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CONTENTS



# Royal Gold, Inc. NasdaqGS:RGLD

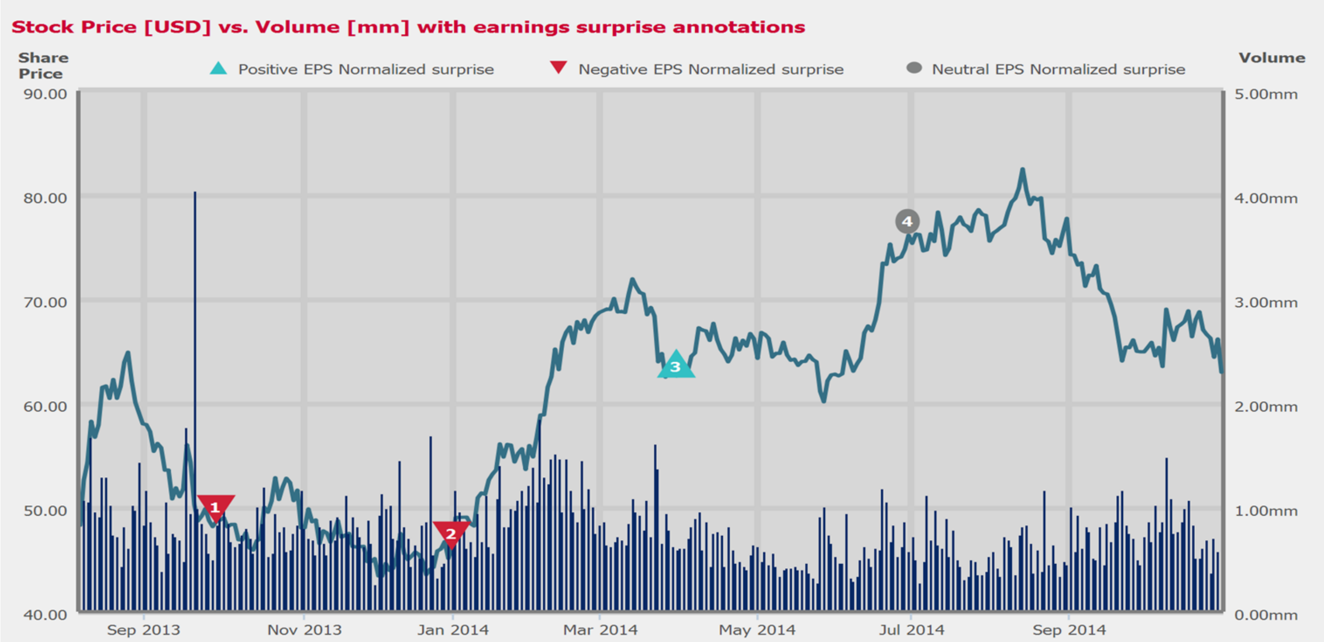
## *FQ1 2015 Earnings Call Transcripts*

Thursday, October 30, 2014 4:00 PM GMT

## S&P Capital IQ Estimates

| | -FQ1 2015- | | | -FQ2 2015- | -FY 2015- | -FY 2016- |
|---|---|---|---|---|---|---|
| | CONSENSUS | ACTUAL | SURPRISE | CONSENSUS | CONSENSUS | CONSENSUS |
| **EPS Normalized** | 0.30 | 0.29 | (3.33) | 0.33 | 1.38 | 1.78 |
| **Revenue (mm)** | 74.90 | 69.03 | (7.84) | 87.03 | 336.37 | 381.88 |

Currency: USD
Consensus as of Oct-30-2014 10:55 AM GMT




- EPS NORMALIZED -

| | CONSENSUS | ACTUAL | SURPRISE |
|---|---|---|---|
| **FQ1 2014** | 0.24 | 0.23 | 1 (4.17 %) |
| **FQ2 2014** | 0.25 | 0.16 | 2 (36.00 %) |
| **FQ3 2014** | 0.23 | 0.31 | 3 34.78 % |
| **FQ4 2014** | 0.31 | 0.31 | 4 0.00 % |

