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Earnings Call

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Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to Royal Gold, Inc.'s 2026 First Quarter Conference Call. [Operator Instructions]

I will now hand the conference over to Alistair Baker, Senior Vice President, Investor Relations and Business Development.

Alistair Baker

Senior Vice President of Investor Relations & Business Development of Royal Gold Corp.

Thank you, operator. Good morning, and welcome to our discussion of Royal Gold's First Quarter 2026 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. Other members of the management team 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 provide portfolio commentary, and Paul will give 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.

2025 was a transformational year for Royal Gold and the benefits of last year's activity are clearly seen in this quarter's results with materially higher records for revenue, operating cash flow and earnings.

Quarterly revenue was \$469 million, operating cash flow was \$294 million and earnings were \$281 million. These were increases of 143%, 115% and 148%, respectively, over the first quarter of last year. After adjusting for unusual items, net income was a record \$233 million or \$2.72 per share, an 80% increase over last year. Gold contributed 71% of total revenue for the quarter. This is lower than what we've seen over the past few quarters, but it was driven by very strong silver prices during the quarter and not weakness in gold revenue.

Our adjusted EBITDA margin remained high at 83% for the quarter, reflecting our low and stable cash G&A. We paid dividends of \$40 million to shareholders in the quarter at our new annual rate of \$1.90 per share. And we repaid \$300 million on the revolver during the quarter, raising our total available liquidity to \$1.1 billion.

During the quarter, we also completed the restructuring of the Bear Creek debt and equity investments. In keeping with our strategy, we plan to rationalize noncore assets acquired through the Sandstorm transaction and where possible, convert those into holdings that are more consistent with our royalty and streaming business.

The Bear Creek restructuring was a multistep transaction, and we were successful in converting those interests into cash, Highlander Silver shares and royalties on the Corani project and Mercedes mine. We

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sold the Highlander shares during the quarter, leaving us with the royalty interests only, which is in line with our core business.

With respect to capital allocation, we provided an overview of our framework during our Investor Day in March, which is to reinvest in our business, maintain a strong balance sheet and liquidity and pay a growing and sustainable dividend. We believe our outlook remains strong with healthy metal prices and good growth within the portfolio, but we also believe in being flexible and prepared for changing market conditions.

With that in mind, we have added two new tools to keep us positioned to continue growing our per share metrics depending on circumstances. The first is a new \$600 million accordion feature under our revolver. If exercised, this effectively increases the total revolver capacity to \$2 billion. We don't see a need to use this today, but we are in a healthy business development environment and this additional source of nondilutive capital may be helpful if more large transactions come to market.

The second is the authorization by the Board for a \$500 million share repurchase program. At times, we believe Royal Gold shares trade at a discount to what we perceive to be a fair value, and putting this program in place now will allow us to act quickly if we see a significant disconnect between the market value of Royal Gold shares and our view of that intrinsic value.

I want to be clear that we view these as tools that will be used separately and in different circumstances, and we do not plan to use expanded revolver capacity to buy back shares. We are putting both in place today to make sure we are positioned to respond to opportunities quickly and help us continue to execute our capital allocation strategy and grow per share value in any market environment.

I'll now turn the call over to Martin to discuss portfolio performance in the quarter.

Martin Raffield

Senior Vice President of Operations

Thanks, Bill. Turning to Slide 5, portfolio performance was solid for the quarter. Volume was 96,300 GEOs with record revenue of \$469 million, which included the first full quarter from the Sandstorm/ Horizon interests. Royalty revenue was up by 120% from the prior year quarter to \$156 million. We saw very strong revenue from Peñasquito and at Cortez from both the Legacy Zone and the CC Zone.

Stream revenue was also up strongly by 155% from the prior year to \$313 million. We saw higher contributions from all our stream interests with materially higher sales year-over-year from Pueblo Viejo, Xavantina, Rainy River, Mount Milligan, Andacollo, Khoemacau and Wassa and a strong contribution from Kansanshi.

Metal sales are tracking well at this point compared to our 2026 guidance, although Q1 copper revenue was better than expected. This was led by strong performance at Antamina due to higher grade and lower deductions and from Caserones and Chapada due to generally strong operating performance.

I'll now turn to Slide 6 and give some high-level commentary on notable developments within the portfolio. I gave detailed updates on several assets during the Investor Day at the end of March, so I'll limit my comments to more recent developments.

At Mount Milligan, Centerra reported that Q1 gold and copper production was in line with the PFS mine plan and is on track to meet full year guidance. At Peñasquito, first quarter revenue was strong, but Newmont expects that the ramp down of mining at Peñasco Phase 7 will lead to lower production of gold, lead and zinc and higher silver in 2026 compared to last year. Newmont expects to increase processing of stockpiles during the transition from Phase 7 to Phase 8 with higher grades expected to begin in 2028.

