

# The Precious Metals Royalty Company

Royal Gold Annual Meeting

*November 8, 2006*



**ROYAL GOLD, INC**  
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 and the Gold Hill deposit, continued ramp-up in production at the Leeville and Troy projects, commencement of production at the Taparko project, comments regarding future production, construction completion, permitting approvals, 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



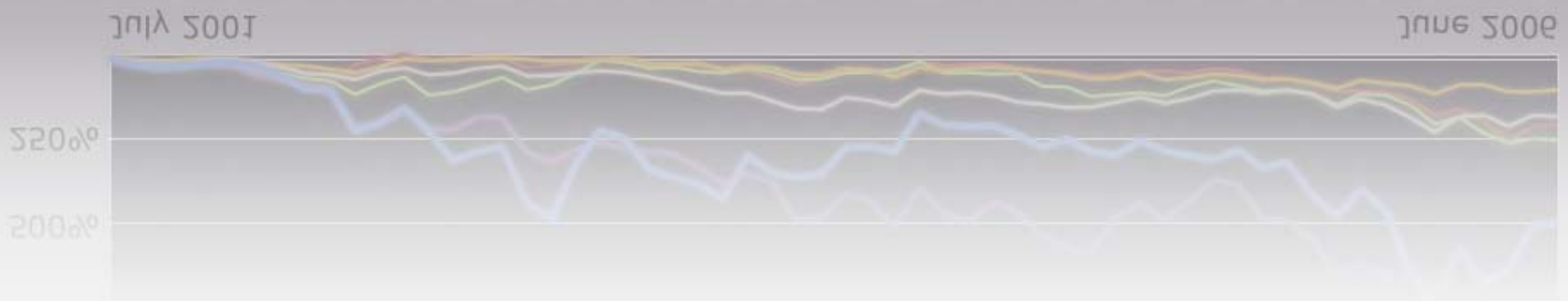
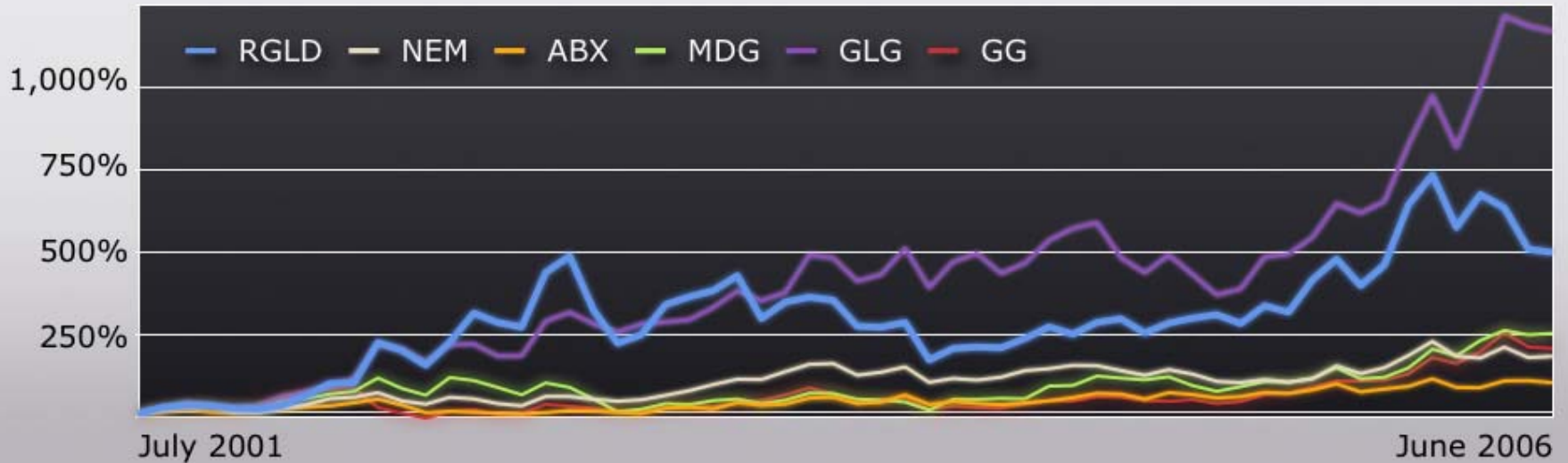
# Strong Track Record of Growth

*Fiscal Years Ending June 30*



\* The term "free cash flow" is a non-GAAP financial measure. For a reconciliation of free cash flow to the most directly comparable GAAP financial measure, see Free Cash Flow Reconciliation in the Company's Fiscal 2006 Annual Report on Form 10-K.

