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ROYALGOLD, INC

NASDAQ: RGLD

# Tony Jensen

## President & CEO

## 40th Nasdaq Investor Conference

June 2019

# Cautionary Statement

- **Cautionary "Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995:** 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 statements with regard to: solid, steady and successful performance; efficient business model and optionality; diverse, gold-focused, gold-weighted, high-quality portfolio generating organic growth; disciplined, accretive, non-dilutive capital deployment; strong liquidity and solid capital structure; leading commitment to growing and sustainable dividends and attractive TSR; business model upside exposure from metal prices, production expansion and resource conversion, and reduced downside from management risk, and operators' higher operating and capital costs and exposure to environmental liability; illustrative expected return; revenue per employee; larger operating portfolio and lower employee count than major producers; revenue by commodity and country; cash costs of the operators of our stream and royalty properties; remaining mine life and asset maturity; transaction timing; equity scarcity bringing project development and M&A opportunities; funding growth through cash flow and strategic use of debt; strong financial position, capital structure and liquidity; expectation to repay June 2019 bonds with cash from credit facility; commitment to growing and sustainable dividends; compounded annual growth in dividends to date; attractive and competitive historical TSR; gold's appeal for diversification and as hedge against market risk, inflation and currency risk, and providing competitive returns; relative tax efficiencies of streams and royalties; optionality and returns example from case study; streaming companies trading at high P/NAV and P/CF multiples; Board and management positioned for success. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: inability of operators to bring projects into production as expected, especially development stage mining properties, mine and mill expansion projects and other development and construction projects; revisions or inaccuracies in technical reports, reserves, mineralized material, costs, mine life and mine life parameters and economic and production estimates; changes in project parameters as plans of the operators are refined; the results of current or planned exploration activities; the risks inherent in the construction and 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; 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; operators' inability to access sufficient raw materials, water or power; 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 or as of the date indicated and should not be relied upon as of any subsequent date. The Company's past performance is not necessarily indicative of its future performance. The Company disclaims any obligation to update any forward-looking statements. .
- **Third-party information:** Certain information 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.

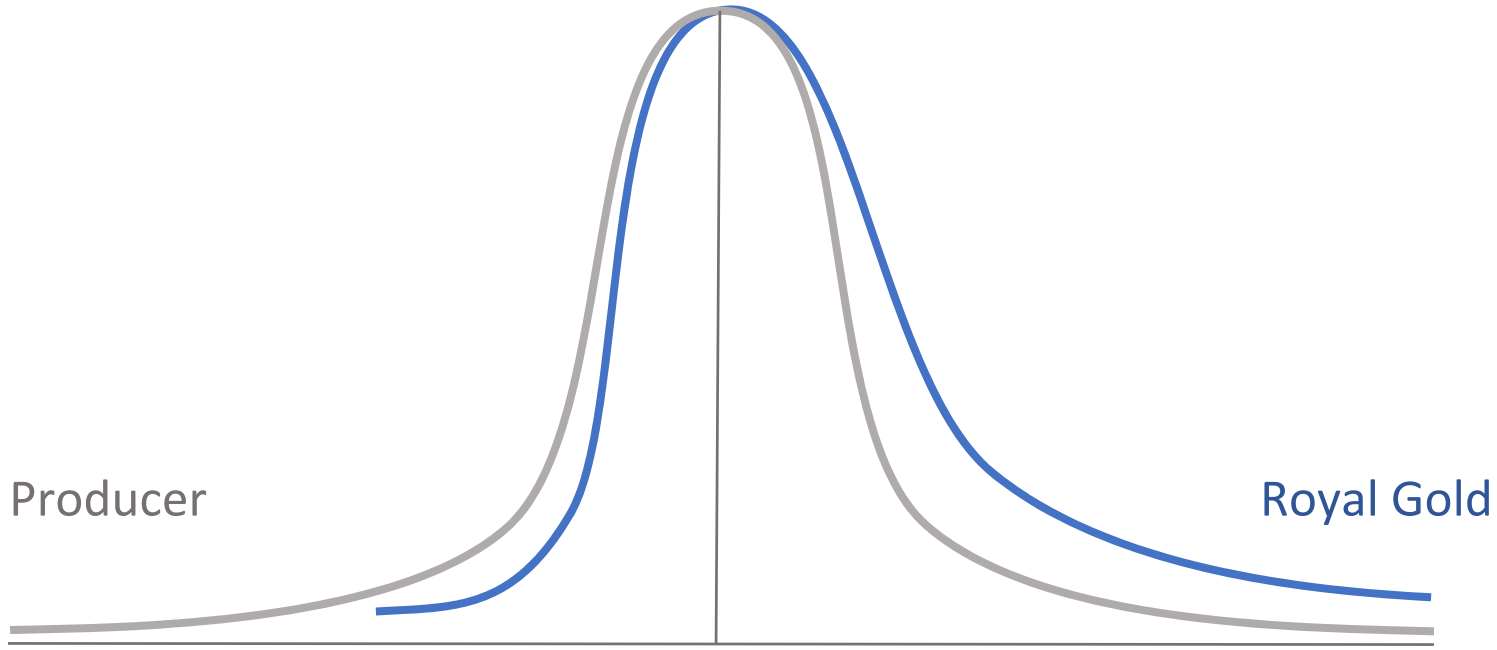
# Royal Gold Attributes

- Business Model
  - Optionality
  - Highly efficient
- Portfolio
  - Diverse, gold focused
  - High quality
  - Generating organic growth
- Capital Deployment
  - Discipline
  - Accretive, non-dilutive
- Financial Position
  - Strong liquidity
  - Solid capital structure
- Total Shareholder Return (TSR)
  - Leading commitment to dividends
  - Attractive historical TSR



