S&P Global
Market Intelligence

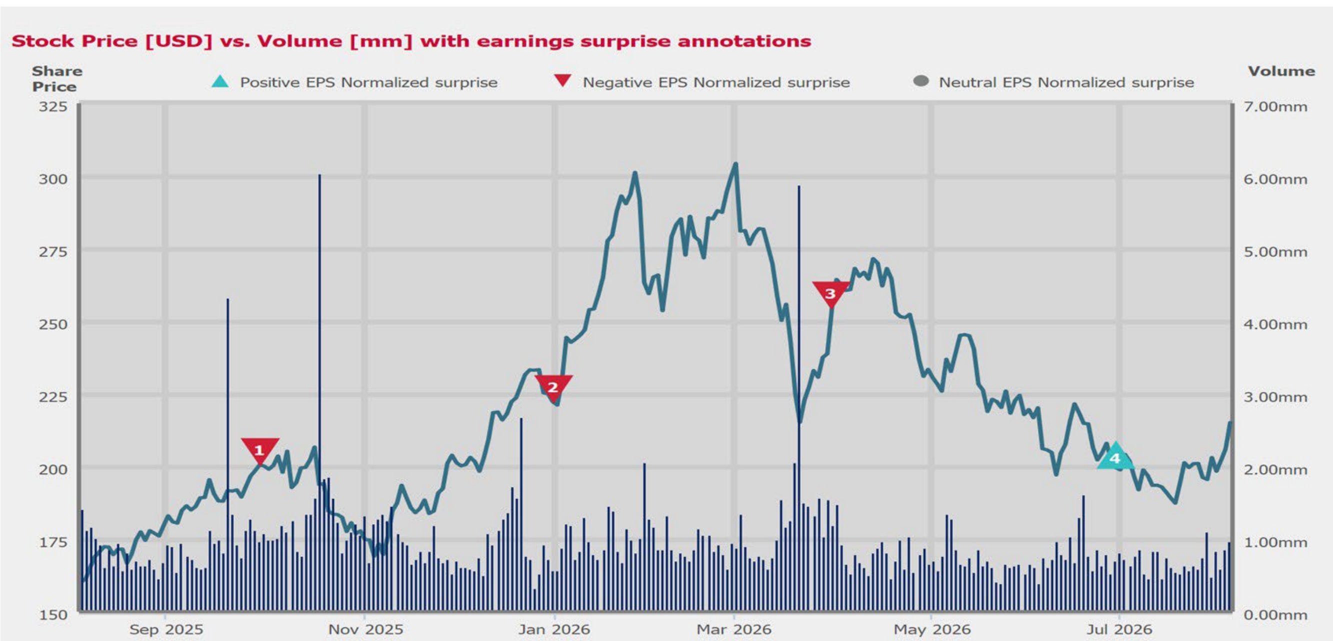
Royal Gold, Inc. NasdaqGS:RGLD
FQ2 2026 Earnings Call Transcripts

Thursday, August 6, 2026 4:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ2 2026-			-FQ3 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	2.54	2.56	▲0.79	3.00	10.36	NA
Revenue (mm)	452.78	450.54	▼(0.49 %)	479.00	1975.00	NA

Currency: USD
Consensus as of Aug-06-2026 3:30 PM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ3 2025	2.19	2.06	▼1 (5.94 %)
FQ4 2025	2.64	1.92	▼2 (27.27 %)
FQ1 2026	2.75	2.72	▼3 (1.09 %)
FQ2 2026	2.54	2.56	▲4 0.79 %

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Call Participants

EXECUTIVES

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

Daniel K. Breeze
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Martin Raffield
Senior Vice President of Operations

Paul K. Libner
Senior VP & CFO

William H. Heissenbuttel
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ANALYSTS

Brian MacArthur
Raymond James Ltd., Research Division

Cosmos Chiu
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Daniel Edward Major
UBS Investment Bank, Research Division

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Scotiabank Global Banking and Markets, Research Division

Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to the Royal Gold, Inc. 2026 Second Quarter Conference Call.

[Operator Instructions]

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

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 Second 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 second 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.

This is our second complete quarter of consolidated financial results after significantly growing our business in 2025 and our strong first half of 2026 clearly demonstrates a material change in the scale of our portfolio.

Revenue for the quarter was $451 million, operating cash flow was a record $335 million and earnings were $236 million. These were increases of 115%, 119% and 79%, respectively, over the same period last year.

