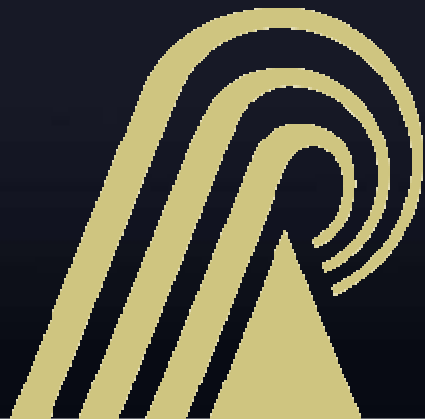


The Precious Metals Royalty Company

Merrill Lynch Canada 12th Annual Mining Conference
September 2006



ROYAL GOLD, INC

Cautionary Statement Under the Private Securities Litigation Reform Act of 1995

Some matters contained in this presentation are forward-looking statements that involve risks and uncertainties that could cause actual events to differ materially from these projections or estimates. Such forward-looking statements include statements regarding margins, reserve estimates, production estimates provided by third-party operators, the sliding-scale features of our royalty structure at the Pipeline Mining Complex, Bald Mountain, Mulatos and Taparko mines, continued ramp-up in production at the Leeville and Troy projects, commencement of production at the Taparko project, comments regarding future production, construction completion, mineralization and reserves, and revenue diversification. Factors that could cause actual results to differ materially from such projections include changes in gold and other metals prices, various decisions and activities of the operators of our royalty properties, unanticipated grade, geological, metallurgical, processing or other problems, changes in project parameters as plans of the operators are refined, the results of current or planned exploration activities, economic and market conditions, future financial needs or opportunities, and the impact of future royalty acquisitions and royalty financing transactions. These and other factors are discussed in more detail in the Company's filings with the Securities and Exchange Commission. The Company disclaims any obligation to update any forward-looking statements.

Who We Are

- Leading major precious metals royalty company
- Royalties on some of the best mines in the best mining districts
- Solid financial strength
- Strong track record of growth