# Business Model – Upside Exposure

- Royal Gold seeks upside from metal prices, production expansion and reserve conversion with reduced downside from management risk

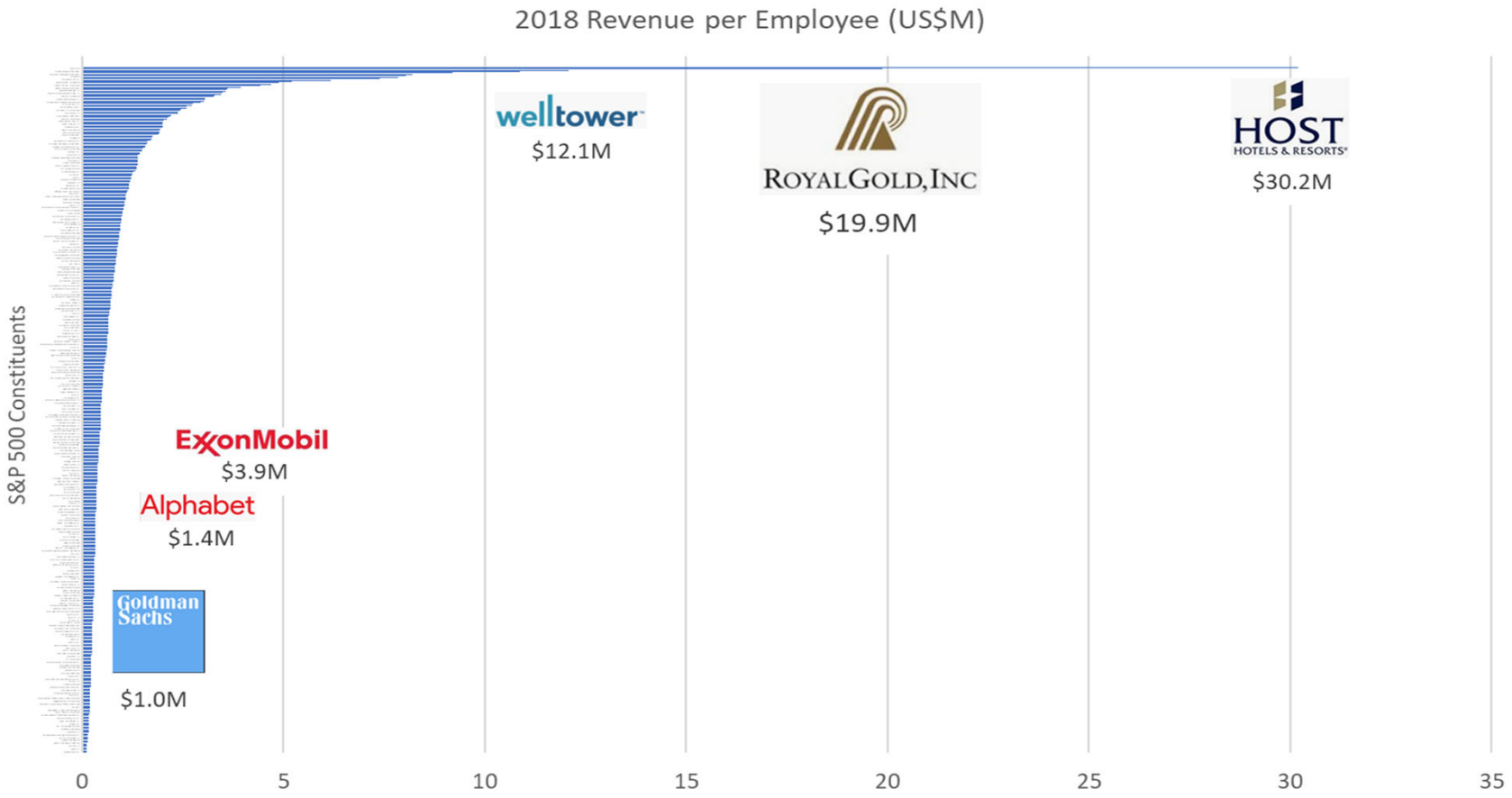



Return downside:
- Higher operating costs
- Higher capital costs
- Environmental liabilities

Return upside:
- Increased metal prices
- Production expansion
- Resource conversion

