
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended September 30, 2018

or

- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-13357

Royal Gold, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

84-0835164
(I.R.S. Employer
Identification No.)

1660 Wynkoop Street, Suite 1000
Denver, Colorado
(Address of Principal Executive Offices)

80202
(Zip Code)

Registrant's telephone number, including area code **(303) 573-1660**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files) Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 65,509,128 shares of the Company's common stock, par value \$0.01 per share, outstanding as of October 25, 2018 .

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ITEM 1. FINANCIAL STATEMENTS

ROYAL GOLD, INC.
Consolidated Balance Sheets
(Unaudited, in thousands except share data)

	September 30, 2018	June 30, 2018
ASSETS		
Cash and equivalents	\$ 117,078	\$ 88,750
Royalty receivables	25,106	26,356
Income tax receivable	6,381	40
Stream inventory	10,011	9,311
Prepaid expenses and other	854	1,350
Total current assets	159,430	125,807
Stream and royalty interests, net (Note 2)	2,458,615	2,501,117
Other assets	54,821	55,092
Total assets	\$ 2,672,866	\$ 2,682,016
LIABILITIES		
Accounts payable	\$ 5,055	\$ 9,090
Dividends payable	16,376	16,375
Income tax payable	8,012	18,253
Withholding taxes payable	2,551	3,254
Other current liabilities	5,377	4,411
Total current liabilities	37,371	51,383
Debt (Note 3)	354,939	351,027
Deferred tax liabilities	91,356	91,147
Uncertain tax positions	36,659	33,394
Other long-term liabilities	13,275	13,796
Total liabilities	533,600	540,747
Commitments and contingencies (Note 10)		
EQUITY		
Preferred stock, \$.01 par value, 10,000,000 shares authorized; and 0 shares issued	—	—
Common stock, \$.01 par value, 200,000,000 shares authorized; and 65,394,898 and 65,360,041 shares outstanding, respectively	654	654
Additional paid-in capital	2,195,034	2,192,612
Accumulated other comprehensive loss	-	(1,201)
Accumulated losses	(92,467)	(89,898)
Total Royal Gold stockholders' equity	2,103,221	2,102,167
Non-controlling interests	36,045	39,102
Total equity	2,139,266	2,141,269
Total liabilities and equity	\$ 2,672,866	\$ 2,682,016

The accompanying notes are an integral part of these consolidated financial statements.

ROYAL GOLD, INC.
Consolidated Statements of Operations and Comprehensive Income
(Unaudited, in thousands except share data)

	For The Three Months Ended	
	September 30, 2018	September 30, 2017
Revenue	\$ 99,992	\$ 112,476
Costs and expenses		
Cost of sales	16,527	20,419
General and administrative	9,927	6,899
Production taxes	1,292	543
Exploration costs	4,362	3,203
Depreciation, depletion and amortization	42,551	39,692
Total costs and expenses	74,659	70,756
Operating income	25,333	41,720
Fair value changes in equity securities	(1,468)	—
Interest and other income	103	989
Interest and other expense	(7,877)	(8,617)
Income before income taxes	16,091	34,092
Income tax expense	(4,115)	(7,544)
Net income	11,976	26,548
Net loss attributable to non-controlling interests	3,032	2,083
Net income attributable to Royal Gold common stockholders	<u>\$ 15,008</u>	<u>\$ 28,631</u>
Net income	\$ 11,976	\$ 26,548
Adjustments to comprehensive income, net of tax		
Unrealized change in market value of available-for-sale securities	—	197
Comprehensive income	11,976	26,745
Comprehensive loss attributable to non-controlling interests	3,032	2,083
Comprehensive income attributable to Royal Gold stockholders	<u>\$ 15,008</u>	<u>\$ 28,828</u>
Net income per share available to Royal Gold common stockholders:		
Basic earnings per share	<u>\$ 0.23</u>	<u>\$ 0.44</u>
Basic weighted average shares outstanding	<u>65,374,866</u>	<u>65,235,496</u>
Diluted earnings per share	<u>\$ 0.23</u>	<u>\$ 0.44</u>
Diluted weighted average shares outstanding	<u>65,497,159</u>	<u>65,404,680</u>
Cash dividends declared per common share	<u>\$ 0.25</u>	<u>\$ 0.24</u>

The accompanying notes are an integral part of these consolidated financial statements.

