



EXPANDING THE PORTFOLIO

# Scotiabank Senior Precious Metals Day

Tony Jensen, President and CEO  
June 5, 2017

# Cautionary Statement



⦿ 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: estimates of mineralized material and measured and indicated resources provided by the Peak Gold joint venture; planned exploration spending at Peak Gold; net gold and metal resources subject to certain assumptions and do not reflect actual ounces that will be produced; strong margins relative to the senior gold operators and S&P 500; future growth from new contributions at Rainy River, Crossroads and Peñasquito pyrite leach; expected date of copper deliveries from Mount Milligan; potential for additional reserves and ounces at no incremental capital cost from our operators' exploration and development activity and innovation, including movement of gold ounces to reserves at Pueblo Viejo, planned exploration at Wassa and Prestea, boosted recoveries and production at Mount Milligan, and production growth from the Pyrite Leach Project at Peñasquito; increased incremental stream volume and revenue from Rainy River and estimated date of commencement of production; mine life and reserves estimates and production forecasts from the operators of our stream and royalty interests; and scalable business and embedded growth. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: the risks inherent in the operation of mining properties; a decreased price environment for gold and other metals on which our stream and royalty interests are paid; performance of and production at properties, and variation of actual performance from the production estimates and forecasts made by the operators of those properties; decisions and activities of the Company's management affecting margins, use of capital and changes in strategy; unexpected operating costs, decisions and activities of the operators of the Company's stream and royalty properties; changes in operators' mining and processing techniques or stream or royalty calculation methodologies; resolution of regulatory and legal proceedings; unanticipated grade, geological, metallurgical, environmental, processing or other problems at the properties; revisions or inaccuracies in technical reports, reserve, resources and production estimates; changes in project parameters as plans of the operators are refined; the results of current or planned exploration activities; errors or disputes in calculating stream deliveries or royalty payments, or deliveries or payments not made in accordance with stream or royalty agreements; the liquidity and future financial needs of the Company; economic and market conditions; the impact of future acquisitions and stream and royalty financing transactions; the impact of issuances of additional common stock; 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.

⦿ **Third-party information:** Certain information provided in this presentation has been provided to the Company by the operators of those properties or is publicly available information filed by these operators with applicable securities regulatory bodies, including the Securities and Exchange Commission. The Company has not verified, and is not in a position to verify, and expressly disclaims any responsibility for the accuracy, completeness or fairness of such third-party information and refers readers to the public reports filed by the operators for information regarding those properties.

# Recent Developments



- **\$95 million of debt repaid** over the last 90 days
- **Expanded revolving credit facility to \$1 billion**
- Total **liquidity >\$800 million**
- Reported 2 straight quarters of **record operating cash flow**
- Approximately **1.3 million gold<sup>1</sup> ounces in M&I resources<sup>2</sup>** reported in at the **Peak Gold** joint venture
- Declared **Q3 Dividend of \$0.24/share** (\$0.96 per year)



*Drill at the Tetlin Project near Tok, Alaska where Royal Gold holds a 2% and a 3% NSR royalty. A subsidiary of Royal Gold currently owns a 24.9% interest in the Peak Gold Joint Venture with an option to expand our earn-in to majority control. Additional details on page 19.*

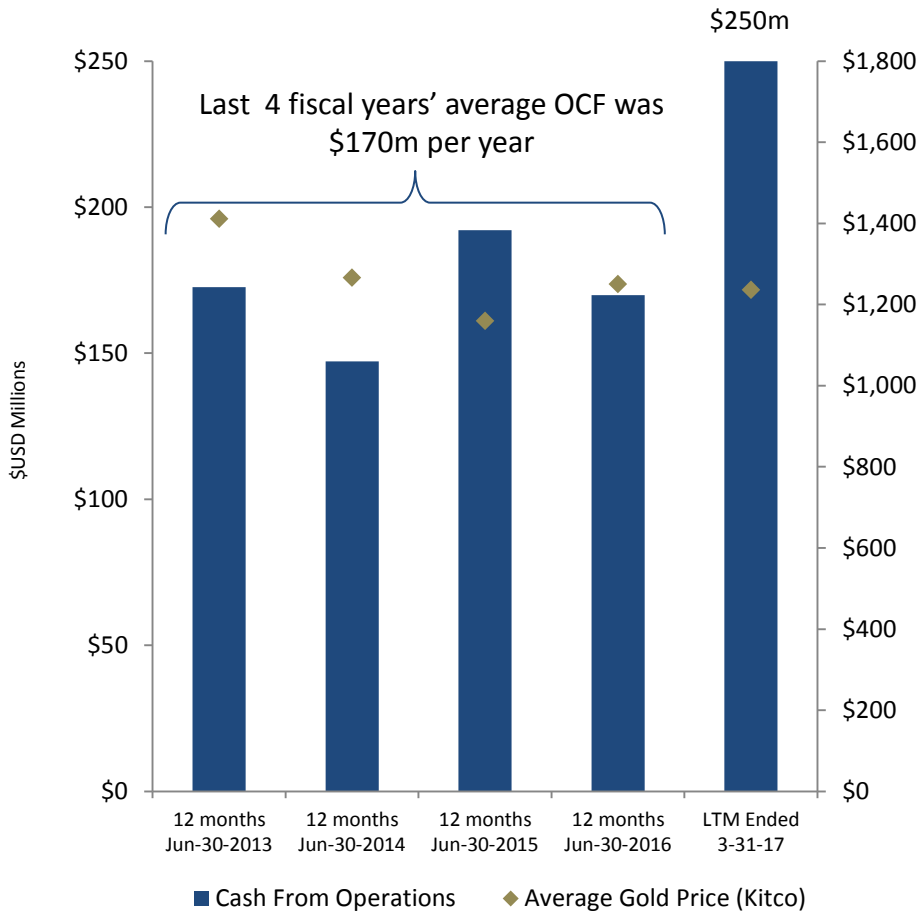
<sup>1</sup> For resource estimation purchases Peak Gold used a cutoff of 0.43 AuEq (gold equivalent). AuEq is calculated as Au+Ag x 0.0122.

