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News Release

ROYAL GOLD, INC

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ROYAL GOLD REPORTS SECOND QUARTER RESULTS

- **CONTINUED STRONG CASH FLOWS**
- **UPDATED RESERVE ESTIMATES FOR ROYALTY PROPERTIES**
- **STEP-UP IN GSR3 ROYALTY RATE**

DENVER, COLORADO. FEBRUARY 8, 2001: ROYAL GOLD, INC. (NASDAQ:RGLD; TSE: RGL) today announced its quarterly results for the second quarter of fiscal 2001 (October 1-December 31). The Company reported that its cash flows remained strong and that it took an adjustment to the book value of the Bald Mountain royalty. The Company also updated reserve estimates for its royalty properties.

For the three months ending December 31, 2000, the Company recorded a net loss of $157,603, or $0.01 per basic share, on royalty revenue of $1.4 million, compared to net income of $997,897, or $0.06 per basic share, on royalty revenue of $3.1 million, for the same period in fiscal 2000. Net income for the six-month period ending December 31, 2000, was $471,481, or $0.03 per basic share, on royalty revenue of $2.9 million, compared to net income of $1,853,194 on royalty revenue of $5 million for the six-month period ended December 31, 1999. Cash flow for the six-month period was approximately $1.8 million.

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Revenues for the second quarter were lower because the average gold price realized was below $270, which impacted the royalty rate received in accordance with the sliding scale factors of the GSR1 royalty.

The second quarter loss was caused by a $490,215 write down on the book value of the royalty held on the Bald Mountain Mine, White Pine County, Nevada. Before this non-cash provision, net income for the second quarter of fiscal 2001 would have been $332,612, or $0.02 per share, and for the six-month period net income would have been $961,696, or $0.05 per share.

"It was necessary for us to take this charge against earnings because Placer Dome reduced in its long-term gold price assumption, from $325 per ounce to $300 per ounce. This had a direct impact on the reserve estimates for Bald Mountain. Bald Mountain is a good operation and will be a consistent revenue generator for Royal Gold. However, the reduction in reserves made it necessary for us to reduce the overall value of the asset on our books by taking a one time, non-cash charge against second quarter earnings," said Stanley Dempsey, Chairman and CEO. "We continue to be in a very good position to acquire additional royalty income with our working capital, no debt, and our loan agreement in place with HSBC," noted Dempsey.

Exploration costs for the quarter were $249,442 as compared to $735,291 for the quarter ended December 31, 1999.

At December 31, 2000, the Company had a working capital surplus of $6,707,255. Current assets were $7,407,678, compared to current liabilities of $700,423 for a current ratio of 11 to 1.

ROYALTY PORTFOLIO REVIEW

<u>Pipeline Mining Complex, Lander County, Nevada</u>

The Company holds two sliding scale gross smelter return royalties (GSR1 and GSR2) and a fixed gross royalty (GSR3) over the Pipeline Mining Complex which includes the Pipeline and South Pipeline gold deposits in Lander County, Nevada. The GSR1 royalty covers the current mine footprint, and the GSR2 ("super") royalty covers any reserves developed on the claim block lying outside the current mine footprint. The GSR2 royalty pays out at a rate that is

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80% higher than that of GSR1, at all gold prices. The GSR3 royalty initially paid at the rate of 0.48%, but escalated to 0.71% in February 2001, where it will remain for the life of the mine. Current production from the Pipeline Mining Complex is subject to GSR1 and GSR3.

The Pipeline Mining Complex is owned by the Cortez Joint Venture ("Cortez"), a joint venture between Placer Cortez Inc. (60%), a subsidiary of Placer Dome Inc. and Kennecott Explorations (Australia) Ltd. (40%), a subsidiary of Rio Tinto.

For the second quarter of Royal Gold's fiscal 2001, the Pipeline Mining Complex produced 295,368 ounces of gold, providing $1,307,287 of royalty revenue to Royal Gold. This compares to 317,558 ounces of gold produced, providing $2,947,541 of royalty revenue to Royal Gold for the same quarter in fiscal 2000.

PDUS informed the Company that it has updated its ore reserve estimates for the Pipeline Mining Complex, as of December 31, 2000, using a gold price of $300 per ounce. As of December 31, 2000, proven and probable reserves at the Pipeline Mining Complex were 151,338,000 tons (137,291,563 tonnes), at an average grade of 0.047 ounces of gold per ton ("opt") (1.61 grams per tonne ("gpt")), containing approximately 7.1 million ounces of gold. This compares to ore reserves for the Complex, at December 31, 1999, of approximately 159 million tons (144 million tonnes), at an average grade of 0.052 opt (1.78 gpt), containing approximately 8.2 million ounces of gold, using a $325 gold price. Cortez Gold Mines produced 1.01 million ounces of gold in calendar year 2000.

PDUS also advised that in addition to the proven and probable reserves at the Pipeline Mining Complex, the property contains approximately 60.6 million tons (54.9 million tonnes) of mineralized material, at an average grade of 0.047 opt (1.61 gpt) of gold. Approximately 38 million tons (34 million tonnes) of this material, grading 0.043 opt (1.47 gpt), is covered under the Company's GSR2 ("super") royalty.

For calendar year 2001, PDUS estimates that production at the Pipeline Mining Complex will exceed 1 million ounces of gold. PDUS also informed the Company that it was successful in defeating the request for stay filed in connection with the appeal of the South Pipeline permit.