At Greenstone, Equinox completed an updated technical report, which targets average gold production of 320,000 ounces per year over the next decade based on a sustained milling capacity of 27,000 tons per day. Equinox believes there is scope to further optimize production and increase throughput towards 30,000 tons per day and to incorporate higher-grade underground resources into the mine plan.

At Voisey's Bay, Vale reported record production in Q1 at the Long Harbour refinery, supported by stable operations at the new underground mines. At Xavantina, Ero expects gold production to be weighted towards the second half of the year as upgrades to ventilation and cooling infrastructure become fully operational. Ero also expects gold concentrate sales to be higher over the remainder of the year with dry conditions following the end of the rainy season.

At Kansanshi, First Quantum confirmed 2026 production guidance and reported that S3 throughput increased steadily during the quarter, driven by higher operating time, strong utilization and milling rates stabilizing approximately 25% above the design capacity.

At Khoemacau, MMG reported that the expansion to 130,000 tons of copper per year remains on track for concentrate production in the first half of 2028, and work started on a PFS for the next expansion phase up to 200,000 tonnes of copper per year.

At Wassa, Chifeng announced a strategic investment agreement with a subsidiary of Zijin Mining. Zijin Gold will invest approximately \$1.2 billion of new capital and take operating control. Approximately half of this amount is earmarked for investment in Chifeng's overseas operations, including Wassa. Projects at Wassa identified for investment include infill drilling, expansion and upgrade of the existing processing plant and further development outside Wassa mine, including construction of a decline at the Father Brown deposit, open pit development at Benso and a new processing plant in the southern area. All of these are covered by our stream agreement. Zijin is one of the world's largest mining companies, and we think this investment agreement is a positive development for the future of Wassa.

At Platreef, Ivanhoe reported continued progress towards expanded production with Shaft 3 construction completed on schedule and the Phase 2 concentrator on track for completion at the end of the year. We expect to see our first revenue from Platreef in the current quarter.

At Hod Maden, SSR reported on Tuesday that the strategic review of its Hod Maden joint venture ownership is continuing, and it intends to incur minimal capital costs at the project while that review is ongoing. We will continue to fund our 30% of project costs through this period, but we expect these to be relatively low and not significant compared to our expected cash flow.

And finally, with respect to development projects, Solaris received technical approval of the Warintza EIA in April and is targeting receipt of full permits by the end of 2026 and a final investment decision in 2027.

I'll now turn the call over to Paul.

Paul K. Libner
Senior VP & CFO

Thanks, Martin. I'll turn to Slide 7 and give an overview of the financial results for the quarter. For the discussion on Slide 7 and 8, I'll be comparing the quarter ending March 31, 2026, to the prior year quarter. Revenue for the quarter was up strongly by 143% to \$469 million, which is a new record. The strong increase was driven by higher volumes from some of our largest legacy interests, new contributions from our latest portfolio additions and increased metal prices.

Metal price increases were significant with gold up 70%, silver up 165% and copper up 38% over the prior year. Gold remains our dominant revenue driver, but, given the significantly higher increase in the silver price during the quarter, the split of our gold revenue decreased to 71% and silver rose to 16% as compared to the prior year contributions of 75% and 12%, respectively. Copper revenue was approximately 10% and in line with the last year.

Turning to Slide 8, I'll provide more detail on certain financial line items for the quarter. G&A expense was \$17.5 million, which is approximately \$6.5 million higher than the prior year. The higher expense this period was mostly due to higher corporate costs. These corporate costs included employee-related costs, legal, audit and other minor costs that were attributable to the 2025 transactions, but with the service or expense recognized in the first quarter. We expect that first quarter G&A costs, which include noncash

compensation expense, will be the highest for the year, and our total G&A expense for the year will finish near the high end of the \$50 million to \$60 million range we provided on our last call.

Our DD&A expense increased to \$91 million from \$33 million in the prior year. On a unit basis, this expense was \$944 per GEO for the quarter compared to \$488 per GEO last year. The overall expense is in line with our guidance and is mainly driven by the higher carrying values of the Kansanshi gold stream and the Sandstorm/Horizon interest we acquired in 2025. These increases were partially offset by lower gold sales and depletion rates at Mount Milligan. We recognized a \$14 million gain on the sale of marketable securities during the quarter, most of which was due to the sale of the Highlander Silver shares that Bill mentioned in his remarks.

We have made substantial progress on divesting the equity positions we inherited from Sandstorm, and most of the remaining position is the block of Entrée Resources. As we said during our Investor Day, we don't see this position as a core investment, but it may have some strategic value, and we are happy to hold it until there is more clarity on what may happen at Oyu Tolgoi between the Government of Mongolia, Rio Tinto and Entrée.

