

# Annual Shareholders' Meeting

November 20, 2013

World Class Royalty Company





# Cautionary Statement

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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 that commercial production is expected during the first quarter of calendar 2014 at Mt. Milligan; that indefinite suspension of construction activities has occurred at Pascua-Lama; statements regarding projected steady or increasing production and estimates of timing of commencement of production from operators of properties where we have royalty and stream interests, including operator estimates; statements regarding the growth profile embedded in the Company; and that there is an attractive market environment with demand for our stock. Factors that could cause actual results to differ materially from these forward-looking statements include, among others: the risks inherent in construction, development and operation of mining properties, including those specific to a new mine being developed and operated by a base metals company; changes in gold and other metals prices; decisions and activities of the Company's management; unexpected operating costs; decisions and activities of the operators of the Company's royalty and stream properties; unanticipated grade, geological, metallurgical, processing or other problems at the properties; inaccuracies in technical reports and reserve estimates; revisions by operators of reserves, mineralization or production estimates; changes in project parameters as plans of the operators are refined; the results of current or planned exploration activities; discontinuance of exploration activities by operators; economic and market conditions; operations on lands subject to First Nations jurisdiction in Canada; the ability of operators to bring non-producing and not-yet-in development projects into production and operate in accordance with feasibility studies; erroneous royalty payment calculations; title defects to royalty properties; future financial needs of the Company; the impact of future acquisitions and royalty financing transactions; adverse changes in applicable laws and regulations; litigation; 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 Company's past performance is not necessarily indicative of its future performance. The Company disclaims any obligation to update any forward-looking statements.

The Company and its affiliates, agents, directors and employees accept no liability whatsoever for any loss or damage of any kind arising out of the use of all or any part of this material.

*Endnotes located on pages 29 and 30.*

# Fiscal 2013 Highlights

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# FY2013 Highlights

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## Financial Results

- Record revenue of \$289.2M
- EBITDA margin of ~90%
- Paid out 25% of operating cash flow in dividends
- Efficient capital allocation with carrying cost of ~\$340/gold equiv. ounce

## Business Results

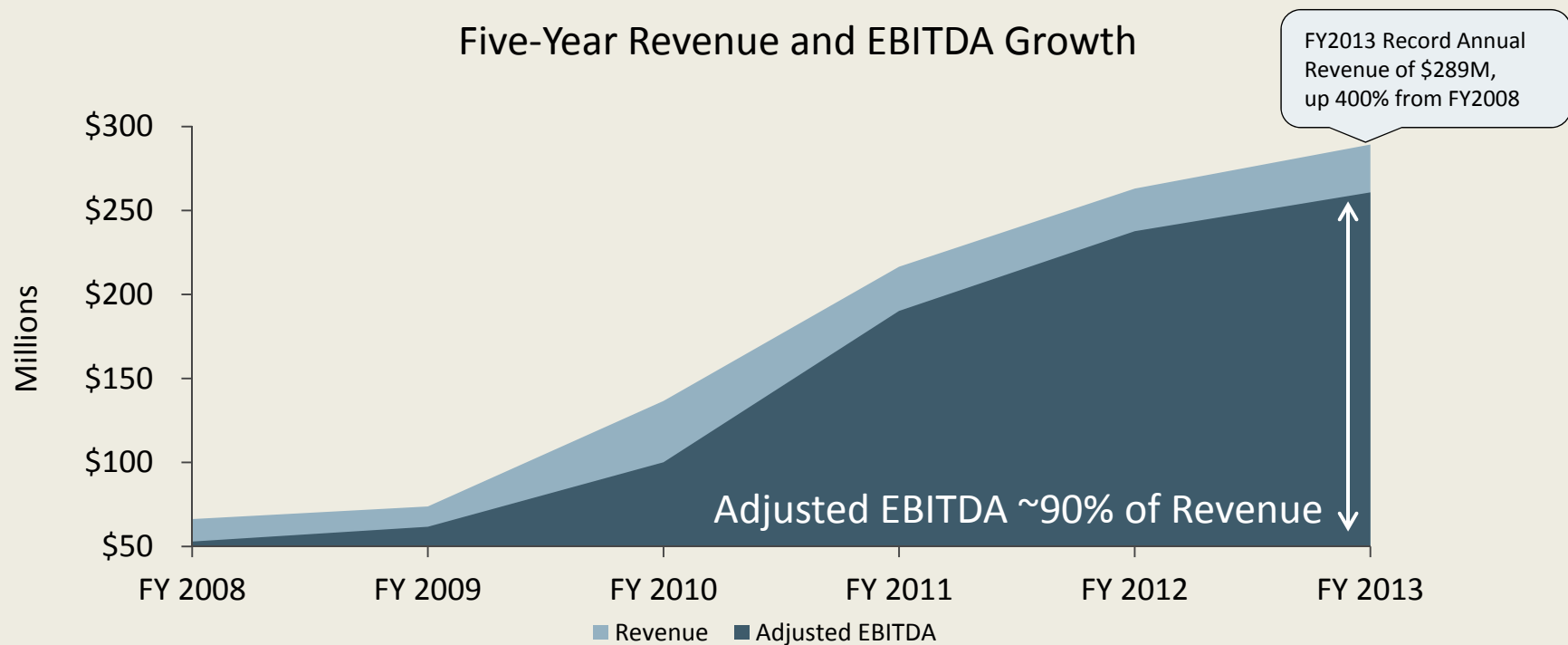
- Added 12.25% of payable gold from Thompson Creek's Mt. Milligan
- Increased NSR on Seabridge's Kerr-Sulphurets-Mitchell (KSM) project by 0.75%
- Acquired a 1.4% NSR royalty on the El Morro project in Chile (early in FY2014)
- Enhanced financial liquidity and flexibility prior to gold price downturn