Our diversified portfolio produced revenue from a variety of properties with no one asset contributing more than 13% of revenue and only two assets generating more than 10% of revenue. Reducing asset concentration risk was a key driver for our acquisitions in 2025, and we are pleased to see this reflected in our portfolio which is now one of the most diversified in the sector.

After adjustments, net income was $218 million, or $2.56 per share, a 41% increase over last year.

We remain a gold-focused business and gold contributed 76% of total revenue for the quarter.

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 annual rate of $1.90 per share, 6% higher than last year.

We repaid $200 million on the revolver during the quarter, and we ended the quarter with total available liquidity of $1.2 billion.

And we are active on our share buyback program and repurchased and canceled 147,000 shares for total cost of $30 million.

As we discussed on our last quarterly call, we put the share buyback program in place as an additional capital allocation tool to be used with discretion. We have multiple priorities for capital deployment, and our decision-making considers the business development pipeline, the balance sheet, our regular dividend and our equity valuation. During the quarter, we balanced the agreed further investment at Warintza, paid $40 million in dividends, bought back shares and made a meaningful reduction in debt, the latter of which preserves liquidity. Changes in market conditions and our outlook mean we must be flexible as we balance all opportunities with the accretive deployment of capital over the long term.

In the second quarter, we thought the market did not reflect what we see as the value of our company, and we were active on the share buyback alongside our other priorities, and any further activity will be based on the short and long-term priorities of the company and not just valuation.

During the quarter, we also made further progress on simplifying the Sandstorm portfolio.

We announced the restructuring of our ownership in the Hot Maden joint venture. And after quarter end, we reduced our equity interest from 30% to 15% in return for additional royalty interests. Hod Maden is a high-grade and high-margin project, and we are pleased to preserve the value of our position while bringing our overall interest more in line with our core royalty and streaming business. While the residual equity interest is not the ideal investment structure for our portfolio, a smaller interest materially reduces our exposure to operating and capital cost risks, and we may still look for opportunities to reduce this interest in the future.

We also worked with Americas Gold and Silver to settle fixed delivery obligations related to the Relief Canyon Mine. This was a complicated arrangement that was cumbersome to manage, and it eliminates a distraction for both sides without impacting our royalty or stream interests at Relief Canyon.

With these transactions, we have significantly simplified aspects of the Sandstorm portfolio that were difficult for investors to understand. Over the past few months, we have streamlined the Horizon structure, divested non-core equity positions, restructured the Bear Creek investments, settled the Relief Canyon obligations and made progress on restructuring the direct equity interest in Hod Maden. These steps were a strategic priority for us when we announced the Sandstorm and Horizon transaction, and I am pleased with how quickly we have been able to show progress.

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, we had another quarter of solid portfolio performance. Volume was 100,000 GEOs with revenue of $451 million.

Royalty revenue was up by 83% from the prior year quarter to $140 million. We saw large revenue increases over the prior year from the Cortez Legacy Zone and Voisey's Bay as well as strong contributions from our new Antamina, Caserones, Houndé and Fruta del Norte interests.

Stream revenue was also up strongly from the prior year to $311 million, an increase of 133%. We saw materially higher revenue year-over-year from Andacollo, Pueblo Viejo, Rainy River, Khoemacau, Wassa and Xavantina, slightly offset by lower revenue from Mount Milligan. We also saw a strong contribution from Kansanshi as well as our new Greenstone, Bonikro, Cerro Moro and Chapada streams.

With respect to 2026 metal sales guidance, Gold and silver are tracking well to the guidance ranges, and copper and other metals are trending to be around or above the top end of the ranges. We've seen strong copper-related revenue, largely due to lower-than-expected deductions on the Antamina NPI royalty and strong performance of other assets. Other metal sales have benefited from strong zinc production at Antamina and nickel production at Voisey's Bay.

I'll now turn to Slide 6 and give some high-level commentary on notable developments within the portfolio.

At Mount Milligan, Centerra reported that gold and copper production is on track to meet full year guidance.

At Rainy River, Coeur announced its plans after acquiring New Gold late in the first quarter, including a more aggressive exploration program with a focus on near-mine drill testing and exploration of the large land package in the Rainy River District, which extends over 50 square kilometers.

