



The resources investment that pays

Corporate Presentation
October 2021

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Reporting Period

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

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

Non-IFRS Financial Information

This document may contain non-IFRS financial measures including EBITDA, Underlying EBITDA, EBIT, free cash flow, and net debt amongst others. Deterra management considers these to be key financial performance indicators of the business and they are defined in the FY21 Annual Report (18 August 2021). Non-IFRS measures have not been subject to audit or review.

All figures are expressed in Australian dollars unless stated otherwise.

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

Corporate overview

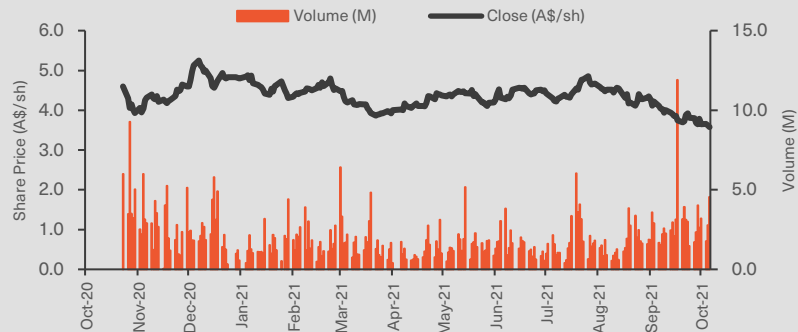
Capital Structure¹

Share price	\$3.77
Shares on issue	528.5m
Market capitalisation	\$2.0bn
Cash (30 June 2021)	\$24.2m
FY21 Dividend ³	17.83¢
Royalty agreements	6