# Strong Financial Performance

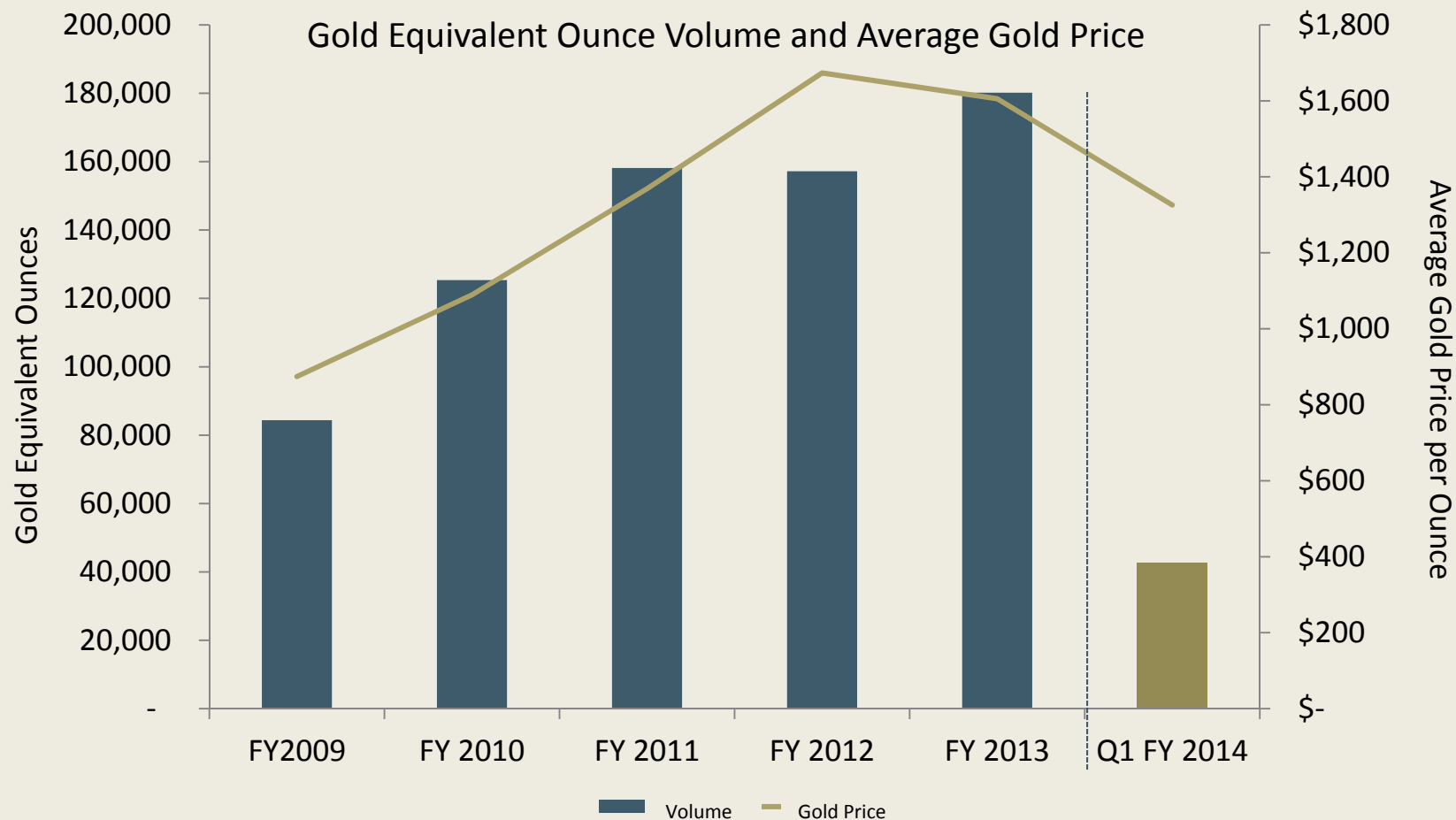
10-year compound annual growth rate (CAGR) per share:

- Revenue – 19%
- Adjusted EBITDA – 22%
- Normalized EPS – 11%

## Five-Year Revenue and EBITDA Growth



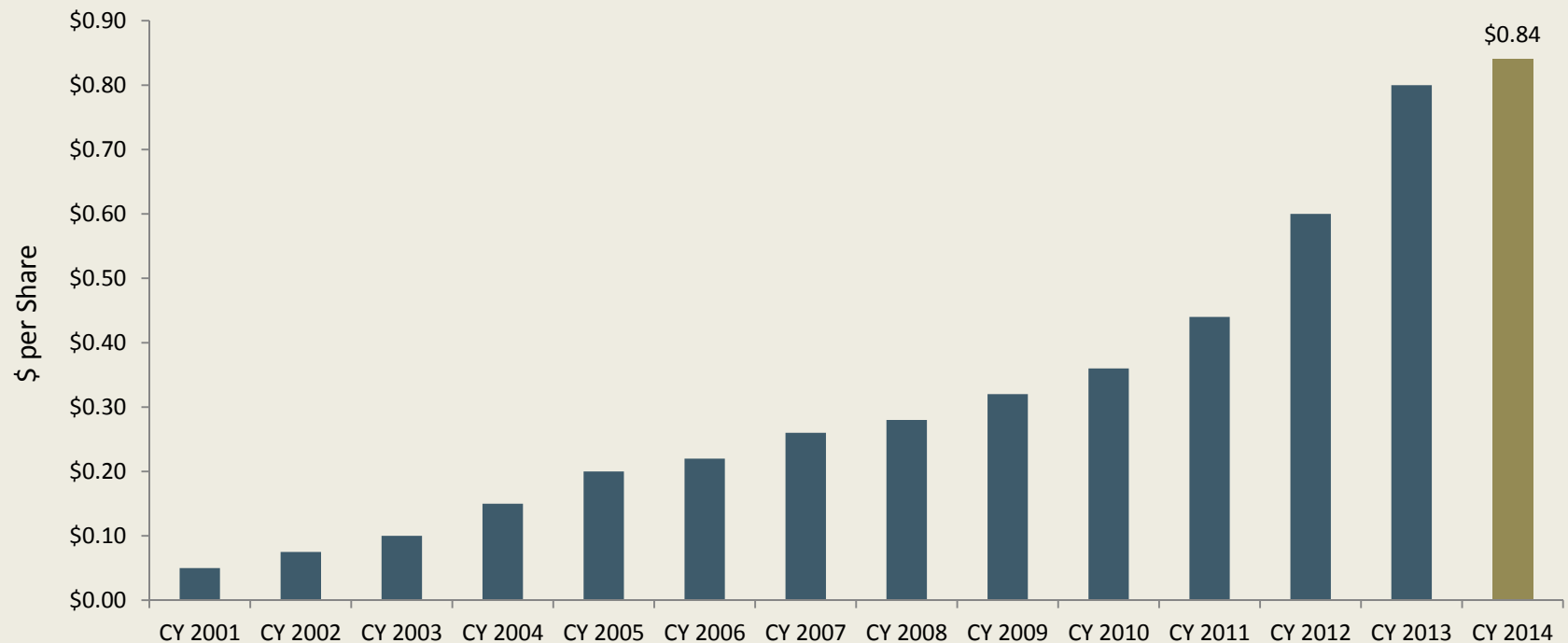
# Strong Volume Performance



# 13<sup>th</sup> Straight Year of Increasing Dividends

- Average payout ratio 28% of operating cash flow
- 10-year dividend per share CAGR of 19%

