

31/01/2025

ASX: DRR

DECEMBER 2024 QUARTER PORTFOLIO UPDATE

Deterra Royalties Limited (ASX: DRR) (**Deterra** or **Company**) is pleased to provide a portfolio update for the quarter ended 31 December 2024.

1. HIGHLIGHTS

- Portfolio revenue of \$59.3 million for the December 2024 quarter, up 11.7% from the prior quarter¹:
 - Mining Area C (MAC) delivered record volumes from the Central Pilbara hub², driving iron ore revenue royalties of \$53.0 million, up 4.6% on prior quarter on both higher sales and realised pricing;
 - Gold offtakes delivered net realised margin³ of \$5.2 million from 109.8 thousand ounces (koz) delivered; and
 - Other royalty revenues of \$1.0 million up \$0.5 million from prior quarter.
- Lithium Americas Corporation (LAC) made significant progress at Thacker Pass Lithium Project, Nevada, including:
 - Closing of the US\$2.26 billion loan from the U.S. Department of Energy;
 - Closing of the US\$625 million investment agreement with strategic partner General Motors Holdings LLC (GM) to fund, develop, construct and operate Thacker Pass which will result in GM holding a 38% joint venture interest in the project;
 - Providing limited full notice to proceed to EPCM contractor Bechtel and other major contractors with first production anticipated in Q4 CY2027; and
 - Subsequent to the quarter end, an increase in the NI 43-101⁴ (non-JORC) mineral resource estimate such that Thacker Pass now contains the largest measured lithium reserve and resource in the world⁵, supporting a doubling in the planned production capacity to 160ktpa lithium carbonate equivalent (LCE) and an increase in planned mine-life to 85 years.
- Restructuring of Deterra's global team following the integration of Trident Royalties plc (Trident) ensuring delivery of future synergies.

¹ Deterra consolidates Trident's financial results from 2 September 2024.

² BHP Operational Review for the quarter ended 31 December 2024.

³ Net realised margin defined as sale price less cost of sales.

⁴ The mineral reserve and mineral resource estimates for Thacker Pass have been prepared using the National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators and the S-K 1300 regulations for the US Securities Act of 1933. The mineral resources and reserve estimates are not reported in accordance with the JORC Code.

⁵ AME lithium industry analysis, 28 January 2025.

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

“It is pleasing to report another quarter of strong revenues from our royalty portfolio. With the South Flank expansion at Mining Area C complete, this royalty continues to deliver consistent cash flow.

In addition, the Trident acquisition has outperformed expectations. We saw the first full quarter of contribution from these assets, which has provided additional sources of revenue and growth. The significant updates from LAC on the Thacker Pass Lithium Project highlight the unique and tangible benefits of the royalty model, and Deterra’s countercyclical diversification strategy.

Taken together, the closing of the U.S. Department of Energy’s US\$2.26 billion loan, and the US\$625 million joint venture agreement with GM to fund, develop, construct and operate the Thacker Pass has significantly de-risked the project, and largely secured capex for Phase 1.

We are also particularly delighted with LACs early-January update, noting that Thacker Pass has grown to have the largest global lithium resource and reserve, doubled the planned production profile, and increased the life-of-mine to 85-years while maintaining a competitive operating cost profile. Importantly, these milestone achievements at Thacker Pass required no additional capital expenditure by Deterra.

We look forward to a positive FID at Thacker Pass, which has been flagged for early 2025, and other significant updates from our precious and base metals assets.”

2. DETERRA ROYALTY REVENUE

AUD million (unaudited)	Quarter ended			Year to date
	Sept 2024 ^a	Dec 2024	QoQ (%)	Dec 2024 ^a
Mining Area C				
Royalty revenue ⁶	50.7	53.0	4.6%	103.7
Capacity payments	0	0	-	0.0
Gold offtake portfolio^{7,8}	1.9 ^a	5.2	na	7.2
Other royalties	0.5 ^a	1.0	na	1.5
Total	53.1 ^a	59.3	11.7%	112.3

Notes:

^a Includes revenue from assets acquired as part of the Trident portfolio from 2 September 2024 only. Deterra consolidated Trident’s financial results from 2 September 2024.

⁶ 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.

⁷ Net realised margin.

⁸ USD revenue converted at AUD:USD 0.6522 for December Quarter.

3. PORTFOLIO UPDATE

3.1 Record Volumes from Mining Area C Iron Ore Mine

MAC delivered record quarterly volumes from the Central Pilbara hub following completion of the ramp up of South Flank to 80 million wet metric tonnes (mwmt) per annum (100 per cent basis) on a run-rate basis in the last quarter of FY24. Production for the December 2024 quarter of 34.8 mwmt (100 per cent basis), an increase of 2.6% compared to the prior quarter. Sales increased 1.7% on the prior quarter and implied average iron ore pricing increased 2.9%.