ROYAL GOLD, INC.
Consolidated Statements of Cash Flows
(Unaudited, in thousands)

	For The Three Months Ended	
	September 30, 2018	September 30, 2017
Cash flows from operating activities:		
Net income	\$ 11,976	\$ 26,548
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, depletion and amortization	42,551	39,692
Amortization of debt discount and issuance costs	3,903	3,679
Non-cash employee stock compensation expense	2,444	2,373
Fair value changes in equity securities	1,468	—
Deferred tax benefit	(1,681)	(727)
Other	—	(223)
Changes in assets and liabilities:		
Royalty receivables	1,250	(2,193)
Stream inventory	(701)	89
Income tax receivable	(6,341)	(3,854)
Prepaid expenses and other assets	1,061	(1,654)
Accounts payable	(4,060)	(985)
Income tax payable	(10,241)	6,035
Withholding taxes payable	(703)	37
Uncertain tax positions	3,266	2,493
Other liabilities	445	299
Net cash provided by operating activities	<u>\$ 44,637</u>	<u>\$ 71,609</u>
Cash flows from investing activities:		
Acquisition of stream and royalty interests	(3)	(5)
Other	(121)	100
Net cash (used in) provided by investing activities	<u>\$ (124)</u>	<u>\$ 95</u>
Cash flows from financing activities:		
Repayment of revolving credit facility	—	(50,000)
Net payments from issuance of common stock	(1,972)	(3,529)
Common stock dividends	(16,376)	(15,682)
Other	2,163	55
Net cash used in financing activities	<u>\$ (16,185)</u>	<u>\$ (69,156)</u>
Net increase in cash and equivalents	28,328	2,548
Cash and equivalents at beginning of period	88,750	85,847
Cash and equivalents at end of period	<u>\$ 117,078</u>	<u>\$ 88,395</u>

The accompanying notes are an integral part of these consolidated financial statements.

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements
(Unaudited)

1. OPERATIONS, SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND RECENTLY ADOPTED AND RECENTLY ISSUED ACCOUNTING STANDARDS

Royal Gold, Inc. (“Royal Gold”, the “Company”, “we”, “us”, or “our”), together with its subsidiaries, is engaged in the business of acquiring and managing metal streams, royalties and similar interests. We seek to acquire existing stream and royalty interests or to finance mining projects that are in production or in the development stage in exchange for stream or royalty interests. A metal stream is a purchase agreement that provides, in exchange for an upfront deposit payment, the right to purchase all or a portion of one or more metals produced from a mine at a price determined for the life of the transaction by the purchase agreement. A royalty is a non-operating interest in a mining project that provides the right to revenue or metals produced from the project after deducting contractually specified costs, if any.

Summary of Significant Accounting Policies

The accompanying unaudited consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934, as amended. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. In the opinion of management, all adjustments which are of a normal recurring nature considered necessary for a fair presentation of our interim financial statements have been included in this Form 10-Q. Operating results for the three months ended September 30, 2018, are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2019. These interim unaudited financial statements should be read in conjunction with the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2018 filed with the Securities and Exchange Commission on August 9, 2018 (“Fiscal 2018 10-K”).

Recently Adopted Accounting Standards

Revenue Recognition

On July 1, 2018, we adopted Accounting Standards Codification 606 - *Revenue from Contracts with Customers* (“ASC 606”) using the modified retrospective method of transition. Under this transition approach, we applied ASC 606 to all existing contracts for which all (or substantially all) of the revenue attributable to a contract had not been recognized under legacy revenue guidance. The guidance of ASC 606 will also be applied to any new contracts entered into on or after July 1, 2018.

ASC 606 supersedes nearly all of the existing revenue recognition guidance under U.S. GAAP and sets out a five-step revenue recognition framework to recognize revenue upon the transfer of control of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services.

For the three months ended September 30, 2018, there was no impact to our reported revenue, operating costs and expenses or net income attributable to Royal Gold common stockholders as a result of adopting ASC 606, as compared to legacy revenue guidance under U.S. GAAP. In addition, no cumulative catch-up adjustment to accumulated losses was required on July 1, 2018 as a result of adopting ASC 606. Please refer to Note 4 for additional discussion.

