BofA Securities 2020 Global Metals, Mining and Steel Conference

May 2020



ROYAL GOLD, INC

NASDAQ: RGLD

Cautionary Statement

Cautionary "Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: This presentation includes "forward-looking statements" within the meaning of U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from these statements. Forward-looking statements are often identified by words like "will," "may," "could," "should," "would," "believe," "estimate," "expect," "anticipate," "plan," "forecast," "potential," "intend," "continue," "project," or negatives of these words or similar expressions. Forward-looking statements include, among others, the following: statements about our expected financial performance, including revenue, expenses, earnings or cash flow; operators' expected operating and financial performance, including production, deliveries, mine plans and reserves, development, cash flows and capital expenditures; planned and potential acquisitions or dispositions, including funding schedules and conditions; liquidity, financing and dividends; our overall investment portfolio; macroeconomic and market conditions including the impacts of COVID-19; prices for gold, silver, copper, nickel and other metals; potential impairments; or tax changes.

Factors that could cause actual results to differ materially from these forward-looking statements include, among others, the following: a low-price environment for gold, silver, copper, nickel or other metals; operating activities or financial performance of properties on which we hold stream or royalty interests, including variations between actual and forecasted performance, operators' ability to complete projects on schedule and as planned, changes to mine plans and reserves, liquidity needs, mining and environmental hazards, labor disputes, distribution and supply chain disruptions, permitting and licensing issues, contractual issues involving our stream or royalty agreements; risks associated with doing business in foreign countries; our ability to identify, finance, value and complete acquisitions; adverse economic and market conditions; the impacts of COVID-19; changes in laws or regulations governing us, operators or operating properties; changes in management and key employees; and other factors described in our reports filed with the Securities and Exchange Commission, including our Form 10-K for the fiscal year ended June 30, 2019, and subsequent Quarterly Reports on Form 10-Q. Most of these factors are beyond our ability to predict or control.

Forward-looking statements in this presentation speak only as of the date on which this presentation was first published. We disclaim any obligation to update any forward-looking statements, except as required by law. Readers are cautioned not to put undue reliance on forward-looking statements.

Third-Party Information: Certain information provided in this presentation, including production estimates for calendar 2020, has been provided to us by the operators of the relevant properties or is publicly available information filed by these operators with applicable securities regulatory bodies, including the Securities and Exchange Commission. Royal Gold has not verified, and is not in a position to verify, and expressly disclaims any responsibility for the accuracy, completeness or fairness of any such third-party information and refers the reader to the public reports filed by the operators for information regarding those properties.

FQ3 2020 Overview

Financial/operating performance

86,200
Volume of GEOs*

$38.6M
net income
($0.59/share)**

$136.4M
revenue,
79% from gold

$18.4M
in dividends

$99.7M
cash flow
from operations

* Gold Equivalent Ounces ("GEOs") are calculated as revenue divided by the average gold price
** Adjusted net income $44.3M ($0.68/share)

Other notable developments

Balance sheet continues to strengthen

Reduced debt
by **$30M**

~$1B
of liquidity at
March 31, 2020

Effective response to COVID-19

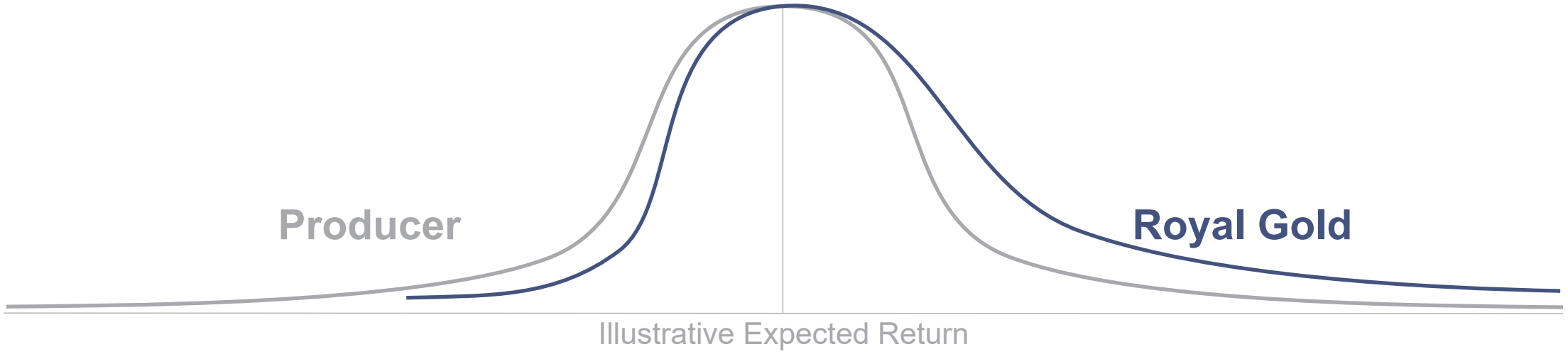
- Successful transition to remote working
- $200M drawn on revolving credit facility as a precautionary measure in April
- Charitable donations in our local communities

Royal Gold Attributes

BUSINESS MODEL	PORTFOLIO	CAPITAL DEPLOYMENT	FINANCIAL POSITION	TOTAL SHAREHOLDER RETURN (TSR)
• Optionality • Highly efficient	• Diverse, gold focused • High quality • Generating organic growth	• Discipline • Accretive, non-dilutive	• Strong liquidity • Solid capital structure	• Leading commitment to dividends • Attractive historical TSR

Business Model – Lower Risk with Optionality

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

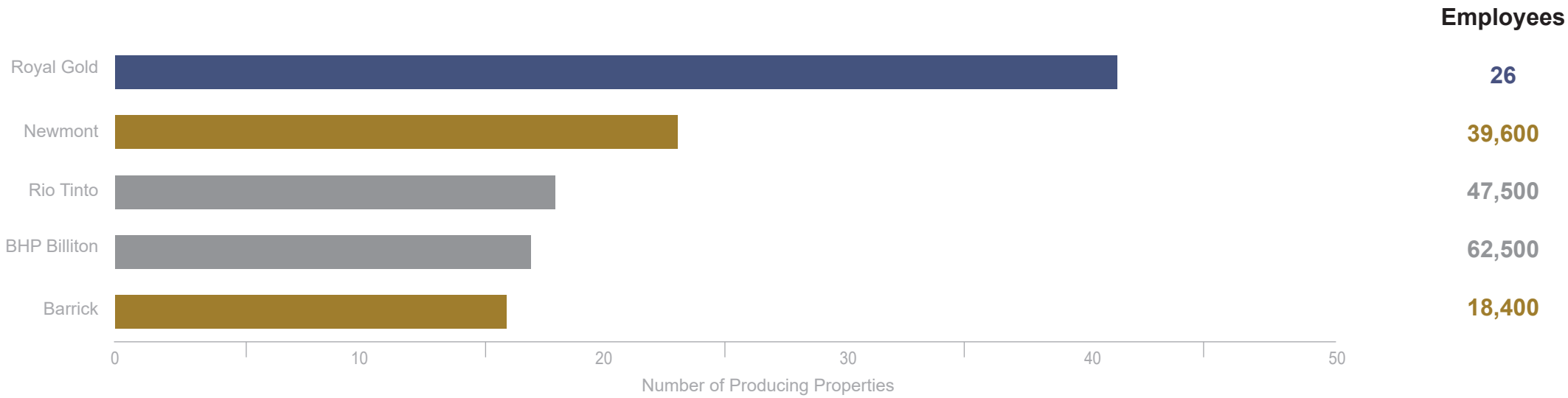


Source: S&P CapitalIQ

* Calculated as total reported revenue divided by total employees for fiscal 2018, except Royal Gold which is for fiscal 2019

