23/10/2025 ASX: DRR

CHAIR AND MANAGING DIRECTOR ADDRESSES TO 2025 ANNUAL GENERAL MEETING

Deterra Royalties Limited (ASX: DRR) ("Deterra", or "the Company") is pleased to attach a copy of the address to be given by each of the Chair and the Managing Director at today's Annual General Meeting.

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

Bronwyn Kerr
Company Secretary

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CHAIR'S ADDRESS

Most of you will have seen this morning's ASX announcement advising that our Managing Director and CEO will step down from his role in the near future.

Under Julian's leadership, Deterra has established itself as an internationally significant royalty company recognised amongst investors and other stakeholders, and our business is well-positioned for future success.

Julian leaves with our best wishes and immense thanks for his personal commitment, contributions, dedication and leadership over these last five years.

The Board has commenced an executive search for a new Managing Director and CEO.

Mr Jason Neal will commence as interim Managing Director and CEO when Julian steps down.

Jason has been a Non-Executive Director of the Company since 2022, and also currently serves as Lead Independent Director of G Mining Ventures.

He brings extensive experience in senior executive roles in the mining sector as well as more than twenty years at BMO Capital Markets where he led the global metals and mining investment banking team.

We will update the market on leadership transition and any future appointment when those decisions are made.

2025 was a pivotal year for the Company, with our foundation royalty over BHP's Mining Area C iron ore operation reaching the end of a period of significant organic volume growth with the completion of the South Flank expansion. We have now seen production at Mining Area C, or MAC, more than double since 2020, and this growth coupled with sustained strong iron ore prices has underpinned a substantial increase in our revenue over that time.

Julian will speak to the performance of the business in more detail shortly but in summary we are very pleased with the performance of both our legacy assets and the new assets added to the portfolio during the last year.

Since the time of listing, our strategy has consistently been to deliver value from the Mining Area C royalty through diligent stewardship, and to build a business with sustainable returns through disciplined value-accretive investment.

With MAC's potential to support additional mine life of over 45 years, our investors will continue to have top-line exposure to our world class foundation asset for many years to come. However, absent further future expansion, our royalty revenue in the short to medium term will be primarily linked to iron ore pricing.

Accordingly, and consistent with our strategic focus on delivering sustainable and growing returns, the second pillar of our strategy is to incorporate new assets to our portfolio that complement the MAC royalty. This has enabled us to transition from a single-revenue-asset company leveraged to the iron ore price, to a globally diversified royalty business with multi-commodity exposure, and near, medium and long-term optionality.

This process has taken, and will take, further time given the scale and quality of the Mining Area C royalty and we will remain patient and disciplined in our approach.

Following the completion of the Trident acquisition in September 2024, our portfolio now contains assets at different stages of development with different jurisdictions and commodity exposures, albeit at a smaller scale relative to the MAC royalty but with the prospect to grow in scale over time. Specifically our royalty over Thacker Pass is currently quite a small part of the value of the Company, but through the more than US$3 billion initial investment by the US government, joint venture partner, General Motors, and strategic investor, Orion Resource Partners, and any investment in future expansion, we expect this asset to provide a growing proportion of our free cashflow for decades.

I note with interest the recent greater than two fold increase in the market value of Lithium Americas, which is developing the Thacker Pass project, as they completed further support arrangements with the US government and General Motors noting that these arrangements further de-risk the Thacker Pass project over which we have a royalty.

We continue to look for opportunities to add to the portfolio, as well as those to crystalise value through divesting non-core assets and in that regard, I note our recent sale of gold offtake contracts and precious metals royalties at very strong returns.

Turning now to capital management, our framework is designed to support our strategy to deliver sustainable shareholder returns both through dividends generated by the assets in our portfolio and share market value.

The key element of this framework is a focus on disciplined allocation of capital, one in which dividend returns to shareholders are balanced with the investment needs of the Company where we have opportunities to create value.

Following the decision to invest in the Trident Royalties assets, the Board made the decision to implement a minimum dividend payout ratio of 50 per cent of net profit after tax (NPAT), introducing a range from the historic 100 per cent NPAT payout ratio to a minimum of 50 per cent. We received feedback from shareholders that this payout range was too wide and we needed to indicate a clear "target" for investors to assume when contemplating retaining or investing further in our Company. Accordingly, we have provided clearer guidance in that regard and instituted a single target payout ratio of 75 per cent with our final dividend announcement for FY25.

From a governance perspective, in April this year we were very pleased to welcome Mr Alex Morrison and Ms Leanne Heywood to the Board as independent Non-Executive Directors.

Alex and Leanne are standing for election at this meeting and will speak directly for themselves shortly, but I note that their strong royalties, mining capital allocation and financial experience has added to, and complemented, the skills of our Board, and provide flexibility in managing the Board’s succession planning.

In closing, looking ahead it is clear that we are in a period of macro-economic and geopolitical uncertainty. However, it is also a time of opportunity as we see strong market and government support for mining activity in general and for many of our target commodities in particular. For Deterra, these conditions favour our royalty funding model as a valuable source of capital for resource project developers.

We thank our dedicated team, including those who have joined us and those who have departed this year, who have worked hard integrating the Trident assets and optimising our portfolio.

As a result of the transition of the Managing Director and CEO role, the Board considers it is no longer appropriate to proceed to issue long term incentives to Julian. As such, resolution 5 has been withdrawn from today’s agenda.

On behalf of the Board, I would like to thank our shareholders for their support in financial year 2025 and look forward to continuing to build our Company together.

I will now hand over to our Managing Director, Julian Andrews, for his address.