# Business Model – Efficient

- Royal Gold revenue per employee ranks second compared to the S&P 500

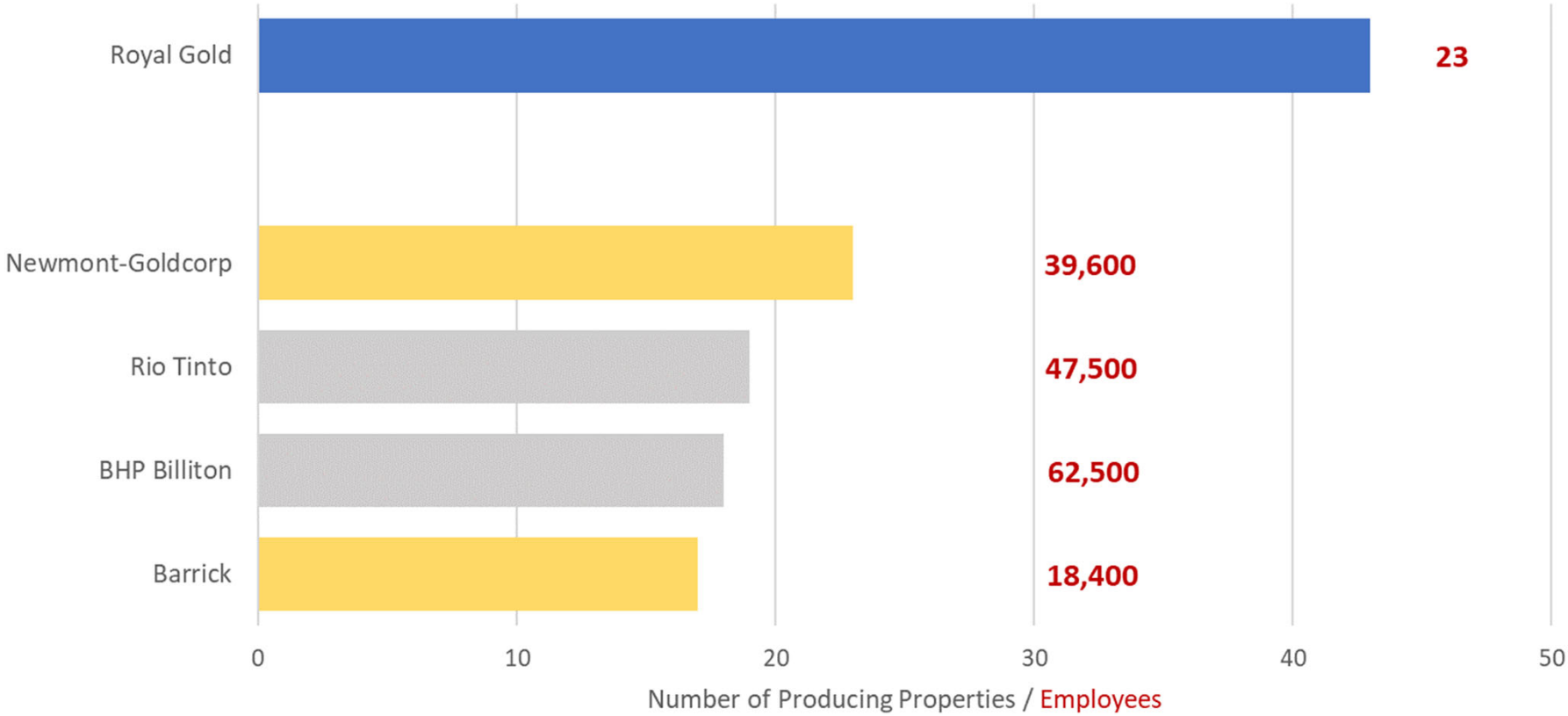



*Source: S&P CapitalIQ*

Revenue per employee calculated as total reported revenue for fiscal year 2018 divided by total employees reported at fiscal 2018 year end

# Business Model – Efficient

- Royal Gold has a larger operating portfolio and a fraction of the employee count compared to the major gold and base metals producers




Notes:
1) Royal Gold - as of May 28, 2019
2) Newmont Goldcorp - as of Dec. 31, 2018, includes contractors; *Source: pre-merger individual Newmont and Goldcorp reports*
3) Rio Tinto - as of Dec. 31, 2018; *Source: company reports*
4) BHP Billiton - as of June 30, 2018, includes contractors; *Source: company reports*
5) Barrick - as of May 15, 2019; *Source: Forbes.com*

# Portfolio – Diverse, Gold Focused

ROYALGOLD, INC

**191 PROPERTIES**

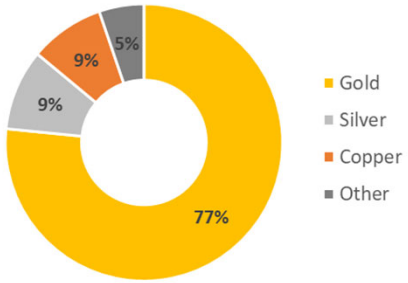
- 43 PRODUCING
- 17 DEVELOPMENT
- 53 EVALUATION
- 78 EXPLORATION



