

## **Bank of America Merrill Lynch 16<sup>th</sup> Annual Canada Mining Conference**

September 2010



## **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 operator's estimates of production over the first six years and over the life of the mine, the operator's estimates of reserves and resources, and mine life; estimated annual revenue potential; that in 2013, 67% of revenues will come from mines with lives greater than 15 years; estimated 2013 pro forma revenue by commodity and property; estimated 2013 pro forma royalty gold equivalent ounces; estimated growth in gold and silver reserves and resources; estimated schedules of achieving production and other related mine development, construction and production start-up timetables; and that our future principal properties will consist of Peñasquito, Andacollo, Pascua-Lama, Voisey's Bay, and Mt. Milligan. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: that the Plan of Arrangement between Thompson Creek and Terrane does not close; the completion of the Mt. Milligan transaction; the risks inherent in construction, development and ramp up of operations of a new mine at Mt. Milligan by an operator who has not previously operated gold mines; 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; operations in land 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; 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.

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## Agenda

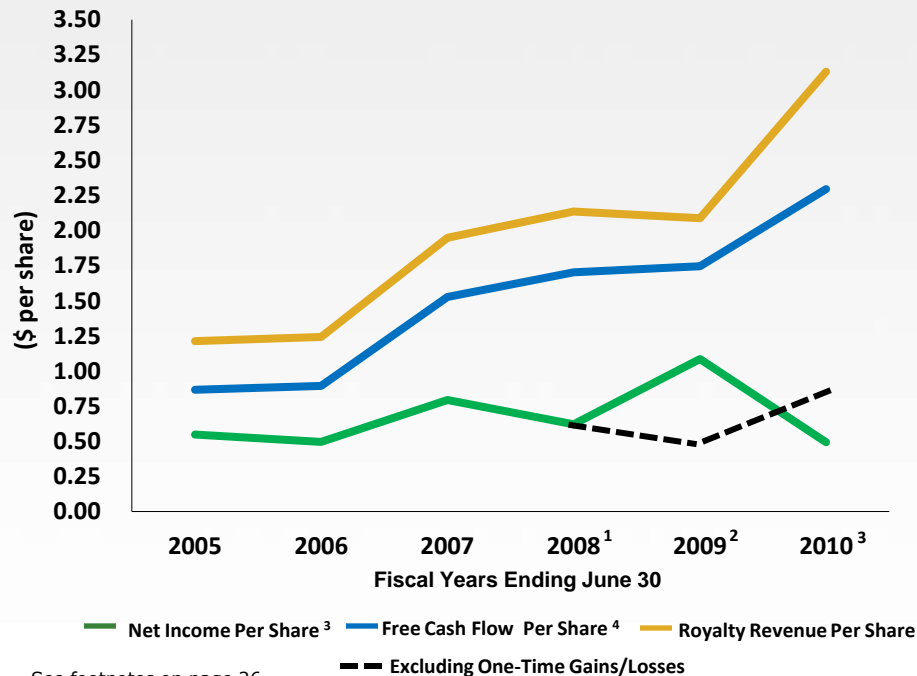
- Strong Financial Results
- Period of Portfolio Transformation
- Setting the Stage for Future Growth



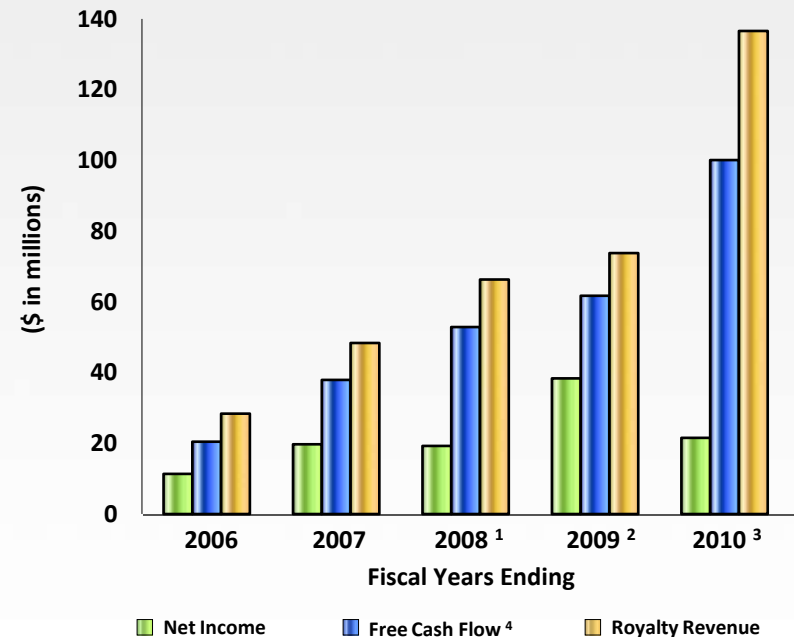
## Financial Results

- FY 2010 revenue: \$137M (85% increase)
- FY 2010 free cash flow: \$100M (62% increase)
- Non-recurring items impacted net income in Fiscal 2008 to 2010
- June 2010 equity offering raised \$276M; strengthens balance sheet

Per Share Financial Results

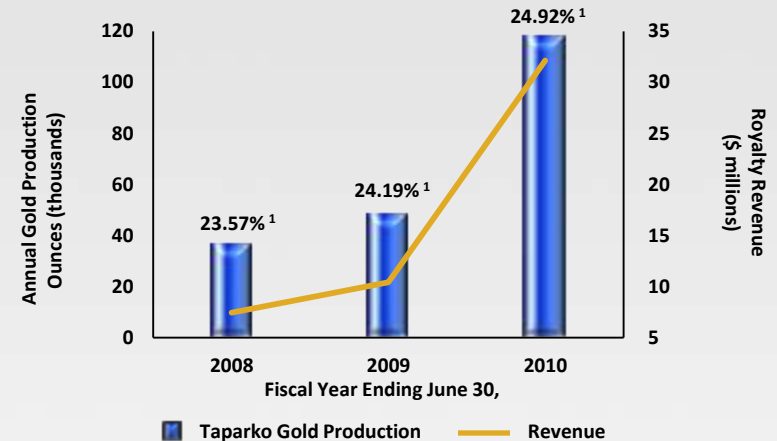


Historical Financial Results

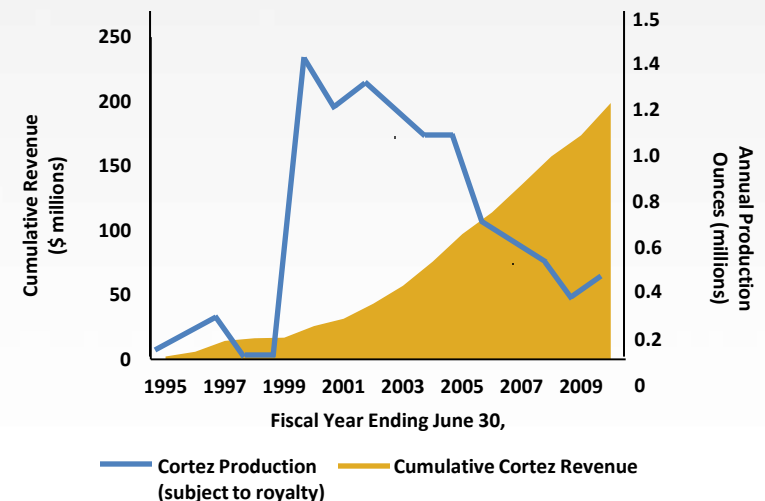


## Key Drivers

- Taparko
  - \$32M in revenue (fiscal 2010)
  - \$50M in cumulative revenue (as of 6/30/10)
  - Leverage in TB-GSR2 royalty increased total royalty to almost 25%



