

Royal Gold, Inc

CIBC Western Institutional Investor Conference

January 19, 2022

Cautionary Statement

Forward-Looking Statements: This presentation includes "forward-looking statements" within the meaning of U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from these statements. Forward-looking statements are often identified by words like "will," "may," "could," "should," "would," "believe," "estimate," "expect," "anticipate," "plan," "forecast," "potential," "intend," "continue," "project," or negatives of these words or similar expressions. Forward-looking statements include, among others, the following: statements about our expected financial performance and outlook, including sales volume, revenue, expenses, tax rates, earnings or cash flow; operators' expected operating and financial performance, including production, deliveries, mine plans and reserves, development, cash flows and capital expenditures; planned and potential acquisitions or dispositions, including funding schedules and conditions; liquidity, financing and stockholder returns; our overall investment portfolio; macroeconomic and market conditions including the impacts of COVID-19; prices for gold, silver, copper, nickel and other metals; potential impairments; or tax changes.

Factors that could cause actual results to differ materially from these forward-looking statements include, among others, the following: a lower-price environment for gold, silver, copper, nickel or other metals; operating activities or financial performance of properties on which we hold stream or royalty interests, including variations between actual and forecasted performance, operators' ability to complete projects on schedule and as planned, changes to mine plans and reserves, liquidity needs, mining and environmental hazards, labor disputes, distribution and supply chain disruptions, permitting and licensing issues, contractual issues involving our stream or royalty agreements, or operational disruptions due to COVID-19, including due to variant strains of the virus; risks associated with doing business in foreign countries; increased competition for stream and royalty interests; environmental risks, included those caused by climate change; potential cyber-attacks, including ransomware; our ability to identify, finance, value and complete acquisitions; adverse economic and market conditions; changes in laws or regulations governing us, operators or operating properties; changes in management and key employees; and other factors described in our reports filed with the Securities and Exchange Commission, including our Form 10-K for the fiscal year ended June 30, 2021, and subsequent Form 10-Q. Most of these factors are beyond our ability to predict or control.

Forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to put undue reliance on forward-looking statements.

Statement Regarding Third-party Information: Certain information provided in this presentation, including production estimates, has been provided to us by the operators of the relevant properties or is publicly available information filed by these operators with applicable securities regulatory bodies, including the Securities and Exchange Commission. Royal Gold has not verified, and is not in a position to verify, and expressly disclaims any responsibility for the accuracy, completeness or fairness of any such third-party information and refers the reader to the public reports filed by the operators for information regarding those properties.

Information in this presentation concerning the Khoemacau Copper Project was provided to the Company by Cupric Canyon Capital L.P., the privately held owner and developer of Khoemacau. Such information may not have been prepared in accordance with applicable laws, stock exchange rules or international standards governing preparation and public disclosure of technical data and information relating to mineral properties. Royal Gold has not verified, and is not in a position to verify, and expressly disclaims any responsibility for the accuracy, completeness or fairness of this third-party information, and investors are cautioned not to rely upon this information.



Company Overview

Opportunity to capture value in the precious metals sector without incurring many of the costs and risks associated with mining operations

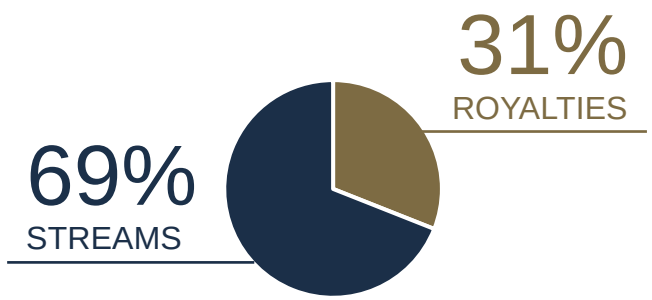
ROYAL GOLD, INC

Dual Business Segments…

Royalty Interests:
An interest in real property (generally) that provides a right to a percentage of revenue or metals produced from a mining project after, deducting specified costs

Stream Interests:
A contractual arrangement to purchase metal production from a mining project at a predetermined price

