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News Release

ROYALGOLD, INC

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RECENT DRILLING AT CROSSROADS ENCOUNTERS SIGNIFICANT ADDITIONAL GOLD MINERALIZATION

DENVER, COLORADO. AUGUST 21, 2001. ROYAL GOLD, INC. (NASDAQ: RGLD; TSE: RGL) today announced results of continued exploration drilling at the Crossroads area of the Pipeline Mining Complex, received by the operator, Cortez Joint Venture ("Cortez"). Royal Gold, the largest U.S.-based publicly-held royalty company, holds several royalties on this project.

As of August 10, 2001, a total of 69 holes have been completed to date at Crossroads during the 2001 drilling program. Most holes were completed to depths of 1,200 to 2,000 feet, and all of the holes were drilled vertically, on a 200 x 200-foot grid, with a fifth "in-fill" hole in each grid, making for 141-foot spacing. All holes were piloted by reverse circulation drilling, and completed to depth using diamond drill coring. Sample preparation and gold assays are completed by Cortez at the Pipeline Mining Complex facilities, using 10-foot sample intervals, or by reputable outside labs. Additional drilling will be required before a new resource estimate for the deposit can be defined.

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Some significant intercepts from the 2001 drilling program on the main Crossroads area are depicted below in Table 1.

TABLE 1

Drill Hole (depth in feet)	Interval (feet)	Thickness (feet)	Average Grade (opt Au)
DP 901 (1,800)	800-890 1,120-1,300	90 180	0.056 0.152
DP 902 (1,850)	720-870 1,240-1,320	150 80	0.052 0.051
DP 903 (1,850)	1,170-1,330	160	0.085
DP 904 (1,900)	640-840 1,240-1,360	200 80	0.078 0.087
DP 905 (1,900)	740-800 1,180-1,300 1,250-1,410	60 120 160	0.040 0.065 0.082
DP 907 (2,100)	1,210-1,420	210	0.109
DP 911 (2,100)	1,080-1,200 1,300-1,370	120 70	0.058 0.074
DP 913 (2,200)	640-750	110	0.050
DP 914 (1,900)	690-770 950-1,080 1,300-1,390	80 130 90	0.056 0.072 0.070
DP 916 (1,900)	990-1,100	110	0.120
DP 928 (1,800)	870-930 1,120-1,220	60 100	0.045 0.202
DP 941 (1,200)	570-600 630-780	30 150	0.058 0.112

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Some significant intercepts from the second phase of combined reverse circulation and core drill holes from the 2001 drilling program on the eastern margin of the Crossroads area are depicted below in Table 2.

TABLE 2

Drill Hole (depth in feet)	Interval (feet)	Thickness (feet)	Average Grade (opt Au)
DP 1023 (1,825)	820-1,050	230	0.135
	1,330-1,450	129	0.052
DP 1024 (1,900)	730-1,090	360	0.137
	1,170-1,220	50	0.099
	1,130-1,380	50	0.068
DP 1025 (1,900)	730-840	110	0.212
	890-980	90	0.033
	1,490-1,640	150	0.044
DP 1026 (1,900)	1,390-1,550	160	0.072

This recent drilling program expands the Crossroads area of mineralization to dimensions of approximately 2,200 feet east-west by 1,900 feet north-south. The 2001 drilling program has not fully defined the extent of mineralization, particularly to the east and south. The geology of this mineralization is similar to that of the South Pipeline deposit.

Royal Gold's Royalty Interests

Royal Gold holds two sliding scale gross smelter returns royalties (GSR1 and GSR2), a fixed-rate gross royalty (GSR3), and a net value royalty (NVR1) on the Pipeline Mining Complex. The GSR1 royalty covers the current mine footprint, and the GSR2 ("super") royalty covers any reserves that are developed on the claim block lying outside the current mine footprint. GSR2 pays out at a rate that is 80% higher than that of GSR1, at all gold prices. GSR3 is a 0.71% fixed rate royalty, for the life of the mine, encompassing the area that is also covered by GSR1 and GSR2. The 0.37% NVR1 covers production from most of 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. NVR1 is calculated by deducting processing-related costs, but not mining costs. Current production from the Pipeline Mining Complex is subject to GSR1, GSR3 and NVR1. A small portion of the Crossroads area lies on

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ground covered by GSR1; a majority of the area is covered by GSR2; and all of the area is covered by GSR3 and NVR1.

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 engaging in the acquisition and management of precious metals royalty interests. The Company paid its second annual dividend of $0.05 per share in July 2001. Royal Gold is publicly traded on the Nasdaq National Market under the symbol "RGLD," and on The Toronto Stock Exchange under the symbol "RGL." The Company's web page is at www.royalgold.com.

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 experienced by the operator; changes in project parameters as plans are refined; results of current or planned exploration activities by the operator; 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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