



# Goldman Sachs Annual Global Metals & Mining Conference

Bill Heissenbuttel  
VP Corporate Development  
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# Cautionary Statement

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This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from the projections and estimates contained herein and include, but are not limited to: the production estimates from the operators of the Company's properties; the ramp-up and estimated metal recoveries of the Mt. Milligan mine; anticipated growth in the volume of metals subject to the Company's royalty interests; and statements regarding projected steady or increasing production and estimates of timing of commencement of production from operators of properties where we have royalty interests, including operator estimates. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: the risks inherent in construction, development and operation of mining properties, including those specific to a new mine being developed and operated by a base metals company; changes in gold and other metals prices; decisions and activities of the Company's management; unexpected operating costs; decisions and activities of the operators of the Company's royalty and stream properties; changes in operators' mining and processing techniques; unanticipated grade, geological, metallurgical, environmental, processing or other problems at the properties; inaccuracies in technical reports and reserve estimates; revisions by operators of reserves, mineralization or production estimates; changes in project parameters as plans of the operators are refined; the results of current or planned exploration activities; discontinuance of exploration activities by operators; economic and market conditions; operations on lands subject to First Nations jurisdiction in Canada; the ability of operators to bring non-producing and not-yet-in development projects into production and operate in accordance with feasibility studies; erroneous royalty payment calculations; title defects to royalty properties; future financial needs of the Company; the impact of future acquisitions and royalty and streaming financing transactions; adverse changes in applicable laws and regulations; litigation; and risks associated with conducting business in foreign countries, including application of foreign laws to contract and other disputes, environmental laws, enforcement and uncertain political and economic environments. These risks and other factors are discussed in more detail in the Company's public filings with the Securities and Exchange Commission. Statements made herein are as of the date hereof and should not be relied upon as of any subsequent date. The Company's past performance is not necessarily indicative of its future performance. The Company disclaims any obligation to update any forward-looking statements.

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*Endnotes located on page 16.*



# What Makes Royal Gold Unique

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## Growth

- Near-term growth driven by Mt. Milligan
- Long mine lives amongst largest investments

## Quality

- Focused investment criteria
- World class portfolio

## Opportunity

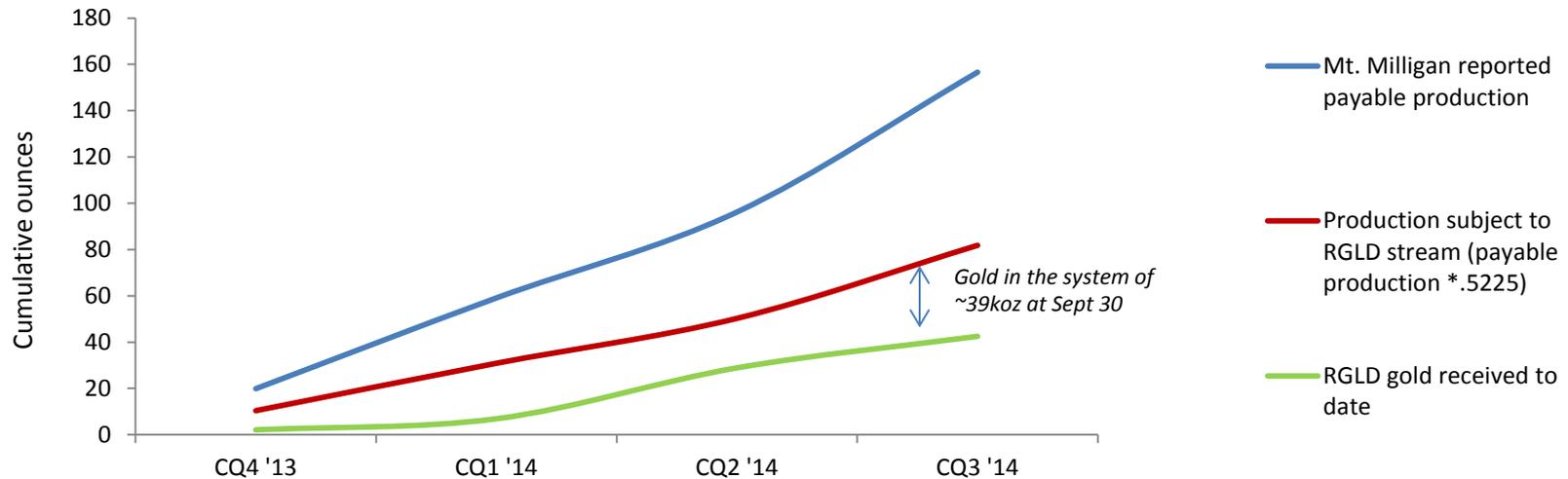
- >\$900m uncommitted capital to invest
- >\$100m deals are meaningful

## Value

- Strong per share metrics
- Low relative valuation



# Mt. Milligan Ramp Up



- 🕒 Calendar year to date production of 137koz of payable gold
- 🕒 Daily mill throughput averaging 40.5k tonnes per day (TPD), up from the June quarter
- 🕒 Thompson Creek expects to achieve 80% (48kTPD) of mill throughput design capacity (60k TPD) by calendar year-end
- 🕒 185,000-195,000 ounces of payable gold production expected by calendar year-end



# Phoenix Project Construction



*Rubicon Minerals photo of Phoenix mill construction, September 2014*



*Aerial View, June 2014*

## 🕒 As of early September:

- Over half of the project has been completed
- Mill assembly and construction well underway
- 24% of lateral and vertical development complete as of early September
- 58% of 38,000-metre infill drilling program complete, continues to confirm expectations of the F2 Deposit
- C\$241 million of total capital spent with C\$132 million remaining
- Projected mid-2015 start-up targeted



