

## NEWS RELEASE



World Class Royalty Company

### **Royal Gold Announces Reserve and Production Forecasts Associated with its Interests**

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**ROYAL GOLD, INC. (NASDAQ: RGLD) (TSX: RGL)**, today announced updated estimates for ore reserves and mineralized material<sup>1</sup> as of December 31, 2011, and calendar 2012 production estimates with respect to properties subject to its portfolio. These are the most recent figures provided by the operators, or obtained by Royal Gold through publicly available information, for properties on which the Company owns interests.

At the end of calendar 2011, precious metals reserves on properties subject to the Company's interests, net of depletion, were approximately 84.5 million ounces of gold and 1.2 billion ounces of silver. This compares to reserves of approximately 83.9 million ounces of gold and 1.4 billion ounces of silver estimated as of December 31, 2010. The reduction in silver was due mainly to production depletion and lower reserves at Peñasquito due to an increase in operating costs.

After applying the Company's interests to the reserves noted above, net gold reserves attributable to Royal Gold increased from approximately 4.5 million ounces as of December 31, 2010 to 5.7 million ounces as of December 31, 2011, representing an increase of approximately 27%. On a gold equivalent basis, using a ratio of approximately 50:1 of silver to gold, precious metals reserves attributable to Royal Gold increased from 5.2 million ounces as of December 31, 2010 to 6.2 million ounces as of December 31, 2011, representing an increase of 19%. These increases were driven largely by the Company's increased interest at the Mt. Milligan project in British Columbia.

The attached table contains highlights of production information related to our producing interests provided by the operators of those properties. The complete [Royalty/Metal Stream Portfolio](#), which includes reserves, mineralized material<sup>1</sup>, and production subject to the Company's interests on producing and development properties can be found on our website.

For further information about our royalties and similar interests, please see our Annual Report on Form 10-K, as well as our other public reports.

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<sup>1</sup> The U.S. Securities and Exchange commission does not recognize this term. Mineralized material is not part of proven and probable reserves and may never be converted into reserves.

### **CORPORATE PROFILE**

Royal Gold is a precious metals royalty company engaged in the acquisition and management of precious metal royalties and similar interests. The Company's current portfolio consists of 193 properties on six continents, including interests on 38 producing mines and 25 development stage projects. Royal Gold is publicly traded on the NASDAQ Global Select Market under the symbol "RGLD," and on the Toronto Stock Exchange under the symbol "RGL." The Company's website is located at [www.royalgold.com](http://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 results to differ materially from projections or estimates contained herein. Such forward-looking statements include

statements regarding production estimates for calendar 2012 provided by third-party operators; reserves and additional mineralization estimates provided by or derived from information provided by third party operators and the sliding-scale features of our royalty structure at certain of our properties. Net gold and metal reserves attributable to Royal Gold's royalty and other interests are subject to certain assumptions and, like reserves, do not reflect actual ounces that will be produced. Like any royalty or similar interest on a non-producing or not yet in development project, our interests on development projects are subject to certain risks, such as the ability of the operators to bring the projects into production and operate in accordance with their feasibility studies and the ability of Royal Gold to make accurate assumptions regarding valuation and timing and amount of payments. In addition, many of our interests are subject to risks associated with conducting business in a foreign country, including application of foreign laws to contract and other disputes, foreign environmental laws and enforcement and uncertain political and economic environments. Factors that could cause actual results to differ materially include, among others, changes in precious metals prices, performance of and production at our royalty properties, decisions and activities of the operators of our royalty properties, mine completion, 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, economic and market conditions, and future financial needs of our operators, as well as other factors described by the Securities and Exchange Commission. 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.

