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Earnings Call

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Presentation

Operator

Welcome, everyone, to the Royal Gold 2025 First Quarter Conference Call. My name is Lauren, and I'll be moderating your call today. [Operator Instructions]

I would now like to pass the conference call over to Alistair Baker to begin. Please go ahead.

Alistair Baker

Senior Vice President of Investor Relations and Business Development

Thank you, operator. Good morning, and welcome to our discussion of Royal Gold's first quarter 2025 results. This event is being webcast live and a replay of this call will be available on our website. Speaking on the call today are Bill Heissenbuttel, President and CEO; Paul Libner, Senior Vice President and CFO; and Martin Raffield, Senior Vice President of Operations. Dan Breeze, Senior Vice President, Corporate Development of RGAG; and Randy Shefman, Senior Vice President and General Counsel, are also available for questions.

During today's call, we will make forward-looking statements, including statements about our projections and expectations for the future. These statements are subject to risks and uncertainties that could cause actual results to differ materially from these statements. These risks and uncertainties are discussed in yesterday's press release and our filings with the SEC. We will also refer to certain non-GAAP financial measures, including adjusted net income, adjusted net income per share, adjusted EBITDA and cash G&A. Reconciliations of these measures to the most directly comparable GAAP measures are available in yesterday's press release, which can be found on our website.

Bill will start with an overview of the quarter, Martin will give some commentary on the portfolio, and Paul will provide a financial update. After the formal remarks, we'll open the lines for a Q&A session. I'll now turn the call over to Bill.

William H. Heissenbuttel

President, CEO & Director

Good morning, and thank you for joining the call. I'll begin on Slide 4.

Our first quarter gave us a solid start to 2025. Our portfolio delivered steady performance and the strong and rising gold price was a significant tailwind.

Earnings for the quarter were a record \$113 million or \$1.72 per share. We recognized a couple of discrete tax items that Paul will describe in more detail, and after adjusting for these items, earnings were a strong \$100 million or \$1.51 per share.

Gold remained the largest contributor to revenue for the quarter at about 75% of total, and our geographic weighting remained consistent with over 53% of our revenue generated from the U.S., Canada, and Australia.

Our low and stable G&A allowed us to maintain our high margins, and we had an adjusted EBITDA margin of 82% for the quarter.

We paid our first dividend of 2025 at our new quarterly rate of \$0.45 per share, which is a 12.5% increase over 2024. Our annual dividend has increased every year since 2001, and we're the only precious metals company in the S&P High Yield Dividend Aristocrats Index.

We also achieved the full repayment of the Rainy River advanced stream deposit during the quarter. We made our investment at Rainy River during the initial construction in 2015, and we are pleased to see New Gold's plans for at least another nine years of operation as they continue to expand the pit and ramp up underground production.

On the new business front, we entered into an additional agreement with Ero Copper to acquire an incremental stream interest at Xavantina and increase the stream coverage in a very prospective area. Since our initial investment in 2021, Ero has successfully added high-grade resources and increased production in Xavantina, and we are pleased to increase our exposure to this asset. We paid \$50 million for this additional interest from our cash balance, and we ended the quarter with \$1.25 billion of total available liquidity.

And finally, we published new editions of our Investment Stewardship Report and Asset Handbook in mid-April. These are comprehensive documents that should help the market understand our portfolio and the outlook for our business. The market's focus is often only on the largest assets in our portfolio, but some of the smaller assets are important to our overall business and they have interesting growth potential. The asset handbook provides the detail required to understand and value this potential.

I'll now turn the call over to Martin for an overview of Q1 revenue.

Martin Raffield

Senior Vice President of Operations

Thanks, Bill. Turning to Slide 5, I'll give some comments on first quarter revenue.

Overall revenue was \$193 million with volume of 67,600 GEOs. On our last quarterly call, we forecasted softer GEO sales from our stream segment in the first quarter. Stream sales met our expectations, and any softness was more than offset by strong metal prices and a stronger contribution from our royalty segment.

Royalty revenue was up by about 53% from the prior year quarter to \$71 million. We saw another strong quarter from Peñasquito, Manh Choh, and Robinson and lower revenue from the Cortez Legacy Zone. The contribution of our royalty segment, which has grown over the past few quarters with revenue from several new assets – This segment contributed about 37% of total revenue in the quarter.

Revenue from our stream segment was \$122 million, up by about 19% from last year with increased gold sales from Pueblo Viejo and gold and copper sales from Mount Milligan, partially offset by lower sales from Xavantina.