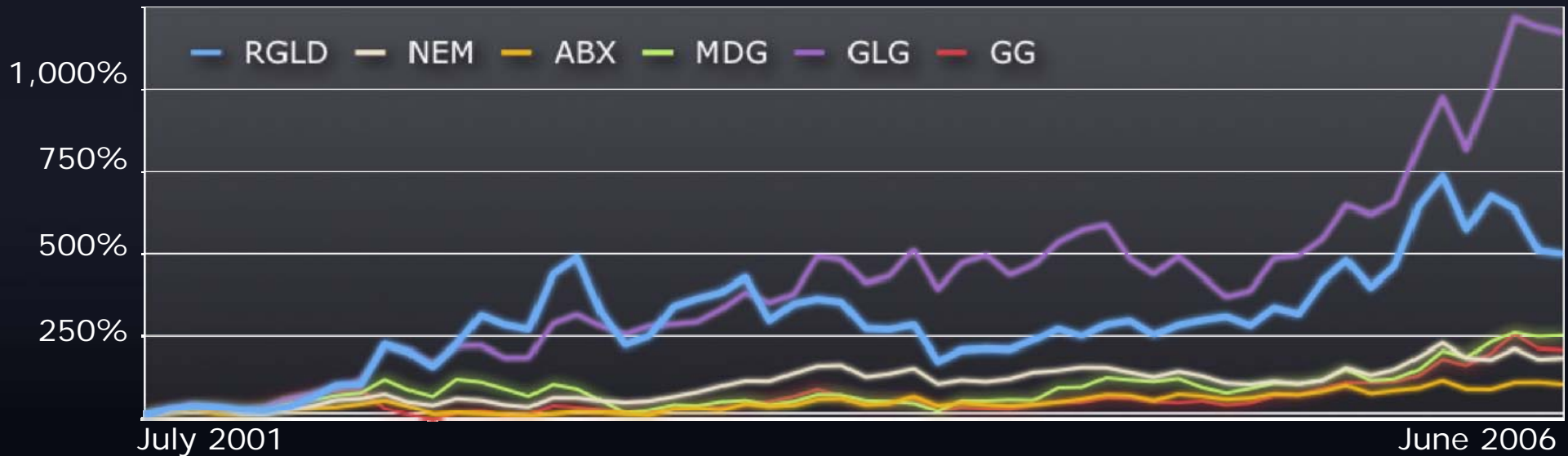


Strong Track Record of Growth

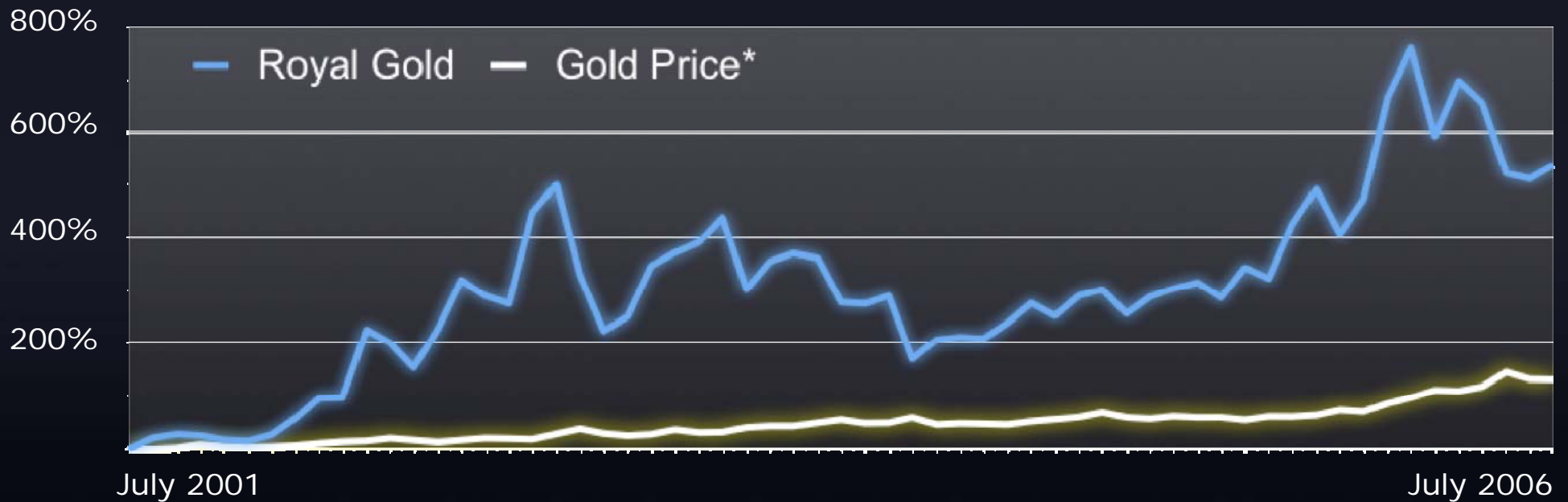
Fiscal Years Ending June 30



Five-year Price Performance Compared with Peer Companies



Five-year Price Performance Compared with Gold



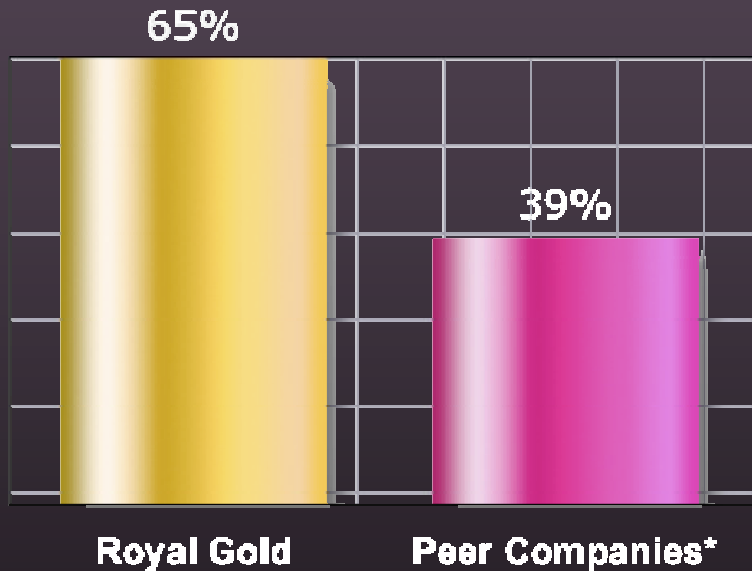
*Gold price – London PM Fix



Growth Drivers

- High margins
- Low operating risk
- Efficient business model
- Exposure to no-cost organic growth
- Strong balance sheet

Comparison of Operating
Cash Flow Margins
July 2005–June 2006

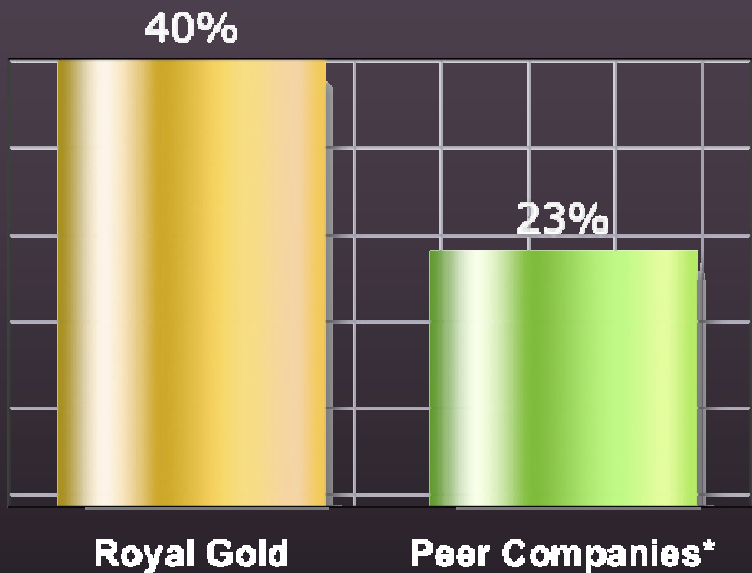