<sup>2</sup>The U.S. Securities and Exchange Commission does not recognize this term. Mineralized material is that part of a mineral system that has potential economic significance but cannot be included in the proven and probable ore reserve estimates until further drilling and metallurgical work is completed, and until other economic and technical feasibility factors based upon such work have been resolved. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves. See page 19 for Measured and Indicated Resource Table

# Step Change in Operating Cash Flow



Q3 results contributed to **step change in operating cash flow (OCF)**



**Higher Q3 revenue** from Mount Milligan, Pueblo Viejo, Peñasquito, Wassa and Prestea over the prior year quarter

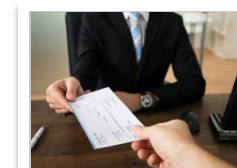
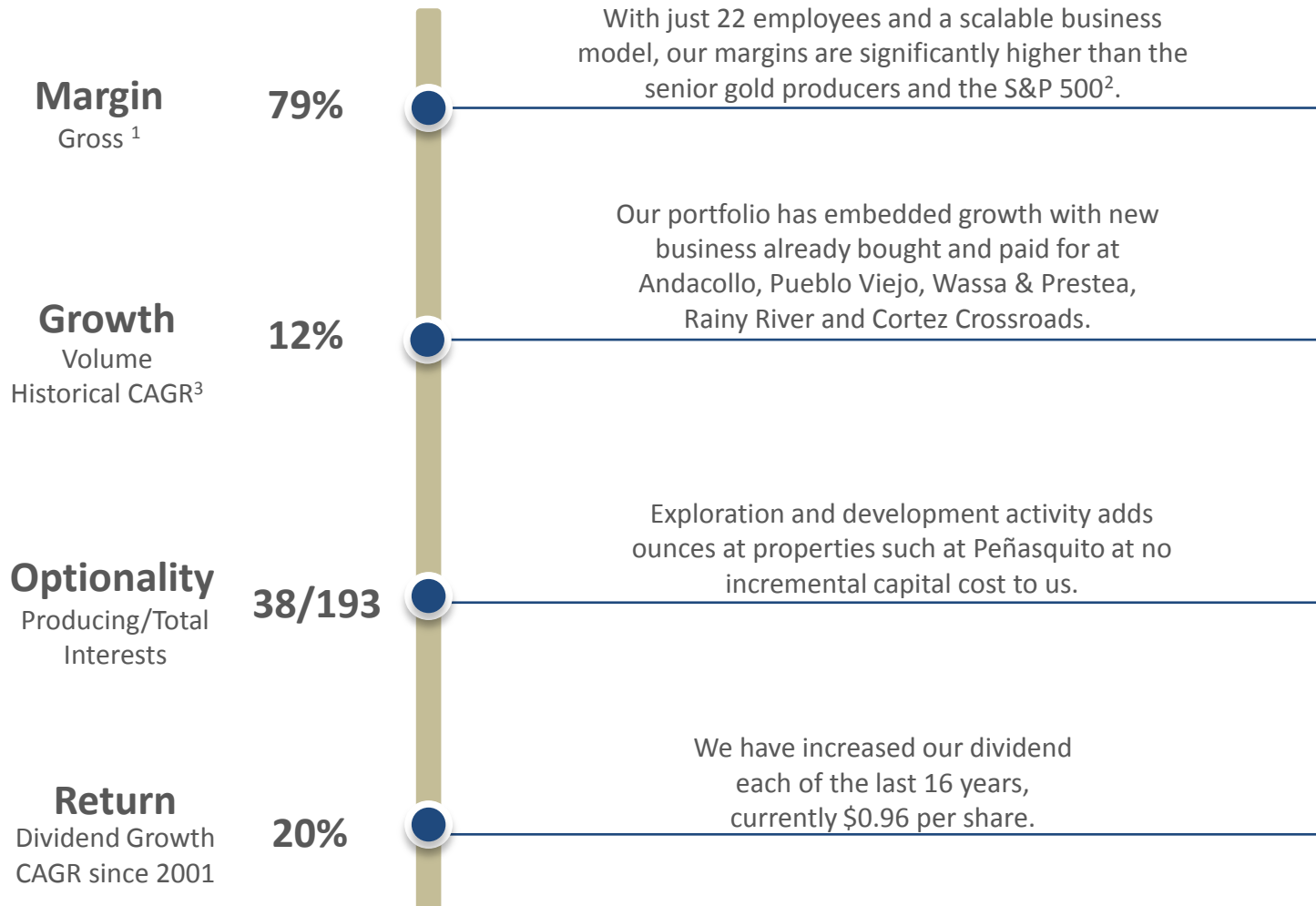
Revenue contributions from a total of **38 currently operating** properties, including from:



**72% of revenue from streams**, 28% from royalties

Gold price **up just 3%**

# A High Quality Precious Metals Investment



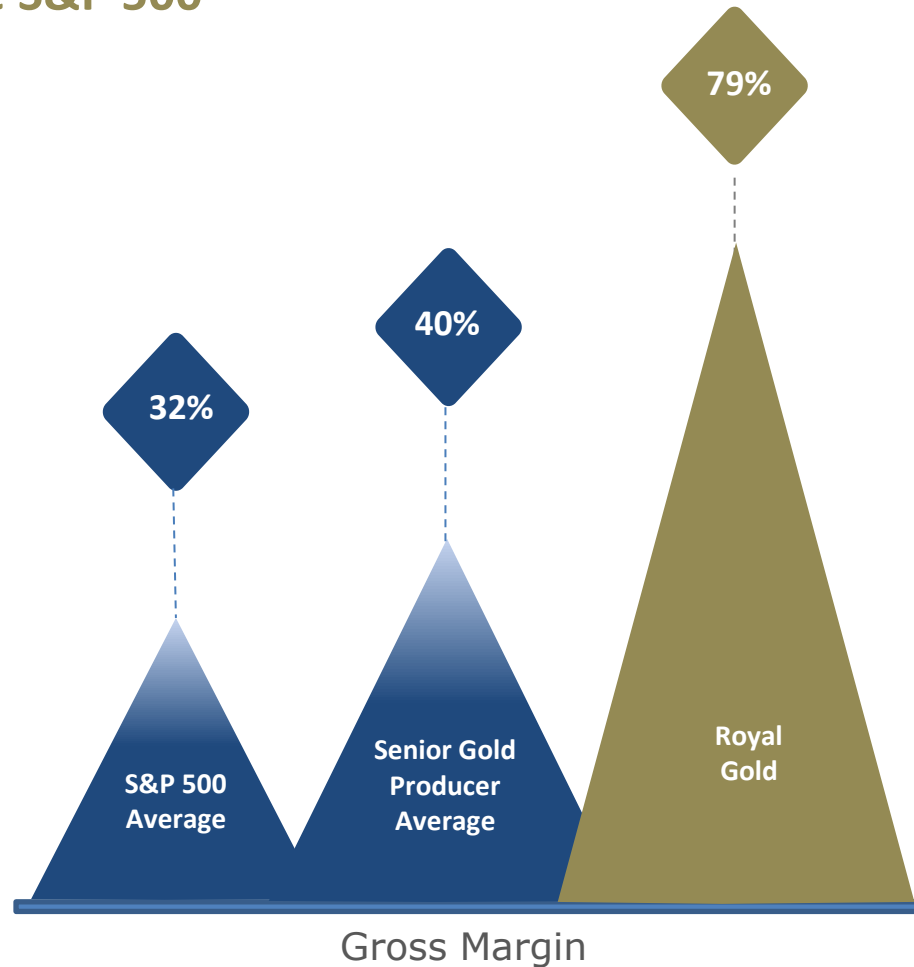
NASDAQ: RGLD

<sup>1</sup> Gross Margin is calculated as revenue less cost of goods sold as a percentage of revenue as reported for the last 12 months. Source is S&P CapitalIQ.  
<sup>2</sup> Senior producer average includes Barrick, Newmont, Goldcorp, Newcrest and Agnico-Eagle. Source for S&P 500 and Senior Producers is S&P CapitalIQ.  
<sup>3</sup> CAGR=Compound Annual Growth Rate