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

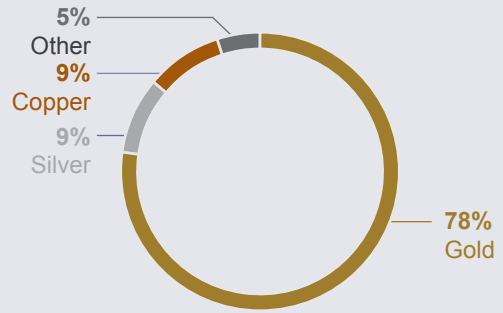


Notes:

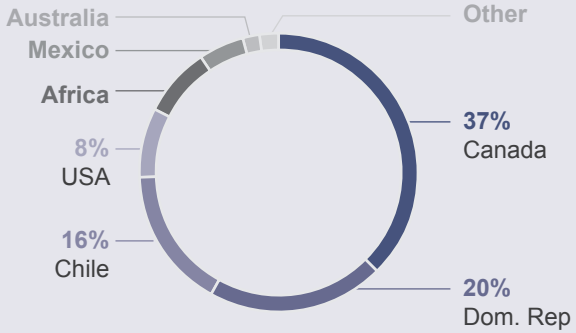
1) Royal Gold - as of Mar. 4, 2020
2) Newmont - as of Dec. 31, 2018, includes contractors; *Source: pre-merger individual Newmont and Goldcorp reports*
3) Rio Tinto - as of Dec. 31, 2018: *Source: company reports*
4) BHP Billiton - as of June 30, 2018, includes contractors; *Source: company reports*
5) Barrick - as of May 15, 2019; *Source: Forbes.com*

