Fiscal Q3 2020 Results

May 7, 2020



ROYAL GOLD, INC

NASDAQ: RGLD

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  Information in this presentation concerning the Khoemacau Copper Project mine life, construction completion, current staffing levels and activity focus, underground development, cost information and initial deliveries of silver under the streaming agreement was provided to the Company by Cupric Canyon Capital L.P., the privately-held owner and developer of Khoemacau. Such information may not have been prepared in accordance with applicable laws, stock exchange rules or international standards governing preparation and public disclosure of technical data and information relating to mineral properties. 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 this third-party information, and investors are cautioned not to rely upon this information.

Today's Speakers



Bill Heissenbuttel
President and CEO



Paul Libner
CFO and Treasurer



Mark Isto
Executive VP and COO

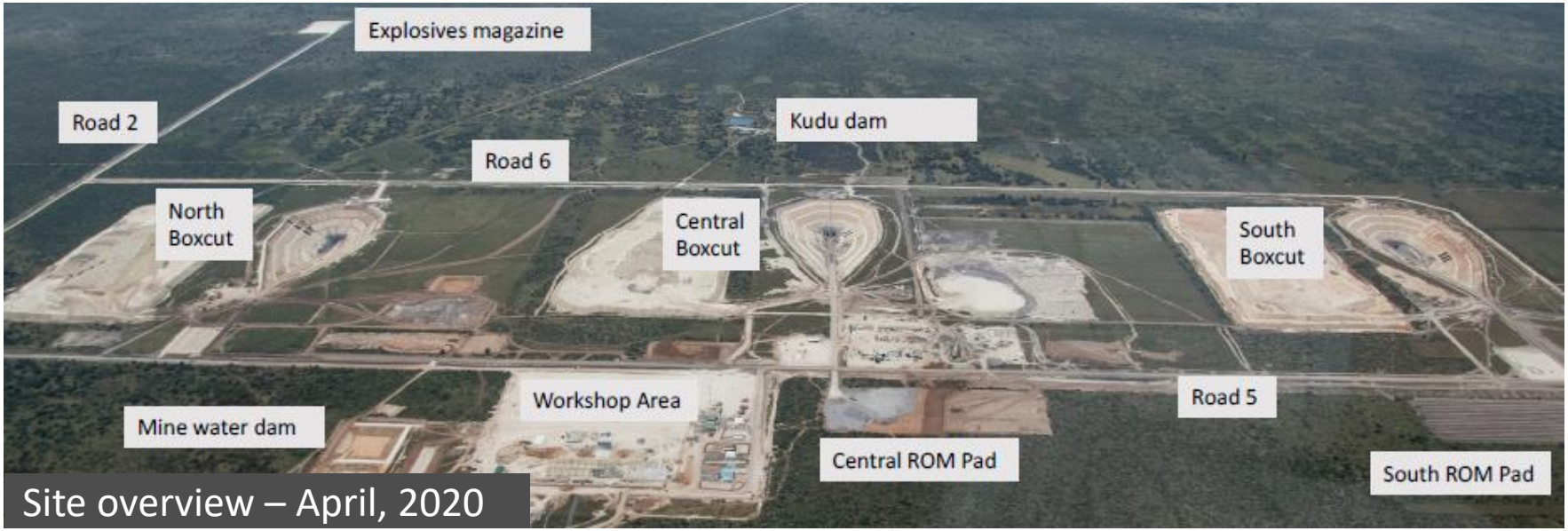
Q3 2020 Overview

- Highlights
  - Revenue of $136.4M
  - Volume of 86,200 GEOs[1]
  - $38.6M net income, or $0.59/share
    - $0.68/share, adjusted to exclude[2]:
      - $0.05/share loss on equity securities
      - $0.04/share one-time equity compensation expense
  - $99.7M cash flow from operations
  - $18.4M in dividends

- Balance sheet continues to strengthen
  - Revolver balance reduced by $30.0M
  - ~$1B of liquidity at March 31, 2020 (see slide 11)
  - COVID-19 considerations
    - $200M drawn on revolver April 3 as precautionary measure
    - Revolver balance to be managed; focus remains on debt repayment