# Five-year Price Performance Compared with Peer Companies



## Five-year Price Performance Compared with Gold



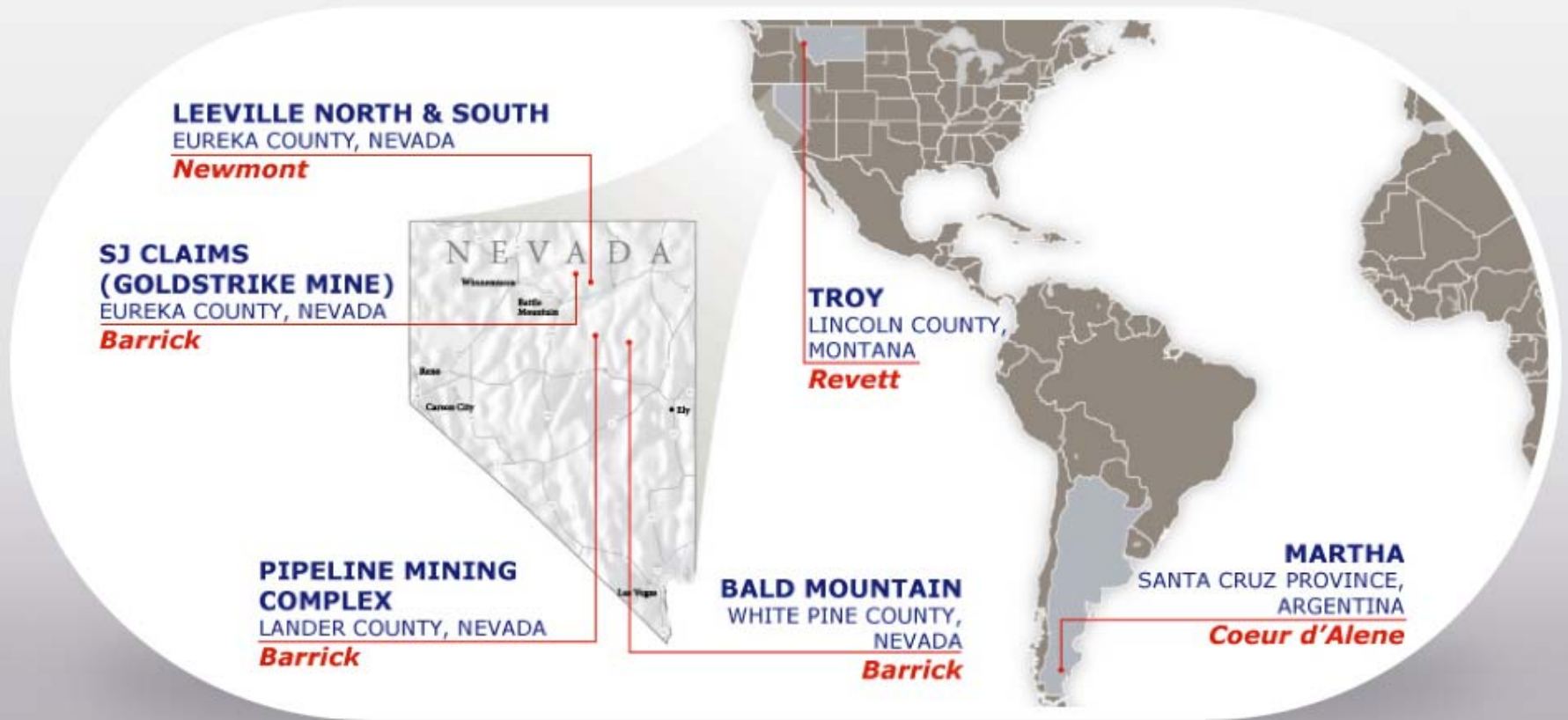
\*Gold price - London PM Fix



## Growth Drivers

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







# Pipeline Mining Complex (Nevada)

- Operator: Barrick
- Four royalties:
  - GSR1 sliding-scale (0.40% - 5.0%)
  - GSR2 sliding-scale (0.72% - 9.0%)
  - 0.71% GSR3
  - 0.39% NVR1
- Reserves:  
4.4M oz. Au
- Additional mineralization:  
136.0M tons at 0.026 opt Au  
(123.4 tonnes at 0.89 gpt)
- CY 2006 Production:  
385,000 oz. Au



## SJ Claims (Nevada)

- Operator: Barrick
- 0.9% NSR royalty
- Reserves:
  - 8.9M oz. Au
- CY 2006 Production:
  - 903,000 oz. Au



## Leeville North and South (Nevada)

- Operator: Newmont
- 1.8% NSR royalty
- Reserves:
  - 2.4M oz. Au
- Additional mineralization:
  - 1.4M tons at 0.435 opt  
(1.3M tonnes at 14.83 gpt)
- CY 2006 Production:
  - Leeville South:  
32,000 oz. Au
  - Leeville North:  
209,000 oz. Au
- Leeville North: est. 400,000 oz.  