	Quarter ended			Year to date
	Sept 2024	Dec 2024	QoQ (%)	Dec 2024
BHP Reported MAC production (100% basis) (Mwmt) ⁹	33.9	34.8	2.6%	68.7
MAC sales (Mdmt) ¹⁰	31.5	32.1	1.7%	63.6
Implied average revenue per tonne (AUD)	130.4	134.2	2.9%	132.3

The company receives a 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 118Mdmt.

3.2 Thacker Pass Lithium Project now the world's largest measured lithium resource and reserve¹¹

Subsequent to quarter-end, LAC released an updated NI 43-101 (non-JORC) technical report for its Thacker Pass Lithium Project¹² located in Nevada, USA which included:

- An increase in the NI 43-101 Technical Report (non-JORC) Proven and Probable mineral reserve estimate and Measured and Indicated mineral resource estimate to 14.3 million tonnes (Mt) and 44.5 Mt LCE respectively, making it the world's largest measured lithium resource and reserve;
- A doubling of total planned production capacity from the previous Feasibility Study¹³, with an expansion plan targeting up to 160,000tpa of LCE production in four phases; and

⁹ BHP Operational Review for the quarter ended 31 December 2024 and similar prior Operational Reviews.

¹⁰ 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.

¹¹ AME lithium industry analysis, 28 January 2025.

¹² Lithium Americas Corporation announcement dated 7 January 2025. The mineral reserve and mineral resource estimates for Thacker Pass have been prepared using the National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators and the S-K 1300 regulations for the US Securities Act of 1933. The mineral resources and reserve estimates are not reported in accordance with the JORC Code.

¹³ Feasibility Study NI 43-101 Technical Report for the Thacker Pass Project, November 2, 2022.

- Project economics for an 85-year life of mine, an increase from the previous 40-year life of mine, and optimized production scenario for years 1-25 with C1 operating costs of US\$6,238/tonne, down approximately US\$500/tonne from LAC's prior study.

LAC also made two announcements during the quarter that substantially completes project financing for Phase 1 of the project, being the closing of:

- A US\$2.26 billion loan from the U.S. Department of Energy's ("DoE") Loan Programs Office under the Advanced Technology Vehicles Manufacturing Loan Program with a 24-year tenor and interest at the applicable long dated U.S. Treasury rate with 0% spread¹⁴. The DoE Loan will help finance the construction of Phase 1, targeted to produce an initial 40,000tpa of LCE (Phase 1).
- The Thacker Pass Joint Venture with GM to fund, develop, construct and operate Thacker Pass¹⁵. GM has acquired a 38% interest in Thacker Pass for US\$625 million. In addition to its Phase 1 Offtake Agreement, GM has entered into an additional 20-year offtake agreement for up to 38% of production volumes from Phase 2 and will retain its right of first offer on the remaining balance of Phase 2 volumes.¹⁶ LAC now holds a 62% interest in Thacker Pass and will manage the Project.

Phase 1 construction for planned output of 40,000tpa LCE is underway with Bechtel appointed as EPCM contractor. Subsequent to the quarter, LAC announced that in Q4 2024 it provided Bechtel and other major contractors limited full notice to proceed to de-risk the construction schedule and continue to target completion of Phase 1 in late 2027¹⁷. LAC anticipates announcing the final investment decision for Phase 1 in early 2025.

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).

3.3 Gold Offtakes deliver strong volumes offset by lower margins

Net realised margin for the quarter of \$5.2 million on 109.8koz of delivered gold.

- Average realised margin per ounce was US\$31.10/oz. Delivered ounces increased from the prior quarter¹⁸ due to strong production at Equinox Gold Corp's Los Filos,¹⁹ Fazenda, Santa Luz and RDM mines²⁰.

¹⁴ Lithium Americas Corporation announcement dated 28 October 2024.

¹⁵ Lithium Americas Corporation announcement dated 23 December 2024.

¹⁶ Lithium Americas Corporation announcement dated 16 October 2024.

¹⁷ Lithium Americas Corporation announcement dated 7 January 2025.

¹⁸ Deterra acquired the gold offtake contracts effective 2 September 2024 and will report earnings from that date.

¹⁹ Deterra holds a gold offtake for 50% of gold production at Los Filos, capped at 1.1 million ounces.

²⁰ Deterra holds a gold offtake for 35% of refined gold production at Fazenda, RDM and Santa Luz, capped at 658koz (combined).

	Sept 2024 Deterra Share ^a	Quarter ended			Year to date
		Sept 2024 Pro-forma ^b	Dec 2024	QoQ (%)	Dec 2024 ^a
Total realised margin (AUDm)	1.9	5.7	5.2	-8.1%	7.2
Ounces delivered (koz)	27.2	83.8	109.8	31.0%	136.9
Average USD realised price per ounce	2553	2466	2662	7.9%	2640
Realised margin per ounce (USD)	48.40	45.20	31.10	-31.2%	34.6

Notes:

- a. Includes revenue from assets acquired as part of the Trident portfolio from 2 September 2024 only.
- b. Includes Trident portfolio revenue for full quarter, i.e. July 1 to September 30 2024.