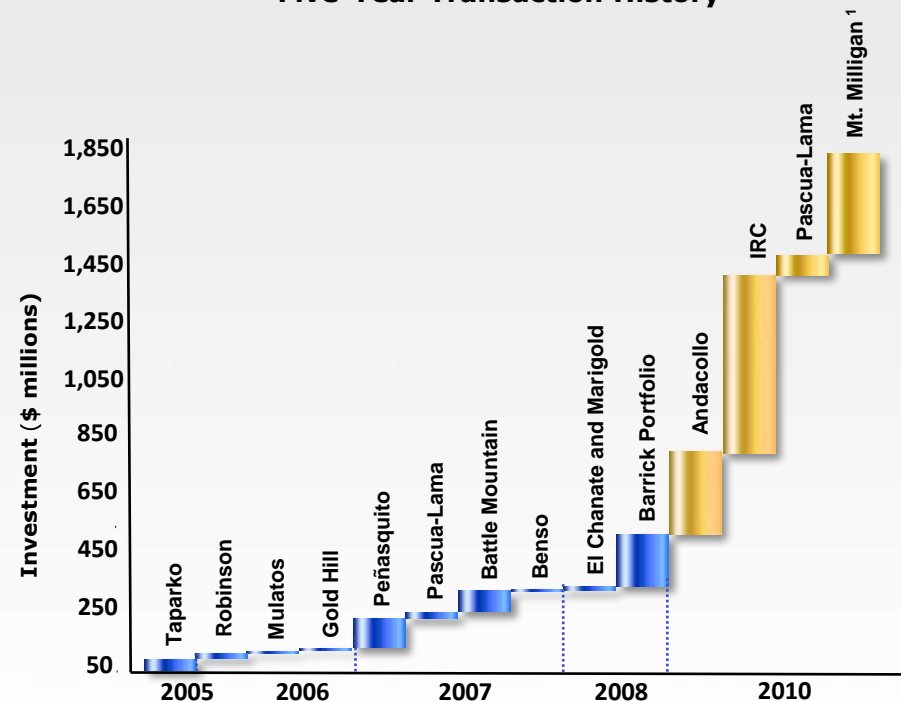
- Cortez
  - Approaching \$200M in cumulative revenue
  - 5.2 million ounces of reserves still subject to royalty interest
  - 240,000 ounces of estimated production for CY2010



## Transformational Growth

- **Andacollo**
  - 75% of gold production over planned 20-year mine life
  - Cost: \$272M
- **IRC**
  - Diversified royalty portfolio with gold growth
  - Cost: \$350M cash plus 7.0M shares
- **Pascua-Lama**
  - Leveraging the IRC acquisition
  - Adds 1.0% NSR (5.23% at gold prices  $\geq$  \$800)
  - Cost: \$68M in cash
- **Mt. Milligan**<sup>1</sup>
  - 25% of gold
  - \$311.5M and fixed price of \$400 or \$450 per ounce

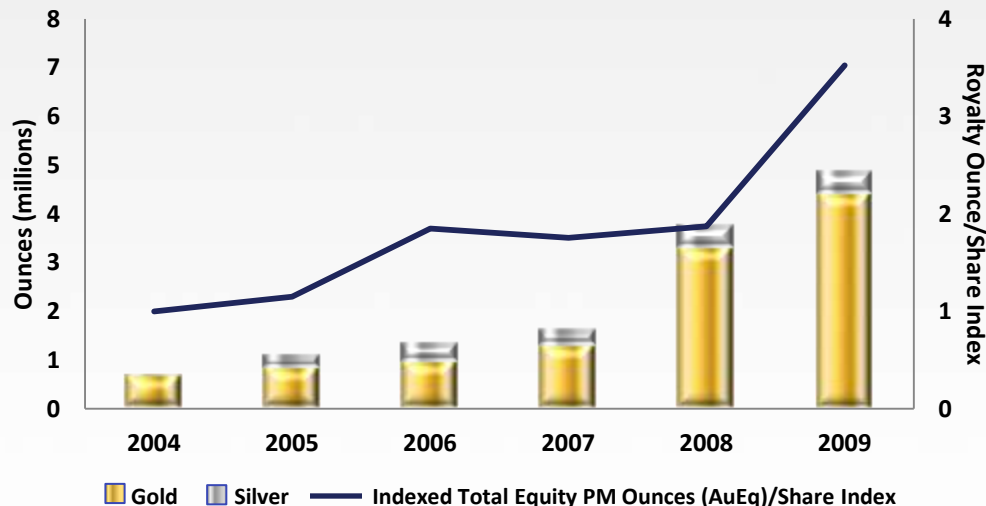
Five-Year Transaction History



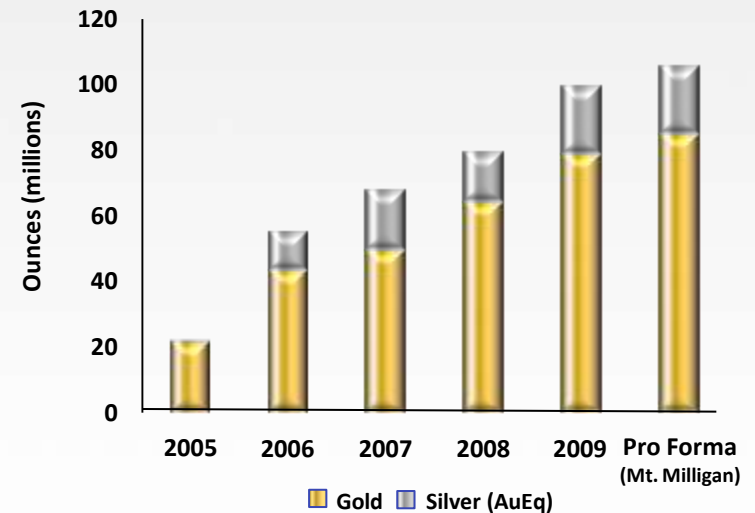
## Reserve Growth - December 2008 to Present

- Precious metal reserves subject to royalties increased 33% to 105.3M ounces <sup>1</sup>
- Precious metals royalty ounces in reserves increased 203% to 4.87M ounces <sup>1</sup>
- Organic growth demonstrated as properties in the portfolio on 12/31/08 added more reserves than were mined and processed

**Royalty Ounce Reserves <sup>2</sup>**  
(calendar years ended December 31)



**Reserves Subject to Royalties**  
(calendar years ended December 31)



## Principal Properties – Tier 1

Taparko



Cortez



Robinson



Mulatos



Leeville



Siguri



Goldstrike



Peñasquito 




Royalty: 2.0% NSR  
 Reserves: <sup>1</sup> 17.8M oz (Au)  
 1.1B oz (Ag)  
 15.9B lbs (Zn)  
 7.2B lbs (Pb)  
 Estimated Mine Life: 25 Years  
 CY10 Estimated Production: 180,000 oz (Au)  
 13.4M oz (Ag)

Andacollo 



Royalty: <sup>2</sup> 75% of gold production (NSR)  
 Reserves: <sup>1</sup> 1.6M oz (Au)  
 Estimated Mine Life: 20 Years  
 Commercial Production: 2H 2010  
 Estimated Production: <sup>3</sup> 55,000 oz (Au) in concentrate

Pascua-Lama 



Royalty: <sup>4,5</sup> 0.78% to 5.23% NSR  
 Reserves: <sup>6,7</sup> 14.6M oz (Au)  
 Estimated Mine Life: 25 Years  
 Commercial Production: <sup>8</sup> 2013  
 Estimated Production: <sup>9</sup> 775,000 oz (Au)