Interest and other expense increased to \$13.2 million from \$1.2 million, primarily due to higher average amounts outstanding on the revolving credit facility in the current quarter. Tax expense for the quarter was \$25 million, resulting in an effective tax rate of 8% compared to a tax expense of \$10 million in the prior year. We recognized a \$33.7 million discrete benefit during the quarter, and excluding this benefit, our effective tax rate was approximately 19.5%. We continue to expect our effective tax rate for the full year will range between 17% and 22%.

Net income for the quarter was \$281 million or \$3.30 per share, which compares to \$113 million or \$1.72 per share in the prior year. The increase in net income was largely due to higher revenue and gains from the sale of marketable securities, offset by the higher cost of sales, DD&A, interest and income tax expense.

After adjusting for the fair value changes in equity securities, the gain on sale of equity securities and the discrete tax benefit, adjusted net income was a record \$233 million or \$2.72 per share.

Finally, our operating cash flow this quarter was a record \$294 million, up significantly from \$136 million in the prior year. The increase was primarily due to higher stream and royalty revenue, offset by higher income tax payments, cash G&A costs and interest payments.

In summary, it was a very strong financial quarter that reflects a significant increase in the scale of our business. On that note, and recognizing the challenge of accurately estimating the quarterly performance of our larger portfolio, we will make a change to our disclosure heading into quarterly results.

Starting with the next quarter and sometime during the third full week after each quarter end, we expect to issue a press release that will provide more detail on notable financial items, including revenue estimates from both our stream and royalty segments. We hope this provides further transparency to the market in the weeks leading up to the release of our full quarterly results.

I will end on Slide 9 and summarize our financial position.

We have quickly rebuilt our liquidity. At the end of March, we had total available liquidity of \$1.1 billion between the available amounts on the revolver and \$295 million of working capital.

After quarter end, we continued our focus on debt servicing. In April, we made a \$75 million repayment, and we intend to make an additional \$100 million repayment next week. Upon next week's payment, we will have \$425 million outstanding and \$975 million available under the credit facility. As I said during our Investor Day, we expect to fully repay the outstanding balance by sometime in the fourth quarter based on current metal prices and absent further significant acquisitions.

With respect to financial commitments, at the end of March, we had \$100 million of funding outstanding for the Warintza acquisition. We made a \$50 million payment in April upon technical approval of the EIA and expect to fund the remaining \$50 million on the anniversary of the transaction closing date in May, subject to the satisfaction of outstanding conditions.

The only other financial commitment is the funding of our share of any Hod Maden project costs during the year in order to maintain our 30% ownership interest.

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. I wanted to close with a brief overview of our thoughts on our post-acquisition progress, changes in our business development environment and capital allocation. At our Investor Day in March, we attempted to provide the market with both a sense for the scale, cash flow generating ability of our expanded company as well as the diversification and growth prospects of the company.

In the first quarter, we achieved record revenue, earnings and cash flow and no one asset contributed more than 12.5% of total revenue. While it is only one quarter of results, I think we're off to a good start. We are encouraged by events in our sector's investment opportunities. Larger scale investments like Kansanshi as well as the opening of new potential markets like Australia bode well for our business.

Our reestablished accordion feature under our revolving credit facility positions us well to take advantage of attractive opportunities. And while we are now in the 25th year of paying a higher dividend to our shareholders, we have added another capital allocation tool in our share repurchase program that allows us to act opportunistically in the event we see a valuation dislocation in our share price.

Finally, at our Investor Day, we spoke of an investment in Royal Gold as being one through all cycles, and I believe this is a time for our sector to be of interest to investors. We are not directly exposed to the price of diesel, to tariffs or to inflation in general. The flight to the shares of operating companies in a rising gold price environment within the last year always came with the downside risk of compressing margins, and the operators may start seeing margin compression in the coming quarters with higher energy costs.

I hope our stable cost structure against the backdrop of gold price volatility highlights the strength of our business model and attractiveness as a gold investment.

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

Question and Answer

Operator

[Operator Instructions]

Our first question comes from Larry Liu with CIBC.

Larry Liu

CIBC Capital Markets, Research Division

I guess my first question--I'll start out by asking about the guidance. I noticed within the press release, you compared 2026 Q1 results to the full year guidance, but there was no really mentioning of the five-year or the long-term guidance. Is that considered as a reiteration? Or how should we look at it?