**TABLE 1**  
**Royal Gold's Royalty Portfolio**  
**Calendar Year 2012 Production Estimates <sup>1</sup>**

<b>PROPERTY</b>	<b>ROYALTY</b>	<b>OPERATOR</b>	<b>METAL</b>	<b>PRODUCTION</b>
<b>UNITED STATES</b>				
Bald Mountain	1.75% to 2.5% NSR <sup>2</sup>	Barrick	Gold	84,000 oz
Cortez - GSR1 and GSR2	0.40% to 5.0% GSR <sup>3</sup>	Barrick	Gold	106,000 oz
Cortez - GSR3	0.71% GSR	Barrick	Gold	106,000 oz
Cortez - NVR1	0.39% NSR	Barrick	Gold	83,000 oz
Gold Hill	1.0% to 2.0% NSR <sup>4</sup>	Kinross/Barrick	Gold	11,400 oz <sup>5</sup>
Gold Hill	1.0% to 2.0% NSR <sup>4</sup>	Kinross/Barrick	Silver	25,100 oz <sup>5</sup>
Goldstrike (SJ Claims)	0.9% NSR	Barrick	Gold	531,000 oz
Leeville	1.8% NSR	Newmont	Gold	254,000 oz
Marigold	2.0% NSR	Goldcorp/Barrick	Gold	112,500 oz <sup>6</sup>
Robinson <sup>7</sup>	3.0% NSR	KGHM	Gold	Not Reported
Robinson <sup>7</sup>	3.0% NSR	KGHM	Copper	Not Reported
Troy <sup>8</sup>	3.0% NSR	Revet	Silver	1.4 million oz
Troy <sup>8</sup>	3.0% NSR	Revet	Copper	11.5 million lbs
Twin Creeks	2.0% GV	Newmont	Gold	9,400 oz
Wharf	0.0% to 2.0% NSR <sup>9</sup>	Goldcorp	Gold	55,000 oz
<b>CANADA</b>				
Canadian Malartic	1.0% to 1.5% NSR <sup>10</sup>	Osisko	Gold	565,000 oz
Holt	0.00013 x Au price	St Andrew Goldfields	Gold	45,000 – 50,000 oz
Voisey's Bay	2.7% NSR	Vale	Copper	Not Reported

Voisey's Bay	2.7% NSR	Vale	Nickel	Not Reported
Voisey's Bay	2.7% NSR	Vale	Cobalt	Not Reported
Williams	0.9% NSR	Barrick	Gold	Not Reported
Wolverine	0.0% to 9.445% NSR 11	Yukon Zinc	Gold	Not Reported
Wolverine	0.0% to 9.445% NSR 11	Yukon Zinc	Silver	Not Reported

**TABLE 1 (cont.)  
Royal Gold's Royalty Portfolio  
Calendar Year 2012 Production Estimates <sup>1</sup>**

<b>PROPERTY</b>	<b>ROYALTY</b>	<b>OPERATOR</b>	<b>METAL</b>	<b>PRODUCTION</b>
<b>MEXICO</b>				
Dolores	3.25% NSR	Pan American Silver	Gold	75,000 – 80,000 oz
Dolores	2.0% NSR	Pan American Silver	Silver	3.5 – 4.0 million oz
El Chanate	2.0% to 4.0% NSR <sup>12</sup>	AuRico Gold	Gold	78,000 – 88,000 oz
Mulatos	1.0% to 5.0% NSR <sup>13</sup>	Alamos	Gold	200,000 – 220,000 oz
Peñasquito	2.0% NSR	Goldcorp	Gold	425,000 oz <sup>7</sup>
Peñasquito	2.0% NSR	Goldcorp	Silver	26 million oz <sup>7</sup>
Peñasquito	2.0% NSR	Goldcorp	Lead	180 million lb <sup>7</sup>
Peñasquito	2.0% NSR	Goldcorp	Zinc	400 million lb <sup>7</sup>
<b>CENTRAL AND SOUTH AMERICA</b>				
Andacollo 14	75% of payable gold (NSR)	Teck	Gold	60,000 oz <sup>15</sup>
Don Mario	3.0% NSR	Orvana	Gold	12,500 oz <sup>15,16</sup>
Don Mario	3.0% NSR	Orvana	Silver	500,000 oz <sup>15,16</sup>
Don Mario	3.0% NSR	Orvana	Copper	12.1 million lbs <sup>15,16</sup>
El Limon	3.0% NSR	B2Gold	Gold	48,000 – 50,000 oz
El Toqui	0.0% to 3.0% NSR <sup>17</sup>	Nyrstar	Gold	Not Reported
El Toqui	0.0% to 3.0% NSR <sup>17</sup>	Nyrstar	Silver	Not Reported
El Toqui	0.0% to 3.0% NSR <sup>17</sup>	Nyrstar	Lead	Not Reported
El Toqui	0.0% to 3.0% NSR <sup>17</sup>	Nyrstar	Zinc	Not Reported
Martha	2.0% NSR	Coeur d'Alene	Gold	400 -500 oz
Martha	2.0% NSR	Coeur d'Alene	Silver	700,000 – 900,000 oz

