

## Annual Shareholder Meeting

November 18, 2009



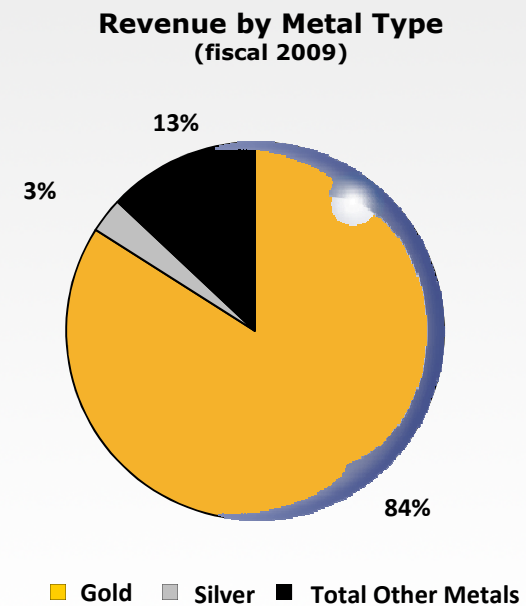
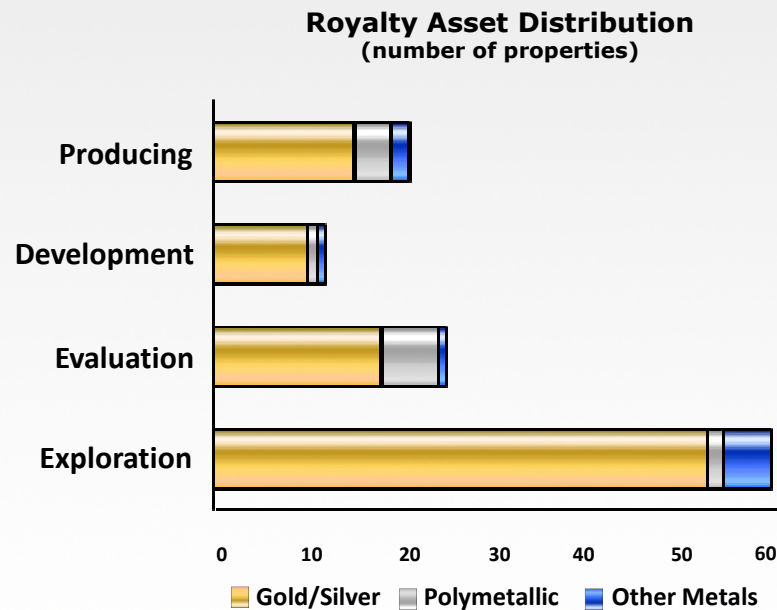
## **Cautionary Statement Under the Private Securities Litigation Reform Act**

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 features of the Company's business model, gold characteristics and economic conditions, reserve growth, the Company's principal producing properties and key growth properties, the operators' estimates of production, reserves, and mine life, cash to be paid to Teck Resources upon closing of the Andacollo transaction, expectations on timing of production from the Andacollo project, mill capacity and expected closing date for the transaction, estimated revenue contribution from selected producing and development projects at full production, the implication that the Company's historical successes and current trends are indicative of future performance, the Company's low-cost structure, increasing cash flow, and the continued creation of value for shareholders by protecting margins, growing dividends, and the continuation of financial strength. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: changes in gold and other metals prices; decisions and activities of the Company's management; decisions and activities of the operators of the Company's royalty properties; unanticipated grade, geological, metallurgical, processing or other problems at the properties; changes in project parameters as plans of the operators are refined; the results of current or planned exploration activities; economic and market conditions; the ability of operators to bring non-producing and not yet in development projects into production and operate in accordance with feasibility studies; future financial needs of the Company; the impact of future acquisitions and royalty financing transactions; changes in the Mining Law of 1872; the outcome of the court decision regarding the appeal of the Holt royalty dispute; 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; and customary closing conditions. 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.

The Company and its affiliates, agents, directors and employees accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this material.

## Key Attributes

- Gold focused portfolio
- Effective business model
- Strong assets
- Proven performance and financial strength



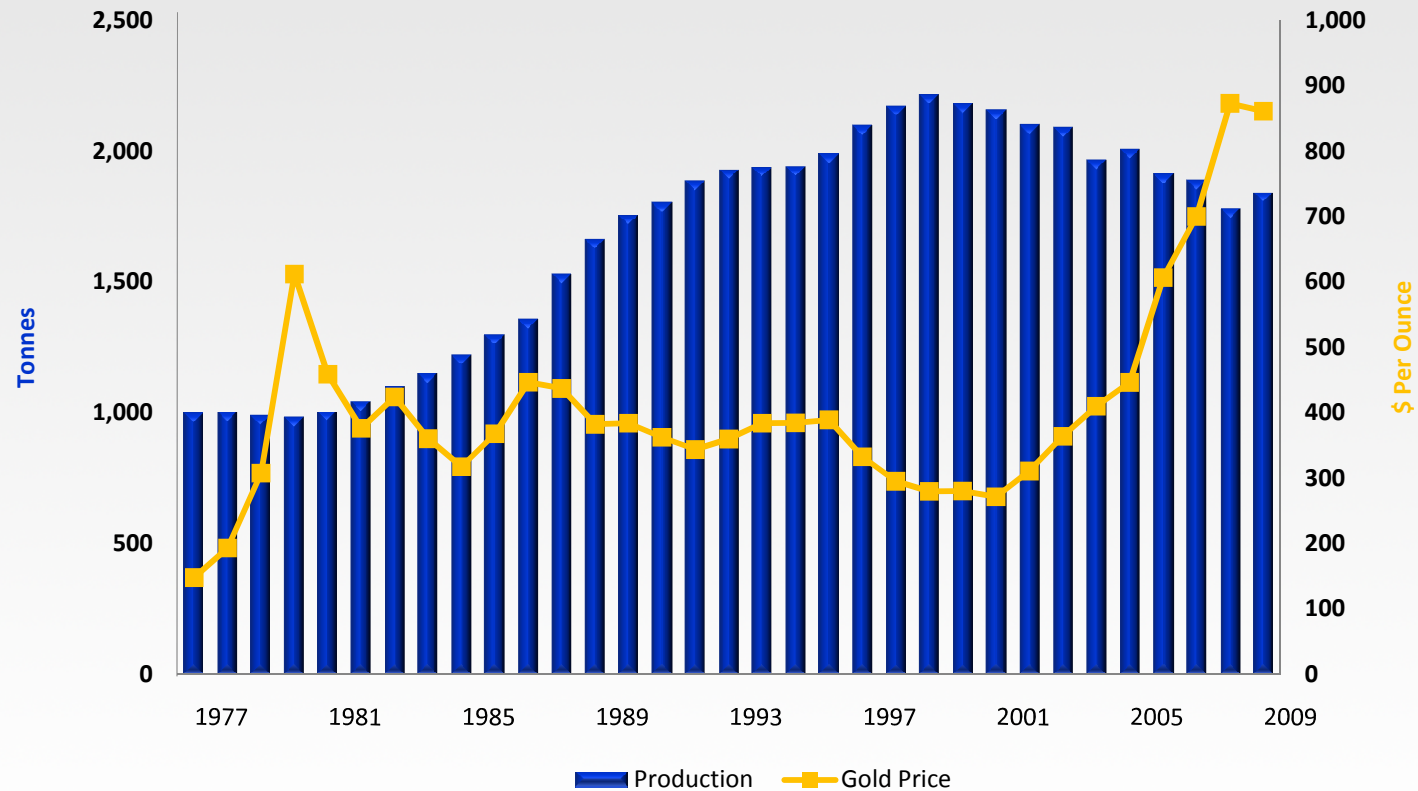
# Favorable Environment for Gold





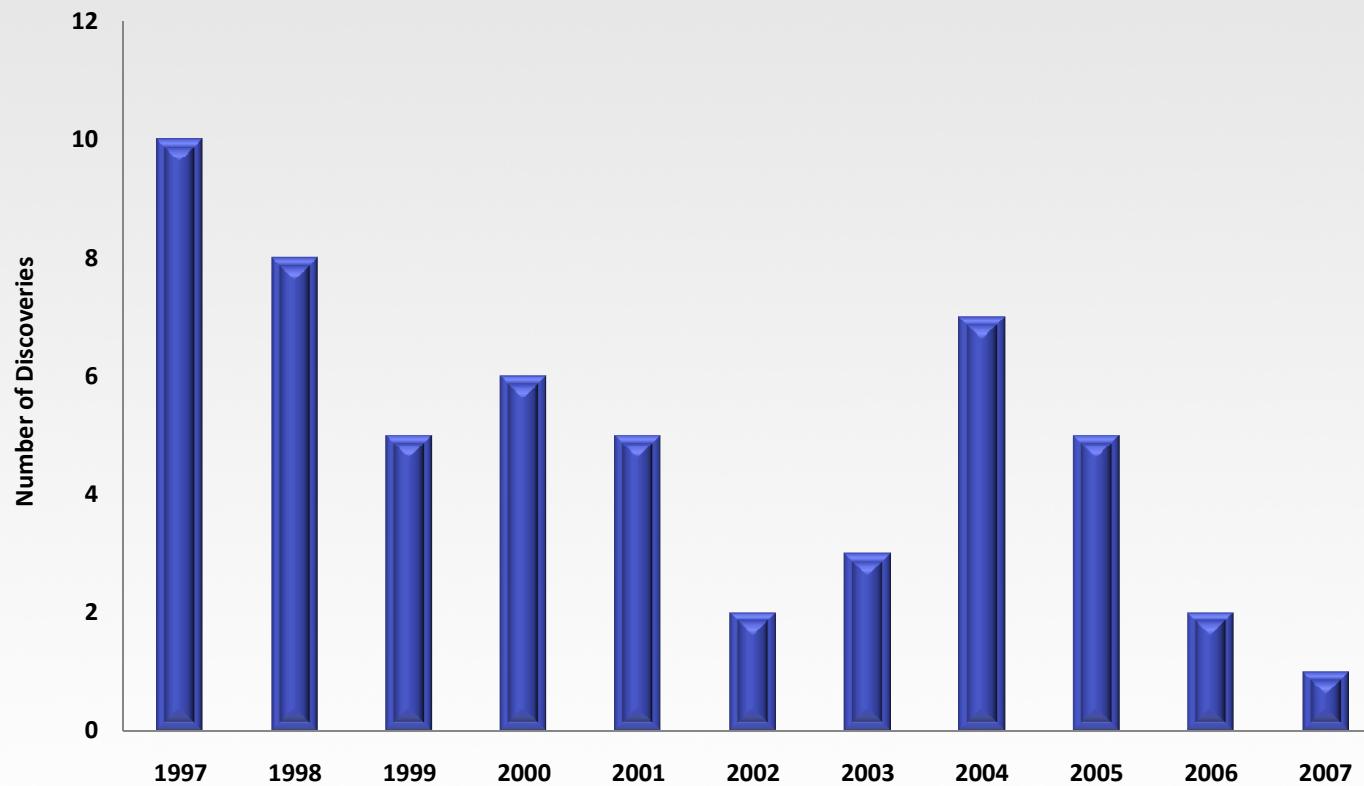
## Declining World Gold Mine Production

Supply from Mine Production vs. Price of Gold



Source: CPM Group

## Fewer Major Gold Discoveries

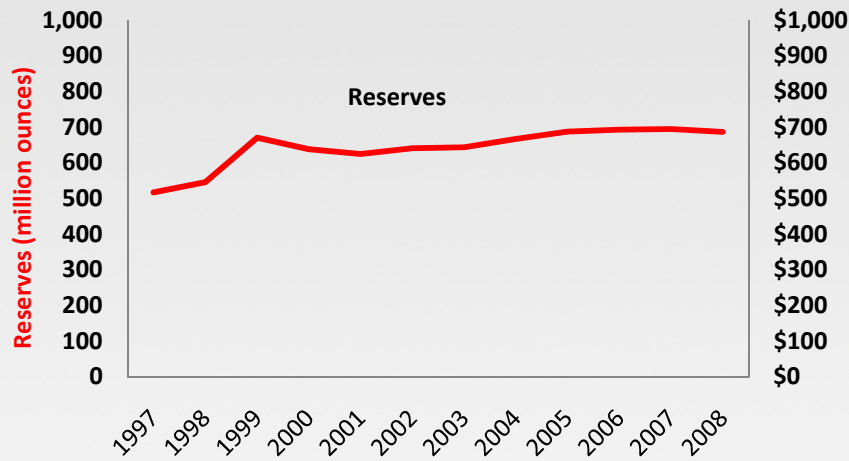


Source: Metals Economics Group and Kinross Gold Corporation's presentation, Denver Gold Forum, September 2009

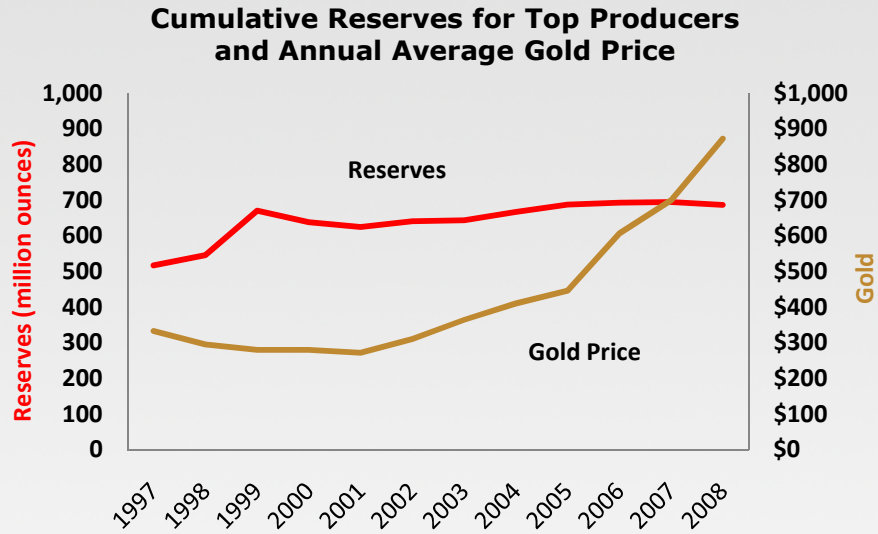
Note: Major discovery is defined as 3.0 million ounces or greater