William H. Heissenbuttel

President, CEO & Director

Yes, Larry, thanks for the question. And updating for the annual guidance is something we've done for a number of years and will continue to do throughout this fiscal year. When we gave the five-year guidance at our Investor Day, the one thing that we were very clear about was that we were giving it on that day, but we would not be updating it through the year or really at any point, and the next time that we're going to talk about a longer-term guidance number, it will be when we give five-year guidance for 2031 at some point next year. So, the fact that we didn't mention the 2030 guidance was on purpose. It was intentional, and it just reflects our view that we're not going to update those figures.

Larry Liu

CIBC Capital Markets, Research Division

Yes. No, for sure, Bill. That makes sense. And I think it leads well to my next question. I know within your guidance, you mentioned that the deferred silver ounces potentially at Pueblo Viejo is not included within your guidance. So, can you remind us, kind of a three-part question here, what's the outstanding balance at this point? And what are some of the criteria that, under the agreement, that needs to be hit before these deliveries will contribute to Royal Gold?

William H. Heissenbuttel

President, CEO & Director

Yes. I mean the criteria is recovery. And what we need is for recovery. I think the number is like 52.5%, recovery has to go above 52.5% for us to start clawing back some of those deferred ounces. As you may have seen in the technical report from PV, they're not expecting that for a number of years. And to just go on tabulating the figure from quarter-to-quarter when we -- right now, there's no expectation that we're going to see it any time in the near term, it just wasn't deemed to be, if you will, material.

Now if that turns around and the recovery goes up and we get some deferred ounces back, we'll update the market on the balance. But at this point, I would -- we're just going to let that number sort of sit there and grow. over time. There just doesn't seem any need to be talking about it.

Larry Liu

CIBC Capital Markets, Research Division

Yes. No, for sure. Sounds good. I guess moving on to another asset. Hod Maden, Bill, I know your commentary mentioned earlier that's considered one of the financial commitments still outstanding at this point. But I realize from your financial statements, there has been a cash call under the equity investment of \$14.7 million or \$15 million this quarter. What kind of additional commitments do you have outstanding for the remainder of the year? And how should we look at it from a model perspective that way?

William H. Heissenbuttel*President, CEO & Director*

Well, maybe what I'll do is I'll turn it over to Paul to sort of take you through the accounting first, and then maybe I'll come back and talk about expectations. Paul, is that okay?

Paul K. Libner*Senior VP & CFO*

Yes, sure. Thanks for the question. Yes, high level, you're right, the accounting for that Hod Maden joint venture is done under the equity method. (Unintelligible) items with this Hod Maden accounting each quarter. And the first is kind of what you already pointed out is the cash call for our portion of the ongoing development cost at Hod Maden. And you're right, this quarter, we had a \$14 million cash call. And so the equity method investment on our balance sheet would increase by that amount. And then the offset then obviously is the cash. And that cash for your benefit goes through the investing activity on the statement of cash flow.

The second piece to the accounting each quarter is our 30% pickup of any losses in our equity investment in Artmin. And this quarter, Artmin, I believe, had losses -- our portion of losses was approximately -- it was just over \$1 million. I think it was \$1.3 million. And that does go through our P&L each quarter. So, this quarter, \$1.3 million went through the nonoperating income section of our income statement, and I believe it was in interest and other expense.

And then the offset to that goes-- is a decrease to that equity investment that I mentioned on our balance sheet. So, if you are interested in some further light reading, I know our 10-Q and K go and give a little bit more information on that, but that's really the high level for the accounting.

William H. Heissenbuttel*President, CEO & Director*

And then just for the question of what the number might be, I would say, give us a little time. As you know, SSR has announced that they're trying to rationalize the investment. The spending is not going to be that high in the immediate term while the partners try to figure out the way forward there. I think they announced the strategic review in early March. So, you would have had a couple of months where there was really an effort to -- SSR was sort of engaged in bringing this thing forward. And now I think things are just a little bit quieter. So, once this gets rationalized, I think we'll be able to give you a better sense for what the spending is going to be this year.

Larry Liu*CIBC Capital Markets, Research Division*

Perfect. Sounds good, Bill. I'm glad I'm a CPA, so I understand everything that Paul just mentioned earlier. I promise I have one last question. It's not as technical. It's more focused on the revolving credit facility. I know, as you mentioned earlier as well, it increased by about \$600 million this quarter. And just drawing historical records as well, the last time you increased it is when -- right before you did the Kansanshi stream as well as the Sandstorm Gold and Horizon Copper acquisition. What is the kind of read-through here? And you've done \$1 billion deals in the past. Is that time to see more \$1 billion dollar deals coming from Royal Gold again?

