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NEWSRELEASE

ROYALGOLD,INC

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ROYAL GOLD REPORTS HIGHER REVENUES AND EARNINGS IN SECOND QUARTER

- **Revenues increased 18%, boosted by higher gold prices and GSR1 royalty rate step-up to 4.5%**
- **Earnings per share increased 18% from the prior year quarter to $0.13**
- **Free cash flow (a non-GAAP financial measure) equaled 65% of revenues**

DENVER, COLORADO. FEBRUARY 9, 2005: ROYAL GOLD, INC. (NASDAQ:RGLD; TSX:RGL), the leading publicly traded precious metals royalty company, today announced second quarter fiscal 2005 net income of approximately $2.6 million or $0.13 per basic share, on royalty revenue of approximately $6.0 million. This compares to net income for the second quarter of fiscal 2004 of $2.3 million, or $0.11 per basic share, on royalty revenue of approximately $5.1 million.

Net income for the six-month period ended December 31, 2004, was approximately $5.1 million, or $0.25 per basic share, on royalty revenue of approximately $12.0 million. This compares to net income of approximately $3.6 million, or $0.17 per basic share, for the six-month period ended December 31, 2003, on royalty revenue of approximately $9.3 million.

"Royal Gold's royalty-based business model continues to perform extremely well due to higher gold prices and our sliding-scale royalties," said Stanley Dempsey, Chairman & CEO. "Our flagship royalties are generating significant amounts of free cash flow, our balance sheet is solid and we are focused on the pursuit of our growth strategy. We are working toward our goal of increasing the size of the Company through new royalty generation and the acquisition of existing royalties."

Free cash flow for the second quarter of fiscal 2005 was approximately $3.9 million, or 65% of revenues. For the six-month period ended December 31, 2004, free cash flow was approximately $8.1 million, or 68% of revenues. The Company defines free cash flow, a non-GAAP financial measure, as operating income plus depreciation, depletion and amortization, non-cash charges and any impairment of mining assets (see, Schedule A-Reconciliation).

At December 31, 2004, the Company had a working capital surplus of approximately $46.4 million. Current assets were approximately $50.4 million, compared to current liabilities of approximately $4.0 million translating into a current ratio of nearly 13 to 1.

ROYALTY PORTFOLIO REVIEW

Pipeline Mining Complex (Lander County, Nevada)

The Company owns two sliding-scale gross smelter return ("GSR1" and "GSR2") royalties, a fixed rate gross smelter return ("GSR3") royalty, and a net value return ("NVR1") royalty on the Pipeline Mining Complex, in Lander County, Nevada. The GSR1 royalty covers the current mine footprint, and the GSR2 royalty covers any reserves that are developed on the claim block lying outside the current mine footprint. The GSR2 royalty rate is 80% higher than the GSR1, at all gold prices. The GSR3 royalty is a 0.71% fixed rate royalty for the life of the mine. The 0.39% NVR1 royalty covers production from the GAS Claims, an area of interest of approximately 4,000 acres including the South Pipeline deposit and Crossroads area, but not including the Pipeline pit. The NVR1 royalty is calculated by deducting processing-related costs, but is not burdened by mining costs.

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

During the second quarter of fiscal 2005, the Pipeline Mining Complex produced 218,682 ounces of gold providing royalty revenue of $5.1 million, compared to 217,866 ounces of gold produced, providing royalty revenue of $4.3 million for the same quarter in fiscal 2004. This 19% increase in quarterly royalty revenue was driven by a two-step increase in the GSR1 sliding-scale rate.

During the quarter, the average gold price was $434 per ounce resulting in a royalty rate of 4.5% under GSR1, compared to an average gold price of $391 per ounce and a royalty rate of 4.0% for the same period in fiscal 2004. Current production from the Pipeline Mining Complex is subject to GSR1, GSR3 and NVR1 royalties.

Leeville Project (Eureka County, Nevada)

Royal Gold holds a 1.8% net smelter return ("NSR") royalty covering a majority of the Leeville Project ("Leeville"). Leeville is an underground mine, currently under development by Newmont Mining Corporation ("Newmont"). Newmont has announced its intention to initiate production at Leeville in the fourth quarter of calendar 2005. Current production on the Leeville royalty land is derived from underground operations on a portion of the Carlin East deposit.

