



EXPANDING THE PORTFOLIO

# Denver Gold Forum

Tony Jensen, President and CEO  
Royal Gold, Inc.  
September 19, 2016

# 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: relatively lower risk and higher returns than most gold industry sectors; investing in long-lived properties; investing at troughs and patience at the top; paying a growing and sustainable dividend; being the most valuable, not necessarily the largest; gold price optionality and reserve upside leverage; maintaining a fixed cost structure and expanding margins; estimated revenue percentages from precious and other metals; the proposed amendment to the Mount Milligan stream; mine life and reserves estimates from the operators of our stream and royalty interests; estimated gold equivalent production from amended Mount Milligan stream; 2017 sources and uses; investment thesis; embedded growth; the Company's disciplined capital allocation; and compelling valuation. 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; the successful closing of Centerra's acquisition of Thompson Creek; decisions and activities of the Company's management affecting margins, use of capital and strategy; unexpected operating costs, decisions and activities of the operators of the Company's royalty and stream properties; changes in operators' mining and processing techniques 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 royalty payments or stream deliveries, or payments or deliveries not made in accordance with royalty or stream agreements; the liquidity and future financial needs of the Company; economic and market conditions; the impact of future acquisitions and royalty and stream 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:** The Company does not own, develop or mine the properties on which it holds stream or royalty interests. 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.



## Gold Investment Opportunity with a Dividend and Reserve Optionality

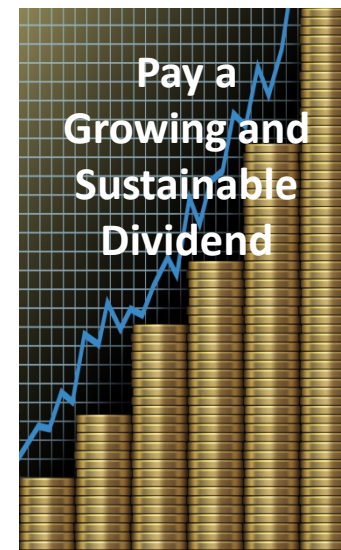
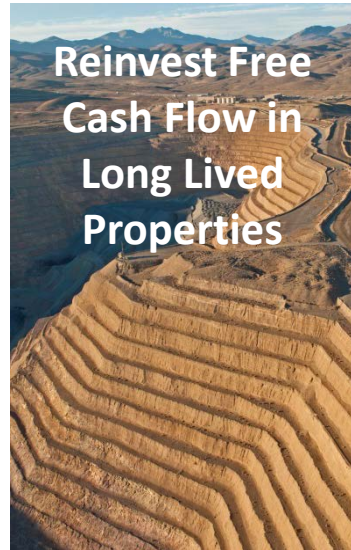
- We provide capital in exchange for a life-of-mine percentage of the production, usually gold, via a streaming or royalty interest
- Longevity—in business since 1981 in Denver, CO
- 21 employees, \$5B market cap
- \$0.92/share current annual dividend; 15 consecutive years of dividend increases
- 6.4 million ounces of current gold equivalent precious metals reserves subject to our interest, with upside potential
- Revenue from 38 current producing mines within a portfolio of 193 total property interests; operators include:



# Royal Gold Vision and Strategy



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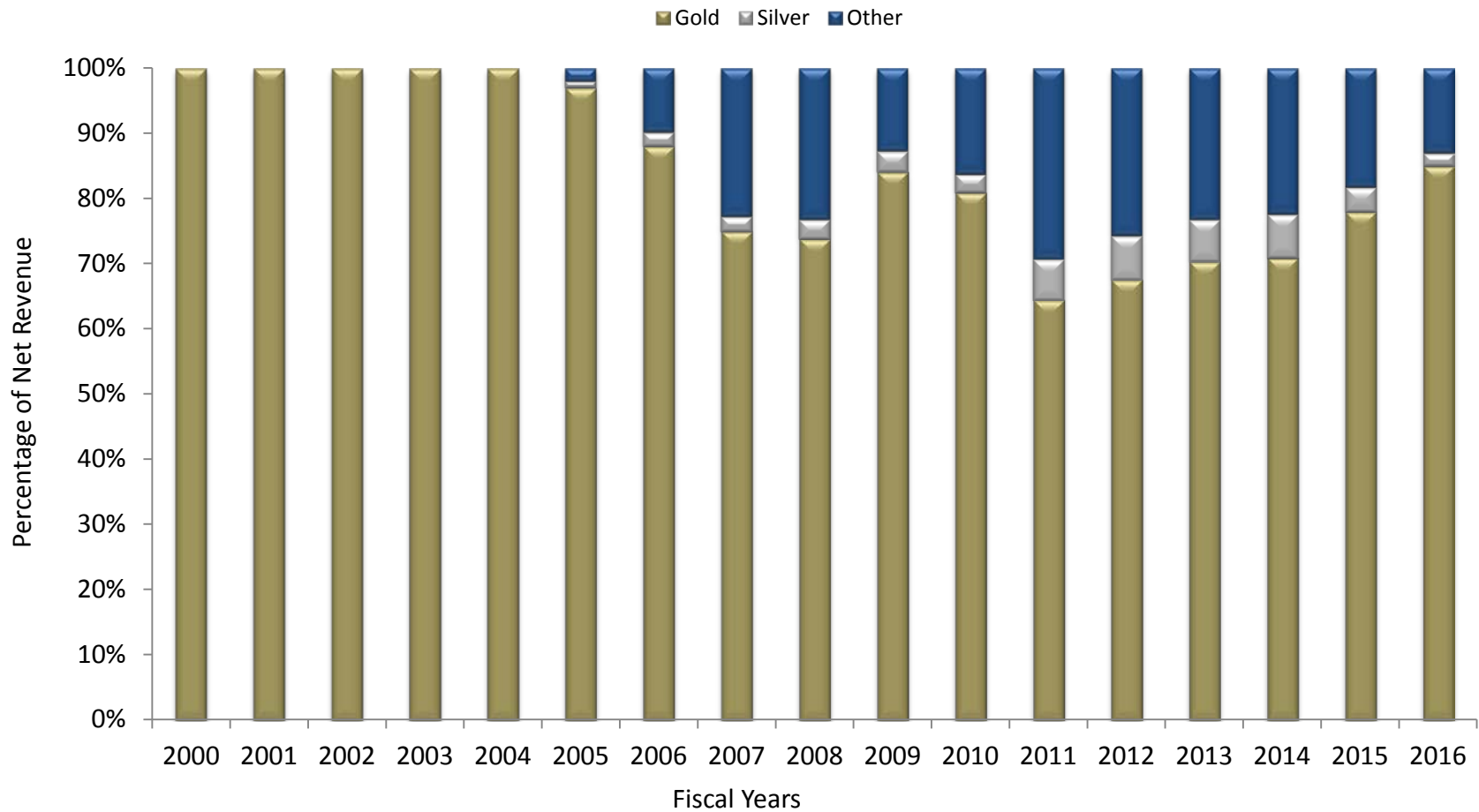