I'll turn to Slide 6 and give some comments on notable developments within the portfolio.

At Mount Milligan, Centerra reported first quarter results on Tuesday and confirmed their gold and copper production guidance for 2025. Centerra is expecting gold production of 165,000 to 185,000 ounces and copper production of 50 million to 60 million pounds, with both weighted to the second half of the year. Remember that we experienced a normal course lag of about six months from production at the mine site to sales, so we will see the benefits of the higher production weighting in the first half of 2026.

Centerra also provided an update on the mine life extension project. In addition to extending the mine life beyond 2036, they highlighted the potential for a 10% increase to mill capacity through ball mill motor upgrades and additional downstream flow sheet improvements, which may also improve overall metal recovery. The prefeasibility study could provide a significant catalyst for Royal Gold, and we look forward to seeing the results when it's published in the third quarter.

At Andacollo, Teck provided gold production guidance of 35,000 to 39,000 ounces in 2025, which is significantly higher than the 2024 production of 20,800 ounces. The main driver of this increase is higher mill throughput due to increased water availability. As with Mount Milligan, we also experienced a normal course lag at Andacollo of about 6 months from production at the mine site to sales, so we expect to see the benefit of this increased production later in 2025.

Turning to Slide 7.

At Cortez, Barrick announced yesterday it is maintaining overall gold production guidance of between 680,000 and 765,000 ounces for the year. As we highlighted in our 2025 guidance press release, we estimate an overall average royalty rate of 3.1% on this production.

Barrick also reported progress on installing ventilation infrastructure at Goldrush, which should support increased mining rates. At Fourmile, the exploration campaign to define the ore body and overall footprint

started, which will support the prefeasibility study, and exploration continues at Hanson and Swift targets with encouraging results.

At Pueblo Viejo, Barrick also reported yesterday that 2025 gold production guidance of 370,000 to 410,000 ounces for its 60% share is unchanged after completing a 35-day shutdown for debottlenecking work on the expanded plant in the first quarter.

Barrick also provided an update on the mine life extension project, which is focusing on housing resettlement and engineering work on the new tailings storage facility. So far, 220 homes have been constructed, 18 families have been resettled, and the tailings facility is on track for commissioning in late 2029.

I'll wrap up with some comments on other portfolio assets.

At Peñasquito, Newmont reported that high grades in the Peñasco pit resulted in strong gold and steady co-product production in the first quarter. Newmont expects gold production to remain relatively steady through the second quarter before beginning to shift to a higher proportion of silver, lead and zinc and lower gold through the third and fourth quarters.

At Khoemacau, MMG provided 2025 silver production guidance of 1.3 million to 1.5 million ounces. MMG also reported the early works on camp and road construction as well as land acquisition and personnel recruitment have started on the expansion project. Construction is expected to begin in 2026 but remains subject to completion of a feasibility study.

In Nevada, results of Preliminary Economic Assessment studies were released for various assets operated by i-80, where we have royalty interests. At Granite Creek, underground production is ramping up to 60,000 ounces per year over an eight-year mine life, and the feasibility study is expected in the fourth quarter that includes an updated operational plan. The open pit project at Granite Creek is targeted to produce 130,000 ounces per year over a 10-year mine life, and an updated feasibility study is also expected in the fourth quarter. At Ruby Hill, the Archimedes project considers a high-grade underground gold mine producing approximately 100,000 ounces per year over a 10-year mine life. And the Mineral Point project envisions a large open pit heap leach gold mine, producing approximately 280,000 ounces gold equivalent per year over a 16.5-year mine life. We look forward to seeing progress at all of these projects.

At Back River and Nunavut, B2Gold (B2) expects to pour first gold in the second quarter. Any royalty revenue to us on production this year will be based on an initial royalty rate of 0.7%. B2 also announced the results of an updated NI 43-101 report, and they are targeting gold production of approximately 300,000 ounces per year for the first 6 years. B2 is also finalizing a study in late 2025 or early 2026 to evaluate an increase in mill throughput from 4,000 to potentially 6,000 tonnes per day.

Finally, the cash price paid for each ounce of gold delivered at Xavantina will increase from 20% to 40% of spot when the 49,000-ounce delivery threshold is reached. We received deliveries of 46,500 ounces at the end of March, and we expect this cash price increase will occur sometime in this current quarter. Note also that the effect of the transaction that Bill mentioned will be to extend the threshold for deliveries at the current 25% stream rate from 93,000 to 160,000 ounces.