During the second quarter of fiscal 2005, the Carlin East deposit produced 23,143 ounces of gold, providing royalty revenue of $169,095, compared to 29,150 ounces of gold produced providing royalty revenue of $205,783 for the same quarter in fiscal 2004.

SJ Claims (Goldstrike Mine, Eureka County, Nevada)

Royal Gold holds a 0.9% NSR royalty covering a portion of the Betze-Post mine, known as the SJ Claims. The Betze-Post mine, which is a part of the larger Goldstrike operation, is operated by Barrick Gold Corporation.

During the second quarter of fiscal 2005, the SJ Claims produced 158,741 ounces of gold, providing royalty revenue of $617,605, compared to 89,451 ounces of gold produced providing royalty revenue of $313,553 for the same quarter in fiscal 2004.

Troy Mine (Lincoln County, Montana)

In the second quarter of fiscal 2005, Royal Gold obtained the right to receive payments equivalent to a 7.0% GSR royalty that covers the Troy underground mine operated by Revett Silver Company ("Revett"). The GSR royalty will extend until either cumulative production of 90% of the current reserves is reached, or Royal Gold receives $10.5 million in cumulative payments, whichever occurs first. Royal Gold also acquired a perpetual GSR royalty that begins at 6.1% on any production in excess of 100% of the currently identified reserves which steps down to a perpetual 2% GSR royalty after cumulative production has exceed 115% of the current reserves.

Revett has announced that production at the Troy mine commenced in late calendar 2004, and that it anticipates production of approximately 3.0 million ounces of silver and 25.0 million pounds of copper in calendar year 2005. Royal Gold expects to receive royalty payments from the Troy Mine during the third quarter of fiscal 2005.

Bald Mountain (White Pine County, Nevada)

Royal Gold holds a 1.75% to 3.5% NSR sliding-scale royalty that burdens a portion of the Bald Mountain mine, operated by Placer Dome U.S. Inc. The 1.75% NSR royalty rate does not increase until the gold price exceeds $500 per ounce.

During the second quarter of fiscal 2005, Bald Mountain produced about 4,592 ounces of gold, providing royalty revenue of $35,394, compared to 10,854 ounces of gold produced providing royalty revenue of $74,790 for the same quarter in fiscal 2004.

South American Properties (Argentina)

The Company holds a 2% NSR royalty on the Martha silver mine operated by Coeur d'Alene Mines Corporation. Royalty revenue for the second quarter of fiscal 2005 was $62,849, compared to $161,337 for the same quarter in fiscal 2004.

Corporate Profile

Royal Gold, Inc. is a precious metals royalty company engaging in the acquisition and management of precious metals royalty interests. Royal Gold is publicly traded on the Nasdaq 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: Royal Gold will conduct its second quarter conference call today at 12:00 noon Eastern (10:00 a.m. Mountain) time. The call will be simultaneously carried on the Company's web site at **www.royalgold.com** within the Investor Relations Section, under "Presentations." A replay on the web site will be available approximately two hours after the call ends. The conference call is also available by calling

800-603-2779 or 706-634-7230. Audio replays will be available about two hours after the call and until February 18 by dialing 800-642-1687 or 706-645-9291, access number 3657821.

Cautionary "Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: With the exception of historical matters, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projections or estimates contained herein. Such forward-looking statements include statements regarding growth plans for the Company, royalty generation, acquisition of existing royalties, production levels and timing at Revett, revenue from Revett, commencement of royalty revenues at Revett, and the sliding-scale features of our royalty structure at the Pipeline Mining Complex. Factors that could cause actual results to differ materially include, among others, precious metals prices, decisions and activities of the operators of our royalty properties, unanticipated grade, geological, metallurgical, processing or other problems the operators of the mining properties may encounter, changes in project parameters as plans continue to be refined, results of current or planned exploration activities, economic and market conditions, as well as other factors described elsewhere in this press release and in our Annual Report on Form 10-K, and other filings with the Securities and Exchange Commission. Most of these factors are beyond the Company's ability to predict or control. The Company disclaims any obligation to update any forward-looking statement made herein. Readers are cautioned not to put undue reliance on forward-looking statements.