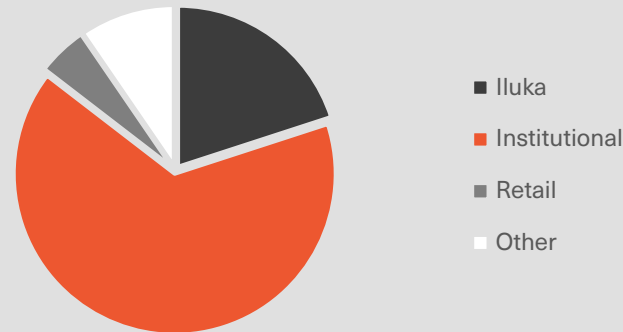
Board and Management Team

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

Share price performance¹



Register composition

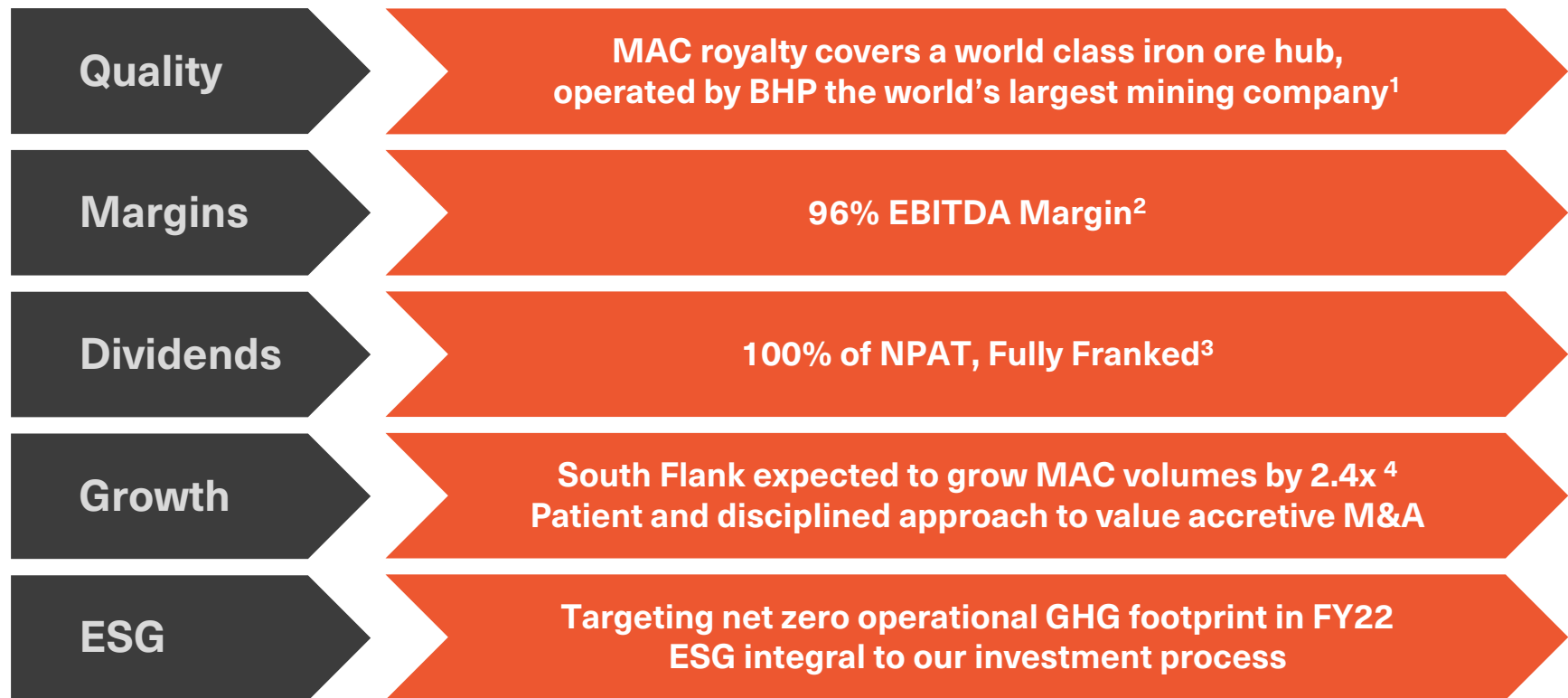


(1) As of 13 Oct 2021

(2) Iluka Resources nominee

(3) 17.83¢/sh dividend from 15 Jun 20 to 30 Jun 21, see slide 6 for details

What we offer investors



(1) BHP is the world's largest listed mining company by market capitalization as of 8 Oct 2021

(2) FY21 EBITDA margin calculated for Post-demerger period

(3) Deterra's approach to dividends and dividend policy will be determined by the Deterra Board at its discretion and may change over time

(4) BHP media article – 20 May 2021

A better way to invest in resources

Reduce operational exposure, capture upside.

The nature of our business model means our investors are exposed to lower capital and operating risk than typical mining investments but retain exposure to the upside through expansions and extensions at no cost.

“Top Line” Cashflows	Commodity Price Leverage	Project Optionality
Royalty revenue derived from asset’s top line revenue.	Direct exposure to underlying commodity price.	Asset expansions and extensions drive value of royalty investments.
No Capital Cost Obligations	Limited Operating Cost Exposure	Cost Inflation Resistance
Royalty owner is free carried through future project capital requirements.	No direct exposure to project operating costs.	High margins, and protection against cost inflation.

Delivering strong financial outcomes

Statutory accounts¹

Total Revenue	\$145.2M
Underlying EBITDA ³	\$135.5M
NPAT	\$94.3M
Dividends per share ⁴	17.83¢ (100% of NPAT)

Attributable to²:



Revenue	\$29.3M	Revenue	\$115.9M
Underlying EBITDA	\$24.4M	Underlying EBITDA	\$111.1M
NPAT	\$20.4M	NPAT	\$73.9M
DPS ⁴	3.86¢	DPS	13.97¢

(1) Refers to results for period 15 June 2020 to 30 June 2021.