## Declining Reserve Grade

**Cumulative Reserves for Top Producers  
and Annual Average Gold Price**



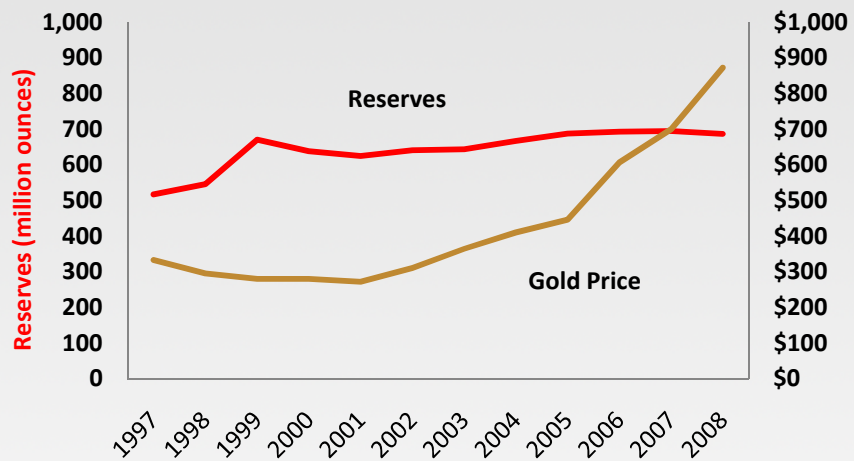
## Declining Reserve Grade



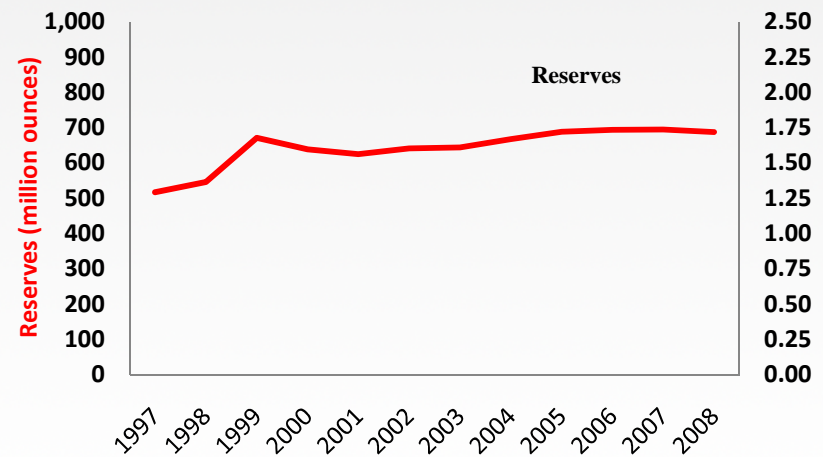


## Declining Reserve Grade

**Cumulative Reserves for Top Producers and Annual Average Gold Price**

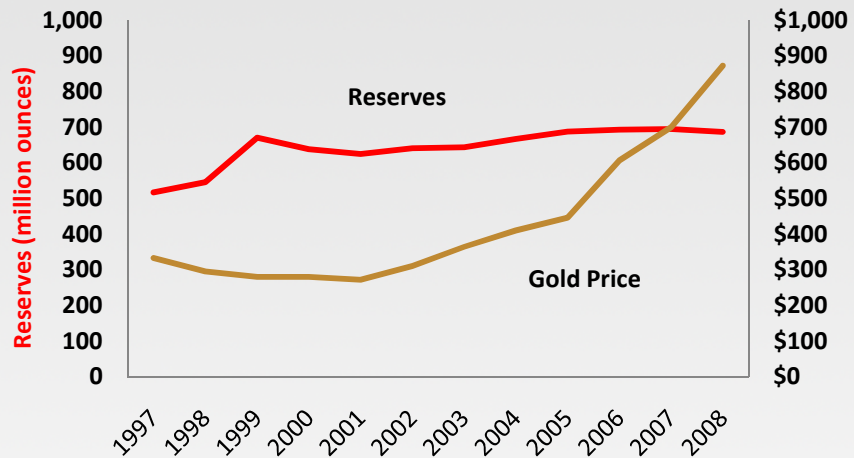


**Cumulative Reserves for Top Producers and Weighted Average Reserve Grade**

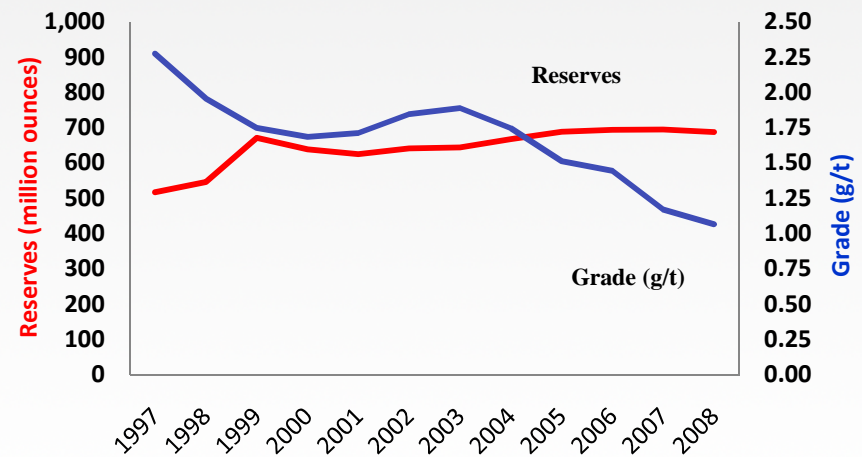


## Declining Reserve Grade

Cumulative Reserves for Top Producers and Annual Average Gold Price

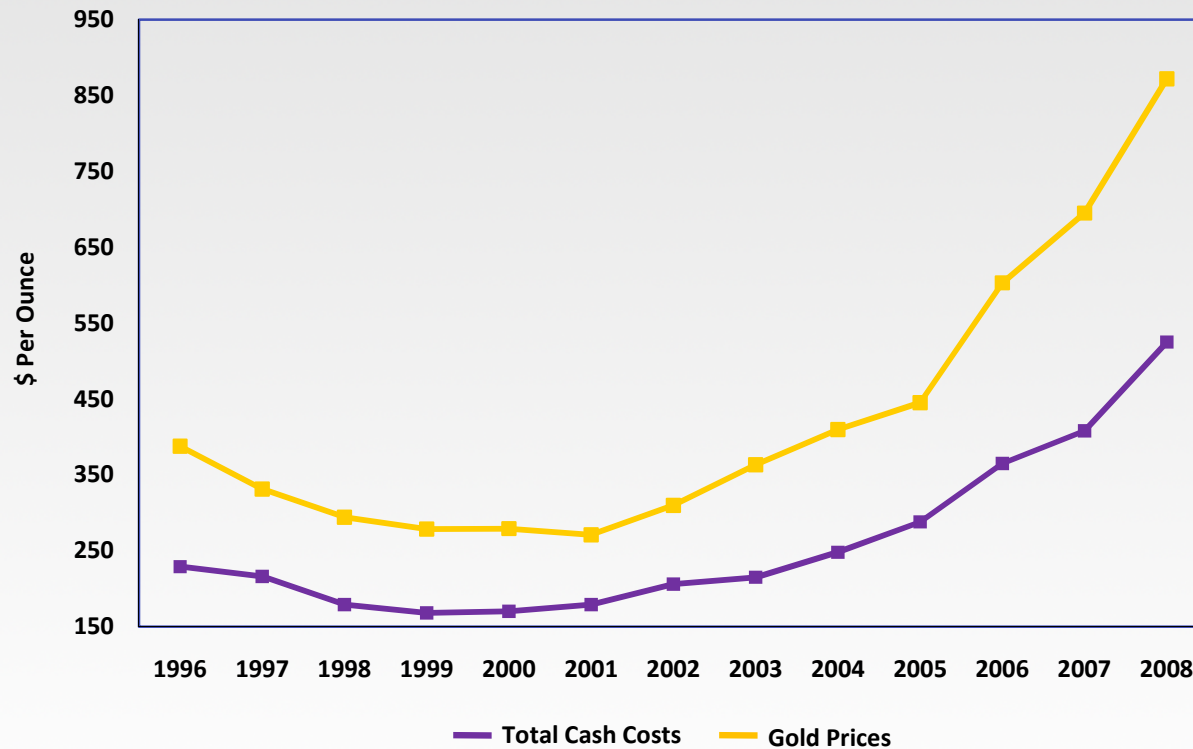


Cumulative Reserves for Top Producers and Weighted Average Reserve Grade



## Increasing Cash Production Costs

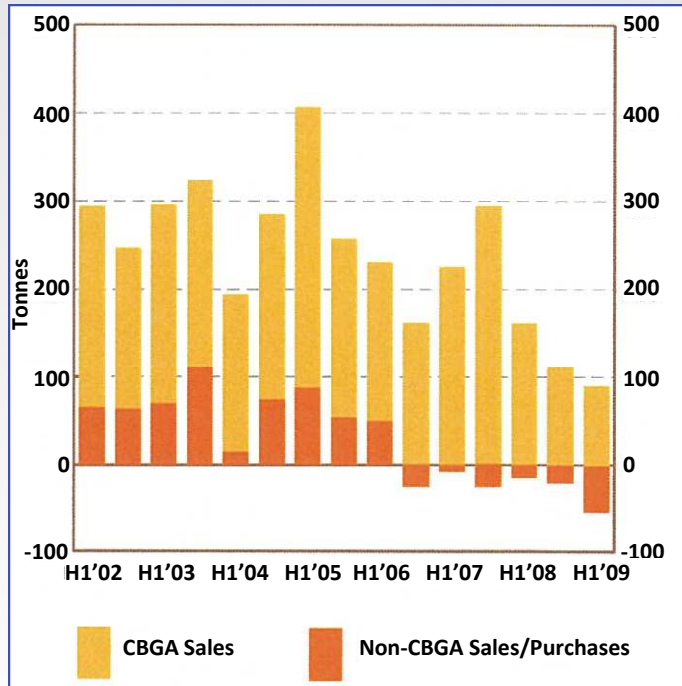
**Cash Production Costs for Nevada Producers**



Source: Per John Dobra; *Economic Overview of the Nevada Mining Industry 2008 - 2009*, Nevada Mining Association

## Growing Demand For Gold

### Supply from Net Central Bank Sales

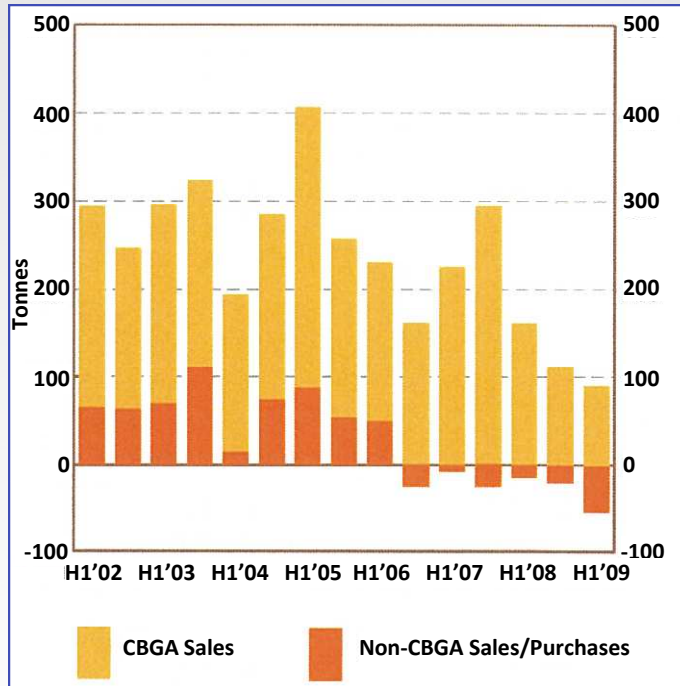


Source: *Gold Demand Trends*; World Gold Council; Chart 5; August 2009 (GFMS, IMF, WGC)



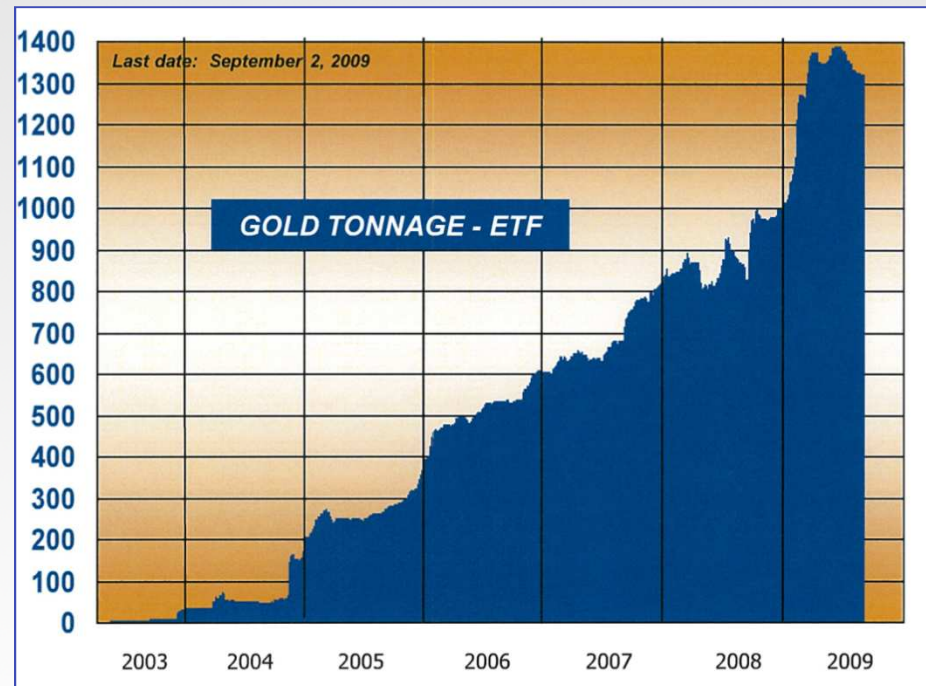
## Growing Demand For Gold

**Supply from Net Central Bank Sales**



Source: *Gold Demand Trends*; World Gold Council; Chart 5; August 2009 (GFMS, IMF, WGC)