Voisey's Bay 

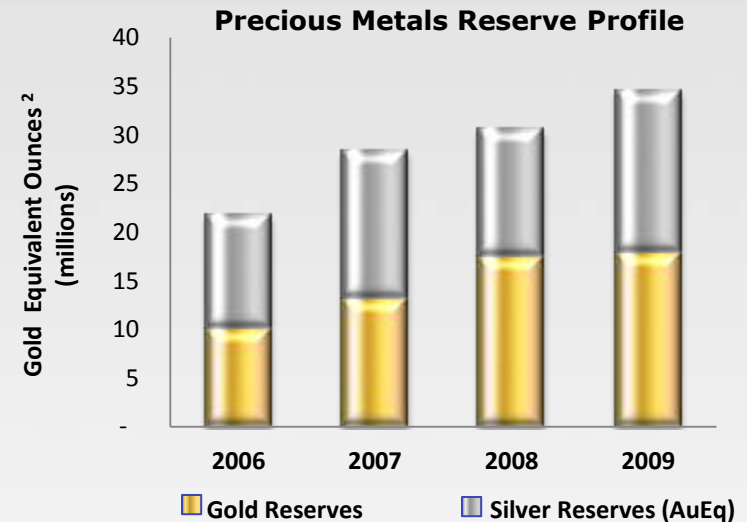


Royalty: 2.7% NSR  
 Reserves: <sup>1</sup> 1.5B lbs (Ni)  
 0.87B lbs (Cu)  
 74M lbs (Co)  
 Estimated Mine Life: <sup>10</sup> 20+ Years  
 CY09 Production: <sup>11</sup> 40,000 tonnes (Ni)  
 (restricted by strike) 24,000 tonnes (Cu)

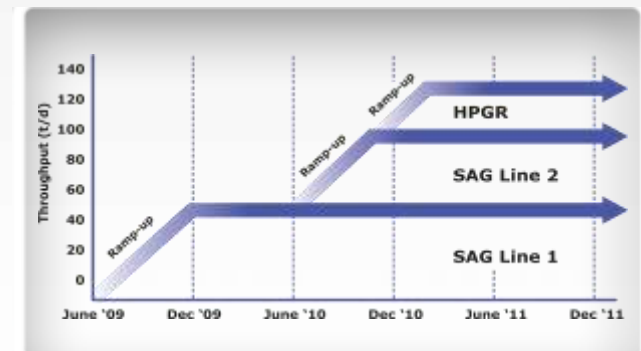


## Peñasquito (Goldcorp – Mexico)

- Royalty: 2.0% NSR (all metals)
- Reserves: <sup>1</sup>
  - 17.8M oz (Au)
  - 1.1B oz (Ag)
  - 15.9B lbs (Zn)
  - 7.2B lbs (Pb)
- FY'10 production (actual):
  - 117,963 oz (Au)
  - 7.2M oz (Ag)
- Estimated production start-up:
  - Sulfide processing line 2 (CYQ3 2010)
  - High pressure grind rolling circuit (CYQ4 2010)
- Mine life: 25 years (22 years after final ramp up)



### Project Schedule



## Andacollo (Teck – Chile)

- Royalty:
  - 75% of gold until 910,000 payable ounces; 50% thereafter (NSR)
- Reserves: 1.6M oz Au <sup>1</sup>
- Production:
  - Commissioning substantially complete
  - Estimated design capacity: Second half 2010
    - 55,000 tonnes/day mill capacity
- Estimated annual production: <sup>2</sup>
  - 55,000 oz (Au) (in concentrate)
- Estimated mine life: 20 years



## Pascua-Lama (Barrick – Chile)

- Royalty: <sup>1,2</sup> See chart
- Reserves: <sup>3,4</sup> 14.6M oz (Au)
- Estimated production: <sup>5</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

Sliding-Scale Schedule	
Gold Price/ Oz	NSR Royalty Rate
≤\$325	0.78%
\$400	1.57%
\$500	2.72%
\$600	3.56%
\$700	4.39%
≥\$800	5.23%

Note: Royalty rates as interpolated between the upper and lower endpoints.



## Voisey's Bay (Vale – Canada)

- Royalty: 2.7% NSR
- Reserves: <sup>1</sup> 1,493M lbs (Ni)  
873M lbs (Cu)  
74M lbs (Co)
- Production capacity: 6,000 tonnes per day
- CY'09 production: 40,000 tonnes (Ni)  
(restricted by strike) 24,000 tonnes (Cu)
- Mine life: 20+ years <sup>2</sup>
- Actual royalty revenue (TTM): <sup>3</sup> \$17.2M

*“Voisey's Bay could continue producing as much as 50,000 metric tons a year through 2049 if Vale decides to build the underground mine,” said Tom Paddon, Voisey's Bay General Manager (September 2009).*



## Principal Properties – Tier 2

Cortez



### Cortez (Barrick)

Location: U.S.  
 Royalty: <sup>1</sup> GSR1 and GSR2: 0.4% to 5.0%;  
 GSR3: 0.71%; NVR1: 0.39%  
 Reserves: <sup>2</sup> 5.2M oz (Au)

Leeville



### Leeville (Newmont)

Location: U.S.  
 Royalty: 1.8% NSR  
 Reserves: <sup>2</sup> 1.8M oz (Au)

Robinson



### Robinson (Quadra)

Location: U.S.  
 Royalty: 3.0% NSR  
 Reserves: <sup>2</sup> 0.7M oz (Au)  
 1.2B lbs (Cu)

Canadian Malartic



### Canadian Malartic (Osisko)

Location: Canada  
 Royalty: <sup>3</sup> 2.0% to 3.0% NSR  
 Reserves: <sup>4</sup> 4.7M oz (Au)

Dolores



### Dolores (Minefinders)

Location: Mexico  
 Royalty: 3.25% NSR (Au)  
 2.0% NSR (Ag)  
 Reserves: <sup>4</sup> 2.4M oz (Au); 126.6M oz (Ag)

Wolverine



### Wolverine (Yukon Zinc)

Location: Canada  
 Royalty: <sup>5</sup> 0.0% to 9.445% NSR  
 Reserves: <sup>6</sup> 0.2M oz (Au)  
 42.8M oz (Ag)

Holt



### Holt (St Andrew Goldfields)

Location: Canada  
 Royalty: <sup>7</sup> 0.00013 X gold price NSR  
 (equal to 13% at \$1,000/oz)  
 Reserves: <sup>4</sup> 0.5M oz (Au)

Mulatos



### Mulatos (Alamos)

Location: Mexico  
 Royalty: <sup>8</sup> 1.0% to 5.0% NSR  
 Reserves: <sup>2</sup> 2.4M oz (Au)

Gwalia Deeps



### Gwalia Deeps (St Barbara)

Location: Western Australia  
 Royalty: 1.5% NSR  
 Reserves: <sup>9</sup> 2.0M oz (Au)

Las Cruces



### Las Cruces (Inmet)

Location: Spain  
 Royalty: 1.5% NSR  
 Reserves: <sup>2</sup> 2.3B lbs (Cu)

# Mt. Milligan Transaction and Project Overview



## Transaction Summary

- 25% of payable gold from Mt. Milligan project
- Total consideration: \$311.5M
  - \$226.5M to support Thompson Creek offer of Terrane Metals
    - Secured with assets of the project
  - \$85.0M to finance construction of the Mt. Milligan project
    - Contingent on sufficiency of financing and staged receipt of permits
    - Pro-rata contribution with majority of funding from Thompson Creek internal sources
  - \$400 per ounce until 550,000 ounces are delivered to Royal Gold; \$450 thereafter
    - No inflation adjustment
- Fully funded transaction
  - Cash on hand (including proceeds from June 2010 equity offering)



## Project Profile – Operations

- Location: British Columbia, Canada
- Open pit copper/gold porphyry
- Estimated production (metal in concentrate): <sup>1</sup>
  - 262,000 ounces of gold annually during first six years
  - 195,000 ounces of gold over life of mine
- Estimated mine life: 22 years
- Reserves and resources: <sup>2</sup>
  - (\$690/oz Au; \$160/lb Cu) – reserves
  - (\$800/oz Au; \$2.00/lb Cu) – resources