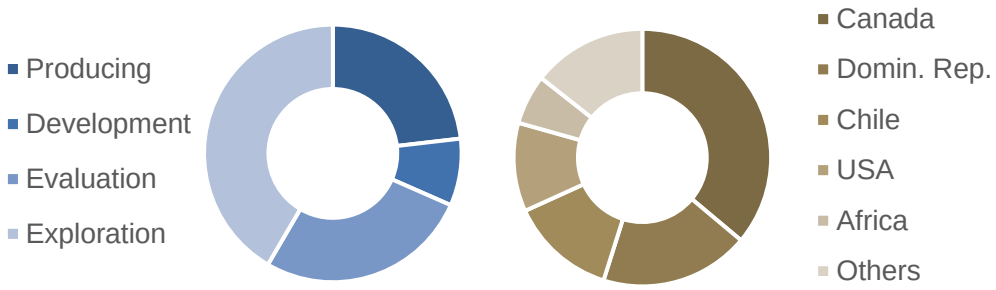
FY 2021 Revenue Split:



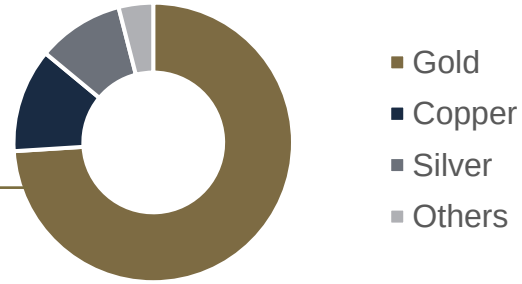
…Across A Diverse, Gold-Focused Portfolio…

190 PROPERTIES[2]

12 COUNTRIES[2]



74% GOLD-FOCUS[1]



…With Standout Performance

$616M REVENUE[3]

333,100 GOLD EQUIVALENT OZ[3]

~$1.1B TOTAL LIQUIDITY[2]

(0.12)x NET DEBT/ADJ. EBITDA[2]

$6.5B MARKET CAP.[4]

28/4 EMPLOYEES/OFFICES[2]

RGLD
Nasdaq
LISTED

1 – FY2021 Revenue. 2 – As of September 30, 2021. 3 – FY2021. 4 – January 7, 2022 closing price of $99.29/sh.



Royal Gold: Core Attributes

Differentiated model with disciplined capital management and a focus on shareholder returns

UNIQUE MODEL

- Business model provides **optionality to gold price and production and reserve growth**
- **Efficient model** with high operating margin and revenue generation per employee

DIVERSE PORTFOLIO

- **FY2021 revenue 74% from gold**, derived mostly from primary precious metals assets
- **Global diversification** with revenue from 44 producing properties (at September 30, 2021)

CAPITAL DISCIPLINE

- **Highly experienced technical and commercial team** with strong record of adding growth
- Growth funded through cash flow and strategic use of debt, **enhancing per share metrics**

FINANCIAL STRENGTH

- Well capitalized with **~$1.1B of liquidity** (at September 30, 2021) and **strong operating cash flow**
- **$1B credit facility** provides low cost and flexible access to liquidity

RETURNS FOCUS

- Consistent commitment to pay a **growing and sustainable dividend**
- Dividend CAGR of 17% 2001-2021, with **attractive historical TSR**



Expected Catalysts in the Portfolio

Organic growth opportunities expected to add to portfolio revenue and duration

In production
Defined startup date
Longer-dated production

WASSA – Southern Extension to add 11 years to 6-year reserve life

PEÑASQUITO – potential for exploration to extend life to 2040

PUEBLO VIEJO – plant and tailings expansions to maintain production and extend life to mid-2040's

LARONDE ZONE 5 – depth extension, production rate increase to 3,000 t/d through 2029

KHOEMACAU – first concentrate on June 30, 2021

KING OF THE HILLS – first production in calendar Q2/2022

BELLEVUE – first production in calendar mid-2023

CÔTÉ GOLD – first production in calendar H2/2023

MANH CHOH – first production in calendar 2024

BACK RIVER – shovel ready, financing underway

2020 2022 2024+



Newest Assets Provide Attractive Growth Potential

KHOEMACAU
BOTSWANA



- 90% payable silver stream
  - At KCM option, potential contribution of $26.5M for 10% of remaining silver
- First concentrate produced on June 30, 2021
- First silver deliveries received in September quarter, 2021
- Construction substantially complete; project ramping up with full production expected in September quarter, 2022

RED CHRIS
CANADA



- 1% NSR royalty on a producing copper/gold/silver mine, acquired August 2021
- Pre-Feasibility Study results for transition from open pit to large-scale underground operation issued October 2021
  - 36-year mine life
  - Further potential from East Ridge target, high-grade pods and next generation mining systems
- Exploration underway to test known targets and extensions of porphyry corridor