# Our Margins Outperform the Industry & S&P 500



- Our **gross margin**<sup>1</sup> exceeds the gold senior producer average<sup>2</sup> and **outperforms the S&P 500**



NASDAQ: RGLD

<sup>1</sup> Gross Margin is calculated as revenue less cost of goods sold as a percentage of revenue as reported for the last 12 months. Source is S&P CapitalIQ.  
<sup>2</sup> Senior producer average includes Barrick, Newmont, Goldcorp, Newcrest and Agnico-Eagle. Source for S&P 500 and Senior Producers is S&P CapitalIQ.

# Volume Growth Already Bought & Paid For



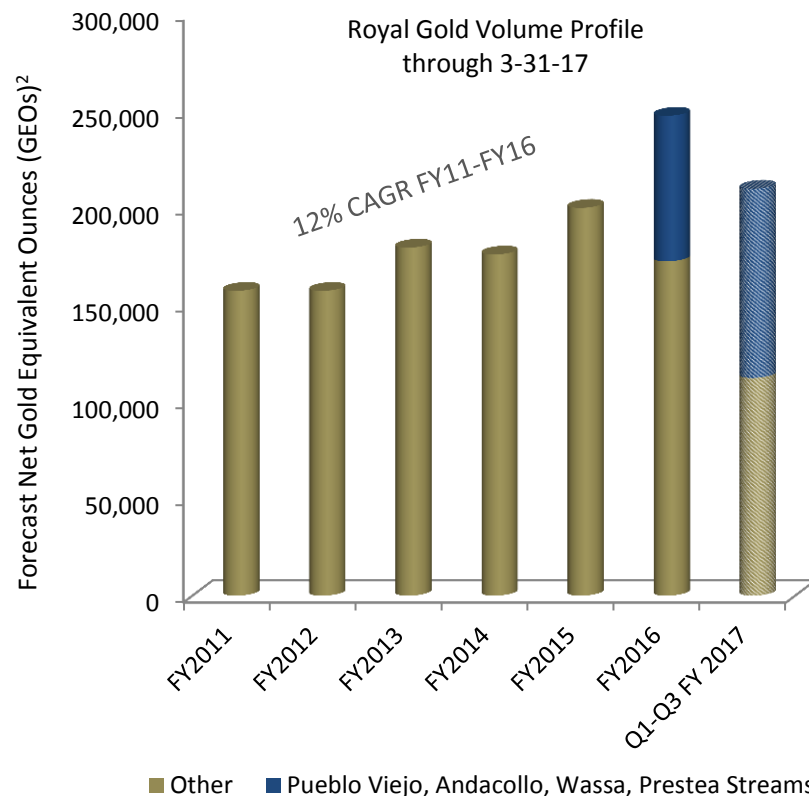
- **12% CAGR<sup>1</sup>** over the last 5 fiscal years while **annual gold supply was flat**
- Future near term growth driven by:
  - Rainy River (2017)
  - Cortez Crossroads (2018)
  - Peñasquito pyrite leach (2019)

Annual Gold Supply(Tonnes), 2011-2016

Gold Supply (Tonnes)	2011	2012	2013	2014	2015	2016
Mine production	2846	2917	3076	3155	3233	3236
Net producer hedging	23	-45	-28	105	13	26
Recycled gold	1667	1684	1263	1191	1117	1309
<b>Total Supply</b>	<b>4536</b>	<b>4556</b>	<b>4311</b>	<b>4451</b>	<b>4363</b>	<b>4571</b>

Source: World Gold Council

Supply essentially flat



NASDAQ: RGLD

<sup>1</sup> CAGR=Compound Annual Growth Rate

<sup>2</sup> GEOs: Gold Equivalent Ounces, calculated as revenue less stream payments (COGS), divided by Royal Gold's average realized gold price for prior fiscal periods.

# Volume Growth Already Bought & Paid For

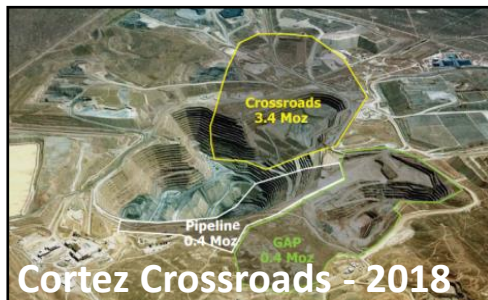


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📍 Sequential **growth catalyst** in each of calendar 2017, 2018, and 2019



- Commission plant in CQ2 and CQ3, first ore to mill in C3Q<sup>1</sup>
- Stream on 6.5% of gold and 60% of silver<sup>2</sup>
- 3.8Moz gold in reserves; 9.4Moz Silver in reserves



- Stripping and dewatering underway; 2018 startup expected<sup>1</sup>
- 4.43% NVR & 5% GSR royalty<sup>2</sup>
- 3.0Moz gold in reserve at 12/31/15



- Progress @ 3/31/17: construction 6%, engineering 81%<sup>1</sup>
- Annual estimated production of 100,000-140,000 gold ounces and 4-6 million silver ounces
- 2% NSR royalty<sup>2</sup>

NASDAQ: RGLD

<sup>1</sup> Project development as reported by the mine operator.

<sup>2</sup> See slide 18 for details on the scope of Royal Gold's streaming and royalty interest.