# Call Participants

**EXECUTIVES**

**Karli S. Anderson**
*Vice President of Investor Relations*

**Stefan L. Wenger**
*Chief Financial Officer, Principal Accounting Officer and Treasurer*

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

**William H. Heissenbuttel**
*Vice President of Corporate Development*

**William M. Zisch**
*Vice President of Operations*

**ANALYSTS**

**Andrew C. Quail**
*Goldman Sachs Group Inc., Research Division*

**Cosmos Chiu**
*CIBC World Markets Inc., Research Division*

**Tanya M. Jakusconek**
*Scotiabank Global Banking and Markets, Research Division*

# Presentation

**Operator**

Good afternoon, and welcome to the Royal Gold Fiscal 2015 First Quarter Earnings Conference Call. [Operator Instructions] Please note, this event is being recorded.

I would now turn the conference over to Karli Anderson, Vice President, Investor Relations. Please go ahead.

**Karli S. Anderson**
*Vice President of Investor Relations*

Thank you, operator. Good morning, and welcome to our discussion of Royal Gold's fiscal first quarter 2015 results. This event is being webcast live and you'll be able to access a replay of this call on our website.

Participating on the call today are Tony Jensen, President and CEO; Stefan Wenger, CFO and Treasurer; Bill Heissenbuttel, Vice President, Corporate Development; Bill Zisch, Vice President, Operations; and Bruce Kirchhoff, Vice President, General Counsel and Secretary. Tony will open with an overview of the quarter, followed by Bill Zisch with an operational review, and then Bill Heissenbuttel will provide a corporate development update.

After management completes their opening remarks, we'll open the line for a Q&A session.

This discussion falls under the safe harbor provision of the Private Securities Litigation Reform Act. A discussion of the company's current risks and uncertainties is included in the safe harbor statement in today's press release and is presented in greater detail in our filings with the SEC.

Today's presentation refers to indicated and inferred resources at Contango Ore's Tetlin exploration project in Alaska. We caution investors that these terms do not represent reserves and discussion of them is not permitted in SEC filings. In addition, inferred resources have a great amount of uncertainty as to their existence and their ability to be mined economically and legally. Please review our cautionary language on Slides 2 and 11.

Now I will turn the call over to Tony.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Good morning, and thank you for joining us today. We're using some slides to guide our discussion, and I'll begin on Slide 4.

We had another solid performance from our portfolio of assets that translate into strong financials. In the first quarter, net income was up 23% from a year ago despite a 3% decline in gold price. This was largely driven by Mt. Milligan production, as we recorded the fourth straight quarter of higher revenue from that project. Adjusted EBITDA was $0.86 per share or 81% of revenue, and we paid out $13.7 million in dividends to our shareholders.

Our Q1 revenue was $69 million, an increase of 22% compared to the prior year quarter. Strong performance at Mt. Milligan, Peñasquito and Cortez was partially offset by lower production in Andacollo, which was expected, and at Voisey's Bay, which was impacted by lower nickel grades and planned maintenance carried out in July. Bill Zisch will discuss our operating results momentarily.

On the business development front, we added the Tetlin exploration project in Tok, Alaska to our portfolio in the form of a unique structure, which included 2 royalties and entry into a master agreement to advance exploration through a joint venture. The royalty purchases were completed at the end of September, and we expect the joint venture to close after our counterparty's shareholder approval.

And last week, we entered into a gold stream transaction with Euromax Resources for 25% of the gold at the Ilovitza gold copper project in Macedonia. This was another unique structure where we are staging our investment, commensurate with the risk of an early stage, but very perspective project. These 2 transactions give us options on attractive assets at low upfront cost, leaving our balance sheet robust to pursue additional opportunities for growth. Bill Heissenbuttel will tell you more about these 2 deals towards the end of our call.

Turning to Slide 5, you'll see that production from Mt. Milligan continues to increase steadily. Gold production to us is based on a combination of provisional and final payments for the first 12 concentrate shipments and only on final settlements thereafter. In the beginning of October, Mt. Milligan completed its 10th shipment, so we will soon be transitioning entirely to final settlements.