NX GOLD
BRAZIL



- 25% gold stream on a producing gold mine with significant near-mine and regional exploration potential, acquired August 2021
- First gold delivery received upon closing
- Exploration progressing with positive results, including:
  - Extension of San Antonio Vein
  - Recently-discovered Matinha Vein
  - Mata Verde System traced over 10.5 km
- 130k t/year excess mill capacity

CÔTÉ
CANADA



- 1% NSR royalty on the Chester 3 claims covering ~70% of current reserves, acquired June 2021
- Expected 18+ year mine life, with average production of 489k oz/ year for 1st 5 years
- Overall project 36% complete as of September 30, 2021
- On track for commercial production in the second half of 2023
- Updated 43-101 report expected to be filed in late 2021

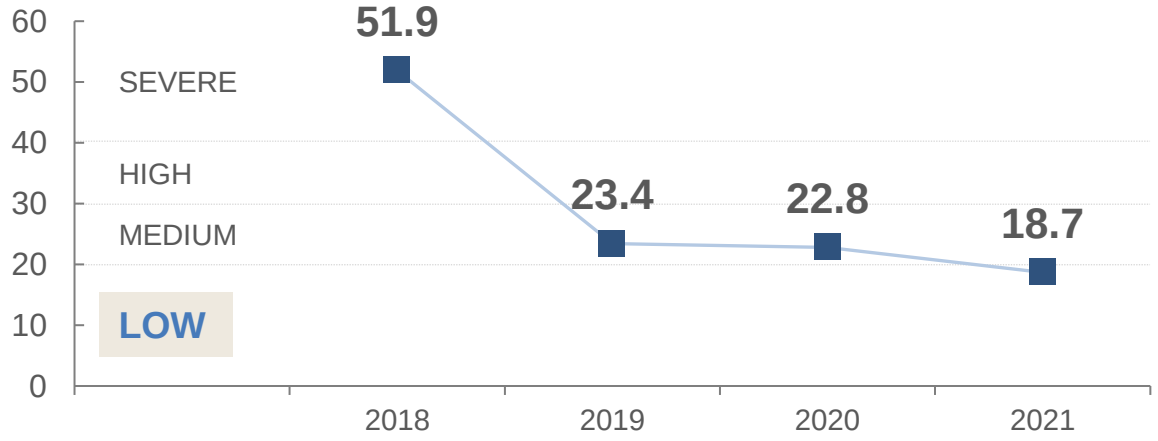


Sound ESG Practices are Fundamental to Success

Recent improved disclosure of Royal Gold's approach to sustainability has materially improved market perception and recognition of leading ESG practices

SUSTAINALYTICS

RISK RATING



Royal Gold, Inc.

Industry Group: **Precious Metals** Country: **United States** Identifier: **NAS:RGLD**

ESG Risk Rating

18.7 Low Risk

Negl.	Low	Med.	High	Severe
0-10	10-20	20-30	30-40	40+

Ranking

INDUSTRY GROUP
Precious Metals **3** out of 115

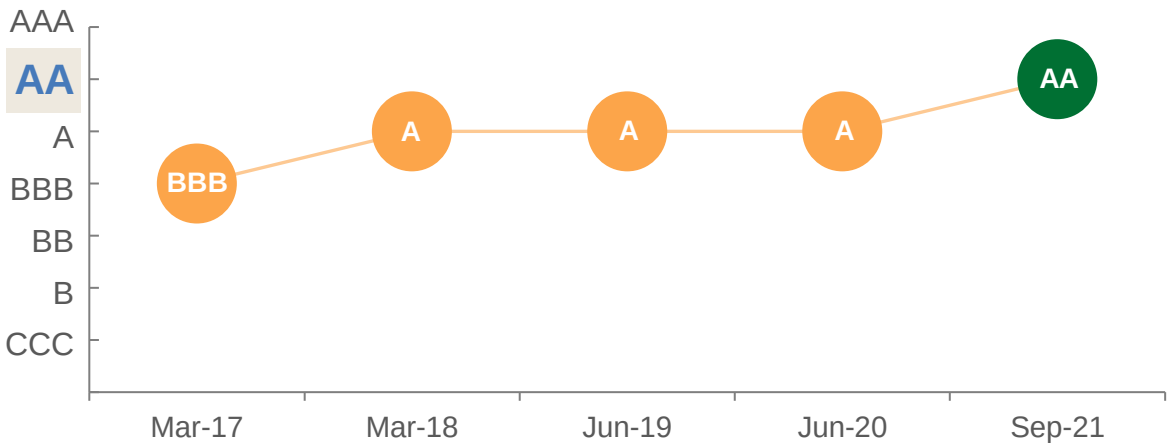
UNIVERSE
Global Universe **2157** out of 13563