# Growth

## Recent Investments

### Ilovitza Project, Macedonia



Core shed, Ilovitza

- Current reserve of 2.45Moz gold and 905M lbs copper, 23 year mine life
- Production startup planned for 2018
- Will make two advance payments totaling \$15 million, followed by payments aggregating \$160 million subject to certain conditions
- In return, Euromax will receive 25% of gold produced until 525,000 ounces have been delivered, and 12.5% thereafter. Royal Gold's purchase price per ounce will be 25% of the spot

### Tetlin Project, Alaska

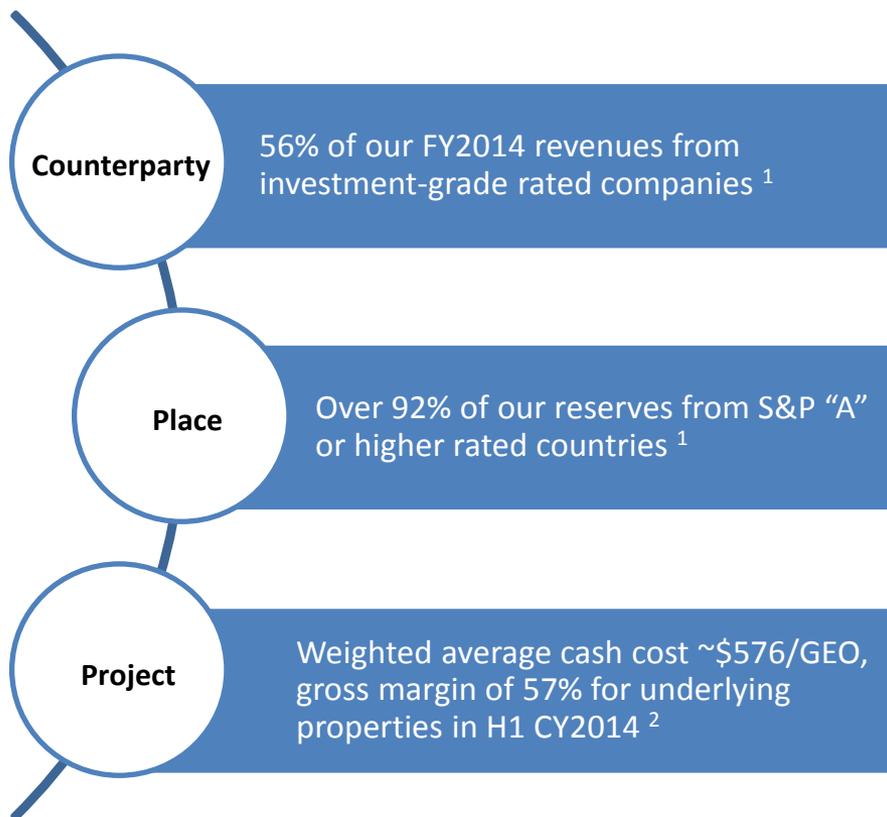


- 700,000 acres near Tok, Alaska, on the Alcan highway, via an all-weather gravel road
- Purchased a 2.0% NSR and a 3.0% NSR
- Signed a master agreement to enter into a JV with Contango Ore for exploration and development of the project
  - Subject to Contango Ore shareholder approval
  - \$5 million upfront, option to earn up to 40% interest by investing up to \$30 million (including initial \$5 million)



