

# NEW PHASE OF GROWTH

## European Gold Forum 2018

Stefan Wenger, CFO and Treasurer

April 2018



# Cautionary Statement

NASDAQ: RGLD

- ☹️ 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 concerning the Company's performance, including increasing cash flow generation, focus on free cash flow to reduce debt, expectations to repay credit facility in fiscal year 2018 and repay 2019 bonds using cash and credit facility and to be positioned to pursue new opportunities, embedded growth through expected production at Rainy River, expected start-up at and production from Cortez Crossroads with revenue building in calendar 2019, expected accelerated commissioning and production from the Peñasquito Leach project in calendar 2018, resumption of operations and future production at Mount Milligan, the impact of operational issues at Mount Milligan on Royal Gold's results and the timing of such impact, recent results of additional drilling at Mount Milligan, results of recent drilling at and expected production from Wassa and Prestea, and exploration results and preliminary economic assessment at Peak Gold; statements about the Company's efficiency, including a diverse portfolio and development and permitting activity at certain development properties and additions to reserves and mineralized material at certain producing properties, strong margins and a lean structure; statements about the Company's discipline, including strategic capital allocation and strong net revenue on capital deployed with significant mine life remaining, equity stewardship and dividend returns and historic and current compounded annual growth rate in dividends per share, annual yield and operating cash flow yield; and statements about the Company's organic growth, lack of funding commitments, liquidity, gross margin, dividend history, risk/return position relative to other investments, and mine life and reserves estimates and forecasts of throughput, recoveries and production from the operators of our stream and royalty interests. 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 stream and royalty 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; 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 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 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.

# 20+ Year Track Record

NASDAQ: RGLD



- Cash flow generation
- Quickly delevering
- Embedded growth



- Diverse portfolio
- Strong margins
- Lean structure



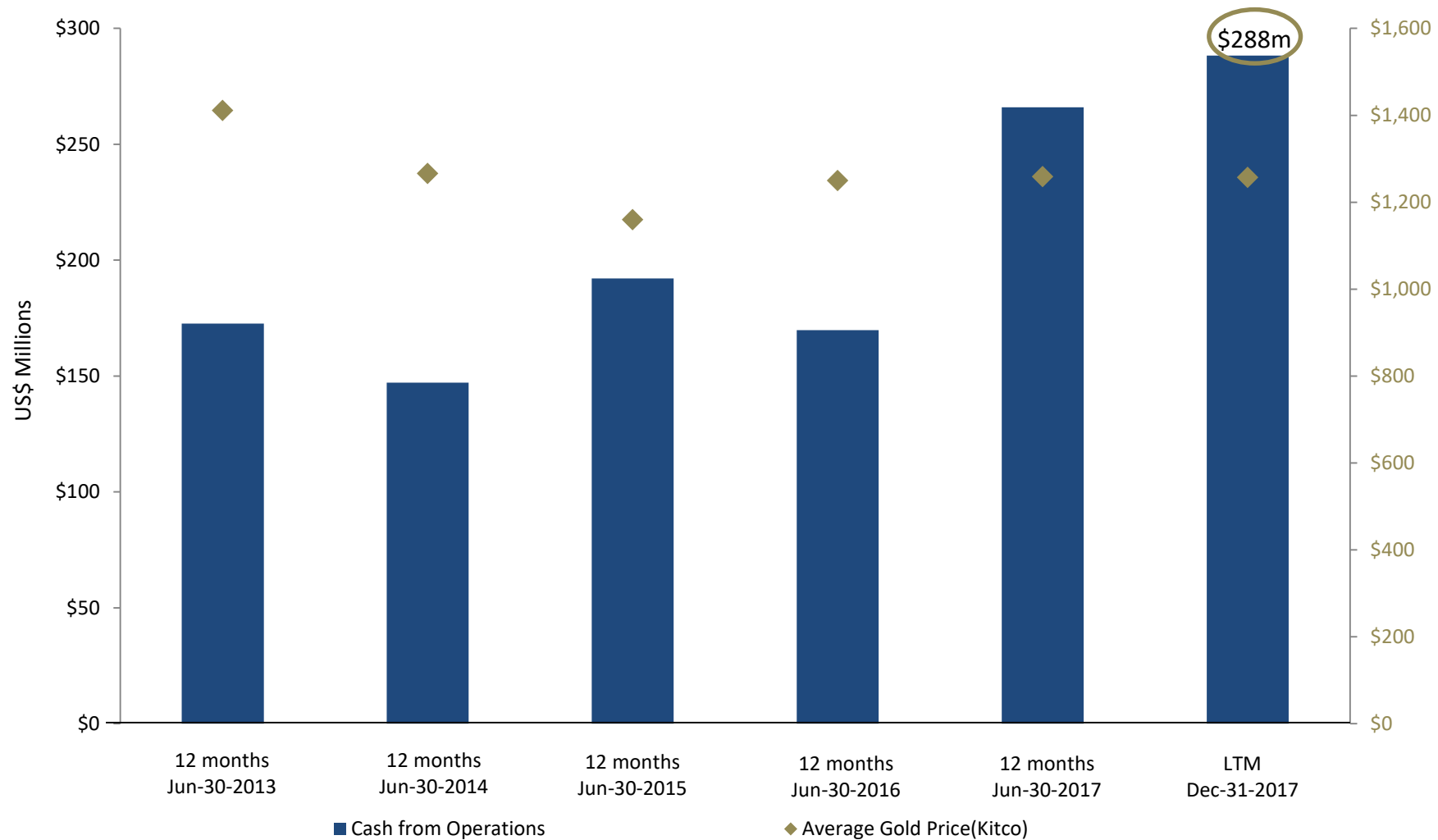
- Strategic capital allocation
- Equity stewardship
- Dividend returns