Au at full production



# Bald Mountain

(Nevada)

- Operator: Barrick
- NSR sliding-scale royalty (1.75–3.5%)
- Reserves:  
1.8M oz. Au
- Additional mineralization:
  - 20.6M tons at 0.027 opt  
(18.7M tonnes at 0.926 gpt)
- CY 2006 Production:  
248,000 oz. Au



# Troy

(Montana)

- Operator: Revett Minerals
- Three sequential royalties:
  - 7.0% GSR (Initial)
  - 6.1% GSR (Interim)
  - 2.0% GSR (Perpetual)
- Reserves:
  - 14.7M oz. Ag
  - 124.9M lbs. Cu
- Additional mineralization:
  - 46.3M tons at 1.54 opt Ag (42.0 tonnes at 52.80 gpt)
  - 46.3M tons at 0.75% Cu (42.0M tonnes at 0.75% Cu)
- CY 2006 Production:
  - 1.8M oz. Ag
  - 15.6M lbs. Cu



# Martha

(Argentina)

- Operator: Coeur d'Alene
- 2.0% NSR royalty
- Reserves:
  - 4.1M oz. Ag
- Additional mineralization:
  - 0.135M tons at 45.36 opt  
(0.122M tonnes at 1,555.5 gpt)
- CY 2006 Production:
  - 2.5M oz. Ag





# 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
  - 115B lbs. Cu
  - 0.5 to 1.0M lbs. Mo
- Receipt of royalty revenue began May 2006
- Mine life: 10 years

