
Partner

Perth
19 August 2024

ASX Additional Information / Shareholder Information

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Capital

Share capital comprised 528,649,527 fully paid ordinary shares on 31 July 2024.

Shareholder Details

As at 31 July 2024, Deterra Royalties Limited had 20,946 shareholders. There were 2,740 shareholdings with less than a marketable parcel of $500 worth of ordinary shares.

Rank	Name	Units	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	146,664,536	27.74
2	ILUKA RESOURCES LIMITED	105,692,420	19.99
3	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	94,881,893	17.95
4	CITICORP NOMINEES PTY LIMITED	64,913,142	12.28
5	NATIONAL NOMINEES LIMITED	10,297,240	1.95
6	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	6,712,121	1.27
7	BNP PARIBAS NOMS PTY LTD	5,212,854	0.99
8	UBS NOMINEES PTY LTD	4,909,368	0.93
9	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,597,530	0.49
10	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,058,599	0.39
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,273,373	0.24
12	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	1,186,384	0.22
13	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,138,443	0.22
14	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	1,114,735	0.21
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	1,095,372	0.21
16	R O HENDERSON (BEEHIVE) PTY LTD	1,080,000	0.20
17	BNP PARIBAS NOMS (NZ) LTD	567,274	0.11
18	CARLTON HOTEL LIMITED	502,308	0.10
19	MR ANGUS MACKAY	481,250	0.09
20	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	472,326	0.09
	Total Top 20 holders of Ordinary Fully Paid Shares	452,851,168	85.66
	Total Remaining Holders Balance	75,798,359	14.34
	Total issued capital	528,649,527	100

Other securities on issue

As at 31 July 2024, we have 978,136 performance rights across 5 holders and 161,952 share rights across 7 holders.

Substantial Holders of Deterra Royalties Limited at 31 July 2024

As at 31 July 2024, Deterra Royalties Limited has 4 substantial shareholders who, together with their associates, hold five percent or more of the voting rights in Deterra Royalties Limited, as notified to the Company under the Australian Corporations Act.

Name	Number of shares in Notice	Percentage of Capital in Notice
Iluka Resources Limited	105,692,420	20.00%
Vanguard Group	26,586,715	5.029%
BlackRock Group	32,183,110	6.08%
Schroder Investment Management Australia Limited	31,718,439	6.00%

Investor Categories

Range	Total holders	Units	% Units
1 - 1,000	10,346	3,863,572	0.73
1,001 - 5,000	7,303	18,428,355	3.49
5,001 - 10,000	1,862	14,029,654	2.65
10,001 - 100,000	1,370	30,065,373	5.69
100,001 Over	65	462,262,573	87.44
Rounding			0.00
Total	20,946	528,649,527	100.00

Unmarketable Parcels

	Minimum Parcel Size	Holders	Units
Minimum $ 500.00 parcel at $ 3.9900 per unit	126	2,740	163,940

Voting Rights

On a show of hands, every member present in person or by proxy, attorney or representative shall have one vote. Upon a poll, every member present in person or by proxy, attorney or representative shall have one vote for every share held by the member. Where more than one proxy, attorney or representative is appointed, none may vote on a show of hands.

Share Registry Information

Computershare Investor Services Pty Ltd provides share registry services to Deterra and can be contacted for assistance with queries related to shareholdings, dividend payments and other administrative matters.

Computershare Investor Services Pty Ltd

Level 11, 172 St Georges Terrace Perth Western Australia 6000
GPO Box D182 Perth Western Australia 6840

