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News Release

ROYAL GOLD, INC

FOR IMMEDIATE RELEASE: **FOR FURTHER INFORMATION CONTACT**:

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ROYAL GOLD REPORTS THIRD QUARTER PROFITS; DECLARES SECOND ANNUAL DIVIDEND

- **PURCHASE OF A NEW ROYALTY AT THE PIPELINE MINING COMPLEX**
- **POSITIVE CASH FLOW**
- **SECOND ANNUAL DIVIDEND TO BE PAID**

DENVER, COLORADO. **MAY 10, 2001: ROYAL GOLD, INC. (NASDAQ:RGLD; TSE:RGL)** today announced its quarterly results for the third quarter (January 1-March 31) of fiscal year 2001. The Company reported that it continues to have positive cash flow and earnings, that it purchased an additional royalty at the Pipeline Mining Complex, in April 2001, and the Board of Directors declared a $0.05 per share dividend.

The Company reported net income of $358,997, or $0.02 per basic share, on royalty revenue of $1,446,010 for the three months ending March 31, 2001. Net income for the third quarter of fiscal 2001 compares to net income of $1,142,303, or $0.06 per basic share, on royalty revenue of $2,391,903 for the same period in fiscal 2000. Net income for the nine-month period ending March 31, 2001 was $830,478, or $0.05 per basic share, on royalty revenue of $4,389,061, compared to net income of $2,995,496, or $0.17 per share, on royalty revenue of $7,422,531 for the nine-month period ended March 31, 2001. Cash flow for the nine-month period was approximately $2.4 million.

Exploration costs for the quarter were $207,140 as compared to $426,664 for the quarter ended March 31, 2000.

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At March 31, 2001, the Company had working capital of $7.6 million. Current assets were $8,020,010 compared to current liabilities of $446,341, for a current ratio of 18 to 1.

"We saw lower revenues for the quarter because of the structure of our sliding-scale royalty at the Pipeline Mining Complex. However, we continue to have positive cash flow and earnings," said Stanley Dempsey, Chairman and CEO. "In April, we purchased a new royalty on the Pipeline Mining Complex. Our fundamentals remain sound, with $7.6 million in working capital, no debt, and a $10 million line of credit," Dempsey said.

DIVIDEND PAYMENT

The Company also declared its second annual dividend in the amount of US$0.05 per share of common stock, payable on July 20, 2001 to stockholders of record at the close of business on July 6, 2001. "We are pleased to be able to continue our annual dividend payment, which again represents the confidence the Board of Directors and management have in the Company's future. It is our intention to sustain a dividend on a fiscal year basis, subject to the discretion of the Board of Directors, which will consider among other things the gold price, economic and market conditions, and the financial needs or opportunities that might arise in the future," Dempsey said.

ROYALTY PORTFOLIO REVIEW

Pipeline Mining Complex

The Company holds two sliding scale gross smelter returns royalties (GSR1 and GSR2), a fixed gross royalty (GSR3), and a net value royalty (NVR) on the Pipeline Mining Complex, 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 80% higher than that of GSR1, at all gold prices. The GSR3 royalty is a 0.71% fixed rate for the life of the mine. The 0.37% NVR royalty was purchased in April 2001, for $2.1 million, and covers production from the GAS Claims, an area of interest of approximately 4,000 acres including the South Pipeline deposit and Crossroads area, but does not include the Pipeline pit. The NVR is calculated by deducting processing-related costs, but this royalty is not burdened by mining costs.

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For the third quarter of fiscal 2001, the Pipeline Mining Complex produced 295,177 ounces of gold, providing $1,393,941 of royalty revenue to Royal Gold. This compares to 311,842 ounces of gold produced, providing $2,297,754 of royalty revenue to Royal Gold, for the same quarter in fiscal 2000.

Placer Dome estimates that production at the Pipeline Mining Complex will exceed 1.1 million ounces of gold in calendar year 2001. At average gold prices between $250 and $269.99 for a quarter, Royal Gold's GSR1 royalty at the Pipeline Mining Complex is 1.30%. At average gold prices between $270 and $309.99 for a quarter, the royalty rate is 2.25%.

The 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.

According to Placer Dome, as of December 31, 2000, based on a gold price of $300 per ounce, 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.

Placer Dome 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 additional mineralized material, at an average grade of 0.047 opt (1.61 gpt) of gold. Approximately 38 million (34 million tonnes) of this material, grading 0.043 opt (1.47 gpt), is subject to the Company's GSR2 ("super") royalty.

Bald Mountain, White Pine County, Nevada

Royal Gold holds a 1.75% net smelter returns royalty ("NSR") that burdens a portion of the Bald Mountain Mine, operated by Placer Dome U.S. Inc. During this fiscal quarter, Royal Gold received royalty revenue of $52,069.

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 at Bald Mountain 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.

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.

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Yamana Resources

The Company holds a 2% net smelter returns royalty on mineral production from all of Yamana's development and exploration properties in Santa Cruz Province, Southern 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 advised Royal Gold that five shipments of direct shipping ore ("DSO") material from the Martha mine have been made, and that one of the shipments has now arrived at the smelter, in Quebec, Canada. In a DSO project, high-grade ore is shipped directly to a smelter, and no on-site processing is required.

Royal Gold 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 third quarter of fiscal 2001 will be held today at 12:00 noon Eastern Daylight Time, and will be simultaneously carried on the Company's web site under the Presentations section, Conference Call heading. A replay on the web site will be available approximately two hours after the call ends.

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ROYAL GOLD, INC.
SUMMARY OF FINANCIAL INFORMATION

	Quarter Ended March 31, 2001	2000
Royalty Revenue	$ 1,446,010	$ 2,391,903
Interest and Other Income	$ 74,595	$ 67,453
Total Revenues	$ 1,520,605	$ 2,459,356
Operations	$ 147,591	$ 150,575
Exploration Costs	$ 207,140	$ 426,664
General and administrative	$ 457,175	$ 368,913
Depreciation and depletion	$ 330,456	$ 307,488
Net Income	$ 358,997	$ 1,142,303
Basic Income Per Share	$ 0.02	$ 0.06
Basic Weighted Average Shares Outstanding	17,751,596	17,641,327
Diluted Income Per Share	$ 0.02	$ 0.06
Diluted Weighted Average Shares Outstanding	17,866,905	17,873,527
Total Assets	$16,550,622	$17,668,275
Working Capital	$ 7,573,669	$ 6,006,418
Long-term Liabilities	$ 126,296	$ 61,297
Stockholders' Equity	$15,997,985	$15,565,633

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	Nine Months Ended March 31, 2001	2000
Royalty Revenue	$ 4,389,061	$ 7,422,531
Interest and Other Income	$ 216,191	$ 218,295
Total Revenues	$ 4,605,252	$ 7,640,826
Operations	$ 482,655	$ 523,457
Exploration Costs	$ 590,240	$ 1,643,112
General and administrative	$ 1,315,848	$ 1,392,860
Depreciation and depletion	$ 866,947	$ 922,974
Asset Impairment	$ 490,215	$ 0
Net Income	$ 830,478	$ 2,995,496
Basic Income per Share	$ 0.05	$ 0.17
Basic Weighted Average Shares Outstanding	17,749,870	17,480,431
Diluted Income Per Share	$ 0.05	$ 0.17
Diluted Weighted Average Shares Outstanding	17,865,551	17,712,631
Total Assets	$16,550,622	$17,668,275
Working Capital	$ 7,573,669	$ 6,006,418
Long-term Liabilities	$ 126,296	$ 61,297
Stockholders' Equity	$15,977,985	$15,565,633

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