As we make that transition, I thought it would be helpful to grab on Slide 5 the production reported by Thompson Creek, which is the blue line, versus our Royal Gold share production, which is the red line, and the amount of that gold that we've actually received to date, and that's the green line.

There are about 39,000 ounces of gold between the red and green lines at September 30, an increase of about 18,000 ounces from the prior quarter. The difference between the 2 lines represents work-in-progress inventory, gold in-transit and gold pending settlement. As with any operation, gold in the system will continue to build as production increases. However, we expect our sales to increase steadily as production increases and as we transition into deliveries based only on final settlements.

We sold 15,300 ounces of gold from Mt. Milligan in the first quarter and retained 6,100 ounces of inventory on the balance sheet over quarter end. Operationally, we continue to see progress towards increased production. Calendar year-to-date production has been 137,000 ounces of gold, putting Mt. Milligan well on their way to achieving their annual guidance of 185,000 to 195,000 ounces.

Thompson Creek continues to target 80% of mill throughput design capacity by year end. And they're making good progress towards that goal, averaging mill throughput of about 40,500 tonnes per day in the September quarter.

On Slide 6, you will see some new construction photos of Rubicon Mineral's Phoenix project in Red Lake, Ontario. In early September, Rubicon reported that construction -- project construction was over half complete, with approximately CAD 130 million required to complete the build. Specifically, they noted that the mill construction was on schedule and that 24% of the lateral and vertical development was complete, which was slightly below plan. However, they continue to project an on budget and on schedule start up of production in mid 2015.

We are encouraged by the results of the 38,000-meter infill drilling program, which is slightly over half complete. Rubicon noted that the drilling has confirmed continuity and grade in the up-to-deposit. And as you know, that was critically important for us. And they also encountered potential economic intercepts outside their currently planned mine design. Exploration upside at Phoenix was a big part of our investment thesis, and we are obviously pleased to see these initial results.

Now I'll turn the call over to Bill Zisch.

**William M. Zisch**
*Vice President of Operations*

Thank you, Tony. On Slide 7, you'll see a waterfall chart that summarizes notable changes in production and revenues in the September quarter versus the June quarter. Today, we are reporting higher production and revenue from Mt. Milligan, Cortez and Andacollo and Robinson, offset by lower production in revenue at Peñasquito, Holt and Mulatos.

At Voisey's Bay, we saw lower nickel production as a result of lower grades during the quarter and mill downtime in July. Currently, Vale is commissioning its new Long Harbour processing plant, and they intend to begin introducing nickel concentrates from Voisey's Bay in the coming quarters. As I stated last quarter, Vale will transition the processing of Voisey's Bay nickel concentrates from their Sudbury and Thompson smelters to Long Harbour. We have discussed with Vale how the royalty will be calculated going forward. If we cannot reach agreement on the proper calculation, we will pursue all legal remedies to enforce the terms of our royalty through this litigation.

Turning to Slide 8. We provided a comparison of the operator's full year guidance versus actual production to date. You'll see that based on production through September 30, Andacollo, Mt. Milligan and Peñasquito appear well on their way to achieving their full year guidance.

At Cortez, we understand that year-to-date reported production in the areas of our interest have been slower than expected due to a delay in permitting the Area 30 leach pad. We have been told that Barrick received these permits in September and expects higher production in December. That said, they will still have a long way to go to meet their full year volume guidance on the areas of our interest, and we anticipate that some of that production maybe realized in the subsequent quarter.

At Mulatos, I almost reported sharply lower recoveries in the quarter as they experienced a severe raining season culminating with record rainfall in September. This resulted in dilution of the heap leach solutions and delayed the recovery of a significant portion of those ounces.

Alamos reported that they expect to achieve the lower end of their full year production guidance of 150,000 ounces in calendar 2014 as they expect to realize the benefit of those stacked ounces and as they begin ramping up higher grade mill production from San Carlos.

At Holt, tonnage milled and the grade processed were both slightly down during the current quarter.

