NEW PHASE OF

GROWTH



Industry Outlook Luncheon
American Exploration and Mining Association

Tony Jensen
President and Chief Executive Officer

December 7, 2017

ROYAL GOLD, INC
NASDAQ: RGLD

Cautionary Statement

- This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that could cause actual results to differ materially from the projections and estimates contained herein and include, but are not limited to: gold under pressure and expectations for a stronger dollar, global markets, US GDP and immunity to world risks, necessity for holding gold, industry ability to successfully find, develop and produce precious metals including gold, gold price performance compared to historical performance and other investment classes, supplies of fiat currencies and gold, successful precious metals companies trading at premiums, ability to maintain or increase cash flow from Pueblo Viejo or any or all of the other Company properties, a diverse portfolio, strong margins, lean structure, capital stewardship, and dividend returns and total shareholder returns in line with historical track records. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: the risks inherent in the operation of mining properties; a decreased price environment for gold and other metals on which our stream and royalty interests are determined; performance of and production at properties, and variation of actual production from the production estimates and forecasts made by the operators of those stream and royalty properties from fiscal 2017 to fiscal 2020; decisions and activities of the Company's management affecting margins, use of capital and changes in strategy; unexpected operating costs, decisions and activities of the operators of the Company's stream and royalty properties; changes in operators' mining and processing techniques or stream or royalty calculation methodologies; resolution of regulatory and legal proceedings; unanticipated grade, geological, metallurgical, environmental, processing or other problems at the properties; revisions or inaccuracies in technical reports, reserve, resources and production estimates; changes in project parameters as plans of the operators are refined; the results of current or planned exploration activities; errors or disputes in calculating stream deliveries and royalty payments, or deliveries or payments under stream or royalty agreements; the liquidity and future financial needs of the Company; economic and market conditions; the impact of future acquisitions and stream and royalty financing transactions; the impact of issuances of additional common stock; and risks associated with conducting business in foreign countries, including application of foreign laws to contract and other disputes, environmental laws, enforcement and uncertain political and economic environments. These risks and other factors are discussed in more detail in the Company's public filings with the Securities and Exchange Commission. Statements made herein are as of the date hereof and should not be relied upon as of any subsequent date. The past performance of the Company, any commodity or the precious metals industry is not necessarily indicative of its future performance. The Company disclaims any obligation to update any forward-looking statements.

- **Third-party information:** Certain information provided in this presentation has been provided to the Company by the operators of properties subject to our stream and royalty interests, or is publicly available information filed by these operators with applicable securities regulatory bodies, including the Securities and Exchange Commission. The Company has not verified, and is not in a position to verify, and expressly disclaims any responsibility for the accuracy, completeness or fairness of such third-party information and refers readers to the public reports filed by the operators for information regarding those properties.

Presentation Preface - Headwinds

- Gold is Under Pressure
  - Stronger dollar
    - Fed rate hike in December expected, and further strengthening anticipated
    - US tax reform expectations
  - Global markets rising in unison, US markets hitting all time highs
  - US GDP at 3.3% annualized, highest in three years
  - Market is becoming immune to world risks
- Risk off mentality – who needs gold?
  - Anyone seeking long term wealth

Presentation Preface - Headwinds

Focus on building long term value, rather than worrying about short term issues

- Gold is Under Pressure
  - Stronger dollar
    - Fed rate hike in December expected, and strengthening anticipated
    - US tax reform expectations
  - Global markets rising in unison, US markets hitting all time highs
  - US GDP at 3.3% annualized, highest in three years
  - Market is becoming immune to world risks
- Risk off mentality – who needs gold?
  - Anyone seeking long term wealth

Buy and Hold – Creating Long Term Value

- The industry must discover, permit, build and operate for long term value



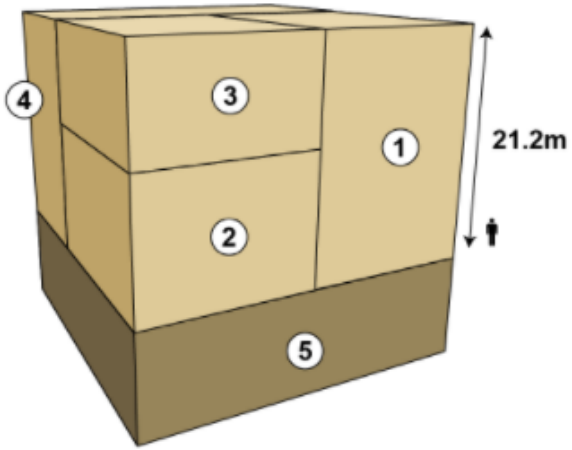
- Agenda:

  - Gold is Precious
    - Becoming increasing scarce
    - Longer lead times to development
  - Gold is Valuable
    - A surprisingly competitive investment
    - Critical store of investment

Gold is Precious

- Gold is a store of value because it is scarce
  - Approximately 187,200 tonnes, equal to ~6 billion ounces mined to date[1,2]
  - Current market value of all gold mined to date is $7.8 trillion[3]
    - $^2/_3$ of that gold has been mined since 1950
    - Each year 2,500-3,000 tonnes of gold are mined

Total above ground stocks



Total above ground stocks: 187,200 tonnes

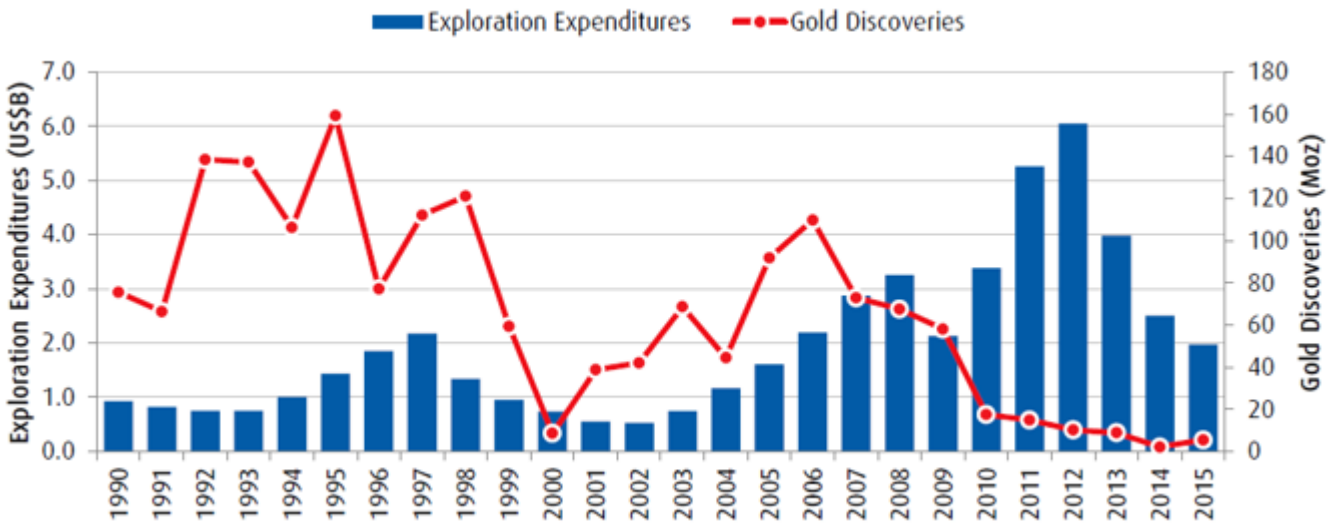
1. **Jewellery**: 89,200 tonnes, 47.6%
2. **Private investment**: 40,000 tonnes, 21.4%
3. **Official sector**: 31,500 tonnes, 16.8%
4. **Other**: 26,500 tonnes, 14.2%
5. **Below ground stocks**: 57,000 tonnes

Source: GFMS, Thomson Reuters, US Geological Survey, World Gold Council

[1] Source is World Gold Council.
[2] 1 tonne = 32,150 ounces
[3] 6 billion ounces *($1,283) current spot rate per ounce of gold on November 29, 2017.

Gold is Precious

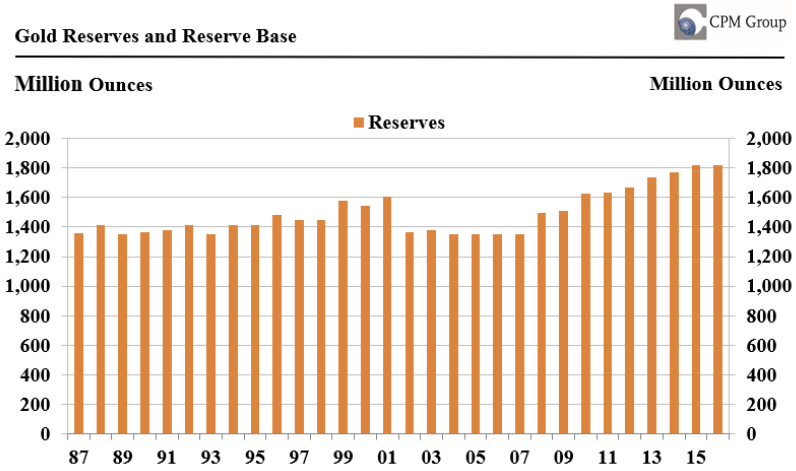
- Gold is a store of value because it is scarce
  - Exploration has become increasingly less efficient