Recognition and Measurement of Financial Instruments

On July 1, 2018, we adopted Accounting Standards Update (“ASU”) 2016-01 – *Financial Instrument*, which is guidance on the recognition and measurement of financial instruments. The amended guidance requires, among other things, that equity securities previously classified as available-for-sale be measured at fair value with changes in fair value recognized in net income rather than other comprehensive income (loss) as required under previous guidance. Upon adoption, the Company recorded a cumulative-effect adjustment in *Accumulated losses* of \$1.2 million. The change in fair value of our equity securities was approximately \$1.5 million for the three months ended September 30, 2018 and is included in *Fair value change of marketable equity securities* on our consolidated statements of operations and comprehensive income. The carrying value of the Company’s equity securities as of September 30, 2018 and June 30, 2018 was \$17.8 million and \$19.2 million, respectively, and is included in *Other assets* on the Company’s consolidated balance sheets. As of

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

September 30, 2018, the Company owns 682,556 common shares of Contango Ore, Inc. (“CORE”) and 3,379,913 common shares of Rubicon Minerals Corporation.

Recently Issued Accounting Standards

Leases

In February 2016, the Financial Accounting Standards Board issued ASU 2016-02, *Leases (Topic 842)* which requires recognition of right-of-use assets and lease payment liabilities on the balance sheet by lessees for virtually all leases currently classified as operating leases . Under ASU 2016-02, companies are permitted to make a policy election to not recognize lease assets or liabilities when the term of the lease is less than twelve months. The new guidance is effective for the Company’s fiscal year beginning July 1, 2019, and early adoption is permitted. We are currently evaluating the transition effort and impact, if any, this guidance will have on our consolidated financial statements and footnote disclosures.

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

2. STREAM AND ROYALTY INTERESTS, NET

The following tables summarize the Company's stream and royalty interests, net as of September 30, 2018 and June 30, 2018.

As of September 30, 2018 (Amounts in thousands):	Cost	Accumulated Depletion	Net
Production stage stream interests:			
Mount Milligan	\$ 790,635	\$ (155,695)	\$ 634,940
Pueblo Viejo	610,404	(125,261)	485,143
Andacollo	388,182	(70,747)	317,435
Wassa and Prestea	146,475	(46,711)	99,764
Rainy River	175,727	(6,939)	168,788
Total production stage stream interests	2,111,423	(405,353)	1,706,070
Production stage royalty interests:			
Voisey's Bay	205,724	(90,006)	115,718
Peñasquito	99,172	(39,054)	60,118
Holt	34,612	(21,569)	13,043
Cortez	20,878	(11,275)	9,603
Other	483,795	(371,074)	112,721
Total production stage royalty interests	844,181	(532,978)	311,203
Total production stage stream and royalty interests	2,955,604	(938,331)	2,017,273
Development stage stream interests:			
Other	12,038	—	12,038
Development stage royalty interests:			
Cortez	59,803	—	59,803
Other	74,329	—	74,329
Total development stage royalty interests	134,132	—	134,132
Total development stage stream and royalty interests	146,170	—	146,170
Exploration stage royalty interests:			
Pascua-Lama	177,690	—	177,690
Other	117,482	—	117,482
Total exploration stage royalty interests	295,172	—	295,172
Total stream and royalty interests, net	\$ 3,396,946	\$ (938,331)	\$ 2,458,615