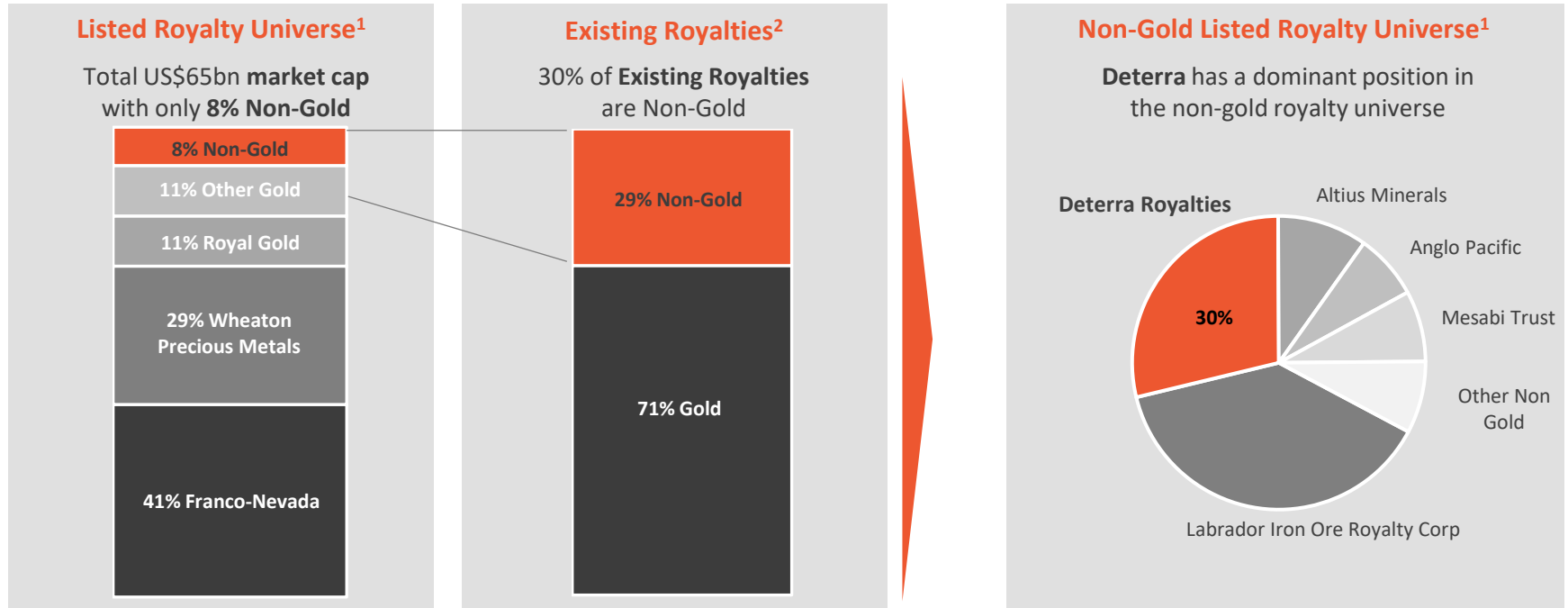
(2) See notes on slide 7.

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

(4) Pre-demerger dividends per share shown based on the share count for the period immediately following demerger and is included in total dividends on this same basis.

Royalty and streaming company landscape

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



(1) S&P Capital IQ. Average market capitalisation for the peer group during September 2021. Includes; TSX:FNV, NYSE:WPM, NasdaqGS:RGLD, TSX:OR, TSX:TFPM, TSX:SSL, TSX:MMX, TSX:NSR, TSXV:MTA, TSXV:EMX, TSXV:RZZ, TSXV:VOX, TSXV:ELE, AIM:ALS, TSXV:FISH, TSXV:OGN, TSX:LIF, ASX:DRR, TSX:ALS, LSE:APF, NYSE:MSB, TSXV:URC, AIM:TRR

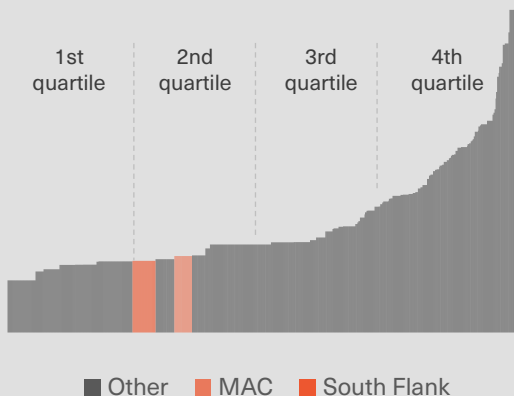
(2) Number of royalties from Deterra analysis of S&P Capital IQ.

Our core asset – the Mining Area C Royalty...