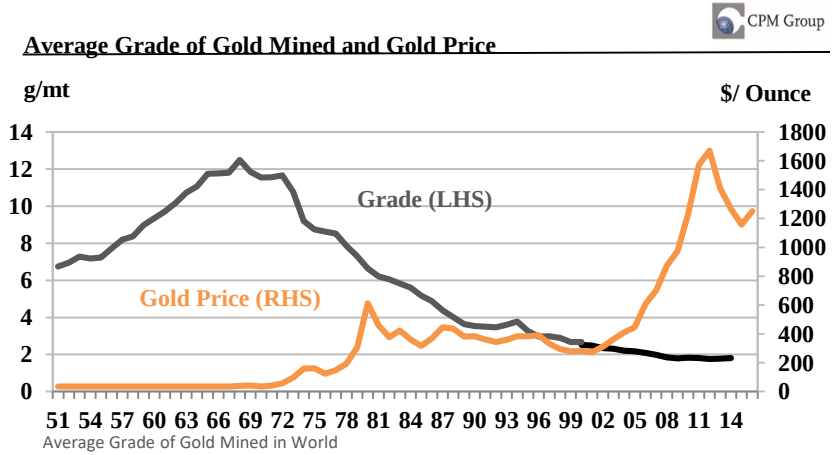


Source: BMO Capital Markets, SNL Metals and Mining

Gold is Precious

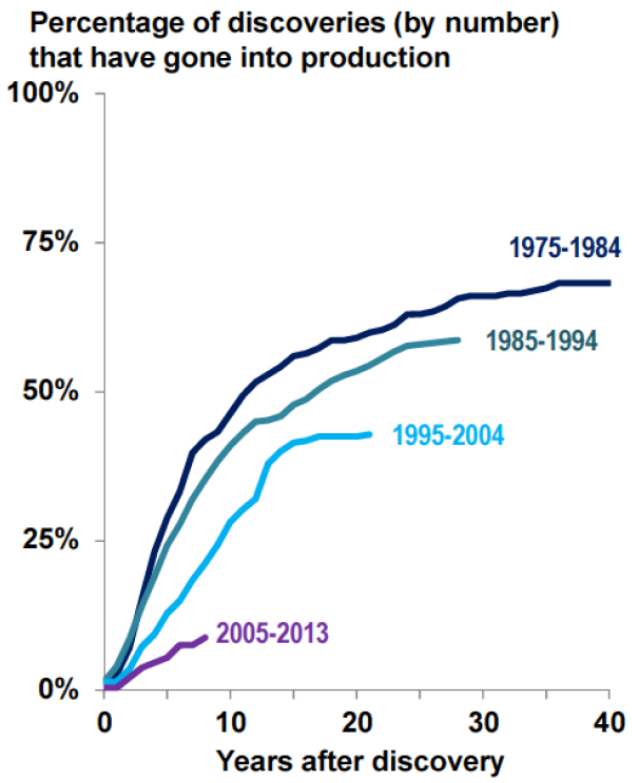
- Gold is a store of value because it is scarce
  - Exploration investment hasn't demonstrated pro rata increase in reserves
  - Reserve grade degradation over time; not only maturing assets
    - South Africa dominant in 1970s
    - Heap leaching in the 1980s
    - Economies of scale in the 1990s
    - Gold price increases in the 2000s
    - Productivity peaking in last decade



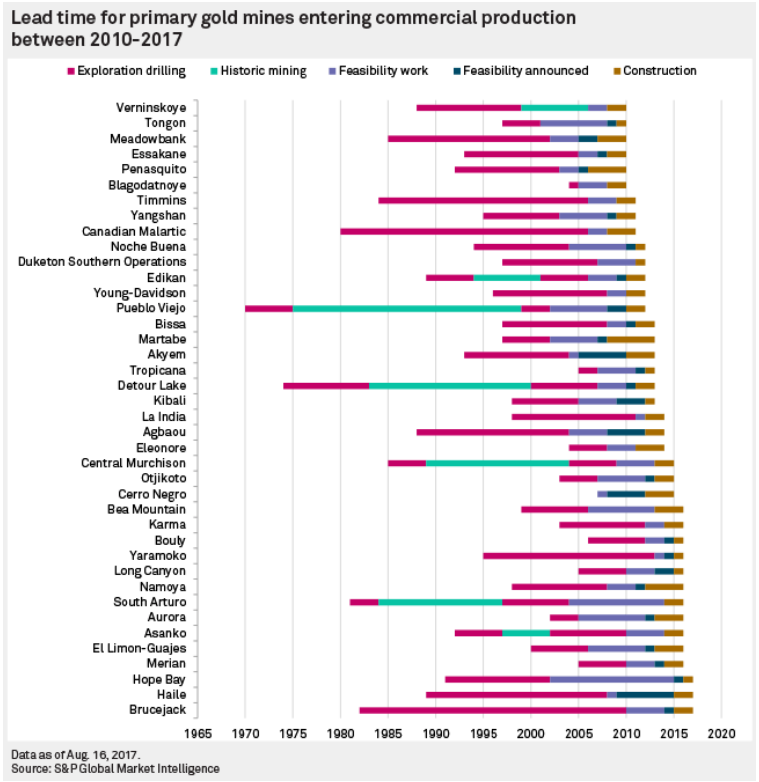


Gold is Precious

- Longer lead times to development and production
  - Adds to value by restricting supply
  - Initial exploration to production = 16 years (Source: S&P Global Market Intelligence)



Source: Schodde, 2014



Buy and Hold – Creating Long Term Value

- The industry must discover, permit, build and operate for long term value



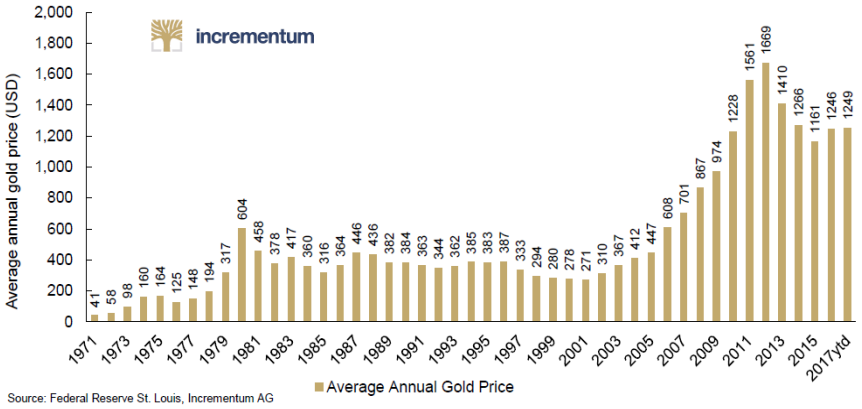
- Agenda:
  - Gold is Precious
    - Becoming increasing scarce
    - Longer lead times to development
  - Gold is Valuable
    - A surprisingly competitive investment
    - Critical store of investment

Gold is Valuable

- A competitive investment for all portfolios
  - Strong historical performance in all currencies
    - 9.25% compounded annual average return since 2000
  - Relatively stable, when viewed on an annual average basis

Year	US Dollar	Euro	Yuan	Rupee	Yen	Pound	CAD	AUD	CHF	Average
2001	2.46%	8.13%	2.45%	5.90%	17.62%	5.25%	8.65%	11.80%	5.32%	7.51%
2002	24.78%	5.76%	24.78%	24.08%	12.64%	12.67%	23.48%	13.85%	3.87%	16.21%
2003	19.37%	-0.21%	19.36%	13.52%	8.04%	7.80%	-1.81%	-11.22%	7.32%	6.91%
2004	5.54%	-2.19%	5.54%	0.54%	0.66%	-1.76%	-2.19%	1.40%	-3.10%	0.49%
2005	17.92%	35.09%	14.98%	22.23%	35.70%	31.44%	14.06%	25.84%	35.97%	25.91%
2006	23.16%	10.51%	19.11%	21.00%	24.32%	8.17%	23.46%	14.61%	14.24%	17.62%
2007	30.98%	18.46%	22.46%	16.64%	22.96%	29.28%	11.40%	17.77%	21.96%	21.32%
2008	5.78%	10.55%	-1.07%	30.62%	-14.10%	43.89%	29.91%	31.59%	-4.90%	14.70%
2009	24.37%	21.09%	24.40%	18.88%	27.38%	12.25%	7.90%	-2.39%	20.40%	17.14%
2010	29.52%	38.88%	25.02%	24.45%	12.75%	34.15%	21.95%	13.66%	16.91%	24.14%
2011	10.06%	13.51%	5.22%	30.74%	4.35%	10.65%	12.53%	9.81%	10.63%	11.94%
2012	7.14%	5.22%	6.04%	10.54%	20.84%	2.31%	4.86%	5.82%	4.39%	7.46%
2013	-28.04%	-31.13%	-30.15%	-18.76%	-12.42%	-29.45%	-23.13%	-16.30%	-30.09%	-24.39%
2014	-1.72%	11.99%	0.79%	0.45%	11.81%	4.48%	7.40%	7.44%	9.92%	5.84%
2015	-10.42%	-0.25%	-6.38%	-6.16%	-10.15%	-5.27%	6.65%	0.33%	-9.90%	-4.62%
2016	8.56%	11.85%	16.13%	11.42%	5.35%	29.57%	5.60%	9.66%	10.46%	12.07%
10/13/17	13.22%	0.96%	7.17%	7.76%	8.69%	5.10%	5.30%	3.60%	8.51%	6.70%