Annual Dividends Per Share



# Mt. Milligan III and Operational Progress

- Aug. 15: Phased start-up, leading to copper and gold concentrate production in September
- Sept. 24: Trucking of concentrate to the load out facility in Mackenzie began
- First ocean shipment and sale of concentrate expected by year-end

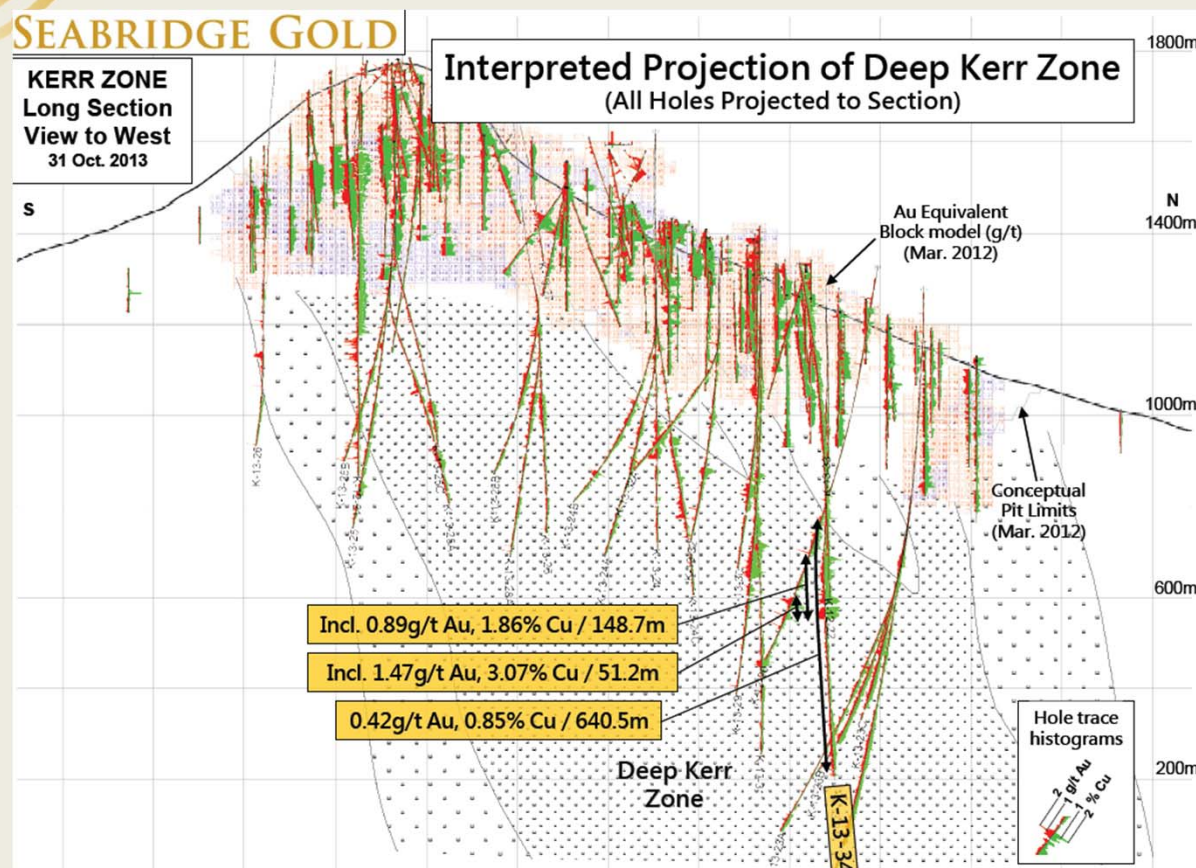


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*Mt. Milligan Facilities, July 2013*

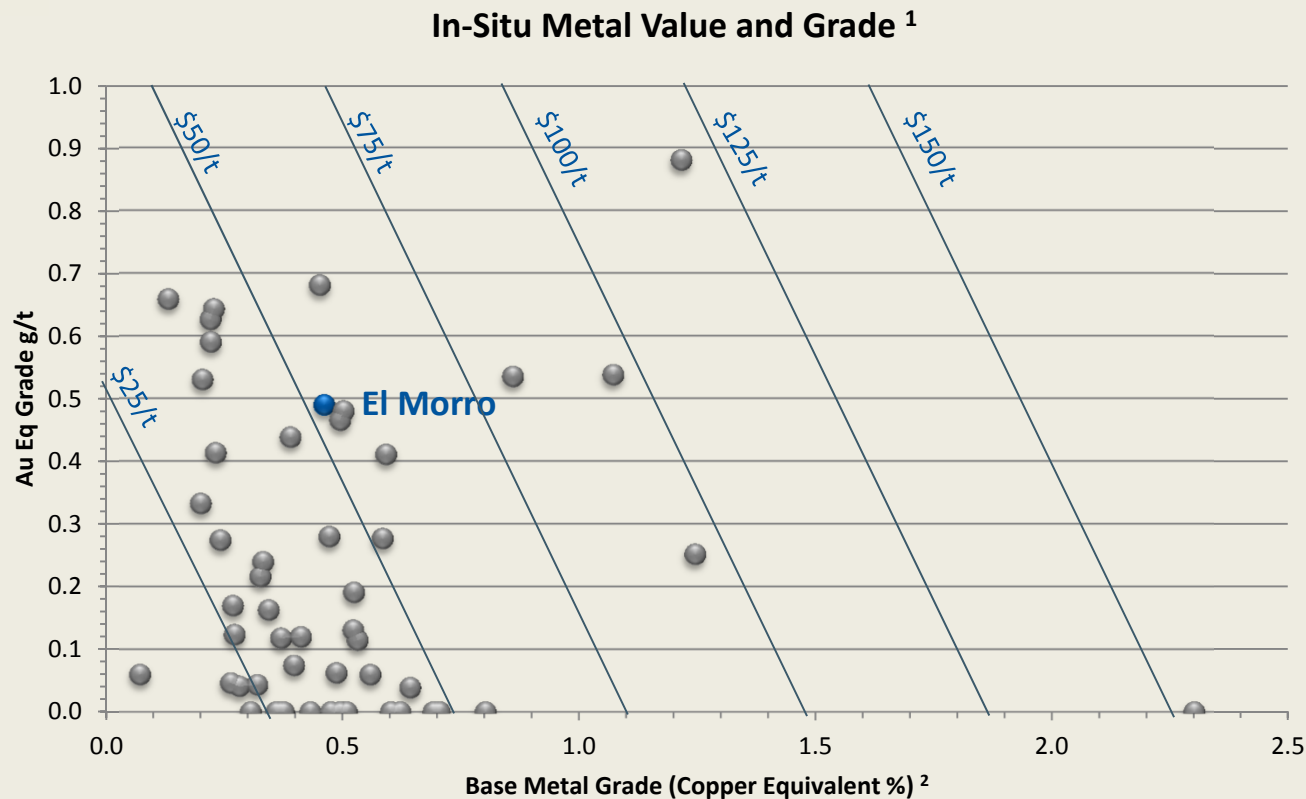


# Kerr-Sulphurets-Mitchell (KSM) II and Exploration Highlights



- Option to purchase 2.0% NSR on gold and silver production for C\$160M
- Contained proven/probable reserves of 38.2Moz gold, 191Moz silver
- Favorable intercepts from recent drilling at Deep Kerr, including a result of 0.42 g/t gold, 0.85% copper at 640.5 meters