Moving on to Slide 9. We've updated the chart showing the cost -- the cash operating cost of our properties for the first half of 2014. The width of each bench corresponds to the amount of volume from that operating property. You will see that our operators reported average gross margins of 57%, meaning, that the majority of our properties continue to reflect healthy unit economics.

I'll now turn the call over to Bill Heissenbuttel to discuss corporate development.

**William H. Heissenbuttel**
*Vice President of Corporate Development*

Thanks, Bill. On to Slide 10. Last week, we announced a $175 million gold stream transaction with Euromax Resources, which will be used to finance completion of the definitive feasibility study for the Ilovitza project in Macedonia and also provide a strong basis for the ultimate financing of project construction. The transaction involves 2 separate $7.5 million investments to be made over the course of the next year and a $160 million option for Royal Gold to participate in the project development funding. Both the second payment and the construction financing are subject to conditions precedent that include, among other things, our satisfaction with the results of the feasibility study work and the timeliness and likelihood of a production decision.

The project has a number of attributes to which we are attracted. The lower grade ore body benefits from a low strip ratio, straightforward metallurgy, attractive cost inputs, European infrastructure and proximity to a potential smelter off-taker. We found Macedonia to be very supportive of foreign investment and well aware of the legal and regulatory development necessary to attract that investment and support its candidacy for inclusion in the EU.

Finally, as is the case with all projects, we are pleased to support the management team, a group that achieved good success at European Goldfields and comes with obvious experience in the Balkan region.

Slide 11 shows an overview of the Tetlin exploration property in Alaska. In a move that is reminiscent of the original focus of Royal Gold, we also announced an agreement with Contango Ore that provides us with an incremental investment option on an attractive exploration opportunity. The Tetlin project has a number of unique attributes including near-surface mineralization at an attractive grade, numerous other untested targets on the property, good access to road and port infrastructure in Alaska and the support of local community. We will make an initial $5 million investment and have the option to invest in additional $25 million for which we can earn a progressively higher ownership interest in the project of up to 40%. While we will direct the joint venture activities, we will use the current drilling contractor for much of this work and this will allow us to remain focused on our core business. Our joint venture agreement is structured to facilitate an exit when it comes time for project development, construction and operation to occur.

The transaction remains subject to Contango or shareholder approval, although we have the support of 39% of their shareholders at this time. In addition to the joint venture and in keeping with our core focus, we purchased 2 royalties on the project for $6 million and we would obviously retain those interests even if our joint venture ownership changes.

Turning to Slide 12. You will see that in light of the 2 recent deals we have completed, we still have approximately $900 million in uncommitted liquidity to invest. We had nearly $1.2 billion of liquidity as of September 30, a figure which includes our working capital and undrawn credit line. If we then deduct approximately $64 million in post quarter end funding advances and commitments at Phoenix, Gold Rush and the initial investment to Tetlin and Ilovitza, we have $1.1 billion in available liquidity. Then deducting another $200 million in conditional commitments to Tulsequah Chief, Ilovitza and Tetlin, we end with a pro forma liquidity balances -- balance of about $900 million. However, this figure does not consider the fact that these investments will be made over time and might be financed by our ongoing cash flow from operations. We believe we have one of the strongest, uncommitted balance sheets in the royalty streaming business and it positions us favorably to pursue new opportunities.

With that, I'll turn the call back over to Tony.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Thank you, Bill. We have been very selective with regard to exploration properties. While we are attracted to the Tetlin project due to its grade, the location and easy access, and I don't if you saw in that slide because it was a bit small, but that property really sits at the intersection of Highway 1 and Highway 2 in Alaska, right next to the town of Tok. So it's very hard to find better infrastructure in that state or any state.

The other attributes that attracted us to the project include the rapid exploration success experience to date, the wealth of exploration target and the exploration infrastructure that builds Balkan [ph] is already in place. Our investment is properly staged and will be based on incremental success. We are honored and welcome the opportunity to work with the Tetlin community and Contango Ore on this exciting project.