At Greenstone, Equinox reported that operations are continuing to ramp up, and 69% of the days in the second quarter exceeded the mill nameplate capacity of 27,000 tonnes per day. Equinox expects this trend to continue, resulting in higher quarter-over-quarter production for the balance of the year.

At Red Chris, the government of Canada announced a CAD 500 million investment in the block cave project. Newmont has received key regulatory approvals for the project from the province of British Columbia and is advancing towards Board approval near the end of the year.

At Caserones, work is underway by Lundin Mining to increase utilization of the cathode plant and grow copper production. 39,000 meters of drilling is planned this year on more than 10 exploration targets in the district. An initial resource at Angelica and deep sulfide targets adjacent to the Caserones pit is expected in the first quarter of 2027.

At Fruta del Norte, Lundin Gold reported the discovery of two additional copper-gold porphyries, increasing the district total to seven, with a maiden resource for the Sandia porphyry expected in early 2027.

At Kansanshi, First Quantum confirmed 2026 production guidance and reported that the S3 plant throughput was sustained above design capacity in the second quarter, driven by higher operating time, strong utilization and improved milling rates.

At Bonikro, Allied expects to extend the mine life from 2029 to 2036 with average annual gold production of 120,000 ounces per year. Allied is also studying an increase in plant capacity to bring forward the processing of low-grade stockpiles beginning in late 2026 to early 2027.

At Platreef, Ivanhoe is now expecting commercial production from Phase 1 in the fourth quarter of 2026. Shaft 3 commissioning was completed in June, and Ivanhoe expects this will support the Phase 1 ramp-up and the Phase 2 expansion. Construction of the Phase 2 concentrator is on schedule for completion in the fourth quarter of 2027. We received the first delivery under our gold stream last week, and we are looking forward to increased deliveries as the mine ramps up towards commercial production.

At MARA, Glencore reported yesterday that mining restarted ahead of schedule at Alumbrera and that Agua Rica feasibility engineering is underway with the environmental permitting submission expected in the coming weeks and RIGI approval expected shortly thereafter.

At Hod Maden, the transition of operatorship to Lidya is complete, and construction is continuing while Lidya undertakes a review of the project schedule and execution plan. Based on the work so far, project expenditures and commitments remain within the scope reflected in the technical report summary published by SSR Mining in January 2026. As of June 30, overall project progress was approximately 25% when considering engineering at 74%, contracts and procurement at 44% and construction at 8%. Cumulative expenditures were approximately $175 million. Lidya continues to target initial concentrate production in 2028, subject to completion of the schedule and execution plan review and timely execution of the remaining major construction and procurement packages.

Finally, I'll note that recent severe winter weather in Central and Northern Chile has caused temporary operational issues at both Andacollo and Caserones. The weather system has passed and neither operator has indicated a change to full year guidance.

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 ended June 30, 2026 to the prior year quarter.

Revenue for the quarter was up strongly by 115% to $451 million. The large increase was driven by higher metal prices, new contributions from Kansanshi and the Sandstorm portfolio and higher volumes from Andacollo, Rainy River and the Cortez Legacy Zone. Some of these increases were partially offset by lower sales from Mount Milligan.

We also recognized a large revenue contribution from Relief Canyon in the second quarter when we sold 5,000 ounces of gold led to the advanced delivery of stream ounces. The original delivery schedule was 1,275 ounces per quarter through the end of 2027. In terms of the impact on this year's guidance, we are receiving 1,175 more ounces this year than expected, and all the ounces were delivered in the first half of 2026 rather than being spread evenly across the year. The incremental revenue this quarter from the sale of the advanced delivery was approximately $22 million.

Metal price increases were significant with gold up 37%, silver up 117% and copper up 40%.

Gold remains our dominant revenue driver at 76% of total revenue with silver at 12% and copper at 8%.

Turning to Slide 8, I'll provide more detail on certain financial line items for the quarter.

G&A expense was $13.4 million, which is approximately $3 million higher than the prior year. The increase in our G&A expenses period was mostly due to higher office and employee-related costs, which also includes noncash stock compensation expense. We continue to expect our total G&A expense for the year will finish near the high end of the $50 million to $60 million range we provided earlier on our February conference call.