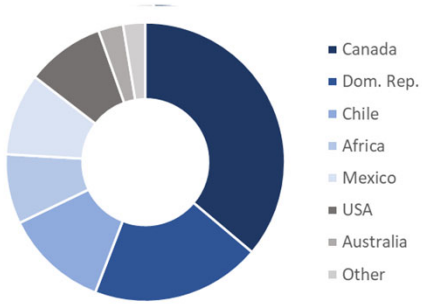

## PRINCIPAL PROPERTIES

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** – Western Region, Ghana

Revenue** by Commodity




Revenue** by Country

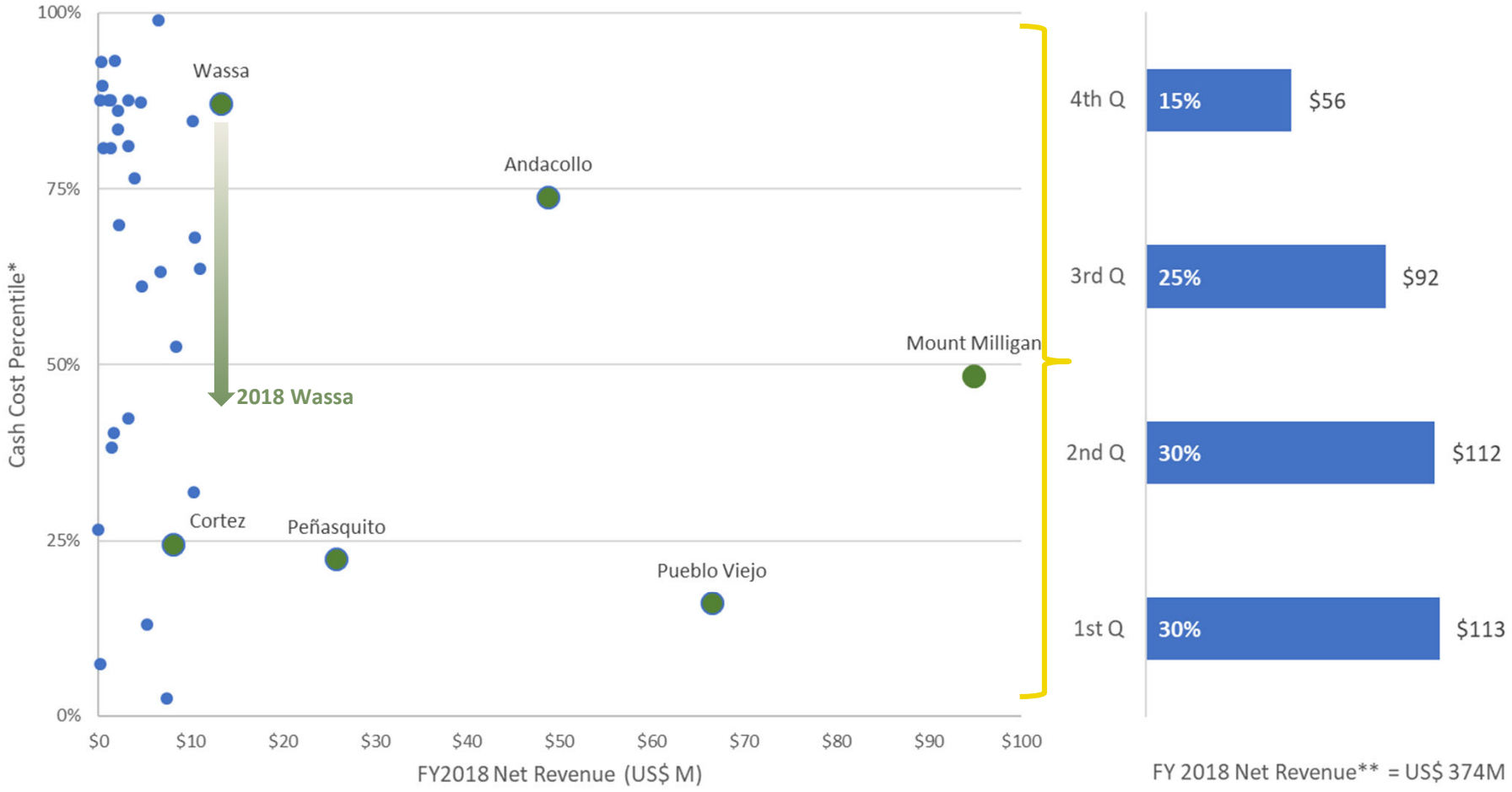



* As of Mar. 31, 2019

** Total Revenue for nine months ended Mar. 31, 2019

# Portfolio – High Quality

- 60% of net revenue from operations in 1st and 2nd quartile of cash cost curve
  - 85% below 4th quartile