Last Update: **Feb 16, 2021**

Source: Sustainalytics

MSCI

ESG RATING



MSCI ESG RATINGS

AA

CCC	B	BB	BBB	A	AA	AAA

LAST UPDATE: September 9, 2021

Source: MSCI; see disclaimer at end of presentation for additional information



Appendix



Non-GAAP Financial Measures and Certain Other Measures

Overview of non-GAAP financial measures:

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by U.S. generally accepted accounting principles ("GAAP"). These measures should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. In addition, because the presentation of these non-GAAP financial measures varies among companies, these non-GAAP financial measures may not be comparable to similarly titled measures used by other companies.

We have provided below reconciliations of our non-GAAP financial measures to the comparable GAAP measures. We believe these non-GAAP financial measures provide useful information to investors for analysis of our business. We use these non-GAAP financial measures to compare period-over-period performance on a consistent basis and when planning and forecasting for future periods. We believe these non-GAAP financial measures are used by professional research analysts and others in the valuation, comparison and investment recommendations of companies in our industry. Many investors use the published research reports of these professional research analysts and others in making investment decisions. The adjustments made to calculate our non-GAAP financial measures are subjective and involve significant management judgement. Non-GAAP financial measures used by management in this report or elsewhere include the following:

1. Adjusted earnings before interest, taxes, depreciation, depletion and amortization, or adjusted EBITDA, is a non-GAAP financial measure that is calculated by the Company as net income adjusted for certain items that impact the comparability of results from period to period, as set forth in the reconciliation below. We consider adjusted EBITDA to be useful because the measure reflects our operating performance before the effects of certain non-cash items and other items that we believe are not indicative of our core operations.
2. Net debt (or net cash) is a non-GAAP financial measure that is calculated by the Company as debt (excluding debt issuance costs) as of a date minus cash and equivalents for that same date. Net debt (or net cash) to trailing twelve months (TTM) adjusted EBITDA is a non-GAAP financial measure that is calculated by the Company as net debt (or net cash) as of a date divided by the TTM adjusted EBITDA (as defined above) ending on that date. We believe that these measures are important to monitor leverage and evaluate the balance sheet. Cash and equivalents are subtracted from the GAAP measure because they could be used to reduce our debt obligations. A limitation associated with using net debt (or net cash) is that it subtracts cash and equivalents and therefore may imply that there is less Company debt than the most comparable GAAP measure indicates. We believe that investors may find these measures useful to monitor leverage and evaluate the balance sheet.
3. Adjusted net income and adjusted net income per share are non-GAAP financial measures that are calculated by the Company as net income and net income per share adjusted for certain items that impact the comparability of results from period to period, as set forth in the reconciliations below. We consider these non-GAAP financial measures to be useful because they allow for period-to-period comparisons of our operating results excluding items that we believe are not indicative of our fundamental ongoing operations. The tax effect of adjustments is computed by applying the statutory tax rate in the applicable jurisdictions to the income or expense items that are adjusted in the period presented. If a valuation allowance exists, the rate applied is zero.



Non-GAAP Financial Measures and Certain Other Measures

Overview of non-GAAP financial measures:

4. Free cash flow is a non-GAAP financial measure that is calculated by the Company as net cash provided by operating activities for a period minus acquisition of stream and royalty interests for that same period. We believe that free cash flow represents an additional way of viewing liquidity as it is adjusted for contractual investments made during such period. Free cash flow does not represent the residual cash flow available for discretionary expenditures. We believe it is important to view free cash flow as a complement to our consolidated statements of cash flows.
5. Cash general and administrative expense, or cash G&A, is a non-GAAP financial measure that is calculated by the Company as general and administrative expenses for a period minus non-cash employee stock compensation expense for the same period. We believe that cash G&A is useful as an indicator of overhead efficiency without regard to non-cash expenses associated with employee stock compensation.