- Value created by providing **gold price optionality** and **reserve upside leverage**, and
  - Providing a **portfolio of assets** in some of the best gold districts in the world
  - **Capital allocation** and shareholder return discipline
  - Maintaining a fixed cost structure and **expanding margins** on per share metrics

# Gold Focused



Royal Gold expects 75% of estimated net revenue from gold<sup>1</sup> on a pro-forma basis



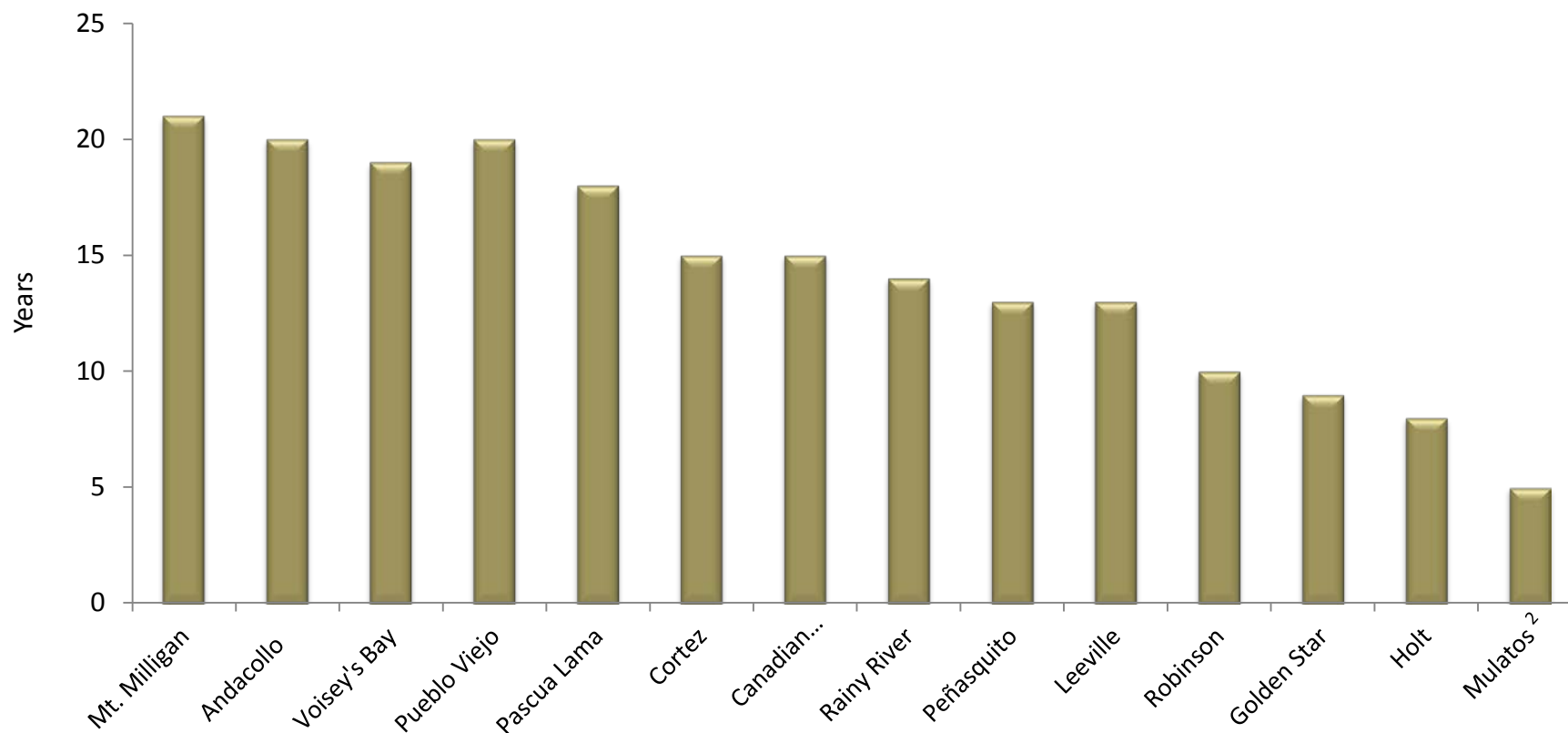
<sup>1</sup> Pro-Forma includes expected silver from Pueblo Viejo and effect of proposed Mount Milligan copper stream.

# Reinvest Cash Flow in Long Lived Properties



80% of our portfolio asset value is in mines with reserve life >15 years,<sup>1</sup> including:

Years of remaining mine life



<sup>1</sup> Based on reserves and mine life reported by the operators of our stream and royalty properties through December 31, 2015.

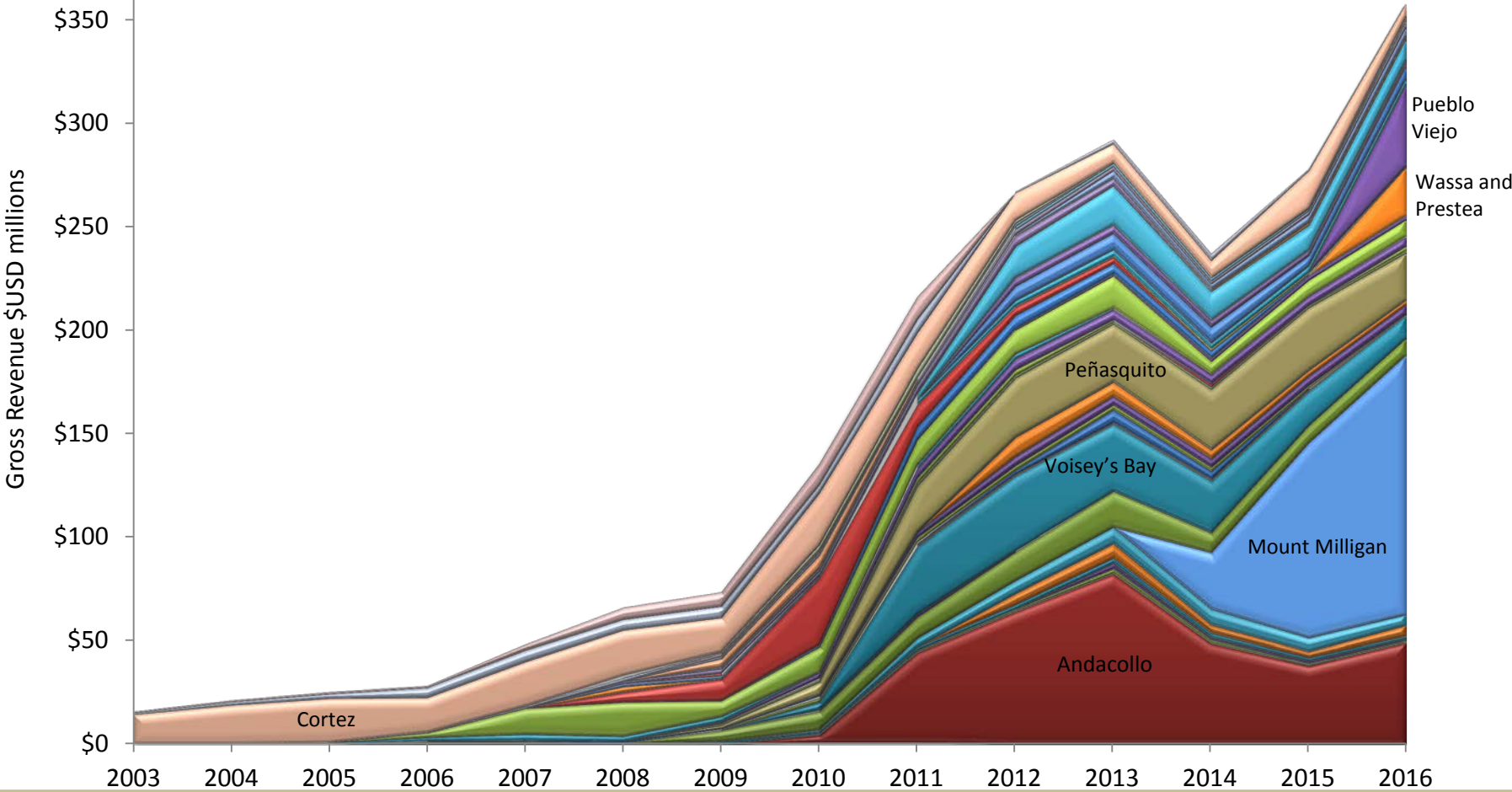
<sup>2</sup> Mulatos subject to cap and remaining mine life shown reflects estimated cap.