Our DD&A expense increased to $96 million from $31 million in the prior year. On a unit basis, this expense was $962 per GEO for the quarter compared to $487 per GEO last year. The increase is mainly driven by higher carrying values at Kansanshi gold stream and the Sandstorm / Horizon interests we acquired in 2025, partially offset by lower gold sales and depletion rates at Mount Milligan. Further, as we flagged in our preliminary financial information press release in July, approximately $12 million of the increase was due to the onetime sale of the gold ounces related to the Relief Canyon fixed delivery obligation settlement. Our overall DD&A expense is in line with expectations, and we expect to finish the year within the guidance range of $339 million to $379 million.

Fair value changes in equity securities was $22 million for the quarter, primarily due to the increase in the value of the Entrée Resources shares we acquired with the Sandstorm and Horizon acquisition.

Interest and other expense increased to $10 million from $1.5 million, primarily due to higher average amounts outstanding under the revolving credit facility in the current quarter.

Tax expense for the quarter was $58 million. resulting in an effective tax rate of 19.7%. Before discrete items, our year-to-date effective tax rate is 19.9% and we continue to expect that the rate for the full year will be within the guidance range of 17% to 22%.

Net income for the quarter was $236 million or $2.78 per share, which compares to $132 million or $2.01 per share in the prior year. The increase in net income was largely due to higher revenue and fair value changes in our equity securities. These increases were partially 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 settlement of the Relief Canyon obligation and the tax effect of these adjustments, adjusted net income was $218 million or $2.56 per share.

Finally, our operating cash flow this quarter was a record $335 million, up 119% from $153 million in the prior year. The increase was primarily due to higher stream and royalty revenue, partially offset by higher income tax payments, G&A costs and interest payments.

In summary, it was another very strong financial quarter that reflects the significant cash generation potential of the portfolio and the overall increase in the scale of our business.

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

Our increased cash flow has allowed us to quickly pay down debt, repurchase shares and rebuild our liquidity. At the end of June, we had total available liquidity of $1.2 billion between the available amounts on the revolver, and $244 million of working capital.

After quarter end, we continued our focus on the balance sheet as we made a further $75 million repayment in July, and we intend to make an additional $100 million repayment in mid-August. We continue to expect to fully repay the outstanding balance during the fourth quarter based on current metal prices and absent further significant acquisitions.

In terms of additional liquidity, we expect Centerra to deliver the second tranche of gold as part of the Deferred Consideration for the Mount Milligan Cost Support Agreement sometime towards the end of the third quarter or beginning of the fourth quarter. Recall that the sale of these ounces will not be treated as revenue and will not be reflected in our calculation of GEOs and the cash received from the sale of these ounces will be reflected in our operating cash flow.

With respect to financial commitments, at the end of June we had $50 million of funding outstanding for the Warintza acquisition. We expect to fund this amount in the third or fourth quarter, subject to registration of security, which is underway.

Our only other remaining commitment is our 15% share of Hod Maden project costs. As part of the ownership restructuring, we funded $70 million of project costs in the second quarter. Lidya is required to fund the next $397 million, after which both parties will fund their share of costs according to their ownership. Assuming no changes to the project timeline or scope, and no debt financing, we expect we will start contributing our share of spending in mid-2027.

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

William H. Heissenbuttel
President, CEO & Director

Thanks, Paul.

As I said at the beginning of the call, this is our second full quarter of results after a year of transformational activity. Our financial results so far this year show the benefits of holding a large diversified and cash flowing portfolio and with the resolution of some of the more complicated Sandstorm interests complete and the transaction noise behind us, we have returned to delivering steady and predictable results. A year ago, there was concern that our 2025 transactions would cause dilution to near-term results.
While it is only two quarters, our per share metrics in terms of GEO/Share, Adjusted EBITDA/Share, Operating Cash Flow/Share and EPS all show the overall accretion of our 2025 transactions.

Our business model should be simple for investors to understand and value. We have interest in some of the best assets in the mining business—Cortez, Fourmile, Kansanshi, Antamina, Red Chris, Great Bear, MARA, just to name a few. And I hope we will return to a premium valuation when the market has digested the results and values the cash flow and organic growth potential within the portfolio.

Until such time, we will try to continue to show a strong financial performance and use our increased cash flows to address multiple opportunities that may be present, ranging from new investments, further debt repayments and potentially further share repurchases.

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

Question and Answer

Operator

[Operator Instructions]

Your first question comes from the line of Brian MacArthur, Raymond James.

Brian MacArthur
Raymond James Ltd., Research Division

Just a few quick ones. You talked about cleaning up the portfolio from Sandstorm—you mentioned you still have the on-trade shares. What's the latest thinking with respect to them?