Low-risk exposure to a large, low-cost iron ore mining complex that is set to grow its volumes by approximately 2.4 times

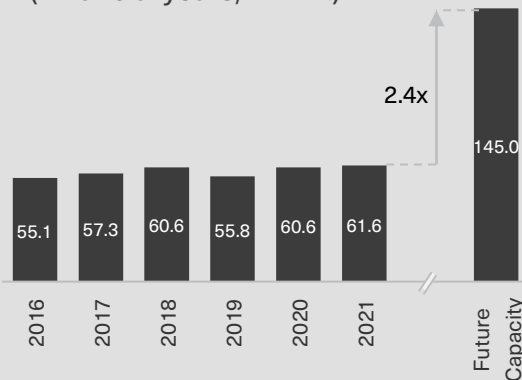
Low-cost operations with long life

Iron ore total cash cost curve (2025F)¹



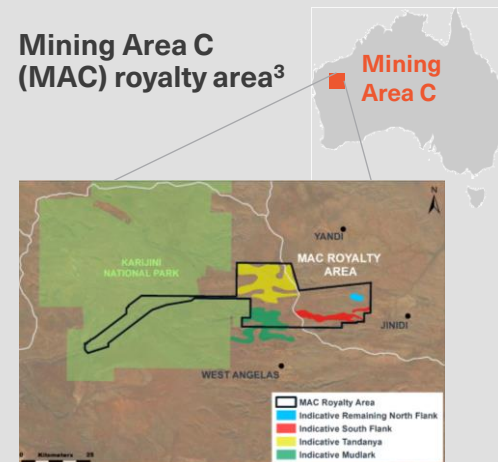
Significant near-term growth through South Flank expansion

Mining Area C production (Financial years, Mwmt)²



Resource upside in a low-risk jurisdiction

Mining Area C (MAC) royalty area³



- (1) Source: Wood Mackenzie. Total cash costs are defined as direct cash cost associated with mining, processing and transport of marketable products, including G&A costs directly related to mine production, royalties, levies and other indirect taxes.
- (2) BHP reported MAC production volumes on a wet basis. Source: BHP Operational Review for the year ended 30 June 2021 (20 July 2021) and similar prior Operational Reviews, available at www.asx.com.au; BHP delivers first production from South Flank (20 May 2021), available at www.BHP.com.
- (3) Source: BHP, overlay of illustrative MAC royalty area. Location and mineralisation outline are for illustrative purposes only.

... is leveraged to South Flank growth

Deterra's MAC Royalty revenue is determined by BHP's realised iron ore prices, sales volumes and foreign exchange rates

Revenue royalty payment of 1.232% of realised AUD FOB revenue from sale of MAC product:

- 2021 average realised pricing: A\$200/dmt
- June 2021 Qtr pricing: A\$254/dmt
- 2021 MAC sales: 55.9 million dry metric tonnes
 - Forecast capacity on completion of South Flank expansion: 145 million wet metric tonnes²
- The sensitivity table adjacent illustrates a range of potential MAC royalty receipts under various iron ore and production assumptions.
- assumes constant AUD:USD exchange rate of 0.75

Capacity payment of A\$1 million per 1 million dry metric tonne (dmt) increase in annual production at MAC³

MAC Royalty annual receipts – Illustrative production and price sensitivity¹
(AUD million)

		Realised Iron Ore Price:							
		A\$/dmt (FOB) (US\$/dmt (FOB))							
		80 (60)	107 (80)	133 (100)	160 (120)	187 (140)	213 (160)	240 (180)	267 (200)
MAC Sales (M/dmt)	60	59	79	99	118	138	158	177	197
	80	79	105	131	158	184	210	237	263
	100	99	131	164	197	230	263	296	329
	120	118	158	197	237	276	315	355	394
	140	138	184	230	276	322	368	414	460

(1) Excludes one-off capacity payments.

(2) MAC sales volumes are reported on a dry basis and will vary from BHP reported production due to product moisture factors and the timing of sales and inventory movements in any reporting period. Source BHP delivers first production from South Flank (20 May 2021), available at www.BHP.com.

(3) The threshold production for future capacity payments is now 59 M/dmt.

Targeted growth strategy focused on value-accretive investment

Deterra's screening process and investment criteria prioritise opportunities where it has a competitive advantage

Primary royalties

Creating new royalties for:

- Project capital
- Balance sheet repair
- M&A finance support

Secondary royalties

Acquire existing royalties to:

- Improve liquidity
- Daylight value
- Diversify risk

How we prioritise opportunities

Size	Commodity	Geography	Stage
Broad mandate driven by ability to add value ("Sweet spot" of A\$100 – A\$300M)	<ul style="list-style-type: none"> • Bulks • Base metals • Battery metals 	Developed mining jurisdictions, incl: <ul style="list-style-type: none"> • Australia • N. America • S. America • Europe 	<ul style="list-style-type: none"> • Production • Near production
Other opportunities considered on merit on a case by case basis			