Likewise, our investment in Ilovitza is properly staged and will be based on success. Interestingly, I think this project is similar to Mt. Milligan in some respects, like a very low strip ratio and the tenure of copper and gold. But the Ilovitza reserve is about half the size at this point, just to put that into perspective.

In early stage of [indiscernible] Ilovitza is that the recoveries appear higher, so the metal values per tonne are expected to be a bit greater. In year 2, we were pleased to be a strategic partner with Euromax on this project.

As you can see, we remain opportunistic and are continually looking for ways to increase margin on our business and find new and favorable entry points. We will pursue several strategies that allow us to grow our business in an accretive and efficient manner, seeking to avoid undue risk or complication. And we will always make an investment that allows us to exit to or promotes our core royalty and streaming business.

Let me just conclude on a personal note. With mixed emotions, we will soon see Bill Zisch pursue other opportunities. While his presence and contribution on Royal Gold will be missed, it is always great to see our people do well. And we are pleased to see him continue to advance his career. Bill will be taking on the reins at Midway Gold as CEO. And Bill, we wish you well. You also can be assured that we'll be coming to talk to you about the merits of royalty financing very soon.
Operator, with that, we'll conclude our prepared remarks and be happy to speak to any questions if there are some.

# Question and Answer

**Operator**

[Operator Instructions] The first question comes from Andrew Quail of Goldman Sachs.

**Andrew C. Quail**
*Goldman Sachs Group Inc., Research Division*

I just wanted to talk about Mt. Milligan. When we're there, we talked about sort of initiatives to try and get the throughput up to the nameplate capacity. Can you guys just go through any sort of developments there?

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Bill, do you want to take that? Bill Zisch, that is.

**William M. Zisch**
*Vice President of Operations*

Yes, Andrew, thanks for the question. They have continued to work on some of the items that were talked about back when we were on site, which includes -- they have run some tests on a precrusher. They're assessing that -- those results to determine whether it does make sense and if it makes sense how or what size perhaps. And I know they're continuing to work on their blasting and fragmentation as well as debottlenecking and kind of optimizing their crushing circuits.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Just to add to that, Andrew, I think what Thompson Creek is advising the market is that they intend to know whether they desire to put in a secondary crusher by the end of this year. So...

**Andrew C. Quail**
*Goldman Sachs Group Inc., Research Division*

Yes, exactly.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Be patient just a bit more. We'll get some more color on that shortly.

**Andrew C. Quail**
*Goldman Sachs Group Inc., Research Division*

And obviously you guys are well placed today with not having to contribute any capital. If there was sort of a shortfall, something needed to be done there and you guys could add some financing to that project, if it what was needed, would you be evaluating that to take some more answers out of there?

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Well, Andrew, a couple of things come to mind there. I appreciate the question. It gives me a chance to talk about the cash cost profile of the project. It's coming in -- I think they're guiding somewhere between $1 and $1.50 per pound of copper for this year. And of course, the project's not yet up to full production, and that includes after our take on the project. So we're very, very pleased to see that it has a very robust cash cost profile. And that's part of the reason why it kind of contrasted to Ilovitza. We're very familiar with that and gives us some confidence on entering into a similar-type deposit. With regard to Mt. Milligan alone, I think the number that Mt. Milligan -- or sorry, Thompson Creek ended at the June quarter was about $260 million on their balance sheet for cash. So I think they're in a reasonably good position to do things themselves. And obviously, we want to continue to protect our key asset there. But I really don't anticipate the need to do something there. And of course, if that opportunity came up, we'd have to look and see if adding additional concentration was appropriate. But I'm not answering your question directly, but I'm hopefully giving you enough of feel as to what our thinking process is.