I'll now turn the call over to Paul for a review of our financial results.

Paul K. Libner
Senior VP & CFO

Thanks, Martin. I'll turn to Slide 8 and give an overview of the financial results for the quarter. For this discussion, I'll be comparing the quarter ended March 31, 2025 to the prior year quarter.

Revenue for the quarter was up strongly by 30% to \$193 million.

Metal prices were a primary driver of the revenue increase, with gold up 38%, silver up 37% and copper up 11% over the prior year.

Gold remains our dominant revenue driver, making up 75% of our total revenue for the quarter, followed by silver at 12% and copper at 9%. Royal Gold has the highest gold revenue percentage when compared to our major peers in the royalty and streaming sector.

Turning to Slide 9, I'll provide a bit more detail on certain financial line items for the quarter.

G&A expense was \$11.1 million, down slightly from the prior year and mostly due to lower corporate costs. We typically see higher G&A expense in the first quarter as this is the period when we grant employee equity awards and recognize higher noncash stock compensation expense when compared to other quarters throughout the year. Excluding noncash stock compensation expense, our cash G&A remained low at approximately 4% of revenue for the quarter.

Our DD&A expense decreased to \$33 million from \$39 million in the prior year. The lower overall depletion expense this quarter was due to lower depletion rates in our stream segment as a result of reserve increases. Lower gold sales from Xavantina and lower gold production at Cortez also contributed to the decrease. On a unit basis, this expense was \$488 per GEO for the quarter compared to \$539 per GEO in the prior year.

Interest and other expense decreased significantly to \$1.2 million from \$4.6 million in the prior year. The decrease was primarily due to lower average amounts outstanding under the revolving credit facility.

Tax expense for the quarter was \$10 million compared to \$27 million in the prior year. The lower income tax expense in the current period included two discrete tax benefits: first, a \$12 million benefit, net of valuation allowance, for additional recoverable basis in foreign jurisdictions; and second, a \$1.7 million benefit related to a withholding tax refund on a foreign royalty. Excluding these discrete tax benefits, our effective tax rate for the quarter was 19.4%.

Net income for the quarter increased significantly over the prior year to a record \$113.5 million or \$1.72 per share. The increase in net income was primarily due to higher revenue, lower income tax expense and lower interest expense.

After adjusting for the discrete tax benefits I just mentioned, adjusted net income was \$99.8 million or \$1.51 per share. This is the second highest in the company's history after the record earnings we recognized in the fourth quarter of 2024.

Our operating cash flow this quarter was \$136 million, down slightly from \$138 million in the prior period. The slight decrease was primarily due to an increase in cash taxes paid, offset partially by higher net cash proceeds received from our stream and royalty interest.

Finally, I will now turn to Slide 10 and provide a brief summary of our financial position as of March 31, 2025.

We remain debt-free at the end of the quarter, and our total liquidity grew to approximately \$1.25 billion, which includes the fully undrawn and available \$1 billion revolving credit facility and approximately \$250 million of working capital.

That concludes my comments on our financial performance for the quarter, and I'll now turn the call back to Bill for closing comments.

William H. Heissenbuttel
President, CEO & Director

Thanks, Paul. The first quarter provided a good start to 2025. Our portfolio performance was solid, and we are maintaining our 2025 guidance ranges for metal sales, DD&A and tax rate.

The outlook for economic conditions remains uncertain and that is reflected with generally elevated volatility in the markets. However, I think we are well positioned to provide stability, with our leverage to a strong gold price, our diversified portfolio, strong balance sheet and commitment to paying a dividend, we are well placed to continue to deliver solid results.

And on a final note, Kevin McArthur will retire from the Board at our upcoming stockholder meeting. Kevin has served on the Board since 2014, and he is leaving to focus on a new role that will require significant attention. Kevin's strategic and operational insights will be missed, and I would like to thank him for his many contributions to Royal Gold.

Operator, that concludes our prepared remarks. I'll now open the line for questions.

Question and Answer

Operator

[Operator Instructions] Our first question today comes from Cosmos Chiu from CIBC.

Cosmos Chiu

CIBC Capital Markets, Research Division

Maybe my first question is on your asset handbook, and thanks once again for publishing your asset handbook. I found it very helpful. Especially this year, I see that you've included the – your operators or the different operators' multiyear production outlook for your assets. I guess one of the major requests from investors has always been for a long-term guidance from Royal Gold. I know you won't be giving one out. However, maybe Bill, walk us through how we can use this new information in the 2024 asset handbook to help us build our own sort of near-term and long-term kind of growth profile.