Source: Bloomberg, Sprott



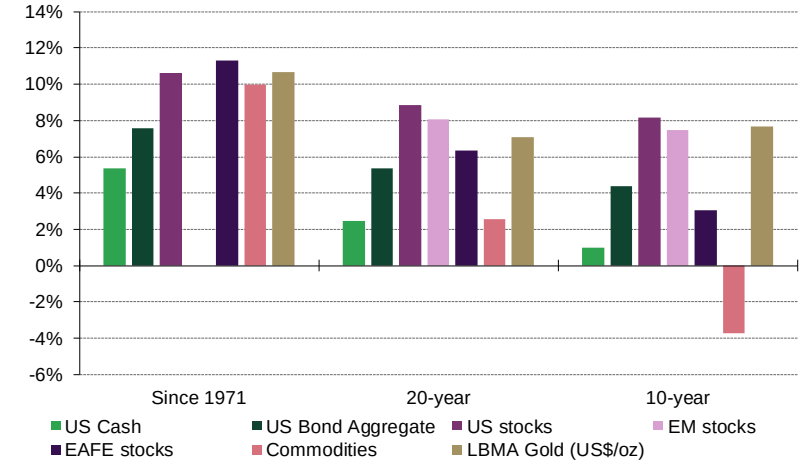
Source: Federal Reserve St. Louis, Incrementum AG

Gold is Valuable

- A competitive investment for all portfolios
  - Strong historical performance against other investment classes
  - Tremendous global liquidity

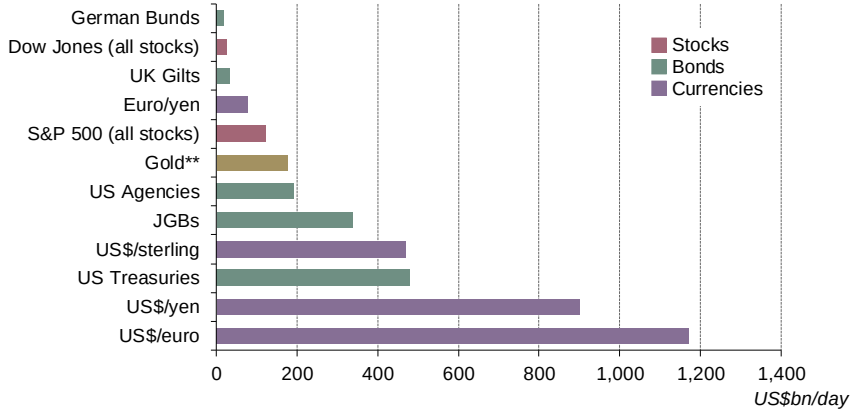
Gold's long-term performance compared to other financial assets*

Avg. annual return



*Based on total returns indices including MSCI US, MSCI ACWI ex US, JPMorgan 3-month US cash, BarCap US Bond Aggregate, Bloomberg Commodity for the 10- and 20-year average, and S&P Goldman Sachs Commodity since 1971 due to data availability. Gold performance based on the LBMA Gold Price. Data between January 1971 and December 2016.
Source: Bloomberg, NBER, ICE Benchmark Administration, World Gold Council

Gold trades more than many other major financial assets
Average daily trading volumes in US$*

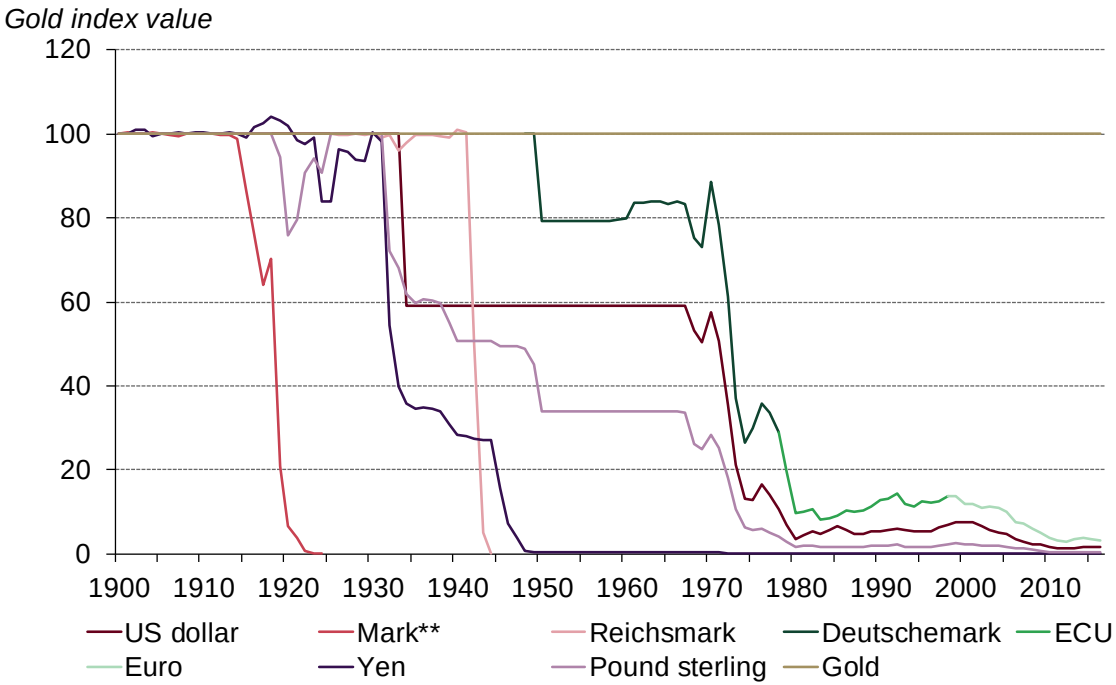


*Based on estimated annual averages as of December 2016.
**Gold liquidity includes estimates on over-the-counter (OTC) transactions, and published statistics on futures exchanges, and gold-backed exchange-traded products.
Source: BIS; Bloomberg; Germany Finance Agency; Japan Securities Dealers Association; LBMA; UK Debt Management Office (DMO); World Gold Council

Gold is Valuable

- A critical store of value
  - All fiat currencies lose value against real assets over time
  - Most recent US Gold Standard, Bretton Woods 1944 – Nixon 1971

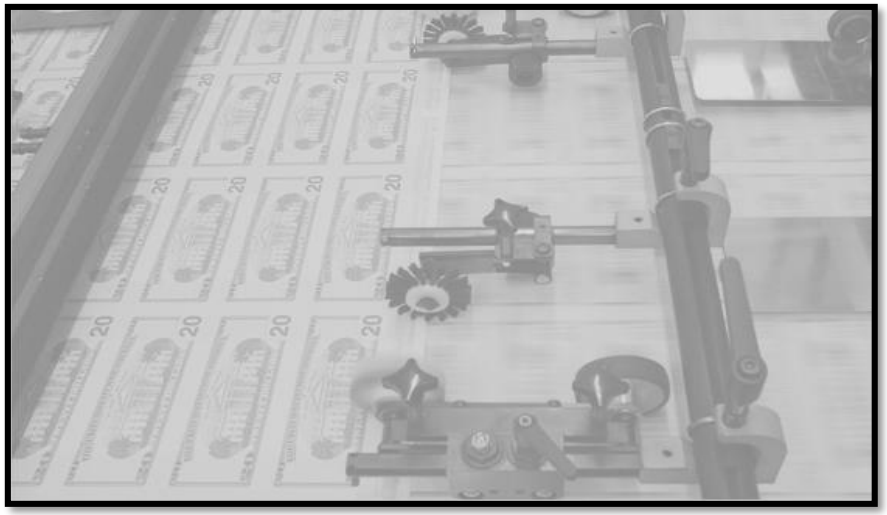
Currencies have depreciated over time relative to gold



**The 'Mark' was the currency of the late German Empire. It was originally known as the Goldmark and backed by gold until 1914. It was known as the Papermark thereafter.
Source: Bloomberg, World Gold Council

Gold is Valuable

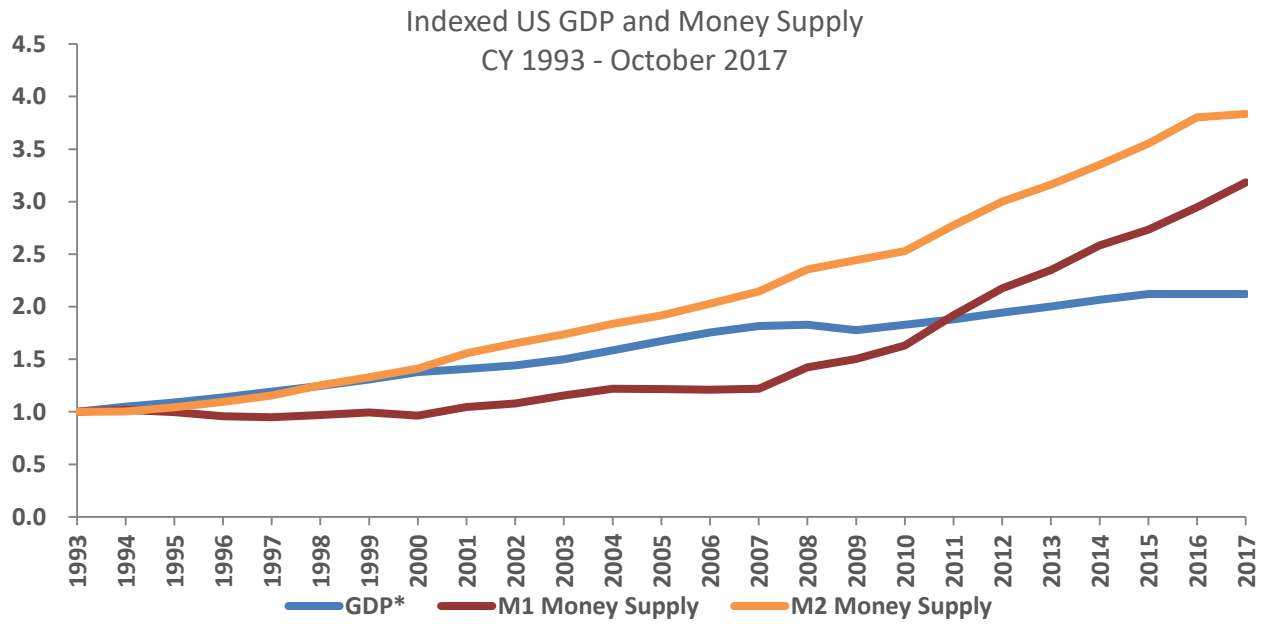
- A critical store of value
  - Deflation: Making Sure 'It Doesn't Happen Here'
    - **Ben Bernanke**, Federal Reserve Board, November 21, 2002