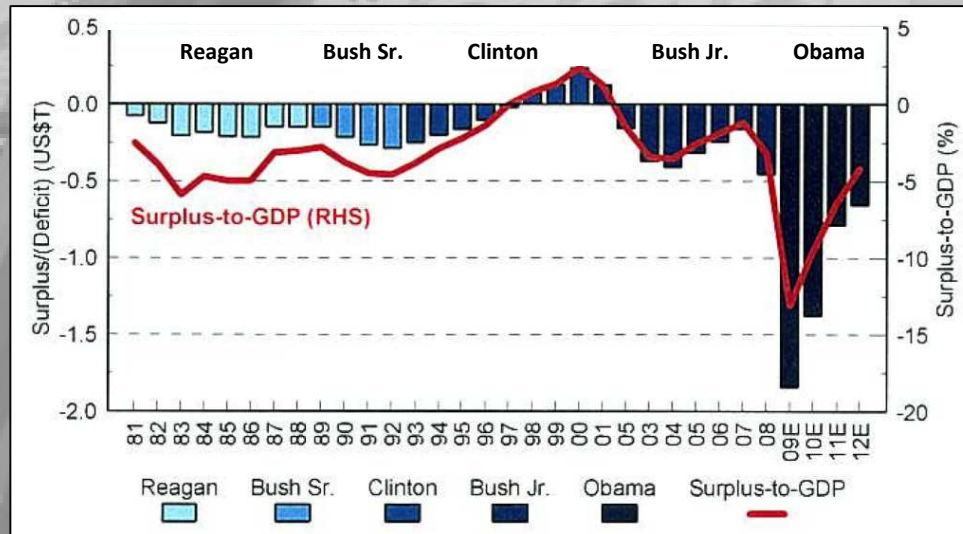
**Gold Tonnage in ETFs**



Source: Dr. Martin Murenbeeld with Dundee Wealth Economics

## Favorable Macroeconomics

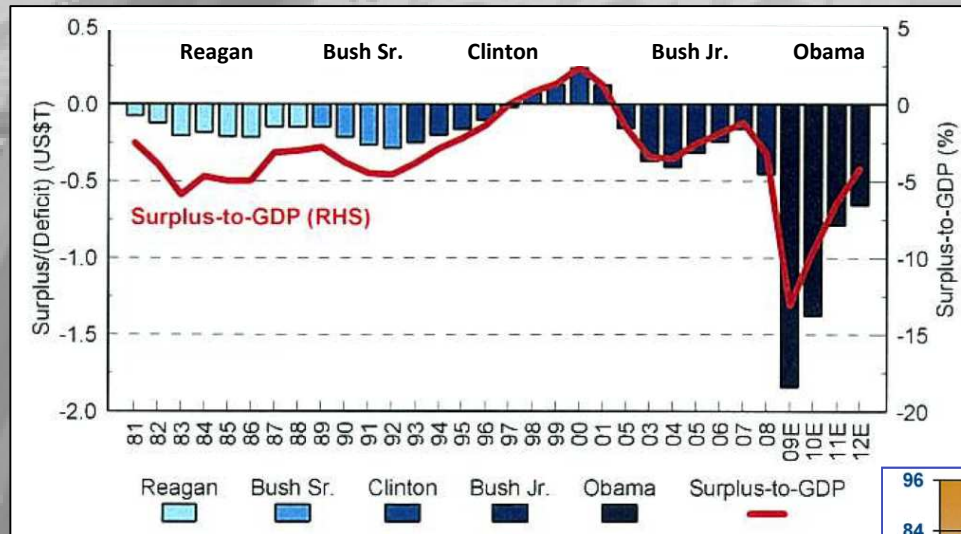
### United States Surplus/(Deficit)



Source: BMO Capital Markets; Fig. 35; September 4, 2009

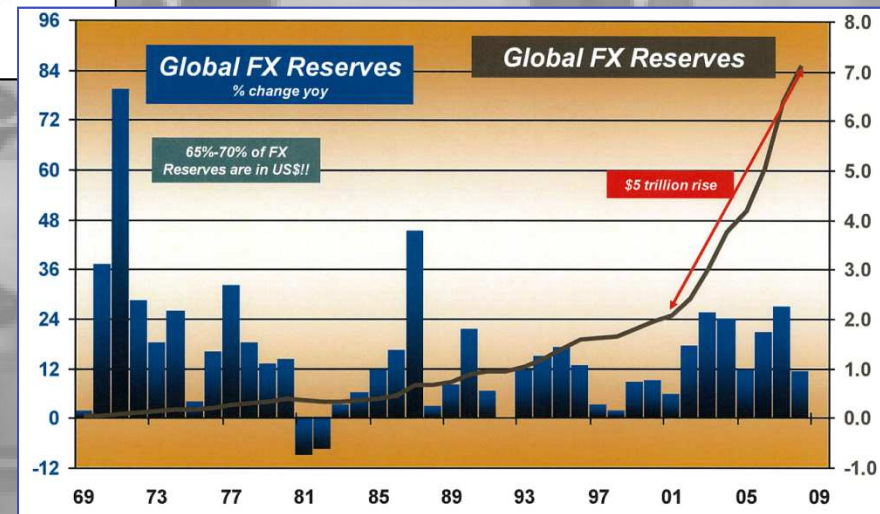
## Favorable Macroeconomics

### United States Surplus/(Deficit)



Source: BMO Capital Markets; Fig. 35; September 4, 2009

### Foreign Exchange Reserves



Source: Dr. Martin Murenbeeld with Dundee Wealth Economics

# Effective Business Model

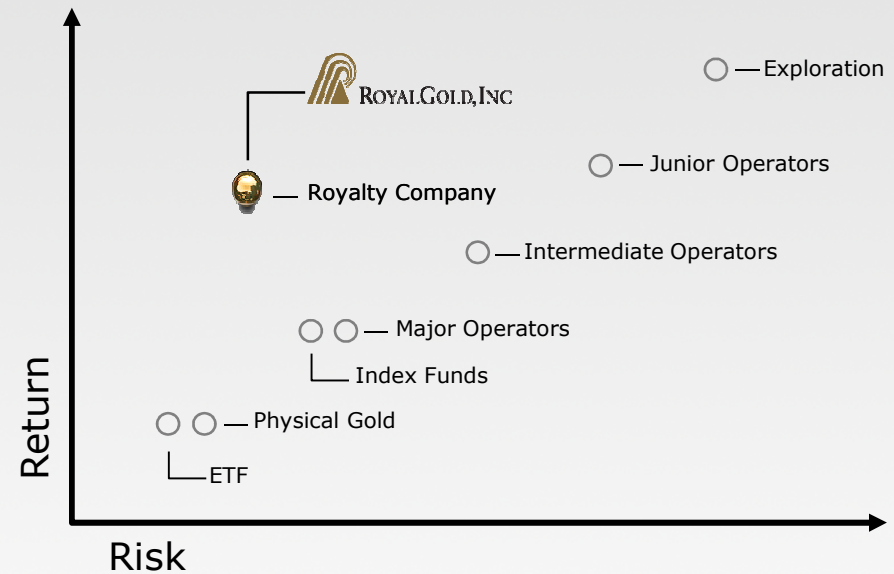




## Effective Business Model

- Simple
  - No management demands
  - No operating exposure
  - No capex challenges
- Efficient
  - Passive investor
  - No continuing investment
  - High margins/low overhead
- Option value
  - Unhedged
  - Reserve additions at no cost
  - Exploration portfolio

### Gold Investment Vehicles

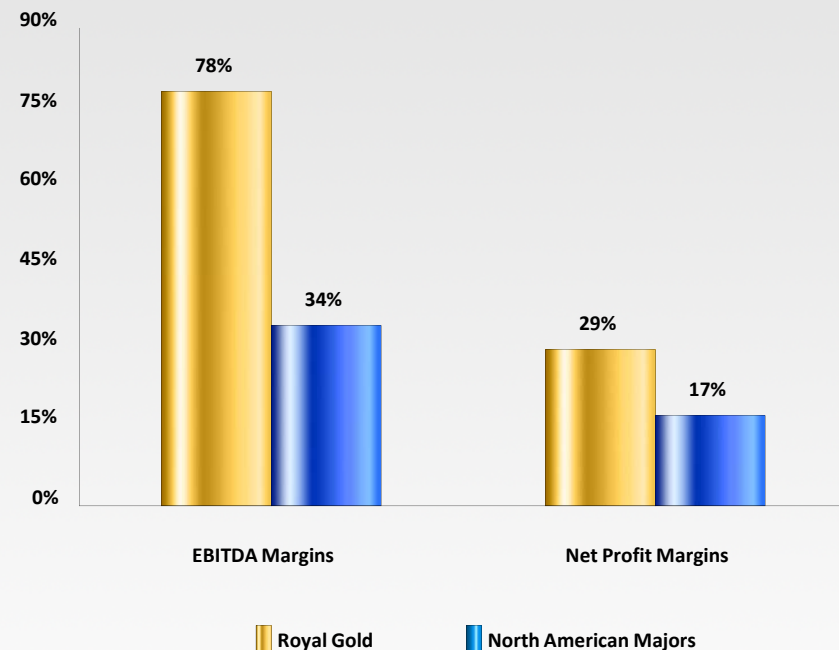


Note: This chart represents the views of Royal Gold

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**Royal Gold vs. Major Gold Mining Companies**  
Calendar year ended December 31, 2008 <sup>1,2,3</sup>

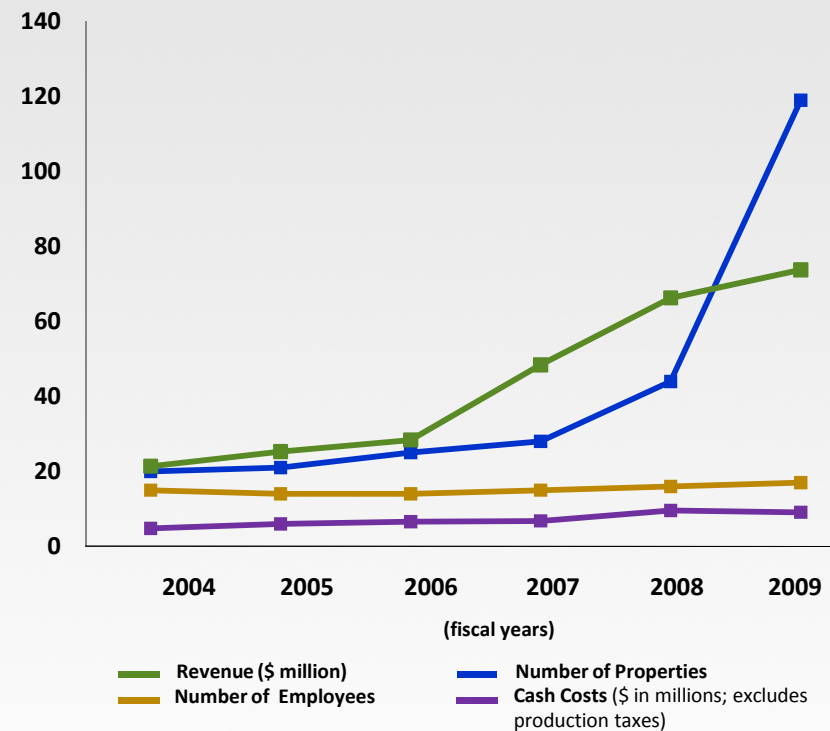


<sup>1</sup> EBITDA margin calculated as EBITDA divided by revenue. EBITDA is defined as net income before taxes, interest, minority interest in operating income of consolidated subsidiary, gain on royalty restructuring and depreciation, depletion and amortization  
<sup>2</sup> Major gold mining companies consist of Barrick, Newmont, Goldcorp  
<sup>3</sup> Net profit margin calculated as net earnings from continuing operations divided by revenue

## Effective Business Model

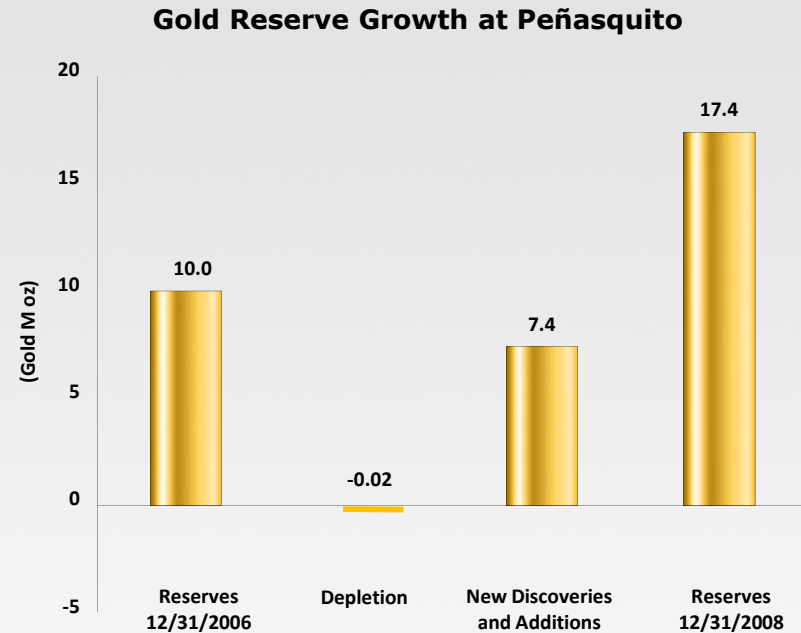
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**Royal Gold's Asset and Revenue Growth vs. Cost**