# Quality

Focused investment criteria yields a world class portfolio



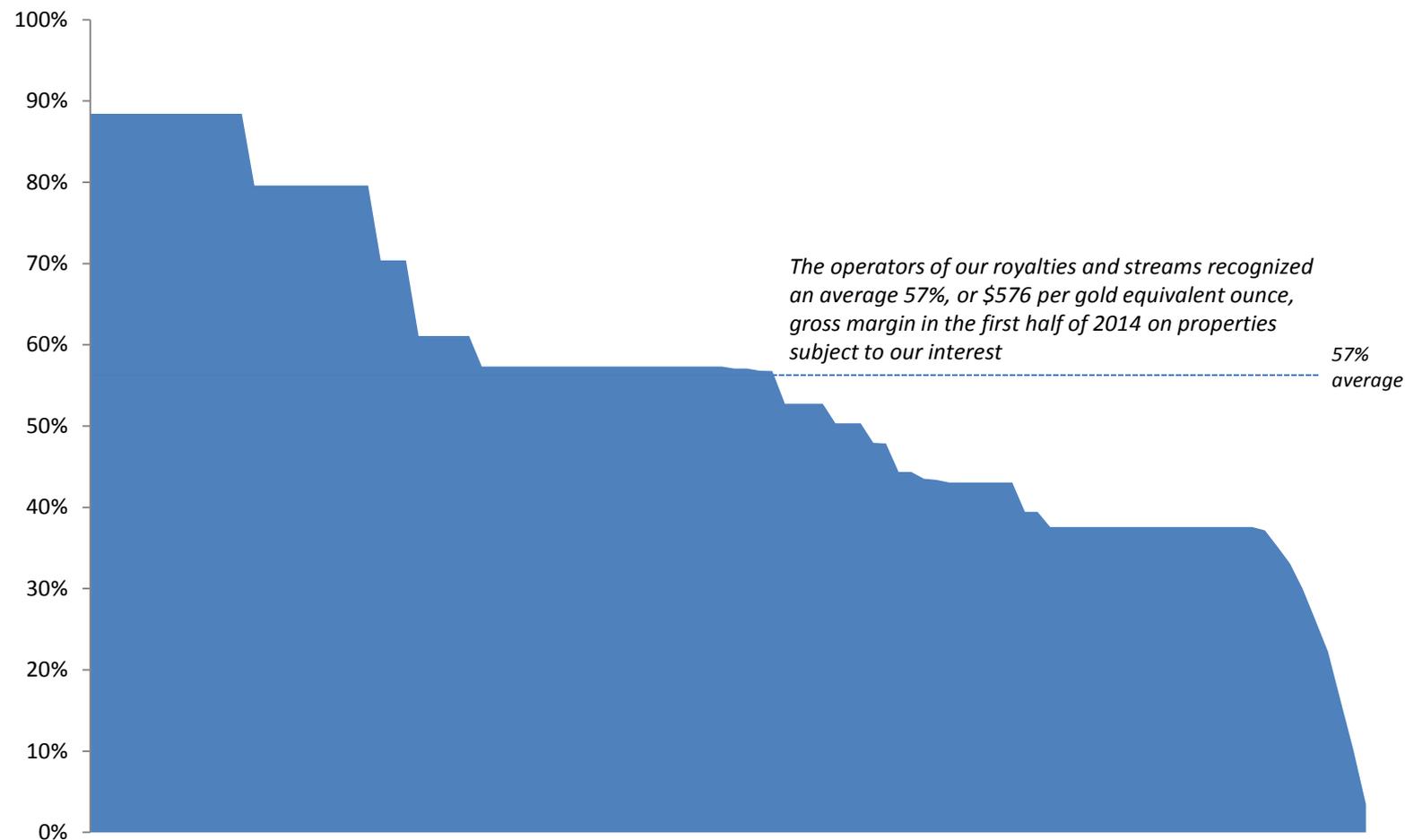
89% of FY2014 Production

Andacollo, Peñasquito,  
Voisey's Bay, Mt. Milligan,  
Cortez, Goldstrike



# Quality

## Cash Margin by Operating Property, First Half 2014





# Quality

World class, long lived portfolio

**Mt. Milligan**  



Royalty: 52.25% of payable gold <sup>1</sup>  
Reserves: <sup>2</sup> 6.0M oz (Au)  
Estimated Mine Life: 20+ Years <sup>5</sup>

Contribution to  
FY2015 Q1 revenue



**Andacollo**  



Royalty: <sup>3</sup> 75% of Au production (NSR)  
Reserves: <sup>2</sup> 1.8M oz (Au)  
Estimated Mine Life: 20+ Years

Contribution to  
FY2015 Q1 revenue



**Peñasquito**  



Royalty: 2.0% NSR  
Reserves: <sup>4,5</sup> 11.6M oz (Au), 605M oz (Ag)  
Estimated Mine Life: <sup>4</sup> 13 Years

Contribution to  
FY2015 Q1 revenue



**Voisey's Bay**  



Royalty: <sup>6</sup> 2.7% NSR  
Reserves: <sup>2</sup> 0.9B lbs (Ni); 0.5B lbs (Cu)  
Estimated Mine Life: 20+ Years <sup>7</sup>