William H. Heissenbuttel
President, CEO & Director

Brian, thanks for the good question. We're going to be a little patient there. Rio and the government of Mongolia have been having ongoing discussions regarding some of the mining concessions. We just think if that were to get solved, maybe that might have a positive impact on the Entrée shares. So, where it was with Versamet and some of the other ones, we were just, let's just sell it. As of right now, we're going to hold on for a little bit and see what happens.

Brian MacArthur
Raymond James Ltd., Research Division

Great. My second question—Thank you for the Hod Maden update spending. So, I guess now you sort of—they paid in ex $397. You paid $175 in and you think you're going to pay—make payments in mid-2027. The way you see it now—I mean, that's a fair bit of the capital will be spent by mid-2027. Is that back-half payment, if it goes that way, pretty significant? That is to say, the majority of the rest of capital, you're thinking, is going up in '27 and very little in 2028, assuming nothing changes. Is that the way I should think about it? I'm just trying to figure out what that actual payment could be in 2027.

William H. Heissenbuttel
President, CEO & Director

Well, I might start with Martin, is there anything on the construction timing we can add at this point? I don't quite know what we've talked about in the past. I imagine it's going to go from—in 2027 and 2028, but anything you can add, Martin?

Martin Raffield
Senior Vice President of Operations

I think that the—so Lidya is still talking about first production of concentrate in 2028. So, I think the way to think about it, Brian, was that the—the remaining input from Royal Gold would probably be split over the second half of 2027 and the first half of 2028. But that's a very rough view at the moment.

Brian MacArthur
Raymond James Ltd., Research Division

Great. And just a third question. You mentioned your second tranche for—under the support payments for Mount Milligan. Can you just remind me when you get the final ounces under that deal, what the trigger is for that and when you might receive it?

William H. Heissenbuttel
President, CEO & Director

Oh, boy. Paul, I'm going to take a shot at it and if you can help me a little bit, I would appreciate it. So, the total delivery was 50,000 ounces. I think that there were three scheduled tranches based on Greenstone of 11,000 ounces. So, after the one we get in, say, next quarter or the fourth quarter, will be another 11. I don't remember the trigger for it. But then the rest of it, I think, is longer term. It sort of goes out into the next decade. Is that—Paul, am I anywhere close?

Paul K. Libner
Senior VP & CFO

That's correct, Bill. And Brian, just remember, it's based on delivery–or, I'm sorry, production threshold at Greenstone. So—but Bill is correct. The second tranche, 11,111 ounces, as I mentioned, we're anticipating that they're going to meet the next threshold required for that sometime in the late third quarter or possibly early fourth quarter.

Operator

Your next question comes from the line of Cosmos Chiu with CIBC.

Cosmos Chiu
CIBC Capital Markets, Research Division

Maybe my first question is on your guidance. You're tracking very well in the other metals category also the copper category. So, maybe in the other metals, could you remind me what's included in that $29 million that you've generated so far in Q1 and Q2?

William H. Heissenbuttel
President, CEO & Director

Yes, Cosmos. I mean, other are going to be things like lead, zinc, nickel, which is good. It's going to come from Antamina on the zinc side, I believe, Voisey's Bay, copper, nickel, and so there's one more. But Paul, what's the other—oh, Penasquito, lead and zinc. Paul, is there anything else other than those three that really drive that?

Paul K. Libner
Senior VP & CFO

No, those are the big highlights.

Cosmos Chiu
CIBC Capital Markets, Research Division

Okay. So, I guess my question is, it's driven off of, I would imagine, higher sort of base metal prices we've seen so far in the first half. Is it a possibility that I take what has been generated in the first half and times two? And then that will be sort of what the annualized number might be because that would be much higher than what you had expected, at least for other metals, and significantly higher as well for copper. Is that one possibility if base metal prices stay out where they are today?

William H. Heissenbuttel
President, CEO & Director

Yes, sure, it's a possibility. The only caveat we have is the Antamina NPI is new to us. And we've seen revenue of $26 million in the first six months of this year. If you go back to '23 and '24, Antamina paid somewhere between $16 million and $17 million of royalty revenue for the full year.