# Reinvest Cash Flow in Long Lived Properties



Cornerstone properties generate cash flow and lead to more diversification:

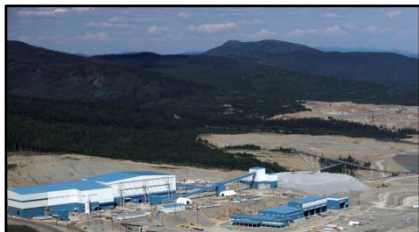


# Long Lived Properties, Update



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- Seizing unique opportunities to enhance diversity and drive long term growth



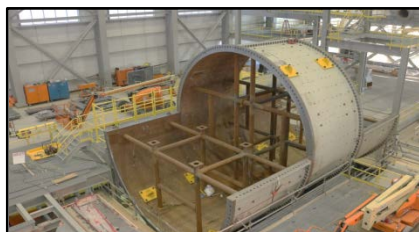
Acting as a catalyst for Centerra -Thompson Creek deal

- ✓ Mount Milligan stream to be amended; 35% gold, 18.75% copper
- ✓ Royal Gold value whole
- ✓ Strong operator and balance sheet



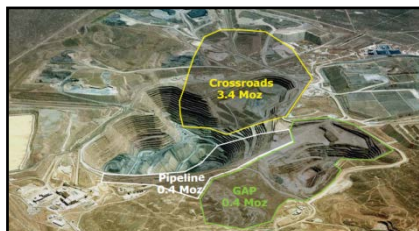
Completing the innovative Pueblo Viejo stream transaction

- ✓ Rare, world class opportunity



Supporting development at Rainy River

- ✓ Production expected mid-2017



Increasing interest at Cortez Crossroads

- ✓ 3.75% NVR royalty acquired
- ✓ Total Crossroads interest = 5% GSR + 4.4% NVR



# Long Lived Properties, Growth



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



## Peñasquito

- ✓ Pyrite Leach under construction
- ✓ Incremental annual production; 100-140k ozs Au, +4-6m ozs Ag



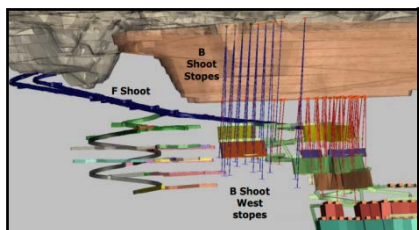
## Pueblo Viejo tailings expansion

- ✓ Potential additional reserves (up to 7.7m ozs Au, 44m ozs Ag)



## Mount Milligan

- ✓ Secondary crusher startup by year end, ~62.5k tpd
- ✓ Recovery a focus for Centerra



## Wassa and Prestea Underground

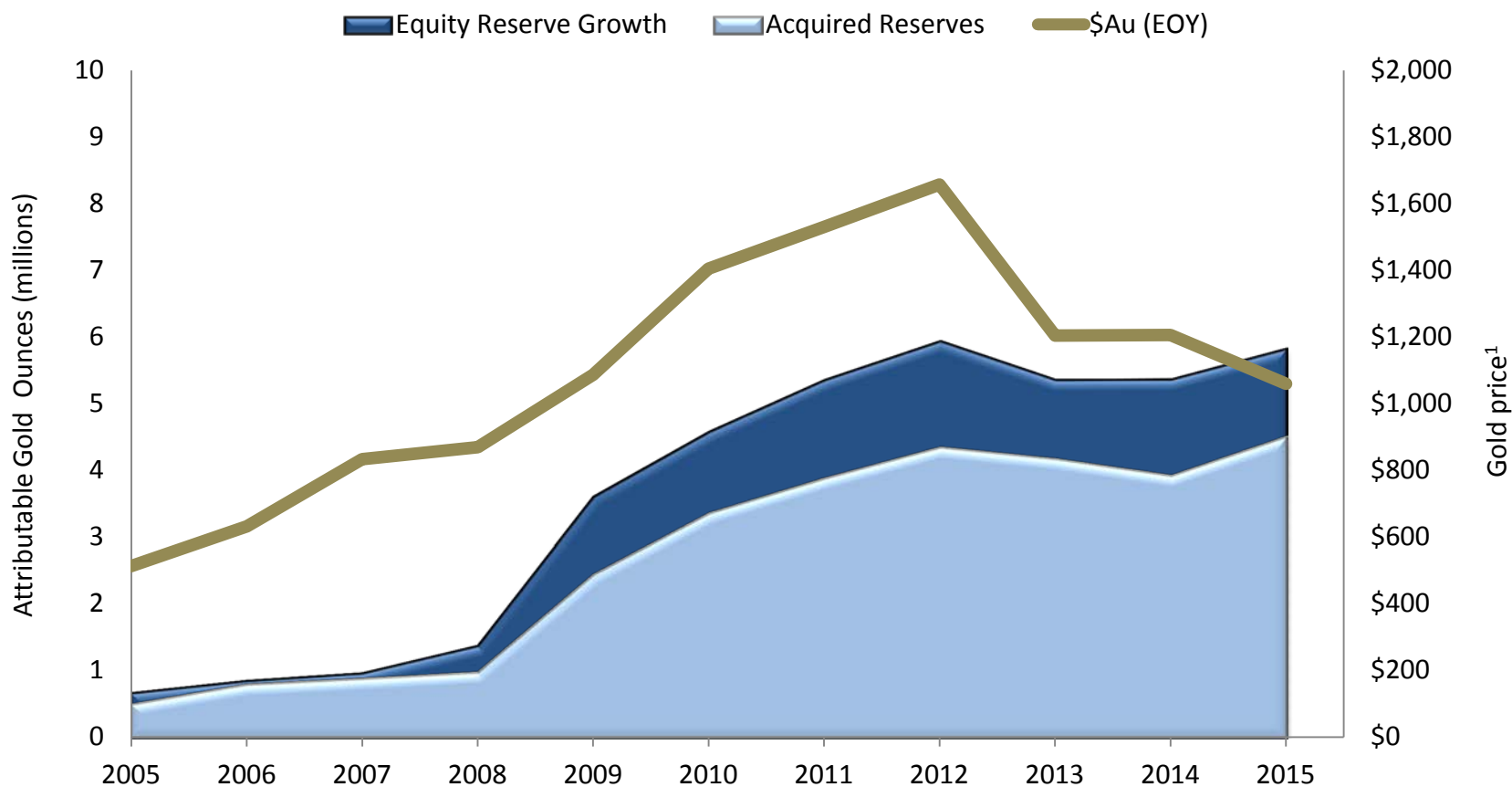
- ✓ Production increase ~25%
- ✓ Exploration upside