Growth Drivers

- High margins
- Low operating risk
- Efficient business model
- Exposure to no-cost organic growth
- Strong balance sheet

*Glamis, Barrick, Newmont, Goldcorp. Calendar year data converted to fiscal year data.
NOTE: Operating cash flow margin = operating cash flow divided by revenue

Comparison of Net
Profit Margins
July 2005–June 2006



Growth Drivers

- High margins
- Low operating risk
- Efficient business model
- Exposure to no-cost organic growth
- Strong balance sheet

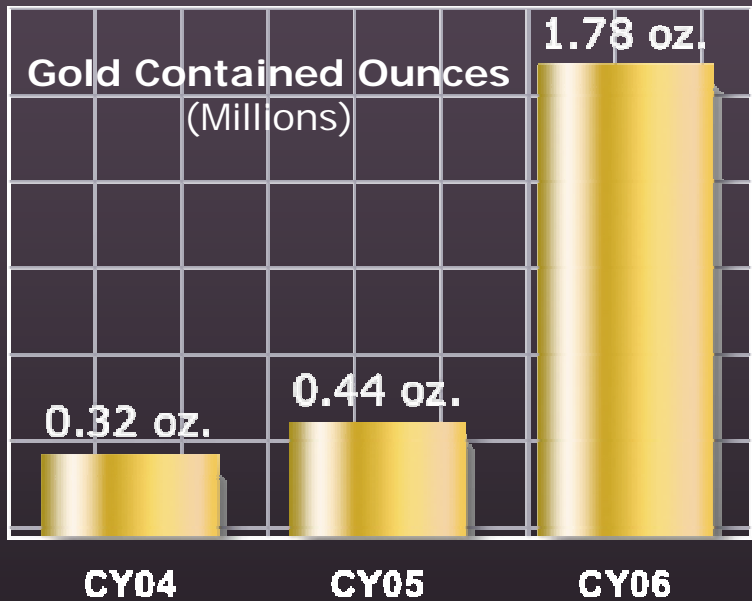
Three-year Change in Gold Producer Price Index*