Deterra holds a portfolio of gold offtake contracts with six operators covering 10 mines. Under these contracts Deterra receives delivery of gold ounces with pricing set based on a minimum index price during a six-to-eight-day pricing period (terms vary by individual contract). By selling these ounces during the pricing period Deterra realises a margin over the minimum price paid whilst protecting against loss. Realised margins are driven by gold price, volatility and volumes delivered, as well as timing of sale.

3.4 Other Royalties

During the quarter, Deterra received \$1 million from its other royalty assets.

3.5 Other Portfolio Asset Updates:

- **Paradox Lithium Project Royalty, Utah USA** – in October 2024, Deterra and Atherton Resources LLC (Atherton) (the royalty vendor) amended the royalty purchase and sale agreement such that Deterra has paid a one-time payment of US\$1.25 million to Atherton, the original holder of the royalty, and Atherton has cancelled Deterra’s future obligation to pay further consideration of:
 - US\$3.5 million upon commencement of commercial production (First Payment); and
 - US\$5.0 million on the second anniversary of the First Payment.

Deterra holds a 2.5% net smelter return (NSR) royalty over all projects owned by ASX listed Anson Resources Limited (ASX:ASN) in the Paradox Basin.

- **Antler Copper Project Royalty, Arizona USA** – ASX listed New World Resources Ltd (ASX:NWC) (New World) continued to advance key long lead permitting activities with the successful submission of several permit applications throughout the quarter²¹. The company also announced high-grade assay results ahead of a pending Resource update²². The Definitive Feasibility Study is continuing in parallel with local and regional exploration and mine permitting²³.

Deterra holds a 0.9% net smelter return (NSR) royalty over current tenure and 0.45% NSR over subsequently acquired tenure within a defined Area of Interest²⁴.

- **La Preciosa Silver Royalty, Mexico** – on 15 January 2025, TSX-listed Avino Silver & Gold Mines Ltd (TSX:ASM) (Avino) announced that underground development at La Preciosa has commenced following receipt of all required permits for mining operations. The processing of historical stockpile material continued during the quarter in preparation for the Avino mill to receive fresh feed from La Preciosa²⁵. La Preciosa hosts one of the largest undeveloped primary silver resources in Mexico²⁶.

Deterra is entitled to a milestone payment of US\$8.75 million from Avino (which, subject to certain conditions, Avino may satisfy (at its election) up to 50% of which with the issue of Avino shares) due within 12 months of first silver production. Deterra is required to pay US\$1 million to Coeur Mining Limited (the royalty vendor) within 5 business days of the earlier of the receipt of the milestone payment or the date that is one year following first silver production.

Deterra holds a 1.25% NSR royalty over the defined project area and 2.0% Gross Value Royalty over the remaining La Preciosa tenement area.

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

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²¹ New World Resources announcements dated 5 December 2024, 11 October 2024 and 4 October 2024.

²² New World Resources announcement dated 11 December 2024.

²³ New World Resources announcements dated 5 December 2024, 11 October 2024 and 4 October 2024.

²⁴ Payor entitled to reduce royalty rate by making lump sum payments at the time of construction funding.

²⁵ Avino Silver & Gold Mines Ltd announcement dated 12 November 2024.

²⁶ Avino Silver & Gold Mines Ltd announcement dated 15 January 2025.

ABOUT DETERRA

Deterra is an ASX-listed diversified resource royalty company committed to providing shareholders with lower risk exposure to mining activity through value-accretive investment in resource projects, through either financing of projects by royalties or streams or the acquisition of similar existing instruments.

Based in Perth, Western Australia, Deterra owns royalties and offtake agreements across 11 countries and six commodities – including two flagship royalties over:

- i) the Mining Area C (MAC) iron ore mine in the Pilbara, Western Australia. MAC is the world's largest iron ore hub²⁷, operated by BHP, the world's largest mining company²⁸. At full capacity, Mining Area C accounts for 9% of global seaborne iron ore supply²⁹ and has a multi-decade asset life³⁰.
- ii) The Thacker Pass lithium project in Nevada, USA, the world's largest known Measured and Indicated lithium resource. Thacker Pass is owned by a joint venture between LAC (holding a 62% interest and is the manager), and GM (holding a 38% interest). The project is targeting total production capacity of 160,000tpa of battery-quality lithium carbonate to be developed in four phases of 40,000tpa each. Phase 1 construction is underway with Bechtel appointed as EPCM contractor and production anticipated to commence in 2027. Phase 1 construction is expected to create nearly 2,000 direct jobs with approximately 350 full-time jobs during operations. LAC anticipates announcing the final investment decision for Phase 1 in early 2025³¹.

Deterra's assets cover bulk, base, battery and precious metals at various stages of the mine lifecycle.

²⁷ BHP Western Australia Iron Ore site tour presentation: South Flank, ASX 4 October 2022.

²⁸ By market capitalisation.

²⁹ AME Research, Iron Ore Strategic Study Q4 2023.

³⁰ BHP marks official opening of South Flank – BHP media release 4 October 2022.

³¹ Lithium Americas Corporation announcement dated 7 January 2025.