# Volume Growth Already Bought & Paid For



- We maintained a strong balance sheet and deployed capital opportunistically
  - Committed \$1.4 billion in mid-2015
  - Paid with cash on hand, cash flow, and incremental \$345 million with credit facility
  - Efficient leverage ratio currently at ~1.9x Net Debt/EBITDA<sup>1</sup>
  - No additional required funding obligations
  - Current liquidity >\$800 million



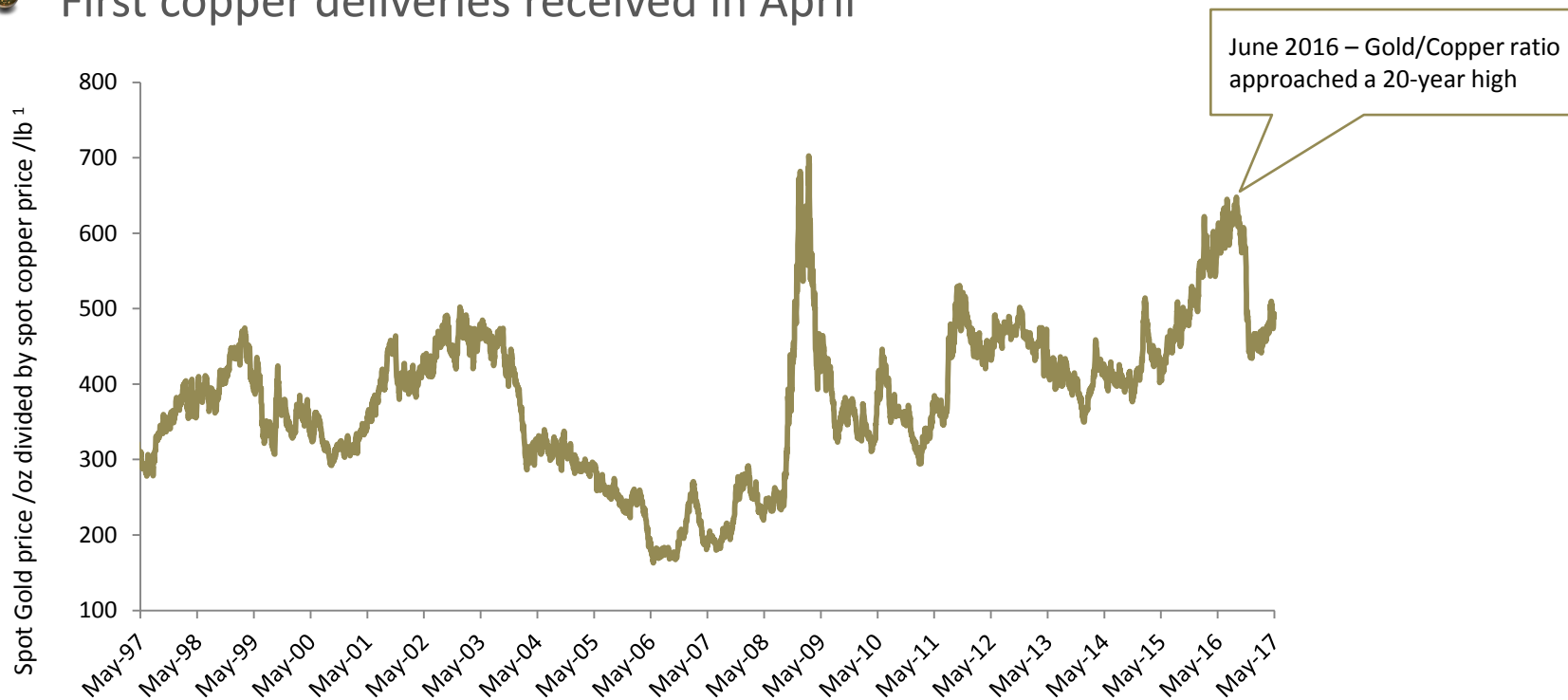
NASDAQ: RGLD

<sup>1</sup> Net Debt/EBITDA calculated as debt minus cash and equivalents(Net Debt), divided by earnings before interest, taxes depreciation and amortization (EBITDA).

# Volume Growth Already Bought & Paid For



- Amending the gold-copper stream at Mount Milligan presented a unique opportunity in June 2016
  - 35% of gold; payment of \$435/oz of gold (previously 52.25% of gold)
  - 18.75% of copper; payment of 15% of spot (previously no copper)
- First copper deliveries received in April



<sup>1</sup> Source for gold price and copper price: S&P CapitalIQ

# Optionality at 38 Currently Producing Interests



📍 Operators' innovation, capital and exploration at **no incremental capital cost** to Royal Gold<sup>1</sup>



➤ Tailings dam prefeasibility in CY2017 – potential to move 5.8-7.3Moz Au and 32.1-35 Moz Ag to reserves



➤ Significant exploration program planned at Prestea Underground and Wassa Underground in CY2017



➤ Secondary crusher commissioning, mill evaluations underway to boost recoveries and production



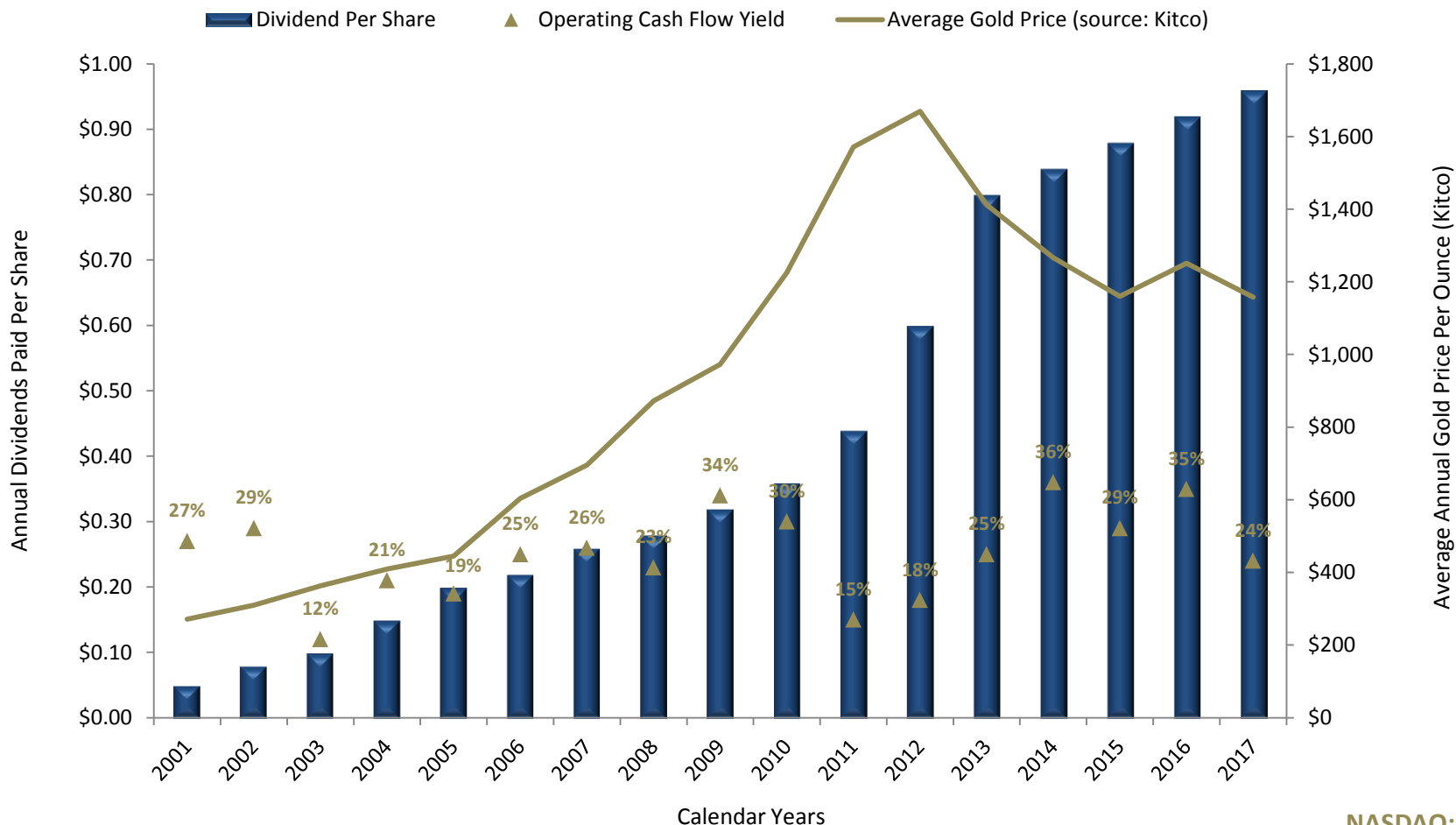
➤ Pyrite Leach Project expected to add 100-140koz Au and 4-6Moz Ag annually starting in CY2019