# El Morro Copper-Gold Project



Environmental permits recently reinstated by the Chilean government

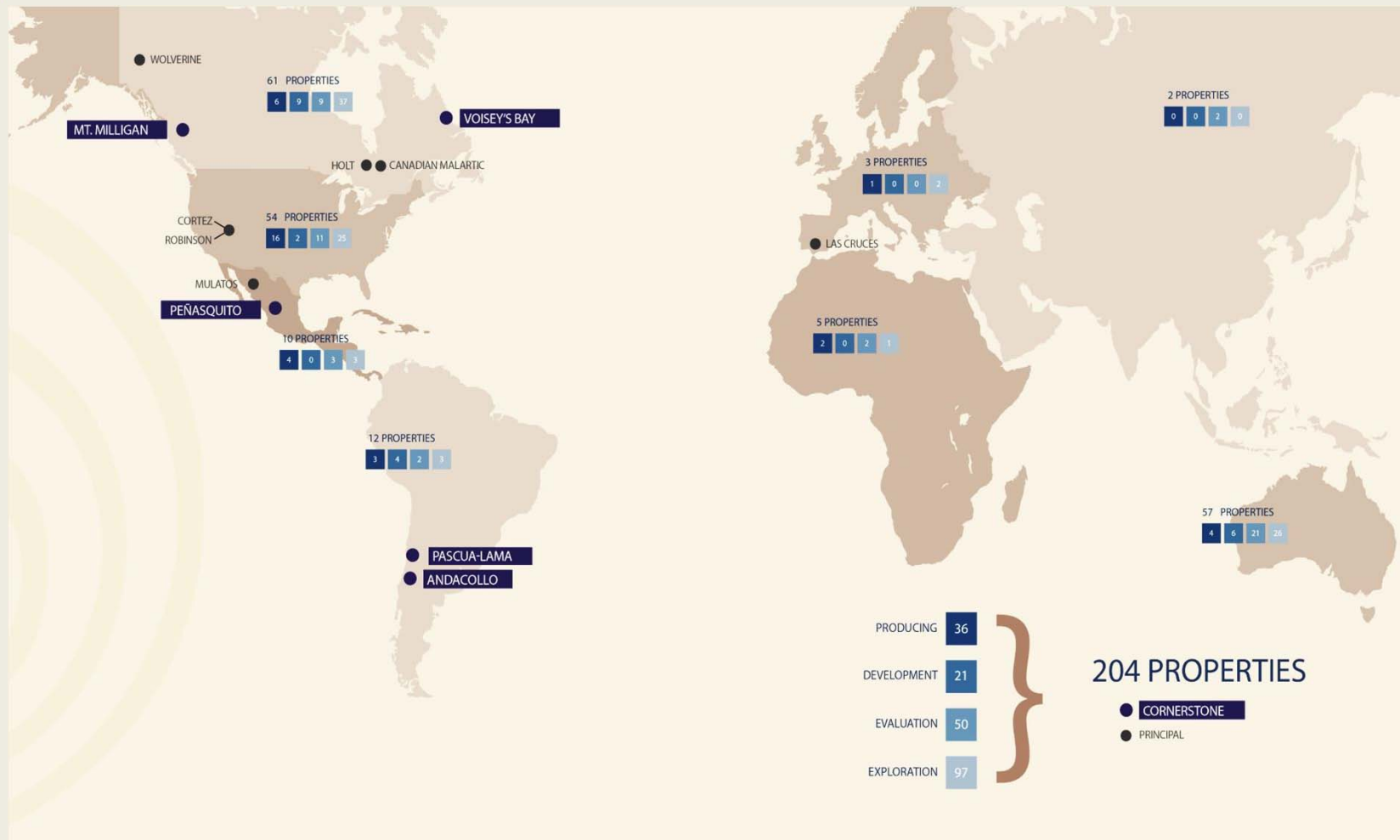
Goldcorp optimizing project economics, evaluating power supply options, and continuing with community engagement

# Property Portfolio

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# Diverse Portfolio of Assets



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# Cornerstone Property Update

## Producing Cornerstone Properties

Andacollo



Teck



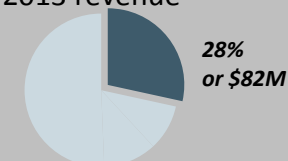
Royalty: <sup>1</sup> 75% of Au production (NSR)

Reserves: <sup>2</sup> 1.8M oz (Au)

Estimated Mine Life: 20+ Years

Estimated CY13 production: <sup>3</sup> 63k oz (Au)

Contribution to total  
FY 2013 revenue



Peñasquito



GOLDCORP



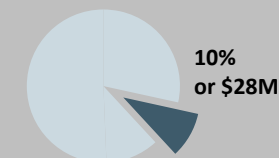
Royalty: 2.0% NSR

Reserves: <sup>2,4</sup> 15.7M oz (Au), 912M oz (Ag)

Estimated Mine Life: 22 Years

Estimated CY13 prod.: <sup>5</sup> 370k to 390k ozs (Au)

Contribution to total  
FY 2013 revenue



Voisey's Bay



VALE



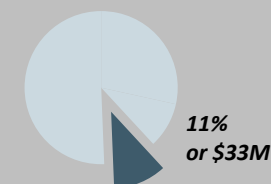
Royalty: 2.7% NSR

Reserves: <sup>2</sup> 1.0B lbs (Ni); 0.6B lbs (Cu)

Est. Mine Life: 20+ Years <sup>6</sup>

Actual CY12 production: <sup>7</sup> 144.0M lbs (Ni);  
87.5M lbs (Cu)

Contribution to total  
FY2013 revenue





# Embedded Growth, Fully Invested

## Development Cornerstone Properties

### Mt. Milligan



Photo: July 2013

Stream: <sup>1</sup> 52.25% of payable gold

Reserves: <sup>2</sup> 6.0M oz (Au) Est. Mine Life: 22 Years

Commercial Prod: Q1 CY14 Est. Production: <sup>3</sup> 262k oz (Au)/yr

- Commissioning underway
- First concentrate production in September 2013
- First shipment expected in Q4 CY13