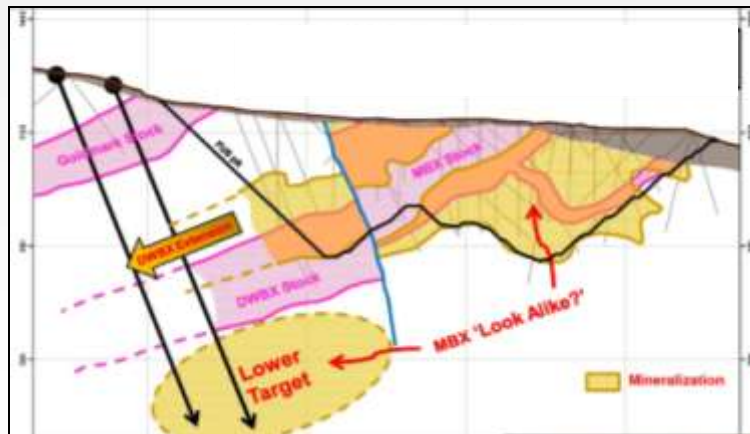


	Metric Tonnes (000s)	Cu (%) <sup>1,2</sup>	Au (g/t) <sup>1,3</sup>	Contained Cu (000s mt)	Contained Au (000s ozs)
<b>Proven and Probable Reserves</b>	482,400	0.20%	0.388	964.8	6,018
<b>Measured and Indicated Resources (inclusive of proven and probable reserves)</b>	706,700	0.182%	0.33	1,286.2	7,498

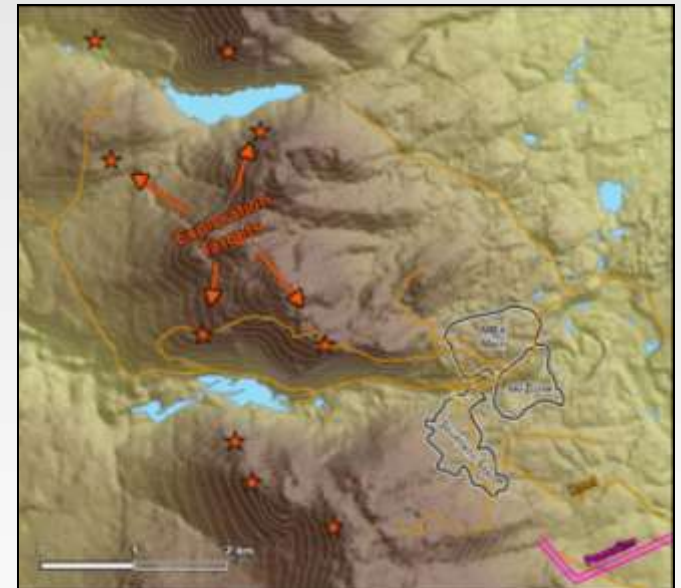


## Resource Opportunity

- Gold resources (M&I) are 25% higher than reserves (P&P)
- Exploration potential at depth and adjacent to known resources
- Several exploration targets with similar geophysical and geochemical signatures



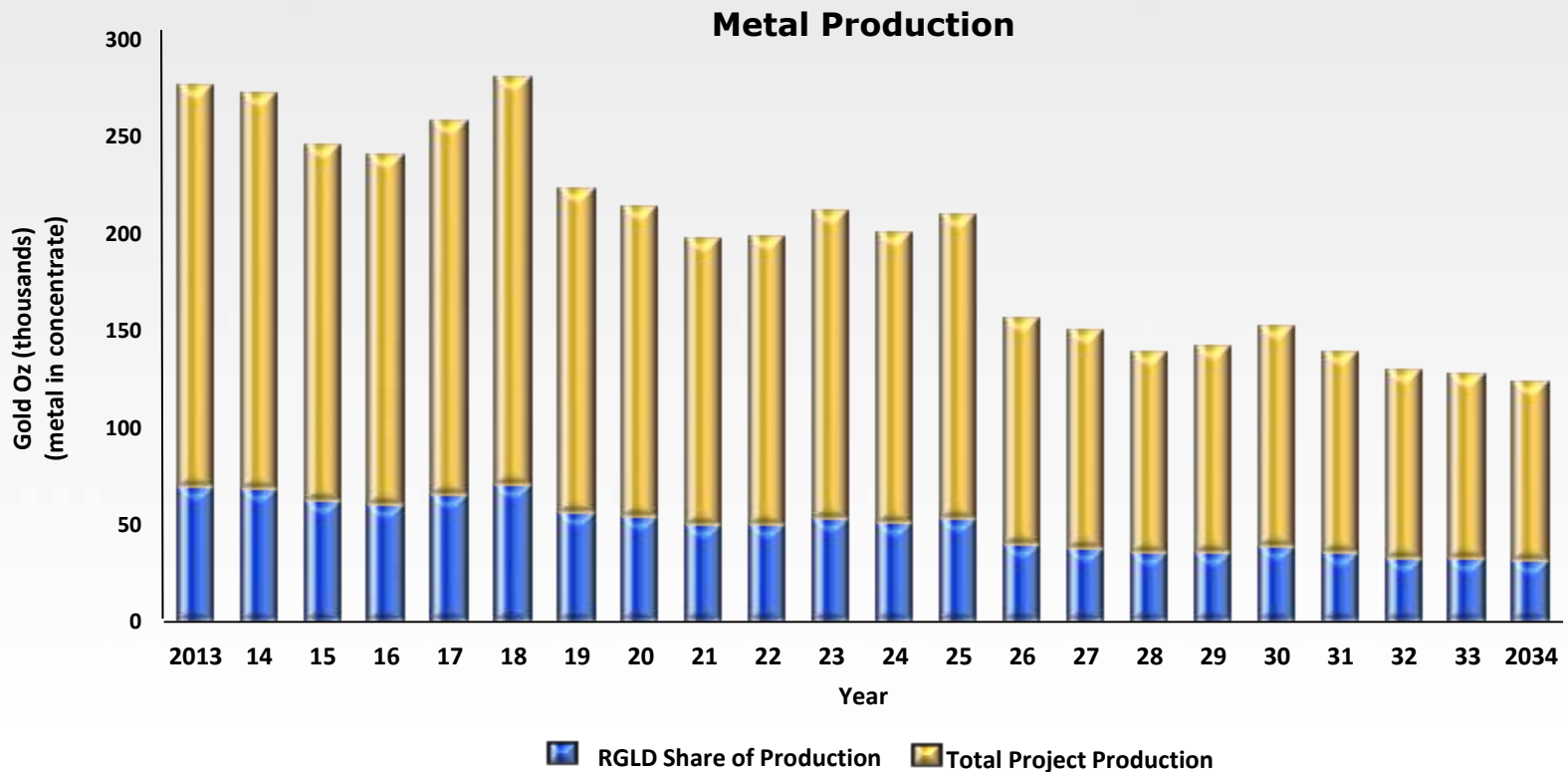
Source: Terrane's April 2010 presentation