<sup>1</sup> Project development as reported by the mine operators.

# Track Record of Industry-Leading Returns



**20% CAGR** in dividends per share since 2001, and currently equates to **\$0.96 per share**, a **1.3% annual yield**, and an average **25% OCF yield**<sup>1</sup>



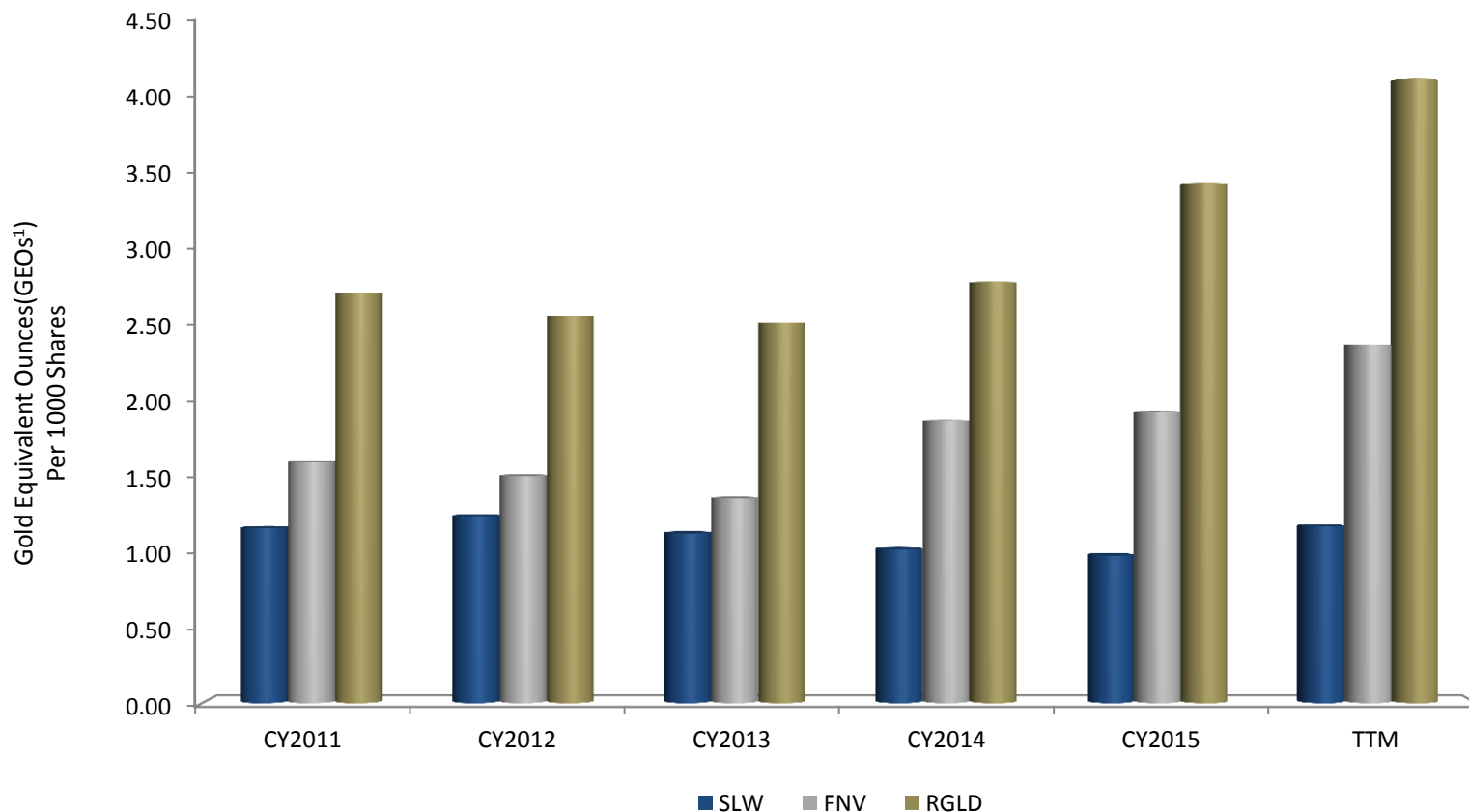
NASDAQ: RGLD

<sup>1</sup> Calculated as reported cash from operations divided by common dividends paid during the same period. 2017 reflects trailing twelve months as reported through March 31, 2017.

