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News Release

Royal Gold, Inc.

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ROYAL GOLD ANNOUNCES DISCOVERY OF ADDITIONAL GOLD MINERALIZATION AT THE PIPELINE MINING COMPLEX

- New discovery located in the Crossroads area adjacent to the South Pipeline pit.
- Additional drilling in progress.

DENVER, COLORADO. OCTOBER 2, 2000. ROYAL GOLD, INC. (NASDAQ: RGLD; TSE: RGL) today announced results of continued exploration drilling at the Pipeline Mining Complex, operated by the Cortez Joint Venture (ACortez@). The Company has been informed by Cortez that additional gold mineralization has been encountered immediately southeast of the South Pipeline pit in an area known as Crossroads. Cortez has calculated a manual estimate for the area of approximately 12.6 million tons of oxide mineralized material, at an average grade of 0.044 ounces of gold per ton (Aopt@), containing an indicated gold resource of approximately 559,000 ounces of gold, using a 0.01 opt cut-off. This estimate does not factor in any mining dilution or processing losses. The Crossroads area represents a new discovery along the structural trend hosting the Pipeline and South Pipeline deposits (see Figure 1). Cortez advises that exploration and development drilling is continuing in the Crossroads area.

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Royal Gold's Royalty Interests

Royal Gold holds two sliding scale gross smelter returns royalties (GSR1 and GSR2) and a fixed-rate gross royalty (GSR3) over the entire Pipeline Mining Complex. 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 pays out at a rate that is 80% higher than that of GSR1, at all gold prices. The GSR3 royalty is at a rate of 0.48%, until a further 422,833 ounces of gold are produced from the Complex, and then escalates to 0.71% for the remainder of the life of the mine. The GSR3 royalty is expected to step up to 0.71% early in calendar 2001. Current production from the Pipeline Mining Complex is subject to GSR1 and GSR3. A small portion of the Crossroads area lies on ground covered by GSR1; a majority of the area is covered by GSR2; and all of the area is covered by GSR3 (see Figure 2 - Royalty Schedules).

New Discovery at Crossroads

Drilling in calendar year 2000 on the Crossroads target has focused on an area measuring 2,000 feet east-west by 1,700 feet north-south. Drilling has progressed in this area guided by a 200 x 200-foot grid, drilling vertical holes, with a pilot reverse circulation hole and completion to depth using diamond drill coring. As of the end of August 2000, a total of one hundred twenty-two (122) holes have been completed at Crossroads, with eighty-three (83) holes completed so far in the calendar year 2000 program, in addition to thirty-nine (39) scattered holes from previous programs. Most holes were completed to depths of 800 to 1,700 feet. Most sample preparation and gold assays are completed by Cortez at the Pipeline Mining Complex facilities, using 10-foot sample intervals, with additional work completed at reputable outside labs.

The controls to gold mineralization at Crossroads are similar to those in the South Pipeline deposit. Local long intercepts of low grade, oxide gold mineralization are encountered in this area beneath 300 to 570 feet of pediment gravels and valley-fill sediments. Gold mineralization increases in intensity (thickness and/or grade) to the southeast. In the southeastern corner of the drill pattern, thicker intercepts of higher grade gold mineralization have been discovered. The Crossroads area contains an indicated resource, estimated by manual geologic cross sections, consisting of approximately 12.6 million tons of oxide mineralization, at an average grade of 0.044 opt gold (at a 0.01 cut-off), containing approximately 559,000 ounces of gold. The mineralization remains open in several directions. A density factor of 14.5 cubic feet per ton was

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used in the tonnage estimates. In addition to the oxide mineralized material discussed above, carbonaceous gold mineralization was intercepted.

Drill Hole Intercepts

Gold intercepts reported by Cortez are listed in Table 2, below, which summarizes twenty-five (25) holes located in the southeastern quadrant of the Crossroads area, and employs a 0.01 opt cut-off grade (summary intervals include local sub-0.01 opt assay intervals). The quadrant encompassing these drill holes measures 1,000 feet north-south by 1,000 feet east-west.