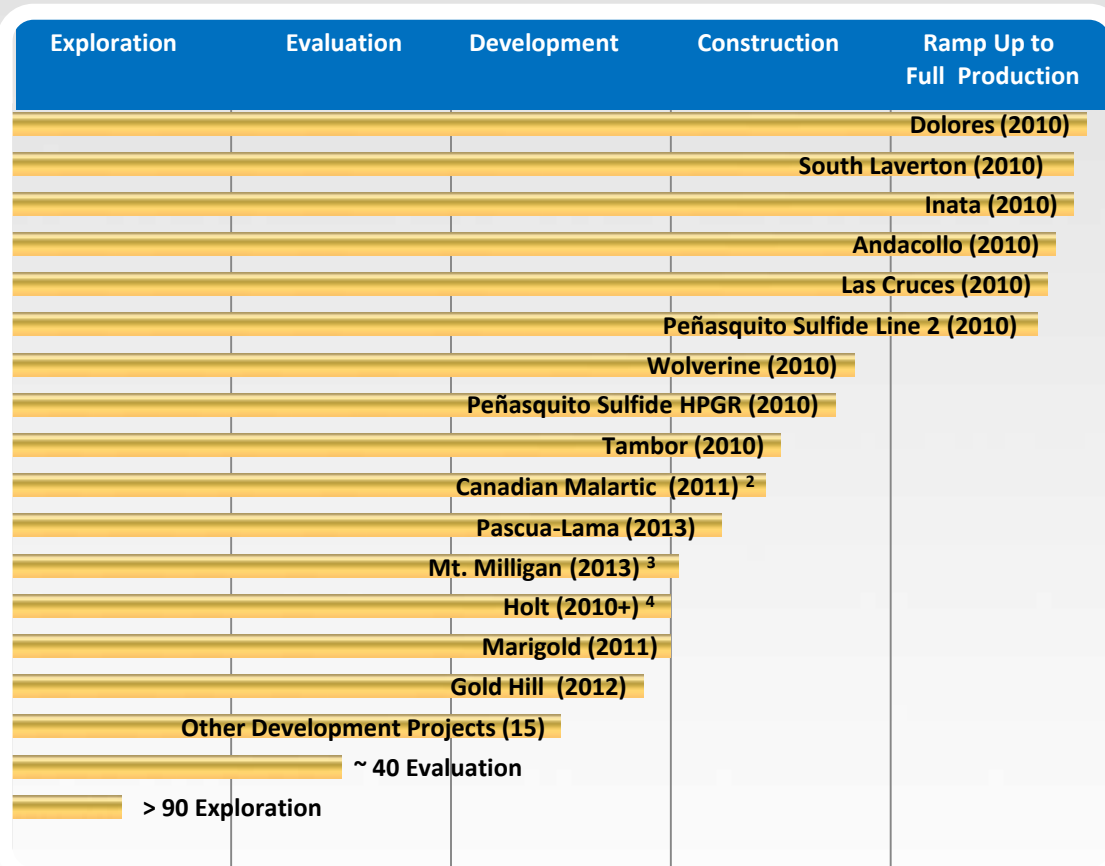
Source: Terrane's April 2010 presentation

## Estimated Annual Net Revenue Potential

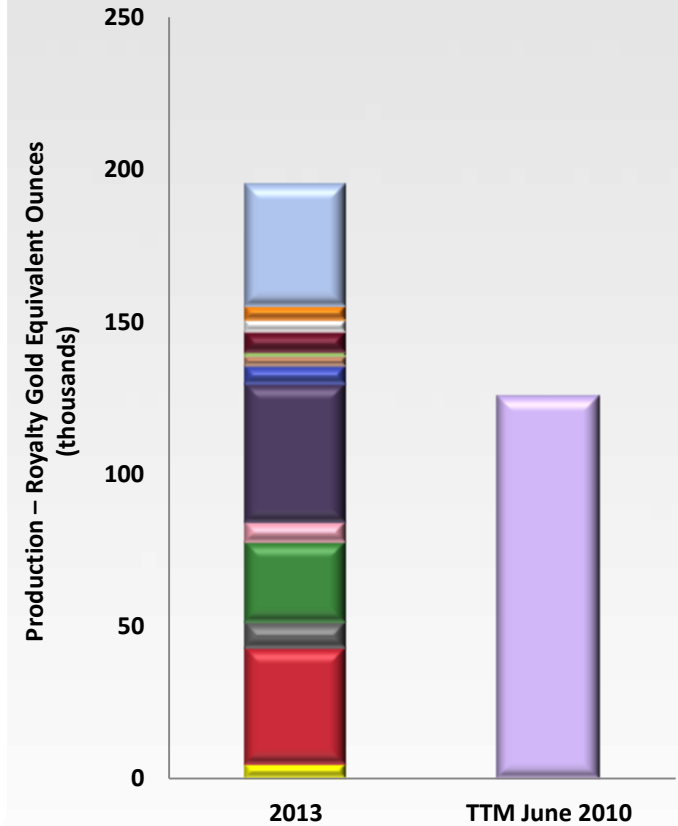
- ~ \$51M over first six years <sup>1</sup>  
(\$1,200 gold price less \$400 purchase price; 97% smelter return)
- ~ \$37M over mine life <sup>1</sup>  
(\$1,200 gold price less an average of \$425 purchase price; 97% smelter return)



# Growth Pipeline <sup>1</sup>



2013E Growth Pipeline <sup>5,6</sup>

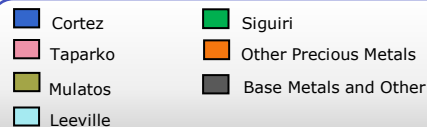
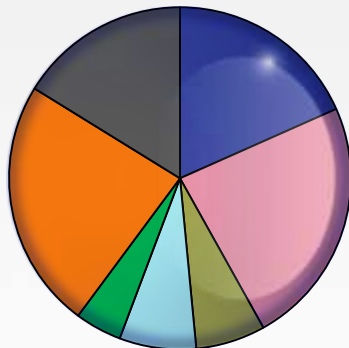


- Dolores
- Andacollo
- Holt
- Peñasquito
- Canadian Malartic
- Pascua-Lama
- Las Cruces
- Gwalia Deeps
- South Laverton
- Wolverine
- Inata
- Pinson
- Mt. Milligan
- TTM Pro forma Revenue

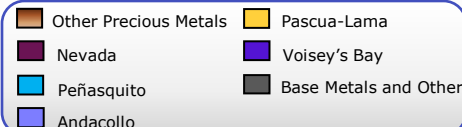
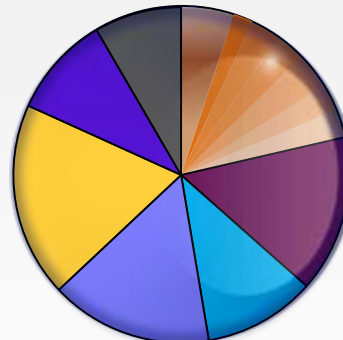
## Asset Diversification and Balance

- Revenue diversification achieved
- New long life mines replace maturing assets and provide growth
- In 2013, 67% of revenues expected from mines with lives greater than 15 years

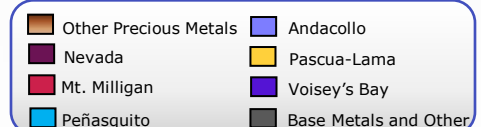
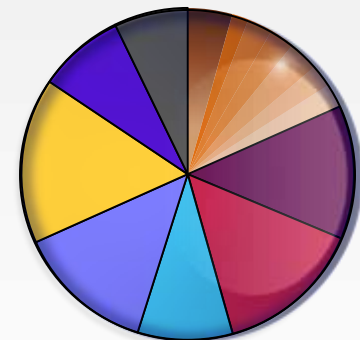
**2010 FY Revenue**