# Track Record of Industry-Leading Returns



- Royal Gold has consistently generated **higher gold equivalent ounces (GEOs) per share** than its peers



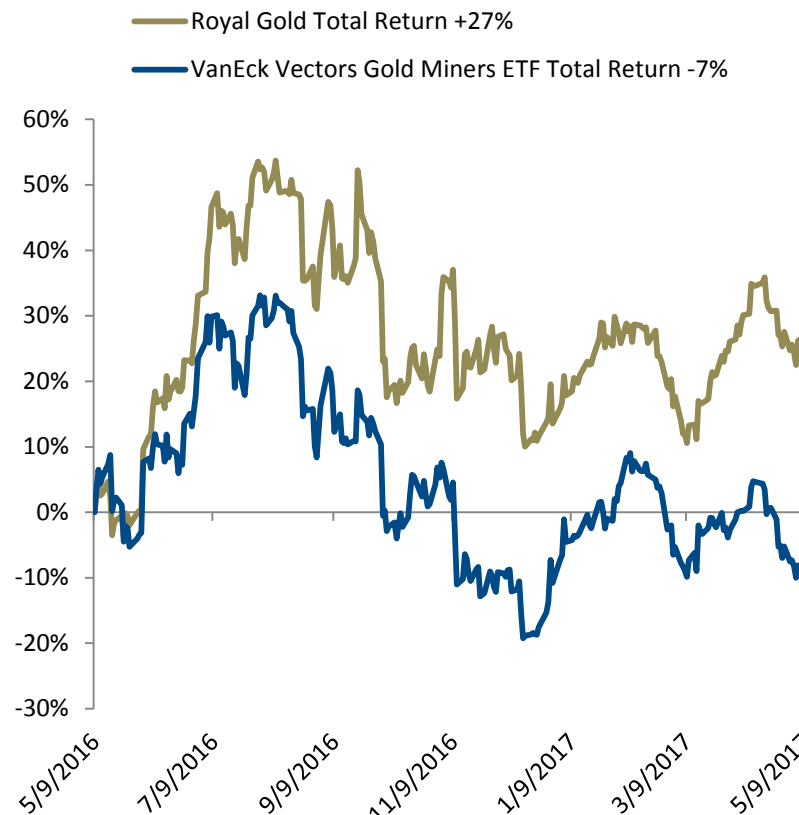
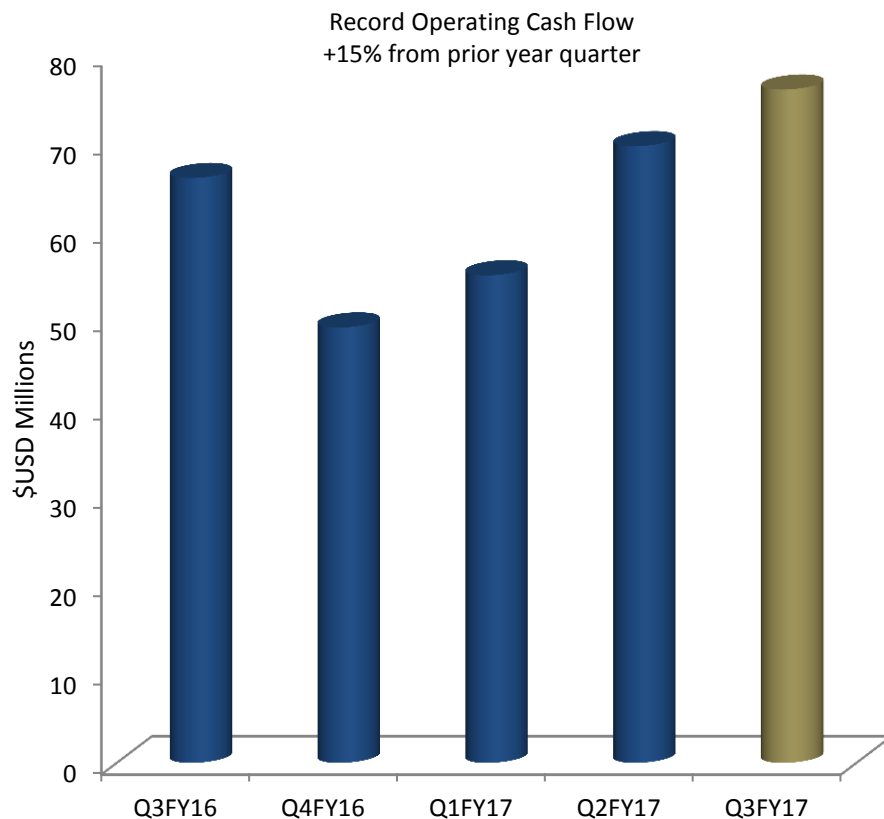
NASDAQ: RGLD

<sup>1</sup> GEOs: Gold Equivalent Ounces, calculated as reported revenue less COGS, divided by Kitco's average realized gold price for the year or trailing twelve months, then divided by shares outstanding for the year. Source for all revenue and COGS was S&P CapitalIQ.

# Track Record of Industry-Leading Returns



Over the last few quarters we've **generated record operating cash flow** and **outperformed** the GDX on a **total return** basis



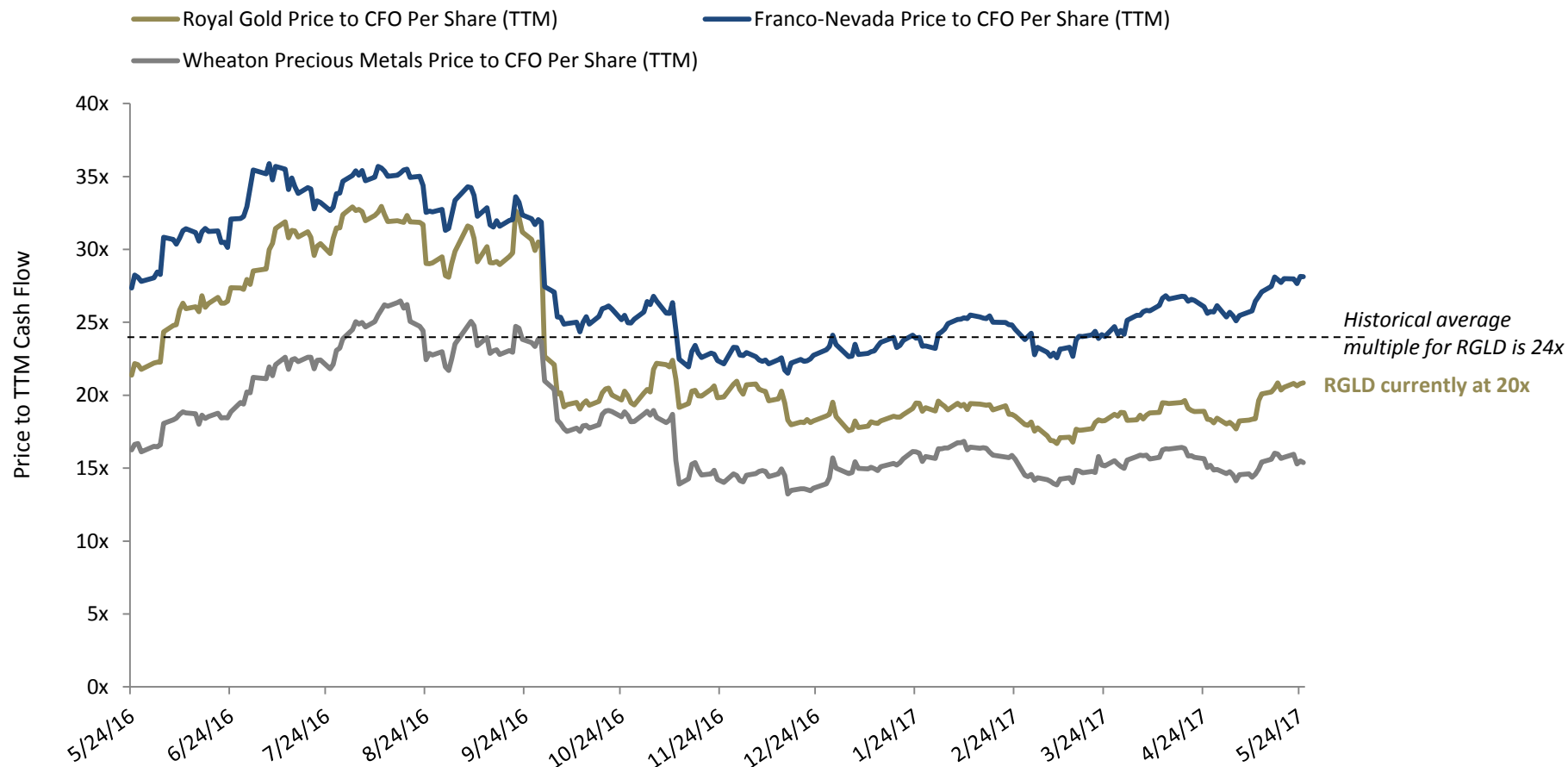
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Source:YCharts