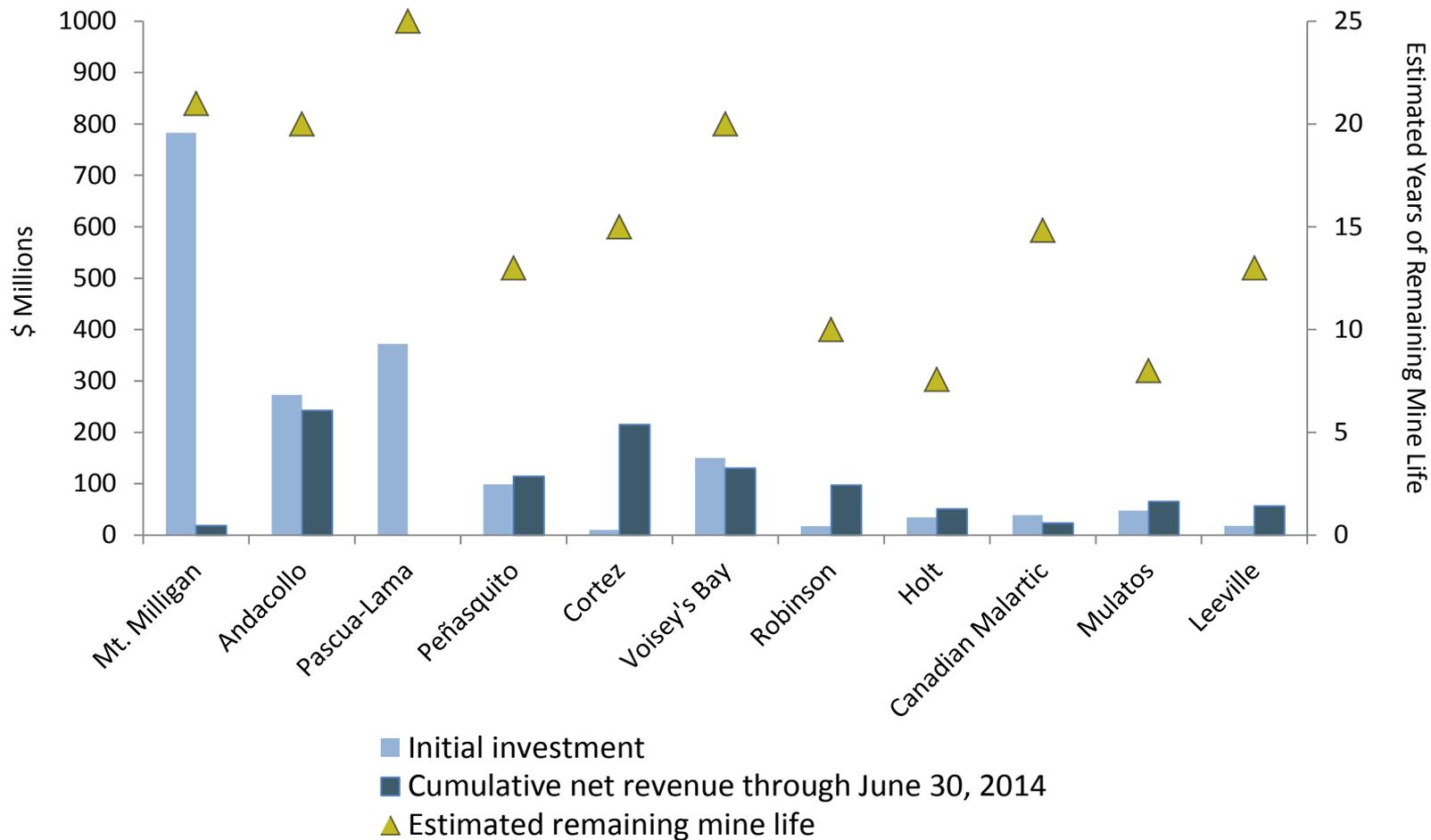
Contribution to  
FY2015 Q1 revenue





# Quality

## Long mine lives amongst largest investments

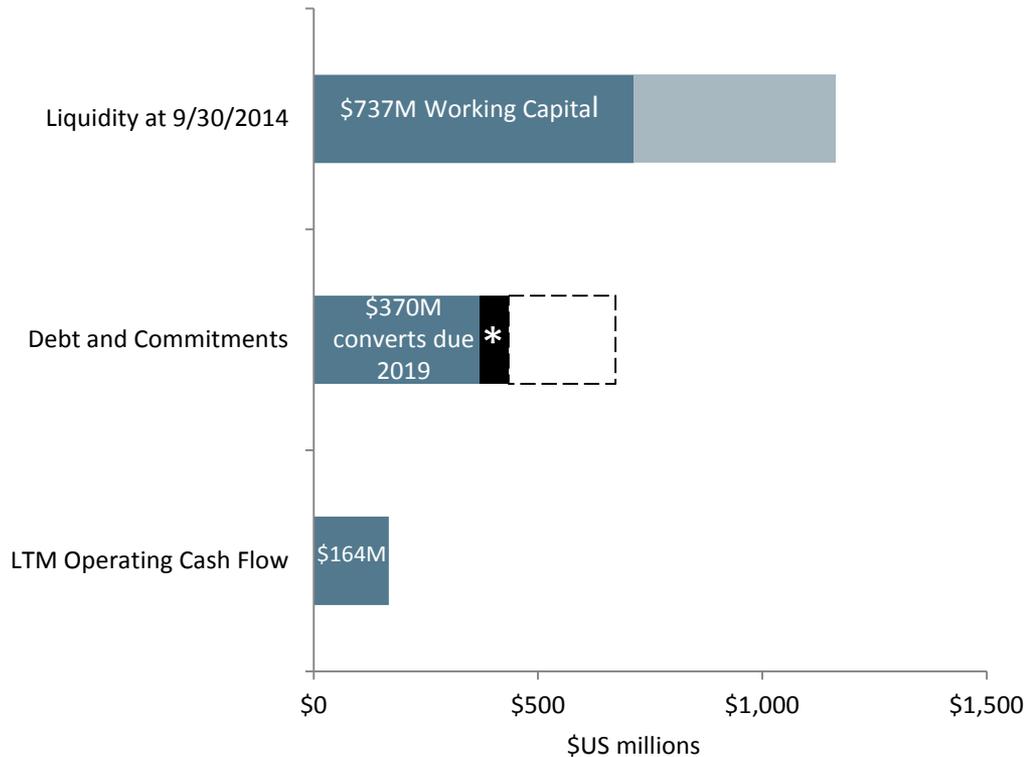




# Opportunity

~\$900 million uncommitted at a time when royalty/stream financing is needed

## Capital to invest...



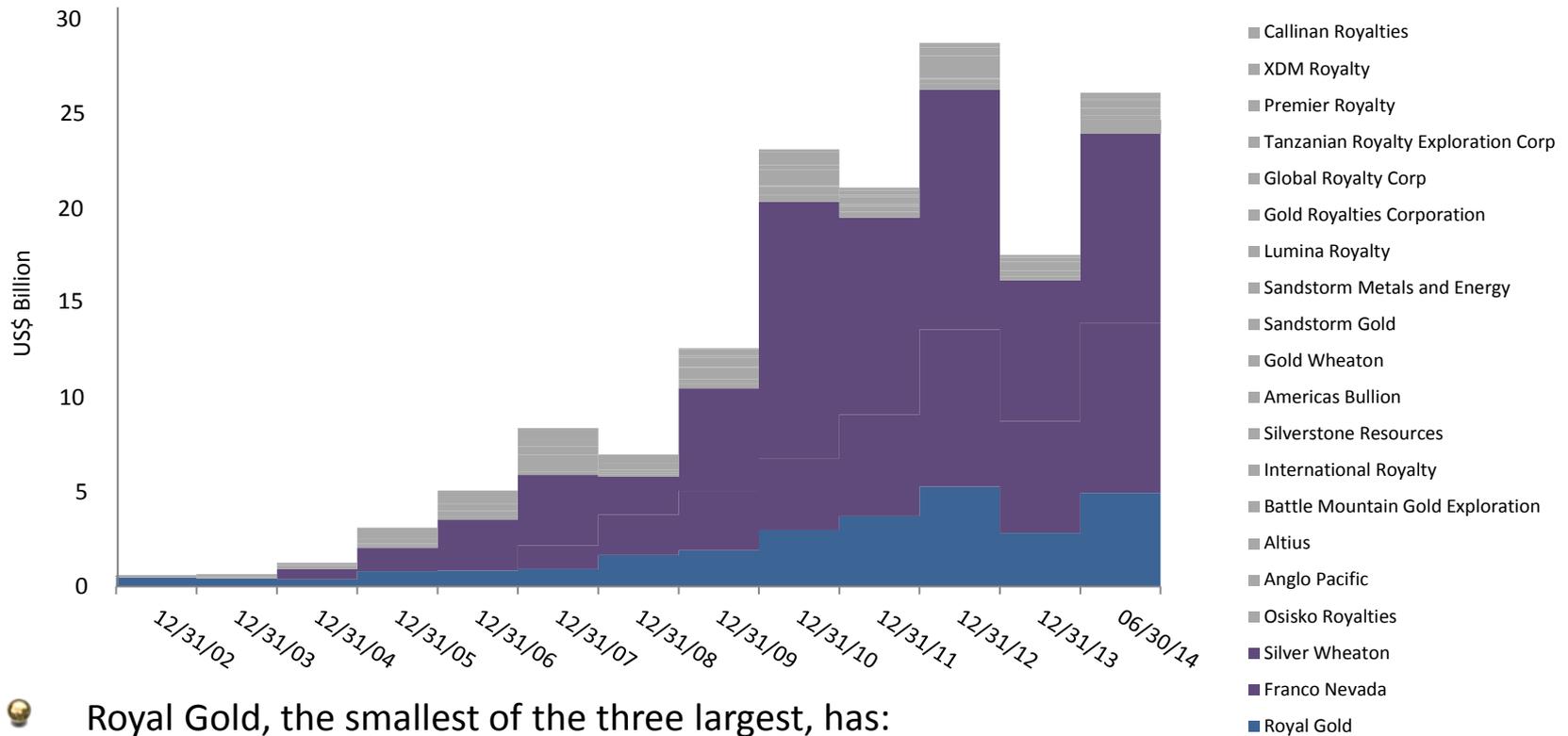
## Net of future commitments (\$m)

\$1,187	Working capital & undrawn credit at 9-30-14	
-\$17.0	Phoenix payment (10-3-14)	
-\$7.5	Ilovitza initial payment	} Current commitments
-\$7.0	Goldrush	
-\$28.0	Phoenix remaining payments	
-\$5.0	Tetlin joint venture payment	
<hr/>		
\$1,123	Estimated liquidity balance before conditional commitments	
-\$167.5	Ilovitza 2nd payment and construction payments	} Conditional commitments
-\$25	Tetlin joint venture payment	
-\$45	Tulsequah Chief	
<hr/>		
\$885	Estimated liquidity balance inclusive of conditional commitments	



# Opportunity

Most of the industry's market cap is highly concentrated <sup>1</sup>



Royal Gold, the smallest of the three largest, has:

- Substantial financial resources
- Excellent access to capital
- Proven financial and technical skills
- Ability to add meaningful contributions with deals greater than \$100 million



# Value

## Trading at a Discount to Historical Price to Book Value





# What Makes Royal Gold Unique

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# Endnotes



# Endnotes

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Many of the matters in these endnotes and the accompanying slides constitute forward looking statements and are subject to numerous risks, which could cause actual results to differ. See complete Cautionary Statement on page 2.