Growth Drivers

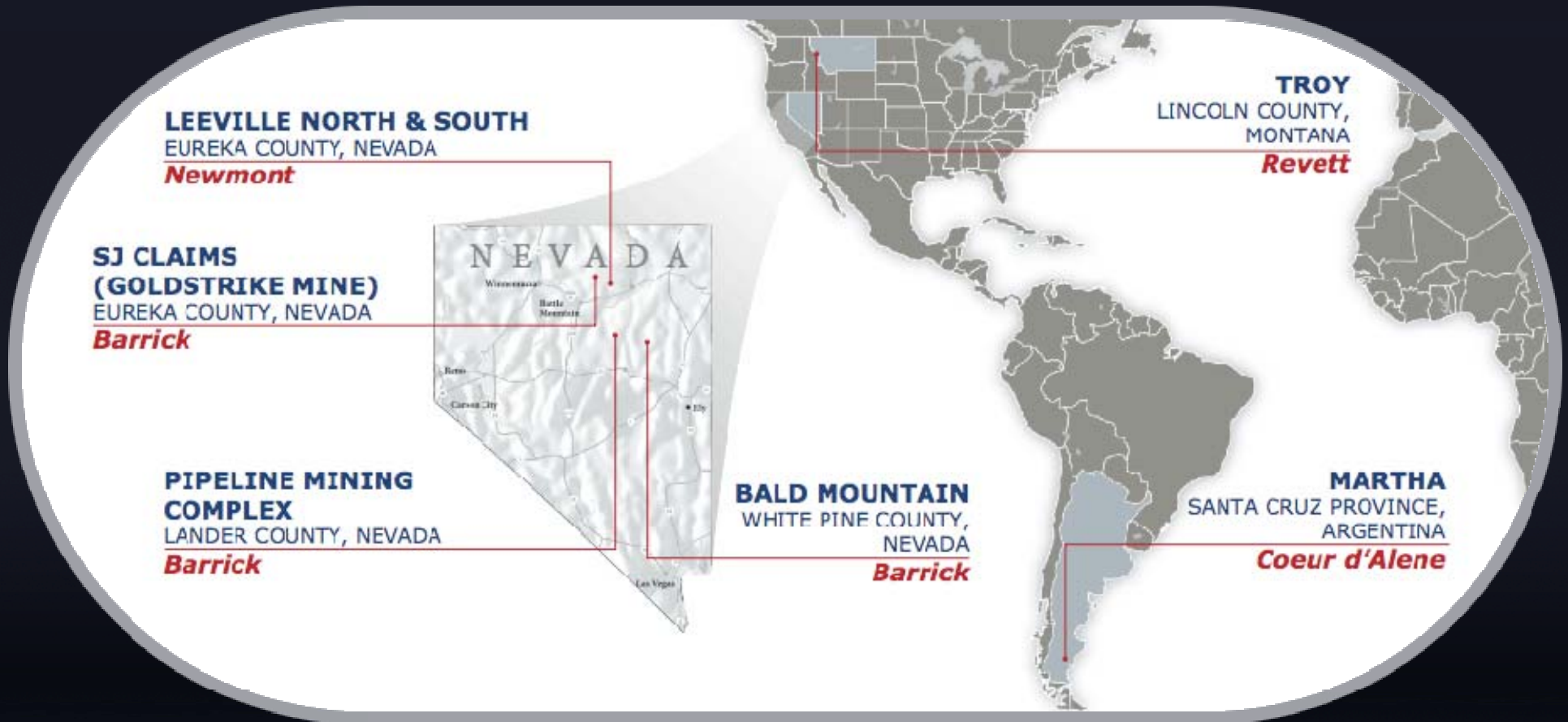
- High margins
- Low operating risk
- Efficient business model
- Exposure to no-cost organic growth
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"No-Cost" Growth at Bald Mountain