Telephone (within Australia): 1300 850 505

Telephone (outside Australia): +61 3 9415 4000

Facsimile: +61 3 9473 2500

Glossary of Terms

$ or A$	Australian dollars.
$m	million Australian dollars.
AAS or Australian Accounting Standards	Australian Accounting Standards issued by the AASB.
AASB	Australian Accounting Standards Board.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited, or the financial market operated by the Australian Securities Exchange, as the context requires.
ATO	Australian Taxation Office.
BHP	BHP Group Limited (ACN 004 028 077) and/or its Subsidiaries, as the context requires.
Board	the Deterra Board.
Capacity Payment	with reference to Mining Area C is the capacity payment key term as described in Table 7, page 34.
CFR	Cost and Freight.
The Company	Deterra Royalties Limited (ACN 641 743 348) and its controlled entities.
Corporations Act	*Corporations Act 2001 (Cth).*
Deterra	Deterra Royalties Limited (ACN 641 743 348).
Deterra Holdings	Deterra Royalties Holdings Pty Ltd (ACN 642 008 697).
dmt	dry metric tonnes.
EBIT	earnings before interest and tax.
EBITDA	earnings before interest, tax, depreciation and amortisation.
ESG	environmental, social and governance.
FOB	Free On Board.
FY23 or Financial Year 2023	The period 1 July 2022 to 30 June 2023
FY24 or Financial Year 2024	The period 1 July 2023 to 30 June 2024
Group	Deterra Royalties Limited and its controlled entities.
GST	has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).
IFRS	International Financial Reporting Standards adopted by the International Accounting Standards Board.
Iluka	Iluka Resources Limited (ACN 008 675 018).
ktpa	thousand tonnes per annum.
MAC Royalty	the royalty arrangements as described in Table 7, page 34.
mdmt	million dry metric tonnes.
Mining Area C or MAC	Mining Area C, as described on page 36.
mt	million tonnes.
mtpa	million tonnes per annum.
mwmt	million wet metric tonnes.
North Flank	mining operation within Mining Area C.
NPAT	net profit after tax.
Record Date	the date for determining entitlements of Deterra Shareholders to the final dividend, being 28 August 2024.
South Flank	mining operation within Mining Area C.
TSR	Total Shareholder Return, being the share price growth and dividends paid and reinvested on the ex-dividend date for the relevant company.
US$	United States dollars.
VWAP	the volume weighted average price of the relevant shares traded on the ASX during the relevant period.
wmtpa	wet metric tonnes per annum.

Cautionary Notes

Forward-looking statements

Forward looking statements may generally be identified by the use of forward-looking words such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “likely”, “should”, “planned”, “may”, “might”, “is confident”, “estimate”, “potential” or other similar words or phrases. These statements discuss future expectations concerning the results of operations or financial condition of Deterra, or provide other forward looking statements.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which may be beyond Deterra’s control, and which may cause the actual results, performance or achievements of Deterra to be materially different from future results, performance or achievements expressed or implied by such statements.

Other than as required by law, none of Deterra, its officers, advisers nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Annual Report will actually occur.

Except as required by law, Deterra disclaims any obligation or undertaking to update or revise any forward-looking statement in this Annual Report.

Reserves, resources and other technical information

Except where otherwise stated, the information in this Annual Report 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 Annual Report, 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.

Non-IFRS financial information

This Annual Report contains non-IFRS financial measures 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 and/or reconciled in Deterra’s annual results materials and/or Annual Report. Non-IFRS measures have not been subject to audit or review. All figures are expressed in Australian dollars unless stated otherwise.

Corporate Directory

ABN

88 641 743 348

Directors

Jennifer Seabrook
Independent Chair and
Non-Executive Director

Julian Andrews
Managing Director and
Chief Executive Officer

Graeme Devlin
Independent Non-Executive Director

Jason Neal
Independent Non-Executive Director

Adele Stratton
Non-Executive Director
(Iluka Nominee)

Company Secretary

Jason Clifton
Chief Financial Officer and Joint Company Secretary

Bronwyn Kerr
Company Secretary and General Counsel

Registered Office & Principal Place of Business

Level 16,
140 St Georges Terrace
PERTH WA 6000

+61 8 6277 8880

Share Register

Computershare Investor Services Pty Limited
GPO Box D182
PERTH WA 6840

Deterra Royalties shares are listed on
the Australian Securities Exchange (ASX). Code: DRR

Auditors

PwC
Level 15,
125 St Georges Terrace
PERTH WA 6000

+61 8 9238 3000

Website

www.deterraroyalties.com

The site contains information on Deterra's operations, ASX releases and financial and quarterly reports.

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Deterra
ROYALTIES

deterraroyalties.com

Insight Communication & Design