Portfolio – Diverse, Gold Focused

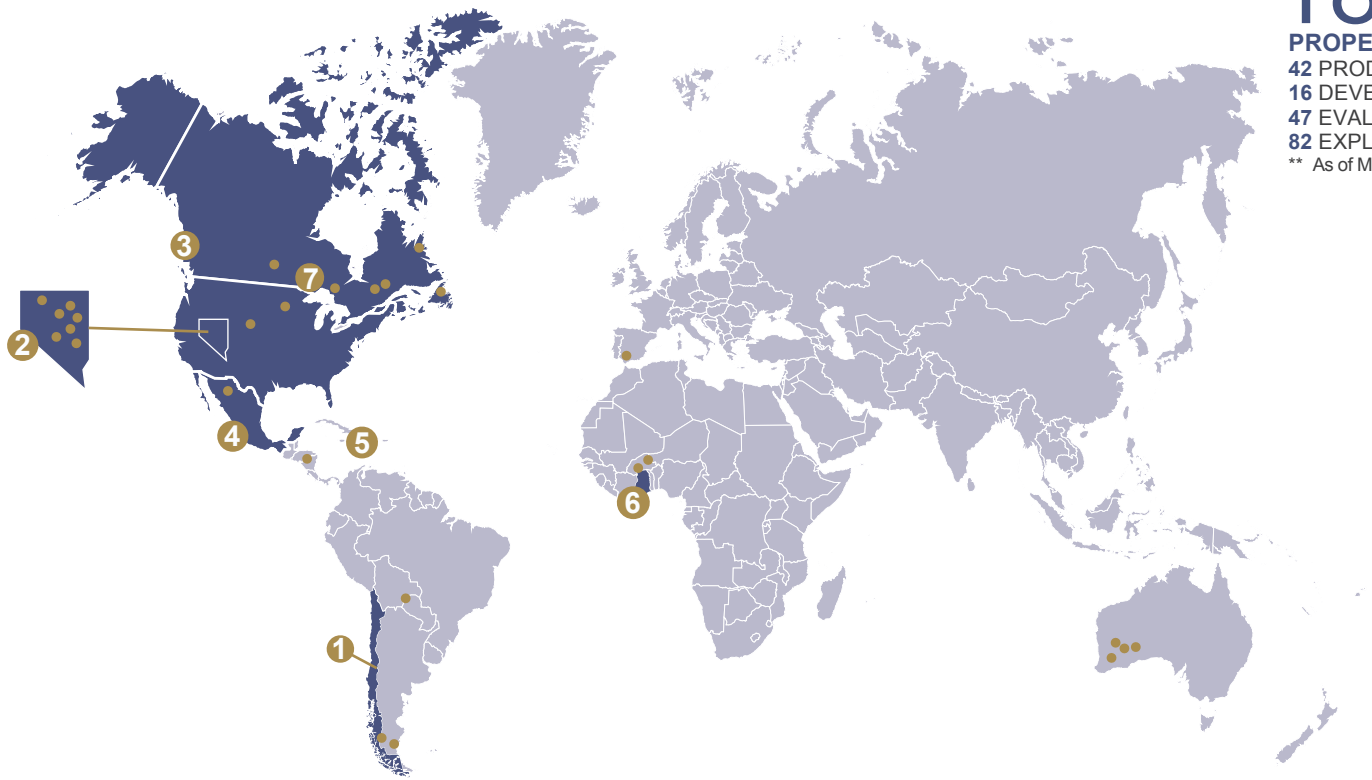
REVENUE* BY COMMODITY



REVENUE* BY COUNTRY



* Total Revenue for FY 2019



187
PROPERTIES
42 PRODUCING
16 DEVELOPMENT
47 EVALUATION
82 EXPLORATION
** As of March 31, 2020

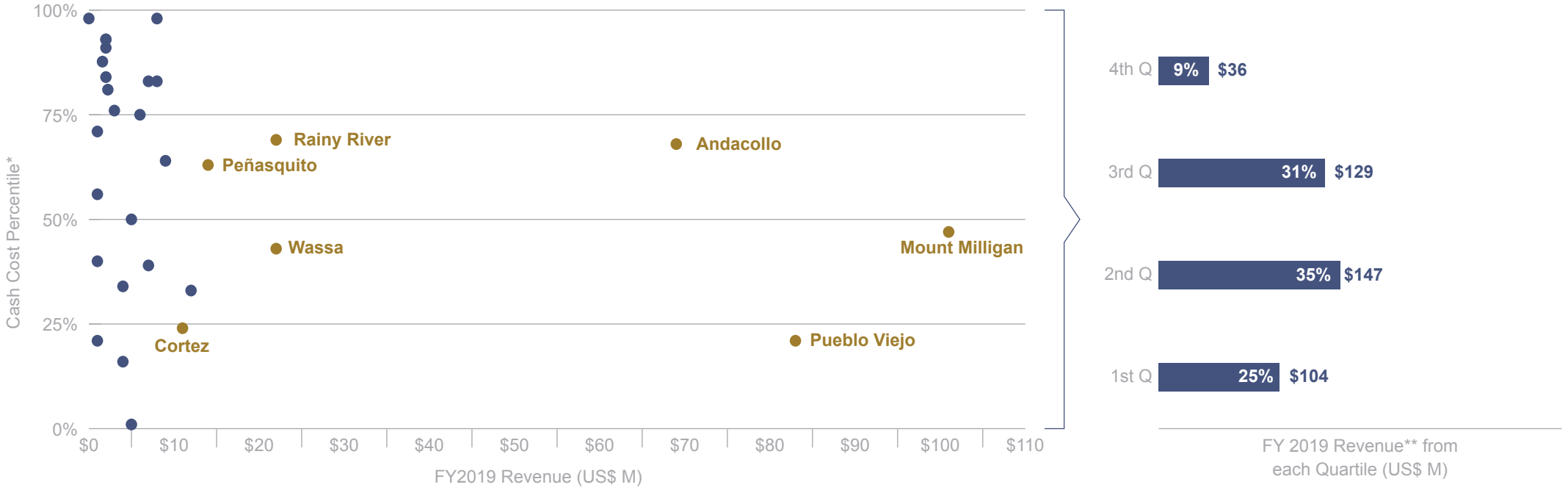
PRINCIPAL PROPERTIES

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
7. **RAINY RIVER** – Ontario, Canada

Portfolio – High Quality

Approximately 60% of revenue from operations in 1st and 2nd quartile of cash cost curve

- 91% from below 4th quartile



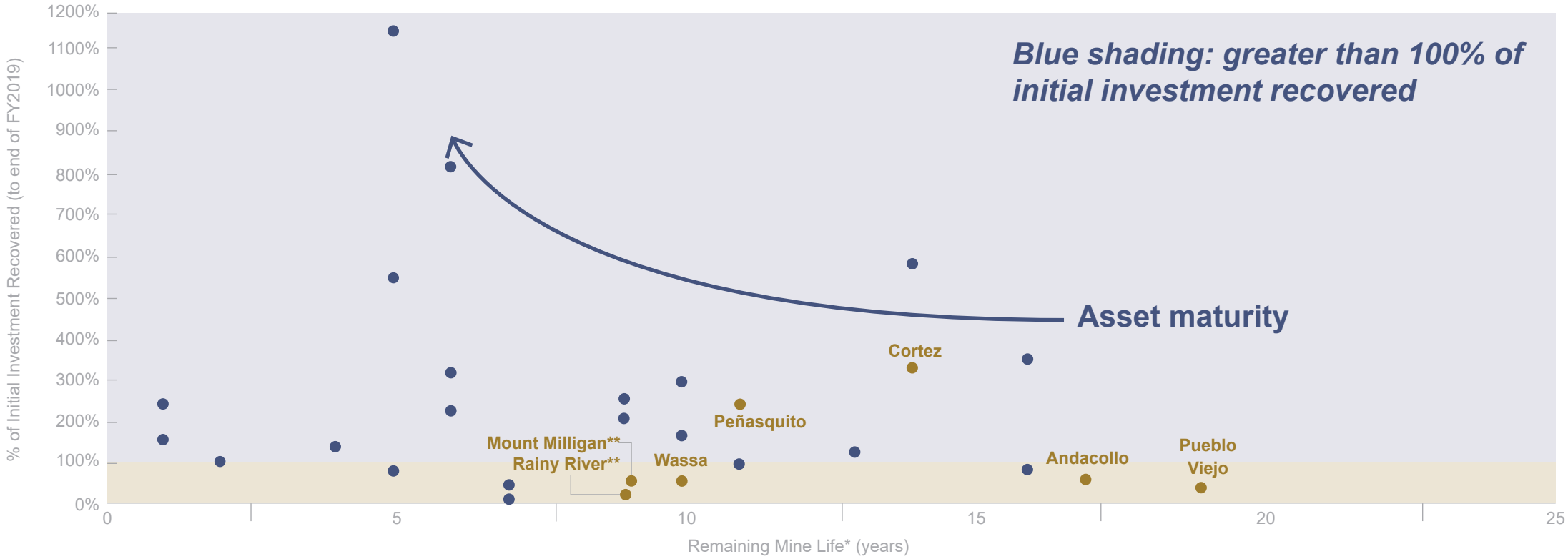
* All cost data are CY 2018 co-product gold from SNL except: i) CY 2018 co-product copper from SNL for Mount Milligan, Andacollo, Robinson and Las Cruces, ii) CY 2018 co-product nickel from SNL for Voisey's Bay, iii) CY 2017 WoodMac gold for Cortez and Leeville.

** Does not include $7.8M of revenue from royalties with no available cost data (Allan and Borax potash royalties, Gold Hill, Skyline, Ruby Hill, Meekatharra, King of the Hills)

"Principal producing properties" shown in dark gold

Portfolio – Generating Organic Growth

Portfolio has significant average remaining mine life



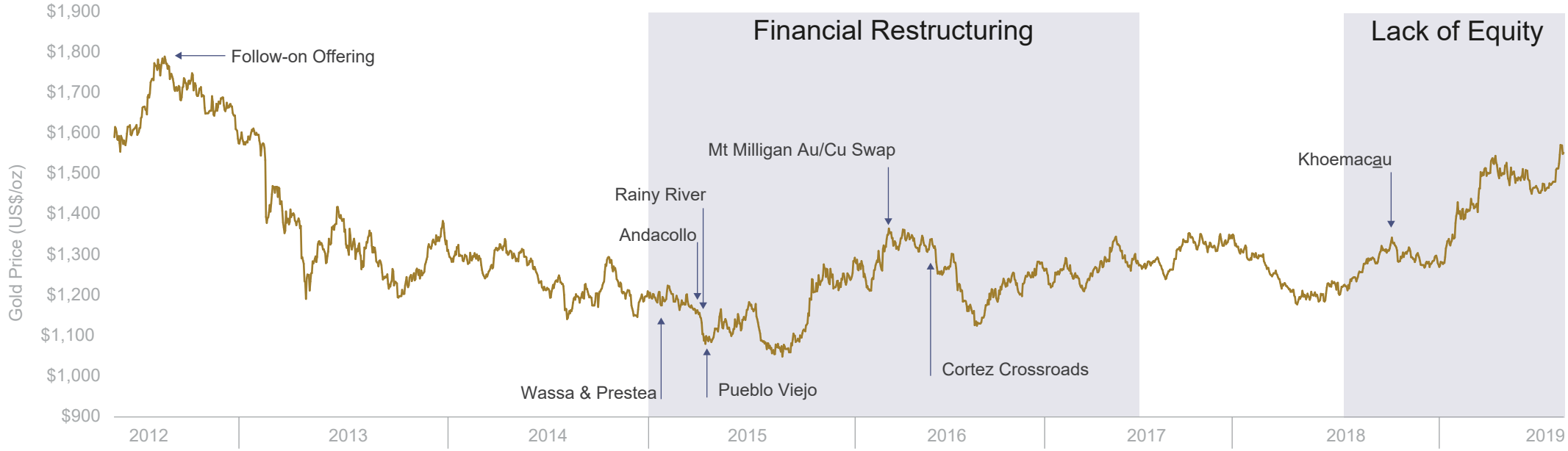
* Remaining mine life estimate from publically-available technical reports or SNL estimates, as of June 2019
"Principal producing properties" shown in dark gold