**Andrew C. Quail**
*Goldman Sachs Group Inc., Research Division*

No, that's fine. And my final question is more of high level one for you, mate. I mean, look, obviously, this sale often, it's pretty brutal today, just what we've seen recently with the strong U.S. dollar. I know you guys obviously have some very large cap partners, so it doesn't sort of -- it's not as relevant to probably go out in the space. I know these mines are low in the cost curve. How much of your portfolio can you tell us you sort of -- would it be at risk if we did say lower gold prices under sort of $1,200, albeit of the other segment.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Yes, Andrew, let me turn you back. I don't know who has control of these slides. But if you look back at Slide 9, you can get a really good feel that we've got a very high-quality, high-margin business. And this is, as Bill explained, this is the margin, the cash cost margin for the individual operators. So I really don't think we have a tremendous amount of properties that would be significantly stretched and stressed. But for those of you that do have access to looking at Slide 9, you can see that those properties way out on the right-hand side would be the ones that we would be most concerned about, and they just don't have a significant amount of volume contribution to us.

**Andrew C. Quail**
*Goldman Sachs Group Inc., Research Division*

So that reads it -- okay, so the average is 57%. I guess, under 10%.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Yes. There's very few properties that are under a 40% margin on that slide. Are you with me?

**Operator**

The next question comes from Cosmos Chiu of CIBC.

**Cosmos Chiu**
*CIBC World Markets Inc., Research Division*

Got a few questions here. Maybe first off on Voisey's Bay. I'm not sure how much more you can tell us in terms of the negotiations that are currently going on. But if I remember correctly, back in the 2009, and this is before Royal Gold, bought International Royalty Corp., there seemed to have been a situation back then as well. Is the nature of what's happening today similar to what happened back then in 2009? I seem to recall that back in 2009, it was a matter of deduction of income taxes and also transfer pricing. How would you compare what's happening today to what happened back in 2009?

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Cosmos, you have a very good memory. And let me just be clear that there is ongoing litigation with Vale right now, and we did -- you're correct, we inherited that when we purchased International Royalties. Well, we looked at that and felt that it had merit with -- continued to pursue that litigation. It has 2 claims on it today, one is a transfer pricing issue and the other is deduction of taxes that we don't think is appropriate. So that's in front of the -- that's in the process right now. The item that we're talking about with regard to Long Harbour is something new. It's something that we're concerned about because, as you know, the concentrate here to Florida has been processed over in Sudbury. And now they're going to be processing in province at Long Harbour. And there's always a conversation that needs to be had about what appropriate deductions are from a net smelter return royalty. And so that's the nature of what Bill Zisch was alluding to in his prepared remarks. We have been in conversation with Vale for some time on this subject, and we have not been able to come to agreement on what we think is a fair treatment, and we'll continue to pursue that. But at the same time, we're going to pursue our legal remedies as well. And that's about all I can say at this point. That's the nature of where we're at.

**Cosmos Chiu**
*CIBC World Markets Inc., Research Division*

Okay, great. And then maybe an easier question here. In terms of taxes, maybe a question for Stefan. We saw that the taxes were 17.3% and you mentioned in the MD&A that it resulted from a onetime Chilean tax benefit. So should we expect tax rates to increase next quarter and on an ongoing basis as well back to "a more normal level," Stefan?

**Stefan L. Wenger**
*Chief Financial Officer, Principal Accounting Officer and Treasurer*

Sure, Cosmos. Thanks for the question. And without that onetime Chilean item, our tax rate would have been 28% for the quarter. I think we had initially guided for the year somewhere between 28% and 32%. So we were coming in at the lower end of our guidance if we normalize that. So as I look at the rest of the year, we will have higher tax rates. And I would expect our full year now to come in somewhere between 26% and 30%.

**Cosmos Chiu**
*CIBC World Markets Inc., Research Division*

Okay, great. And then maybe one more question here. In terms of Canadian Malartic, I saw that -- not a huge decrease, but it came down a bit quarter-over-quarter in terms of revenue. Is that just a function of lower production at Canadian Malartic or is that production moving away from your royalty grounds?

**William M. Zisch**
*Vice President of Operations*

Cosmos, Bill Zisch here. Thanks for the question. With regards to Malartic, actually, that decrease is somewhat what we had -- they had anticipated in their plan. So versus the preceding quarter, we're down kind of as expected, as planned as they move into some lower-grade material. They also did have an outage during the quarter, about 5-day maintenance outage again, I believe that was planned. Their throughput was up. Their fragmentation was up, but it's lower grade, basically, that impacted the quarter.