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

# Long Lived Properties, Growth



- Organic growth represents reserve optionality
- ~20% growth in attributable gold reserves after acquisition



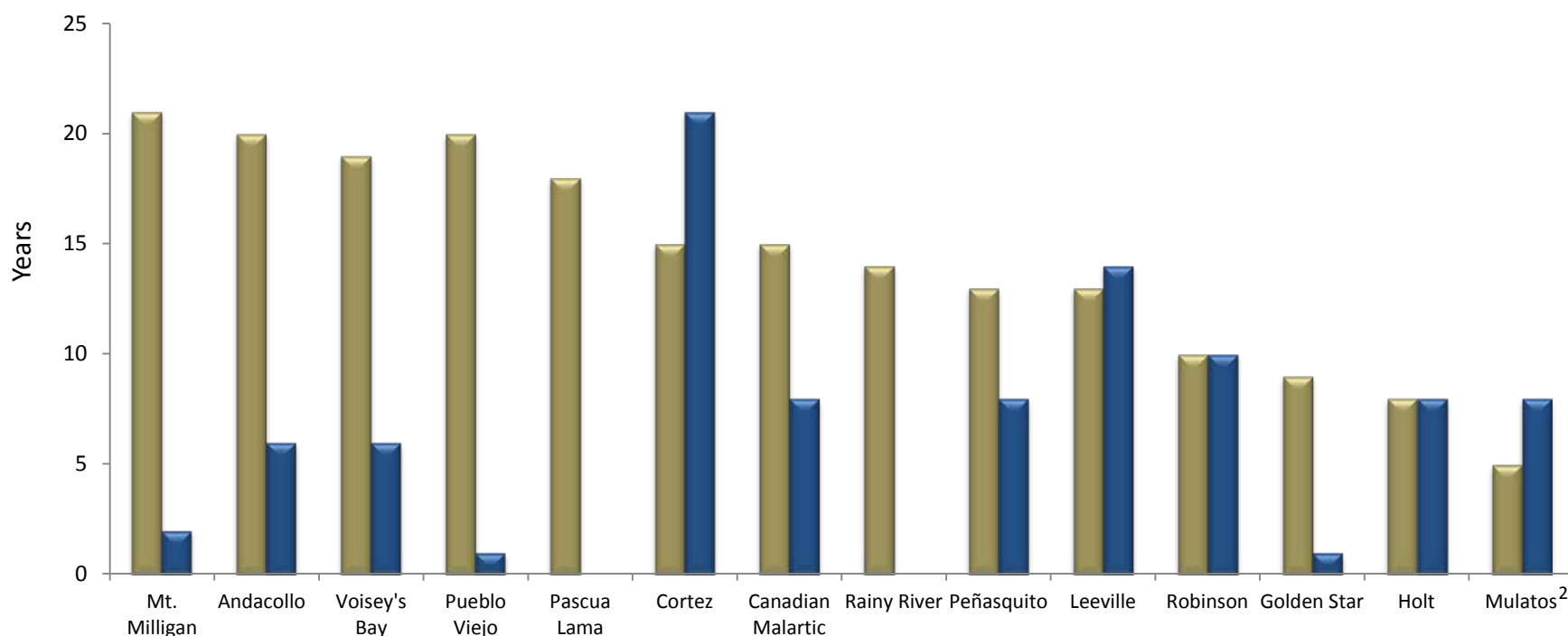
<sup>1</sup> Source for average gold price was Kitco Metals, Inc.

# Reinvest Cash Flow in Long Lived Properties



80% of our portfolio asset value is in mines with reserve life >15 years,<sup>1</sup> including:

■ Years of remaining mine life    ■ Years in production since we've owned our stream or royalty interest



<sup>1</sup> Based on reserves and mine life reported by the operators of our stream and royalty properties through December 31, 2015.

<sup>2</sup> Mulatos subject to cap and remaining mine life shown reflects estimated cap.

# Invest at the Troughs, Be Patient at the Top



📍 We have maintained a strong balance sheet and deployed capital at opportunistic times; gold price up ~20% since Pueblo Viejo transaction<sup>1</sup>

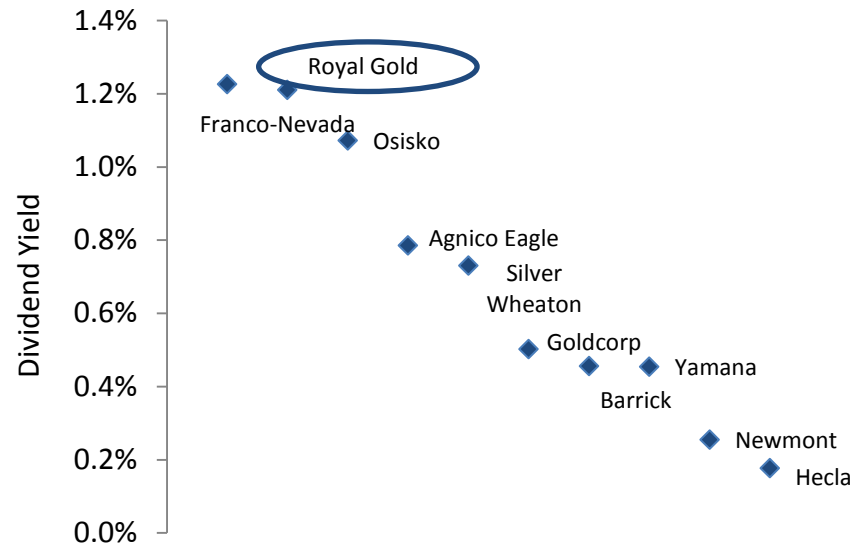
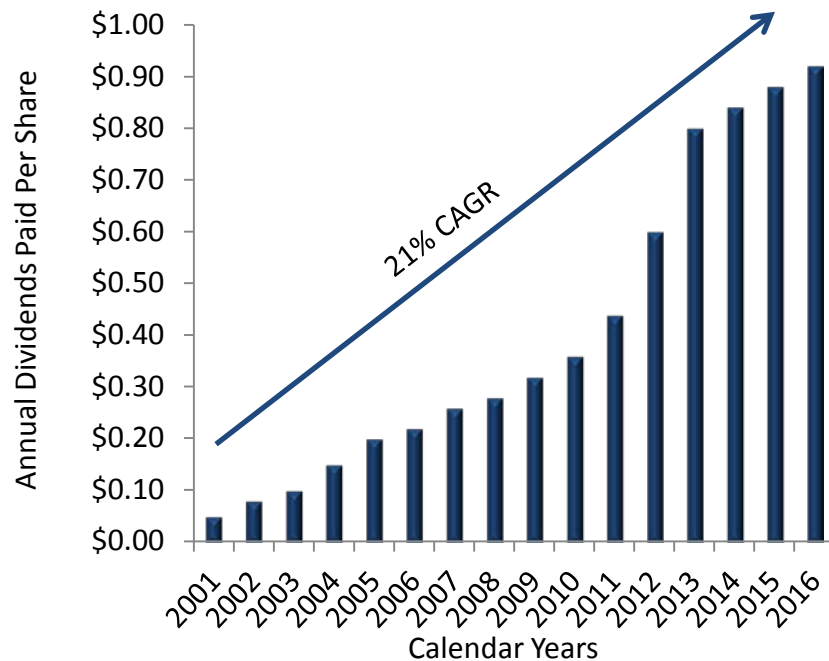