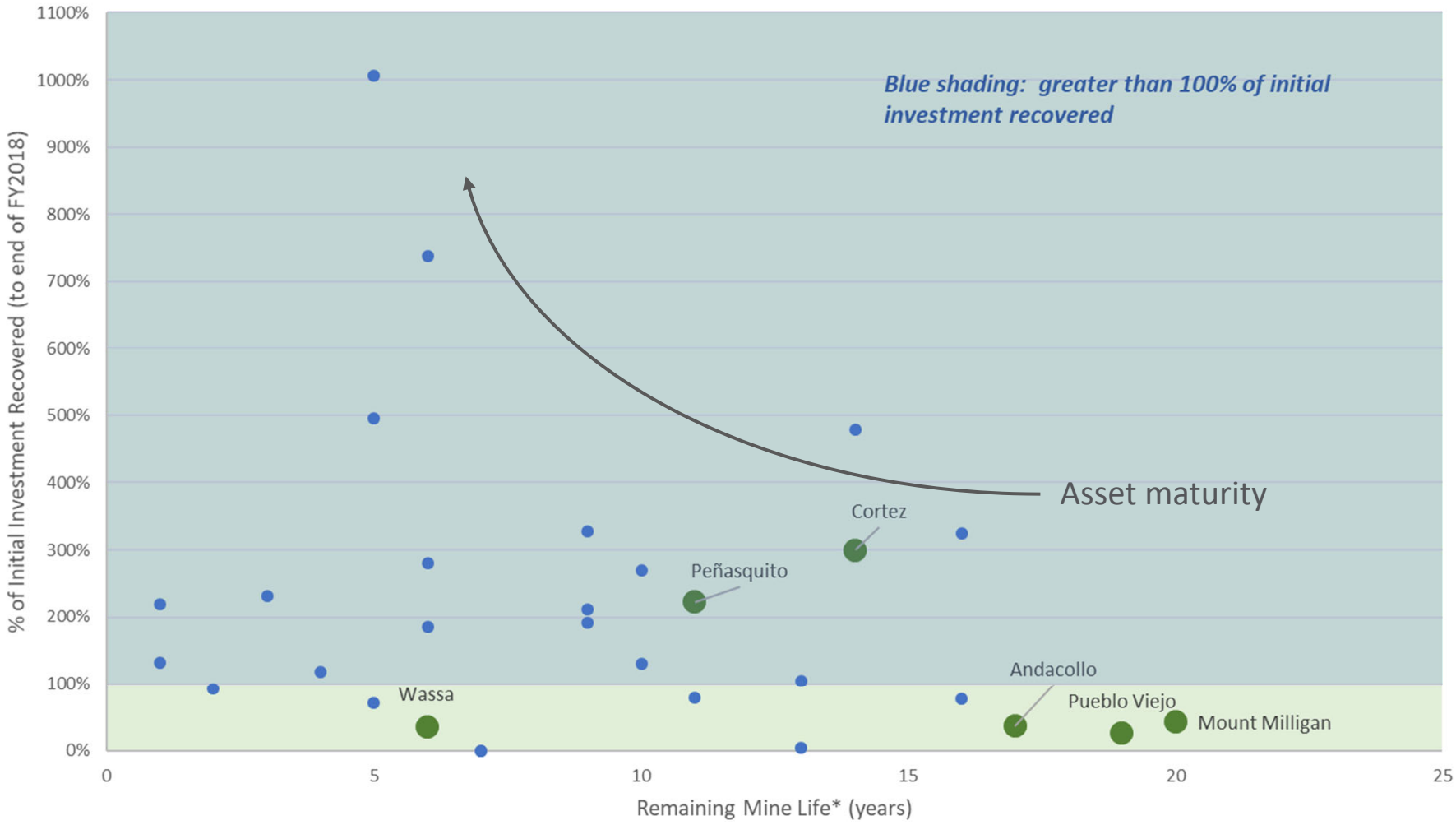



* By-product gold or copper cost position for CY 2017 from SNL; WoodMac used where SNL data not available
** Net revenue does not include revenue from Allan and Borax potash royalties
"Principal producing properties" shown in green

# Portfolio – Generating Organic Growth

ROYAL GOLD, INC

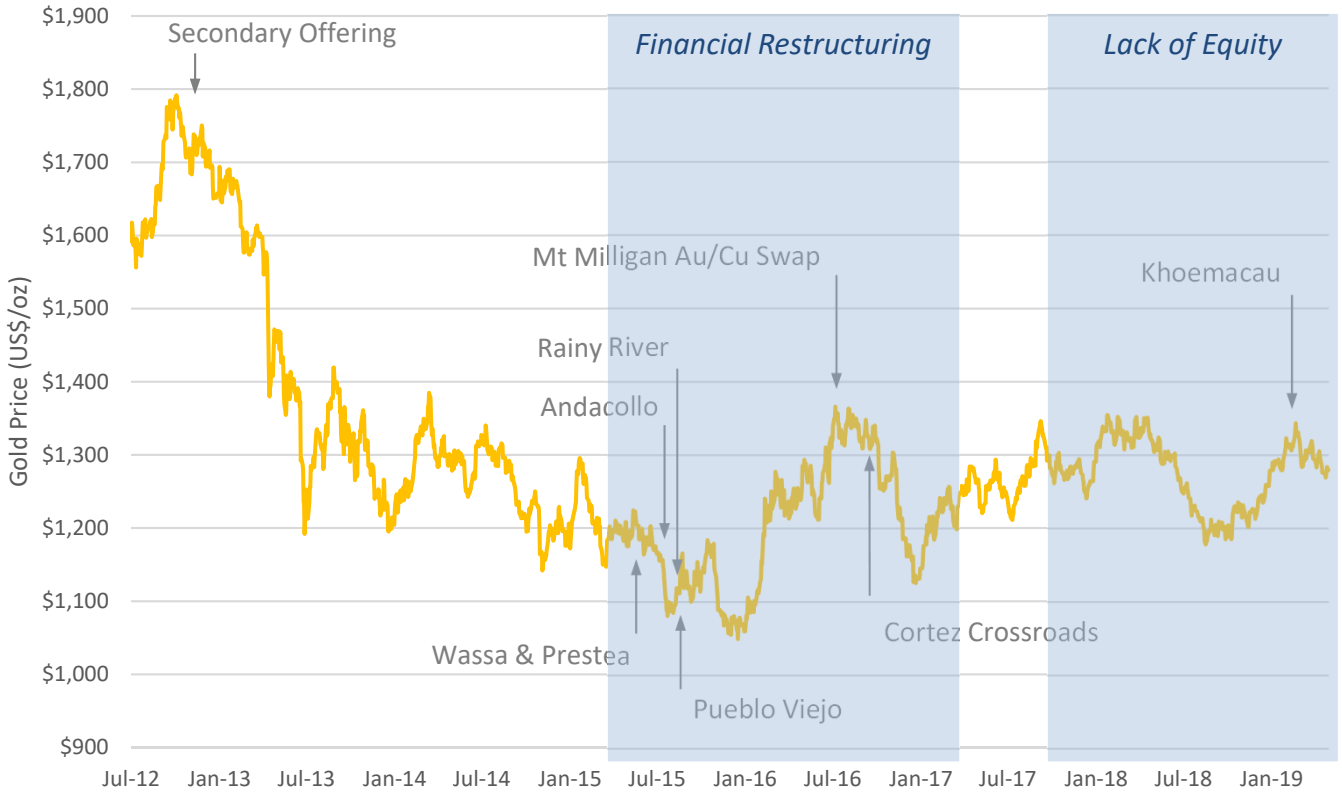
- Average remaining mine life of 14 years (weighted by revenue contribution)