Investment criteria

ESG

ESG risk and opportunity

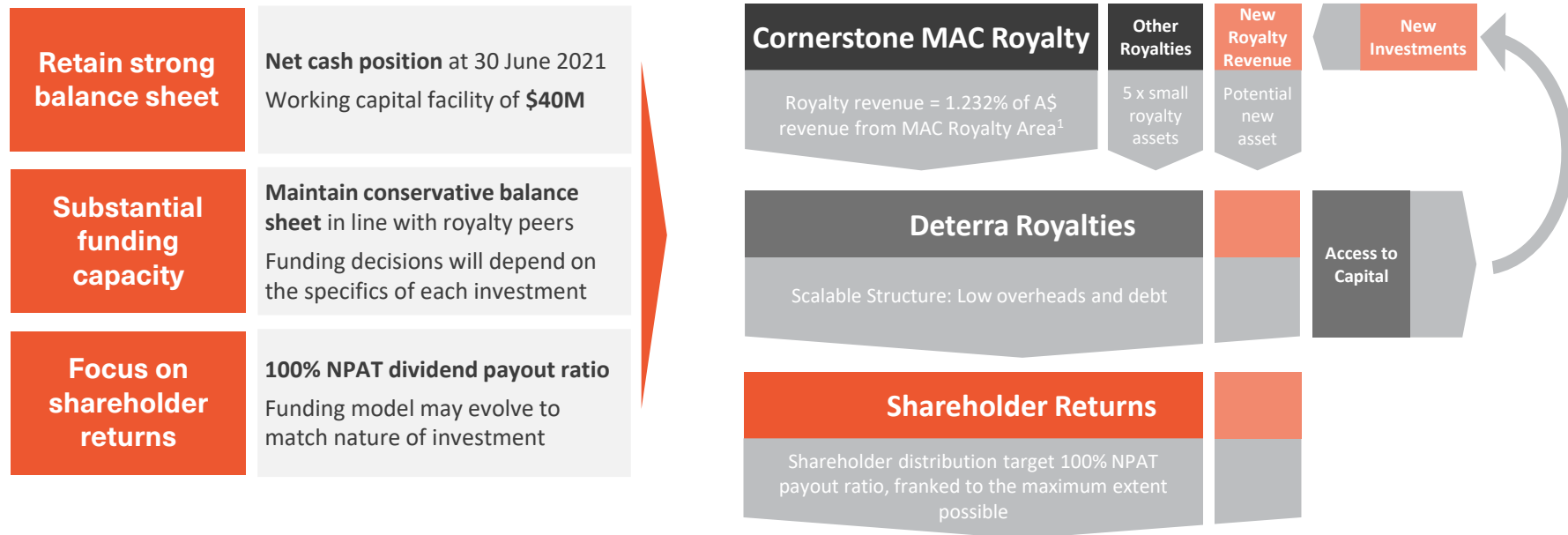
Value

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

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

Capital structure and funding for growth

The high-quality MAC cash flows and conservative capital management provides Deterra with strong capacity to fund growth



Committed to sustainable shareholder returns

Our sustainability roadmap outlines our commitment to transparent reporting of our ESG performance and objectives

Current

- Applied to become signatory to the UN Global Compact
- Established a Human Rights Policy
- Published our first Corporate Governance Statement
- Completed a voluntary Tax Transparency Disclosure
- Developed ESG due diligence assessment criteria

Next Steps

- Targeting net-zero operational GHG footprint in FY22
- Develop an annual Modern Slavery Statement
- Assess materiality and enhance our performance disclosures
- Establish community engagement initiatives
- Enhance the robustness of our ESG due diligence process

Future State

- Guided by global frameworks to;
- Enhance our disclosures
 - Inform our investment decisions

A better way to invest in the resources industry

Summary

- 1 **MAC royalty is one of the world's best royalty assets.**
- 2 **Superior EBITDA margin of 96% in FY21¹.**
- 3 **100% NPAT dividend payout ratio, fully franked².**
- 4 **South Flank to grow MAC volumes by 2.4x³ and a growth mandate to provide patient and disciplined value accretive M&A.**

Our Business Model



(1) FY21 EBITDA margin calculated for Post-demerger period

(2) Deterra's approach to dividends and dividend policy will be determined by the Deterra Board at its discretion and may change over time

(3) BHP media article – 20 May 2021

For more information:

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