**TABLE 1 (cont.)  
Royal Gold's Royalty Portfolio  
Calendar Year 2012 Production Estimates <sup>1</sup>**

PROPERTY	ROYALTY	OPERATOR	METAL	PRODUCTION
<b>AUSTRALIA</b>				
Balcooma	1.5% NSR	Kagara	Gold	Not Reported
Balcooma	1.5% NSR	Kagara	Silver	Not Reported
Balcooma	1.5% NSR	Kagara	Copper	Not Reported
Balcooma	1.5% NSR	Kagara	Lead	Not Reported
Balcooma	1.5% NSR	Kagara	Zinc	Not Reported
Gwalia Deeps	1.5% NSR	St Barbara	Gold	175,000 – 190,000 oz <sup>18</sup>
King of the Hills	1.5% NSR	St Barbara	Gold	55,000 – 60,000 <sup>18</sup>
Mt. Goode (Cosmos)	1.5% NSR	Xstrata	Nickel	Not Reported
South Laverton	1.5% NSR	Saracen	Gold	110,000 – 120,000 oz <sup>18</sup>
Southern Cross	1.5% NSR	St Barbara	Gold	90,000 – 100,000 oz <sup>18</sup>
<b>AFRICA</b>				
Inata	2.5% GSR	Avocet	Gold	160,000 oz
Taparko	2.0% GSR <sup>19</sup>	High River	Gold	148,000 oz
<b>EUROPE</b>				
Las Cruces	1.5% NSR	Inmet	Copper	136.0 – 151.2 million lbs

#### FOOTNOTES TO TABLE 1

<sup>1</sup> The estimates and production reports are prepared by the operators of the mining properties. Royal Gold does not participate in the preparation or verification of the operators' estimates or production reports and has not independently assessed or verified the accuracy of such information. Please refer to our cautionary statement regarding forward-looking statements and to the risk factors identified in our Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission for information regarding factors that could affect actual results.

<sup>2</sup> NSR sliding-scale schedule (price of gold per ounce – royalty rate): Below \$375 – 1.75%; >\$375 to \$400 – 2.0%; >\$400 to \$425 – 2.25%; >\$425 and higher – 2.5%. All price points are stated in 1986 dollars and are subject to adjustment in accordance with a blended index comprised of labor, diesel fuel, industrial commodities, and mining machinery.

<sup>3</sup> GSR sliding-scale schedule (price of gold per ounce – royalty rate): Below \$210 – 0.40%; \$210 to \$229.99 – 0.50%; \$230 to \$249.99 – 0.75%; \$250 to \$269.99 – 1.30%; \$270 to \$309.99 – 2.25%; \$310 to \$329.99 – 2.60%; \$330 to \$349.00 – 3.00%; \$350 to \$369.99 – 3.40%; \$370.00 to 389.00 – 3.75%; \$390 to \$409.99 – 4.0%; \$410 to \$429.99 – 4.25%; \$430 to \$449.99 – 4.50%; \$450 to \$469.99 – 4.75%; \$470 and higher – 5.00%.

<sup>4</sup> NSR sliding-scale will pay 2.0% when the price of gold is above \$350 per ounce and 1.0% when the price of gold falls to \$350 per ounce or below.

<sup>5</sup> Production is expected to commence in the second half of calendar 2012.