Growth Drivers

- High margins
- Low operating risk
- Efficient business model
- Exposure to no-cost organic growth
- Strong balance sheet





Robinson (Nevada)

- **Operator: Quadra Mining**
- **Open pit mining; mill concentrator**
- **3.0% NSR royalty**
- **Reserves:**
 - 1.2M oz. Au
 - 2.2B lbs. Cu
- **CY 2006 Production:**
 - 53,500 oz. Au
 - 125 to 130M lbs. Cu
 - 0.5 to 1.0M lbs. Mo
- **Receipt of royalty revenue began May 2006**
- **Mine life: 10 years**



Mulatos

(Mexico)

- **Operator: Alamos Gold**
- **Open pit mining; heap leach processing**
- **0.30–1.5% NSR sliding-scale royalty**
(capped at 2.0M oz. production)
- **Reserves: 1.9M oz. Au**
- **Additional mineralization:**
 - 153.2M tons at 0.026 opt
 - (139.0M tonnes at 0.893 gpt)
- **CY 2006 Production:**
 - 110,000–120,000 oz. Au
- **Royalty revenue commenced April 1, 2006**
- **Mine life: 10 years**

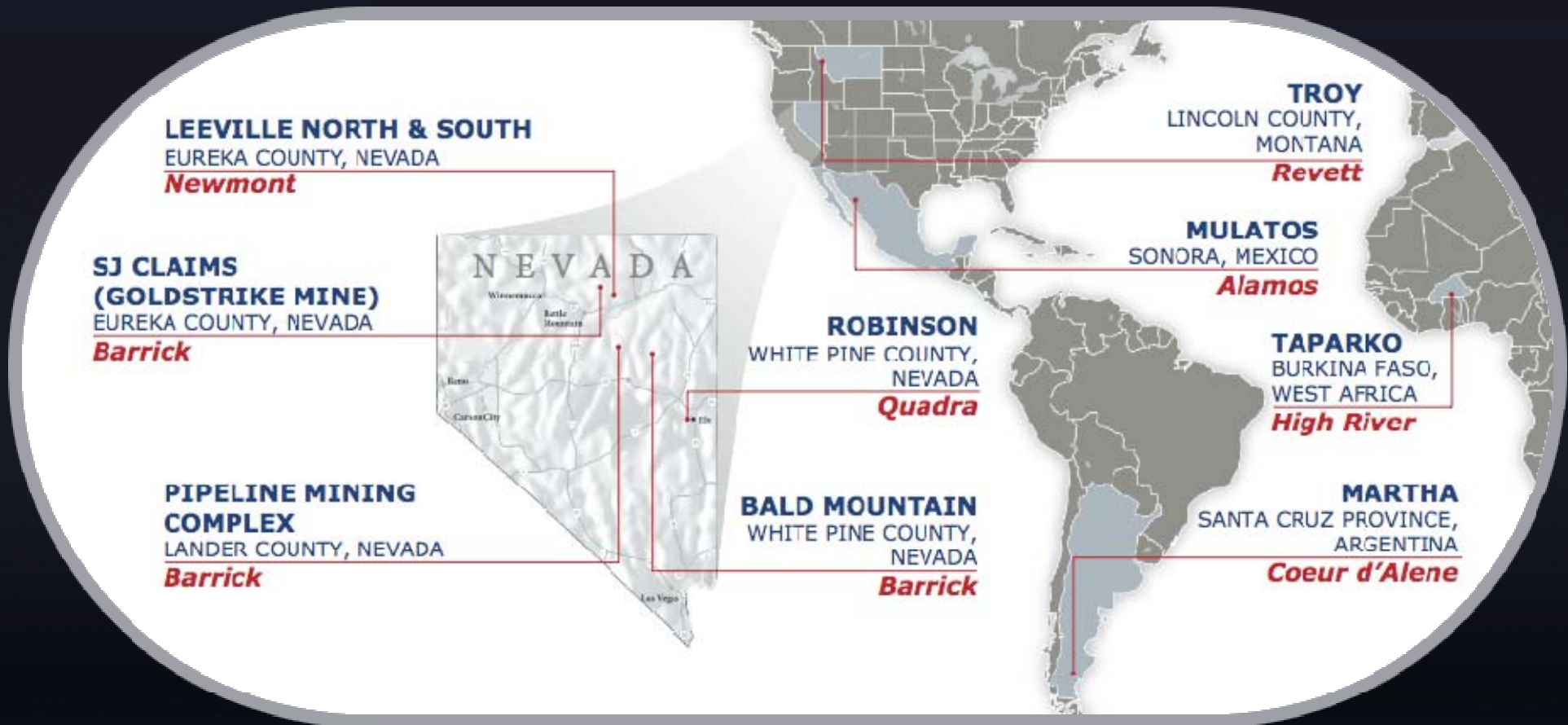


Taparko

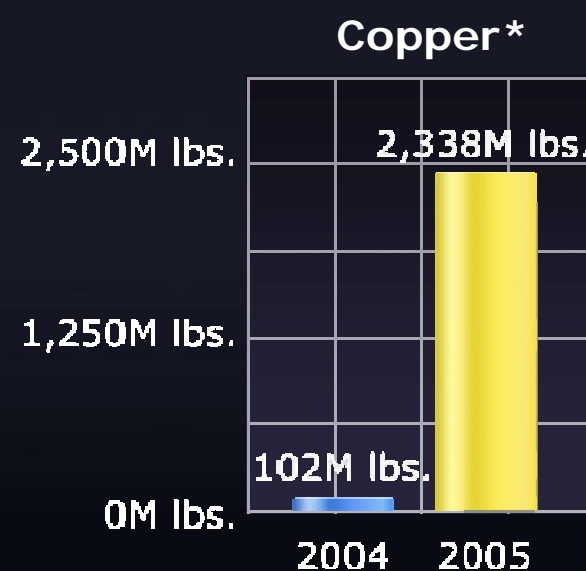
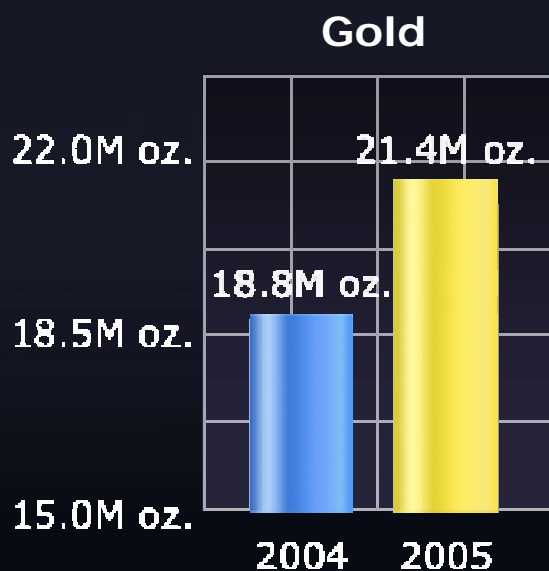
(Burkina Faso)

- **Operator: High River Gold**
- **\$35.0M investment**
- **Open pit mining; CIL processing; mine under construction**
- **Four royalties:**
 - TB-GSR1: 15.0%
 - TB-GSR2: 4.30% between \$385-\$430 Au (sliding-scale outside of this range)
 - TB-GSR3: 2.0% perpetual royalty
 - TB-MR: 0.75% milling royalty (on ore up to 1.1M tons/yr)
- **Reserves: 0.83M oz. Au**
- **Production: est. 100,000-140,000 oz. Au (full production)**
- **Estimated royalty revenue: Second quarter of calendar year 2007**
- **Mine life: 7 years**