William H. Heissenbuttel

President, CEO & Director

Well, sure. Thanks for the question. And obviously, the information in the handbook, I think it only went out to 2028. So we don't give long-term guidance. And what we typically do is we'll take an operator's forecast so we may adjust it. We may adjust it up, we may adjust it down based on factors that we see, but what we wanted the market to try to understand is how do the operators see their own projects and try to put all that information into a couple of pages so that you can say, "Okay, Xavantina expects 55,000 ounces of gold to be produced. This is the stream that Royal Gold has, here's the cash prize." And maybe that just helps you refine the short term to the medium term look at it. So it was more about condensing information that's already out there. We try to make it easier for you to build it into a model and do your calculations.

Cosmos Chiu

CIBC Capital Markets, Research Division

Yes. I think it does help, Bill. And then maybe my next question is on the corporate development end—and you've been active—you've made a number of sort of changes or increases in existing assets within your portfolio. Xavantina, we touched on it—Back River. So, is that where you're seeing some of the key opportunities? Or, you've done Cactus as well so that's a completely new asset. So, could you maybe talk about the opportunity set? Is it mostly coming from current assets or are there new opportunities coming from new assets as well? Maybe talk about that landscape.

William H. Heissenbuttel

President, CEO & Director

Yes. Let me touch on existing asset opportunities and then the general market. I'll try to get Dan Breeze on here. But look, the assets in our portfolio, we know them better than anybody else. We have a regular dialogue with the companies and we have existing agreements. They know how we work. And sometimes it's just easier to build on a relationship that we've built together than it is for a company to go out and look.

Now I would say the in-portfolio opportunities relative to new business, that's going to be pretty small. It's opportunistic. And again, it really comes down to the relationship and the familiarity we have with the project. As for new opportunities, I don't know, Dan, can you jump in here?

Daniel K. Breeze

Senior Vice President of Corporate Development - RGLD Gold AG

Sure, Bill. Cosmos, we talked a little bit about this. I think it was in the last call just in terms of the landscape, and we made comments that things were very busy or getting very busy at the start of the new year. That's really continued, Cosmos. I think it's one of the busier times we've seen in recent

memory. And it's really hard to say where, specifically, where one set of opportunities is coming from. It's really broad right now.

I think if you look back in the landscape in terms of the announced transactions in our sector over the last, say, 12 to 18 months, that's the kinds of things that are available right now to look at. And to your comment on the third-party royalty market, I think that's going to remain quite strong. You mentioned Cactus. We bought the B2Gold royalties as well last year – third-party royalties. And I think just with these prices we're seeing right now, it's motivating sellers. And so, I think that – that third-party market continues to roll forward. But there are other things or bigger things on the streaming side. We're seeing some new royalty opportunities, I'd say, over earlier-stage type projects as well. So, we're quite busy but it's very broad in terms of what we're looking at.

Cosmos Chiu

CIBC Capital Markets, Research Division

Great. Maybe one last question then on taxes. God, I love taxes. But on taxes, there was a discrete tax item in the quarter, \$13.7 million. Just want to confirm that's a sort of onetime benefit or onetime item. And then if you can remind us, as you mentioned, if I were to exclude that benefit, it would be 19.4% effective tax rate. Could you remind us what we – what the guidance was for the percentage for the full year for tax expense? And for that, should we factor in the 19.4% as part of that calculation for the full year? Or should we use the other number that's without or with the discrete tax benefit?

William H. Heissenbuttel

President, CEO & Director

Cosmos, I'll ask Paul to hop in.

Cosmos Chiu

CIBC Capital Markets, Research Division

You don't want to answer that question?

William H. Heissenbuttel

President, CEO & Director

Well, I don't like taxes as much as you do.

Paul K. Libner

Senior VP & CFO

Cosmos, thanks for the question, and yes, good to hear from you. Yes, I think to unwind your question there or to summarize it maybe into just a short answer: we did have those two discrete items. You have heard us say or me say in the past, these discrete items, I mean, they're largely infrequent and they're unusual.

So, if we took away those two discrete items for the quarter, yes, the effective tax rate was 19.4%. Our guidance for the year is 17% to 22%. So that number wedges right nicely in the mid part of that guidance range that we provided earlier. And again, no changes to that guidance.