# Cash Flow Generation

NASDAQ: RGLD

- Solid, steady performance with another step-up in cash flow in FQ2





# Quickly Delevering

NASDAQ: RGLD

- Net Debt/EBITDA 1.3x at 12-31-17
- Focus on using free cash flow to reduce debt, paying another \$75m in CQ1
- At current metals prices<sup>1</sup> we expect to:
  - » Repay the \$75 million outstanding on our revolver before June 30, 2018
  - » Repay principal of our \$370 million bonds maturing June 2019 using RCF & cash
  - » Be positioned to pursue new opportunities



Date	Item	(\$USD millions)
March 31, 2018	Undrawn Revolver	\$925m





# Embedded Growth

NASDAQ: RGLD



Rainy River

- » Rainy River expected to be Top-10 revenue generator for RGLD
- » CY18 deliveries of 23koz gold & 203koz silver expected<sup>2,3</sup>
- » 4.4Moz gold (+12%); 12.8Moz silver (+28%) in 2017 reserves<sup>2,3</sup>



Cortez Crossroads

- » Barrick: stripping underway, revenue building in CY19<sup>2</sup>
- » 4.5% NVR & 5% GSR royalty
- » 3.2Moz gold in reserves<sup>2</sup>



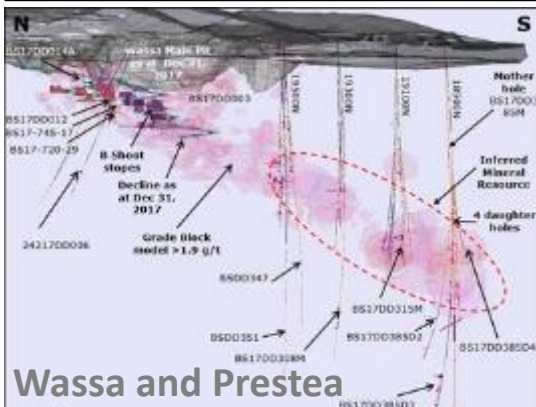
Peñasquito Leach

- » Goldcorp: Commissioning accelerated to CQ418<sup>2</sup>
- » Progress at 1/16/18: 62% complete<sup>2</sup>
- » Expected to add 1Moz gold, 44Moz silver to mine life<sup>2</sup>

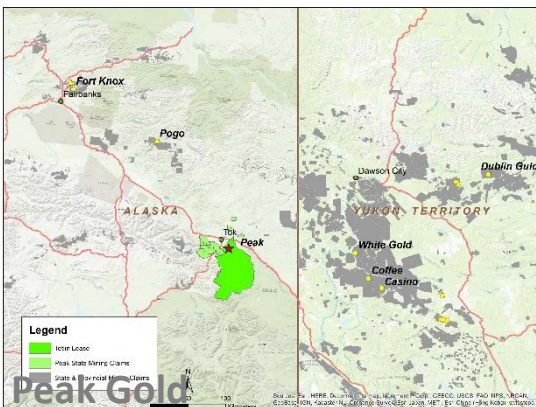
# Embedded Growth



- » Both ball mills are now operational following the temporary water shortage during the first calendar quarter<sup>2</sup>
- » Starting to turn focus to exploration



- » Recent Wassa drilling yielded widest mineralization to date<sup>2</sup>
- » 94m grading 4.4 grams per tonne gold from 1,305.7m<sup>2</sup>
- » Wassa B shoot & F shoot open to the south, drilling continues<sup>2</sup>



- » 675,000 acre land package + 175,000 acre mining claims
- » Maiden 1.3Moz gold measured & indicated resource<sup>4,5</sup>
- » Preliminary Economic Assessment (PEA) in progress



# Diverse Portfolio

NASDAQ: RGLD

- Updates from our portfolio<sup>2</sup> of 193 total assets (39 operating & 22 development)



- Development/permitting activity at:
  - » Back River (1.95-2.35% NSR)
  - » LaRonde Zone 5 (2% NSR)
  - » Tetlin (Peak Gold) (3% NSR, JV interest)<sup>6</sup>
- Producing updates (YE 2017) include:
  - » Wharf (0-2% NSR) reserves up 36%
  - » Dolores (3.25% NSR gold, 2% NSR silver) CY18 gold production guidance up 35%, silver up 6%
  - » Gwalia (1.5% NSR) reserves up 24% in 2017
  - » Leeville (1.8% NSR) reserves up 23% on our area of interest
  - » Twin Creeks (2% GPR) reserves up 45% on our area of interest