<sup>1</sup> Source for gold price: Ycharts.

# Pay a Growing and Sustainable Dividend



- 15 straight years of dividend increases
- Dividend increased in calendar 2016 to \$0.92 per share
- 27% payout ratio of adjusted operating cash flow<sup>1</sup> in FY2016
- 21% compound annual growth rate (CAGR) since 2001
- Equates to 1.2% annual yield (*September 9, 2016*)



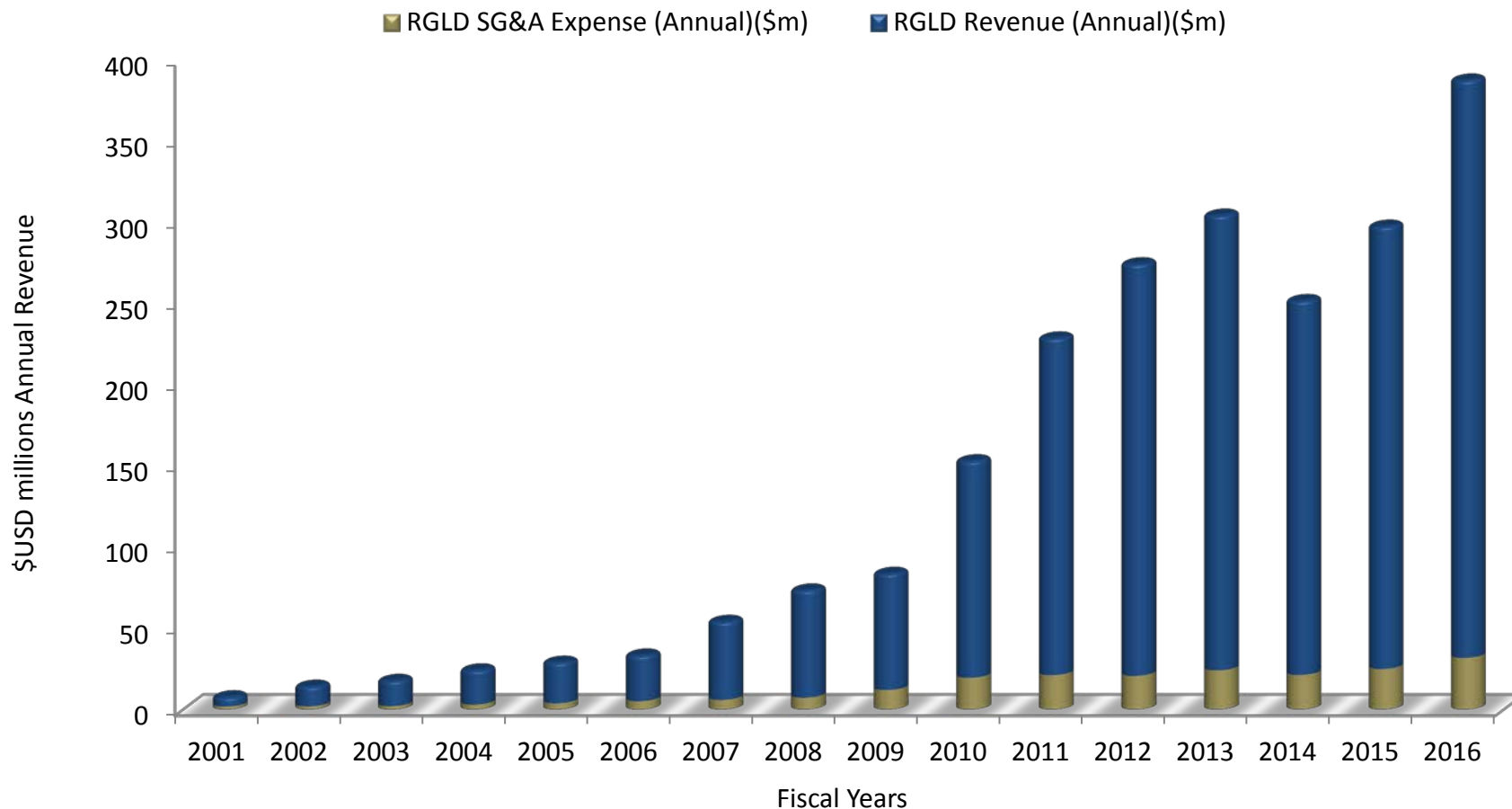
<sup>1</sup> Non-GAAP Measure: See page 23 for reconciliation.

Source: Company filings, Company press releases, Bloomberg market data as of 09-Sep-2016. Dividend yield calculated by annualizing most recent quarterly dividend payment.

# Most Valuable, Not Necessarily the Largest



- Cash margins protected
  - Our low expenses reflect the scalability of our business