Recent Developments

- Khoemacau progress[3]
  - Construction activities advancing well
    - Overall progress ~43%
    - Capital committed ~80%
  - $47.9M contribution made April 3
    - $135.7M total contribution to date
    - Remaining commitment of $76.3M to $129.3M



Site overview – April, 2020

Recent Developments

- Khoemacau progress[3]



Central boxcut access



Central boxcut portal

Recent Developments

- Khoemacau progress[3]



Central boxcut portals



Central boxcut fans

Recent Developments

- Mount Milligan, Rainy River as reported by the operators[4]


Mount Milligan

- Updated 43-101 report filed March 26
  - Reserve life of 9 years
  - Average production: 161k oz/yr gold, 81.7M lb/yr copper
- Royal Gold depletion: $764/oz gold, $1.48/lb copper
- 2020 calendar guidance maintained: 140-160k oz gold, 80-90M lb copper


Rainy River

- Updated 43-101 report filed March 27
  - Mine life of 9 years
  - Average production: 289k oz/yr gold equivalent (includes 3.6M oz silver at $1,300/oz gold, $16.00/oz silver)
  - Potential to extend underground operations
- Royal Gold depletion: $848/oz gold, $11.27/oz silver

Recent Developments

- Pueblo Viejo, Cortez as reported by the operators[4]



- Plant expansion study continuing
  - Process flowsheet design underway
- Concept study for tailings study well advanced
  - EIS baseline and studies ongoing
- Potential gold production of 800k oz/yr after 2022 (100% basis)



- Updated LOM plan and reserve statement received
- Dec. 31, 2019 proven and probable reserves
  - 3.5M oz contained gold (87Mt at 1.26g/t)
- Expected gold production profile
  - ~175k oz in CY 2020
  - ~425k oz/yr CY 2021 through 2026

Fiscal Q3 Financial Results

- $136.4M revenue
- $38.6M net income ($0.59/share)
  - G&A of $9.6M
  - DD&A of $51.2M, or $594/GEO[1]
  - Adjusted net income of $44.3M ($0.68/share) after excluding[2]:
    - $3.8M loss on fair value changes of equity securities
    - $3.3M non-cash compensation expense
- $99.7M operating cash flow

- Guidance:
  - Fiscal Q4:
    - Stream segment:
      - 50,000-55,000 GEO sales
      - 18,000-23,000 GEO ending inventory
    - $650-675/GEO DD&A
  - Full year fiscal 2020:
    - 19-23% effective tax rate

Fiscal Q3 Liquidity

- ~$1B of liquidity available at March 31, 2020
  - Revolving Credit Facility: repaid $30M during FQ3 / drew $200M April 3

March 31, 2020	Amount (US$ M)
Undrawn Revolving Credit Facility	895
Working capital	101
Total available liquidity	$996
Khoemacau stream commitments:	
Completed	88
Remaining:	
CY 2020*	113
CY 2021	11 – 64
Total remaining commitments	$124 – 177

* $48M contribution made Apr. 3, 2020; $65M expected remaining commitment for CY 2020

Disciplined Strategy, Successful Results

- Solid operating and financial performance
- Strong balance sheet
- Excellent liquidity position
- Positioned to act on new business opportunities

Endnotes



ROYAL GOLD, INC

Endnotes

1. Gold Equivalent Ounces ("GEOs") are calculated as reported revenue (in total or by reportable segment) for a period divided by the average gold price for that same period. DD&A per GEO is calculated as reported depreciation, depletion and amortization for a period divided by GEOs for that same period.
2. Adjusted net income and adjusted net income per share are non-GAAP financial measures. See Schedule A to the accompanying press release dated May 6, 2020 for more information.
3. Certain information on this slide was provided to the Company by Khoemacau Copper Mining (Pty.) Limited, the majority owner and developer of the Khoemacau Project. The production, design, engineering, construction and equipment information, and other technical and economic information provided to the Company and presented here, or forming the basis of information presented here, is not publicly available. This information may not have been prepared in accordance with applicable laws, stock exchange rules or international standards governing preparation and public disclosure of technical data and information relating to mineral properties. 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 this third-party information, and investors are cautioned not to rely on this information.
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