"Like gold, US dollars have value only to the extent that they are strictly limited in supply. But the US government has a technology called the printing press (or today, its electronic equivalent), that allows it to produce as many US dollars as it wishes at essentially no cost. By increasing the number of dollars in circulation, or even by credibly threatening to do so, the US government can also reduce the value of the dollar in terms of goods and services, which is equivalent to raising the prices in dollars of those goods and services."

Gold is Valuable

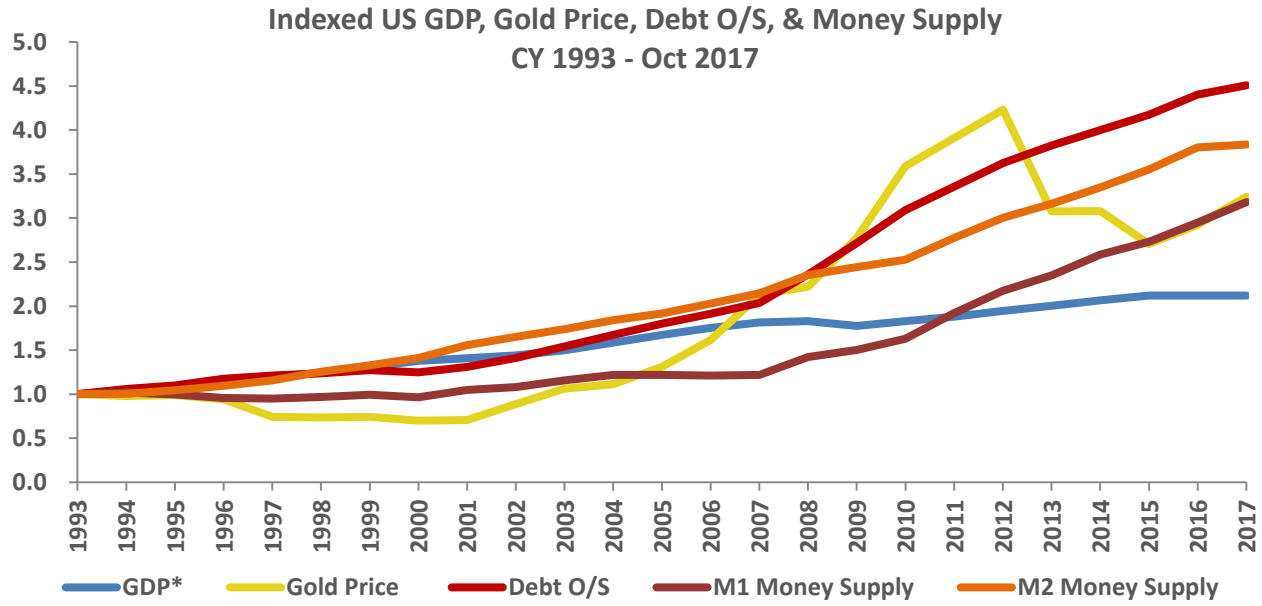
- A critical store of value
  - More dollars in circulation without underlying GDP growth leads to dollar devaluation
    - Inflation is the oversupply of a currency



* US GDP Data from World Bank, 2017 GDP per capita data the same as 2016, 2017 not released.
Source for M1 and M2 is U.S. Federal Reserve.
Source for debt is U.S. Treasury, TreasuryDirect.

Gold is Valuable

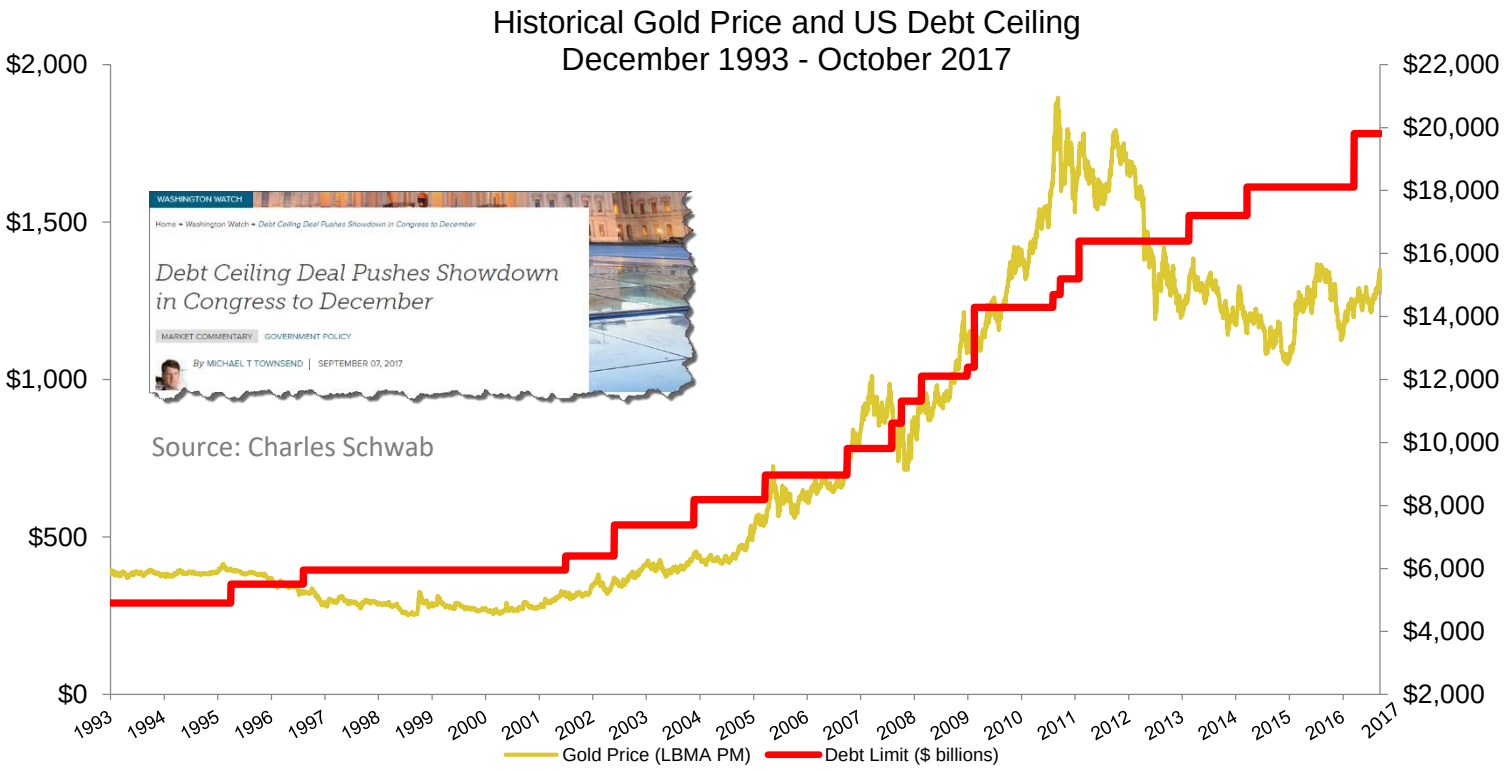
- A critical store of value
  - More dollars in circulation without underlying GDP growth leads to dollar devaluation
    - Inflation is the oversupply of a currency
  - Money supply increasing to fuel deficit and debt



* US GDP Data from World Bank, 2017 GDP per capita data the same as 2016, 2017 not released.
Source for M1 and M2 is U.S. Federal Reserve.
Source for debt is U.S. Treasury, TreasuryDirect.