## Effective Business Model

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# Strong Assets

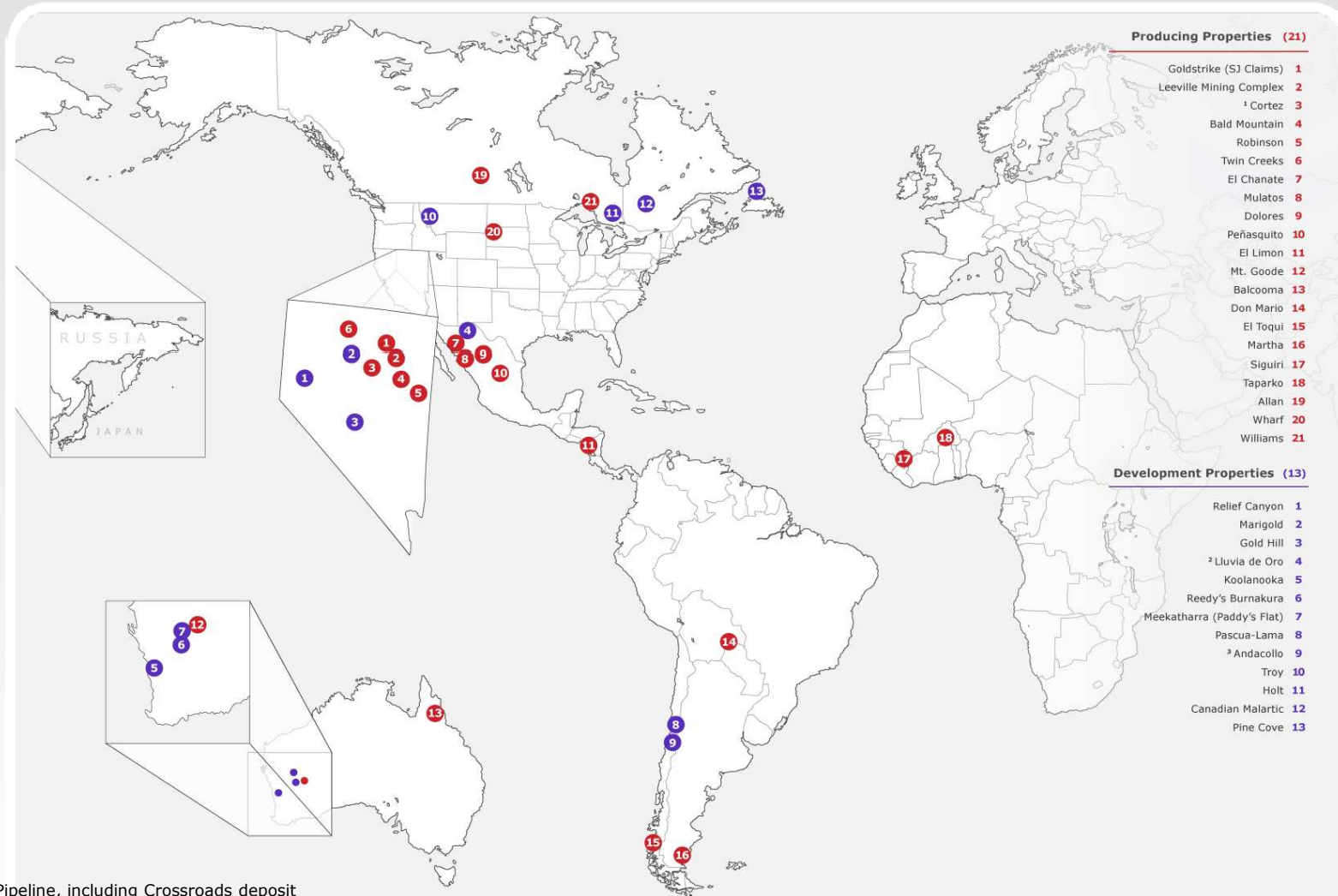


## Asset Growth (November 2009)



<sup>1</sup> Pipeline, including Crossroads deposit

## Asset Growth (November 2009)



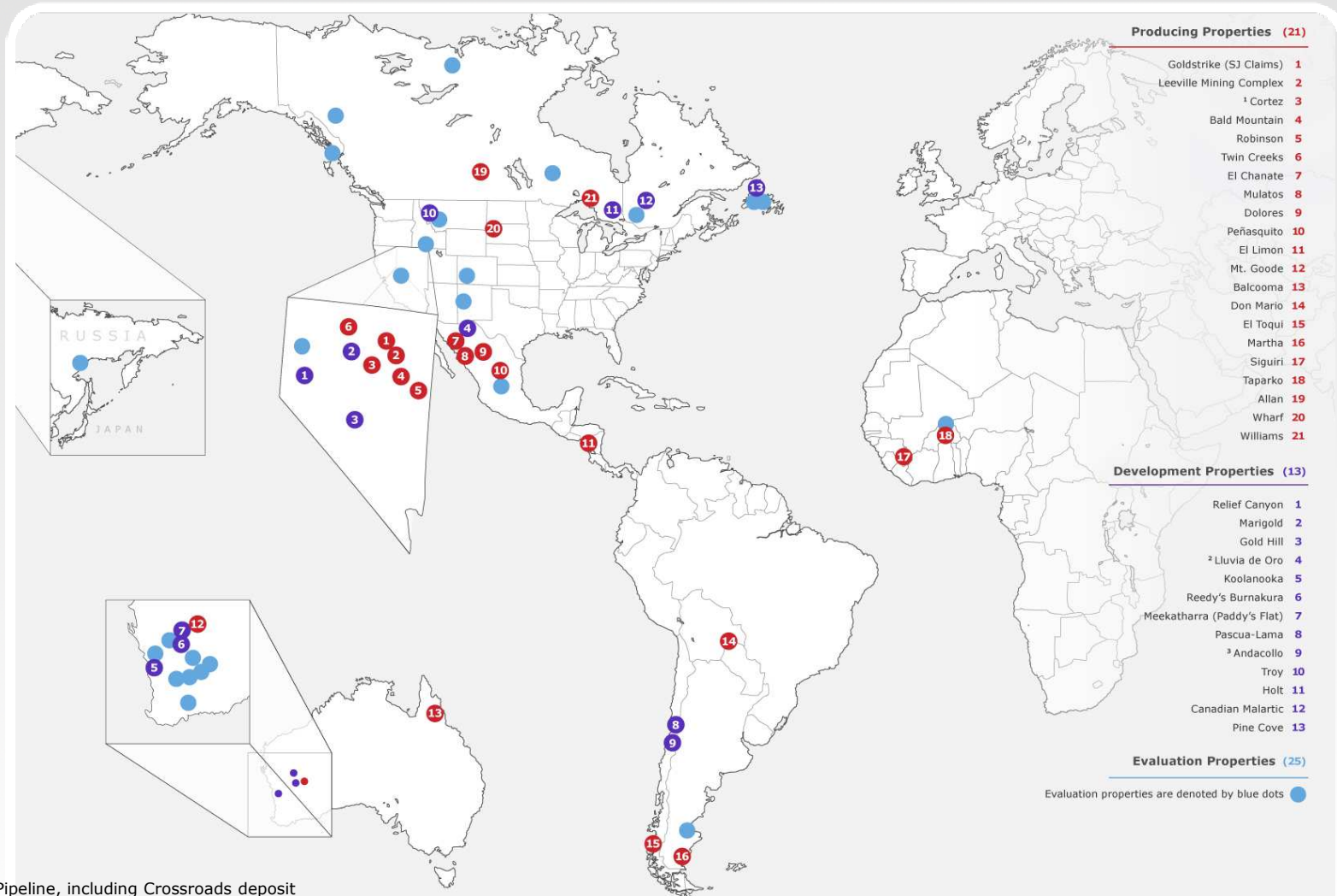
1 Pipeline, including Crossroads deposit

2 Royal Gold acquired this property in the Battle Mountain transaction. The parties claiming interests in the mining concessions subject to this royalty have disputed any royalty obligation

3 Closing of Andacollo transaction pending



## Asset Growth (November 2009)



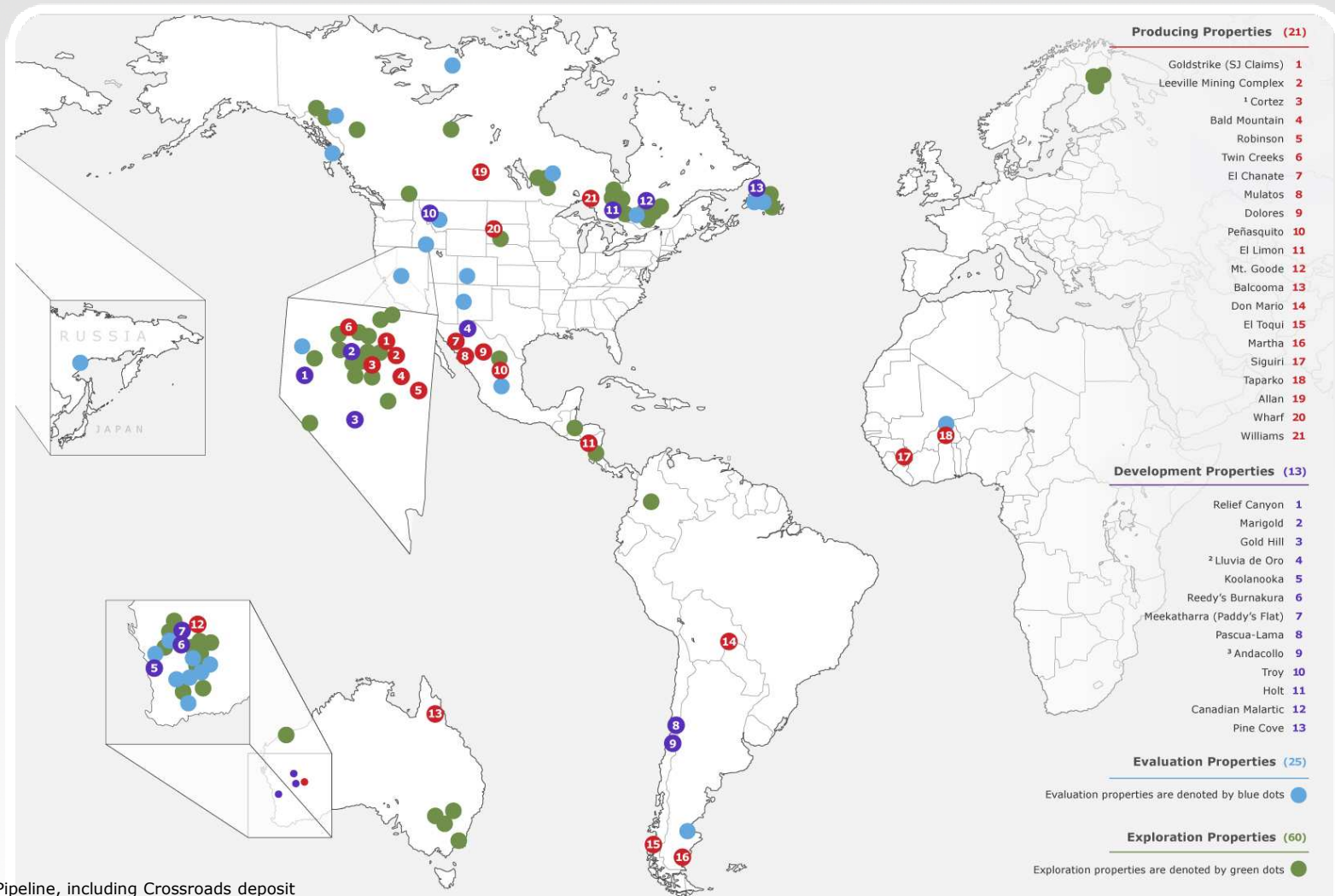
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## Asset Growth (November 2009)



1 Pipeline, including Crossroads deposit  
 2 Royal Gold acquired this property in the Battle Mountain transaction. The parties claiming interests in the mining concessions subject to this royalty have disputed any royalty obligation  
 3 Closing of Andacollo transaction pending

## Principal Producing Properties

### Cortez (Pipeline Mining Complex – Nevada)



<b>Operator:</b>	Barrick
<b>Royalty:</b>	GSR1 and GSR2: 0.4% to 5.0% GSR3: 0.71% NVR1: 0.39%
<b>CY 2009 Production (Est.):</b>	346,000 oz (Au)
<b>FY 2009 Revenue:</b>	\$16.3M
<b>Reserves: <sup>1</sup></b>	4.3M oz (Au)

### Taparko (Burkina Faso)



<b>Operator:</b>	High River
<b>Royalty:</b>	TB-GSR1: 15% TB-GSR2: 0.0% to 10% TB-GSR3: 2.0%
<b>CY 2009 Production (Est.): <sup>2</sup></b>	63,000 oz (Au)
<b>FY 2009 Revenue:</b>	\$10.4M
<b>Reserves: <sup>1,3</sup></b>	0.8M oz (Au)

### Robinson (Nevada)



<b>Operator:</b>	Quadra
<b>Royalty:</b>	3.0% NSR
<b>CY 2009 Production (Est.): <sup>4</sup></b>	90,000 oz (Au) 120M lbs (Cu)
<b>FY 2009 Revenue:</b>	\$7.7M
<b>Reserves: <sup>1</sup></b>	0.9M oz (Au) 1.5B lbs (Cu)

<sup>1</sup> Reserves as of December 31, 2008

<sup>2</sup> The operator provided a calendar 2009 production range between 63,000 to 76,000 ounces

<sup>3</sup> Upon Royal Gold's receiving \$35M from the TB-GSR1 royalty, both the TB-GSR1 and TB-GSR2 royalties cease and the TB-GSR3 royalty becomes effective. Based on the operator's gold price assumption of \$800 per ounce, the TB-GSR1 and the TB-GSR2 reserves are estimated to consist of 303,000 ounces of gold. The TB-GSR3 reserves are estimated at 497,000 ounces and represent the remaining reserves

<sup>4</sup> In November 2009, the operator revised its estimated copper production from 130 million pounds to a range of 120 to 125 million pounds and its gold production estimate from 100,000 ounces to 90,000 ounces

## Principal Producing Properties

### Leeville (Nevada)



<b>Operator:</b>	Newmont
<b>Royalty:</b>	1.8% NSR
<b>CY 2009 Production (Est.):</b>	426,000 oz (Au)
<b>FY 2009 Revenue:</b>	\$6.7M
<b>Reserves: <sup>1</sup></b>	2.5M oz (Au)

### Mulatos (Mexico)



<b>Operator:</b>	Alamos Gold
<b>Royalty:</b>	1.0% to 5.0% NSR
<b>CY 2009 Production (Est.): <sup>2</sup></b>	160,000 oz (Au)
<b>FY 2009 Revenue: <sup>3</sup></b>	\$6.1M
<b>Reserves: <sup>1,4</sup></b>	2.0M oz (Au)

### Goldstrike (Nevada)



<b>Operator:</b>	Barrick
<b>Royalty:</b>	0.9% NSR
<b>CY 2009 Production (Est.):</b>	441,000 oz (Au)
<b>FY 2009 Revenue:</b>	\$5.6M
<b>Reserves: <sup>1</sup></b>	5.8M oz (Au)