TABLE 2

Drill Hole (Depth)	**Interval (feet)**	**Thickness (feet)**	**Average Grade (opt Au)**
DP 800 (1,200)	620-730 1,000-1,020	110 20	0.020 0.031
DP 801 (850)	640-690 770-830	50 60	0.032 0.0095
DP 802 (1,000)	570-660	90	0.037
DP 803 (1,000)	600-630 760-900	30 140	0.033 0.061
DP 812 (1,350)	490-530 810-840 1,260-1,350	40 30 90	0.023 0.036 (carb) 0.031 (carb)
DP 813 (1,500)	660-700 710-800 930-1,140 1,450-1,500	40 90 210 50	0.017 0.047 0.017 0.078 (carb)
DP 814 (1,200)	690-730	40	0.039
DP 815 (1,188)	650-740 920-1,050	90 130	0.033 0.069

Drill Hole (Depth)	Interval (feet)	Thickness (feet)	Average Grade (opt Au)
DP 816 (1,200)	600-700 1,030-1,180	100 150	0.028 0.117
DP 820 (1,500)	830-860 1,070-1,120 1,150-1,220 1,320-1,340	30 50 70 20	0.050 0.024 0.040 (carb) 0.048 (carb)
DP 821 (1,500)	570-600 660-780 800-860 1,070-1,120 1,150-1,220	30 120 60 30 80	0.011 0.020 0.034 0.073 (carb) 0.027 (carb)
DP 822 (1,500)	770-830 1,140-1,200 1.230-1,250 1,420-1,440 1,480-1,500	60 60 20 20 20	0.017 0.032 0.050 (carb) 0.069 (carb) 0.098 (carb)
DP 823 (1,200)	710-770 1,190-1,200	60 10	0.047 0.052
DP 824 (841) including	600-740 611-622	140 no sample - 11	0.059
DP 825 (1,700)	540-620 620-680 680-700 820-840 1,200-1,260 1,340-1,420	80 no sample 20 20 60 80	0.037 0.009 0.025 0.039 (carb) 0.020 (carb)
DP 826 (1,695)	550-760 800-880 1,230-1,310 1,310-1,340 1,370-1,510 1,510-1,695	210 80 80 30 140 185	0.104 0.055 0.136 0.036 (carb) 0.174 (carb) 0.015 (carb)

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Drill Hole (Depth)	Interval (feet)	Thickness (feet)	Average Grade (opt Au)
DP 827 (1,700)	590-850 1,310-1,500 1,500-1,700	260 190 200	0.032 0.054 (carb) 0.319 (carb)
PR 368 (1,500)	750-830 1,090-1,120 1,210-1,300 1,350-1,500	80 30 90 150	0.022 0.040 0.034 (carb) 0.053 (carb)
PR 448 (1,500)	680-730 1,080-1,100	50 20	0.025 0.051
PR 449 (1,500)	560-650 870-920	90 50	0.043 0.036
PR 450 (1,500)	560-630 790-860 1,250-1,340 1,340-1,500	70 70 90 160	0.053 0.015 0.111 0.203 (carb)
PR 458 (1,700)	600-820 1,210-1,280 1,400-1,700	220 70 300	0.038 0.075 (carb) 0.070 (carb)
PR 459 (1,700)	580-840 1,350-1,520 1,520-1,620	260 170 100	0.076 0.084 (carb) 0.026 (carb)
PR 460 (520)	-	-	trace

* (carb) - carbonaceous mineralizaton

A decision to reclassify some, or all, of the additional mineralized material reported herein to proven and probable ore reserve status depends upon consideration of further drilling and metallurgical testing results, and application of economic and technical feasibility factors, such as mining, dewatering, and processing costs.

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

Royal Gold is the largest U.S.-based gold royalty company, and engages in the acquisition and management of precious metals royalty interests. The Company paid its first dividend of $0.05 as share in July 2000. Royal Gold is traded on the Nasdaq National Market under the symbol ARGLD, and on The Toronto Stock Exchange under the symbol ARGL. The Company's web page is at www.royalgold.com. The entire press release including Figure 1 and Figure 2 can be located under APress Releases.

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 events to differ from the information contained herein. Factors that could cause actual results to differ materially include, among others, results of further drilling and feasibility analyses, unanticipated grade, geological, metallurgical, processing, permitting or other problems; changes in project parameters as plans are refined; the timing of receipt of governmental permits, results of current or planned exploration activities; and changes in commodity prices; as well as other factors. Most of these factors are entirely beyond the Company's ability to predict or control. Some of the described risks are also discussed in greater detail in the Company's 10-K and 10-Q reports that have been filed with the SEC. 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.

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