# A High Quality Precious Metals Investment



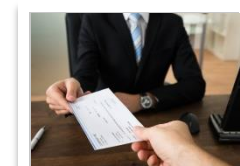
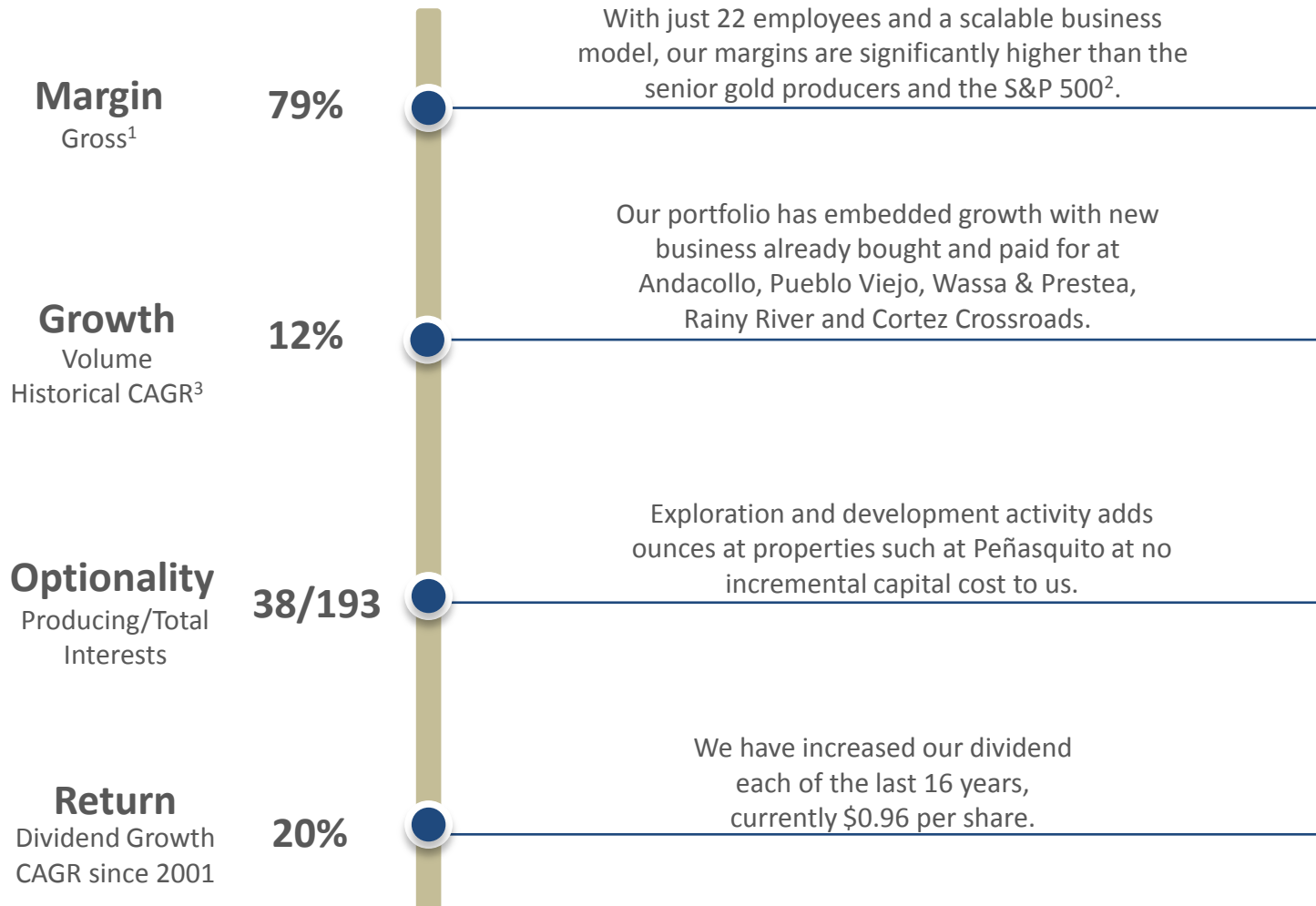
Trading at a discount to historical average and peer trading level



Source: YCharts

NASDAQ: RGLD

# A High Quality Precious Metals Investment



NASDAQ: RGLD

<sup>1</sup> Gross Margin is calculated as revenue less cost of goods sold as a percentage of revenue as reported for the last 12 months. Source is S&P CapitalIQ.  
<sup>2</sup> Senior producer average includes Barrick, Newmont, Goldcorp, Newcrest and Agnico-Eagle. Source for S&P 500 and Senior Producers is S&P CapitalIQ.  
<sup>3</sup> CAGR=Compound Annual Growth Rate





# Appendix

# Portfolio of Assets

## Diverse, Long Lived Properties



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### Streams (at March 31, 2017)