William H. Heissenbuttel*President, CEO & Director*

Yes, I wouldn't read through anything. I know we established -- we had the accordion and then we actually exercised it in very short order, but I wouldn't read anything into it. I think it's just a reflection. And you've seen some large transactions in our sector. There seem to be more of them, more opportunities. And we love the revolving credit. We think our business is great in terms of being able to service that. It's nondilutive. And we just want to be ready. As I've said before, even though gold has come off, it's still at a level where every GEO you buy is probably more expensive than it was five years ago. So, it's just being prepared. That's the only read-through I'd ask you to take from it.

Operator

Our next question comes from Daniel Major with UBS.

Daniel Edward Major

UBS Investment Bank, Research Division

The first question is on the buyback option and how we should think about that relative to the balance sheet. Is there a kind of level of net cash or net debt that we should be thinking about that increases the probability of buybacks? And is the emphasis of the buyback to ultimately kind of normalize the share count from the Sandstorm deal?

William H. Heissenbuttel

President, CEO & Director

No, it's not to try to normalize the share count relative to the Sandstorm deal. And I wouldn't take it as sort of a net cash -- if we've got excess liquidity, that's something we're going to turn to. This is about what we see as a value dislocation. And I'll really -- I'll take you back to November, December of last year, where I think the view amongst everybody and our management team was we just shouldn't be trading at these levels. We are very undervalued. And I, quite frankly, wish we'd had the program in place back then. And this is kind of a reaction to that where if, from a valuation multiple perspective, and that's where it starts, we think there is a dislocation, we may very well use the program.

But at the same time, you have to understand we have other priorities as well. We have to balance with that. Number one, we still have debt outstanding. We'd love to pay off the debt. That may remain a priority. And again, to the extent the business development pipeline looks healthy, we may want to retain that liquidity. So it's not -- we're not looking at it going, okay, for this valuation multiple, we're automatically going to go out and use the buyback program. It's really -- it's a balance of priorities, and it's what we would view as a real dislocation in value.

Daniel Edward Major

UBS Investment Bank, Research Division

Okay. So it's sort of an option that -- yes, an option in the capital allocation sort of tool chest.

William H. Heissenbuttel

President, CEO & Director

Yes.

Daniel Edward Major

UBS Investment Bank, Research Division

Okay. Just second question, just a slight, specific one. When would you expect to make the second payment I think it's 11,100 ounces or be -- sorry, receive the second payment from the Mount Milligan cost support program, wherever that fall(s)?

William H. Heissenbuttel

President, CEO & Director

That's a good question. I can't answer it. Dan, do you recall when we expect Greenstone to hit the next target? Is it later this year?

Daniel K. Breeze

Senior Vice President of Corporate Development - RGLD Gold AG

Yes, Bill. Daniel, thanks for the question. And we were just looking at the results from Equinox overnight. And based on what we're seeing from their production and guidance, it looks like it will be sometime in Q3 of this year.

Daniel Edward Major*UBS Investment Bank, Research Division*

Okay. Perfect. That's useful. And then just last question, just a general one on the pipeline and what you're seeing in terms of potential opportunities out there. We've seen some consolidation in precious metal pricing, but as you say, still at a good level. Any high-level insights on what you're seeing in the pipeline?

William H. Heissenbuttel*President, CEO & Director*

Dan Breeze, I might have you keep going and cover that subject.

Daniel K. Breeze*Senior Vice President of Corporate Development - RGLD Gold AG*

Yes, happy to, Bill. Yes. Look, I think, Daniel, we certainly like what we see in the pipeline right now. And I think as we look at the market, the volatility, the geopolitical risk that we're seeing across the board right now, it doesn't seem to be slowing interest from counterparties to consider deals, at least currently. And obviously, we've seen a number of deals already this year. So, it looks pretty good to us and very much like previous quarters.

I think the deals that we've seen announced this year are kind of like what we see in the pipeline right now. So those arbitrage opportunities, the base metal producers looking to sell into a good market with the noncore precious metals that they hold, I think there's more interest now given the Antamina Wheaton deal that we saw. I think that's stimulated interest from base metal companies to consider monetizing those byproducts. And, certainly, in our deal flow last year, we saw that from First Quantum and Solaris over their assets that we were able to stream as well. So, we like that.

The third-party royalty market looks pretty healthy as well. And then new project development, all of it looks pretty good. And again, we're still in that \$300 million, \$400 million size. I think that's still a good range to think about for deals.

Operator

Our next question comes from Tanya Jakusconek with Scotiabank.

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

Paul, I'm not an accountant, so I'm going to start with that. I just want to simplistically understand how I should be thinking of it. So, there's really two components to this Hod Maden that I need to understand. One is something that will go through the income statement, which seems to be something in the \$1.5 million expense per quarter.

And then there's the second component, which is the capital call that goes through the cash flow, and that depends on the capital outlay that's required from the joint venture and your 30% interest. Is that how I should think of it?