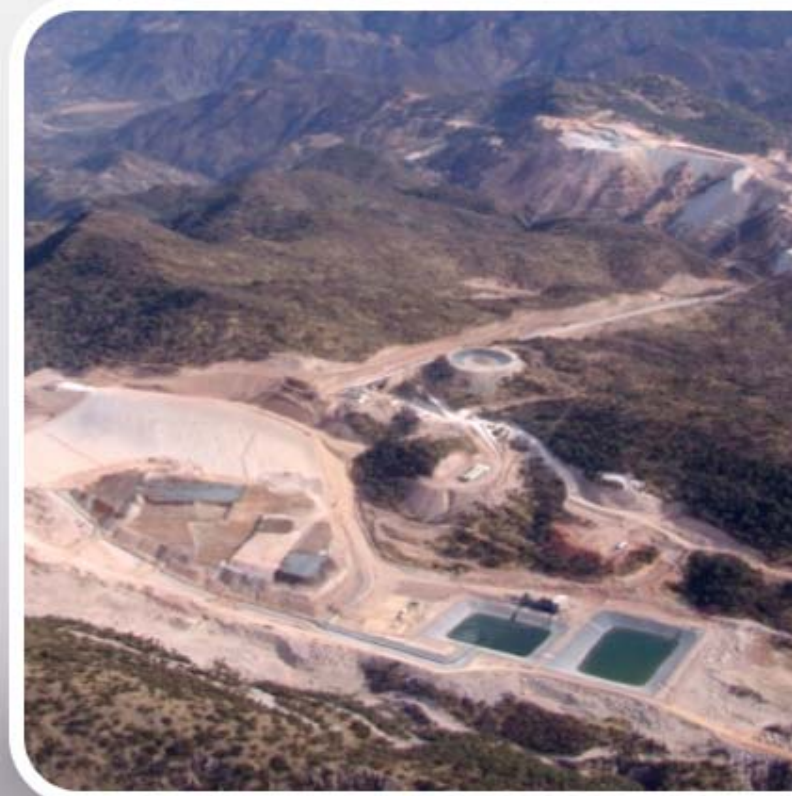




# Mulatos

(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



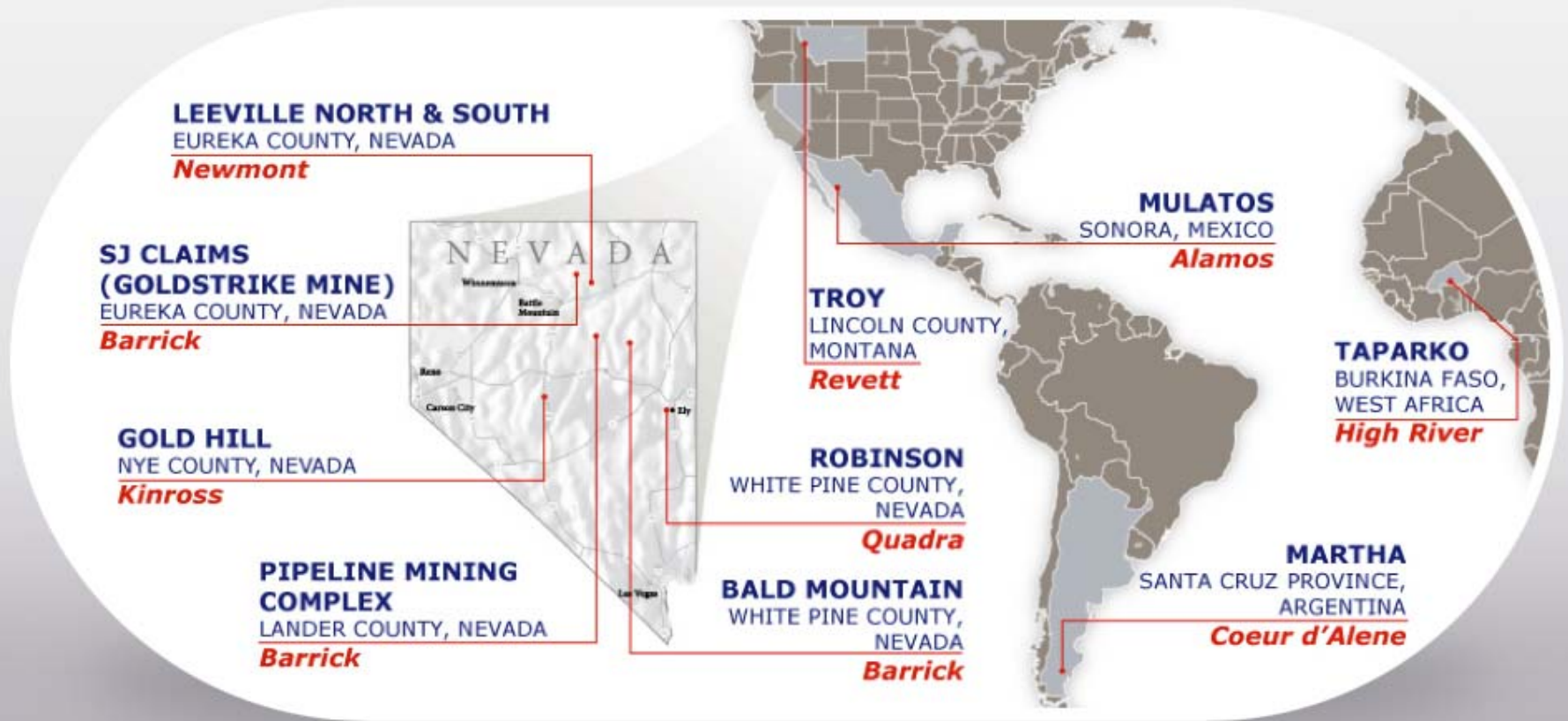
# Gold Hill

(Nevada)