* Remaining mine life estimate from publically-available technical reports or SNL estimates
"Principal producing properties" shown in green

# Capital Deployment – Discipline

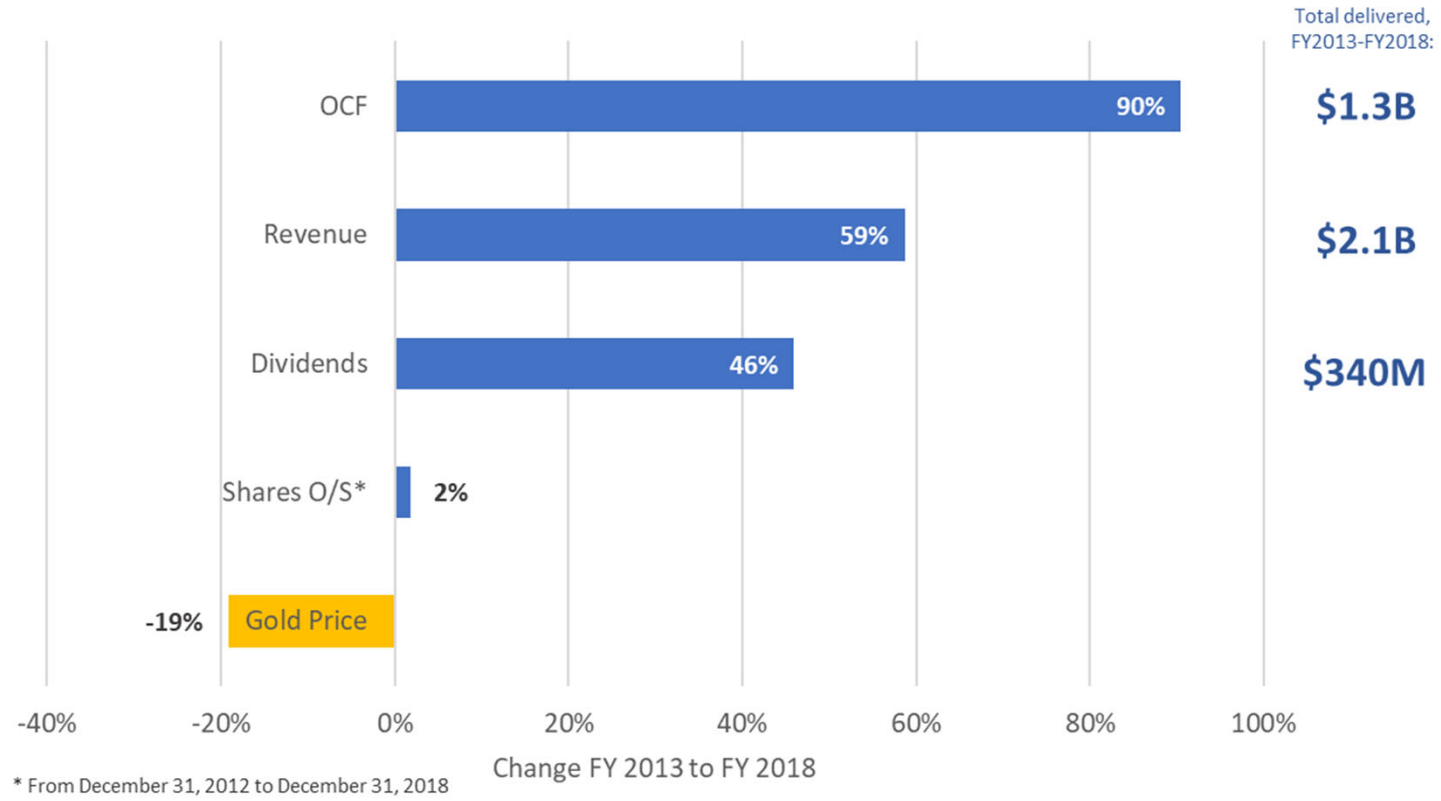
- Transacting at the right times, not at all times
  - Last wave of large financial restructuring has passed
  - Equity scarcity could bring project development and M&A opportunities