Paul K. Libner*Senior VP & CFO*

That's correct, Tanya. Yes, thanks for the question. And I'm happy to give you a bit more color there, too, on the pickup of the losses in the joint venture, the 30% pickup. I'll just tell you that over the -- probably average over the last four or five quarters, those losses have ranged really between about \$600,000 and \$700,000. So, if that's also another guide for you, yes, this quarter was \$1.3 million. But if you factor that in, I'd say, over the last four, five quarters, it's been \$600,000 to \$700,000. And you're correct. That does go through the P&L, and that will both show up in the nonoperating section, and I believe we include it within interest and other expense.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. And then whatever is the cap call is (indiscernible) a month, then of that will go through the cash flow statement?

Paul K. Libner

Senior VP & CFO

Correct. As an investing activity, so not operating cash flow. And then, yes, and the offset to that is the increase of that equity investment on the balance sheet.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Yes. Okay. All right. That's clear. And we will wait -- I think the guidance had been about \$15 million a month. Is that what you're thinking within your projections until otherwise noted?

William H. Heissenbuttel

President, CEO & Director

Yes. I don't even know if it will be that. Again, as I -- in my response to the other question, just give us a bit of time to sort out the strategic review by SSR.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

All right. So then my second question, I don't know who will want to take this one, but I think maybe Paul again, you mentioned that we are going to -- I think second or third week after the quarter, I forget what you mentioned, we will be getting some additional information ahead of the full financial. You mentioned revenue. Did I hear streams both from the royalties and streams themselves broken up in GEOs? Is that what we're going to get? I didn't understand what exactly we're getting.

Paul K. Libner

Senior VP & CFO

Yes. So, you may recall that we previously had provided the metals stream sales release shortly after the quarter end. So really, you're going to get a bolt-on to that. So, it will include the stream sales information, but we'll also provide a dollar range of the royalty segment as well. As you may appreciate, we do have to estimate some of these. And, so, this release will hopefully tie all this together for you from a both segment standpoint.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. So, GEOs from the stream and then the Royalty segment?

Daniel K. Breeze

Senior Vice President of Corporate Development - RGLD Gold AG

Correct.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Okay. Got it. And with that, I know we had initially spoken 4,852 first half, second half performance. But I think guidance had been originally that we were supposed to have a Q1 similar to Q4, which had been about 91,000 GEOs and you came in at 97,000. Should I be thinking that we're probably more equal for the next three quarters?

William H. Heissenbuttel*President, CEO & Director*

Paul, do you want to take that one?

Paul K. Libner*Senior VP & CFO*

Yes. I think as of right now, yes, I think it's still -- that 4,852, I think is still what we're guiding to. Yes, we did have a few royalties this quarter and streams that had better-than-expected production, but I think you can expect the 4,852 for the rest of the year and maintaining that guidance that we provided earlier as well.

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

Okay. And if someone wants to take on the share buyback, and maybe, Bill, this is for you, if I could, and then someone to take my final question on the transaction environment. But just on the buyback, you mentioned a few times where you see a valuation disconnect with the market. When you think of the valuation disconnect, are you looking at it, let's say, your NAV versus where you see your NAV versus where the share price is trading? Like how -- like what valuation metrics are you using to see that clarifying that discount?

William H. Heissenbuttel*President, CEO & Director*

Yes. I think you're going down the right road. It starts with PNAV and price to cash flow and looking at others in our sector. That I think is where the analysis starts. But again, as I mentioned, that's not an automatic trigger to either do something or not do something. There are other priorities that we've got to manage in that process. But it's definitely valuation multiples where we will start the analysis.

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

Okay. So you -- I'm only saying that because I'm trying to understand whether your price to NAV or price to cash flow is a certain spread versus peers and that's where you look at it and say, okay, this is a disconnect and if we have the cash flow -- if we have the cash, let's buy back shares?

William H. Heissenbuttel*President, CEO & Director*

Yes, that's where it starts. But it's also do we have debt to pay down? Do we have new investments that can be for (untelligible).

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

Yes. For sure, if we have the cash, all else being equal.

William H. Heissenbuttel*President, CEO & Director*

Yes.

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

Okay. And then just my last question, and you gave us a little bit of a flavor for what you're seeing out there, the \$300 million to \$400 million range is what you were looking at, and maybe someone can confirm that's what I heard. I'm just trying to understand a couple of others have said there's a couple of very large deals still out there, potential syndication. Would that be something that you would consider, syndicated deals as well?

William H. Heissenbuttel*President, CEO & Director*

Yes. I mean I'll answer the syndication part of the question. Sure, I'd love to syndicate. We would love to be part of it. We would love to lead it. The thing I just caution people is if you want a transaction, you want a transaction for a reason, which means that maybe your structure is different than everybody else's, maybe your pricing is more competitive than everybody else's.