### Pascua-Lama



Photo: May 2013

Royalty: <sup>4,5</sup> 0.78% to 5.23% NSR sliding scale

Reserves: <sup>6</sup> 14.6M oz (Au) Est. Mine Life: 25 Years

Production: TBD <sup>7</sup> Est. Production: <sup>8</sup> 800-850k oz (Au)/yr

- Temporary suspension of project construction
- Environmental protection and regulatory compliance activities ongoing

# Mt. Milligan Facilities – July 2013



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# Mt. Milligan Primary Crusher – July 2013



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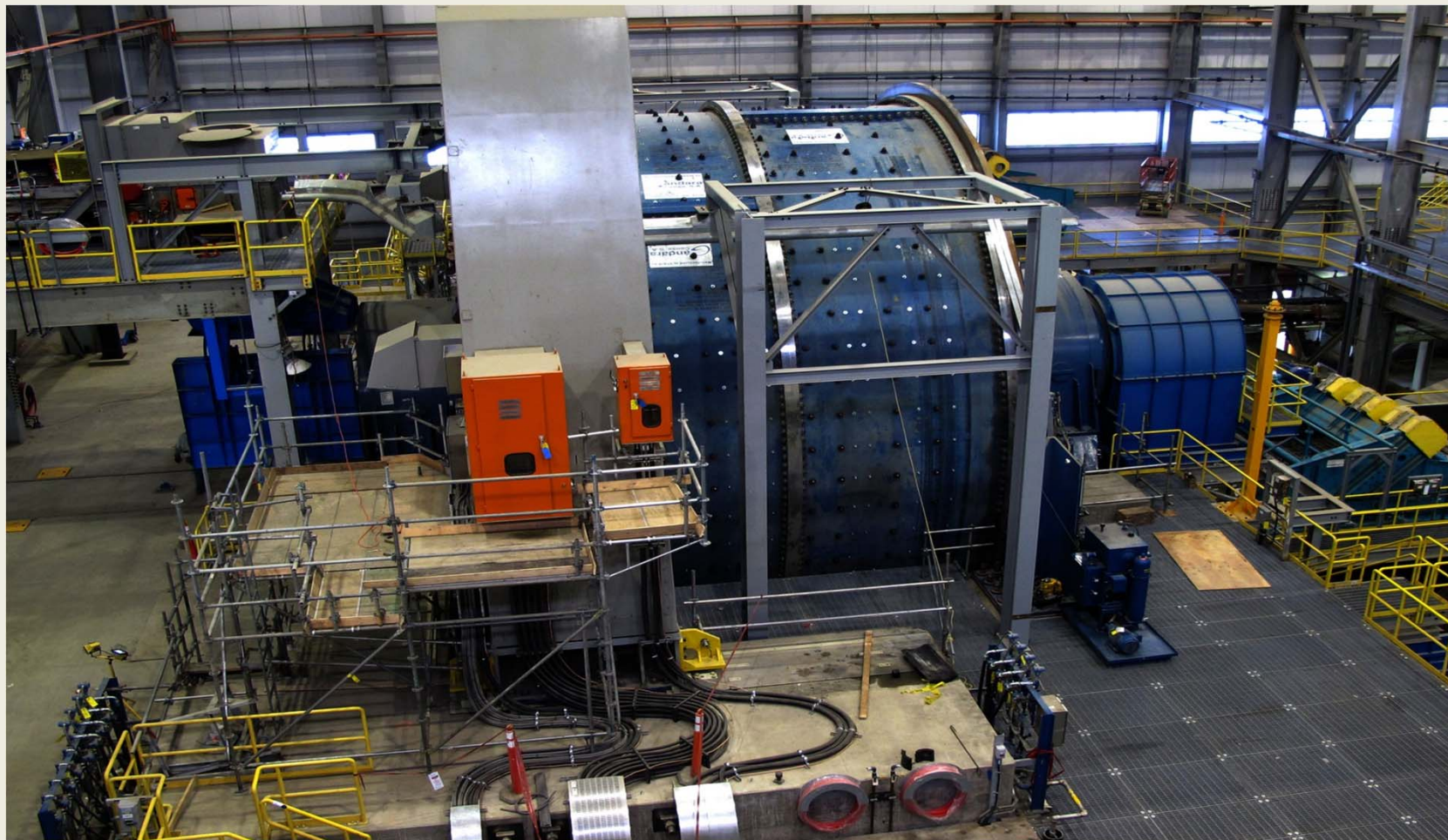
# Mt. Milligan Pebble Crusher and Administration – July 2013



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# Mt. Milligan 40ft SAG Mill – July 2013



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# Mt. Milligan Two 24ft Ball Mills – July 2013



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# Mt. Milligan Flotation Circuit – July 2013



November 20, 2013



# Mt. Milligan Flotation & Regrind – July 2013



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# Embedded Growth, Fully Invested