# Most Valuable, Not Necessarily the Largest



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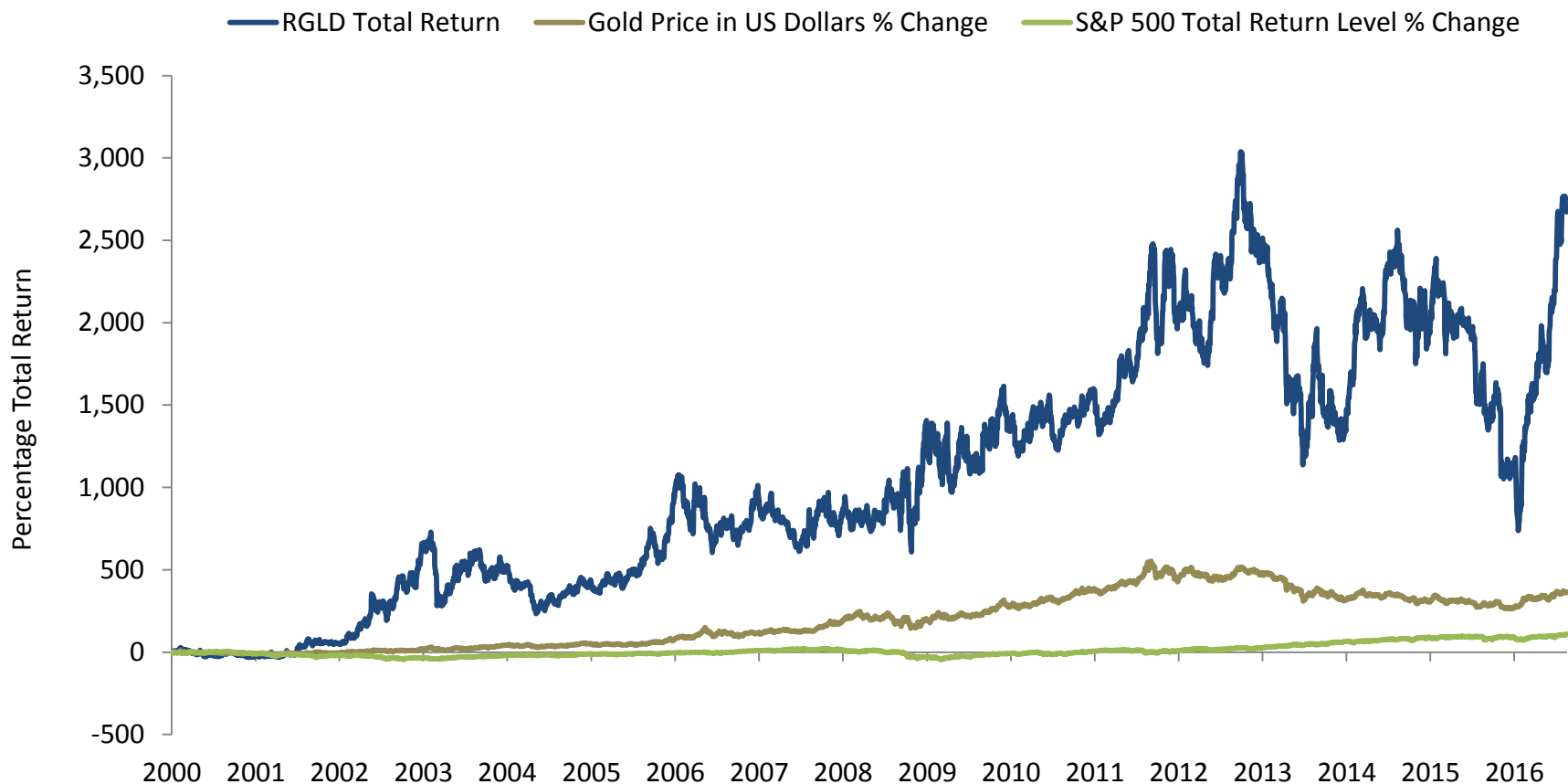
- Conservative Balance Sheet
- Good access to additional capital for accretive acquisitions if necessary:
  - Financing focused on minimizing cost of capital and per share metrics
  - Regular evaluation of all available financing alternatives

Date	Item	(\$USD millions)
June 30, 2016	Undrawn Revolver	\$375.0m
June 30, 2016	Working Capital	\$142.1m
<b>June 30, 2016</b>	<b>Total Available Liquidity</b>	<b>\$517.1m</b>
Strong and Growing Operating Cash Flow	Fiscal Fourth Quarter Operating Cash Flow	\$49.2m
Near-Term Conditional Commitments	Existing conditional commitments at Rainy River (\$75 million) Golden Star (\$50 million, of which \$20 million was advanced on July 1, 2016), and Cortez Crossroads (\$70 million)	\$195m