Operator

Our next question comes from Tanya Jakusconek from Scotiabank.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Got voted off an island on a previous call – I do have a few questions. Can I just start on the quarterly basis? I know on the previous conference call we talked about how the year shapes up with each a stronger second half versus first half. Is that still the case from a production or a GEO sales standpoint? I

understand the pricing – it depends on pricing. But generally, on the asset basis, is that what we should expect?

William H. Heissenbuttel

President, CEO & Director

I think that's still our expectation, but Martin can jump in here if I've gone astray there.

Martin Raffield

Senior Vice President of Operations

No, that is still the expectation, Tanya, stronger second half, yes.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. And when – stronger second half, do we have a strong Q4, like everybody else does? I'm just trying to understand.

Martin Raffield

Senior Vice President of Operations

It'd probably be yes...

William H. Heissenbuttel

President, CEO & Director

Yes. Go ahead, Martin, but we can expect a stronger fourth quarter. The problem that we sometimes run into is deliveries like a Milligan or an Andacollo can be really, really lumpy. And if we happen to get it in early or late, that can move it quarter-to-quarter and that's why I think we talk more halves than we do quarters, because we could end up with a Milligan shipment at some unexpected time. And then that particular quarter is not what we thought it would be.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. No, I appreciate that. But as you know it today, that's sort of how you would see it pan out with a stronger Q4, assuming the timing is delivered as you expect?

William H. Heissenbuttel

President, CEO & Director

Yes.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. And then the other, just one other on just on the modeling side. Just on the payments for 2025 that you have out there. Can you just remind me, Paul, just sort of payments, I saw \$58 million was paid in Q1. Can you just remind me, I just want to make sure I have all the payments that you have in the public domain right now that need to go through your cash flow statement this year.

Paul K. Libner

Senior VP & CFO

If I'm understanding your question correctly, Tanya, so we have no other commitments out there that would go through – that are known. Yes, we did the – I'm sorry, the Xavantina transaction, \$50 million, but there are no other commitments that we have that you should be modeling for.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. So just the one that came through Q1?

Paul K. Libner
Senior VP & CFO

Correct.

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

Okay, perfect. Just wanted to check. And then before getting to the transactions, and I'm getting at, on Pueblo Viejo, just on Barrick's call yesterday. It seems like they got the Pueblo Viejo back up again and the throughput is moving higher. Gold recovery is supposed to be picking up not so much Q3. Q2, Q3, but into Q4.

They don't talk about the silver circuit. So, can someone just bring me up to speed on the silver circuit? What are you expecting there? And then, just remind me on the silver deferrals of what's outstanding. And should this circuit be operational, let's say, Q1 of next year, how do we see that silver deferral come through for you?

William H. Heissenbuttel
President, CEO & Director

Martin, do you want to do a high level on the silver circuit and what they're up to?

Martin Raffield
Senior Vice President of Operations

Yes. So, to answer the last question first, Tanya, the current deferral is 1.97 million ounces at the end of the first quarter. And really, the discussion that they gave during their conference call was very similar to the discussion previously. It appears when they talked in Q4, Q1 was going to be thickener optimization-type work to get that thickener working properly. That has now been confirmed to have been completed. So that was a big job off the list of things that is required to improve recovery and overall throughput.

There were several other things happening over the year. The glam service water type work, the cooling towers in Q3, and that's one of the things that we really expect to have a significant improvement on the silver recovery going into Q4 and into 2026. And then there's carbon generation – carbon regeneration kiln work happening in Q4, that again, is going to help to improve recovery. So, no real change in the messaging there.

I think going forward over the year, we are going to see that recovery improving on the gold side. And towards the end of the year, we're going to see the silver starting to come up, probably in Q4. And we're actually going on site on Monday so we're going to get a – on Tuesday next week, so we're going to start to get a clearer view of how that work is taking place.

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

And how should I be thinking about all the accumulation of this deferred silver and how it starts coming through on the – on your revenue side? Should I be thinking all of this deferral to be sort of taking two years to sort of get through the system? How should I be thinking about it?

William H. Heissenbuttel
President, CEO & Director

Yes. Go ahead, Martin.

Martin Raffield
Senior Vice President of Operations

No, you go ahead, Bill. I was going to say we've given – we have made – I don't want to get that answer wrong, so I think...