**2013E CY Revenue<sup>1,2</sup>  
(excluding Mt. Milligan)**

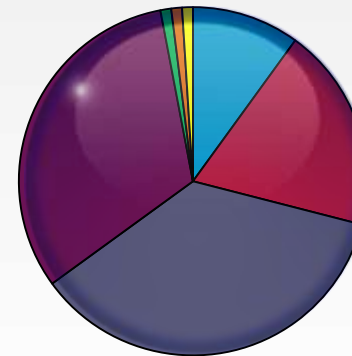
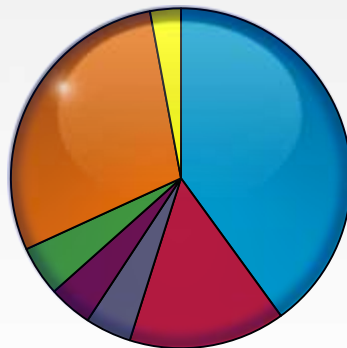
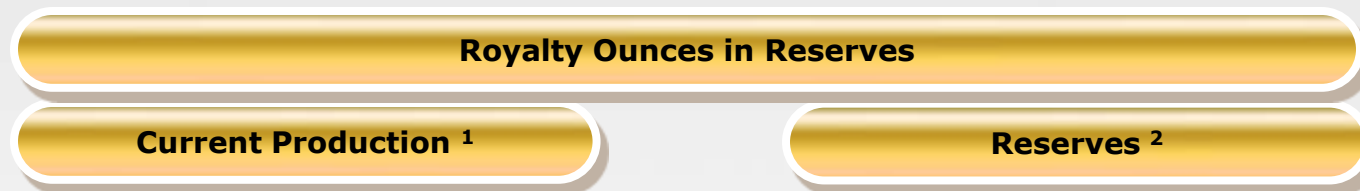


**2013E CY Revenue<sup>1,2,3</sup>  
(including Mt. Milligan)**



## Favorable Geopolitical Distribution

- Currently 68% of production from United States, Mexico, Canada, Chile and Australia
- 98% of reserves from United States, Mexico, Canada, Chile and Australia

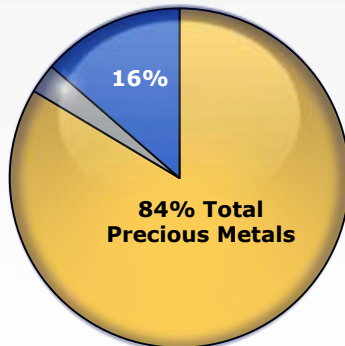
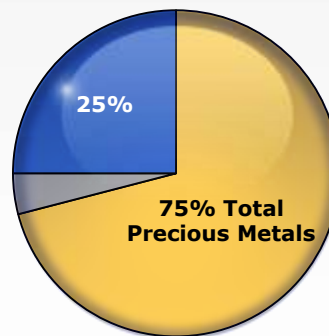
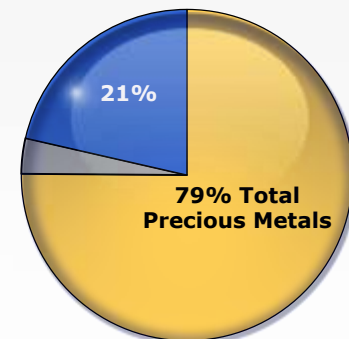


■ United States  
 ■ Mexico  
 ■ Canada  
 ■ Chile  
 ■ Australia  
 ■ Africa  
 ■ Other

## Strong Gold Focus

- Commissioning of near-term projects will grow precious metal exposure
- Precious metals dominant, long-term growth profile

Chile	Mexico	Canada	Australia	Africa
Andacollo	Peñasquito	Canadian Malartic	Gwalia Deeps	Inata
Pascua-Lama	Dolores	Wolverine	South Laverton	
		Holt		
		Mt. Milligan		

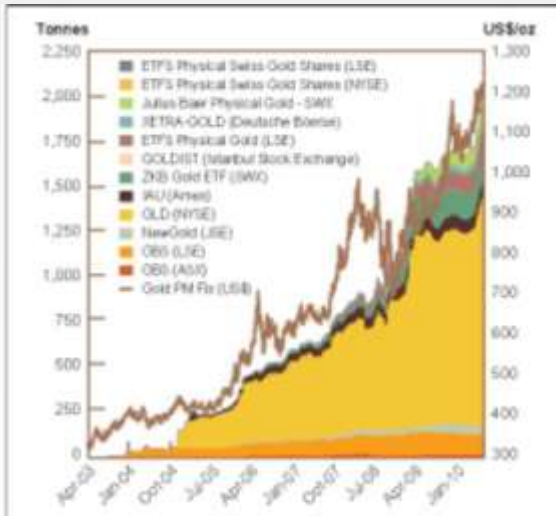
**2010 FY Revenue**

**2013E CY Revenue <sup>1,2</sup>  
(excluding Mt. Milligan)**

**2013E CY Revenue <sup>1,2</sup>  
(including Mt. Milligan <sup>3</sup>)**


■ Gold   
 ■ Silver   
 ■ Base Metals and Other

## The Gold Market

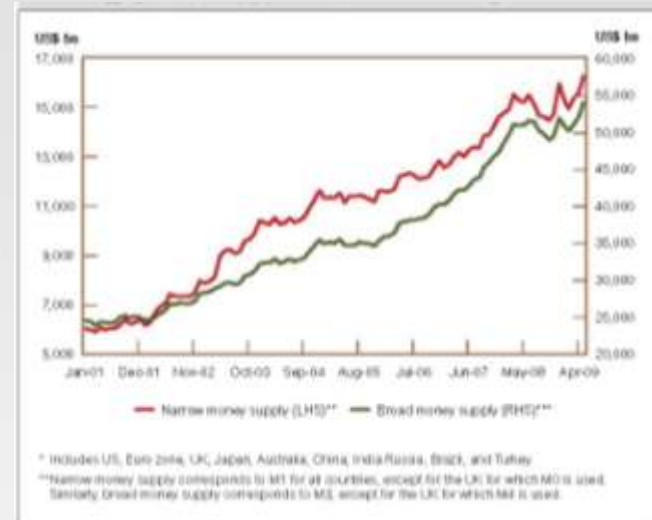
- Low real interest rates
- Sovereign debt concerns
- The future of the world's reserve currency
- Mine supply
- Growth in demand

### Gold Investor Demand



Data: [www.ishares.com](http://www.ishares.com); [www.exchangenetradedgold.com](http://www.exchangenetradedgold.com); [www.iffsecurities.com](http://www.iffsecurities.com); Zurich Kantonalbank; Finans Fortfity; [www.Deutsche-Boerse.com](http://www.Deutsche-Boerse.com); [www.juliusbaer.com](http://www.juliusbaer.com); London Bullion Market Association; IHS Global Insight. Chart: WGC, [www.gold.org](http://www.gold.org)

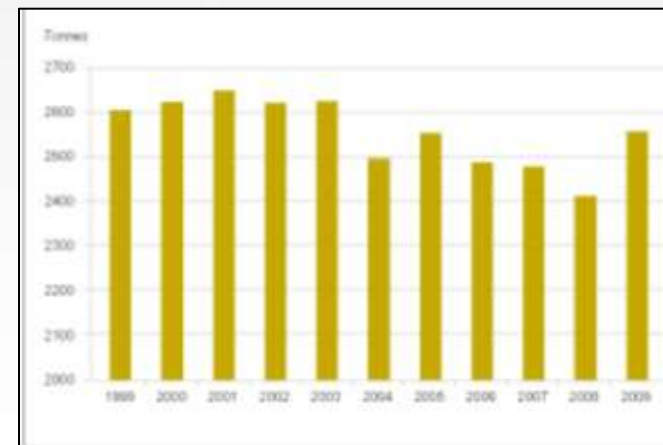
### Money Supply



Source: IMF country data, WGC

<sup>1</sup> International Monetary Fund, *World Economic Outlook*, October 2009.