<sup>6</sup> Production guidance reflects the entire project. Operator has not provided a breakdown of production by royalty interest.

<sup>7</sup> Production estimates reflect payable metal and are subject to third party treatment charges.

<sup>8</sup> Recovered metal is contained in concentrate and is subject to third party recovery losses.

<sup>9</sup> NSR sliding-scale schedule (price of gold per ounce – royalty rate): \$0.00 to under \$350 – 0.0%; \$350 to under \$400 – 0.5%; \$400 to under \$500 – 1.0%; \$500 or higher – 2.0%.

<sup>10</sup> NSR sliding-scale schedule (price of gold per ounce – royalty rate): \$0.00 to \$350 – 1.0%; above \$350 – 1.5%.

<sup>11</sup> Gold royalty rate is based on the price of silver per ounce. NSR sliding-scale schedule (price of silver per ounce – royalty rate): Below \$5.00 – 0.0%; \$5.00 to \$7.50 – 3.778%; >\$7.50 – 9.445%.

<sup>12</sup> The NSR sliding-scale royalty is capped once payments of approximately \$17 million have been received. As of December 31, 2011, payments of approximately \$10.6 million have been recognized. NSR sliding-scale schedule (price of gold per ounce – royalty rate): less than \$300 – 2.0%; \$300 to \$350 – 3.0%; greater than \$350 – 4.0%.

<sup>13</sup> The Company's royalty is subject to a 2.0 million ounce cap on gold production. There have been approximately 805,000 ounces of cumulative production, as of December 31, 2011. NSR sliding-scale schedule (price of gold per ounce – royalty rate): \$0.00 to \$299.99 – 1.0%; \$300 to \$324.99 – 1.50%; \$325 to \$349.99 – 2.0%; \$350 to \$374.99 – 3.0%; \$375 to \$399.99 – 4.0%; \$400 or higher – 5.0%.

<sup>14</sup> The royalty rate is 75% until 910,000 payable ounces of gold have been produced; 50% thereafter. There have been approximately 73,000 of cumulative payable ounces produced as of December 31, 2011. Gold is produced as a by-product of copper.

<sup>15</sup> Recovered metal is contained in concentrate and is subject to third party treatment charges and recovery losses.

<sup>16</sup> Production guidance for October 2011 through September 2012.

<sup>17</sup> All metals are paid based upon zinc prices. NSR sliding-scale schedule (price of zinc per pound – royalty rate): Below \$0.50 – 0.0%; \$0.50 to below \$0.55 – 1.0%; \$0.55 to below \$0.60 – 2.0%; \$0.60 or higher – 3.0%.

<sup>18</sup> Production guidance for July 2011 through June 2011.

<sup>19</sup> The 2.0% GSR royalty applies to gold production from defined portions of the Taparko-Bouroum project area.

**NOTE:**

The Table does not include production information for Allan, Johnson Camp, Skyline and three oil and gas royalties.

**DEFINITIONS**

The Company's production portfolio contains several different types of interests which are defined as follows:

Gross Smelter Return ("GSR") Royalty - a defined percentage of the gross revenue from a resource extraction operation, less, if applicable, certain contract-defined costs paid by or charged to the operator.

Gross Value ("GV") Royalty - a defined percentage of the gross revenue from a resource extraction operation, less certain contract-defined costs, if any.

Metal Stream – a metal purchase agreement that provides, in exchange for an upfront deposit payment, the right to purchase all or a portion of one or more metals produced from a mine, at a price determined for the life of the transaction by the purchase agreement.

Net Smelter Return ("NSR") Royalty - a defined percentage of the gross revenue from a resource extraction operation, less a proportionate share of incidental transportation, insurance, refining and smelting costs.

Net Value Royalty ("NVR") - a defined percentage of the gross revenue from a resource extraction operation, less certain contract-defined transportation costs, milling costs and taxes.

Royalty - the right to receive a percentage or other denomination of mineral production from a resource extraction operation.

**Royal Gold**

Karen Gross

Vice President and Corporate Secretary

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