<sup>1</sup> Reserves as of December 31, 2008

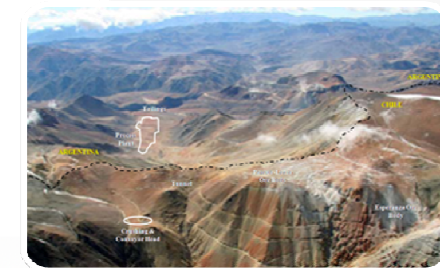
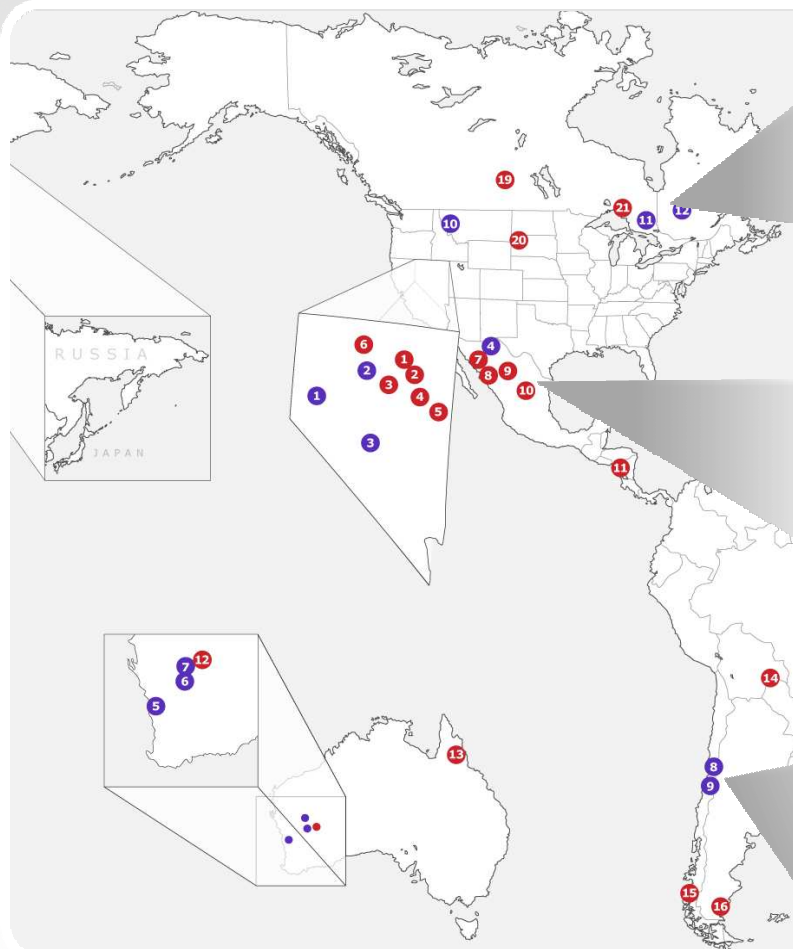
<sup>2</sup> The operator provided a calendar 2009 production range between 160,000 and 170,000 ounces

<sup>3</sup> Revenue for Mulatos consists of three months at a 1.50% royalty rate and nine months at a 5.0% royalty rate commencing October 1, 2008

<sup>4</sup> The Company's royalty is subject to a 2.0 million ounce cap on gold production. There have been approximately 462,000 ounces of cumulative production, as of September 30, 2009



## Key Growth Properties

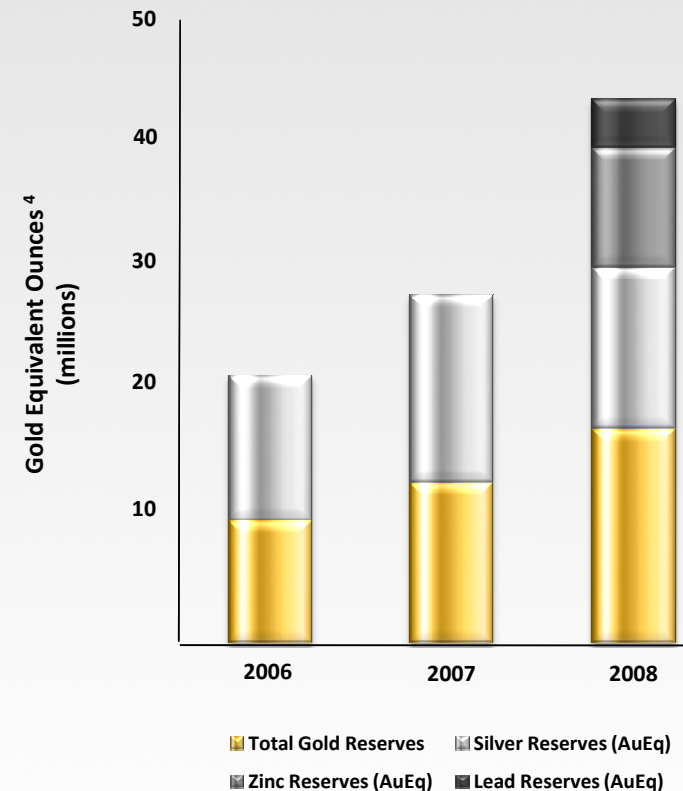




## Peñasquito (Goldcorp – Mexico)

- Royalty: 2.0% NSR (all metals)
- Reserves: <sup>1,2</sup> 17.4M oz (Au)  
1.0B oz (Ag)
- CY'09 production (est.):
  - 70,000 oz (Au)
  - 2.3M oz (Ag)
- Estimated production start-up:
  - 1<sup>st</sup> sulfide circuit - 2009
  - 2<sup>nd</sup> sulfide circuit - 2010
  - High pressure grind rolling circuit - 2010
- Mine life: 25 years  
(22 years after final ramp up)
- Annual royalty revenue potential:  
~ \$29M <sup>3</sup>

Reserve Profile



<sup>1</sup> Peñasquito reserves also contain 15.4 billion pounds of zinc and 7.1 billion pounds of lead  
<sup>2</sup> Reserves as of December 31, 2008

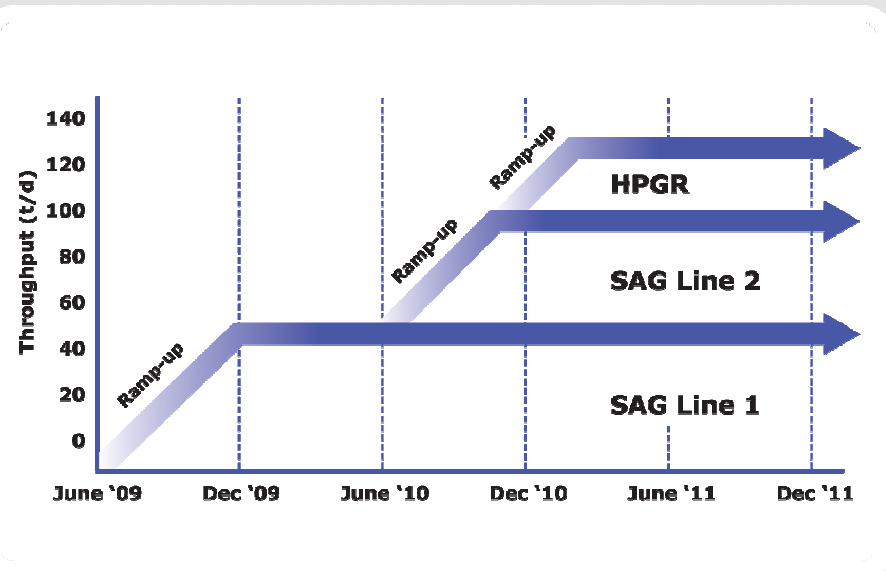
<sup>3</sup> Based on (1) NI 43-101 Peñasquito Technical Report dated March 10, 2009; (2) the operator's stated life of mine average production of 500,000 ounces of gold, 30 million ounces of silver, 450 million pounds of zinc and 50 million pounds of lead at full production; and (3) metal prices as of September 9, 2009 of \$999.50 per gold ounce, \$16.24 per silver ounce, \$0.88 per pound zinc and \$1.07 per pound lead

<sup>4</sup> Gold equivalent ounces calculated at calendar year-end metal prices for each year

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- Estimated production start-up:
  - 1<sup>st</sup> sulfide circuit - 2009
  - 2<sup>nd</sup> sulfide circuit - 2010
  - High pressure grinding roll circuit - 2010
- Mine life: 25 years  
(22 years after final ramp up)
- Annual royalty revenue potential:  
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Project Schedule

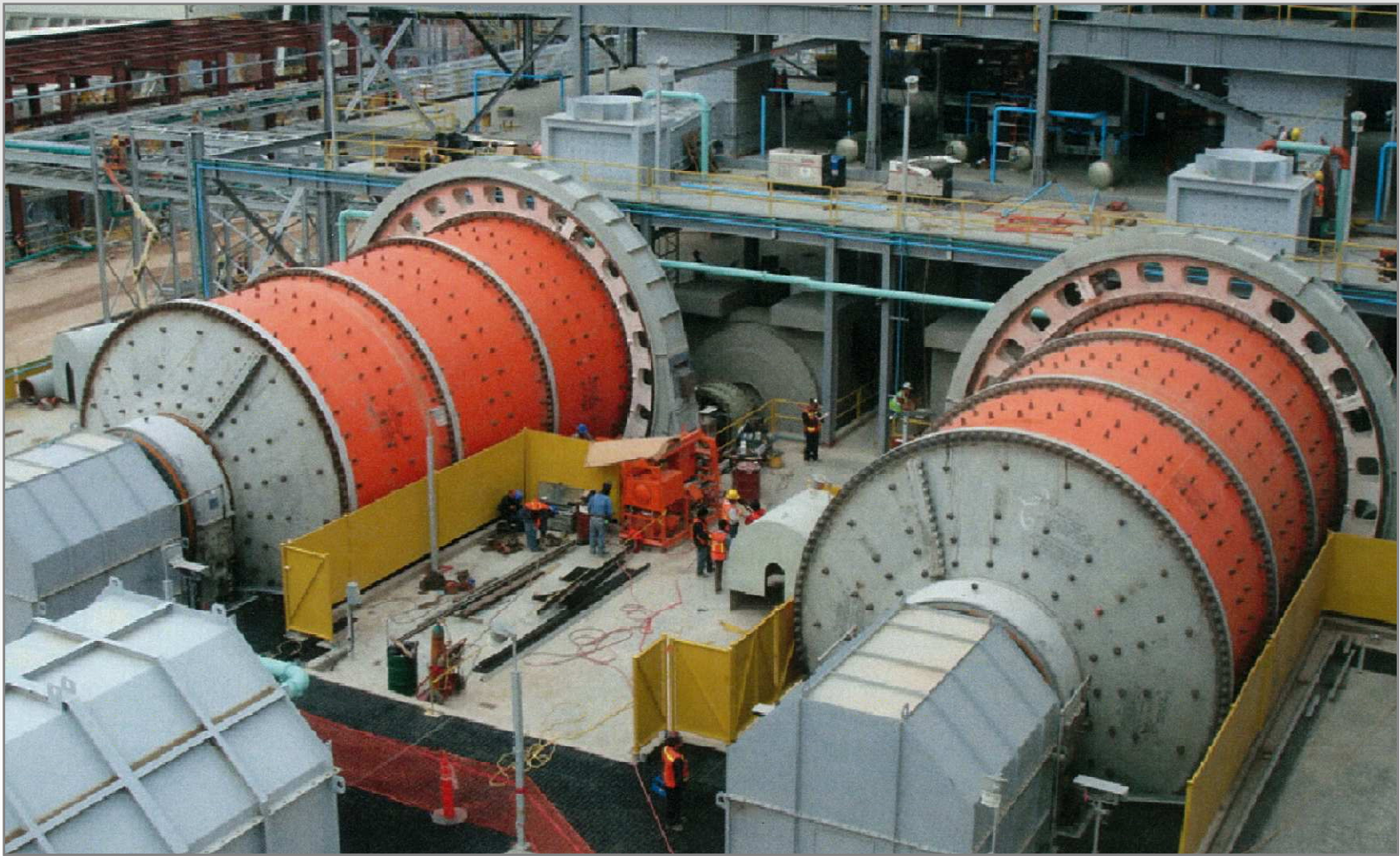


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## Dolores (Minefinders – Mexico)

- Royalty: 3.25% NSR (Au)  
2.0% NSR (Ag)
- Reserves: <sup>1</sup> 2.4M oz (Au)  
126.6M oz (Ag)
- CY'09 production (est.): <sup>2</sup>
  - 80,000 oz (Au)
  - 1.4M oz (Ag)
- Mine life: 15 years
- Annual royalty revenue potential:  
~ \$5.0M <sup>3</sup>



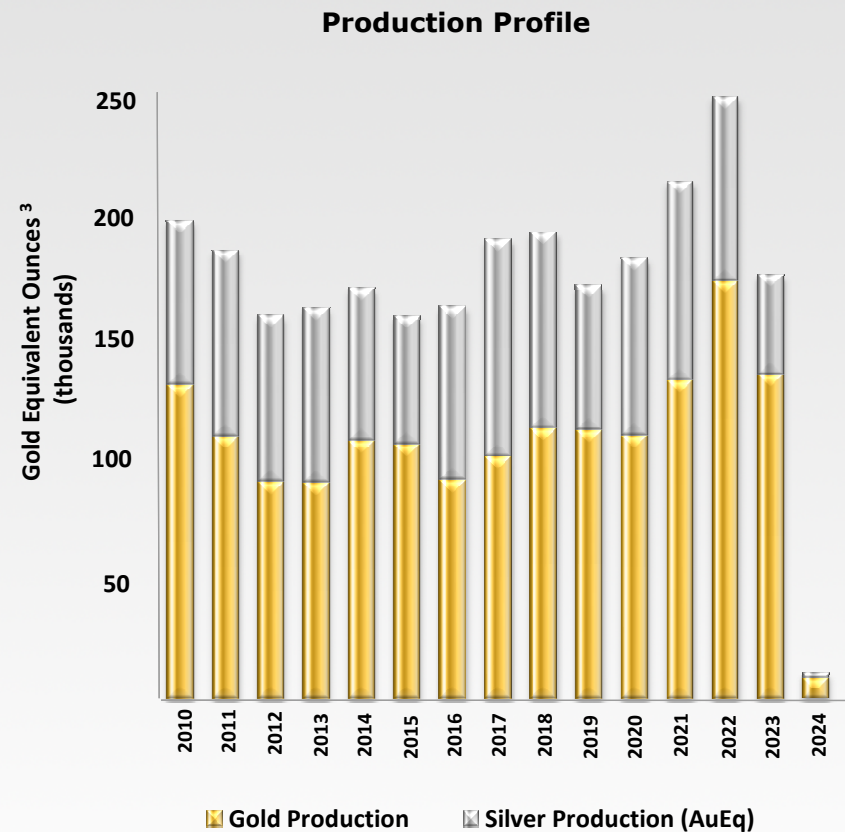
<sup>1</sup> Reserves as of March 25, 2008 (reserve numbers have not been updated to remove material consumed in late 2008 commissioning activities)

<sup>2</sup> In November 2009, the operator provided a revised calendar 2009 production estimate of 80,000 ounces of gold and 1.4 million ounces of silver

<sup>3</sup> Based on the NI 43-101 Technical Report dated March 25, 2008 and metal prices as of September 9, 2009 of \$999.50 per gold ounce and \$16.24 per silver ounce