### Gold Mine Supply



Source: GFMS

## Market Structure

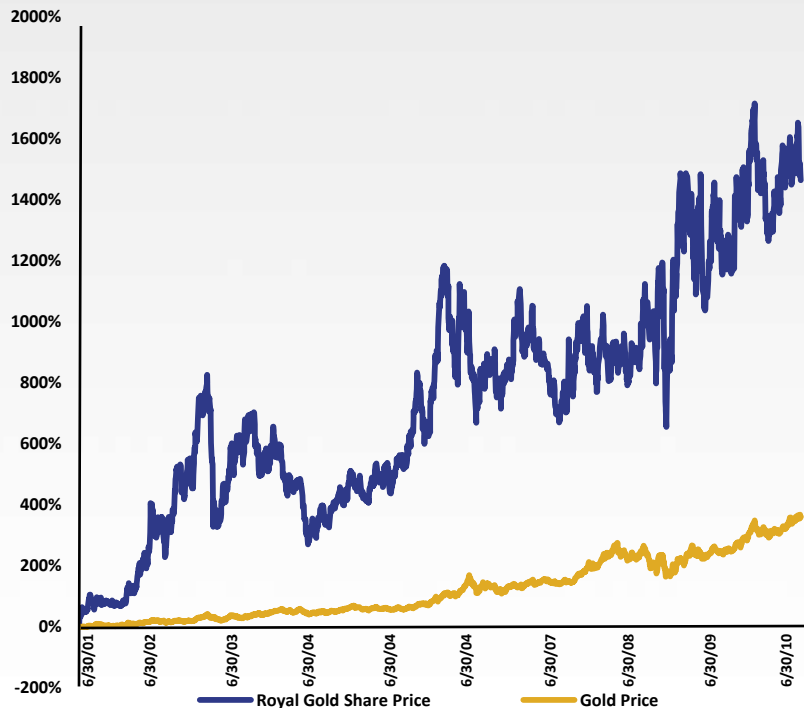
### Shares Outstanding

- Common: <sup>1</sup> 55.2M  
(includes ~ 1.6M exchangeable shares)
- Fully diluted: <sup>1</sup> 55.5M

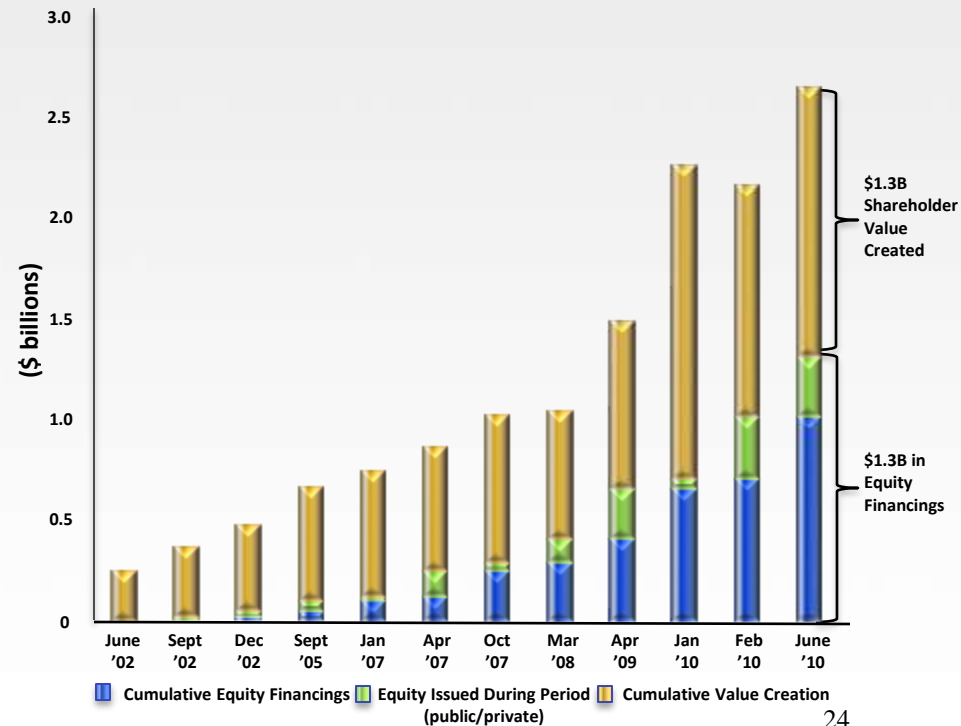
### Financial

- Cash: \$325M (6/30/10)
- Total debt: \$249M (6/30/10)
- CY2010 dividend: \$0.36 per share
- Dividend yield: <sup>2</sup> 0.73%

**Royal Gold vs.  
Gold Price Appreciation**



**Market Capitalization**





# Footnotes



## Footnotes

### PAGE 4: FINANCIAL RESULTS

- <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> Net income for 2010 was impacted by pre-tax effects of severance and acquisition costs of \$19.4 million, or \$0.33 per share, related to the IRC transaction.
- <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, if any, less non-controlling interests in operating income from consolidated subsidiaries.

### PAGE 5: KEY DRIVERS

- <sup>1</sup> Percentages represent TB-GSR1 and TB-GSR2 combined royalty rate.

### PAGE 6: TRANSFORMATIONAL GROWTH

- <sup>1</sup> Pending closing of the transaction.

### PAGE 7: RESERVE GROWTH – DECEMBER 2008 TO PRESENT

- <sup>1</sup> Reserve increases from December 31, 2008 to December 31, 2009, including pro forma Mt. Milligan reserves.
- <sup>2</sup> Royalty ounces in reserves were calculated using the following per ounce gold and silver prices: 2004 - \$435.60 gold and \$6.82 silver; 2005 - \$513.00 gold and \$8.83 silver; 2006 - \$632 gold and \$12.90 silver; 2007 - \$833.75 gold and \$14.76 silver; 2008 - \$869.75 gold and \$10.79 silver; and 2009 - \$1,087.50 gold and \$16.99 silver.

### PAGE 8: PRINCIPAL PROPERTIES - TIER 1

- <sup>1</sup> Reserves as of December 31, 2009.
- <sup>2</sup> 75% of gold until 910,000 payable ounces; 50% thereafter.
- <sup>3</sup> Estimated average annual production over first 10 years of production.
- <sup>4</sup> The sliding-scale royalty rate reflects Royal Gold's entire royalty interest upon the completion of the transaction announced on July 6, 2010. The remaining portion of the additional royalty interest will be acquired on or before October 29, 2010.

## Footnotes (cont.)

### PAGE 8: PRINCIPAL PROPERTIES – TIER 1 (cont.)

- <sup>5</sup> Upon the completion of the transaction announced on July 6, 2010, which is scheduled to occur on or before October 29, 2010, approximately 20% of the royalty is limited to the first 14.0M ounces of gold produced from the project. Also, 24% of the royalty can be extended beyond 14.0M ounces produced for \$4.4 million. In addition, a one-time payment totaling \$8.4 million will be made if gold prices exceed \$600 per ounces for any six-month period within the first 36 months of commercial production.
- <sup>6</sup> Reserves as of December 31, 2008.
- <sup>7</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>8</sup> Barrick's May 7, 2009 press release and presentation.
- <sup>9</sup> Average annual forecast during the first five years of production.
- <sup>10</sup> Based on 2008 Vale Inco EIS.
- <sup>11</sup> Production did not meet capacity because of labor dispute.

### PAGE 9: PEÑASQUITO (GOLDCORP – MEXICO)

- <sup>1</sup> Reserves as of December 31, 2009.
- <sup>2</sup> Gold equivalent ounces calculated at calendar year-end metal prices for each year.

### PAGE 10: ANDACOLLO (TECK – CHILE)

- <sup>1</sup> Reserves as of December 31, 2009.
- <sup>2</sup> Teck press release dated April 20, 2010; estimated average annual production during the first 10 years.

