



Royal Gold Provides Update on Mount Milligan and Issues Update on Impacts of COVID-19

DENVER, COLORADO. MARCH 26, 2020: ROYAL GOLD, INC. (NASDAQ: RGLD) (“Royal Gold” or the “Company”) today provided an update on Mount Milligan and a summary of recent events resulting from the impact of COVID-19.

Mount Milligan Update

Reserves and Life of Mine Plan

Centerra Gold Inc. (“Centerra”) today published an updated National Instrument 43-101 (“NI 43-101”) technical report for the Mount Milligan Mine, which provides a detailed update to the life of mine plan contained in the previous 43-101 report for the Mount Milligan Mine published by Centerra in 2017. Key highlights as reported by Centerra include:

- A reduction in proven and probable reserves due to increased costs, lower expected productivities, and lower process plant throughput compared to the 2017 report, as well as an update to the resource model and re-estimation of metallurgical recoveries. As at December 31, 2019, the impact of these factors on proven and probable reserves compared to December 31, 2018, as reported by Centerra, is as follows:
 - Reserves of 191.0 million tonnes, a net decrease of 240.2 million tonnes after including production of 16.4 million tonnes in 2019;
 - Contained gold of 2.4 million ounces, a net reduction of 2.1 million ounces of contained gold after including the processing of 279,000 ounces of contained gold in 2019;
 - Gold reserve grade of 0.39 grams per tonne, up from 0.33 grams per tonne;
 - Contained copper of 959 million pounds, a net reduction of 785 million pounds of contained copper after including the processing of 92 million pounds of contained copper in 2019; and,
 - Copper reserve grade of 0.23%, up from 0.19%.

Centerra calculated proven and probable reserves at December 31, 2019 using a gold price of \$1,250 per ounce, a copper price of \$3.00 per pound, and an exchange rate of US\$ 1.00 to C\$ 1.25, which are consistent with the assumptions used in the December 31, 2018 reserve calculations.

- The highlights of the updated mine plan are as follows:
 - Production based on a 9-year reserve life through 2028;

- Average life of mine recoveries of 61.8% for gold and 80.6% for copper;
- Life of mine payable gold production of 1.45 million ounces, or an average of 161,000 ounces per year;
- Life of mine payable copper production of 735.6 million pounds, or an average of 81.7 million pounds per year; and,
- Average life of mine all-in sustaining cost of \$704 per ounce of gold sold on a by-product basis, which includes sustaining capital and copper revenue credits.¹

The updated mine plan does not contemplate any growth capital or inclusion of additional mineralized material.

Impact on Royal Gold

Royal Gold holds the right to purchase 35% of the payable gold and 18.75% of the payable copper produced from Mount Milligan in return for a cash purchase price for gold equal to the lesser of \$435 per ounce or the spot price for gold, and for a cash purchase price for copper equal to 15% of the spot price for copper, in each case at the time of delivery. As of December 31, 2019, Royal Gold has recognized a total of \$679.2 million in revenue, or \$458.8 million of revenue net of cash payments for gold and copper received, from its \$781.5 million investment in Mount Milligan.

The net book value of Royal Gold's investment as of December 31, 2019, was \$589.3 million, and the depletion rate for its interest was \$402 per ounce of gold and \$0.81 per pound of copper production. Due to the reduction in gold and copper reserves at Mount Milligan, as reported by Centerra, the Company estimates its prospective depletion rates will increase to \$750 to \$775 per ounce of gold and \$1.45 to \$1.50 per pound of copper. The Company continues to analyze the updated life of mine information provided by Centerra, and although additional work must be completed, it is not currently anticipated that the updated reserve information will result in an impairment of the Company's stream interests at Mount Milligan as the prospective depletion rate estimates remain well below current gold and copper prices.

Impact of COVID-19

Temporary Operating Suspensions

Due to the ongoing COVID-19 pandemic, several of Royal Gold's operating counterparties have recently announced temporary operational curtailments:

- Vale S.A. announced on March 16 that the Voisey's Bay mining operation would be placed on care and maintenance for a period of four weeks. Royal Gold owns an effective 2.7% net value royalty on nickel, copper and cobalt production from the Voisey's Bay mine, which contributed approximately \$2.1 million, or 1.7% of total revenue, to Royal Gold during the quarter ended December 31, 2019.
- New Gold Inc. announced on March 20 that operations at the Rainy River mine would be suspended for two weeks with no anticipated change to its annual production guidance for calendar 2020. Royal Gold owns the right to receive (i) 6.5% of the gold produced from Rainy River until 230,000 ounces have been delivered, and 3.25% of the gold thereafter,

¹ Assuming a copper price of \$3.00 per pound and an exchange rate of US\$ 1.00 to C\$ 1.25.

and (ii) 60% of the silver produced from Rainy River until 3,100,000 ounces have been delivered, and 30% thereafter, in return for payment of 25% of the spot price per ounce of gold and silver at the time of delivery. Rainy River contributed approximately \$7.6 million, or 6.1% of total revenue, to Royal Gold during the quarter ended December 31, 2019.

- Agnico Eagle Mines Limited announced on March 24 that the Canadian Malartic and LaRonde Complex operations would be placed on care and maintenance until April 13, 2020. Royal Gold owns a 1.0 to 1.5% net smelter return royalty on portions of the Canadian Malartic mine, and a 2.0% net smelter return royalty on the LaRonde Zone 5 mine, which together contributed approximately \$2.3 million, or 1.9% of total revenue, to Royal Gold during the quarter ended December 31, 2019.
- Calibre Mining Corporation announced on March 25 that operations at the El Limon mine would be suspended without an estimate for the duration of the suspension. Royal Gold owns a 3.0% net smelter return royalty on production from the El Limon mine, which contributed approximately \$0.9 million, or 0.7% of total revenue, to Royal Gold during the quarter ended December 31, 2019.

It is too early to estimate whether the impact of these announcements and any potential additional impacts on operations resulting from COVID-19 could cause a material reduction or deferral of revenue attributable to Royal Gold.

Royal Gold Liquidity Update

Royal Gold remains well capitalized and has continued access to liquidity under its \$1 billion revolving credit facility. Royal Gold may borrow under or repay the credit facility at any time without penalty and expects to continue to use this facility prudently to manage liquidity requirements.

About Royal Gold

Royal Gold is a precious metals stream and royalty company engaged in the acquisition and management of precious metal streams, royalties and similar production-based interests. As of December 31, 2019, the Company owns interests on 187 properties on five continents, including interests on 43 producing mines and 15 development stage projects. Royal Gold is publicly traded on the Nasdaq Global Select Market under the symbol “RGLD.” The Company’s website is located at www.royalgold.com.

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Cautionary “Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995: With the exception of historical matters, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to

differ materially from projections or estimates contained in this release. These forward-looking statements include among others, expectations about the Mount Milligan life-of-mine plan and 43-101, operational changes at certain properties, and the impacts of COVID-19 and resulting operational changes on the Company's investments, results of operations, and financial condition. Factors that could cause actual results to differ materially from forward-looking statements include among others the impacts of COVID-19 including global economic and social impacts; precious metals prices; production changes; errors or disputes in calculating or accounting for stream deliveries and payments, or deliveries and payments not made in accordance with streaming agreements; counterparty failure to perform under contracts for sales of metal; economic and market conditions; and other subsequent events; as well as other factors described in the Company's most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. Most of these factors are beyond the Company's ability to predict or control. The Company disclaims any obligation to update any forward-looking statement made in this release. Readers are cautioned not to put undue reliance on forward-looking statements.