Now, we don't know of anything in the portfolio that would bring it down, and that's why we're uncomfortable changing guidance. But we don't have a lot of insight into Penasquito. We don't have a lot of insight into Voisey’s Bay. So, as I thought -- look, it's a small piece of revenue, let's get to the end of the third quarter. And then if we need to adjust it, so people know where they're going to end up at the end of the year, then we can talk a little bit better about talking about it then.

Cosmos Chiu
CIBC Capital Markets, Research Division

And Bill, since you talked about being comfortable here, and it's a good news story, copper up and other metals up, but now copper mix up about 8% of your revenue, as Paul had mentioned earlier, it could potentially go higher. Is that a good mix? Or is that—does that make you uncomfortable? At what point could it make you uncomfortable in terms of cost?

William H. Heissenbuttel
President, CEO & Director

I don't think we do—no. I mean we're 76% gold. And I just can't see—I don't know what the copper price would have to go to suddenly say, well, that 76% is now substantially lower. I don't worry about it.

Cosmos Chiu
CIBC Capital Markets, Research Division

Do you see it as an opportunity or no, you're still very much precious metals focused,

William H. Heissenbuttel
President, CEO & Director

We're precious metal focused. But as we've always said, if someone wants to call us up and show us something in another metals market that we can understand and we like the asset, yes, we'll certainly consider an investment. But it's certainly not—copper's not suddenly a strategic metal for us when we're going out and looking for it.

Cosmos Chiu
CIBC Capital Markets, Research Division

Maybe going to Hod Maden a little bit, Bill. From where you're standing and from where your team is standing, how has that transition been in terms of the operatorship from SSR Mining to Lidya? Has it been okay?

William H. Heissenbuttel
President, CEO & Director

Yes. I think it's been okay. But I'm going to turn that question over to Martin because he's really been a touch with the Lidya technical folks. So, Martin, why don't you give Cosmos your thoughts?

Martin Raffield
Senior Vice President of Operations

Yes. So, I think to answer your question, clearly, yes, we do believe the transition has gone well. At the mine site level, not really very much has changed. They've changed some senior leadership positions, but the work is still ongoing. So, they're still working on the main access tunnels and they're ramping those up. They're working on the [indiscernible] tunnel, which is key for us because it gets access between the South Valley and the North Valley where the tailings are stored. They're still working on the permanent camp infrastructure. They're working and almost complete on the water management infrastructure. So, everything that we would have expected to continue work under SSR leadership is still going ahead and appears to be ramping up as we would expect. So, I think we are—we're comfortable with that. We're comfortable with the sort of communications that we have with the Lidya team. We've got good relationships going there. We've got clear insight into how the operation is progressing. So yes, overall, very comfortable with the handover.

Cosmos Chiu
CIBC Capital Markets, Research Division

Great. And as we talked about timelines at Hod Maden, you talked about potentially needing to make that next payment in mid-2027, followed by production starting in sometime 2028. I guess my question is, Bill, as you mentioned, there could be potential for further optimization of the structure, you're still a 15% joint venture ownership owner of the joint venture partnership. So ideally, if a transaction were to happen, a further transaction would happen, would you want that to happen before you need to make that next contribution? Or before production starts? Is there kind of like, kind of, different timelines that you look at?

William H. Heissenbuttel
President, CEO & Director

Not in that way. But I wouldn't want to start setting deadlines threshold dates beyond which we don't want to go beyond it. I guess the message we're trying to say is, look, when we started the year, we were a 30% holder, and we were very clear that's not strategic. We want to turn it into something else that looks more similar to what we do. With the change in ownership, we took a half step down that, towards that road. So, the 15% is still non-core. If somebody is interested in buying it, we are more than happy to have a discussion, but it's not the same priority. We're not out there hiring investment banks to run processes, and we may be looking for the opportune time to dispose of the rest of the 15%, but it's not tied to when we have to make the next payment, it's not before the mine goes into production. We're just, we've got to play it by ear more than what we were doing at the beginning of the year, which was this is a priority, let’s figure it out.

Operator

[Operator Instructions]

Your next question comes from the line of Daniel Major with UBS.

Daniel Edward Major
UBS Investment Bank, Research Division

The first one, just on the buyback. I see you've obviously started buying back stock this quarter. How should we be thinking about the criteria for the buyback going forward? And how should we be modeling it? I mean, is this very much dependent on like where the shares are trading relative to the peers, whether the shares are trading in absolute terms relative to the gold price, et cetera. Should we be thinking about it as a proportion of cash generation, like how should we be sort of thinking about the parameters to determine the run rate of that buyback?