The Company discloses information on free cash flow and free cash flow as a percentage of revenues in its reporting. The Company defines free cash flow by operating income plus depreciation, depletion and amortization, non-cash charges, and any impairment of mining assets. While we believe free cash flow is a useful measure of the Company's performance, we also want to advise that this is not a measure recognized by generally accepted accounting principles. See Schedule A - Reconciliation, attached to this press release.

ROYAL GOLD, INC.

Consolidated Balance Sheets

	December 31, 2004 (Unaudited)	June 30, 2004
Assets		
Current assets		
Cash and equivalents	$ 43,366,461	$ 44,800,901
Royalty receivables	5,207,388	5,221,307
Current deferred tax asset	1,324,080	1,671,305
Prepaid expenses and other	532,454	207,662
Total current assets	50,430,383	51,901,175
Royalty interests in mineral properties, net	46,158,521	40,325,611
Available for sale securities	396	420,231
Investment	1,000,000	-
Deferred tax asset	304,871	306,565
Other assets	622,631	568,228
Total assets	$ 98,516,802	$ 93,521,810
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 1,967,632	$ 1,232,539
Dividend payable	1,042,661	779,377
Accrued compensation	557,000	200,000
Other	392,042	229,518
Total current liabilities	3,959,335	2,441,434
Deferred tax liability	7,766,463	8,078,975
Other long term liabilities	89,889	103,089
Total Liabilities	11,815,687	10,623,498
Commitments and contingencies		
Stockholders' equity		
Common stock, $.01 par value, authorized 40,000,000 shares; 21,082,447 and 21,012,583 shares issued and outstanding at December 31, 2004 and June 30, 2004, respectively	210,824	210,125
Additional paid-in capital	102,946,283	102,019,891
Accumulated other comprehensive income	35	28,097
Deferred compensation	(390,934)	-
Accumulated deficit	(14,968,221)	(18,262,929)
Treasury stock, at cost (229,224 shares)	(1,096,872)	(1,096,872)
Total stockholders' equity	86,701,115	82,898,312
Total liabilities and stockholders' equity	$ 98,516,802	$ 93,521,810

ROYAL GOLD, INC.

Consolidated Statements of Operations and Comprehensive Income

(Unaudited)

	For The Three Months Ended	
	December 31, 2004	December 31, 2003
Royalty revenues	$ 6,031,833	$ 5,083,461
Costs and expenses		
Costs of operations	519,404	347,183
General and administrative	986,613	779,009
Exploration and business development	587,528	250,635
Depreciation, depletion and amortization	867,121	786,039
Non-cash employee stock compensation expense	119,125	-
Total costs and expenses	3,079,791	2,162,866
Operating income	2,952,042	2,920,595
Interest and other income	181,250	100,681
Gain on sale of available for sale securities	163,526	-
Interest and other expense	(29,018)	(29,001)
Income before income taxes	3,267,800	2,992,275
Current tax expense	(549,600)	(16,385)
Deferred tax expense	(99,882)	(698,425)
Net income	$ 2,618,318	$ 2,277,465
Adjustments to comprehensive income		
Unrealized change in market value of available for sale securities	25,452	212,324
Realization of the change in market value on sale of available for sale securities	(104,657)	-
Comprehensive income	$ 2,539,113	$ 2,489,789
Basic earnings per share	$ 0.13	$ 0.11
Basic weighted average shares outstanding	20,814,226	20,778,772
Diluted earnings per share	$ 0.12	$ 0.11
Diluted weighted average shares outstanding	21,129,742	21,147,687

ROYAL GOLD, INC.