## PAGE 7 QUALITY

1. Source is S&P CapitalIQ September 10, 2014 for credit ratings and sovereign ratings.
2. Gross margin calculated by subtracting the operators' reported operating cost per unit of production from the relevant metals' average price per unit during our fiscal year 2014.

## PAGE 9 QUALITY

1. This is a metal stream whereby the purchase price for gold ounces delivered is \$435 per ounce, or the prevailing market price of gold, if lower; no inflation adjustment.
2. Reserves as of December 31, 2013, as reported by the operator.
3. 75% of payable gold until 910,000 payable ounces; 50% thereafter. There have been approximately 217,000 cumulative payable ounces produced as of June 30, 2014. Gold is produced as a by-product of copper.
4. Updated reserves and mine life per Goldcorp's technical report dated January 8, 2014.
5. Reserves also include 3.7 billion pounds of lead and 9.0 billion pounds of zinc.
6. Vale is commissioning its new Long Harbour Processing Plant with nickel matte from its Indonesian operations and intends to begin introducing nickel concentrates from Voisey's Bay in coming quarters. In anticipation of the transition from processing Voisey's Bay nickel concentrates at Vale's Sudbury and Thompson smelters to processing at the Long Harbour hydrometallurgical plant, Royal Gold is engaged in discussions with Vale concerning calculation of the royalty once Voisey's Bay nickel concentrates are processed at Long Harbour. Vale proposed a calculation of the royalty that Royal Gold estimates could result in the substantial reduction of royalty on Voisey's Bay nickel concentrates processed at Long Harbour. For further information, see Royal Gold's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on August 7, 2014.
7. Per BoAML 2008 Vale Inco EIS.