## Dolores (Minefinders – Mexico)

- Royalty: 3.25% NSR (Au)  
2.0% NSR (Ag)
- Reserves: <sup>1</sup> 2.4M oz (Au)  
126.6M oz (Ag)
- CY'09 production (est.): <sup>2</sup>
  - 85,000 oz (Au)
  - 1.8M oz (Ag)
- Mine life: 15 years
- Annual royalty revenue potential:  
~ \$5.0M <sup>3</sup>



<sup>1</sup> Reserves as of March 25, 2008 (reserve numbers have not been updated to remove material consumed in late 2008 commissioning activities)

<sup>2</sup> In November 2009, the operator provided a revised calendar 2009 production estimate of 80,000 ounces of gold and 1.4 million ounces of silver

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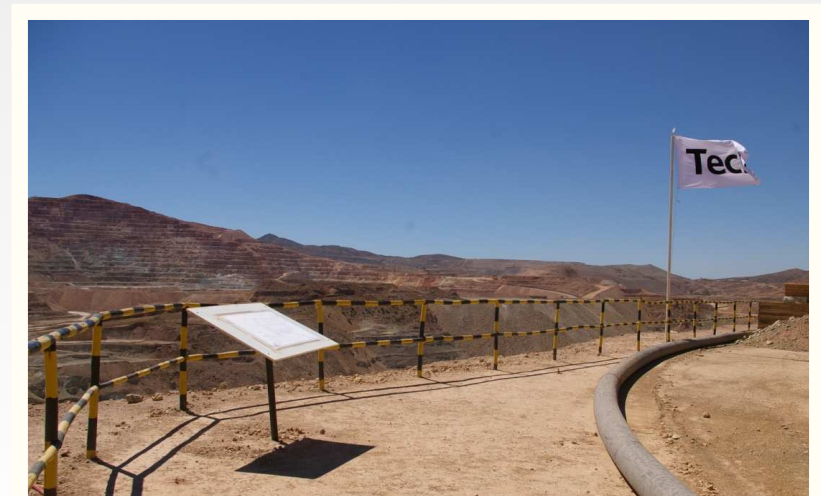






## Andacollo (Teck – Chile)

- Royalty:
  - 75% of gold until 910,000 payable ounces; 50% thereafter
- Ownership:
  - 90% CDA (subsidiary of Teck Resources Limited)
  - 10% Empresa Nacional de Minería (Chilean, state-owned mining company)
- Total consideration:
  - \$218M cash
  - 1.2M shares
- Closing by January 29, 2010



## Andacollo Hypogene Project

- Sulfide plant production:
  - Construction complete: 4Q'09
  - Commercial production: first half 2010
    - 55,000 tonnes/day mill capacity
- Proven and probable reserves: <sup>1</sup>
  - 1.6M oz Au (394M tonnes at 0.13 gpt)
- Estimated annual production: <sup>2</sup>
  - 53,000 oz gold
  - 76,000 tonnes copper <sup>3</sup>
- Estimated mine life: 20 years
- Annual royalty revenue potential:  
~ \$36M <sup>4</sup>



<sup>1</sup> Tonnes and grade as disclosed in Teck Cominco Limited's 2008 Annual Information Form

<sup>2</sup> Teck 2008 Annual Report; estimated average annual production during the first 10 years

<sup>3</sup> Andacollo transaction does not include copper production

<sup>4</sup> Assuming (1) operator's production estimate of 53,000 ounces/year; (2) the minimum payable gold factor of 90.6%; (3) the maximum refining charge of \$6.00 per ounce; and (4) a gold price of \$999.50 per ounce as of September 9, 2009







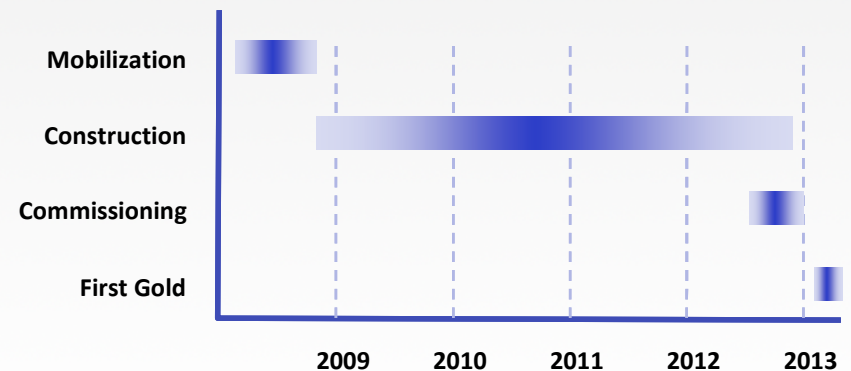


## Pascua-Lama (Barrick – Chile)

- Royalty: 0.16% to 1.08% NSR
  - > \$800/oz gold = 1.08% royalty rate
- Reserves: <sup>1,2</sup> 14.6M oz (Au)
- Estimated production: <sup>3</sup>
  - Start-up – 2013
  - 750,000 to 800,000 ounces of gold (average during first five years)
  - 600,000 to 700,000 ounces of gold (average during life of mine)
  - \$200 to \$250 per ounce total cash cost (life of mine)
- Mine life: 25 years
- Annual royalty revenue potential: <sup>4</sup>
  - ~ \$8.0M – 775,000 ounces of gold per year
  - ~ \$7.5M – 600,000 ounces of gold per year



Project Schedule <sup>5</sup>



<sup>1</sup> Reserves as of December 31, 2008

<sup>2</sup> Royalty applies to all gold production from an area of interest in Chile. Only that portion of reserves pertaining to our royalty interest in Chile is reflected here

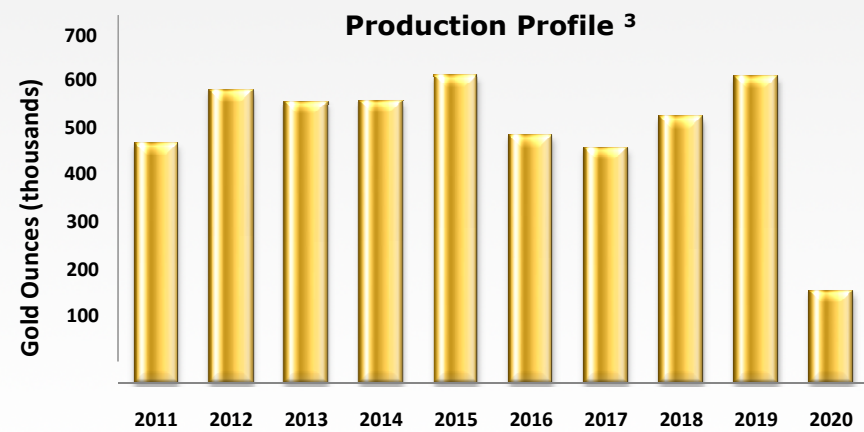
<sup>3</sup> Barrick's May 7, 2009 press release and presentation

<sup>4</sup> At a gold price of \$999.50 per ounce as of September 9, 2009

<sup>5</sup> Data obtained from Barrick's press release and presentation dated May 7, 2009

## Canadian Malartic (Osisko – Canada)

- Royalty: <sup>1</sup> 2.0% to 3.0% NSR
- Reserves: <sup>2</sup> 4.7M oz (Au)
- Estimated production start-up: 2011
- Mine life: 10 years
- Annual royalty revenue potential:  
~ \$6.0M <sup>3</sup>



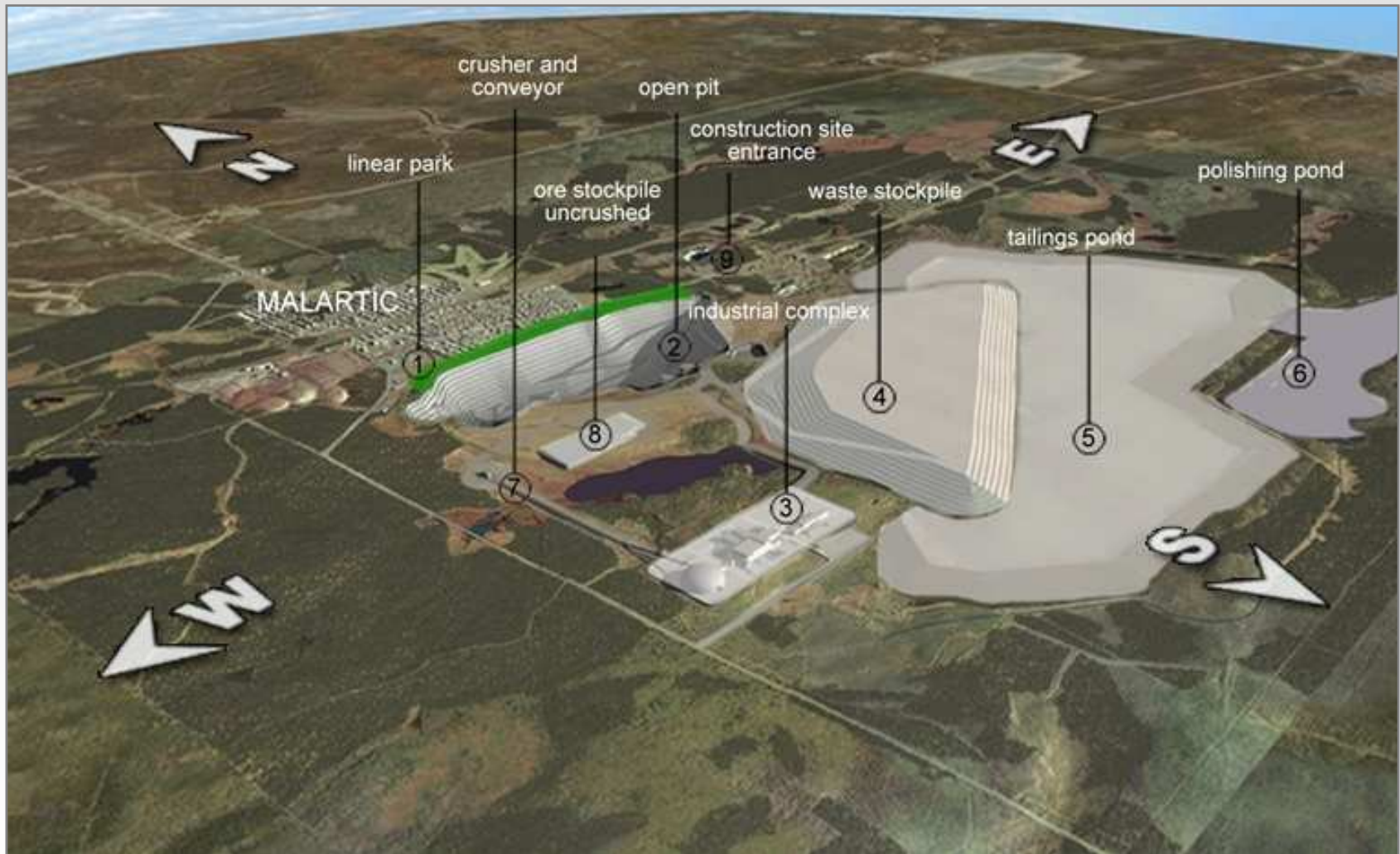
<sup>1</sup> 2.0% to 3.0% NSR royalty subject to buy-down right which could reduce the royalty rate to a range of 1.0% to 1.5%

<sup>2</sup> Reserves as of December 31, 2008

<sup>3</sup> Based on NI 43-101 Feasibility Report dated December 2008 and gold price of \$999.50 per ounce as of September 9, 2009



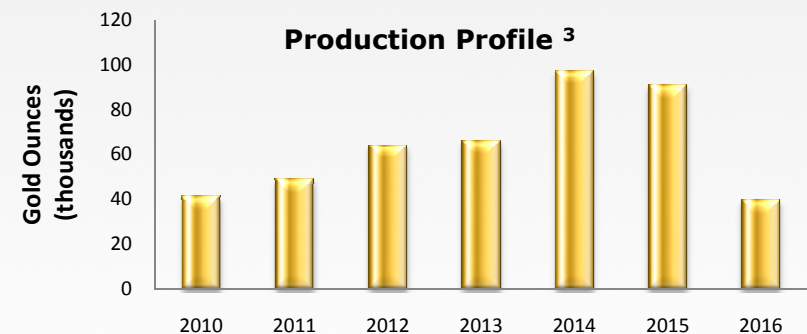






## Holt (St Andrew Goldfields – Canada)

- Royalty: <sup>1</sup> 0.00013 X gold price (NSR)
  - \$1,000/oz gold = 13% royalty rate
  - Party responsible for royalty in dispute
- Reserves: <sup>2</sup> 0.5M oz (Au)
- Estimated production start-up: 2010
- Mine life: 7 years
- Annual royalty revenue potential:  
~ \$8.0M <sup>3</sup> (life of mine average)



<sup>1</sup> In November 2008, the operator made application to the Ontario Superior Court of Justice for a declaration that it is not obligated to pay the entire royalty defined under the royalty agreement and to dispute the royalty rate. The operator claimed that its predecessor in interest is responsible for payment of some or all of the royalty. On July 23, 2009, the Court held that Royal Gold is entitled to payment from the predecessor of the full amount of the NSR sliding-scale royalty and that the operator's obligation is to reimburse the predecessor for payment of the royalty up to a flat rate of 0.013% NSR. On August 21, 2009, the predecessor appealed the portion of the judgment holding it responsible for paying the royalty