William H. Heissenbuttel
President, CEO & Director

Yes. I would, honestly, I'd try to talk you out of modeling it because the decisions to buy shares back or not depends on a number of factors. And as we talked about in May when we announced the program—NAV multiples and where we trade relative to the others—sure, that is the factor that sort of trips the rest of the decision making. But it doesn't mean we're going to do something. And so we're not going to talk about at a NAV multiple below this, we're going to buy back so many shares. That's, we're going to look at all the priorities. And the way I view it is, share buybacks are great, but that's sort of a short-term priority. We have to, as a management team, consider the long-term priorities of the company, and that involves new investments. Is it better to buy back shares now or make an investment in a mine that's going to produce revenue for us for 20 years. And so, we don't go into this with, you should expect this amount to be bought back each quarter. That's just not the way we're going to approach the program.

What we're going to do is come and tell you what we did as we did with the announcement in the, in July, on the quarter-end results. So, I'm going to frustrate you a little bit there and not be able to give you a modeling number.

Daniel Edward Major
UBS Investment Bank, Research Division

No worries. That's useful color. Then the second question maybe follows on from Brian's question. Just around the Hod Maden additional payments for the remaining CapEx. Can you remind us what the—what your share of the residual CapEx will be due in 2H '27, '28 based on the previous CapEx estimate and how you think that CapEx number is trending under new ownership?

William H. Heissenbuttel
President, CEO & Director

Yes. Well, I mean, let's just stick with the number that was in the technical report, and I'm going to round it here just to make the math easy, $900 million project. And so, 15% of that is $135 million, and we've already invested $70 million. So, we only have $65 million to go to be invested over '27, '28. So, it's actually -- I mean, compared to our overall cash flow, the remaining commitment here on the base CapEx is relatively small. So, and that's why we kind of – we, like, I'm not too worried about it. We've already invested more than half of what the commitment would be in the last month or two. So, but that's, I mean, those are the numbers, and I don't have a trending CapEx number for you. I think we're pretty early. And I know Lidya is using the original budget to work towards.

Daniel Edward Major
UBS Investment Bank, Research Division

Okay. And then yes, the last question, I mean, we've obviously seen some consolidation in the equity valuations across the space. How is the deal pipeline looking, yes, are you seeing—are you seeing any opportunity set? How is the landscape changing?

William H. Heissenbuttel
President, CEO & Director

In terms of asset acquisitions, new investments?

Daniel Edward Major
UBS Investment Bank, Research Division

Yes. Yes, new investments.

William H. Heissenbuttel
President, CEO & Director

Dan, I'll get Dan Breeze on the line here and let him give you some—

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

Yes. Thanks, Bill. Daniel, thanks for the question. We've been pretty busy. I think that's the way we would describe things. It's pretty wide in terms of the opportunity set. And to your question specifically, we were wondering at the start of the year with the volatility of the markets and the political risk situation, if that was going to slow down deal flow and sellers and whatnot. We haven't seen that at all. And now with gold finding a bit of a floor here, I hope that's a positive as well. So, we're kind of as busy as ever.

And it's a good mix of things that we're looking at—new streams and royalties and we're still finding third-party royalties out there, packages and stand-alone royalties. So, it's a really good mix for us right now. We're feeling pretty good about the pipeline.

Daniel Edward Major
UBS Investment Bank, Research Division

Great. Maybe just one follow-up on that. I mean we've been, I think, as a broader industry waiting for the inflection point in FIDs or copper projects—that hasn't really taken off yet. But are you seeing any more opportunity there in terms of funding streams on more sizable base metal investments?

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

Yes. I think we are, Daniel. I mean, it's—we're always in conversations with operators and over assets like that. I mean, that's where our product works best is when you can kind of liberate precious byproducts that have a base metal asset. And of course, we've all seen the big dealer this year with—over Antamina. And I think that speaks some interest of other large diversifieds. So, we'll see where things end up, but that's more of an arbitrage opportunity as maybe as opposed to development CapEx going into a new project. But those do exist out there from what we're seeing.

Operator

Our last question comes from the line of Tanya Jakusconek from Scotiabank.

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

Maybe [indiscernible] just finish off with you on the pipeline. [indiscernible] gather what about the royalty opportunities, there's opportunities on streams on from base metal companies on their [indiscernible] and as opportunities as well in [indiscernible].