## PAGE 12 OPPORTUNITY

1. Source is S&P Capital iQ as of September 10, 2014, values through June 30, 2014.

## PAGE 13 VALUE

1. Source is Ycharts, November 10, 2014.

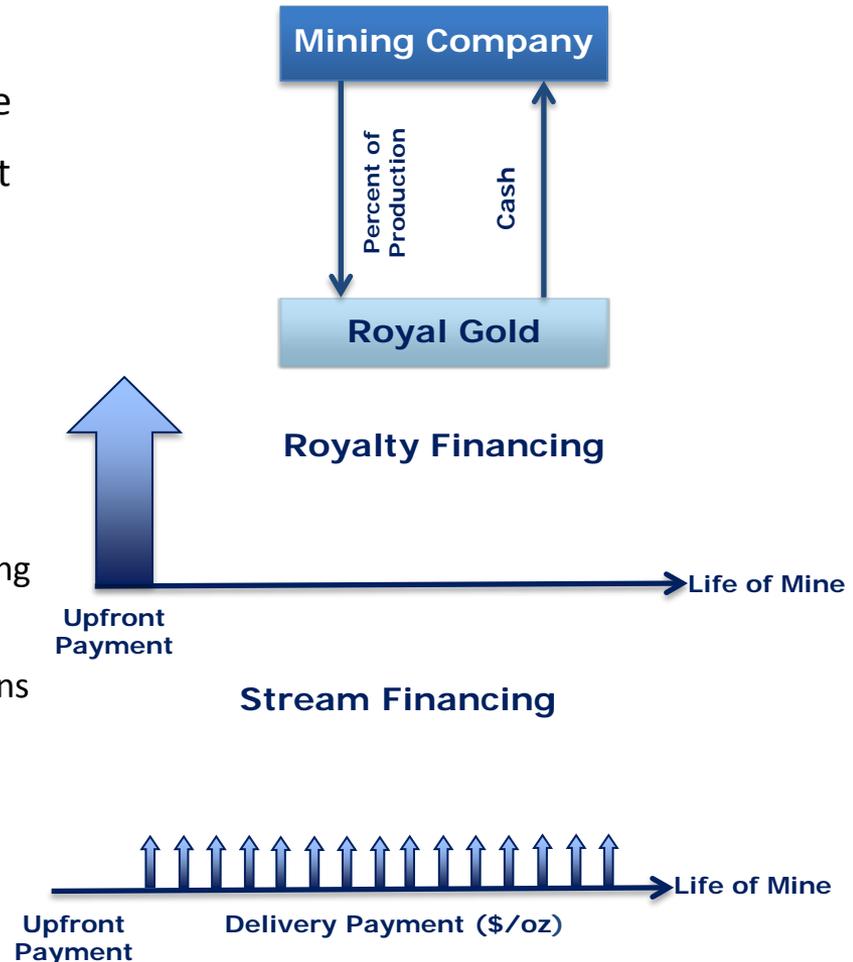


# Appendix A: Property Portfolio



# What We Do – Royalty and Stream Financing

- We invest \$ in a mining project in exchange for a right a to percentage of metal production
- Appropriate for any stage of the project life cycle
- Transactions can be structured to be tax efficient
- Transactions are often completed on by-product metal production from base metal miners
- Credibility Established
  - Represents a well known form of project finance
  - Common component of a multiple source financing strategy
  - Advantages relative to traditional financing options such as project debt, equity and joint ventures





# Royal Gold

The Quality Royalty / Streaming Name to Own

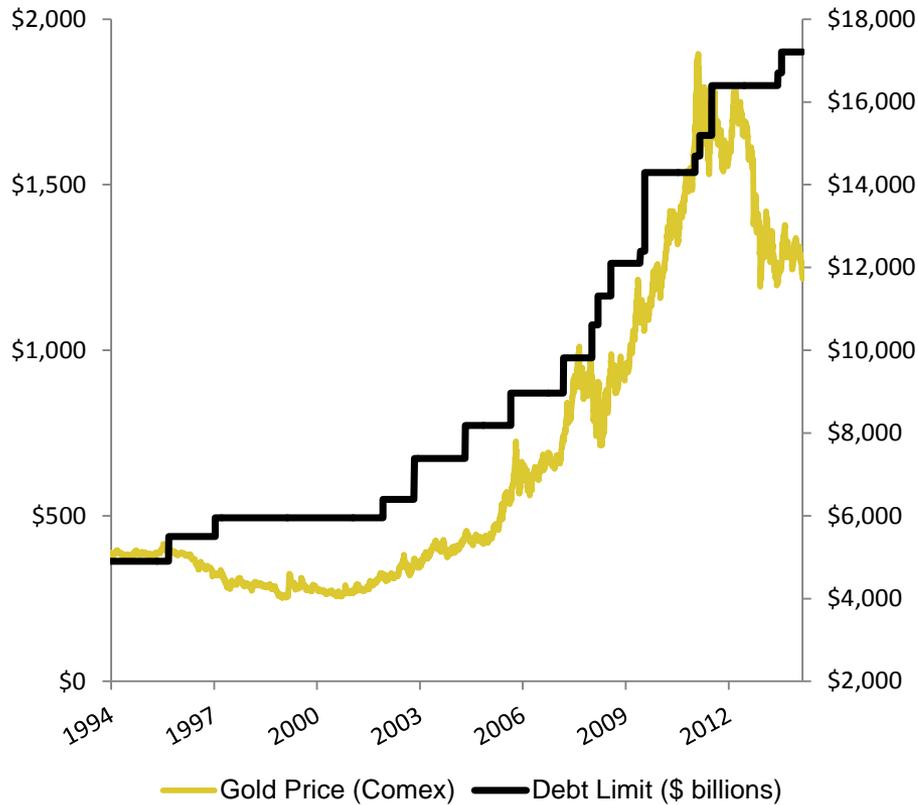
- Longevity – in business since 1981
- Near-Term Growth – already bought and paid for
- No cost inflation concerns
- Quality assets/reputable partners
- ~80% of Revenue => EBITDA
- \$2.1B in investments on the balance sheet and 5.6Moz gold reserves subject to our interest = a portfolio of gold ounces purchased at ~\$375/oz with exploration upside
- >\$900m in liquidity to invest