Consolidated Statements of Operations and Comprehensive Income

(Unaudited)

	For The Six Months Ended December 31, 2004	For The Six Months Ended December 31, 2003
Royalty revenues	$ 11,955,924	$ 9,264,946
Costs and expenses		
Costs of operations	978,685	674,458
General and administrative	1,802,476	1,364,695
Exploration and business development	1,043,143	780,948
Depreciation, depletion, and amortization	1,727,309	1,700,931
Non-cash employee stock compensation expense	119,125	-
Total costs and expenses	5,670,738	4,521,032
Operating income	6,285,186	4,743,914
Interest and other income	312,415	189,684
Gain on sale of available for sale securities	163,526	-
Interest and other expense	(58,035)	(58,278)
Income before income taxes	6,703,092	4,875,320
Current tax expense	(1,208,534)	(90,090)
Deferred tax expense	(377,812)	(1,164,653)
Net income	$ 5,116,746	$ 3,620,577
Adjustments to comprehensive income		
Unrealized change in market value of available for sale securities	76,595	104,615
Realization of the change in market value on sale of available for sale securities	(104,657)	-
Comprehensive income	$ 5,088,684	$ 3,725,192
Basic earnings per share	$ 0.25	$ 0.17
Basic weighted average shares outstanding	20,798,792	20,737,794
Diluted earnings per share	$ 0.24	$ 0.17
Diluted weighted average shares outstanding	21,101,455	21,122,464

ROYAL GOLD, INC.

Consolidated Statements of Cash Flows

(Unaudited)

	For The Six Months Ended	
	December 31, 2004	December 31, 2003
Cash flows from operating activities:		
Net income	$ 5,116,746	$ 3,620,577
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	1,727,309	1,700,931
Gain on available for sale securities	(163,526)	-
Deferred tax expense	377,812	1,164,653
Non-cash employee stock option compensation expense	119,125	-
Changes in assets and liabilities:		
Royalty receivables	13,919	(1,186,687)
Prepaid expenses and other assets	(330,876)	(96,447)
Accounts payable	730,167	187,704
Accrued liabilities and other current liabilities	481,208	248,258
Other long term liabilities	(13,200)	(13,200)
Net cash provided by operating activities	8,058,684	5,625,789
Cash flows from investing activities:		
Capital expenditures for property and equipment	(104,437)	(59,628)
Acquisition of royalty interests in mineral properties	(7,500,000)	-
Purchase of investment	(1,000,000)	-
Proceeds from sale of available for sale securities	539,513	-
Net cash used in investing activities	(8,064,924)	(59,628)
Cash flows from financing activities:		
Dividends paid	(1,558,754)	(1,032,735)
Proceeds from issuance of common stock	130,554	738,177
Net cash used in financing activities	(1,428,200)	(294,558)
Net (decrease) increase in cash and equivalents	(1,434,440)	5,271,603
Cash and equivalents at beginning of period	44,800,901	33,485,543
Cash and equivalents at end of period	$ 43,366,461	$ 38,757,146
Supplemental cash flow information:		
Cash paid during the period for:		
Income taxes	$ 1,325,000	$ 303,000
Non-cash financing activities:		
Deferred compensation (equity offset)	$ 729,960	$ -

SCHEDULE A - RECONCILIATION

Non-GAAP Financial Measures

The Company computes and discloses free cash flow and free cash flow as a percentage of revenues as non-GAAP financial measures. Free cash flow is defined by the Company as operating income plus depreciation, depletion and amortization, non-cash charges, and adding back any impairment of mining assets. Management believes that free cash flow and free cash flow as a percentage of revenues are useful measures of performance of our royalty portfolio. Free cash flow identifies the cash generated in a given period that will be available to fund the Company's future operations, growth opportunities, and shareholder dividends. Free cash flow, as defined, is most directly comparable to operating income in the Statements of Operations. Below is reconciliation to operating income:

	For The Three Months Ended		For The Six Months Ended	
	December 31, 2004	December 31, 2003	December 31, 2004	December 31, 2003
Operating income	$ 2,952,042	$ 2,920,595	$ 6,285,186	$ 4,743,914
Depreciation, depletion and amortization	867,121	786,039	1,727,309	1,700,931
Non-cash employee stock compensation expense	119,125	-	119,125	-
Free cash flow	$ 3,938,288	$ 3,706,634	$ 8,131,620	$ 6,444,845