So, you would have to find somebody else willing to do the transaction that they potentially want to. And so, it's not something that we syndicate ahead of time. You have to close the deal and then syndicate it, but we're totally open to the concept. That makes the whole diversification side of what we were talking about at the Investor Day even better. So that's the syndication side. Dan Breeze, is there anything else you want to add on the market in general?

Daniel K. Breeze*Senior Vice President of Corporate Development - RGLD Gold AG*

Yes, Tanya, I would just say, and I did mention \$300 million to \$400 million, and there's always a range in there even up to \$500 million, let's say, in that range. But the third-party royalties that we see in the pipeline -- they tend to be smaller, as you know, sort of \$100 million plus- or minus-type sizes. But I think the range we always give you, Tanya -- it still holds.

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

Okay. And Dan, are you seeing more silver opportunities?

Daniel K. Breeze*Senior Vice President of Corporate Development - RGLD Gold AG*

Yes. I think the answer, Tanya, is very similar to what I shared with you in Zurich last month at the Mining Forum, which is, we're kind of seeing a bit of everything right now. It is silver. Maybe it's a bit more silver than we've seen, say, a year ago, but it's still a mix of silver and gold across the board and producing assets and development assets and whatnot. So, it's really hard to say that there's one type of opportunity that's kind of outweighing the rest. It's pretty broad, at least from our pipeline's perspective.

Operator

Our next question comes from Derick Ma with TD Cowen.

Derick Ma*TD Cowen, Research Division*

I want to thank the team in advance for the future disclosure on preliminary numbers for royalties and streams. I think that's going to be quite helpful for the investment community. In terms of SSR and Hod Maden, are there opportunities to work collaboratively there to achieve your own stated goals of disclosing or converting your 30% interest? And are you having those type of conversations right now?

William H. Heissenbuttel*President, CEO & Director*

When you say collaboratively, I mean, any rationalization of our ownership was going to involve the partners one way or the other. If it was -- you were either going to sell to them or you were going to sell to a third party, but with their consent effectively. So that's always been the approach. I don't think -- as I said at the Investor Day, I think SSR strategic review complicates what we're trying to do here. It's not a step that we envisioned when we set that goal. It's still our goal, but it's only going to be done with the partners working with the partners.

Derick Ma

TD Cowen, Research Division

What can investors expect in terms of timing and then ultimate outcome, I guess, from the situation then?

William H. Heissenbuttel

President, CEO & Director

I think you're going to see an answer in the near term. I don't want to put months on that, but I think you're going to -- because something is going to happen, I think, relatively soon because, again, I think SSR actually put a timeframe on it over the next few months. So I would sort of stick with that. This is not going to be a long drawn out, I don't think a long, drawn out process.

Derick Ma

TD Cowen, Research Division

And a complete disposal? Or do you think some partial conversion is still possible here?

William H. Heissenbuttel

President, CEO & Director

Don't know. Don't know.

Derick Ma

TD Cowen, Research Division

And then just finally on the share repurchase program, I know you touched on it a lot already, but it sounds like the plan is to self-administer the program and not have it automated via broker. Is that correct?

William H. Heissenbuttel

President, CEO & Director

Well, it's not going to be automated in the sense that we take a price and sell it. I mean we've got to figure out how we're going to implement it because we do want discretion as to when -- if, and when the program gets utilized. So, I don't imagine giving a bank six months at a price and just exercise if it hits that price. There's going to be more to it than that.

Operator

Our next question comes from Josh Wolfson with RBC Capital Markets.

Joshua Mark Wolfson

RBC Capital Markets, Research Division

I figured it would only be appropriate if I also ask on the buyback as I've done historically. So, I mean, we've seen a lot of volatility historically with shares. And in some of those prior calls, there has been justification not to proceed with the buyback just due to the stock trading at a premium. I'm wondering what's changed, or how is the company looking at things or potential scenarios that could justify this now being something that's pursued versus historical context?

William H. Heissenbuttel

President, CEO & Director

Well, again, Josh, I think I go back to -- again, I'll take you back to November, December. I think we were trading at a PNAV less than 1.4x for a little while. And what we have to do is say, okay, if you can buy back your shares at 1.4x and investments in the sector are being priced at 1.7x, we should know our assets better than anything new we're going to add to the portfolio.

So, is that a better -- if we're going to use capital, is that a better use of capital? The buyback really came from that period of time when, I just have to say, I kind of wish we had the buyback because now is the time to buy shares. And we also saw -- almost 10 years ago, when Thompson Creek was having

financial difficulties and people weren't sure the Mount Milligan stream was going to survive, we felt very comfortable that it was, but there was a very significant value disconnect. And again, at that time, if we had had a program, I think we probably would have done something under that program.