## Development Cornerstone Properties

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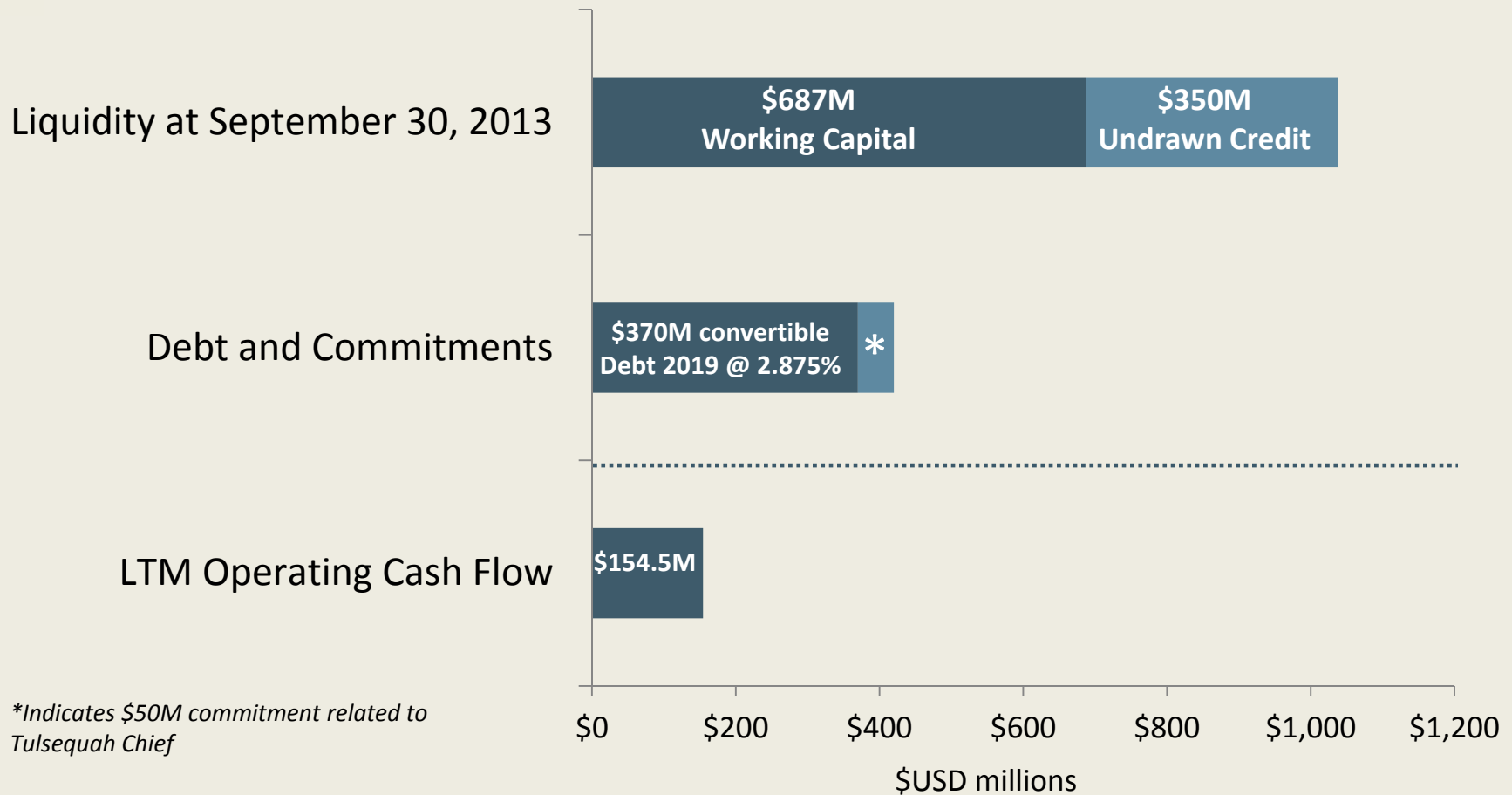
# Market Positioning

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# Continued Financial Strength and Flexibility

## Strong Balance Sheet and Cash Flow in an Attractive Market



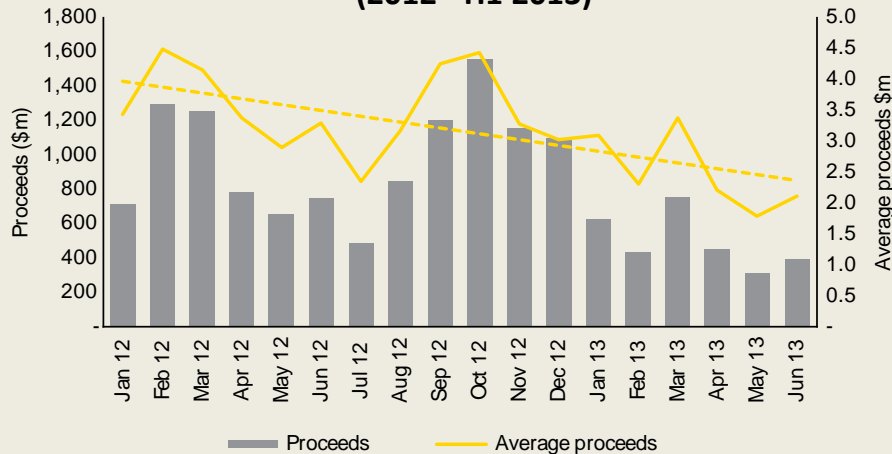


# Attractive Market Environment

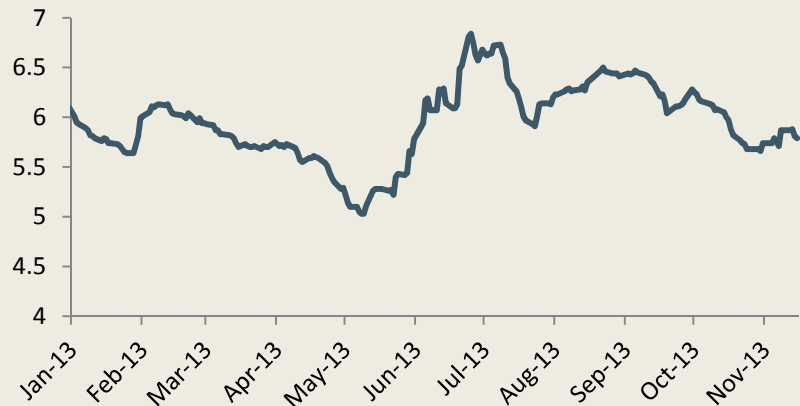
- 2012 had lowest percentage of mining finance from equity in a decade<sup>1</sup>, and H1 2013 proceeds trended even lower

- Operators, explorers and developers facing less favorable debt markets as yields have increased