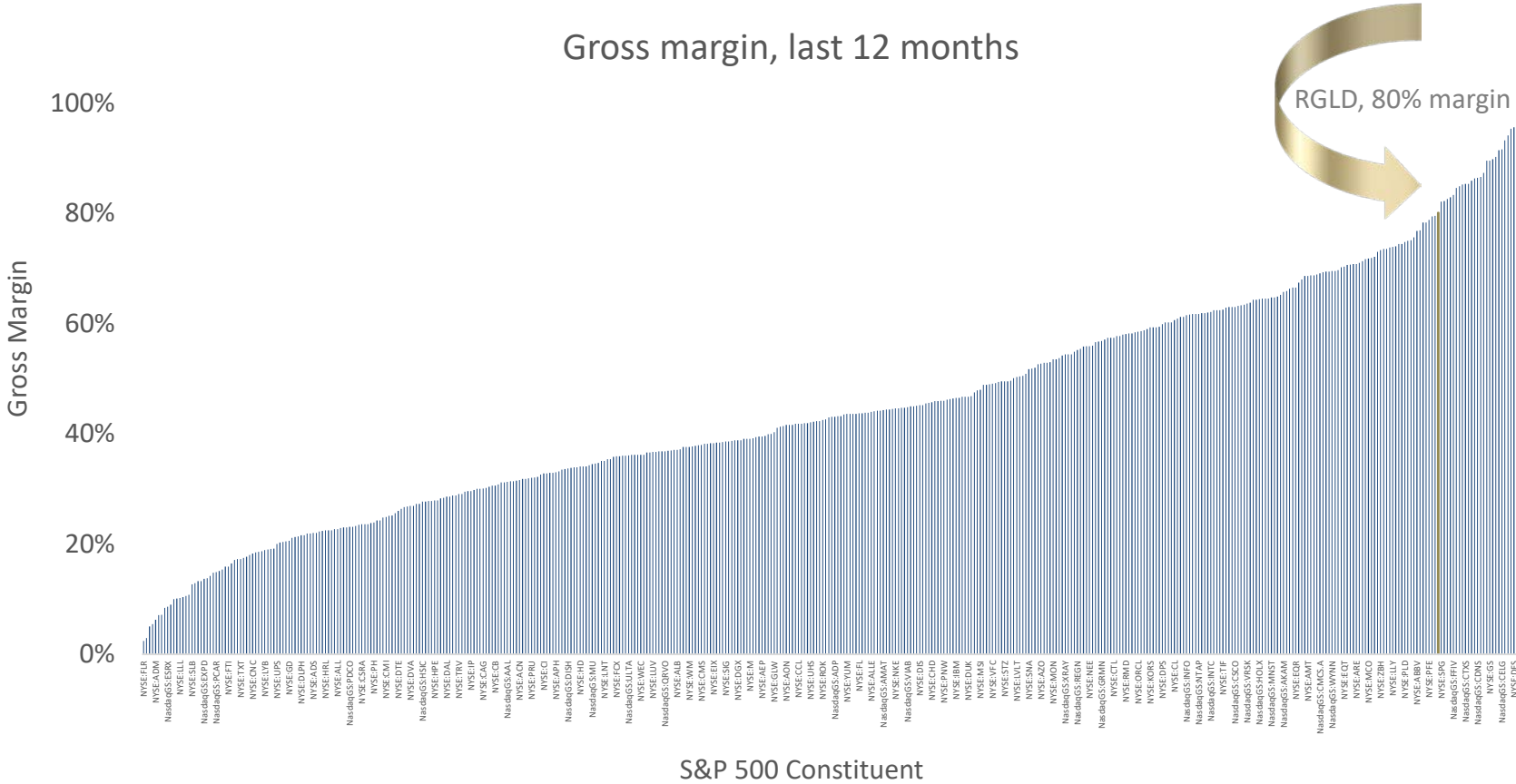




# Strong Margins

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

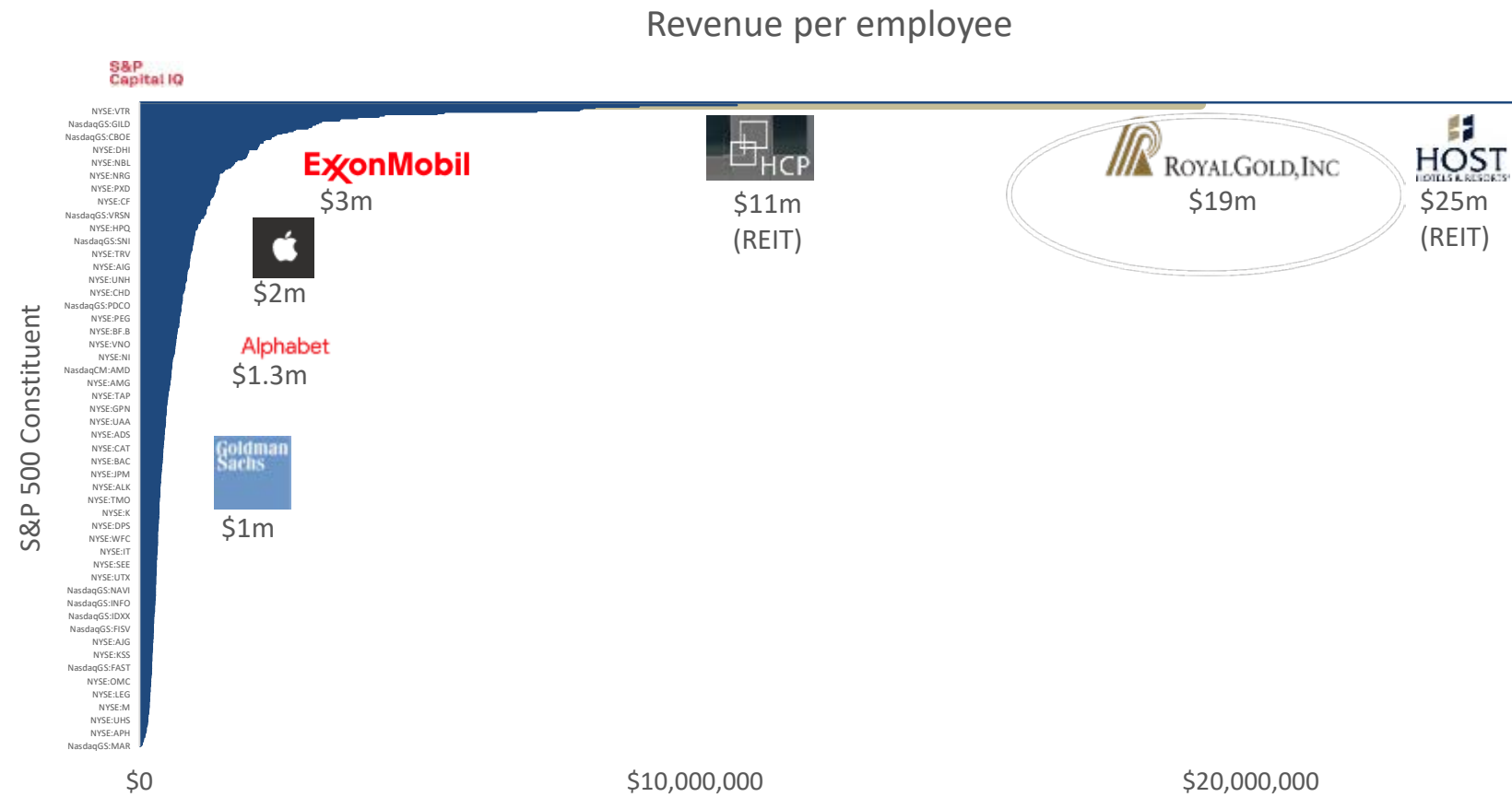




# Lean Structure

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- Our revenue per employee is higher than 497 of the S&P 500<sup>7</sup>