# Most Valuable, Not Necessarily the Largest



RGLD total return outperformed S&P 500 Total Return & Gold Price since 2000

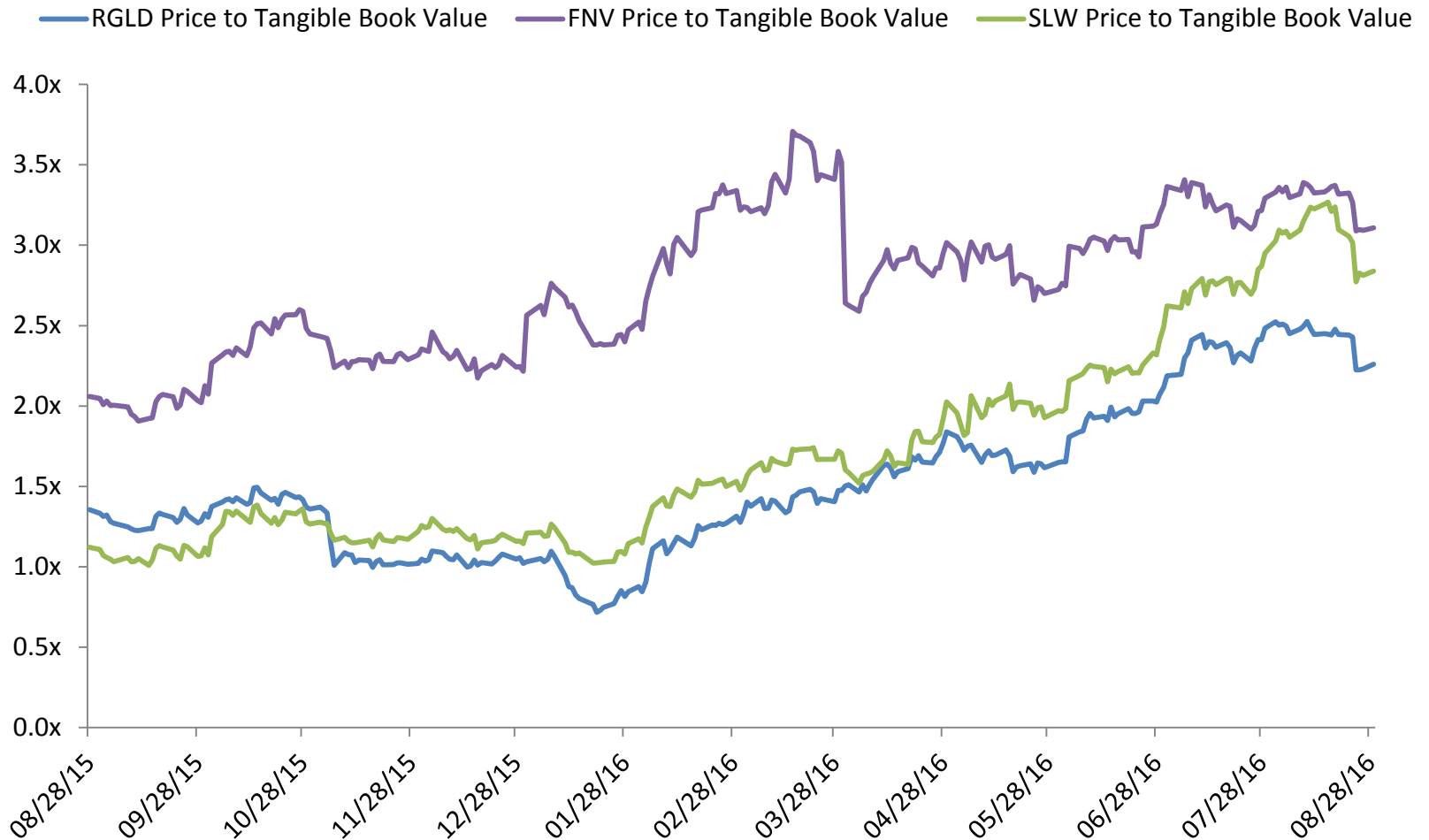


Source: YCharts

# Most Valuable, Not Necessarily the Largest



Despite recent strong performance, still undervalued relative to peers

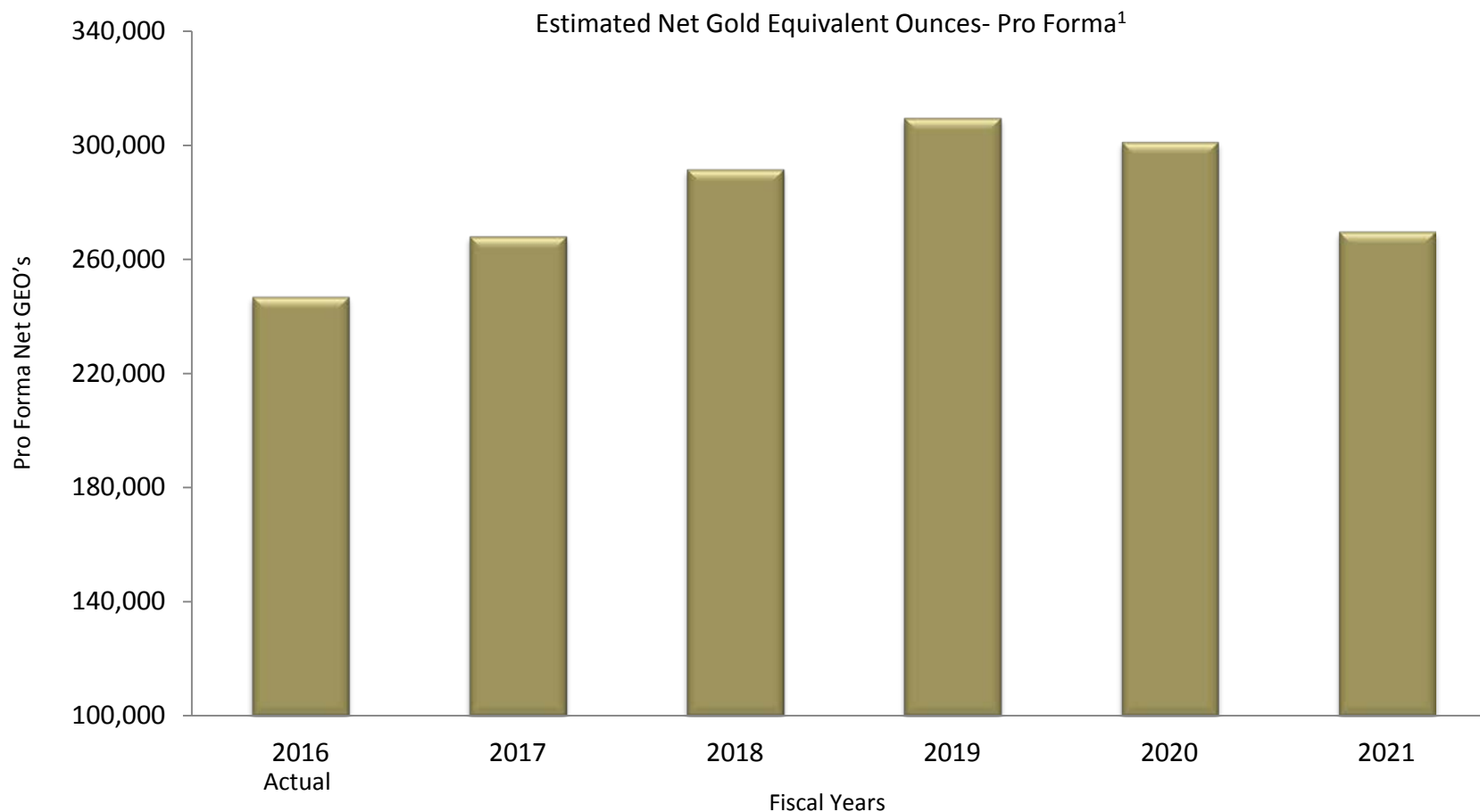


Price to Book Value calculated by Ycharts as the company's market capitalization divided by the company's total book value (tangible assets – tangible liabilities)

# Most Valuable, Not Necessarily the Largest



## ● Attractive near-term net GEO growth profile



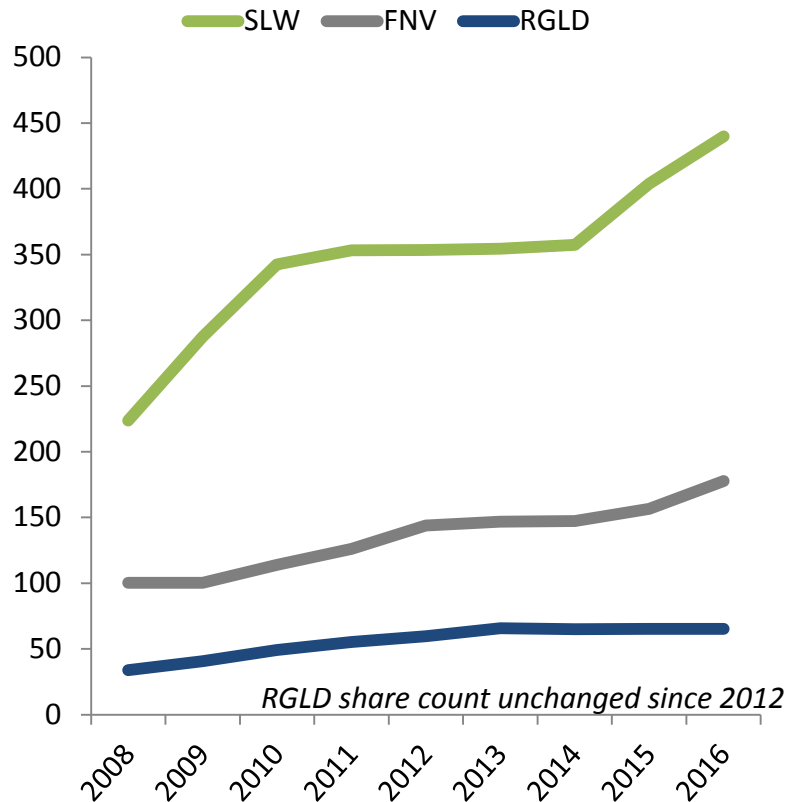
<sup>1</sup> Pro-Forma net gold equivalent ounces calculated as Royal Gold's estimated revenue less applicable stream payments, if applicable, divided by current gold price as of September 26, 2016. Based on operator estimates. All production subject to risks outlined on slide 2.