** Rainy River LOM released February 13, 2020 indicates reserve life of 9 years; Mount Milligan LOM released March 26, 2020 indicates reserve life of 9 years

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

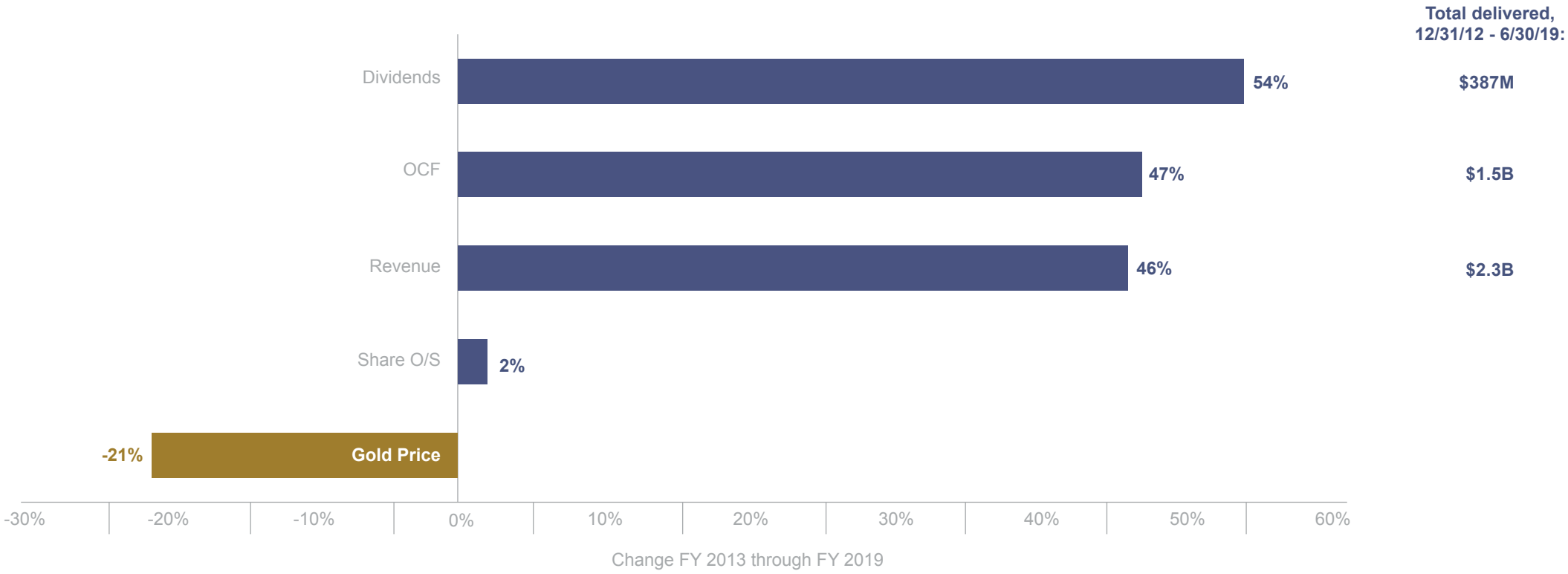


Source: Company reports, YCharts

Capital Deployment – Accretive, Non Dilutive

Growth funded through cash flow and strategic use of debt, independent of the gold price

- Last follow-on equity offering completed October 15, 2012



* From December 31, 2012 to July 31, 2019

Strong Financial Position – Capital Structure

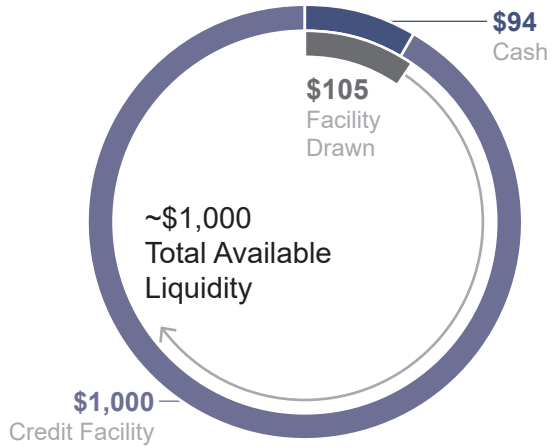
Royal Gold is well capitalized

- ~$1B of liquidity at March 31, 2020, including $895M available on Credit Facility
- FQ3 2020 OCF of $99.7M

Market Statistics[a]		
Share Price	US$/share	$126.62
52-Week Range	US$/share	$59.78 - $138.78
Shares Outstanding[b]	M	65.6
Market Capitalization	US$ B	$8.3
Average Daily Volume[c]	M shares	0.840
Dividend[d]	US$/share	$1.12
Dividend Yield	%	0.88%
Cashflow Payout Ratio[e]	%	26.7%

(a) As of: May 6, 2020 (except as noted)
(b) As of: March 31, 2020
(c) Ave. previous 3 month daily volume per CapIQ
(d) Dividend for CY 2020
(e) Dividends / OCF for FY 2019

LIQUIDITY[f]
($M):