Gold is Valuable

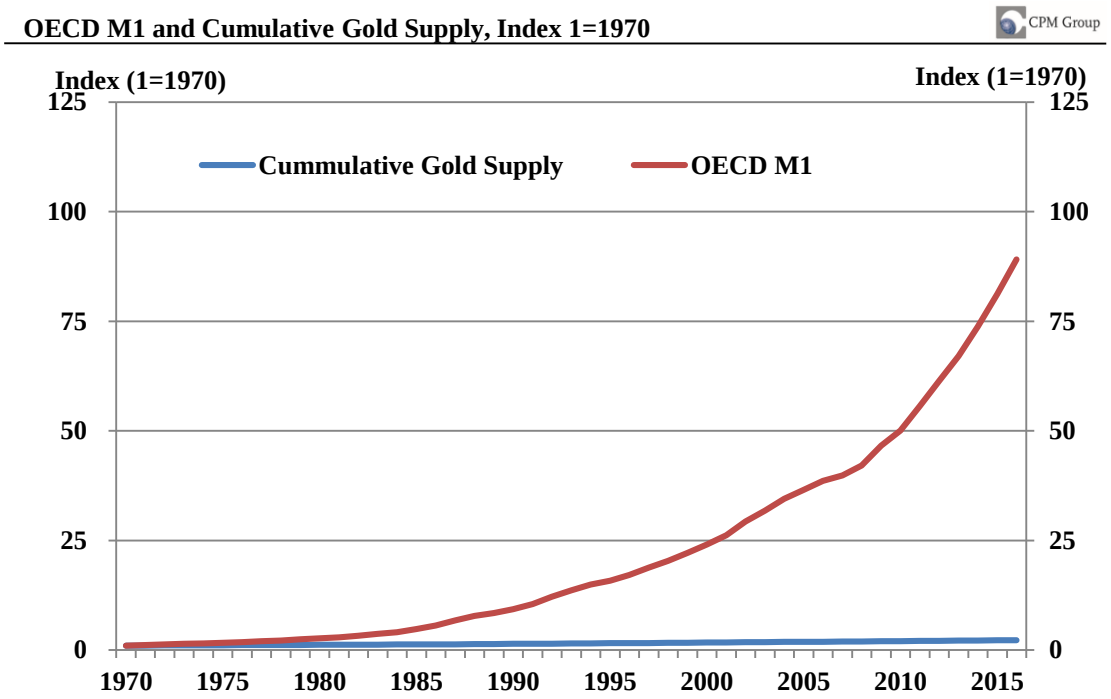
- A critical store of value
  - Current deadline to raise US debt ceiling is December 8, 2017



Source for historical gold price is at White House, Historical Tables.
Source for gold price is from S&P Capital iQ.

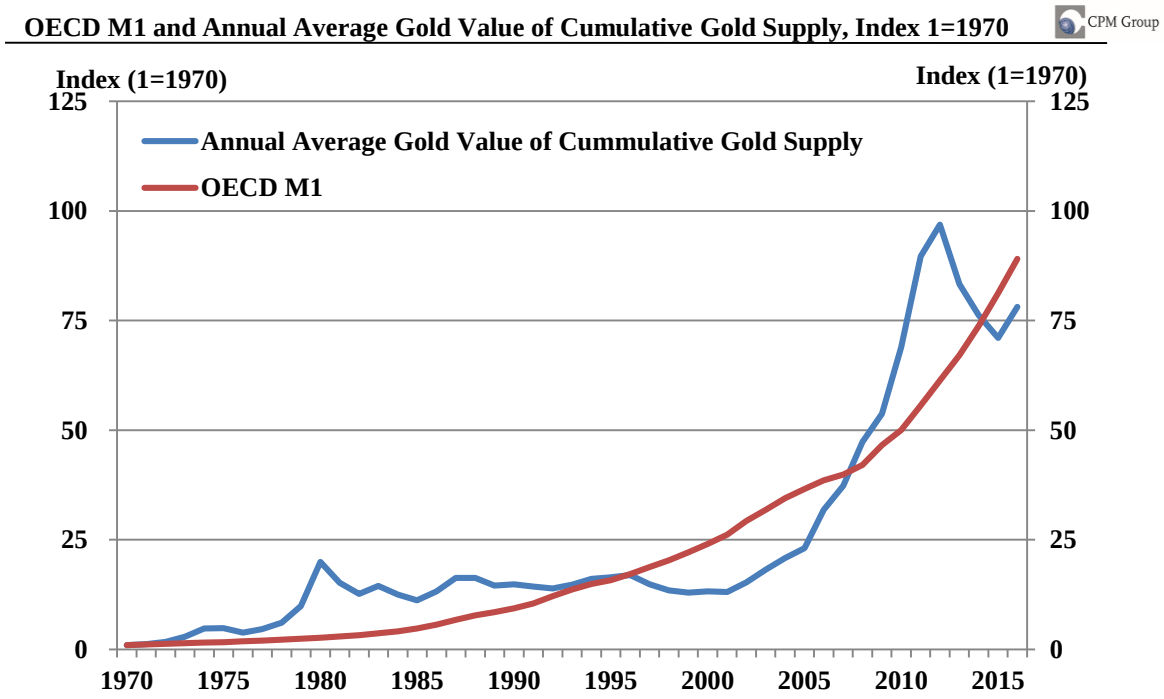
Gold is Valuable

- A critical store of value
  - World fiat monetary supply increasing rapidly
  - Gold supply is essentially flat and becoming more constrained



Gold is Valuable

- A critical store of value
  - World fiat monetary supply increasing rapidly
  - Gold supply is essentially flat and becoming more constrained
  - According to Ben Bernanke, this is…
    - *"equivalent to raising the prices in dollars of goods"*



Buy and Hold – Creating Long Term Value

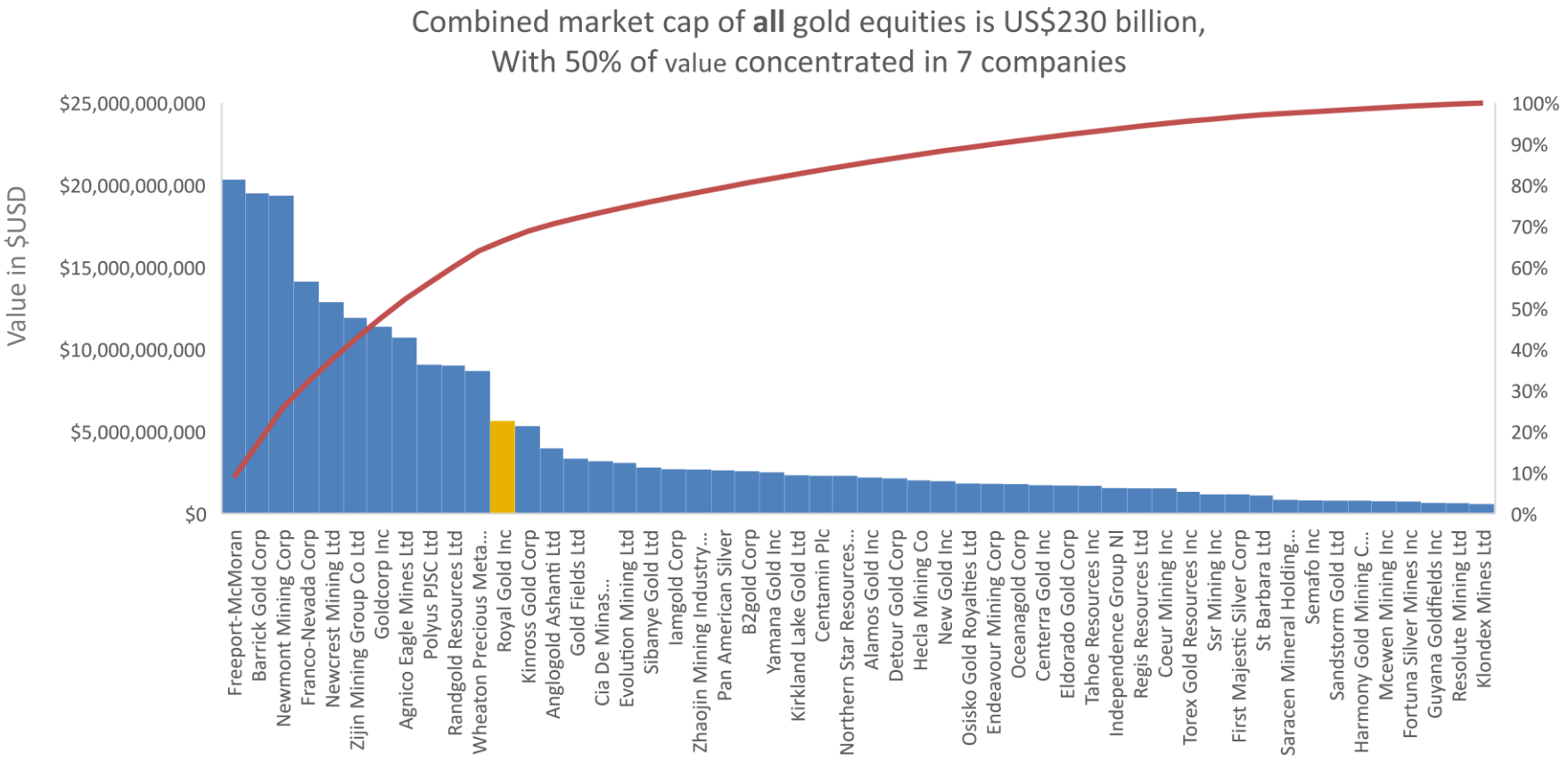
- The industry must discover, permit, build and operate for long term value



- Agenda:
  - Gold is Precious
    - Becoming increasing scarce
    - Longer lead times to development
  - Gold is Valuable
    - A surprisingly competitive investment
    - Critical store of investment
  - <u>Successful Precious Metal Companies are at a Premium</u>

Buy and Hold – Creating Long Term Value

- Current market value of <u>all</u> gold equities is just $230B[1]
  - vs AAPL($804B), GOOGL($621B), MSFT($563B), FB($484B), AMZN($471B)