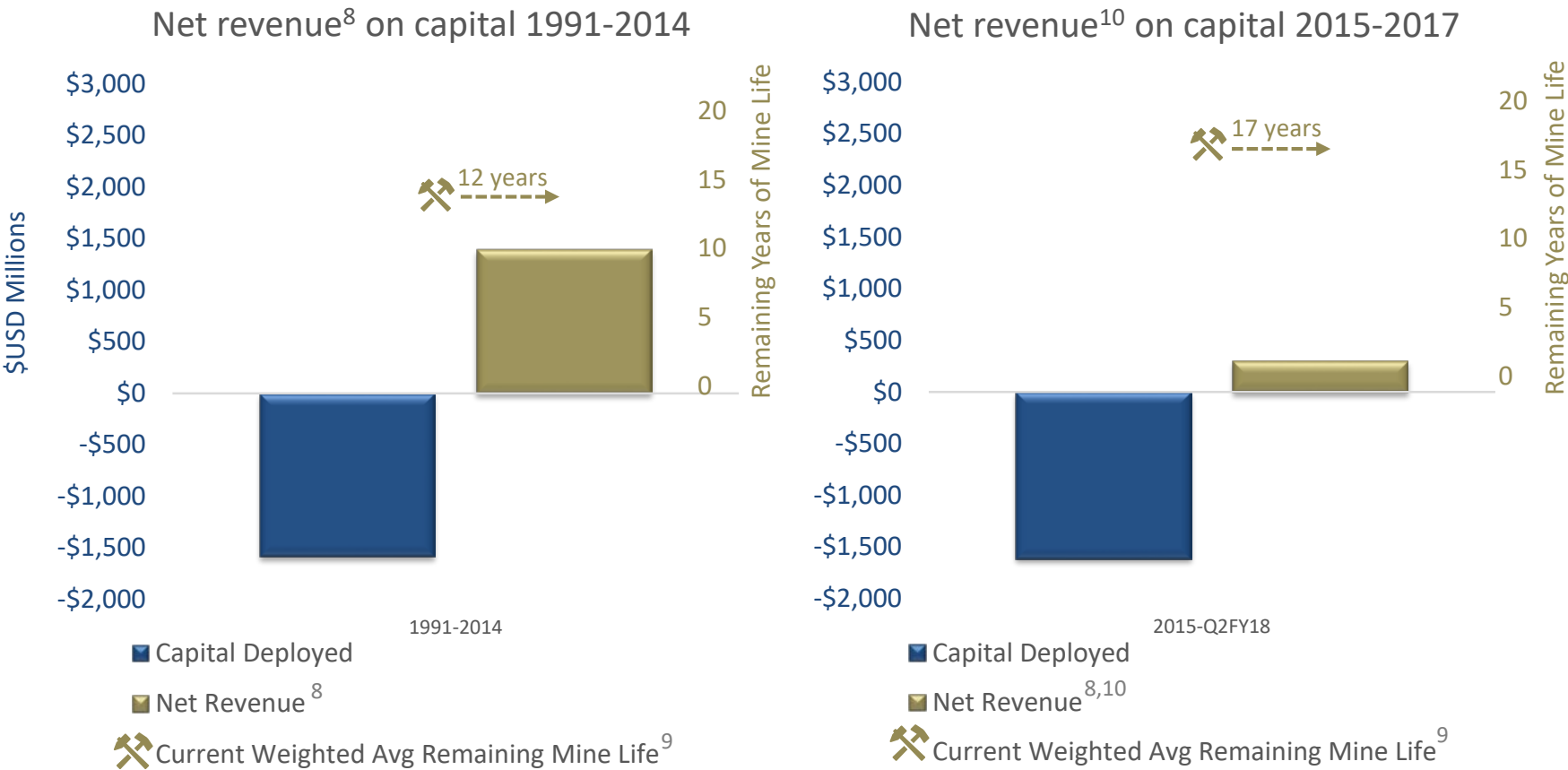




# Strategic Capital Allocation

NASDAQ: RGLD

- Strong net revenue on capital deployed, with significant mine life remaining<sup>8</sup>