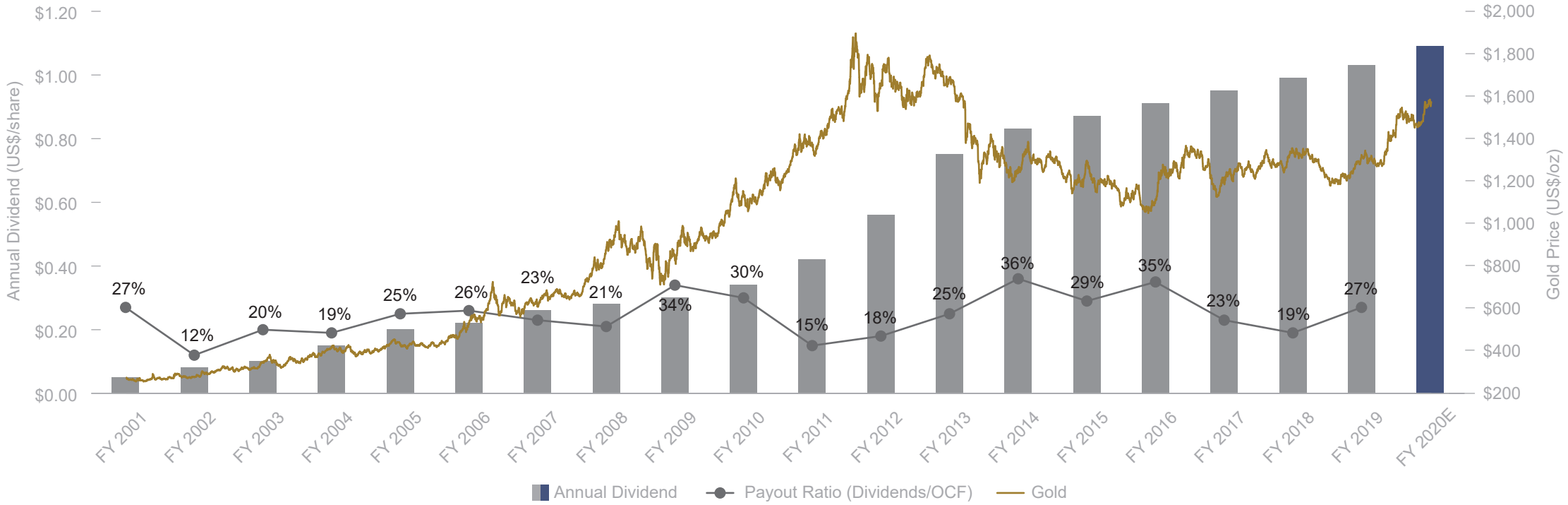


(f) Cash, credit facility and credit facility drawn as of March 31, 2020

TSR – Leading Commitment to Dividends

Dividend set at a sustainable level

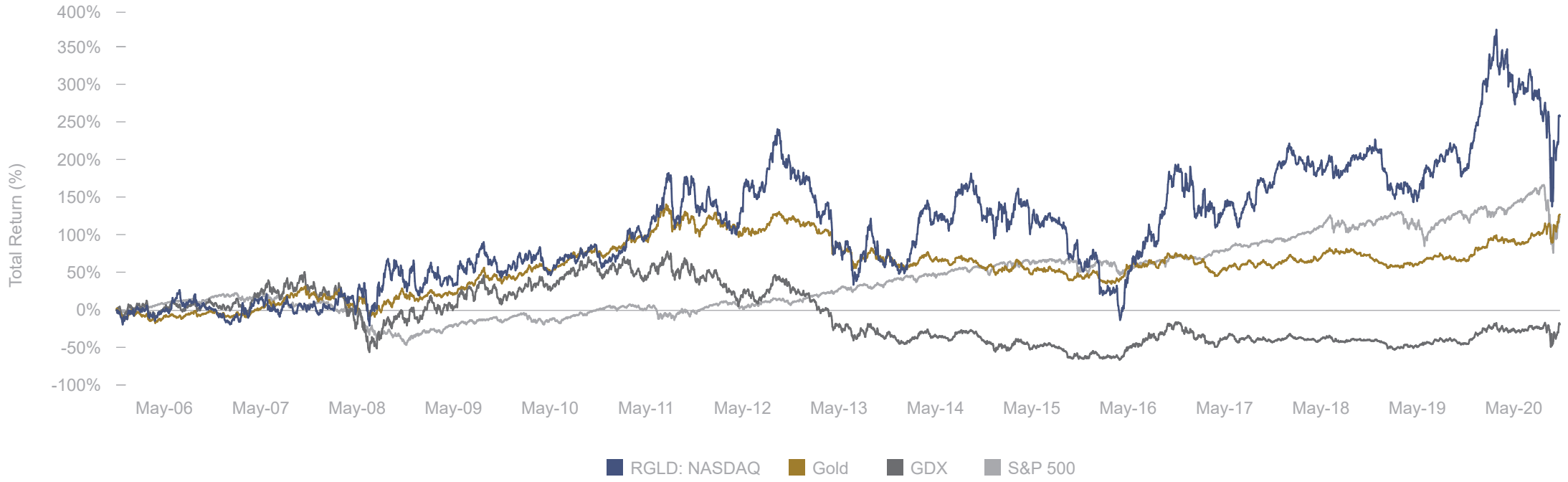
- 18% CAGR in dividends per share 2001-2019



Source: Company reports, YCharts

TSR – Attractive Historical Return

EFFICIENT BUSINESS MODEL | **DIVERSE PORTFOLIO** | **DISCIPLINED CAPITAL DEPLOYMENT** | **STRONG FINANCIAL POSITION** | **COMPETITIVE TOTAL SHAREHOLDER RETURN**



* to April 15, 2020

Source: S&P CapitalIQ

ROYAL GOLD, INC

Appendix



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NASDAQ: RGLD

Diverse Portfolio of Long-Lived Assets

			Royal Gold Interest			Ongoing Payment				CY 2019		CY 2020
Operator	**Mine**	**Metal**	**Initial**	**Until***	**Thereafter**	**Initial**	**Until***	**Thereafter**	**Remaining Reserve Life (years)[1]**	**Operator Production Guidance[1,2]**	**Actual Production**	**Operator Production Guidance[1,2]**
Streams												
Centerra	Mount Milligan	Gold	35.0%	LOM	-	$435/oz	LOM	-	19	155-175k oz	183.1k oz	140-160k oz
		Copper	18.75%	LOM	-	15% of spot	LOM	-		65-75M lb	71.1M lb	80-90M lb
Barrick	Pueblo Viejo (60% interest)	Gold	7.5%	990k oz	3.75%	30% of spot	550k oz	60% of spot	18	550-600k oz	590.0k oz	530-580k oz
		Silver	75% (fixed 70% recovery)	50M oz	37.50%	30% of spot	23.1M oz	60% of spot		n/a	n/a	n/a
New Gold	Rainy River	Gold	6.5%	230k oz	3.25%	25% of spot	LOM	-	14	245-270k oz	253.8k oz	n/a
		Silver	60.0%	3.1M oz	30.0%	25% of spot	LOM	-		245-270k oz	n/a	n/a
Teck	Andacollo	Gold	100.0%	900k oz	50.0%	15% of spot	LOM	-	16	n/a	46.8k oz	n/a
Golden Star	Wassa Prestea	Gold	10.5%	240k oz	5.5%	20% of spot	240k oz	30% of spot	5	150-160k oz	156k oz	155-165k oz
										40-45k oz	48k oz	40-45k oz
Key Royalties[3]												
Newmont	Peñasquito	Gold/Silver/ Lead/Zinc	2.0% NSR	LOM	-	-	-	-	12	165k oz (gold)	n/a	n/a
Nevada Gold Mines	Cortez	Gold	Various	LOM	-	-	-	-	25+	n/a	n/a	n/a

* *LOM = life of mine*

(1) Reserve life and production estimates are received from our operators and there can be no assurance that estimates received from our operators will be achieved. Please refer to our cautionary language regarding forward-looking statements, as well as the Risk Factors identified in Part I, Item 1A of our Fiscal 2019 10-K for information regarding factors that could affect actual results.

(2) 100% basis unless otherwise specified.