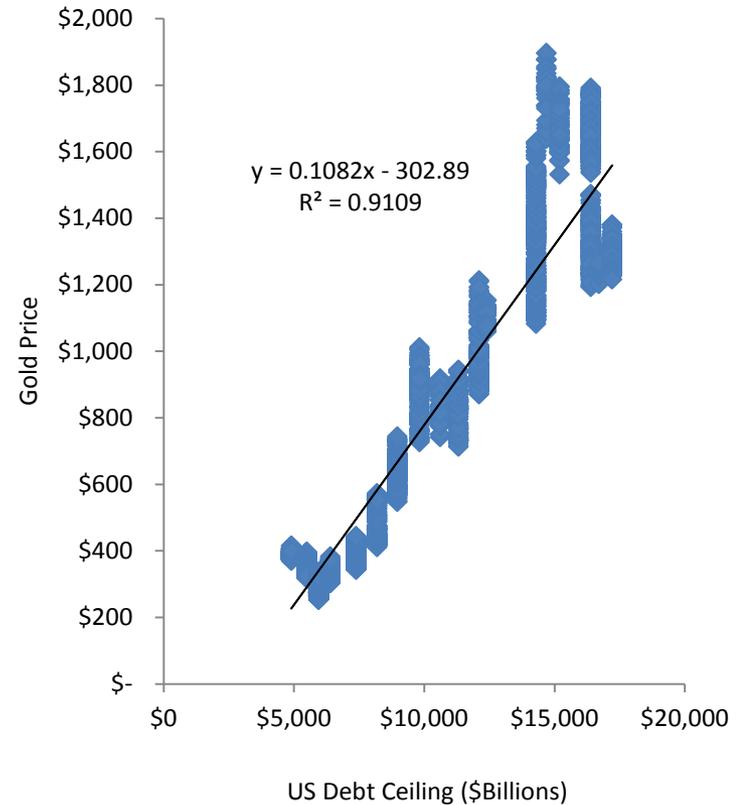


# Gold Price vs US Debt Ceiling

**Historical Gold Price and US Debt Ceiling**  
July 1994 - September 2014



**Historical Relationship**  
Suggests ~\$1500 equilibrium





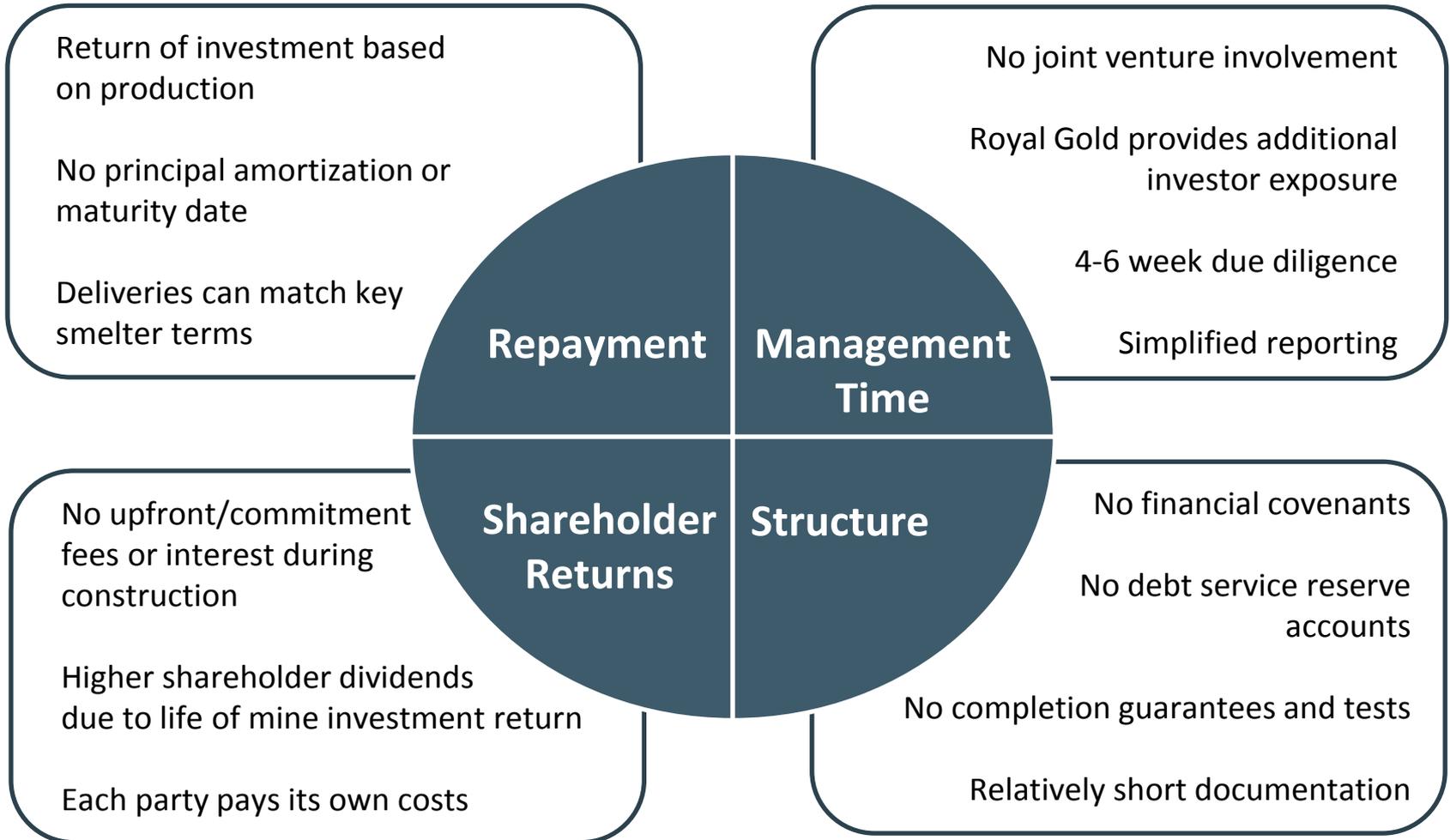
# Alignment with Counterparties

Hypothetical example estimate for illustrative purposes only: 200koz/year gold project expansion, 2 year development, 12 yr mine life	Equity	Stream
Current market cap	\$300,000,000	\$300,000,000
Shares outstanding	200,000,000	200,000,000
Share price	\$1.50	\$1.50
Financing sought	\$150,000,000	\$150,000,000
Equity discount or conversion premium on the debt	12%	0%
New shares issued or fully diluted shares outstanding net of new converts	113,636,364	0
LOM average diluted shares outstanding	313,636,364	200,000,000
