

30 July 2021

ASX: DRR

## QUARTERLY ROYALTY REVENUE UPDATE

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to confirm total royalty receipts for the June 2021 quarter of \$54.9 million. Deterra had three producing royalties in the period, comprising:

- Mining Area C (MAC), which generated iron ore revenue royalties of \$52.8 million and a capacity payment of \$2.0 million; and
- Two Western Australian mineral sands operations which generated \$0.1 million combined.

MAC iron ore revenue royalties increased by 45% compared to the March 2021 quarter as iron ore prices strengthened and sales volumes increased with the commissioning of the South Flank mine in May 2021.

Increased mine production in FY21, which included first ore from South Flank, has lifted the demonstrated annual capacity level at MAC from 57 million dry metric tonnes to 59 million dry metric tonnes, triggering a \$2.0 million capacity payment.

The Company expects to report total revenue for the period from 15 June 2020 to 30 June 2021 of \$145.2 million, comprising \$140.4 million of royalty revenue and a \$4.8 million demerger-related revenue adjustment.

### Deterra royalty receipts

AUD million	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	QoQ (%)
<b>Mining Area C</b>						
Royalty revenue <sup>1</sup>	25.6	24.1	24.4	36.3	52.8	45.3%
Capacity payments	1.0	-	-	-	2.0	
<b>Other Royalties</b>	0.0	0.4	0.2	0.1	0.1	0%
<b>Total</b>	26.6	24.4	24.6	36.4	54.9	50.8%

<sup>1</sup> Iron ore sales typically reflect average iron ore index prices for the month of shipping, with adjustments for ore quality. Deterra's royalty receipts are based on sales invoiced during the period which may reflect, in part, provisional pricing. Accordingly, quarterly revenues can be impacted by the timing of adjustments to align achieved pricing to provisional pricing from the prior quarter.

The company receives an ongoing royalty of 1.232% of Australian dollar denominated quarterly FOB revenue from the MAC royalty area. Additional, one-off capacity payments of A\$1 million per one million dry metric tonne (Mdm) increase in annual mine production are determined for the period ending 30 June. The current demonstrated annual capacity level is currently set at 59Mdm.

#### Mining Area C production and sales information

	Jun 2020	Sep 2020	Dec 2020	Mar 2021	Jun 2021	QoQ (%)
<b>BHP Reported MAC production (million wet metric tonnes)<sup>2</sup></b>	16.4	14.0	13.6	15.3	18.7	22.2%
<b>MAC sales (Mdm)<sup>3</sup></b>	15.6	12.5	12.8	13.8	16.9	22.5%

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

**Ian Gregory**  
Company Secretary

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<sup>2</sup> Source: BHP Operational Review for the year ended 30 June 2021 and similar prior Operational Reviews.

<sup>3</sup> 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.