*Source: Company reports, YCharts*

# Capital Deployment – Accretive, Non Dilutive

- Growth funded through cash flow and strategic use of debt, independent of the gold price
- Only $61M of additional debt December 31, 2012 to December 31, 2018
  - No shares issued in a follow-on offering



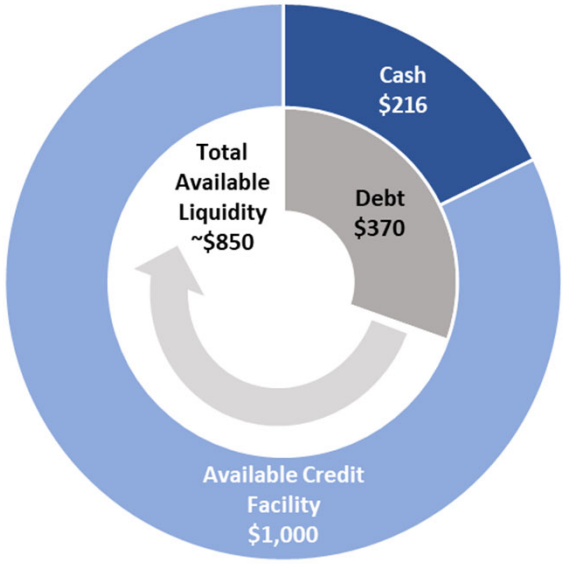
# Strong Financial Position – Capital Structure

- Royal Gold is well capitalized
  - Expect to repay $370M June 2019 bonds with cash from Credit Facility
  - $77.4M OCF FQ3 2019

| **Market Statistics**[a] | | |
|---|---|---|
| Share Price | *US$/share* | $93.57 |
| 52-Week Range | *US$/share* | $70.16 - $98.53 |
| Shares Outstanding[b] | *M* | 65.5 |
| Market Capitalization | *US$ B* | $6.1 |
| Average Daily Volume[c] | *M* | 0.430 |
| Dividend | *US$/share* | $1.06 |
| Dividend Yield | *%* | 1.13% |
| Cashflow Payout Ratio[d] | *%* | 19.5% |

(a) As of: June 6, 2019
(b) As of: March 31, 2019
(c) Ave. previous 3 month daily volume per CapIQ
(d) Dividends / OCF for FY 2018

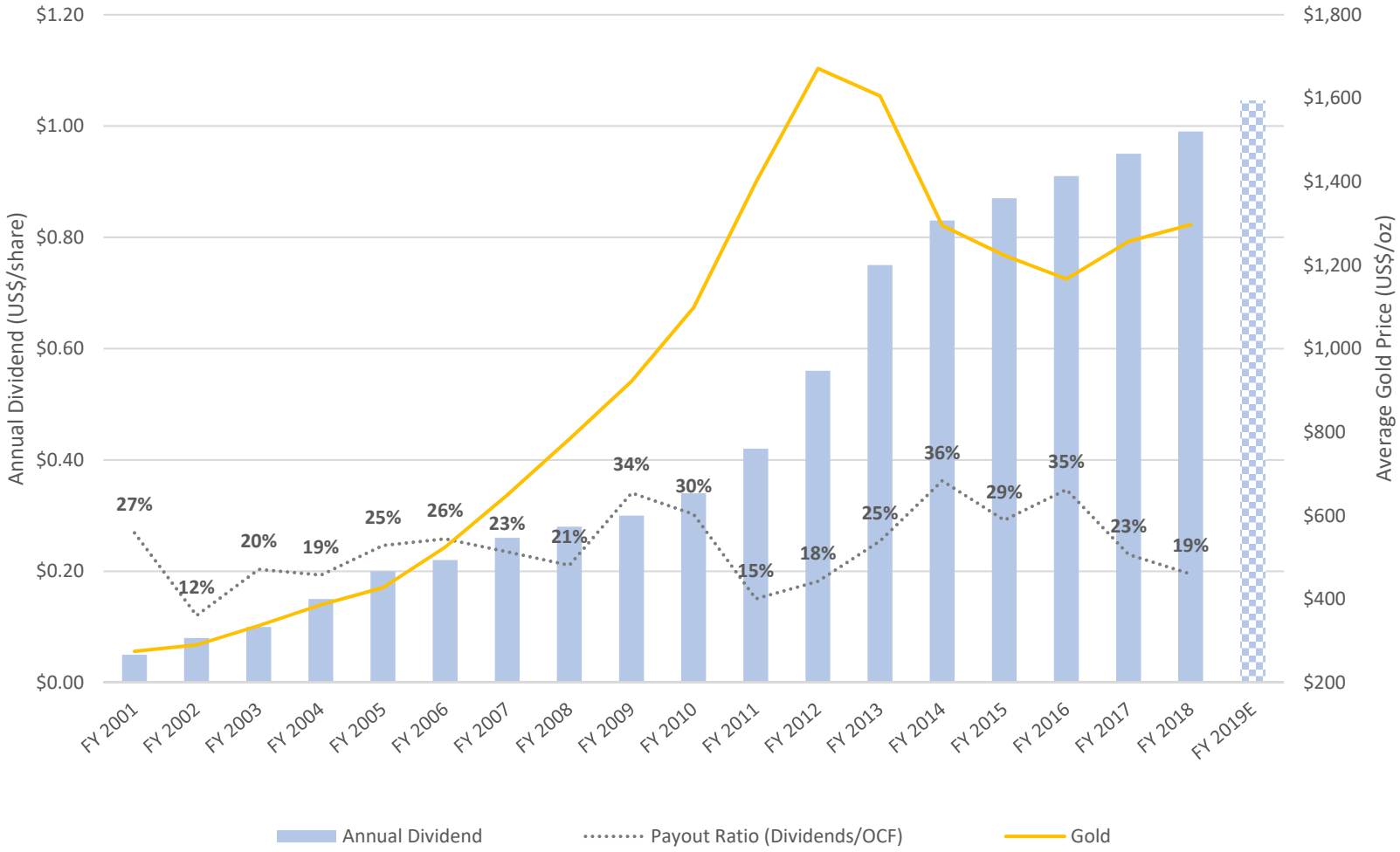
Liquidity[e] ($M):