- Operator: Kinross
- Owner: JV between Kinross and Barrick
- \$3.3M purchase price
- 1.0–2.0% NSR sliding-scale royalty
- Reserves\*: 750,000 oz. Au
- \$10.0M RMGC buy-back right
- Deposit in permitting stage
- Satellite deposit to Round Mountain mine



**\*Barrick stated in a September 2006 Nevada Mine tour presentation titled "Barrick in Nevada" that, as of 12/31/05, there were 375,000 contained ounces in reserves representing their 50% share.**

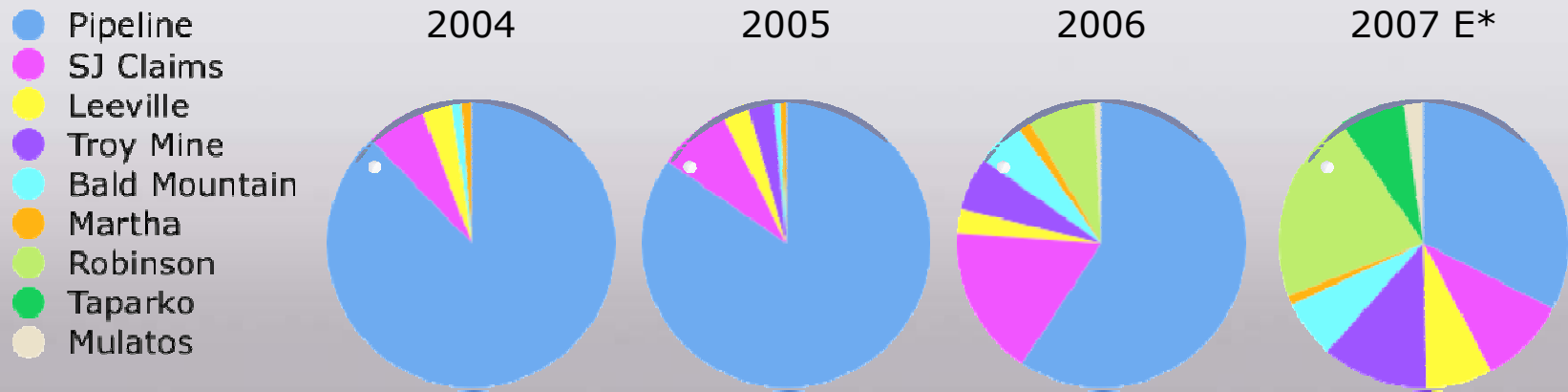


# Reserves Subject to Royalty Interests at December 31, 2004 and December 31, 2005



\*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

- Pursue acquisitions that are both strategic and accretive
- Efficient business model
- Protect margins and grow cash flow
- Maintain financial strength and flexibility
  - Cash: \$73.2M
  - No debt
  - Line of credit: \$30M
  - 23.6M shares outstanding
- 17% insider ownership

Dividend Yield\*: 0.90%  
Dividend Payout Ratio\*\*: 32%



\* FY2007 dividend divided by closing stock price of \$28.78 per share on 11/7/06.

\*\* Calculated as dividend per share divided by TTM cash flow from operations per share as of 9/30/06.

## An investment with weight to it

**ROYAL GOLD, INC**

1660 Wynkoop Street  
Suite 1000  
Denver, Colorado  
80202-1132

**PHONE**

(303) 573-1660

**FAX**

(303) 595-9385

**EMAIL**

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

**WEB**

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



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

**WEB**

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

**EMAIL**

(303) 573-1660

**FAX**

(303) 595-9385