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

As of June 30, 2018 (Amounts in thousands):	Cost	Accumulated Depletion	Impairments	Net
Production stage stream interests:				
Mount Milligan	\$ 790,635	\$ (152,833)	\$ —	\$ 637,802
Pueblo Viejo	610,404	(114,944)	—	495,460
Andacollo	388,182	(59,851)	—	328,331
Wassa and Prestea	146,475	(41,601)	—	104,874
Rainy River	175,727	(4,028)	—	171,699
Total production stage stream interests	2,111,423	(373,257)	—	1,738,166
Total production stage stream and royalty interests				
Production stage royalty interests:				
Voisey's Bay	205,724	(86,933)	—	118,791
Peñasquito	99,172	(38,426)	—	60,746
Holt	34,612	(21,173)	—	13,439
Cortez	20,878	(11,241)	—	9,637
Other	483,795	(364,795)	—	119,000
Total production stage royalty interests	844,181	(522,568)	—	321,613
Total production stage stream and royalty interests	2,955,604	(895,825)	—	2,059,779
Development stage stream interests:				
Other	12,038	—	—	12,038
Development stage royalty interests:				
Cortez	59,803	—	—	59,803
Other	74,610	—	(284)	74,326
Total development stage royalty interests	134,413	—	(284)	134,129
Total development stage stream and royalty interests	146,451	—	(284)	146,167
Exploration stage royalty interests:				
Pascua-Lama	416,770	—	(239,080)	177,690
Other	117,481	—	—	117,481
Total exploration stage royalty interests	534,251	—	(239,080)	295,171
Total stream and royalty interests, net	\$ 3,636,306	\$ (895,825)	\$ (239,364)	\$ 2,501,117

Voisey's Bay

The royalty on production of nickel, copper, cobalt and other minerals from the Voisey's Bay mine in Newfoundland and Labrador, Canada is directly owned by the Labrador Nickel Royalty Limited Partnership ("LNRLP"), in which the Company's wholly-owned indirect subsidiary is the general partner and 90% owner. The remaining 10% interest in LNRLP is owned by a subsidiary of Altius Minerals Corporation ("Altius").

On September 13, 2018, LNRLP entered into an agreement with Vale Canada Limited and certain of its subsidiaries (collectively, the "Parties") to comprehensively settle their long-standing litigation related to calculation of the royalty on the sale of all concentrates produced from the Voisey's Bay mine. Refer to Note 14 of our Fiscal 2018 10-K for further discussion on the claims previously asserted by LNRLP.

The Parties agreed to a new method for calculating the royalty in respect of concentrates processed at Vale's Long Harbour Processing Plant, which will be effective for all Voisey's Bay mine production after April 1, 2018. Under the terms of the settlement, Royal Gold expects the 3% royalty rate will apply to approximately 50% of the gross metal value in the concentrates at the nickel, copper and cobalt prices prevailing at the time of settlement. As those metal prices rise or fall, the percentage of gross metal value in the concentrates applicable to the royalty would correspondingly increase or decrease.

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

During the three months ended September 30, 2018, the Company recognized approximately \$4.9 million in royalty revenue attributable to Voisey’s Bay metal production from the June 30 and September 30, 2018 quarters. Royalty payments for each quarter are due 45 days after quarter-end. Refer to Note 4 for further discussion on our revenue recognition.

3. DEBT

The Company’s non-current debt as of September 30, 2018 and June 30, 2018 consists of the following:

	<u>As of September 30, 2018</u>				<u>As of June 30, 2018</u>			
	<u>Principal</u>	<u>Unamortized Discount</u>	<u>Debt Issuance Costs</u>	<u>Total</u>	<u>Principal</u>	<u>Unamortized Discount</u>	<u>Debt Issuance Costs</u>	<u>Total</u>
	(Amounts in thousands)				(Amounts in thousands)			
Convertible notes due 2019	\$ 370,000	\$ (9,512)	\$ (976)	\$ 359,512	\$ 370,000	\$ (12,764)	\$ (1,316)	\$ 355,920
Revolving credit facility	—	—	(4,573)	(4,573)	—	—	(4,893)	(4,893)
Total debt	\$ 370,000	\$ (9,512)	\$ (5,549)	\$ 354,939	\$ 370,000	\$ (12,764)	\$ (6,209)	\$ 351,027

Convertible Senior Notes Due 2019

In June 2012, the Company completed an offering of \$370 million aggregate principal amount of 2.875% convertible senior notes due 2019 (“2019 Notes”). The 2019 Notes bear interest at the rate of 2.875% per annum, and the Company is required to make semi-annual interest payments on the outstanding principal balance of the 2019 Notes on June 15 and December 15 of each year, beginning December 15, 2012. The 2019 Notes mature on June 15, 2019. Generally, we classify debt that is maturing within one year as a current liability. However, the Company has the intent and ability to settle the principal amount of the 2019 Notes in cash primarily from its available revolving credit facility, a non-current liability, as of September 30 and June 30, 2018.