**Follow-on Issues By Month <sup>2</sup>**  
(2012 - H1 2013)

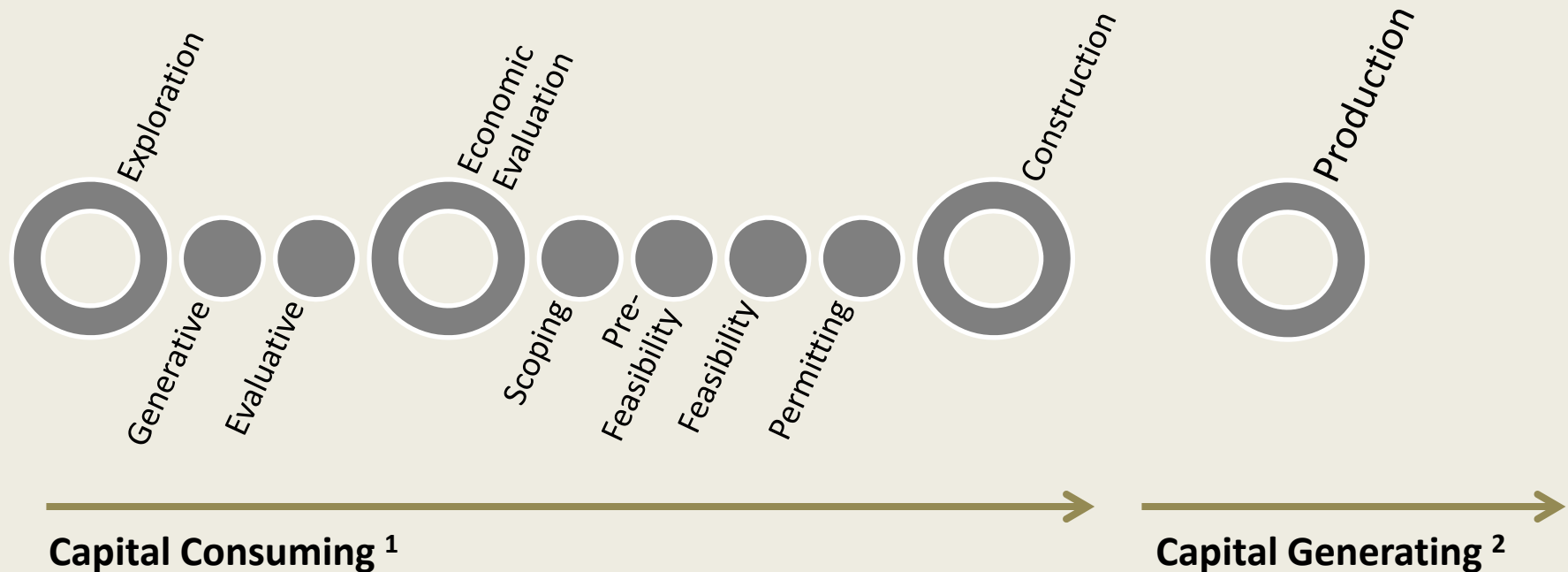


**US High Yield B Effective Yield <sup>3</sup>**



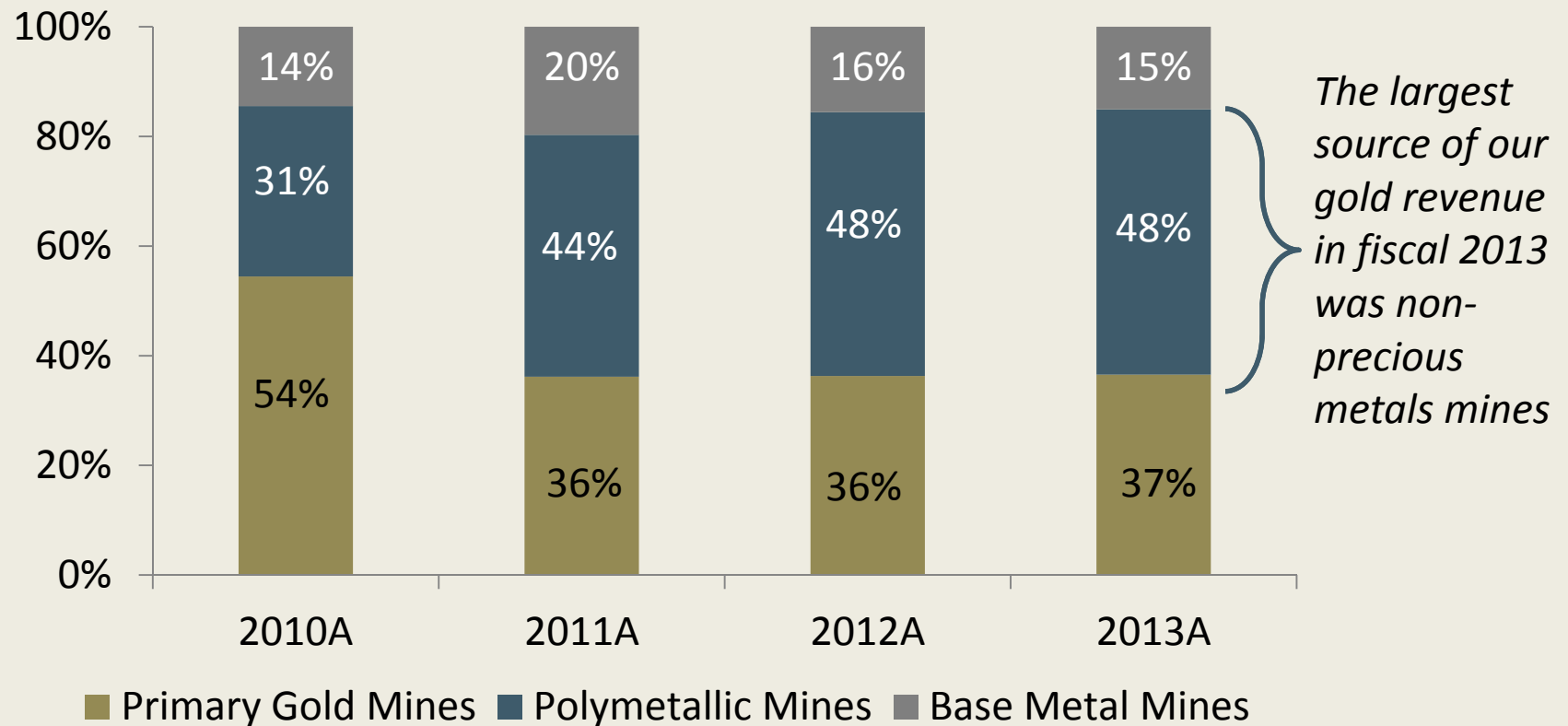
# Attractive Market Environment

## Multiple Investment Entry Points



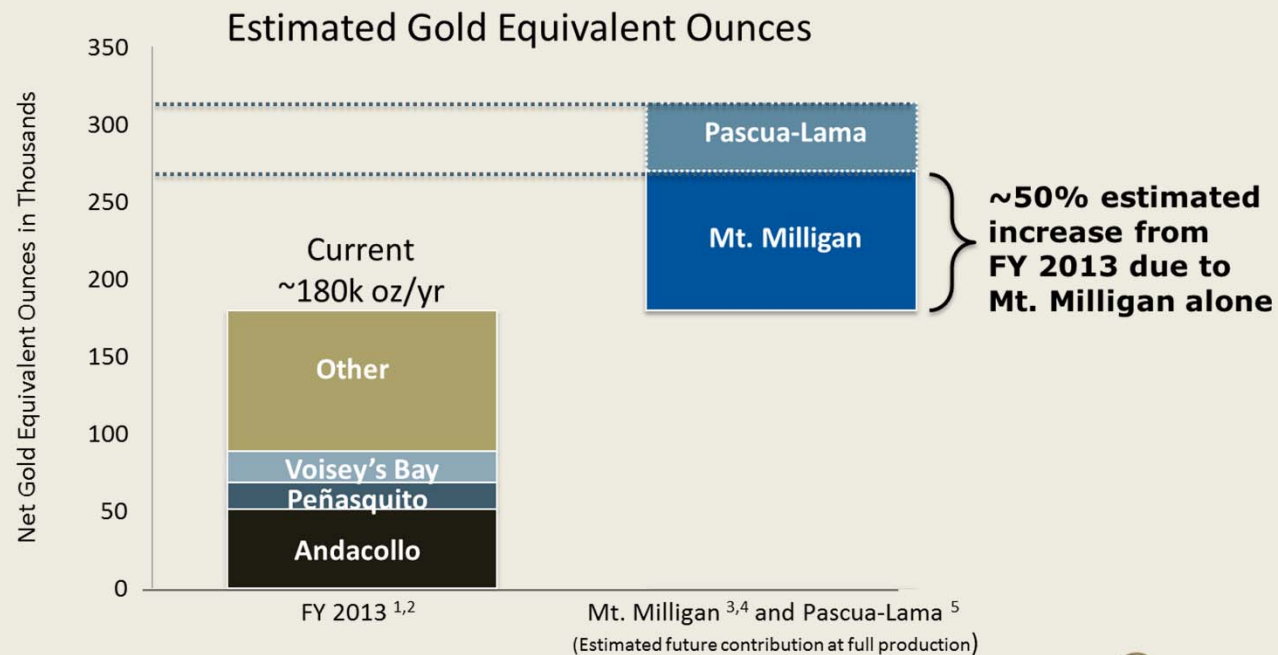
# Attractive Market Environment

## Multiple Sources for New Business Opportunities



# Strong Positioning

- Robust balance sheet with nearly \$1B in liquidity
- Strong and uncommitted cash flow
- Growth profile embedded in the company
- Attractive market environment where there is a demand for our investment





# Endnotes

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## PAGE 10 EL MORRO COPPER GOLD PROJECT


1. Includes construction, feasibility study and pre feasibility studies for copper deposits with greater than 100 million tonne reserves. Source is Intierra.
2. Metal value lines based on \$1,314 gold, \$19.94 silver, \$3.09 copper, and \$9.34 moly.

## PAGE 13 CORNERSTONE PROPERTY UPDATE

1. 75% of payable gold until 910,000 payable ounces; 50% thereafter. As of September 30, 2013, there have been approximately 184,000 cumulative payable ounces produced.
2. Reserves as of December 31, 2012, as reported by the operator.
3. Recovered metal is contained in concentrate and is subject to third party treatment charges and recovery losses.
4. Reserves also include 5.8 billion pounds of lead and 13.9 billion pounds of zinc.
5. Goldcorp's CY2013 estimated production also includes 20 million to 21 million ounces of silver, 145 million to 160 million pounds of lead and 285 million to 305 million pounds of zinc.
6. Per BoAML 2008 Vale Inco EIS.
7. FY2013 actual production also included 2.7 million pounds of cobalt.

## PAGE 14 EMBEDDED GROWTH, FULLY INVESTED: DEVELOPMENT CORNERSTONE PROPERTIES

1. This is a metal stream whereby the purchase price for gold ounces delivered is \$435 per ounce, or the prevailing market price of gold, if lower; no inflation adjustment. Per Thompson Creek's National Instrument 43-101 technical report filed on SEDAR, under Thompson Creek's profile, on October 13, 2011.
2. Reserves as of October 23, 2009.
3. Estimated production of 262,000 ounces of gold annually during the first six years; 195,000 ounces of gold thereafter, per Thompson Creek's National Instrument 43-101 technical report filed on SEDAR, under Thompson Creek's profile, on October 13, 2011.
4. NSR sliding-scale schedule (price of gold per ounce – royalty rate): less than or equal to \$325 – 0.78%; \$400 – 1.57%; \$500 – 2.72%; \$600 – 3.56%; \$700 – 4.39%; greater than or equal to \$800 – 5.23%. The royalty is interpolated between upper and lower endpoints.
5. Approximately 20% of the royalty is limited to the first 14.0M ounces of gold produced from the project. Also, 24% of the royalty can be extended beyond 14.0 million ounces produced for \$4.4 million. In addition, a one-time payment totaling \$8.4 million will be made if gold prices exceed \$600 per ounce for any six-month period within the first 36 months of commercial production.