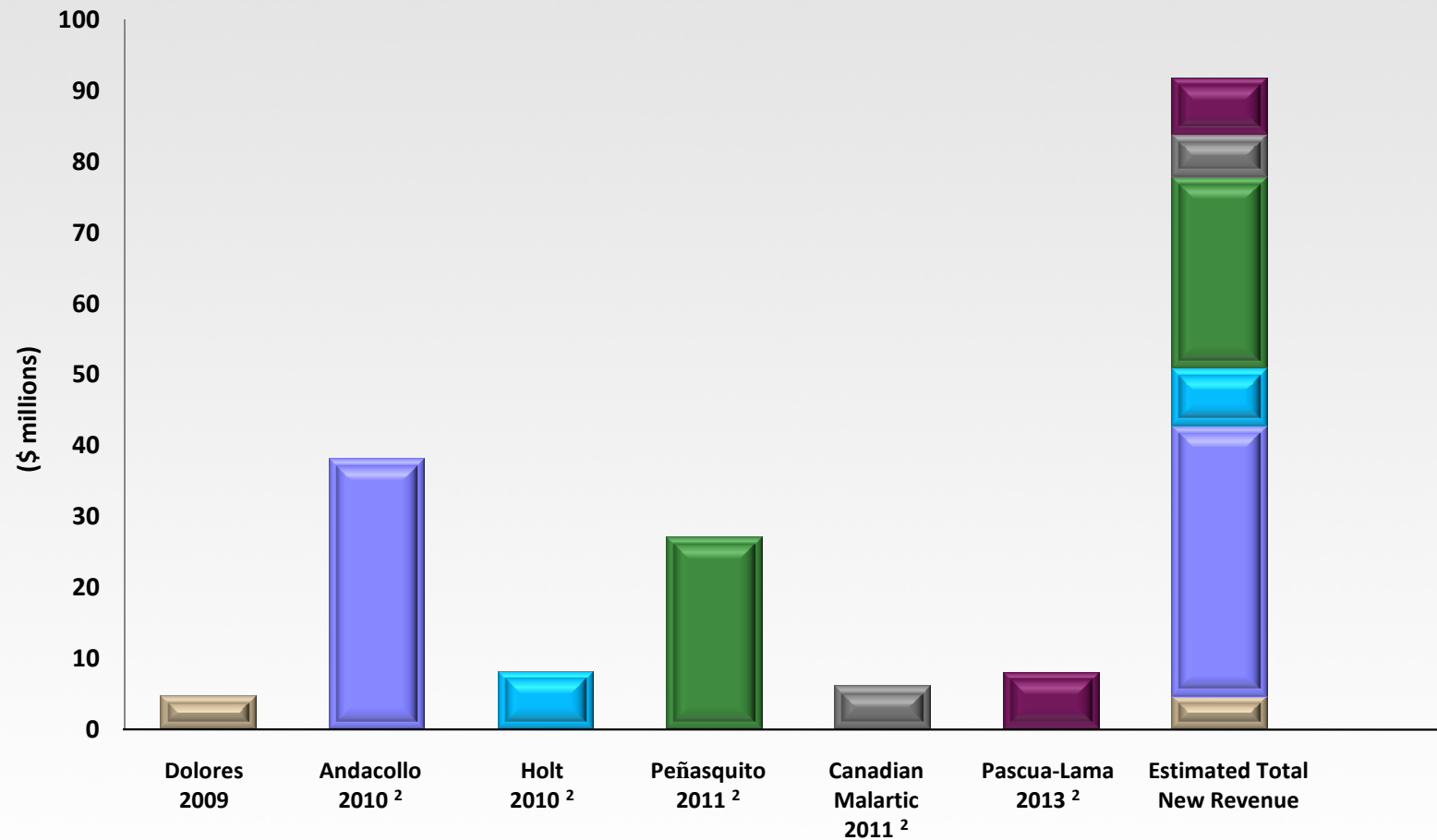
<sup>2</sup> Reserves as of December 31, 2008

<sup>3</sup> Based on NI 43-101 Technical Report dated June 9, 2008 and gold price of \$999.50 per ounce as of September 9, 2009

# New Asset Contribution



## Estimated Revenue Contribution – New Assets <sup>1</sup>

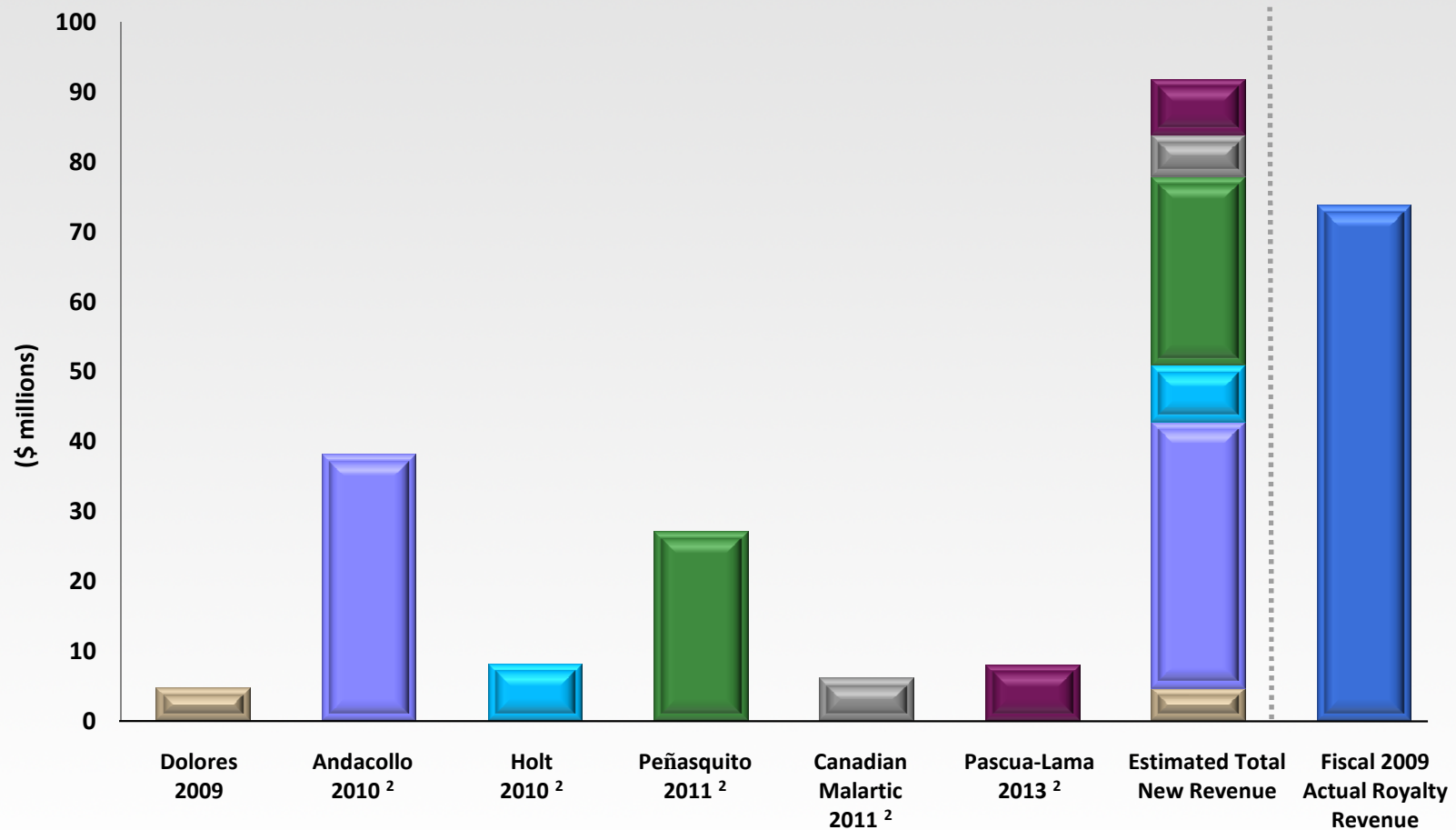


<sup>1</sup> Refer to prior property slides for applicable footnotes

<sup>2</sup> As estimated by the operator of the project



## Estimated Revenue Contribution – New Assets <sup>1</sup>



<sup>1</sup> Refer to prior property slides for applicable footnotes

<sup>2</sup> As estimated by the operator of the project

# Proven Performance and Financial Strength



## Execution on Growth Strategy

- Increased reserves
- Diversification of revenue
- Strong financial growth
- Enhanced shareholder return
- Solid balance sheet



### EXCERPT

## America's 100 Fastest Growing Small Public Companies

**10. Royal Gold Inc.**  
**Rank:** 10 (Previous rank: 89)  
**CEO:** Tony Jensen  
**Headquarters:** Denver, CO  
**Employees:** 16  
**Industry:** Other  
**Revenue:** \$69.8 million  
(four quarters to 12/31/08)  
**Return to investors:** 13.3%  
(three years to 12/31/08, annualized rate)



Royal Gold is a precious metals company that doesn't mine, buy, or sell gold or silver. Instead, it buys rights to the royalties paid out by precious metal mines in the U.S., Canada, Mexico, Argentina, Bolivia, Nicaragua, and West Africa. Mine companies benefit by getting to raise capital without selling equity, while Royal Gold avoids capital and operating costs and legal or environmental liabilities.

Industry: Other		
Company	FSB 100 rank	Revenue (\$ millions)
Barrick Inc.	9	166.9
Royal Gold Inc.	10	69.9
Willis Lease	19	152.3

Source: Fortune.com

### How We Pick the FSB 100

For our ninth annual list, we once again worked with financial research firm Zacks, which ranked public companies with revenues of less than \$200 million and a stock price of more than \$1.

All companies that meet these criteria are ranked 1,000, by their three-year annualized rates of revenue growth and total return to investors. We calculated a log-linear growth rate of the trailing four quarters' revenue over a three-year period, through the quarter ended on or before Dec. 31, 2008. In other words, we used a "best fit" regression line through the numbers: the steeper the slope of this line, the higher the growth rate. This method provides a better measure of average or normalized growth than a simple point-to-point calculation.

Total return to investors is calculated for the three-year period ended Dec. 31, 2008.

The overall rank is based on the sum of the two ranks. If there is a tie, we compute the average of both growth rates, and the company with the higher average receives the higher rank.

For the first time, we added a new requirement: Companies with losses in any of the four quarters ended on or before Dec. 31, 2008, were excluded from the list. Every company included this year has managed to stay profitable through the recession.

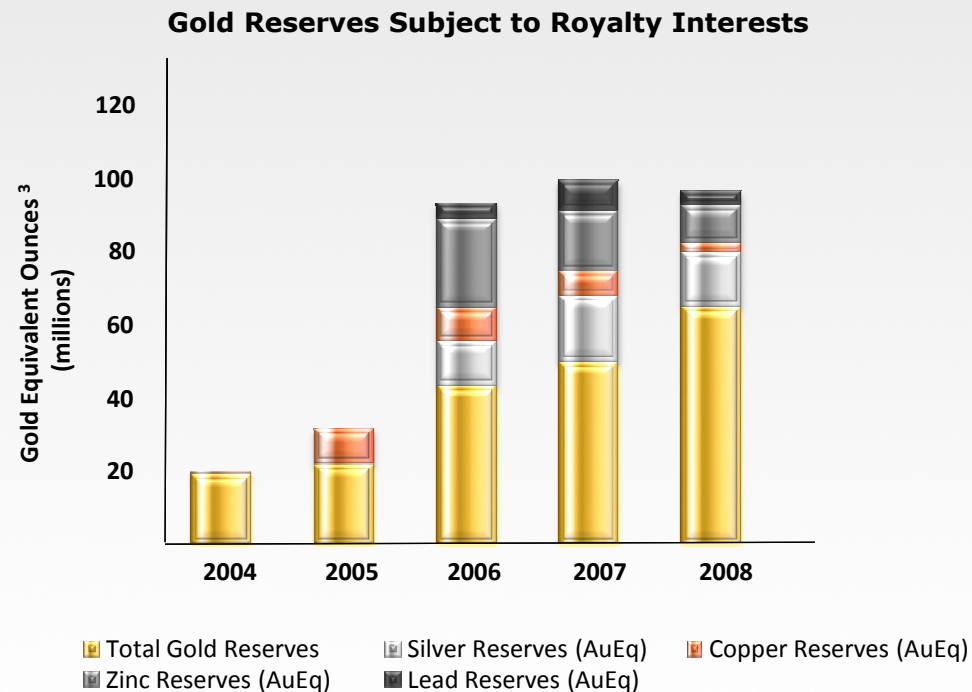
Banks and real estate firms are excluded from the list (they would otherwise dominate it), as are adult-entertainment companies (for ethical reasons).

Method adapted by FSB Consultants. ©2009 Time Inc. All rights reserved.



## Reserve Growth <sup>1</sup>

- Gold reserves increased 30% to 64.2M ounces <sup>2</sup>
- Precious metals account for 82% of gold equivalent reserves <sup>3</sup>
- Organic growth has offset consumption over the last five years



<sup>1</sup> Reserves subject to Royal Gold's royalty interests

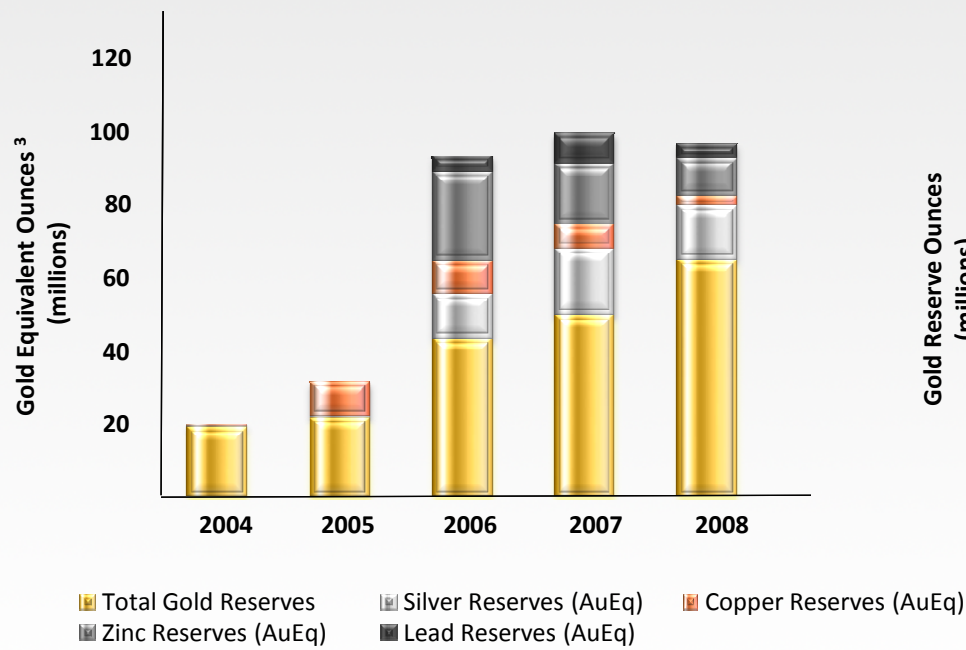
<sup>2</sup> Reserve increases from December 31, 2007 to December 31, 2008

<sup>3</sup> Gold equivalent ounces calculated at calendar year-end metal prices for each year