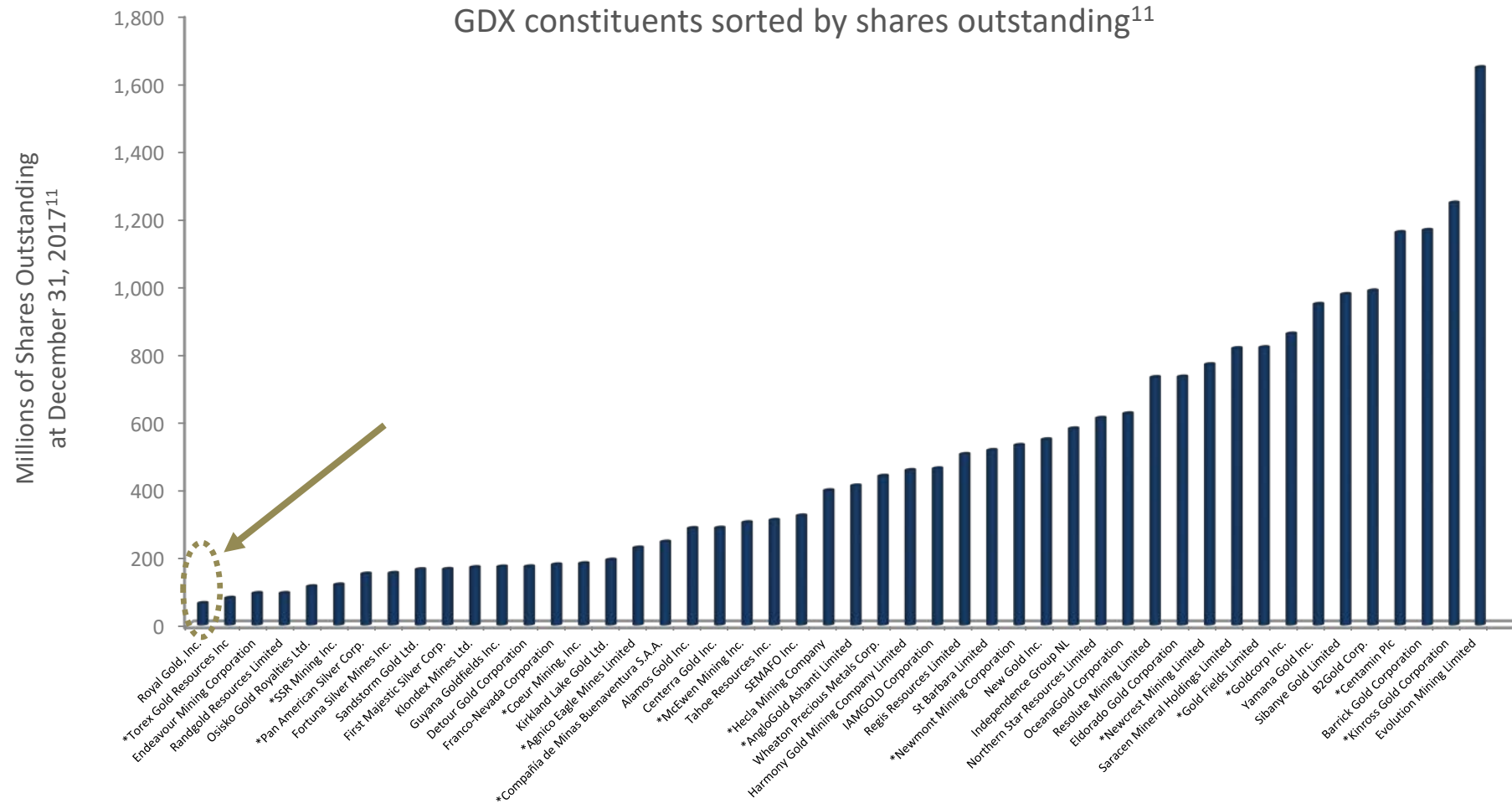




# Equity Stewardship

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

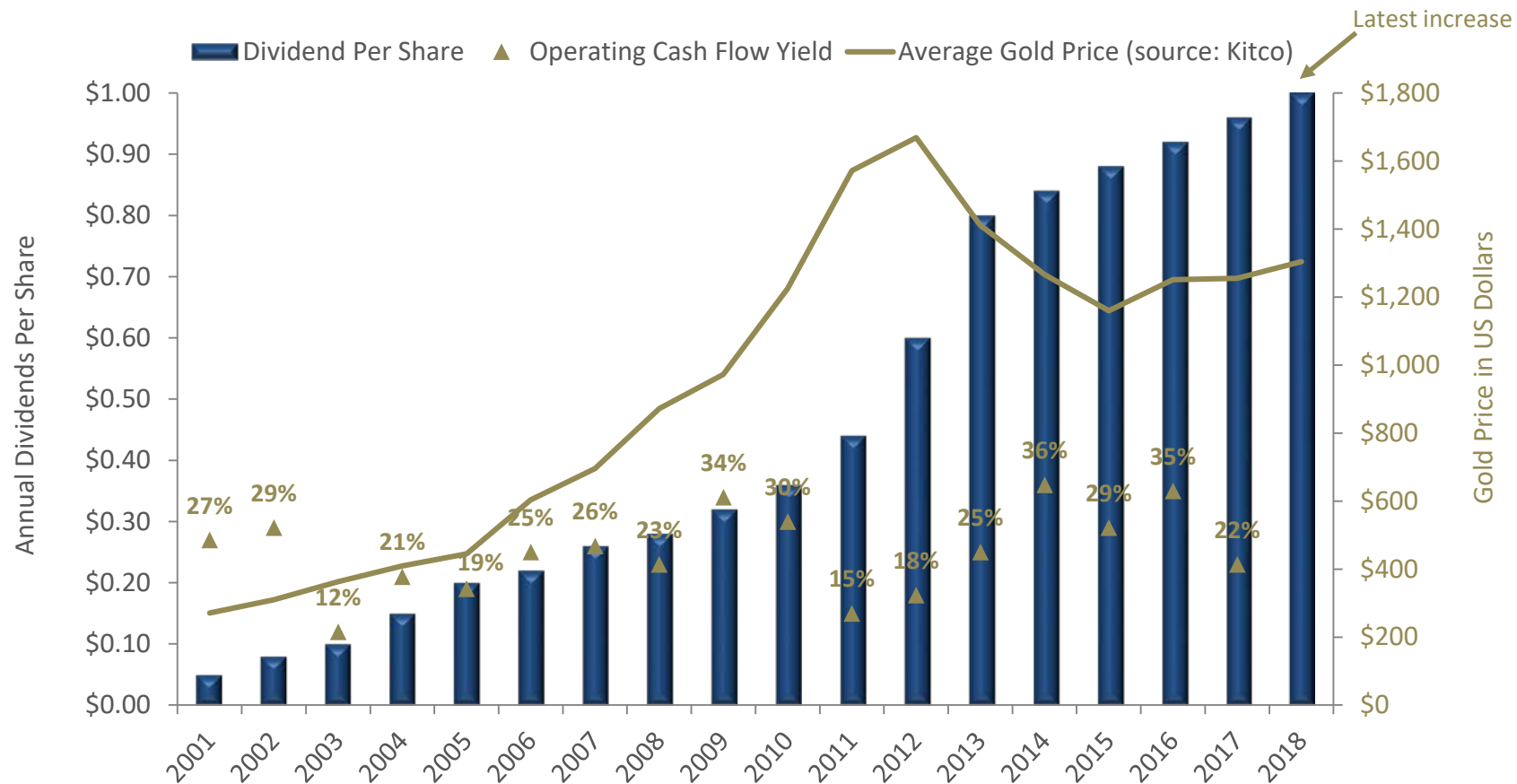




# Dividend Returns

NASDAQ: RGLD

- \$1.00/share, a 1.2% annual yield, and an average 22% OCF yield<sup>12</sup>
- 19% CAGR in dividends per share since 2001





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- Strong cash flow generation
- Solid balance sheet
- Organic growth
- Robust liquidity



