

17 October 2024

ASX: DRR

PORTFOLIO UPDATE: THACKER PASS LITHIUM PROJECT

Deterra Royalties Limited (ASX:DRR) (“**Deterra**”, or “the Company”) is pleased to note the recent update from Lithium Americas Corporation (“LAC”), project operator of the Thacker Pass Lithium Project (“Thacker Pass”, or “the Project”) located in Nevada, USA¹. Deterra holds a 4.8% gross revenue royalty over Thacker Pass (reducing to 1.05% gross revenue royalty, after expected exercise of a partial royalty buyback, which would see US\$13.2 million paid to Deterra).

KEY HIGHLIGHTS¹

- LAC and General Motors Holdings LLC (“GM”) have entered into a new investment agreement to establish a joint venture for the purpose of funding, developing, constructing and operating Thacker Pass (“JV Transaction”).²
- Under the terms of the transaction, GM will acquire a 38% asset-level ownership stake in the Project for US\$625 million in total cash and letters of credit, including US\$430 million of direct cash funding to the JV to support the construction of Phase 1 and a US\$195 million letter of credit facility. The transaction is incremental to GM’s February 2023 investment of US\$320 million and replaces the US\$330 million Tranche 2 equity investment commitment from GM under its original investment agreement.
- LAC will contribute US\$387 million of funding to the JV for its 62% ownership in the Project:
 - US\$211 million (with expenditures on capex after August 2024 being credited against and reducing this amount, along with other adjustments) to be contributed on the date of the JV closing; and the remainder to be contributed upon Final Investment Decision (FID) for Phase 1.
 - As of June 30, 2024, Lithium Americas had approximately US\$376 million in cash and cash equivalents.
- In March 2024, LAC received a conditional commitment for a US\$2.3 billion loan from the U.S. Department of Energy (the “DOE Loan”). Prior to making the first draw on the DOE Loan, expected sometime in the middle of 2025, LAC is required to fund approximately US\$195 million (funded by either cash or letters of credit) for reserve accounts associated with the DOE Loan (for construction contingency, ramp-up and

¹ Source: Lithium Americas Corporation announcement dated 16 October 2024

² GM’s JV Investment is subject to certain conditions precedent, including those related to the loan agreement for the DOE Loan.

sustaining capital). The GM Letter of Credit Facility will be used to fund the DOE's reserve accounts.

- LAC continues to work closely with the DOE and expects to close the DOE Loan in the coming weeks. LAC and GM are targeting making the FID and issuing full notice to proceed for Thacker Pass by the end of the year, following closing of the DOE Loan and the JV Transaction.
- In addition to the JV Transaction, GM has agreed to extend its existing offtake agreement for up to 100% of production volumes from Phase 1 of Thacker Pass to 20 years to support the expected maturity of the DOE Loan. Upon closing of the JV, GM will also enter into an additional 20-year offtake agreement for up to 38% of Phase 2 production volumes and will retain its existing right of first offer on the remaining Phase 2 production volumes.

Julian Andrews, Managing Director and Chief Executive Officer of Deterra, commented:

"We are pleased to note today's update regarding Thacker Pass, a high priority asset with considerable strategic value for the United States. Once finalised, the JV Agreement with GM, coupled with the DOE Loan, will see capex for Phase 1 largely secured. As a key development asset within Deterra's portfolio, we look forward to further updates as LAC and GM progress to FID."

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

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