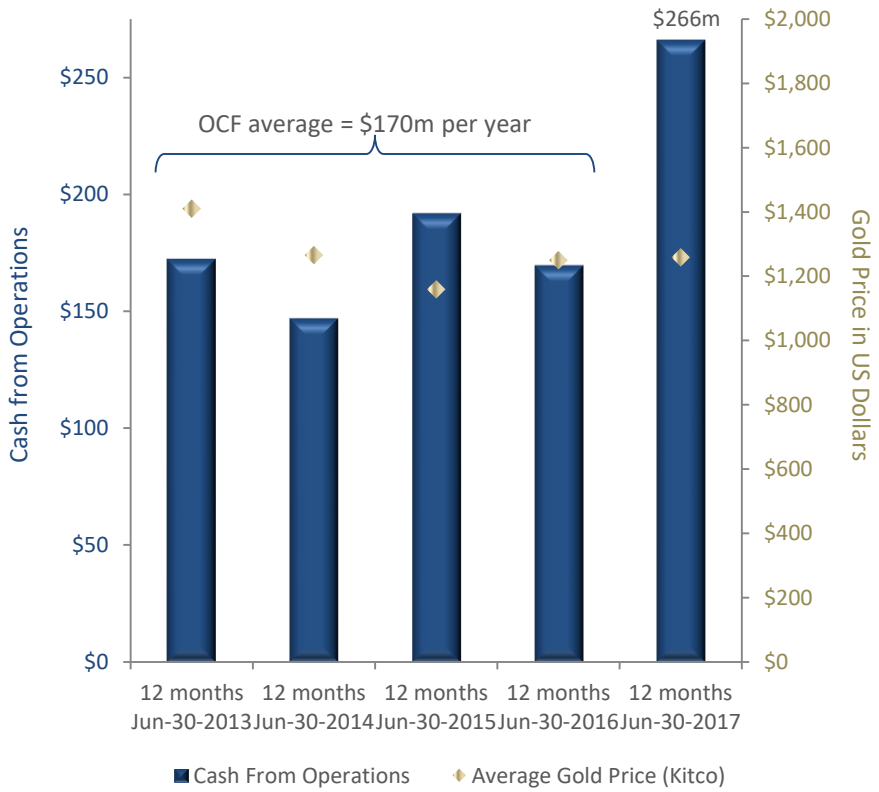


[1] All market data from S&P Capital iQ. Based on average market capitalization, in $USD, for the period 7-1-2017 to 9-30-17.

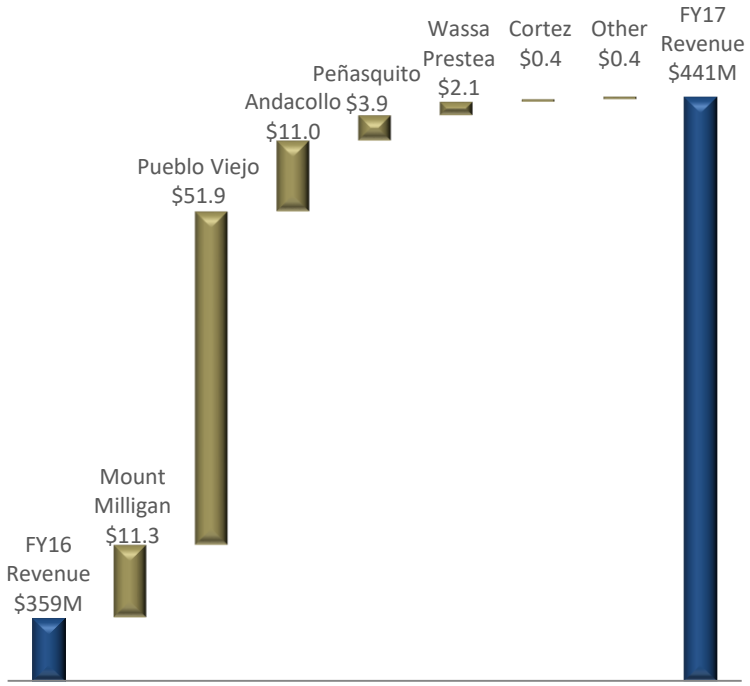
Cash Flow - Creating Long Term Value

- Operating cash flow up 56% over prior year
- Pueblo Viejo was a major revenue driver

Cash from Operations (OCF) Versus Gold Price FY13-17



Incremental $M Revenue by Property FY16 to FY17

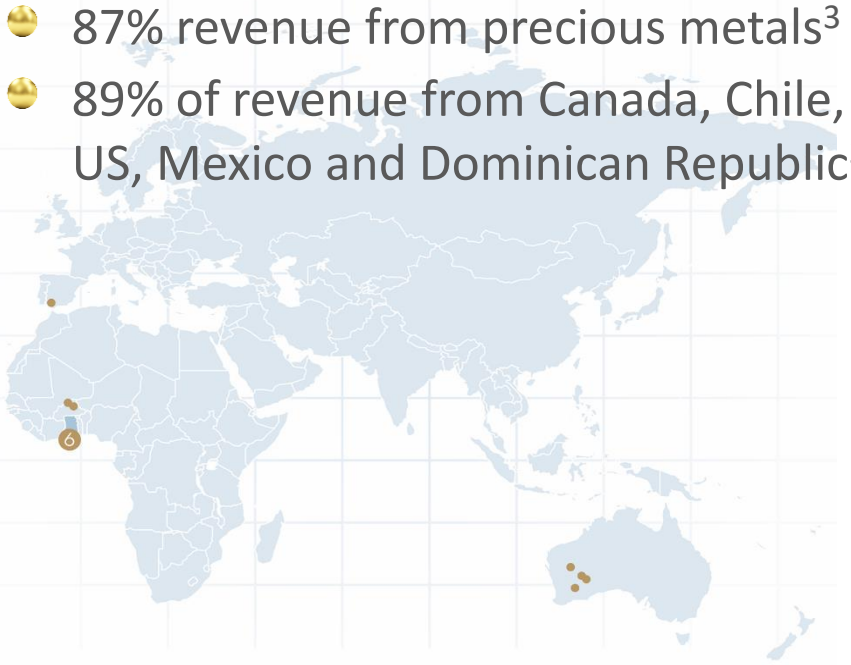


Diverse Portfolio - Creating Long Term Value

NASDAQ: RGLD

- 195 property interests, of which 40 are producing[1,2] and 21 are in development
  - 87% revenue from precious metals[3]
  - 89% of revenue from Canada, Chile, US, Mexico and Dominican Republic[3]





195 PROPERTIES

39	PRODUCING
22	DEVELOPMENT
51	EVALUATION
83	EXPLORATION

PRINCIPAL PROPERTIES

1. ANDACOLLO – Region IV, Chile
2. CORTEZ – Nevada, USA
3. MOUNT MILLIGAN – British Columbia, Canada
4. PEÑASQUITO – Zacatecas, Mexico
5. PUEBLO VIEJO – Sanchez Ramirez, Dominican Republic
6. WASSA AND PRESTEA – Western Region, Ghana
7. PASCUA-LAMA – Region III, Chile
8. RAINY RIVER – Ontario, Canada

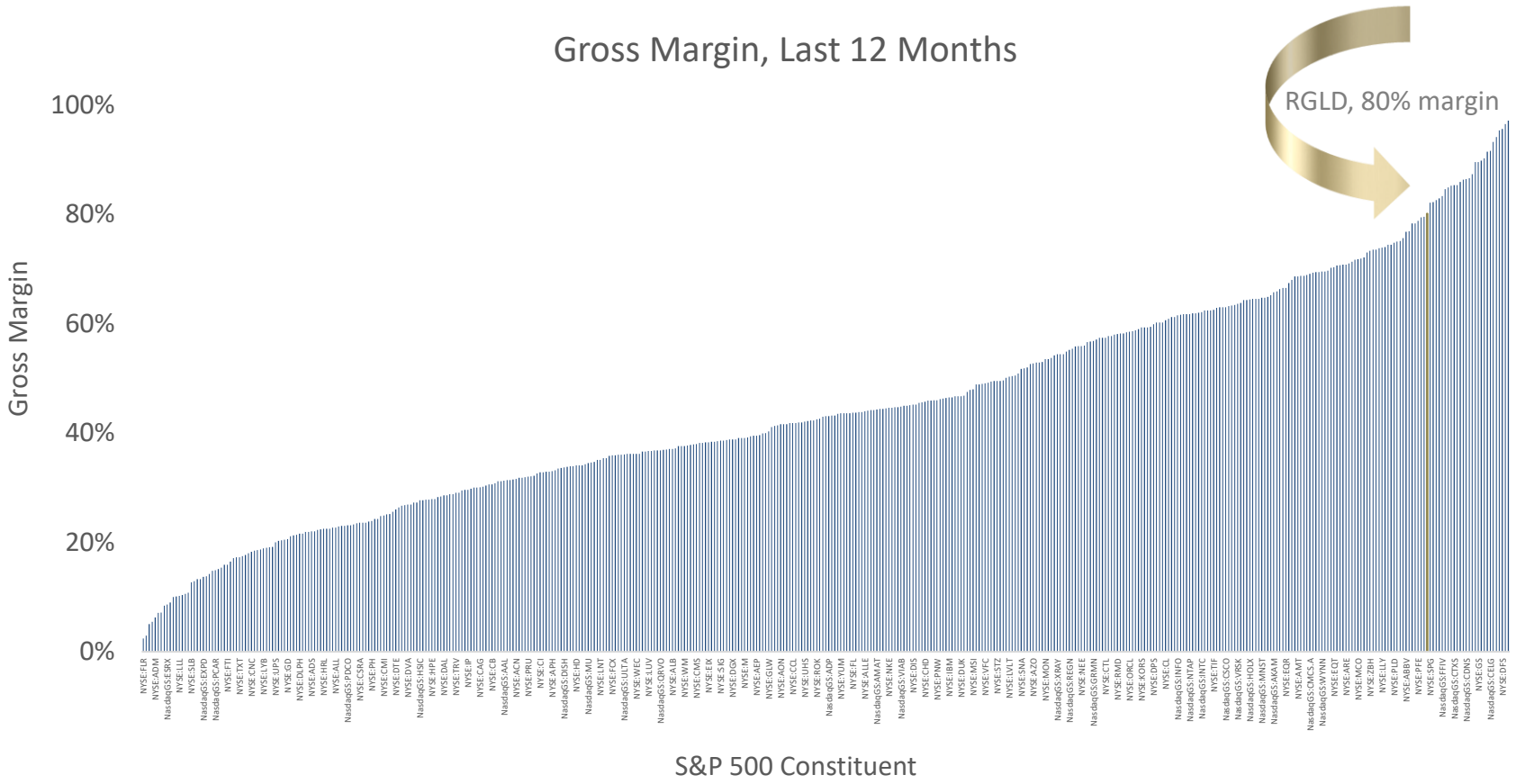
[1] Producing properties not highlighted include Allan, Bald Mountain, Canadian Malartic, Dolores, Don Mario, El Limon, Gold Hill, Goldstrike, Gwalia, Holt, King of the Hills, Las Cruces, Leeville, Marigold, Meekathara, Mulatos, Rambler North, Robinson, Ruby Hill, Skyline, Soledad Mountain, South Laverton, Southern Cross, Taparko, Twin Creeks, Wharf, Williams and others.