# Portfolio of Assets

## Diverse, Long Lived Properties

NASDAQ: RGLD

Streams (at April 5, 2018)															
Operator	Mine	Metal	RGLD interest	until	RGLD interest	until	RGLD interest	until	RGLD pays (per unit)	until	RGLD pays (per ounce)	until	Reserve Remaining Mine Life (Years)	CY2018 Operator Production Guidance (oz/MLbs) <sup>2</sup>	
Centerra Gold	Mount Milligan	Gold	35%	LOM (life of mine)	-	-	-	-	\$435	LOM	-	-	20	195,000-215,000	
Centerra Gold	Mount Milligan	Copper	18.75%	LOM	-	-	-	-	15% of spot	LOM	-	-	20	47,000-52,000	
Barrick	Pueblo Viejo	Gold	7.50%	990koz	3.75%	remaining LOM	-	-	30% of spot	550koz	60% of spot	remaining LOM	25+	585,000-615,000	
Barrick	Pueblo Viejo	Silver	75% at fixed 70% recovery	50Moz	37.50%	remaining LOM	-	-	30% of spot	23.1Moz	60% of spot	-	25+	Not provided	
New Gold	Rainy River	Gold	6.50%	230koz	3.25%	remaining LOM	-	-	25% of spot	-	-	-	14	310,000-350,000	
New Gold	Rainy River	Silver	60%	3.1Moz	30%	remaining LOM	-	-	25% of spot	-	-	-	14	Not provided	
Teck	Andacollo	Gold	100%	900koz	50%	remaining LOM	-	-	15% of spot	-	-	-	17	Not provided	
Golden Star	Wassa/ Prestea	Gold	10.5%	240koz	5.50%	Remaining LOM	-	-	20% of spot	240koz	30% of spot	thereafter	10	230,000-255,000	
Key Royalties <sup>1</sup> (at January 1, 2018)			RGLD interest	Until											
Goldcorp	Peñasquito	Gold Silver Lead Zinc	2.00%	LOM										10	310,000 (gold)
Barrick	Cortez	Gold	Various	LOM										12	TBA
Agnico-Eagle & Yamana	Malartic	Gold	1-1.5%	LOM										10	650,000
Newmont	Leeville	Gold	1.80%	LOM										11	Not available
KGHM	Robinson	Gold Copper	3.00%	LOM										5	Not available
Kirkland Lake	Holt	Gold	0.00013 x the gold price	LOM										8	Not available
Alamos Gold	Mulatos	Gold	1-5%	capped; expect to reach in ~2019										2	150,000-160,000

<sup>1</sup> Includes largest royalties by revenue. An additional 28 royalties from producing mines in Royal Gold's portfolio not shown.

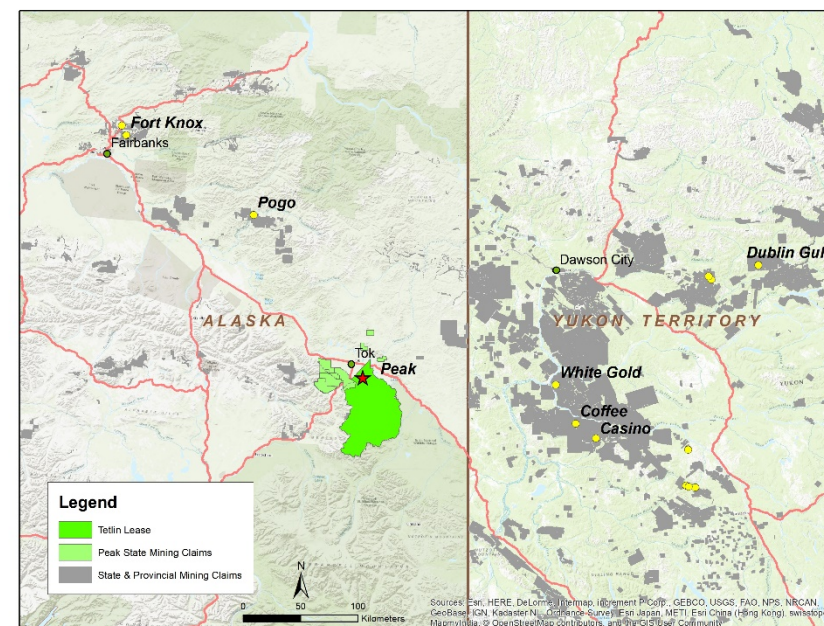
<sup>2</sup> Production estimates are received from our operators and there can be no assurance that production estimates received from our operators will be achieved. Please refer to our cautionary language regarding forward-looking statements on slide 2, as well as the Risk Factors identified in Part I, Item 1A, of our Fiscal 2017 10-K for information regarding factors that could affect actual results.

# Peak Gold Joint Venture

NASDAQ: RGLD

- Gold-silver-copper skarn deposit with a strong grade profile, near surface and near existing infrastructure
- Preliminary M&I resource estimate<sup>4</sup> of 1.3 million ounces of gold grading 3.46 g/t<sup>13</sup>
- ~\$10m exploration investment planned for calendar 2018

Measured and Indicated within \$1400/oz Gold Pit Shell at a 0.43 g/t AuEq Cut-off Grade							
Class	Tonnage (kt)	Grade > Cut-off			Contained Metal		
		Au (g/t)	Ag (g/t)	Cu (%)	Au (k oz)	Ag (k oz)	Cu (M lbs)
Measured	486	6.22	16.65	0.15	97	260	2
Indicated	10,808	3.34	13.97	0.16	1,160	4,855	38
M&I	11,294	3.46	14.09	0.16	1,257	5,115	40



Royal Gold holds a 3.0% net smelter return (“NSR”) royalty over the area of the Tetlin lease and certain State of Alaska mining claims and a 2.0% NSR royalty over certain other State of Alaska mining claims held by Peak Gold. A subsidiary of Royal Gold currently owns a 39% interest in the Peak Gold Joint Venture with an option to expand our earn-in to a 40% interest and majority control of the voting rights. Peak Gold holds a 675,000 acre lease with the Native Village of Tetlin and approximately 174,900 acres of state mining claims.