Joshua Mark Wolfson

RBC Capital Markets, Research Division

Got it. Okay. And then maybe getting into some of the asset specifics. Cortez had a pretty good quarter. I know there's not a lot of visibility on the asset, quarter-to-quarter, and there is -- because the differences in percentages, what Barrick reports versus what you report can vary. I'm just wondering if the company can provide a bit more understanding of Q1 and then, if it's available, what the expectation is over the course of the year?

William H. Heissenbuttel

President, CEO & Director

Josh, I'm going to turn that to Martin. I'll just caution you. I think Barrick usually comes out before us, which makes it a little bit easier for us to talk about the assets. So, I'm not sure what we can share. But Martin, is there any comment you could make about what we saw in Cortez in the first quarter?

Martin Raffield

Senior Vice President of Operations

I think I would say, Bill, that we should just wait for Barrick to come out on Monday. I wouldn't like to front-run anything that they're going to say at this stage.

Joshua Mark Wolfson

RBC Capital Markets, Research Division

Got it. All right. And then just on Khoemacau, some of the challenges in the first quarter and then kind of looking at the impact of Zone 5 and understanding the differences there. How should we be thinking about how the proportion of that Zone is processed and what the outlook is for Royal in that context?

William H. Heissenbuttel

President, CEO & Director

Martin, do you want to take a shot at that?

Martin Raffield

Senior Vice President of Operations

Yes. So yes, look, they've -- I mean, they had some issues last year as they switched over their mining contractor, moving to the Chinese contractor. I think any time that you've got a big contractor change at an underground mine, it's going to have an impact. They do seem to have been stabilizing fairly well as we move towards the end of last year and move through this year.

Obviously, their focus, at the moment, is on building the expansion, building the new processing plant, finishing the design for that and getting into construction, building an underground backfill plant so that they can start backfilling, reduce the amount of pillars that they leave behind, improve the recovery of the resource. So that seems to be going pretty well at the moment.

But as to Zone 5 North and Mango and the other pieces of the puzzle put together, that's still in development, at the moment. So we will -- the new plant is going to process mainly Zone 5 material, and we have a good strong understanding that that's going to improve our throughput and our silver recovery.

Joshua Mark Wolfson

RBC Capital Markets, Research Division

Okay. And maybe just to clarify for Zone 5 North specifically, has the mining from that area been accelerated versus what the prior plan was? Is the text maybe I'm misinterpreting things?

Martin Raffield*Senior Vice President of Operations*

They haven't started mining Zone 5 North yet, Josh. They're mining Zone 5 main with the three declines. Zone 5 North Mango and the others are part of the expansion that they're going to be starting to develop over the year.

Operator

Our final question comes from Brian MacArthur with Raymond James.

Brian MacArthur*Raymond James Ltd., Research Division*

Sorry, most of my questions have been answered, but I know this is difficult, but just following up on Josh's (indiscernible) Antamina had \$13 million this quarter. You commented about grade. But just ballpark, I realize NPIs are difficult. Is that a reasonable number going forward at these commodity prices? Or was there capital allocation or something that made that number different than what you might think would be going forward? I mean it's the first quarter we've really got a look at this.

William H. Heissenbuttel*President, CEO & Director*

Yes. I'll offer you one thing, real quick. And I think \$13 million was more than the annual revenue received in certain years in the past. So, I agree with you, NPIs are impossible. Estimate, Martin, is there anything you would say that makes the first quarter unique or a signal of things to come?

Martin Raffield*Senior Vice President of Operations*

No. I mean it was essentially low deductions, and it was high prices. So, we can't really project what is to come. We're not changing our outlook in terms of what we expect for the year. But yes, it's capital allocation and deductions, and we have almost no visibility into that, Brian.

Brian MacArthur*Raymond James Ltd., Research Division*

Fair enough. And just a second question while I have you. One asset that's sitting around that's been there for years, but obviously, we're at a higher price environment. Is anything happening? I don't know if I remember how to say it, at Ilova, the Euromax asset in New Macedonia, because that has the potential to be a decent size going forward, too.

William H. Heissenbuttel*President, CEO & Director*

Yes, Brian, I don't think there's anything to report there. The last we really looked into it, I think they were still working on consolidating mining licenses and just the government changed 10 years ago, and it's been an uphill battle for us. So, I don't have anything to update you on.

Operator

We have reached the end of the Q&A session. I will now turn the call back to Bill Heissenbuttel for closing remarks.

William H. Heissenbuttel*President, CEO & Director*

Well, thank you very much 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. Take care.

Operator

This concludes today's call. Thank you for attending. You may now disconnect.

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