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Bald Mountain, White Pine County, Nevada

Royal Gold holds a 1.75% net smelter return royalty ("NSR") burdening a portion of the Bald Mountain Mine, which is operated by Placer Dome U.S. Inc. During the second quarter, Royal Gold received royalty revenue of $97,248.

The operator reports that as of December 31, 2000, at a $300 gold price, the proven and probable reserves related to Royal Gold's royalty include 11,529,000 tons (10,458,935 tonnes) of ore, with an average grade of 0.0288 opt (0.987 gpt), containing approximately 332,000 ounces of gold. This compares to proven and probable reserves, at December 31, 1999, at a $325 gold price, of 10,226,000 tons (9,313,161 tonnes) of ore, with an average grade of 0.069 opt (2.36 gpt), containing approximately 704,000 ounces of gold.

In addition to the proven and provable reserves, the operator reports that the Bald Mountain property contains approximately 9.1 million tons (8.3 million tonnes) of additional mineralized material, at an average grade of 0.076 opt (2.60 gpt) of gold. This compares to additional mineralization, as of December 31, 1999, of approximately 8.6 million tons (7.8 million tonnes), at an average grade of 0.04 opt (1.37 gpt) of gold.

Yamana Resources, Argentina

The Company holds a 2% net smelter returns royalty on all mineral production from any of Yamana Resources' 19 development and 21 exploration properties in Santa Cruz Province, Argentina. Yamana's properties include the high-grade silver property known as the Martha mine, at the Bacon prospect, and the high-grade gold property known as Coyote, at the Martinetas prospect. Yamana's mineral holdings in the Santa Cruz province encompass about 365,000 acres (148,000 hectares).

Yamana has informed the Company that construction of a 643-foot (196 meter) decline at the Martha Mine was completed in late December 2000, and that production of direct shipping ore ("DSO") has commenced. Yamana expects to produce about 5,500 tons (5,000 tonnes) of material containing 3.25 million ounces equivalent silver, at an average grade of 590 opt (20,249 gpt), during this first phase of a four-phase mining program. In a DSO project, high-grade ore is shipped directly to a smelter, and no on-site processing is required.

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Other Matters

During the quarter, the Company entered into an agreement with HSBC Bank USA for a loan facility of up to $10 million in order to purchase cash-generating royalty assets. Repayment of any loan under this facility will be secured by a mortgage on the Royal Gold's GSR3 royalty at the Pipeline Mining Complex, and by a security interest in the proceeds from any of the Company's other royalty interests at the Pipeline Mining Complex. Assets purchased with the loan will also serve as collateral. The loan facility will mature in June 2005 but may be extended under two one-year options.

Royal Gold, Inc. is the largest U.S.-based royalty company engaging in the acquisition and management of precious metals royalty interests. Royal Gold is publicly traded on the NASDAQ National Market System, under the symbol "RGLD," and on the Toronto Stock Exchange under the symbol "RGL." The Company's web page is located at www.royalgold.com.

NOTE: Management's conference call reviewing the second quarter of fiscal 2001, will be held today at 12:00 noon Eastern time, and will be simultaneously carried on the Company's web site. A replay on the web site will be available approximately two hours after the call ends.

ROYAL GOLD, INC.
SUMMARY OF FINANCIAL INFORMATION

	Quarter Ended December 31, 2000	1999
Royalty Revenues	$ 1,405,106	$ 3,007,747
Interest and Other Income	$ 79,807	$ 64,755
Total Revenues	$ 1,484,913	$ 3,072,502
Operations	$ 125,237	$ 219,430
Exploration Costs	$ 249,442	$ 735,291
General and Administrative	$ 472,838	$ 646,971
Depreciation and Amortization	$ 308,000	$ 403,251
Asset impairment	$ 490,215	$ -
Net Income (Loss)	$ (157,603)	$ 997,897
Basic Income (Loss) Per Share	$ (0.01)	$ 0.06
Basic Weighted Average Shares Outstanding	17,763,862	17,578,792
Diluted Income Per Share	$ (0.01)	$ 0.06
Diluted Weighted Average Shares Outstanding	17,763,862	17,866,337
Total Assets	$16,300,466	$18,020,144
Working Capital	$ 6,707,255	$ 4,898,664
Long-Term Liabilities	$ 125,763	$ 67,898
Stockholders' Equity	$15,471,064	$14,672,697

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	Six Months Ended December 31, 2000	1999
Royalty Revenues	$ 2,943,050	$ 5,030,630
Interest and Other Income	$ 141,595	$ 150,842
Total Revenues	$ 3,084,645	$ 5,181,472
Operations	$ 335,063	$ 372,882
Exploration Costs	$ 383,100	$ 1,216,448
General & Administrative	$ 858,673	$ 1,023,947
Depreciation and Amortization	$ 536,491	$ 615,486
Asset Impairment	$ 490,215	$ -
Net Income	$ 471,481	$ 1,853,194
Basic Income Per Share	$ 0.03	$ 0.11
Basic Weighted Average Shares Outstanding	17,749,025	17,400,857
Diluted Income Per Share	$ 0.03	$ 0.10
Diluted Weighted Average Shares Outstanding	17,867,981	17,688,402
Total Assets	$16,300,466	$18,020,144
Working Capital	$ 6,707,255	$ 4,894,694
Long Term Liabilities	$ 125,763	$ 67,898
Shareholders' Equity	$15,471,064	$14,672,697

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