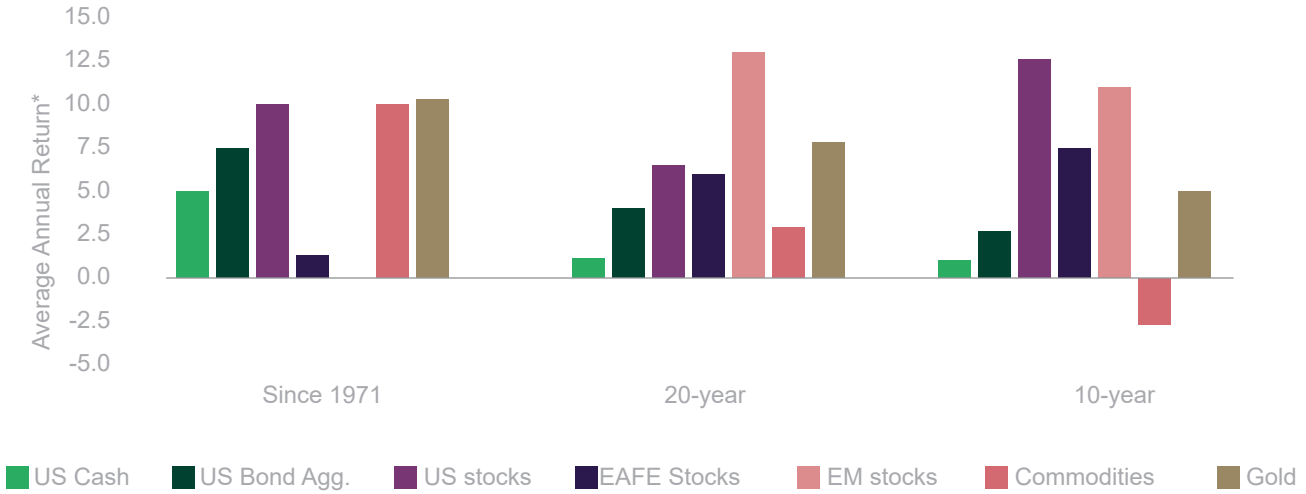
(3) Includes largest royalties by revenue. An additional 35 royalties from producing mines in Royal Gold's portfolio not shown.

Why Gold?

Gold appeals to those who want:

- Diversification
- Hedge against market risk, inflation and currency risk

Gold also provides competitive returns



Source: Bloomberg, ICE Benchmark Administration, World Gold Council

* As of 31 December 2018. Computations in US dollars of total return indices for ICE 3-month Treasury, Bloomberg Barclays US Bond Aggregate, MSCI US, EAFE and EM indices, Bloomberg Commodity Index and spot for LBMA Gold Price PM.

What is a Stream / Royalty?

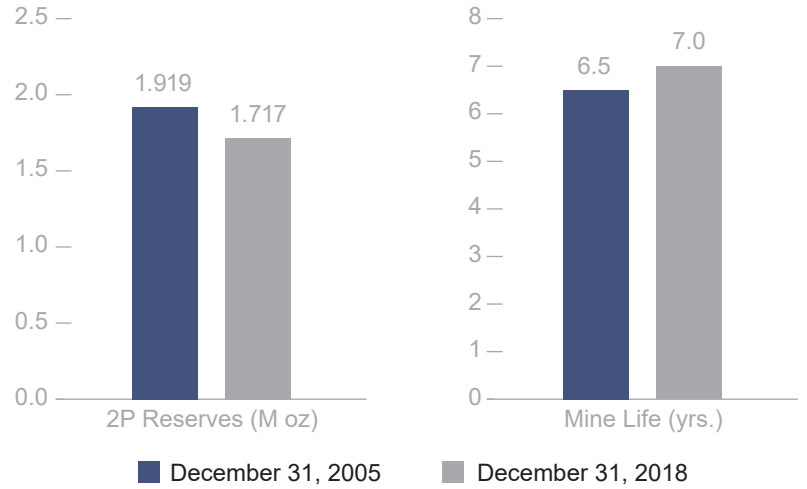
Both are interests in metal production

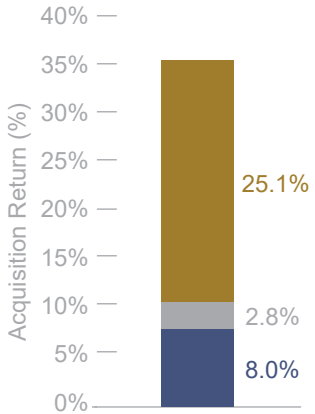
	Stream	Royalty
General commercial terms	• Streaming company receives a percentage of metal production • Cash payment made for every unit of metal delivered	• Streaming company receives a percentage of gross smelter return (GSR), net smelter return (NSR), net value royalty (NVR) or net profits interest (NPI) • Deductions range from zero (GSR) to full costs (NPI)
Structure	• Contractual arrangement	• An interest in land in some jurisdictions
Efficiency as a financing tool	• Tax efficient » Active purchase and sale transaction for streaming company » Deferred revenue treatment for operating company	• Tax inefficient » Passive income for streaming company » Deemed sale of mineral property for operating company

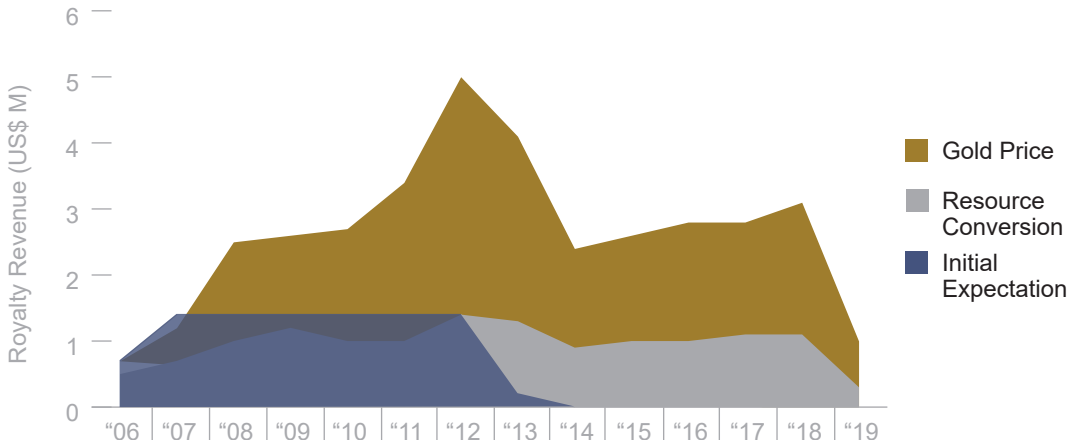
Case Study – Optionality and Return

Mulatos (Alamos Gold)

- Royal Gold acquired 1.5% NSR from Kennecott Minerals, Dec. 2005
  - » 2M oz cap reached March 2019
- Pre-tax return ~36%
  - » Excess return from mine life extension (2016 through 2025) and higher gold price