Jennifer Seabrook

MANAGING DIRECTOR'S ADDRESS

As Jenny noted this will be my last address to you in my capacity as Managing Director and CEO as I have advised the Board that I will be stepping down from the Company for personal reasons after five years in the role.

In that regard I would like to start by saying that I am very proud of what we have achieved at Deterra in that time, building a successful operating business around a truly outstanding foundational asset, and in doing so bringing a new type of investment proposition to the ASX and the Australian investment community. It has been a privilege to lead the team in this period, and although it was a difficult decision to make, I am pleased to be leaving the Company in good shape and good hands.

Turning to the business, we have delivered another year of strong results in FY25 against the two pillars of our strategy – to deliver value from the Mining Area C royalty, and to create a sustainable royalty company through disciplined value accretive investment.

Revenues of $263 million were up 10 per cent on the prior year, with MAC volume growth partly offsetting softer realised iron ore pricing and underpinning a $20 million capacity payment. Other assets, including the gold offtake contracts acquired during the year – and recently divested – were also important sources of revenue, contributing over $24 million of revenue from acquisition to divestment.

The nature of our business model, and its ability to support high margins with its low and scalable fixed cost structure, is illustrated in the $238 million of EBITDA at a margin of 90 per cent, notwithstanding one-off costs associated with the Trident Royalties transaction.

Operationally, MAC had another outstanding year, producing a record 140.1 million wet tonnes for the year. Production volumes have more than doubled over the past five years as the South Flank expansion reached and exceeded nameplate capacity this year, resulting in record overall volumes from the combined MAC operation. Whilst these rates of production suggest the period of significant organic growth in volumes we have experienced from this mine the past four years is largely over, we will continue to benefit from the additional capacity from the expansion for many years to come.

In terms of the second pillar of our strategy, as the Chair has noted, in September last year we announced the successful completion of our acquisition of Trident Royalties – an on-strategy, counter cyclical investment that added 22 new royalties and royalty-like assets to our portfolio. Our investment decision was based on value – it was an opportunity to acquire a portfolio that provided immediate cash flow, high quality growth and longer-term optionality at a price below the value we saw in it. At the core of this acquisition was a royalty over the Thacker Pass lithium project in Nevada, USA, which has the potential, similar to MAC, to operate for many decades as one of the highest quality operations amongst its commodity peers.

In the period since completion of the deal, these new assets have consistently outperformed our expectations, and I am very pleased with their progress.

We have seen significant de-risking of the flagship Thacker Pass asset with funding of over US$3 billion confirmed and a positive Final Investment Decision announced in April. As a result, the project has moved from a development stage asset to construction, and remains on track for mechanical completion and first production in late 2027.

More recently we saw the US government take a stake in both the Thacker Pass project and the operator, Lithium Americas Corporation, which was taken as a very positive development by the market.

Further, in an example of how our business model can participate in value enhancement, in January the project operator Lithium Americas Corporation released an updated non-JORC NI 43-101 Technical Study which increased the project's reserves and resources[1] by 286 per cent and 177 per cent respectively. This has significantly increased the potential return from Deterra's economic stake in the project at no additional outlay to the Company.

The gold volumes we received under the offtake contracts acquired have been strong and with high gold pricing and volatility these assets have generated substantial revenue, more than offsetting the interest cost of the debt used to fund the total acquisition over the period. As we noted at the time of acquisition, these were non-core assets and last month we took advantage of the strong commodity price environment to sell these and other precious metals royalties we held and crystalise a combined 28 per cent return on those assets and recycle the capital invested.

These investments, and subsequent divestment of non-core assets, are examples of how our disciplined capital allocation and investment strategy can deliver value and we remain focused on executing it in a patient and disciplined manner.

Looking to the year ahead, iron ore pricing forecasts remain strong, with spot prices increasing more than 11 per cent in the September quarter and MAC volumes up slightly on the September 2024 quarter. Although we will no longer be generating revenue from the gold offtakes, we will report a pre-tax profit on the sale of our collective precious metal assets, including La Preciosa and the offtakes, of approximately $8 million after transaction costs and before tax. Further, the offtakes generated over $4 million in net revenue in the September 2025 quarter prior to sale.

With first draw on the US$2.23 billion US Department of Energy loan confirmed, we are confident that the Thacker Pass project will continue to de-risk as it progresses development towards completion in late 2027.

Prevailing global market conditions are favourable for resources royalties companies and conducive to the royalty model as a complimentary source of potential funding for resources project developers. We see strong demand for many of the commodities on which we focus and have invested in our origination capability opening a small office in Denver giving us a full-time presence in the key North American markets. With greater uncertainty around availability of the capital to fund the investment in new supply needed to meet that demand, we look forward to working with owners of high-quality projects to provide long-term funding solutions.

Our current portfolio is well positioned, with royalties over a mix of high quality producing, construction and development mines and projects in well-established mining jurisdictions.

Our balance sheet is strong and offers flexibility to provide ongoing shareholder returns as well as the strategic optionality to diligently pursue shareholder value creation opportunities through strict royalty investments and financing opportunities.

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[1] Proven and Probable reserves and Measured and Indicated resources.

Deterra's clear, simple business model offers investors a unique exposure to resources investments that minimises downside exposure to operating risk and operating cost inflation.

Lithium Americas' significant updates at Thacker Pass and the profits generated from the precious metals' assets provide good examples of how our strategy can deliver value through thoughtful capital investment and we remain focused on executing it in a patient and disciplined manner.

I will close by thanking all the people involved in building Deterra over the past five years – the Board, the team and our shareholders – for their efforts and support in doing so. I have great confidence in the future of the Company and look forward to its continued success.

Thank you.

Julian Andrews