# Most Valuable, Not Necessarily the Largest



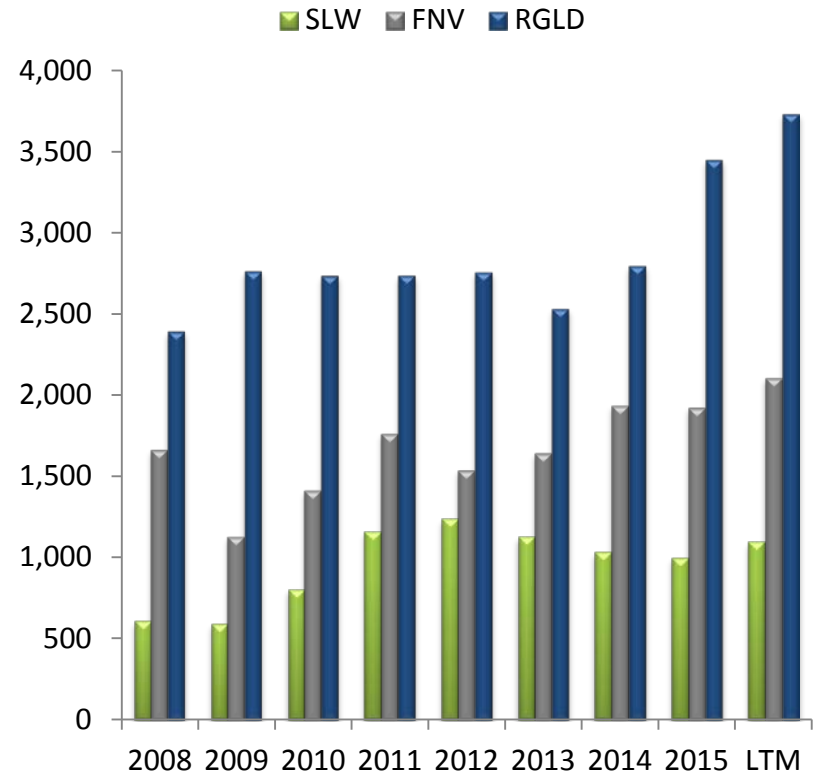
- We have demonstrated positive stewardship of shareholder capital
- We focus on value per share metrics

Millions of Common Shares Outstanding



Source: S&P CapitalIQ  
 SLW: Silver Wheaton, FNV: Franco-Nevada

Net Gold Equivalent Ounces (GEOs) per Million Shares<sup>1</sup>

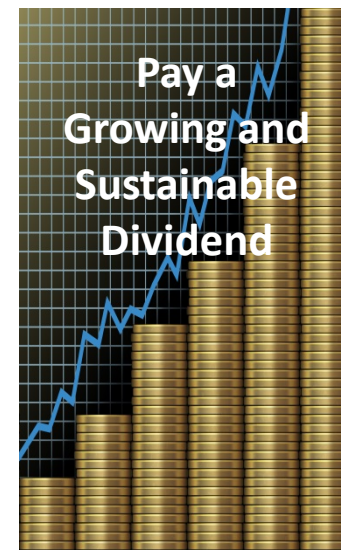
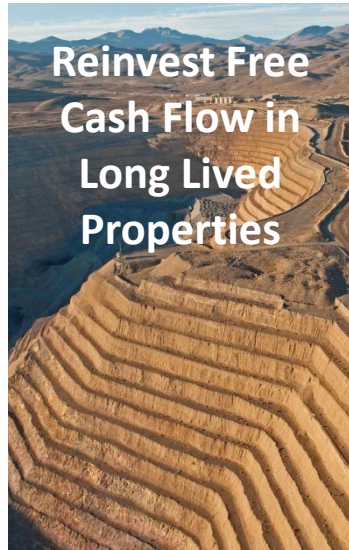


<sup>1</sup>Net Gold Equivalent Ounces calculated as reported revenue less cost of goods sold divided by average gold price. Source for revenue, cost of goods sold and shares outstanding was S&P Capital IQ. Source for average gold price was Kitco.

# Royal Gold Vision and Strategy



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- Value created by providing **gold price optionality** and **reserve upside leverage**, and
  - Providing a **portfolio of assets** in some of the best gold districts in the world
  - **Capital allocation** and shareholder return discipline
  - Maintaining a fixed cost structure and **expanding margins** on per share metrics



## EXPANDING THE PORTFOLIO



### Directors (from left to right):

- Jamie Sokalsky**, Independent Director; Former President and CEO, Barrick Gold Corporation
- Kevin McArthur**, Independent Director; Executive Chair, Tahoe Resources and Former CEO and Director, Goldcorp, Inc.
- Gordon Bogden**, Independent Director; Former Vice Chairman, Mining & Metals, Standard Chartered Bank
- Tony Jensen**, Director; President and CEO, Royal Gold, Inc.
- M. Craig Haase**, Independent Director; Former EVP and Chief Legal Officer, Franco-Nevada Mining Corporation
- William Hayes**, Independent Director and Chairman of the Board; Former EVP, Placer Dome Inc.
- Ronald J. Vance**, Independent Director; Former SVP Corporate Development, Teck Resources
- Christopher M.T. Thompson**, Independent Director; Former Chairman and CEO, Gold Fields Limited

## Board of Directors

QUALITY  
GROWTH  
OPPORTUNITY



EXPANDING THE PORTFOLIO

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ROYALGOLD,INC

# Adjusted Operating Cash Flow Reconciliation



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## Cash Flows From Operating Activities Reconciliation:

	For The Years Ended June 30, (Unaudited, in thousands)	
	2016	2015
Cash flows from operating activities:		
<b>Net cash provided by operating activities</b>	\$ 169,859	\$ 192,099
Tax on Andacollo royalty sale and Chilean subsidiary liquidation	47,700	-
<b>Adjusted net cash provided by operating activities</b>	<u>\$ 217,559</u>	<u>\$ 192,099</u>

# Portfolio of Assets



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## Diverse, Long Lived Properties

Streams (at June 30, 2016)

Operator	Mine	Metal	RGLD interest	until	RGLD interest	until	RGLD interest	until	RGLD pays (per ounce)	until	RGLD pays (per ounce)	until	Reserve Remaining Mine Life (Years)	CY2016 Operator Guidance (ounces) <sup>2</sup>
Thompson Creek	Mount Milligan	Gold	52.25%	LOM	-	-	-	-	\$435	LOM	-	-	21	240,000-270,000
Barrick	Pueblo Viejo	Gold	7.50%	990koz	3.75%	remaining LOM	-	-	30% of spot	550koz	60% of spot	remaining LOM	20	600,000-650,000
Barrick	Pueblo Viejo	Silver	75% at fixed 70% recovery	50Moz	37.50%	remaining LOM	-	-	25% of spot	-	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	57,600
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	180,000-205,000

### Key Royalties<sup>1</sup>(at June 30, 2016)

			RGLD interest	Until		
Goldcorp	Peñasquito	Gold Silver Lead Zinc	2.00%	LOM	13	520,000-580,000
Barrick	Cortez	Gold	Various	LOM	15	310,000 subject to our interest
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	Not available

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

<sup>2</sup> Production estimates received from our operators are for calendar 2016. 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.