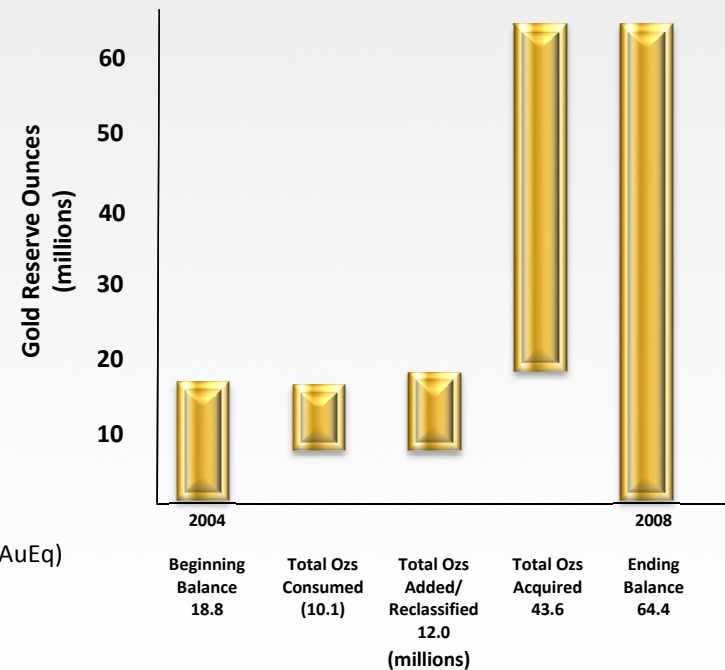
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Gold Reserves Subject to Royalty Interests

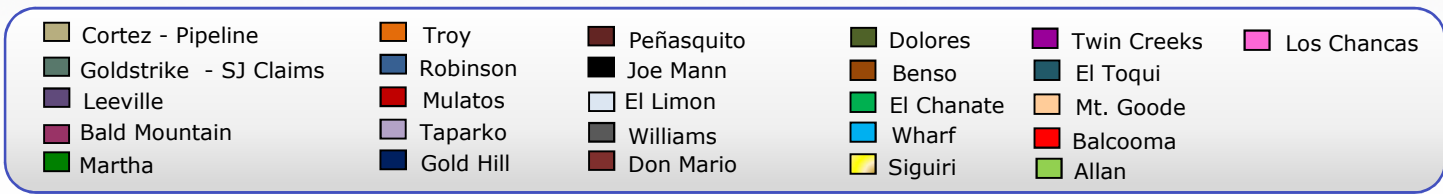
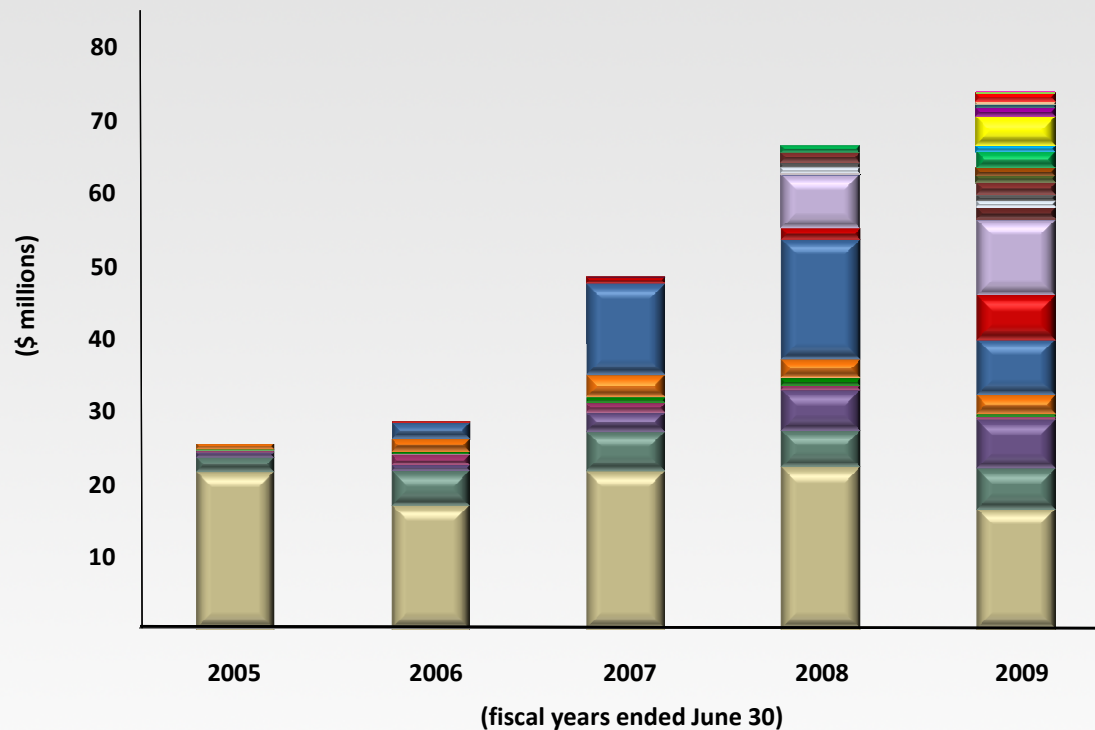


Gold Reserves Subject to Royalties (calendar years)



<sup>1</sup> Reserves subject to Royal Gold's royalty interests  
<sup>2</sup> Reserve increases from December 31, 2007 to December 31, 2008  
<sup>3</sup> Gold equivalent ounces calculated at calendar year-end metal prices for each year

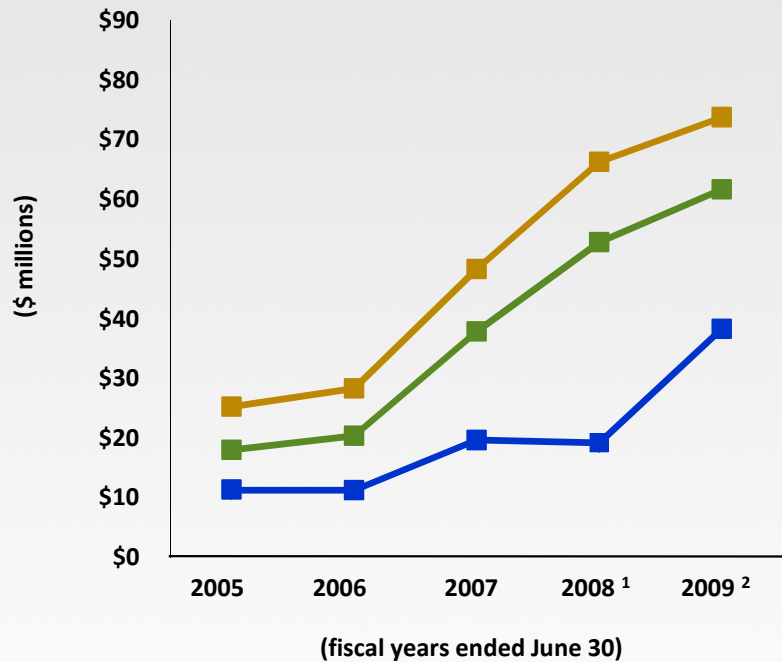
## Revenue Diversification



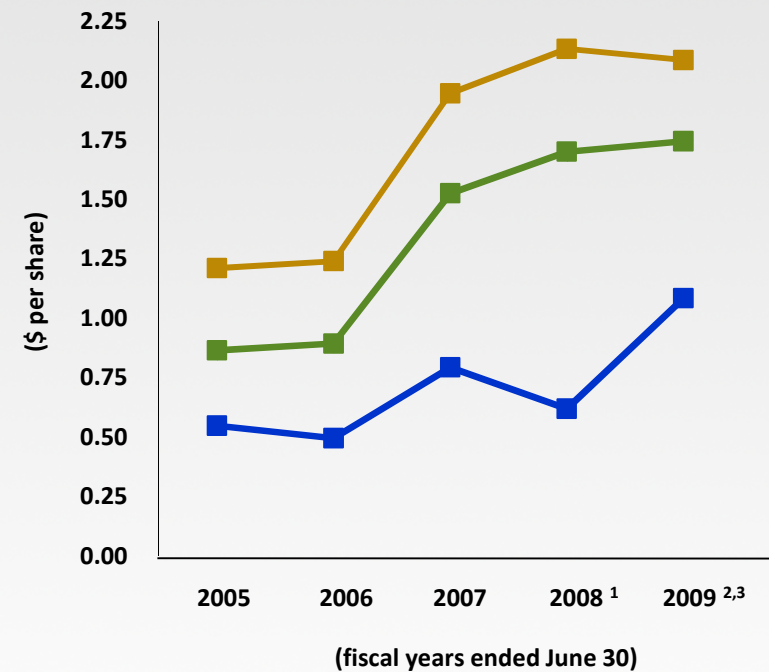


## Strong Financial Growth

**Gross Financial Results**



**Per Share Financial Results**



— Royalty Revenue — Free Cash Flow<sup>4</sup> — Net Income

<sup>1</sup> In fiscal 2008, total net income was \$24.0M. Basic income per share was reduced by the payment of preferred dividends and a non-cash preferred share conversion adjustment of \$4.8M, or \$0.15 per basic share

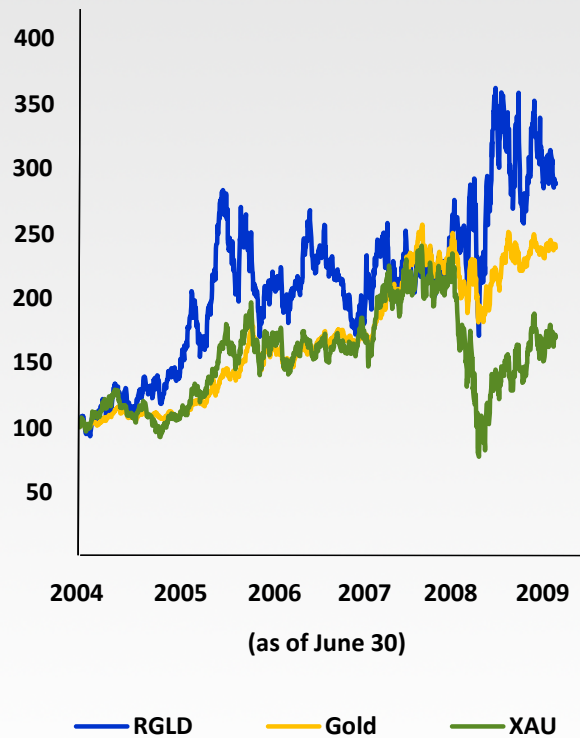
<sup>2</sup> Net income for fiscal 2009 includes one-time gains of \$33.7M, or \$0.62 per basic share, after taxes

<sup>3</sup> Includes impact of April equity offering of 6.5 million shares of common stock

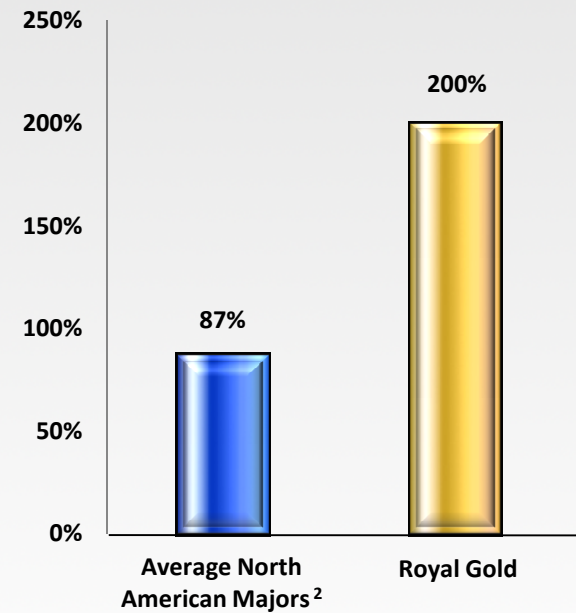
<sup>4</sup> The term "free cash flow" is a non-GAAP financial measure and is defined by the Company as operating income plus depreciation, depletion and amortization, non-cash charges and any impairment of mining assets, less minority interest in operating income of consolidated subsidiary

## Enhanced Shareholder Return

**Royal Gold vs. Gold Price and Index**  
(indexed June 30, 2004 = 100)



**Five-Year Total Shareholder Return <sup>1</sup>**  
(November 2004 – November 2009)

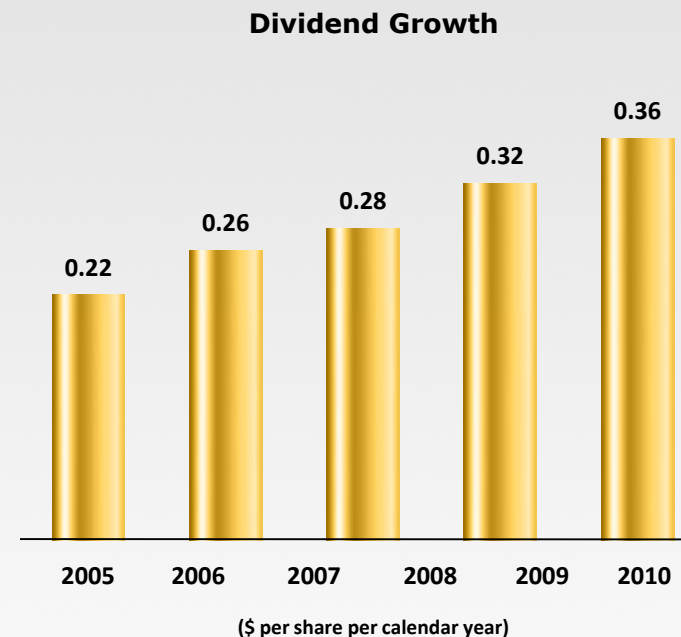


<sup>1</sup> Source: Factset Research Systems, as of November 11, 2009

<sup>2</sup> Includes Barrick, Goldcorp and Newmont

## Financial Strength

- Market Information (as of 11/16/09)
  - NASDAQ: RGLD; TSX: RGL
  - Market cap: \$2.1B
  - Average daily volume (TTM): 894,000
- Shares Outstanding
  - Common: 40.7M
  - Insider ownership: 8%
- Financial
  - Cash: \$307M <sup>1</sup>
  - Total debt: \$0
  - Available credit line: \$125M
  - CY2010 dividend: \$0.36 per share
  - Dividend payout ratio: <sup>3</sup> 59%



Dividend Yield: <sup>2</sup> 0.69%  
 Dividend Payout Ratio: <sup>3</sup> 59%

<sup>1</sup> As of September 30, 2009. Amount includes \$217.9M that would be paid to Teck Cominco upon closing of the Andacollo transaction

<sup>2</sup> CY 2010 dividend divided by closing stock price of \$52.09 per share on November 16, 2009

<sup>3</sup> Calculated as dividends paid divided by cash flow from operations for the twelve months ended September 30, 2009



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