

Australian Securities Exchange Notice

31 January 2022

ASX: DRR

QUARTERLY ROYALTY REVENUE UPDATE

Deterra Royalties Limited (ASX: DRR) (**Deterra or Company**) is pleased to confirm total royalty receipts for the December 2021 quarter of \$33.2 million. Deterra had three producing royalties in the period, comprising:

- Mining Area C (MAC), which generated iron ore revenue royalties of \$33.1 million; and
- Two Western Australian mineral sands operations which generated \$0.1 million combined.

During the quarter increasing sales volumes from the ramp-up of the South Flank mine were offset by falls in iron ore prices. MAC iron ore revenue royalties decreased by 44.5% compared to the September 2021 quarter.

Deterra royalty receipts					
AUD million	Sep 2021	Dec 2021	QoQ (%)	YTD	
Mining Area C					
Royalty revenue ¹	59.6	33.1	-44.5%	92.7	
Capacity payments	-	-	-	-	
Other Royalties					
0.1	0.1	-	-	0.2	
Total	59.7	33.2	-44.4%	92.8	

¹ 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 (Mdmt) increase in annual mine production are determined for the period ending 30 June. The current demonstrated annual capacity level is currently set at 59Mdmt.

Mining Area C production and sales information

	Sep 2021	Dec 2021	QoQ (%)	YTD
BHP Reported MAC production (million wet metric tonnes)²	22.3	27.0	20.9%	49.2
MAC sales (Mdmt)³	21.0	24.8	18.3%	45.8

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

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Company Secretary

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² Source: BHP Operational Review for the year ended 31 December 2021 and similar prior Operational Reviews.

³ 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.