### PAGE 11: PASCUA-LAMA (BARRICK – CHILE)

- <sup>1</sup> The sliding-scale royalty rate reflects Royal Gold's entire royalty interest upon the completion of the transaction announced on July 6, 2010. The remaining portion of the additional royalty interest will be acquired on or before October 29, 2010.
- <sup>2</sup> As of the acquisition of IRC on February 22, 2010; (1) approximately 74% of the royalty is limited to the first 14.0M ounces of gold produced from the project; (2) 30% of the royalty can be extended beyond 14.0 million ounces for \$6.4 million; and (3) a one-time payment totaling \$4.0M will be made if gold prices exceed \$550 per ounce for any six-month period within the first 36 months after commercial production and additional payments totaling \$6.4M if gold prices exceed \$600 per ounce for any six-month period within the first 36 months after commercial production.
- <sup>3</sup> Reserves as of December 31, 2008.
- <sup>4</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>5</sup> Barrick's May 7, 2009 press release and presentation.

## Footnotes (cont.)

### PAGE 12: VOISEY'S BAY (VALE – CANADA)

- <sup>1</sup> Reserves as stated in Vale's 20F for 2008.
- <sup>2</sup> Based on 2008 Vale Inco EIS.
- <sup>3</sup> Based on TTM revenue as of June 30, 2010.

### PAGE 13: PRINCIPAL PROPERTIES – TIER 2

- <sup>1</sup> NSR sliding-scale schedule (price of gold per ounce – royalty rate): Below \$210 – 0.40%; \$210 to \$229.99 – 0.50%; \$230 to \$249.99 – 0.75%; \$250 to \$269.99 – 1.30%; \$270 to \$309.99 – 2.25%; \$310 to \$329.99 – 2.60%; \$330 to \$349.00 – 3.00%; \$350 to \$369.99 – 3.75%; \$390 to \$409.99 – 4.0%; \$410 to \$429.99 – 4.25%; \$430 to \$449.99 – 4.50%; \$450 to \$469.99 – 4.75%; \$470 and higher – 5.00%.
- <sup>2</sup> Reserves as of December 31, 2009.
- <sup>3</sup> Royalty is subject to a buy-down right of \$1.0 to \$1.5 million depending on the price of gold, exercisable at any time, for one half of the royalty.
- <sup>4</sup> Reserves as of December 31, 2008.
- <sup>5</sup> Gold royalty rate is based on the price of silver per ounce. NSR sliding-scale schedule (price of silver per ounce – royalty rate) below \$5.00 – 0.0%; \$5.00 to \$7.50 – 3.778%; >\$7.50 – \$9.445%.
- <sup>6</sup> Reserves as of October 2007.
- <sup>7</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. On December 9, 2009, Royal Gold was made a party to the appeal.
- <sup>8</sup> The Company's royalty is subject to a 2.0 million ounce cap on gold production. There have been approximately 581,000 ounces of cumulative production, as of June 30, 2010. NSR sliding-scale schedule (price of gold per ounce – royalty rate): \$0.00 to \$299.99 – 1.0%; \$300 to \$324.99 – 1.50%; \$325 to \$349.99 – 2.0%; \$350 to \$374.99 – 3.0%; \$375 to \$399.99 – 4.0%; \$400 or higher – 5.0%.
- <sup>9</sup> Reserves as of June 2009.

## Footnotes (cont.)

### PAGE 16: PROJECT PROFILE – OPERATIONS

- <sup>1</sup> Per Terrane Metal's *Feasibility Update Study – Technical Presentation* dated December 15, 2009.
- <sup>2</sup> Reserves as of October 23, 2009 from Terrane's Technical Report – Feasibility Study.

### PAGE 18: ESTIMATED ANNUAL NET REVENUE POTENTIAL

- <sup>1</sup> Per production estimates from Terrane Metal's *Feasibility Update Study – Technical Presentation* dated December 31, 2009.

### PAGE 19: GROWTH PIPELINE

- <sup>1</sup> The date in parentheses indicates the estimated date of production for each property, as estimated by the various operators.
- <sup>2</sup> The 2.0% to 3.0% NSR royalty rate is subject to a buy-down right which could reduce the royalty rate to a range of 1.0% to 1.5%.
- <sup>3</sup> Pending closing of transaction.
- <sup>4</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. And on December 9, 2009, Royal Gold was made a party to the appeal.
- <sup>5</sup> Calculated using the following commodity prices: gold (\$1,000 per ounce); silver (\$15.00 per ounce); copper (\$2.75 per pound); zinc (\$1.00 per pound); lead (\$1.00 per pound); nickel (\$7.00 per pound).
- <sup>6</sup> See page 32 for information regarding 2013 estimates.

### PAGE 20: ASSET DIVERSIFICATION AND BALANCE

- <sup>1</sup> 2013 estimates assume development properties are brought into production and reach full-scale production on schedule and also assume certain metal prices and currency exchange rates. See page 32 for additional information regarding 2013 estimates.
- <sup>2</sup> Assuming no additional royalties added to portfolio.
- <sup>3</sup> Pending closing of the transaction.

## Footnotes (cont.)

### PAGE 21: FAVORABLE GEOPOLITICAL DISTRIBUTION

- <sup>1</sup> Equity gold equivalent ounces, based on TTM as of June 30, 2010 production, were calculated using a gold price of \$1,089.45 per ounce.
- <sup>2</sup> Reserves as detailed in Royal Gold's June 2010 reserve release. Equity gold equivalent ounces were calculated using June 30, 2010 metals prices as follows: gold - \$1,244.00 per ounce; silver - \$18.74 per ounce; copper - \$2.96 per pound; lead - \$0.77 per pound; zinc - \$0.78 per pound; nickel - \$8.81 per pound; cobalt - \$17.63 per pound.

### PAGE 22: STRONG GOLD FOCUS

- <sup>1</sup> 2013 estimates assume development properties are brought into production and reach full-scale production on schedule and also assume certain metal prices and currency exchange rates. See page 32 for additional information regarding 2013 estimates.
- <sup>2</sup> Assuming no additional royalties added to portfolio.
- <sup>3</sup> Pending closing of the transaction.

### PAGE 24: MARKET STRUCTURE

- <sup>1</sup> Includes approximately 1.6M exchangeable shares.
- <sup>2</sup> CY 2010 dividend divided by closing stock price of \$49.07 per share on August 31, 2010.

## Footnotes (cont.)

### 2013E PRO FORMA FOOTNOTE:

All 2013 pro forma calculations include certain properties that are currently in development stage, and we have assumed for purposes of the 2013 pro forma calculations that such development stage properties are brought into production and achieve full-scale production on schedule. Metal prices and currency exchange rates assumed in the estimate for 2013 are as follows: \$1,000/ounce (gold), \$15.00/ounce (silver), \$2.75/lb (copper), \$1.00/lb (zinc), \$1.00/lb (lead); \$7.00/lb nickel; \$10.00/lb (molybdenum); \$16.00/lb (cobalt); \$129/tonne (metallurgical coal); \$29.00/ton (steam coal); \$46.76/lb (uranium); US\$0.93/1A\$; US\$0.94/1C\$.

All 2013 estimates constitute forward looking statements and, therefore, involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the projections and estimates contained herein including, but not limited to, changes in gold and other metal prices from the prices outlined below; changes in the foreign exchange rates from the rates outlined below; decisions, assumptions, estimates and activities of the Company's management; decisions and activities of the operators of the 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 ability of operators to bring development stage properties into production and reach full-scale production or maintain properties in production; the ability of operators to obtain financing and general economic and market conditions; the successful closing of the Pascua-Lama transactions and the Plan of Arrangement between Thompson Creek Metals Company and Terrane Metals Corp.; the outcome of the court decision regarding the appeal of the Holt royalty dispute; changes in the regulatory, tax, legal or political environment in each country in which the royalty properties are located. The Company disclaims any obligation to update these estimates and 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.

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