6. Reserves as of December 31, 2011. Royalty applies to all gold production from an area of interest in Chile. Only that portion of reserves pertaining to our royalty interest in Chile is reflected here.
7. On October 31, 2013, Barrick announced a temporary suspension of construction activities at Pascua-Lama, except for those required for environmental protection and regulatory compliance. It also stated that a restart decision will depend upon improved project economics such as go-forward costs, the outlook for metal prices, and reduced uncertainty associated with legal and other regulatory requirements.
8. Based on Barrick's guidance of 800,000-850,000 oz of gold production during the first five years.



# Endnotes (Continued)

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## PAGE 25 ATTRACTIVE MARKET ENVIRONMENT

1. Source: PWC, "Mine 2013: A Confidence Crisis" Page 28.
2. Source: Ernst and Young, "Mergers, Acquisitions and Capital Raising in Mining and Metals, H1 2013" Page 8.
3. Bank of America Merrill Lynch US High Yield B Effective Yield, November 18, 2013.

## PAGE 26 ATTRACTIVE MARKET ENVIRONMENT

1. Source: Minerals Council of Australia "Life Cycle of a Mine," Royal Gold Estimates.
2. Source: Royal Gold estimates from reserve lives; includes both polymetallic deposits.

## PAGE 28 STRONG POSITIONING

1. Gold equivalent ounces for fiscal 2013 were calculated by dividing actual revenue by the average gold price of \$1,605 for fiscal 2013.
2. Net gold equivalent ounces are calculated by applying the Company's interests in production at each individual property, and considering the per ounce delivery payment associated with metal streams as a reduction to gross ounces.
3. Gold equivalent ounces for the future period were calculated by dividing future estimated revenue by the current spot price of approximately \$1,350 on September 18, 2013.
4. As reported by the operator, net gold equivalent ounces at Mt. Milligan are based upon operator's estimated annual production rate of 262,100 ounces of gold for the first six years using a gold price of \$1,350 per ounce for conversion purposes of the delivery payment.
5. As reported by the operator, net gold equivalent ounces at Pascua-Lama are based upon operator's estimated annual production rate of 800,000 to 850,000 ounces of gold during the first five years. On October 31, 2013, Barrick announced a temporary suspension of construction activities at Pascua-Lama, except for those required for environmental protection and regulatory compliance. It also stated that a restart decision will depend upon improved project economics such as go-forward costs, the outlook for metal prices, and reduced uncertainty associated with legal and other regulatory requirements.

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