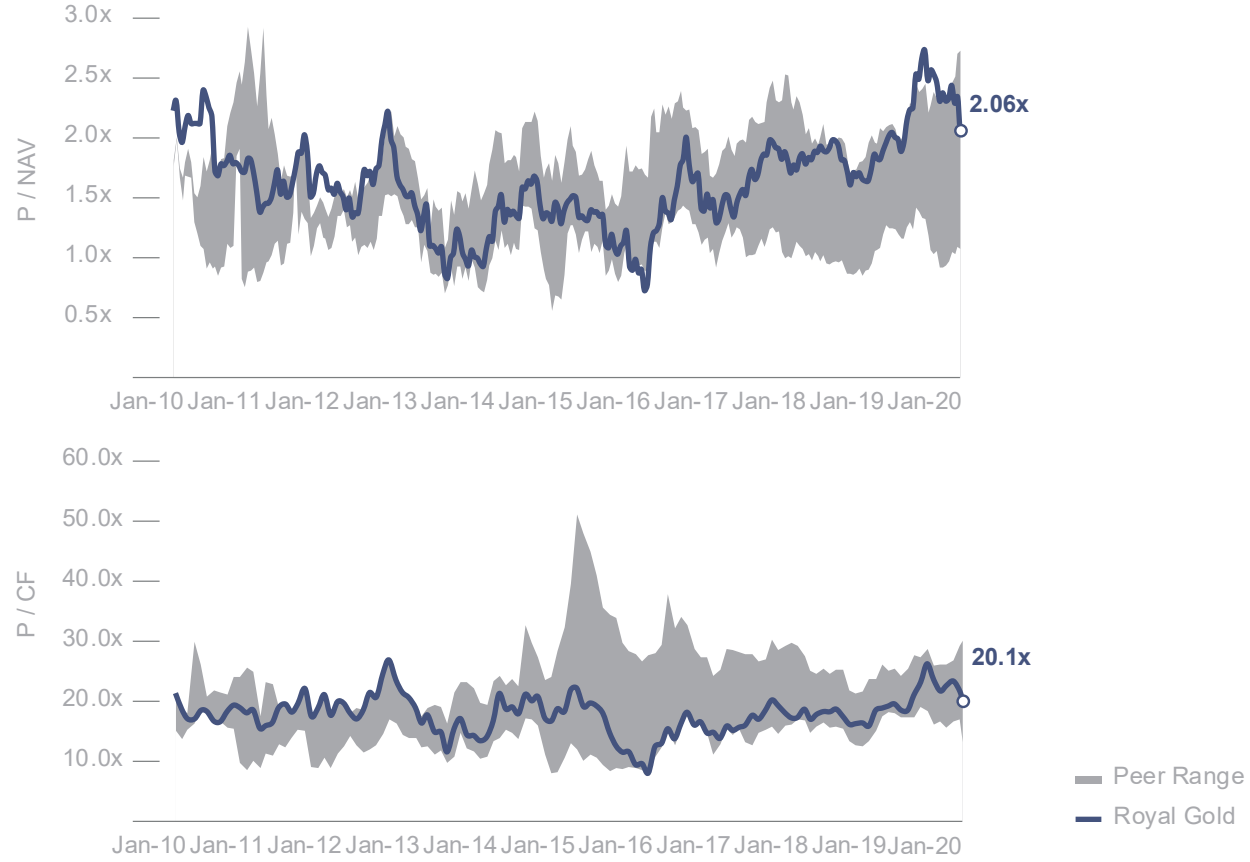




* Initial Expectation based on 2P reserve processed at 15,000t/d, assumed $450/oz flat gold price
Resource Conversion based on actual production at $450/oz flat gold price
Gold Price includes actual royalty revenue received

Historical Multiples

Streaming companies have historically traded at relatively high P/NAV and P/CF multiples



Source: BMO Capital Markets

** Peers include Franco-Nevada, Wheaton Precious Metals, Osisko Gold Royalties, Sandstorm

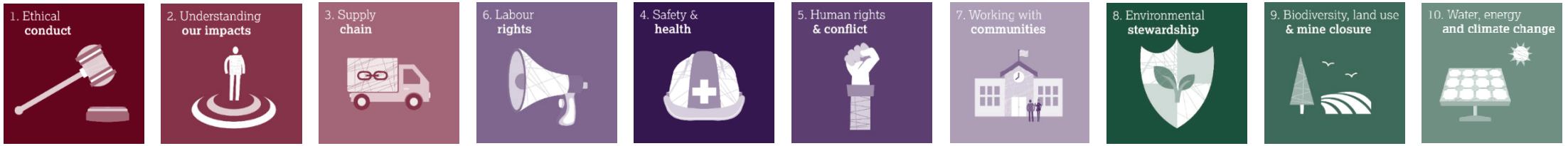
Responsible Gold Mining Principles

Royal Gold helped develop the Responsible Gold Mining Principles (RGMPs) as a member of the World Gold Council's ESG Taskforce

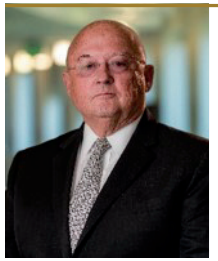
- Royal Gold endorses the RGMPs, which are specifically referenced in our Environmental, Social Responsibility and Governance Policy

RGMPs:

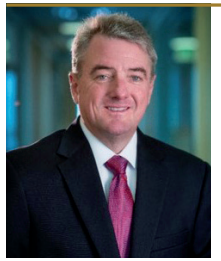
- An over-arching framework that sets out clear expectations as to what constitutes responsible gold mining
- Designed to provide confidence to investors, supply chain participants and investors that gold has been produced responsibly
- Implementing companies will be required to publicly disclose conformance and obtain external assurance on this
- Reflects the commitment of the world's leading gold mining companies to responsible mining



Board and Management Team Positioned for Success



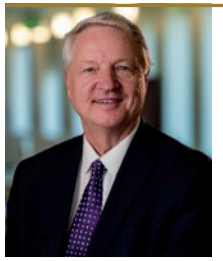
WILLIAM HAYES
Independent Director and Chairman of the Board; Former EVP, Placer Dome Inc.



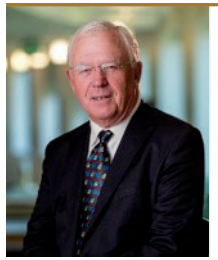
WILLIAM HEISSENBUTTEL
Director; President and CEO; Royal Gold, Inc.



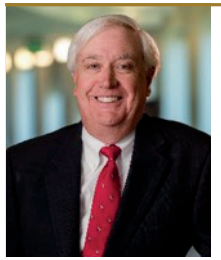
SYBIL VEENMAN
Independent Director; Former Sr. Vice President and General Counsel, Barrick Gold Corporation



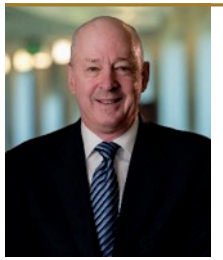
JAMIE SOKALSKY
Independent Director; Former President and CEO, Barrick Gold Corporation



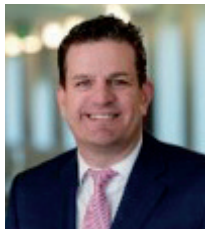
CHRISTOPHER M.T. THOMPSON
Independent Director; Former Chairman and CEO, Gold Fields Limited



RONALD J. VANCE
Independent Director; Former SVP Corporate Development, Teck Resources



KEVIN MCARTHUR
Independent Director; Former Executive Chair, Tahoe Resources and Former CEO and Director, Goldcorp, Inc.



PAUL LIBNER
CFO and Treasurer



MARK ISTO
EVP and COO, Royal Gold Corporation



DANIEL BREEZE
VP Corporate Development, RGLD Gold AG



RANDY SHEFMAN
VP and General Counsel



JASON HYNES
VP Business Development and Strategy



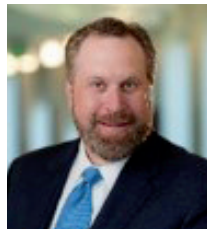
ALISTAIR BAKER
VP Investor Relations and Business Development



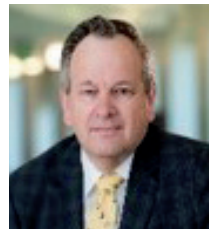
MARGARET MCCANDLESS
Assistant General Counsel and CCO



MIKE DOERR
Controller



ROBERT CAMBRUZZI
Tax Director



MATTHEW BIDWELL
Principal Geologist

Non GAAP Measures

Non-GAAP Financial Measures and Certain Other Measures

Overview of non-GAAP financial measures:

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by U.S. generally accepted accounting principles ("GAAP"). These measures should not be considered in isolation or as a substitute for measures prepared in accordance with GAAP. In addition, because the presentation of these non-GAAP financial measures varies among companies, these non-GAAP financial measures may not be comparable to similarly titled measures used by other companies.