(e) Cash, Available Credit Facility and Debt as of March 31, 2019

# TSR – Leading Commitment to Dividends

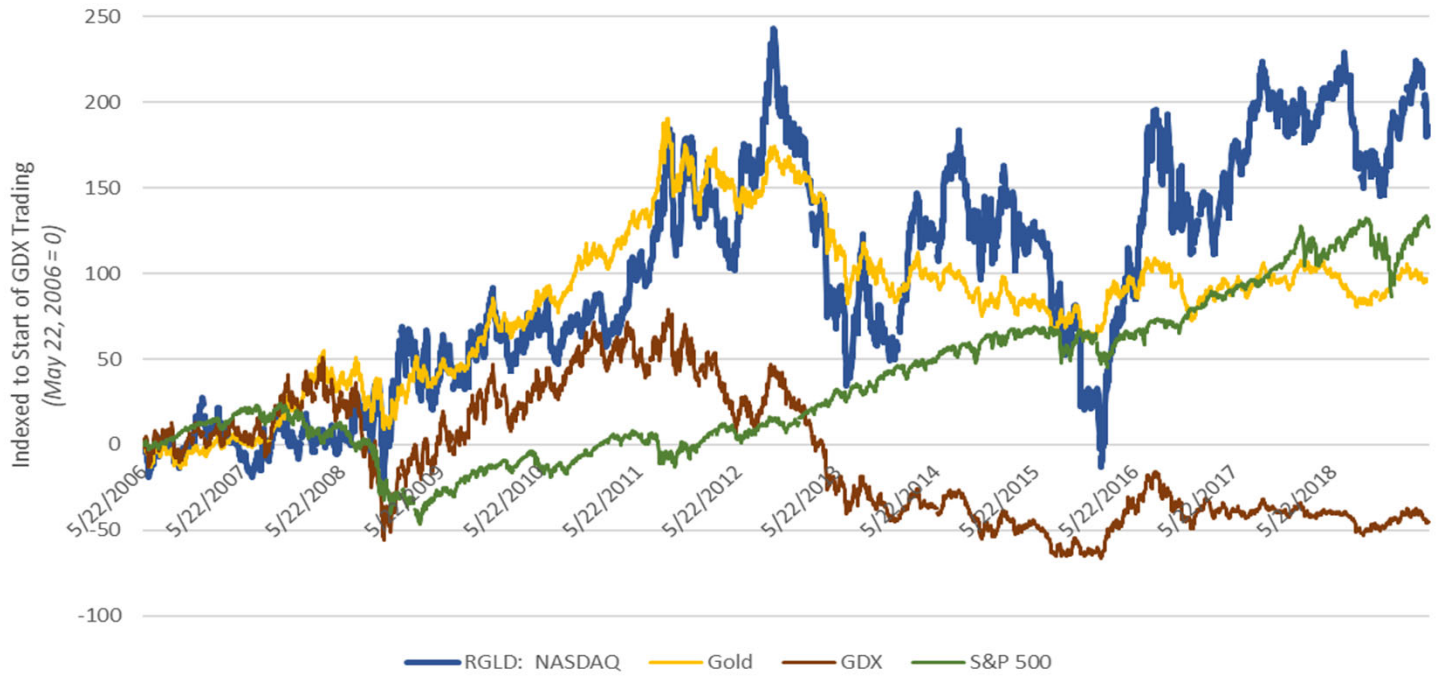
- Dividend set at a sustainable level
  - 18% CAGR in dividends per share 2001-2019




*Source: Company reports, YCharts, KITCO*

# TSR – Attractive Historical Return

- Efficient business model
- Diverse portfolio
- Disciplined capital deployment
- Strong financial position
- Competitive total shareholder return



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