Operating cash flow post financing	\$680,000,000	\$549,200,000
Operating cash flow post financing per share, life of mine	\$2.17	\$2.75

*In addition to the current reserve life depicted above, every incremental dollar of cash flow from exploration upside will be spread across a larger number of shareholders in the equity and convert scenarios than in the stream case above.*



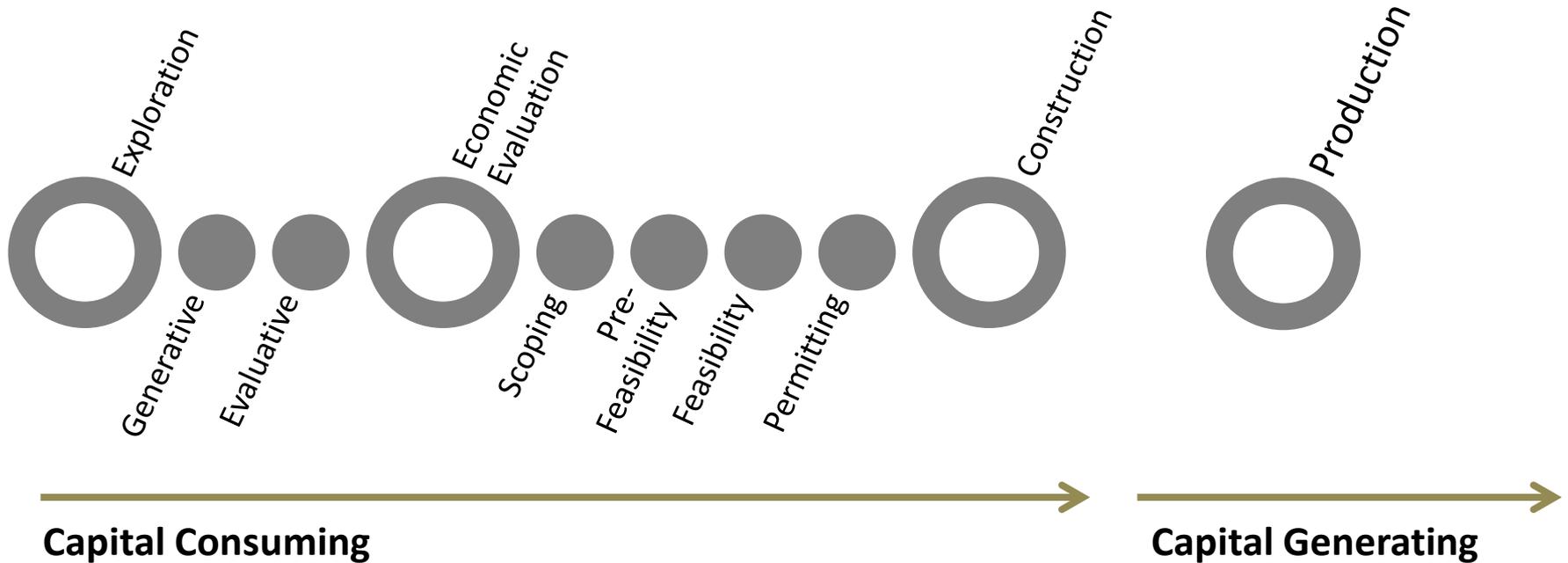
# Alignment with Counterparties





# Alignment with Counterparties

## Multiple Investment Entry Points <sup>1</sup>



<sup>1</sup> For illustrative purposes only



# Appendix B: Property Portfolio



# Property Portfolio





1660 Wynkoop Street  
Denver, CO 80202-1132  
303.573.1660  
[info@royalgold.com](mailto:info@royalgold.com)  
[www.royalgold.com](http://www.royalgold.com)

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