We have provided below reconciliations of our non-GAAP financial measures to the comparable GAAP measures. We believe these non-GAAP financial measures provide useful information to investors for analysis of our business. We use these non-GAAP financial measures to compare period-over-period performance on a consistent basis and when planning and forecasting for future periods. We believe these non-GAAP financial measures are used by professional research analysts and others in the valuation, comparison and investment recommendations of companies in our industry. Many investors use the published research reports of these professional research analysts and others in making investment decisions. The adjustments made to calculate our non-GAAP financial measures are subjective and involve significant management judgement. Non-GAAP financial measures used by management in this report or elsewhere include the following:

1. Adjusted earnings before interest, taxes, depreciation, depletion and amortization, or adjusted EBITDA, is a non-GAAP financial measure that is calculated by the Company as net income adjusted for certain items that impact the comparability of results from period to period, as set forth in the reconciliation below. We consider adjusted EBITDA to be useful because the measure reflects our operating performance before the effects of certain non-cash items and other items that we believe are not indicative of our core operations.
2. Adjusted net income and adjusted net income per share are non-GAAP financial measures that are calculated by the Company as net income and net income per share adjusted for certain items that impact the comparability of results from period to period, as set forth in the reconciliations below. We consider these non-GAAP financial measures to be useful because they allow for period-to-period comparisons of our operating results excluding items that we believe are not indicative of our fundamental ongoing operations.
3. Net debt is a non-GAAP financial measure that is calculated by the Company as debt (excluding debt issuance costs) at the end of a period minus cash and equivalents for that same date. Net debt to adjusted EBITDA is a non-GAAP financial measure that is calculated by the Company as net debt for a period divided by adjusted EBITDA (as defined above) for that same period. We believe that these measures are important to monitor leverage and evaluate the balance sheet. Cash and equivalents are subtracted from the GAAP measure because it could be used to reduce our debt obligations. A limitation associated with using net debt is that it subtracts cash and equivalents and therefore may imply that there is less Company debt than the most comparable GAAP measure indicates. We believe that investors may find these measures useful to monitor leverage and evaluate the balance sheet.
4. Free cash flow is a non-GAAP financial measure that is calculated by the Company as net cash provided by operating activities for a period minus acquisition of stream and royalty interests for that same period. We believe that free cash flow represents an additional way of viewing liquidity as it is adjusted for contractual investments made during such period. Free cash flow does not represent the residual cash flow available for discretionary expenditures. We believe it is important to view free cash flow as a complement to our consolidated statements of cash flows.

Non GAAP Measures

Reconciliation of non-GAAP financial measures to U.S. GAAP measures

Adjusted EBITDA:

(amounts in thousands)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019	Twelve Months Ended March 31, 2020	Twelve Months Ended March 31, 2019
Net income and comprehensive income	$ 38,292	$28,594	$147,579	$ 63,615	$173,045	$ 87,622
Depreciation, depletion and amortization	51,228	39,368	130,038	120,726	172,369	163,043
Non-cash employee stock compensation	4,644	1,440	8,283	5,510	9,390	7,832
Fair value changes in equity securities	3,819	(1,781)	4,972	3,318	8,454	3,318
Interest and other, net	1,468	7,000	5,518	21,697	11,151	29,209
Income tax expense (benefit)	8,702	9,388	(3,700)	11,355	2,443	16,083
Non-controlling interests in operating loss of consolidated subsidiaries	410	178	2,898	3,753	3,891	6,396
Adjusted EBITDA	$108,563	$84,187	$295,588	$229,974	$380,743	$313,503

Adjusted net income and adjusted net income per share:

(amounts in thousands, except per share data)	Three Months Ended March 31, 2020	Three Months Ended March 31, 2019	Nine Months Ended March 31, 2020	Nine Months Ended March 31, 2019
Net income and comprehensive income attributable to Royal Gold common stockholders	$38,554	$ 28,772	$150,329	$67,368
Fair value changes in equity securities	3,819	(1,781)	4,972	3,318
Non-recurring non-cash employee stock compensation	3,338	—	3,338	—
Tax effect of adjustments	(1,403)	475	(1,634)	(710)
Adjusted net income attributable to Royal Gold common stockholders	44,308	27,466	$157,005	$69,976
Net income attributable to Royal Gold common stockholders per diluted share	$ 0.59	$ 0.44	2.29	1.03
Fair value changes in equity securities	0.06	(0.03)	0.08	0.05
Non-recurring non-cash employee stock compensation	0.05	—	0.05	—
Tax effect of adjustments	(0.02)	0.01	(0.02)	(0.01)
Adjusted net income attributable to Royal Gold common stockholders per diluted share	$ 0.68	$ 0.42	$ 2.40	$ 1.07

Non GAAP Measures

Net debt and net debt to adjusted EBITDA:

(amounts in thousands)	March 31, 2020
Debt	$ 100,154
Debt issuance costs	4,846
Cash and equivalents	(93,715)
Net debt	$ 11,285
Twelve months ended March 31, 2020 adjusted EBITDA	$ 380,743
Net debt to adjusted EBITDA	.03x

Free cash flow:

	Three Months Ended March 31,		Nine Months Ended March 31,	
(amounts in thousands)	2020	2019	2020	2019
Net cash provided by operating activities	$ 99,699	$ 77,441	$ 249,195	$ 180,909
Acquisition of stream and royalty interests	(35,438)	(1,000)	(107,855)	(1,055)
Free cash flow	$ 64,261	$ 76,441	$ 141,340	$ 179,854

Other measures

We use certain other measures in managing and evaluating our business. We believe these measures may provide useful information to investors for analysis of our business. We use these measures to compare period-over-period performance and liquidity on a consistent basis and when planning and forecasting for future periods. We believe these measures are used by professional research analysts and others in the valuation, comparison, and investment recommendations of companies in our industry. Many investors use the published research reports of these professional research analysts and others in making investment decisions. Other measures used by management in this report and elsewhere include the following:

1. Gold equivalent ounces, or GEOs, is calculated by the Company as revenue (in total or by reportable segment) for a period divided by the average gold price for that same period.
2. Depreciation, depletion, and amortization, or DD&A, per GEO is calculated by the Company as depreciation, depletion, and amortization for a period divided by GEOs (as defined above) for that same period.
3. Working capital is calculated by the Company as current assets as of a date minus current liabilities as of that same date.
4. Dividend payout ratio is calculated by the Company as dividends paid during a period divided by net cash provided by operating activities for that same period.
5. Operating margin is calculated by the Company as operating income for a period divided by revenue for that same period.

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