# Optionality

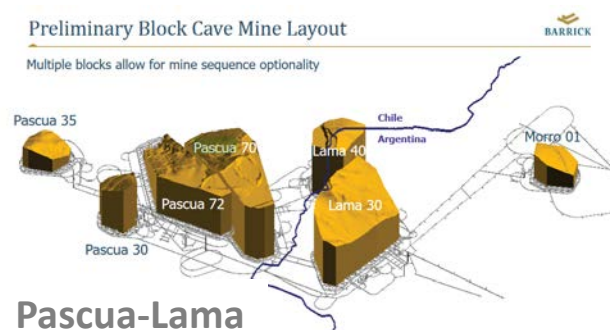
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- » Pueblo Viejo: pre-oxidation heap leach & flotation con
- » Potential ~7Moz resource to reserve conversion
- » 2018 pre-feasibility



- » Voisey's Bay: trial set to begin H2 Calendar 2018
- » Trial to take place in St. Johns



- » Pascua-Lama: Barrick intends to partner on project
- » Permitting is progressing in Chile and Argentina
- » Barrick continues to de-risk the project to capture value when time is right

# About Royal Gold

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- Gold Investment Opportunity with a Dividend and Reserve Optionality
  - » We provide capital in exchange for a life-of-mine percentage of the production
    - via a streaming or royalty interest
    - we do not operate any mines
  - » Diverse portfolio of 39 producing mines & 193 total interests<sup>2</sup>; operators include:

**Teck** **GOLDCORP** **NEWMONT** **AGNICO EAGLE** **FIRST QUANTUM** **KINROSS** **YAMANAGOLD** **BARRICK** **newgold**

- » Inherent growth in portfolio
  - no additional funding commitments
  - \$975 million of liquidity at 12-31-17
- » 24 employees, \$5.5B market cap
- » 80% gross margin
- » 17 consecutive years of dividend increases
  - \$1.00/share current annual dividend
- » Longevity – in business since 1981 in Denver





# Highly Experienced Board Leadership

NASDAQ: RGLD



**William Hayes**  
Independent Director and  
Chairman of the Board;  
Former EVP, Placer Dome Inc.



**Tony Jensen**  
Director; President and CEO,  
Royal Gold, Inc.



**Kevin McArthur**  
Independent Director;  
Executive Chair, Tahoe  
Resources and Former CEO  
and Director, Goldcorp, Inc.



**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



**Sybil Veenman**  
Independent Director; Former  
Senior Vice President and General  
Counsel, Barrick Gold Corporation

# Endnotes

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1. Assuming no change to our existing portfolio.
2. Information has been provided to the Company by the operators of those properties or is publicly available information filed by those operators. Reserves information shown is as of December 31, 2017. References to portfolio reflect total property interests at February 28, 2018. Please see slide 2.
3. See slide 15 for further information on Royal Gold's royalty and streaming interests.
4. The U.S. Securities and Exchange Commission does not recognize the term "resource." "Resources" are not reserves under the SEC's regulations, but are categorized under the securities law regulations of certain foreign jurisdictions in order of increasing geological confidence into "inferred resources," "indicated resources" and "measured resources." Investors are cautioned that resources cannot be classified as reserves unless and until it is demonstrated that they may be legally and economically extracted and produced and, as a result, they should not assume that all or any part of mineralized material in any of these categories will ever be converted into reserves.
5. Peak Gold resource of 1.3Moz was calculated at \$1,400/oz.
6. Source: S&P CapitalIQ as of December 31, 2017. 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 trailing 12 months.
7. Source: S&P CapitalIQ as of December 31, 2017. Revenue per employee calculated as total reported revenue for the trailing 12 months, divided by total reported employees. 498 of the S&P 500 companies report total employees.
8. Net revenue calculated as gross revenue less cost of goods sold (COGS) for streaming payments.
9. Weighted average remaining mine life calculated by weighting each property's current remaining mine life in years by the proven and probable reserves for the year ended 2016, based on data provided by the operators of those mines.
10. Net Revenue includes Andacollo, Pueblo Viejo, Wassa and Prestea only through December 31, 2017.
11. Indicates company with an incorporation date that pre-dates Royal Gold, which was incorporated in 1981. Source for data is S&P CapitalIQ.
12. Calculated as reported cash from operations divided by common dividends paid during the same period. 2018 reflects approved dividend.
13. For resource estimation purchases, AuEq is calculated as  $Au + Ag \times 0.0122$ .

# NEW PHASE OF GROWTH

1660 Wynkoop Street, #1000

Denver, CO 80202

303.573.1660

[info@royalgold.com](mailto:info@royalgold.com)

[www.royalgold.com](http://www.royalgold.com)



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