[2] Reflects portfolio on October 30, 2017.

[3] In FQ1 2018.

Strong Margins - Creating Long Term Value

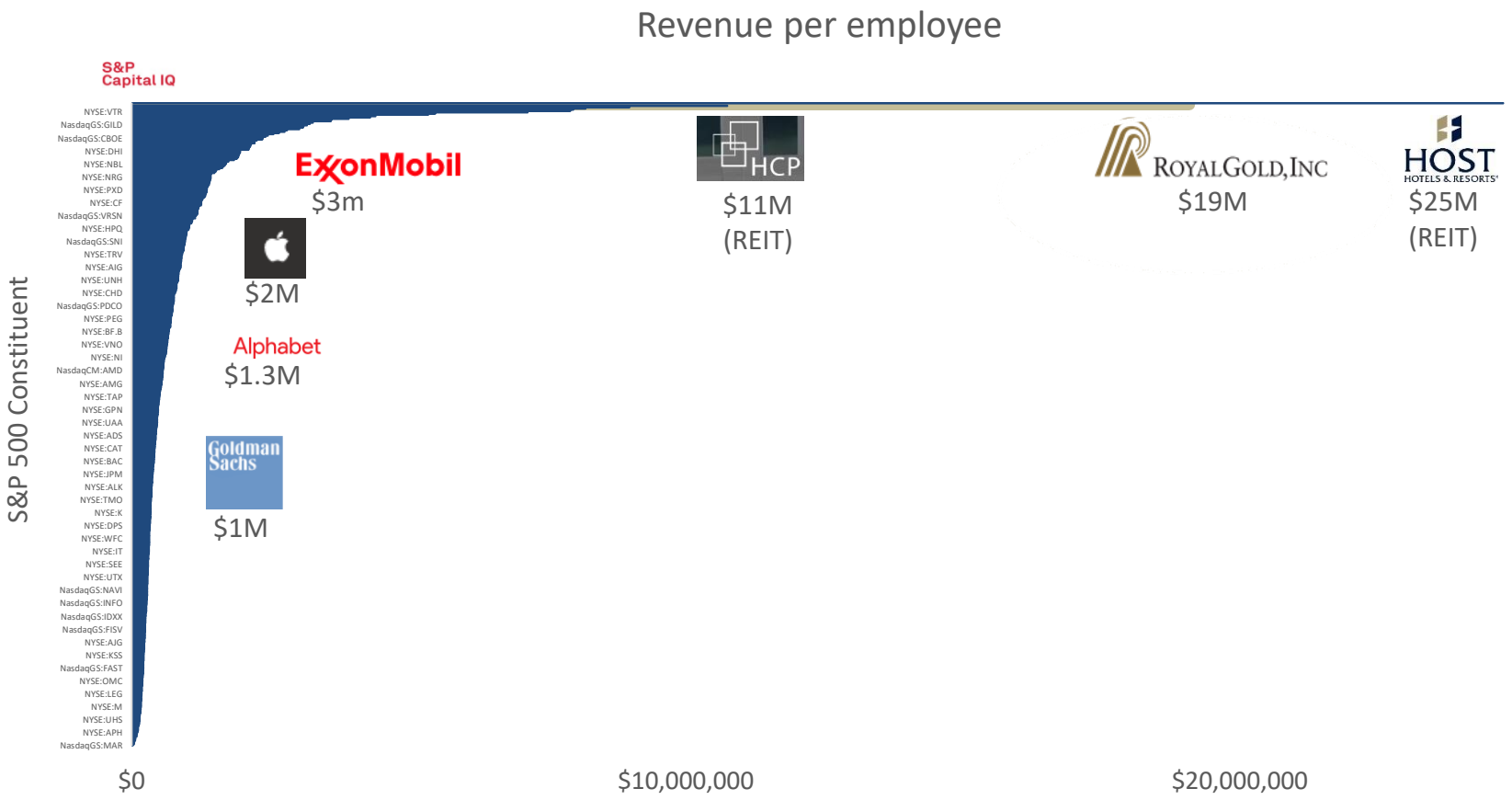
- Our gross margin is within the top 6% of S&P 500 constituents



Source: S&P Capital iQ. Gross margin calculated as total revenue less cost of goods sold, divided by total revenue. A total of 456 of the S&P 500 constituents reported positive gross margin in the last 12 months.

Lean Structure - Creating Long Term Value

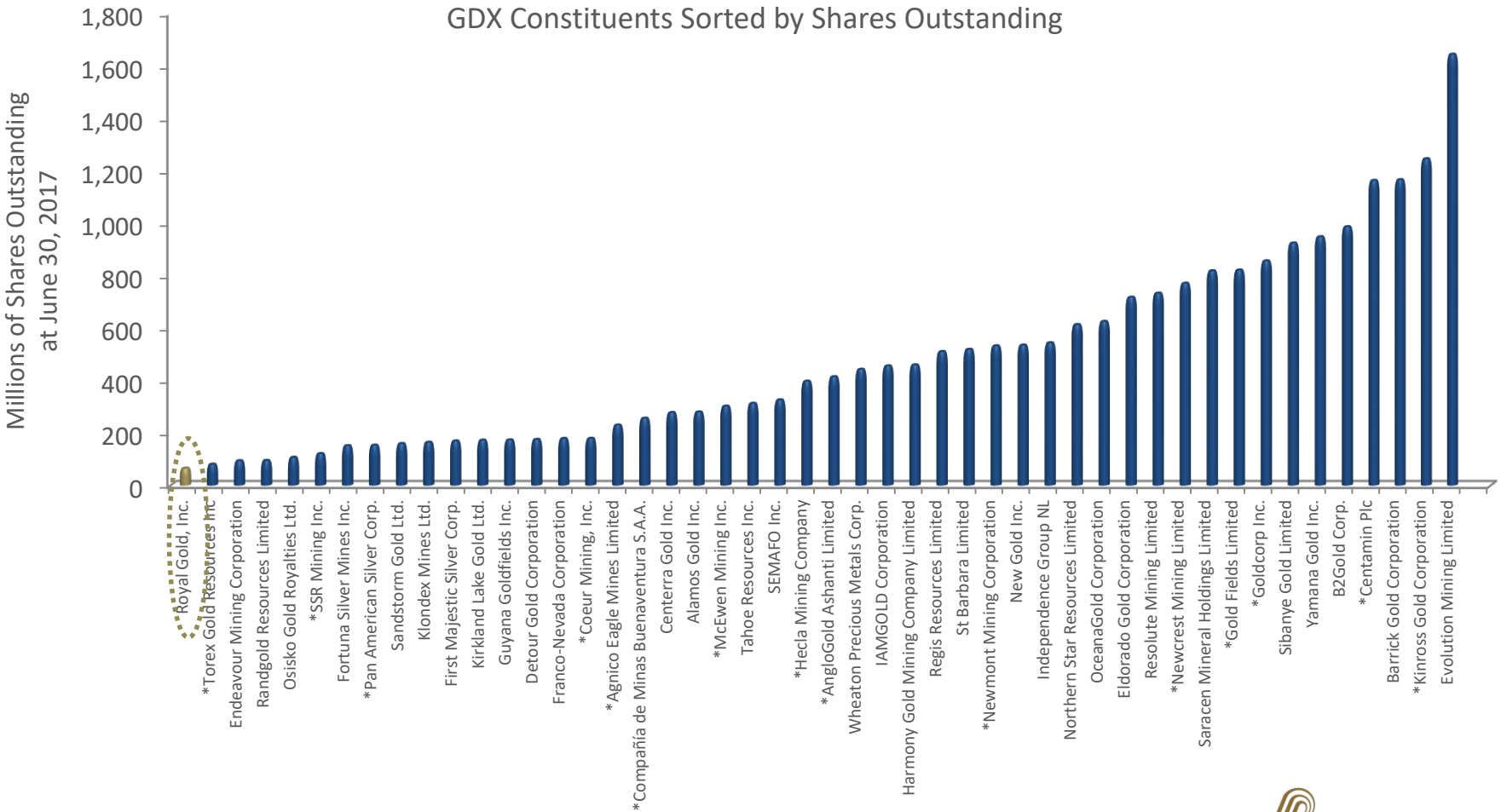
- Our revenue per employee is higher than 497 of the S&P 500



Source: S&P Capital iQ. Revenue per employee calculated as total reported revenue for the last 12 months, divided by total reported employees. 498 of the S&P 500 companies report total employees.