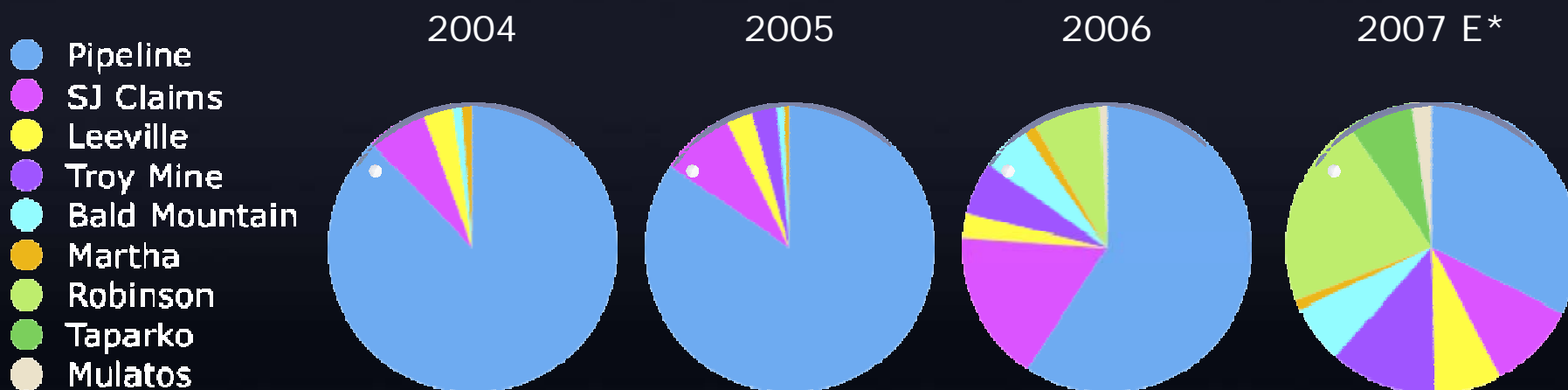


Reserves Subject to Royalty Interests at December 31, 2004 and December 31, 2005



*A portion of Ag and Cu reserves are subject to a \$10.5M maximum royalty payout.

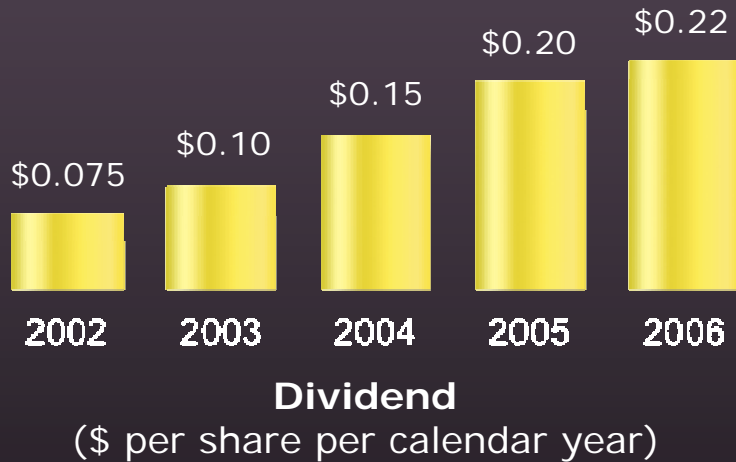
Increased Revenue Diversification



* Assuming no additional royalties added to portfolio.

Creating Value for Shareholders

Dividend Yield: 0.80%
Dividend Payout Ratio: 28%*



- Pursue acquisitions that are both strategic and accretive
- Efficient business model
- Protect margins and grow cash flow
- Maintain financial strength and flexibility
 - Cash: \$70M
 - No debt
 - Line of credit: \$30M
 - 23.6M shares outstanding
- **20% insider ownership**

*Dividend/cash flow from operations

An Investment With Weight To It

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