Non-GAAP Measures

Reconciliation of non-GAAP financial measures to U.S. GAAP measures

Adjusted EBITDA and Net cash to TTM adjusted EBITDA:

	Three Months Ended			
	September 30,	June 30,	March 31,	December 31,
(amounts in thousands)	2021	2021	2021	2020
Net income and comprehensive income	$ 70,466	$ 81,919	$ 54,193	$ 59,988
Depreciation, depletion and amortization	50,611	48,028	41,296	47,945
Non-cash employee stock compensation	1,503	1,494	1,344	1,398
Gain on sale of Peak Gold JV interest	—	—	—	—
Fair value changes in equity securities	(176)	(1,957)	(1,902)	382
Interest and other, net	1,089	469	1,087	965
Income tax expense	16,028	5,536	17,679	16,031
Non-controlling interests in operating income of consolidated subsidiaries	(290)	(242)	(167)	(99)
Adjusted EBITDA	$ 139,231	$ 135,247	$ 113,530	$ 126,610

TTM adjusted EBITDA	$ 514,618
Debt	$ 95,403
Debt issuance costs	4,597
Cash and equivalents	(160,208)
Net (cash)	$ (60,208)
TTM adjusted EBITDA	$ 514,618
Net cash to TTM adjusted EBITDA	(0.12)x



Non-GAAP Measures

Reconciliation of non-GAAP financial measures to U.S. GAAP measures (cont.)

Cash G&A:

	Three Months Ended			
	September 30,	June 30,	March 31,	December 31,
(amounts in thousands)	2021	2021	2021	2020
General and administrative expense	$ 7,129	$ 7,212	$ 6,932	$ 6,789
Non-cash employee stock compensation	(1,503)	(1,494)	(1,344)	(1,398)
Cash G&A	$ 5,626	$ 5,718	$ 5,588	$ 5,391
TTM cash G&A	$ 22,323			

Adjusted net income and adjusted net income per share:

	Three Months Ended September 30,	
(amounts in thousands, except per share data)	2021	2020
Net income and comprehensive income attributable to Royal Gold common stockholders	$ 70,176	$ 106,939
Fair value changes in equity securities	(176)	(2,539)
Gain on sale of Peak Gold JV interest	—	(33,906)
Discrete tax benefits	—	(24,515)
Tax effect of adjustments	47	7,809
Adjusted net income and comprehensive income attributable to Royal Gold common stockholders	70,047	53,788
Net income attributable to Royal Gold common stockholders per diluted share	$ 1.07	$ 1.63
Fair value changes in equity securities	—	(0.04)
Gain on sale of Peak Gold JV interest	—	(0.52)
Discrete tax benefits	—	(0.37)
Tax effect of adjustments	—	0.12
Adjusted net income attributable to Royal Gold common stockholders per diluted share	$ 1.07	$ 0.82



Non-GAAP Measures

Reconciliation of non-GAAP financial measures to U.S. GAAP measures (cont.)

Free cash flow:

(amounts in thousands)	Three Months Ended September 30, 2021	2020
Net cash provided by operating activities	$ 129,885	$ 94,152
Acquisition of stream and royalty interests	(265,000)	(11,304)
Free cash flow	$ (135,115)	$ 82,848
Net cash (used in) provided by investing activities	$ (272,733)	$ 49,657
Net cash provided by (used in) financing activities	$ 77,140	$ (49,821)

Other measures

We use certain other measures in managing and evaluating our business. We believe these measures may provide useful information to investors for analysis of our business. We use these measures to compare period-over-period performance and liquidity on a consistent basis and when planning and forecasting for future periods. We believe these measures are used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in our industry. Many investors use the published research reports of these professional research analysts and others in making investment decisions. Other measures used by management in this report and elsewhere include the following:

1. Gold equivalent ounces, or GEOs, is calculated by the Company as revenue (in total or by reportable segment) for a period divided by the average gold price for that same period.
2. Depreciation, depletion, and amortization, or DD&A, per GEO is calculated by the Company as depreciation, depletion, and amortization for a period divided by GEOs (as defined above) for that same period.
3. Working capital is calculated by the Company as current assets as of a date minus current liabilities as of that same date.
4. Dividend payout ratio is calculated by the Company as dividends paid during a period divided by net cash provided by operating activities for that same period.
5. Operating margin is calculated by the Company as operating income for a period divided by revenue for that same period.



Other Disclaimers

DISCLAIMER STATEMENT FOR USE OF MSCI ESG RATING

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Cautionary Statement Regarding Resources: The terms "resource," "measured resource," "indicated resources," and "inferred resources" are not terms recognized by the Securities and Exchange Commission. Investors are advised that these estimates have not been prepared in accordance with SEC rules. Resources are subject to future exploration and development and associated risks and may never convert to future reserves. In particular, inferred resources have a great amount of uncertainty as to their existence and their feasibility. However, the SEC generally requires mineral resource information in SEC-filed documents to be reported only as in-place tonnage and grade. See our most recent Annual Report on Form 10-K on our website for information about proven and probable reserves and mineralized material prepared in compliance with SEC rules.



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