Equity Stewardship - Creating Long Term Value

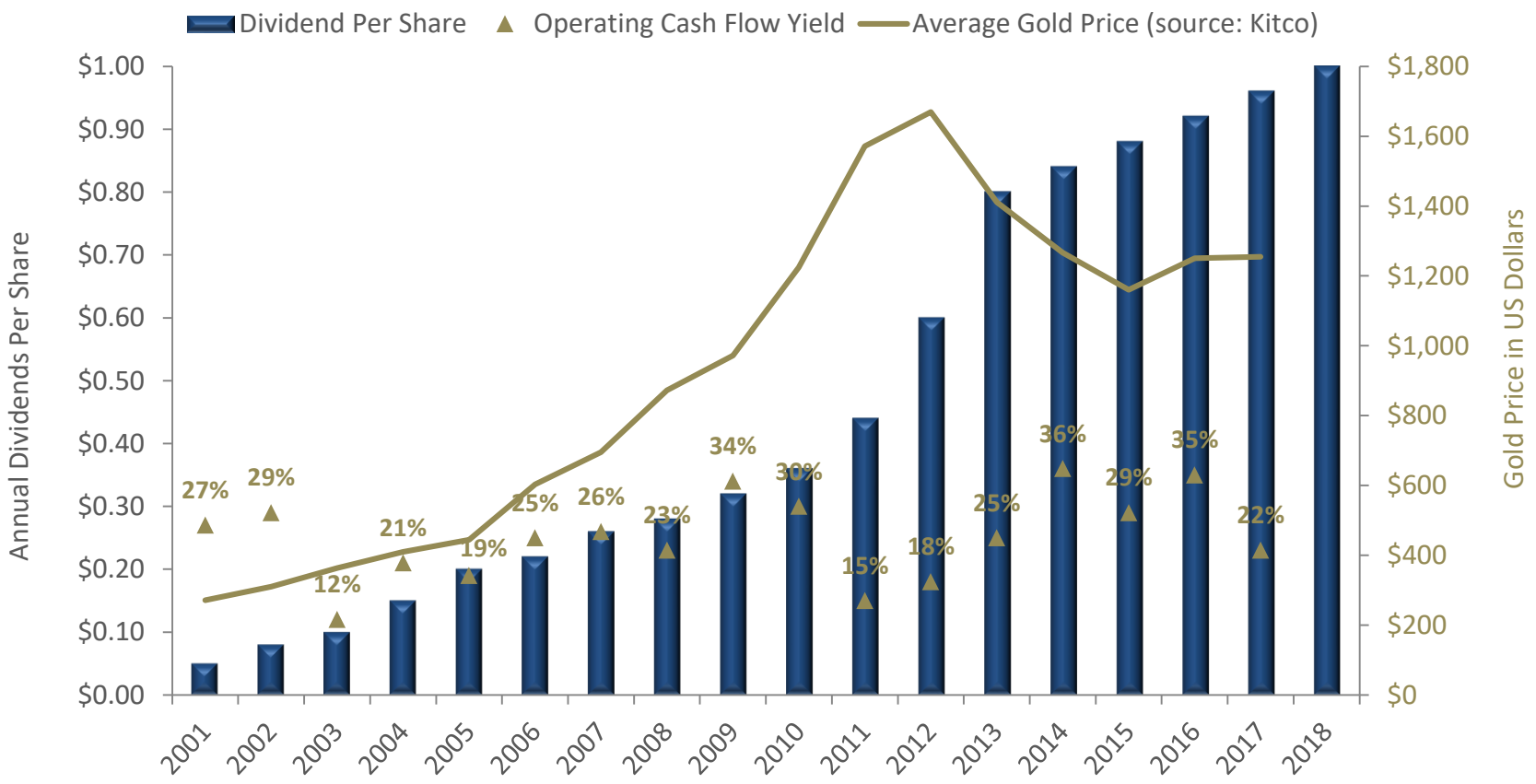
- RGLD has 14 million outstanding shares *less* than the next-highest GDX member



* Company with an incorporation date that pre-dates Royal Gold, which was incorporated in 1981.

Shareholder Return - Creating Long Term Value

- 19% CAGR in dividends per share since 2001, and currently equates to $1.00 per share, a 1.2% annual yield, and an average 22% OCF yield[1]

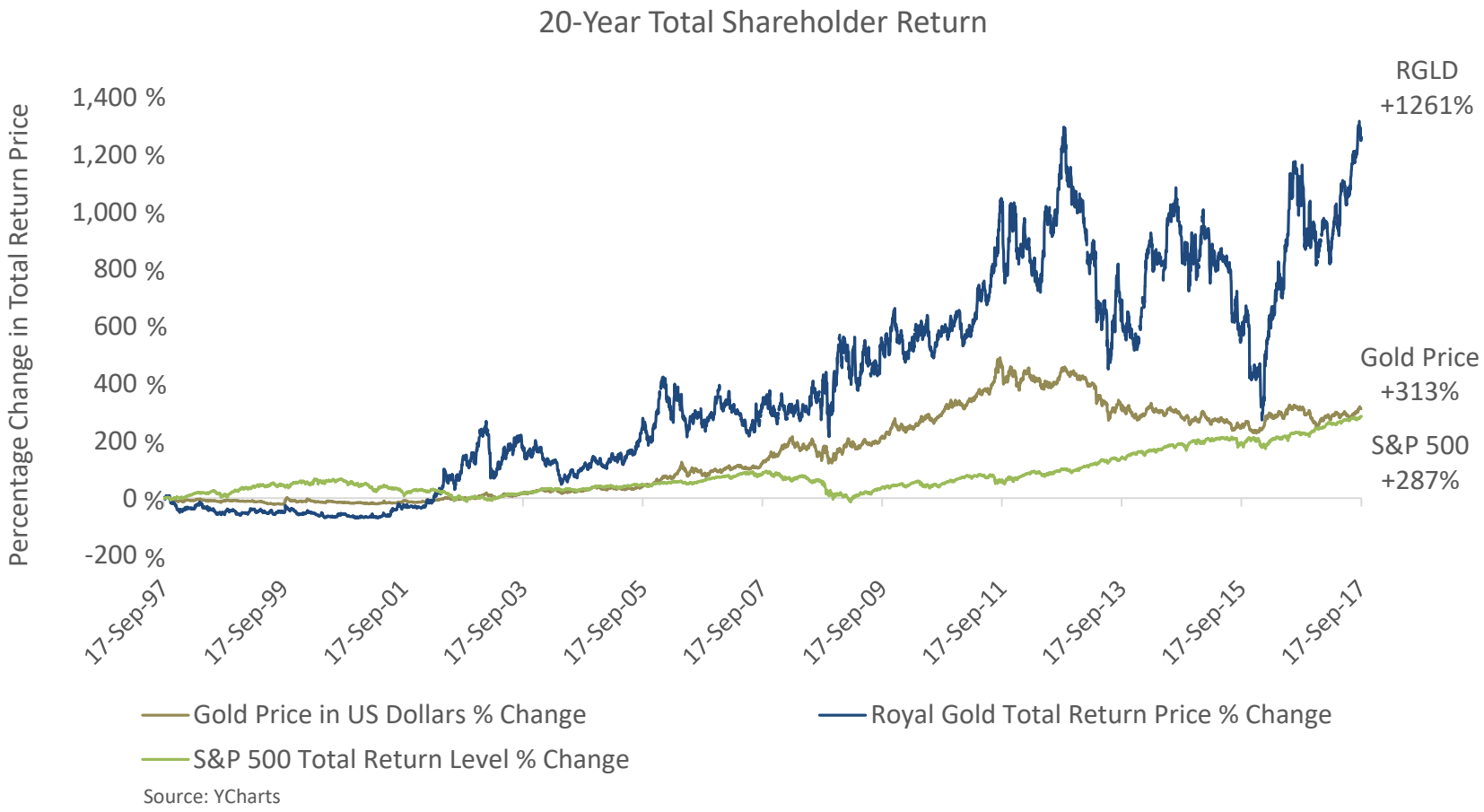


[1] Calculated as reported cash from operations divided by common dividends paid during the same period. 2017 reflects trailing twelve months as reported through September 30, 2017. 2018 reflects approved dividend.

Premium Performance - Creating Long Term Value

NASDAQ: RGLD

- Our focus is total shareholder return (TSR)



NEW PHASE OF GROWTH



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ROYAL GOLD, INC

NASDAQ: RGLD