William H. Heissenbuttel

President, CEO & Director

I'll try not to get it wrong. I would just say to temper expectations when it comes to the timing of the deferred silver. If you look at, and we talked about this before, the silver recovery has to get above 52.5% and then we start getting the silver. If you look at the technical report that's out there that shows silver production and you say, okay, that's 100%, Barrick's share is 60%. Our current deliveries are 75%. So, when you look at the difference, that 25% that's sort of available based on their forecast production, I think you'll get a sense that – I don't think it's going to come in very quickly. I think it's going to – it may come in over a few years.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay, all right. Just every day, keep thinking about the silver circuit. Maybe moving on to the M&A side. I'm just – I've kind of seen a bit of a shift in what's available out there in the transaction market just from some of your peers. And I just wanted to understand whether you're seeing a similar thing in terms of opportunities for yourself.

One of the opportunities brought to my attention has been that these base metal companies are coming forward, where they haven't previously, with maybe some balance sheet repair, given the weaker commodity prices there and some larger streams. Are you seeing that as well, number one.

William H. Heissenbuttel

President, CEO & Director

Dan, you want to go first?

Daniel K. Breeze

Senior Vice President of Corporate Development - RGLD Gold AG

Sure. Tanya, thanks for the question. I think in general, as I was saying to Cosmos earlier, that this opportunity set is pretty broad. But in that opportunity set, we are seeing those kinds of opportunities, and obviously, the gold price. I think it's attracting the interest of the base metal operators and looking for ways to potentially monetize in this environment. So, we're seeing some of those pop up as well, Tanya. That's a fair comment.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. And I was also told that there are some other opportunities as well in the gold space above and beyond just the normal mine build in the primary metal – that there is obviously some more asset sales beyond the Newmont stuff and maybe more M&A opportunities as well. And, also, what I found is that the size has moved up significantly up to the \$1 billion range. I know, last quarter, we talked about the \$100 million to \$300 million range for you. Has your range of what opportunities you're seeing changed from that \$100 million to \$300 million?

William H. Heissenbuttel

President, CEO & Director

Yes. Sorry, Dan. We are seeing some larger ones, but again, that's – when we talk \$100 million to \$300 million, we're trying to talk about what I would consider normal. And we still see some of those opportunities, but we do, from time to time, get larger opportunities like when we bought the Cortez Royalty a couple of years ago.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. It just seems that there's been a shift – that it's moved up into a larger range – and I just didn't understand whether you're seeing those ones as well. So, majority of yours are in the \$100 million to \$300 million range, is that how I should be thinking about it?

William H. Heissenbuttel

President, CEO & Director

Again, on a normal course basis, yes. But we are seeing larger opportunities right now.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

OK.

William H. Heissenbuttel

President, CEO & Director

I just wouldn't shift your expectations on a go-forward basis to a much larger dollar amount.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. And then lastly, with everything shifting around and valuation shifting around, how does corporate transaction fit in for you versus just normal asset transaction?

William H. Heissenbuttel

President, CEO & Director

Yes. I think we've been pretty consistent that we have models on all of our competitors. We're always open to a dialogue. It's just – it's always hard to find that right time, right? Where the valuations are right, the kind of work, the social issues work. And, so, we find ourselves focused on the asset deals just because it's just a little harder to have a meeting of the minds when it comes to the corporate deals, but we're obviously open to it.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. It just seems that the overall market has had a shift in the quarter to just different types of opportunity, so look forward to seeing that. I think it will be quite active. And thank you also for the asset handbook. We do find it very useful.

Operator

Our next question comes from Derick Ma from TD Cowen.

Derick Ma

TD Cowen, Research Division

If MMG moves forward with a full construction decision at Khoemacau with the expansion, could you give us a sense of what the correlation between the copper and silver grades are, the two deposits that fall within the area of interest and how that might impact the stream?

William H. Heissenbuttel

President, CEO & Director

Martin, do you want to take that?

Martin Raffield

Senior Vice President of Operations

Yes, Derick, thanks. So, I don't have the numbers right at my fingertips, but I think it's safe to say that the correlation is similar to the correlation in the Zone 5 mine. So yes, I think that's all I would say at the moment – correlated similar to Zone 5.

Operator

We have no more questions registered, so I'll now hand back over to Bill for final remarks.

William H. Heissenbuttel

President, CEO & Director

Thank you for taking the time to join us today. We certainly appreciate your interest, and we look forward to updating you on our progress during our next quarterly call. Thank you.

Operator

This concludes today's conference call. Thank you for joining, everyone. You may now disconnect your lines.

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