**Cosmos Chiu**
*CIBC World Markets Inc., Research Division*

Okay. I think to recall that, the Royal Gold doesn't -- Royal Gold's royalty doesn't encompass the entire property, am I correct?

**William M. Zisch**
*Vice President of Operations*

Correct.

**Cosmos Chiu**
*CIBC World Markets Inc., Research Division*

But that's not the impact, that wasn't the reason why it decreased.

**William M. Zisch**
*Vice President of Operations*

Right, right.

**Operator**

[Operator Instructions] The next question is from Tanya Jakusconek of Scotiabank.

**Tanya M. Jakusconek**
*Scotiabank Global Banking and Markets, Research Division*

Just again congratulations, Bill, on your new role. I have a couple of questions. The first one has got to do with Andacollo. We're just trying to get a better handle on what the gold production's going to look like from Andacollo over the next few years and we understand that tax increased throughput. We're just wondering next year, I think, productions supposed to be higher. And then how long do we stay at this higher level before grade start to come off? And I know when you first acquired it, I think, in 2009, we have talked about this 50,000 ounce level and then that's sort of falling off in the next few years. So that's my first question.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Yes, Tanya, you've got a very good memory. Andacollo was front-end loaded with regard to grade on gold. And we're really through that higher grade material. We had, last year, significantly higher production as you all know, than we did this year. And we suspected this to be a little bit lower as planned as they mine through their current stage. We're now very close, so maybe a little bit below the average reserve grade for the project. Next year, we'd expect that to increase slightly, but not significantly. I think the best guidance that we could give you is that reserve grade may be a little bit higher than reserve grade is what normal miners would try to do. But I think that's more applicable going forward rather than any large return back to where we were a year ago.

**Tanya M. Jakusconek**
*Scotiabank Global Banking and Markets, Research Division*

Okay. All right. And then just on Macedonia, sorry I'm not really up to speed with the mining laws there and the code and the permitting. So maybe someone can just review that with us, what other gold operations are there and just some of the processes that we should look forward to.

**William H. Heissenbuttel**
*Vice President of Corporate Development*

Yes, this is Bill, I'll handle that one. There are a couple of existing operations. They're a bit older in the country. You certainly would not classify the country as having a long mining culture. They do fully understand -- they actually have a very easy permitting process. And in fact, Euromax currently has a permit that would allow them to proceed. But Euromax wants to take a step back and do work in accordance with all international standards. So it's a country that is very, very welcoming of foreign investment, very supportive of this project. So we were very pleased with what we saw.

**Tanya M. Jakusconek**
*Scotiabank Global Banking and Markets, Research Division*

So is there a mining law in the country, like are there royalties? Like just to understand what exactly...

**William H. Heissenbuttel**
*Vice President of Corporate Development*

Yes, I mean, there is a permitting process. There is a -- laws with regard to the ownership of concessions. So it's -- at this point, it's well-developed to allow the project to perceive.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Tanya, to the extend you have more detailed questions, Karli would be happy -- Karli Anderson would be happy to entertain them so make sure we answer your questions appropriately.

**Tanya M. Jakusconek**
*Scotiabank Global Banking and Markets, Research Division*

Yes. I just have never had a project permitted there before. And so I'm just trying to see and understand some of the challenges that -- and some of the hurdles that we'd have to go through on permitting. Each country has its own issues.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

They do. Here, we were very, very impressed with the -- as Bill said, the willingness for the government to attract foreign investment. And I think, the permitting issues here are very much manageable. And I just want to make a point and emphasize that we would stress that all of this development be done to international standards and so we'll continue to make that point with Euromax. And I know that they're thinking the same way.

**Operator**

That is all the time we have. This concludes our question-and-answer session. I would like to turn the conference back over to Tony Jensen for any closing remarks.

**Tony A. Jensen**
*Chief Executive Officer, President and Non Independent Director*

Well, thank you, operator, and thank you, all, for joining us today. We appreciate the opportunity to update you and your interest and continued support of Royal Gold. And we look forward to talking with you again on the next quarterly call. Bye for now.

**Operator**The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.