Operator	Mine	Metal	RGLD interest	until	RGLD interest	until	RGLD interest	until	RGLD pays (per unit)	until	RGLD pays (per ounce)	until	Reserve Remaining Mine Life (Years)	CY2017 Operator Guidance (oz/lbs) <sup>2</sup>
Centerra Gold	Mount Milligan	Gold	35%	LOM (life of mine)					\$435	LOM			21	260,000-290,000
Centerra Gold	Mount Milligan	Copper	18.75%	LOM	-	-	-	-	15% of spot	LOM	-	-	21	55-65Mlbs
Barrick	Pueblo Viejo	Gold	7.50%	990koz	3.75%	remaining LOM	-	-	30% of spot	550koz	60% of spot	remaining LOM	20	625,000-650,000
Barrick	Pueblo Viejo	Silver	75% at fixed 70% recovery	50Moz	37.50%	remaining LOM	-	-	30% of spot	23.1Moz	60% of spot	-	20	Not provided
New Gold	Rainy River	Gold	6.50%	230koz	3.25%	remaining LOM	-	-	25% of spot	-	-	-	14	Production expected to begin in 2017
New Gold	Rainy River	Silver	60%	3.1Moz	30%	remaining LOM	-	-	25% of spot	-	-	-	14	Production expected to begin in 2017
Teck	Andacollo	Gold	100%	900koz	50%	remaining LOM	-	-	15% of spot	-	-	-	22	TBA
Golden Star	Wassa/Prestea	Gold	9.25%	12/31/2017	10.50%	240koz	5.50%	LOM	20% of spot	240koz	30% of spot	thereafter	9	255,000-280,000

### Key Royalties<sup>1</sup>(at March 31, 2017)

Operator	Mine	Metal	RGLD interest	Until	Reserve Remaining Mine Life (Years)	CY2017 Operator Guidance (oz/lbs) <sup>2</sup>
Goldcorp	Peñasquito	Gold Silver Lead Zinc	2.00%	LOM	13	410,000 (gold)
Barrick	Cortez	Gold	Various	LOM	15	TBA
Agnico-Eagle & Yamana	Malartic	Gold	1-1.5%	LOM	8	Not available
Newmont	Leeville	Gold	1.80%	LOM	12	Not available
KGHM	Robinson	Gold Copper	3.00%	LOM	10	Not available
Kirkland Lake	Holt	Gold	0.00013 x the gold price	LOM	8	Not available
Alamos Gold	Mulatos	Gold	1-5%	capped; expect to reach within 5 years	5	150,000-160,000

<sup>1</sup> Includes largest royalties by revenue. An additional 27 royalties from producing mines in Royal Gold's portfolio not shown.

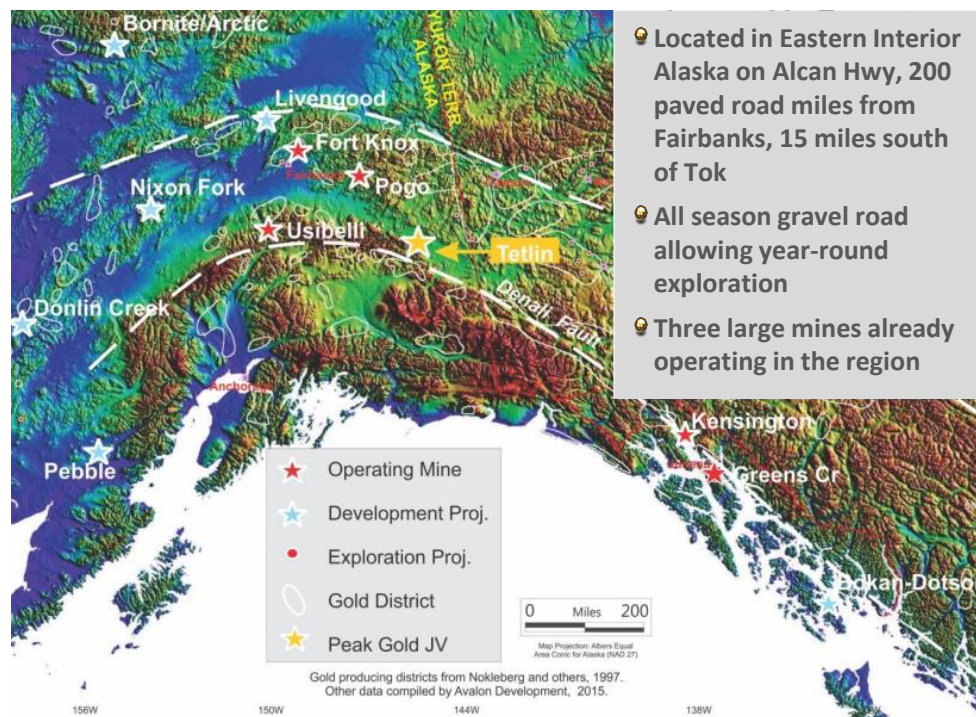
<sup>2</sup> Production estimates are received from our operators and there can be no assurance that production estimates received from our operators will be achieved. Please refer to our cautionary language regarding forward-looking statements on slide 1, as well as the Risk Factors identified in Part I, Item 1A, of our Fiscal 2016 10-K for information regarding factors that could affect actual results.

NASDAQ: RGLD

# Tetlin Project – Peak Gold Joint Venture



- Large gold-silver-copper skarn deposit with a strong grade profile, near surface and near existing infrastructure
- Preliminary M&I resource estimate<sup>1</sup> of 1.3 million ounces of gold at \$1,400 gold, 0.43 g/t cutoff (AuEq)<sup>2</sup>
- \$10m exploration investment planned for calendar 2017



- Located in Eastern Interior Alaska on Alcan Hwy, 200 paved road miles from Fairbanks, 15 miles south of Tok
- All season gravel road allowing year-round exploration
- Three large mines already operating in the region

Measured and Indicated within \$1400/oz Gold Pit Shell at a 0.43 g/t AuEq Cut-off Grade							
Class	Tonnage (kt)	Grade > Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	Cu (%)	Au (k oz)	Ag (k oz)	Cu (M lbs)
Measured	486	6.22	16.65	0.15	97	260	2
Indicated	10,808	3.34	13.97	0.16	1,160	4,855	38
M&I	11,294	3.46	14.09	0.16	1,257	5,115	40

Royal Gold holds a 2% royalty and a 3% NSR royalty. A subsidiary of Royal Gold currently owns a 24.9% interest in the Peak Gold Joint Venture with an option to expand our earn-in to a 40% interest and majority control of the voting rights. Peak Gold holds a 675,000 acre lease with the Native Village of Tetlin.

<sup>1</sup> For resource estimation purposes, AuEq is calculated as Au+Ag x 0.0122.

<sup>2</sup>The U.S. Securities and Exchange Commission does not recognize this term. Mineralized material is that part of a mineral system that has potential economic significance but cannot be included in the proven and probable ore reserve estimates until further drilling and metallurgical work is completed, and until other economic and technical feasibility factors based upon such work have been resolved. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.



EXPANDING THE PORTFOLIO

1660 Wynkoop Street, #1000

Denver, CO 80202-1132

303.573.1660

[info@royalgold.com](mailto:info@royalgold.com)

[www.royalgold.com](http://www.royalgold.com)