William H. Heissenbuttel
President, CEO & Director

Tanya, you're breaking up.

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

You're just breaking up a little bit. Could you repeat that, please? Yes, I didn't quite hear all that, if you don't mind.

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

Yes. So, I just wanted to confirm with Dan that the opportunities that you are seeing for transactions are royalty opportunities, also opportunities from base metal companies on precious metal streams. And, also on mine builds on gold producers. Is that how I should be thinking about the opportunities?

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

Yes, that's right, Tanya. And the bread and butter, which is still what we see right now is [indiscernible] awards gold over development projects, primarily gold assets, generally speaking. But as I mentioned, there are other opportunities out there with the base metal assets and third-party royalties and whatnot. But that core that's always there is still the prominent deal opportunity for us.

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

And one of your peers mentioned, Dan, that they've seen the size of opportunities increase. You were seeing between $300 (million) and $500 (million). Is that still your bread and butter of what you're seeing out there?

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

Yes. I think that's still the core, Tanya, I'd say, $100 million to $500 million. We're aware of a couple of larger opportunities out there. That would be above $500 million, but the bulk of them are still in that category, $100 million to $500 million.

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

Okay. Just wanted to circle back if I could to Hod Maden. I know we're focusing on this asset and what has to be done in mid-2027 from your standpoint. Can you remind me, is there a right of first refusal for you selling your 15% interest?

William H. Heissenbuttel
President, CEO & Director

Yes. I mean the joint venture has all the usual protections you would find from the joint venture partners.

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

Okay. And then Bill, do you also have the right for dilution should you not want to proceed?

William H. Heissenbuttel
President, CEO & Director

Yes. It's a standard joint venture agreement.

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

Okay. So that's another way you can do it. Okay. Perfect. And if I can circle back just on your guidance again, it seems that the metals guidance from what I understood, the reason that you are trending towards the upper end of the range and or beyond is to do with the Antamina NPI and obviously, what capital is placed on that. Is that correct?

William H. Heissenbuttel
President, CEO & Director

That, to me, is the biggest variable in those numbers—the copper number and the other metals number. I mean we've had Penasquito for years; we've had Voisey's Bay for years. They have variability, too, but it's the Antamina NPI that I just, I look at the historical revenues and I look at what we've earned and so far this year, and I think, it's, there is just volatility in the number. That's why we're a little uncomfortable sitting here today saying we think we should change what we're telling you for the year end. We're just not there. I think in early November, when we report, we'll certainly be able to help you with what things might look like by year end.

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

Okay. It seems like it's a champagne problem. Maybe just turning on to just your guidance that, you're tracking guidance, and it had been that the second half of the year was supposed to be stronger. As we look at Q3 and Q4, is there between the 2 quarters, anything that stands out asset-wise where we have a stronger contribution in Q4?

William H. Heissenbuttel
President, CEO & Director

Paul, I'm going to turn to you on this. I know we've only talked in terms of halves of years. We haven't talked quarter by quarter. Is there anything else we're going to add to it?

Paul K. Libner
Senior VP & CFO

No, there isn't, Tanya. I mean you probably recall earlier where we talked about kind of the 48-52 split. Here today, I think that still is—look at that Q3 and Q4 as well.

Tanya M. Jakusconek

Scotiabank Global Banking and Markets, Research Division

Yes. I was just wondering if there were certain assets in Q4 that you saw within the mine plans that are supposed to do better to guide us?

Paul K. Libner
Senior VP & CFO

Yes. And Martin, I would probably then look over to you then. Is there anyone that you can recall, Q3, Q4 that we may forgetting here?

Martin Raffield
Senior Vice President of Operations

No, Tanya. I think Q3 and Q4 at the moment are looking pretty well balanced. Just remember that a lot of our production or our sales come from assets with a significant delay between the production to the deliveries to the sales. So, we have, we're pretty comfortable with those Q3, Q4 numbers being balanced down with the numbers that Paul talked about earlier in terms of magnitude of comparison between H1 and H2.

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

Okay. Well, that's very helpful. I really appreciate you taking all of my questions, and see you all in at Colorado Springs.

Operator

There are no further questions at this time. I will now turn the call back to Bill Heissenbuttel for closing remarks.

William H. Heissenbuttel
President, CEO & Director

Thanks, everybody, 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.