Interest expense recognized on the 2019 Notes for the three months ended September 30, 2018, was \$6.3 million compared to \$6.0 million for the three months ended September 30, 2017, and included the contractual coupon interest, the accretion of the debt discount and amortization of the debt issuance costs.

Revolving credit facility

The Company maintains a \$1 billion revolving credit facility. As of September 30, 2018, the Company had no amounts outstanding and \$1 billion available under the revolving credit facility. Interest expense recognized on the revolving credit facility for the three months ended September 30, 2018 was \$0.3 million (amortization of debt issuance costs only) and \$1.8 million, for the three months ended September 30, 2017, which included interest on the outstanding borrowings and the amortization of the debt issuance costs. Royal Gold may repay any borrowings under the revolving credit facility at any time without premium or penalty.

As discussed in Note 5 to the notes to consolidated financial statements in the Company’s Fiscal 2018 10-K, the Company has financial covenants associated with its revolving credit facility. As of September 30, 2018, the Company was in compliance with each financial covenant.

4. REVENUE

Revenue Recognition

Under current ASC 606 guidance, a performance obligation is a promise in a contract to transfer control of a distinct good or service (or integrated package of goods and/or services) to a customer. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, a performance obligation is satisfied. In accordance with this guidance, revenue attributable to our stream interests and royalty interests is generally recognized at

ROYAL GOLD, INC.

Notes to Consolidated Financial Statements (Continued)
(Unaudited)

the point in time that control of the related metal production transfers to our customers. The amount of revenue we recognize further reflects the consideration to which we are entitled under the respective stream or royalty agreement. A more detailed summary of our revenue recognition policies for our stream and royalty interests is discussed below.

Stream Interests

A metal stream is a purchase agreement that provides, in exchange for an upfront deposit payment, the right to purchase all or a portion of one or more of the metals produced from a mine, at a price determined for the life of the transaction by the purchase agreement. Gold, silver and copper received under our metal streaming agreements are taken into inventory, and then sold primarily using average spot rate gold, silver and copper forward contracts. The sales price for these average spot rate forward contracts is determined by the average daily gold, silver or copper spot prices during the term of the contract, typically a consecutive number of trading days between ten days and three months (depending on the frequency of deliveries under the respective streaming agreement and our sales policy in effect at the time) commencing shortly after receipt and purchase of the metal. We settle our forward sales contracts via physical delivery of the metal to the purchaser (our customer) on the settlement date specified in the contract. Under our forward sales contracts, there is a single performance obligation to sell a contractually specified volume of metal to the purchaser, and we satisfy this obligation at the point in time of physical delivery. Accordingly, revenue from our metal sales is recognized on the date of settlement, which is the date that control, custody and title to the metal transfer to the purchaser.

Royalty Interests

Royalties are non-operating interests in mining projects that provide the right to a percentage of revenue or metals produced from the project after deducting specified costs, if any. We are entitled to payment for our royalty interest in a mining project based on a contractually specified commodity price (monthly or quarterly average spot price) for the period in which metal production occurred. As a royalty holder, we act as a passive entity in the production and operations of the mining project, and the third-party operator of the mining project is responsible for all mining activities, including subsequent marketing and delivery of all metal production to their ultimate customer. In all of our material royalty interest arrangements, we have concluded that we transfer control of our interest in the metal production to the operator at the point at which production occurs, and thus, the operator is our customer. We have further determined that the transfer of each unit of metal production, comprising our royalty interest, to the operator represents a separate performance obligation under the contract, and each performance obligation is satisfied at the point in time of metal production by the operator. Accordingly, we recognize revenue attributable to our royalty interests in the period in which metal production occurs at the specified commodity price per the agreement, net of any contractually allowable offsite treatment, refining, transportation and, if applicable, mining costs.

Royalty Revenue Estimates

For a small number of our royalty interests, we may not receive, or be entitled to receive, payment information, including production information from the operator, for the period in which metal production occurred prior to issuance of our financial statements. As a result, we may estimate revenue for these royalties based on available information, including public information, from the operator. If adequate information is not available from the operator or from other public sources before we issue our financial statements, the Company will recognize royalty revenue during the period in which the necessary payment information is received. Differences between estimates and actual amounts could differ significantly and are recorded in the period that the actual amounts are known. Please also refer to our "Use of Estimates" accounting policy discussed in our Fiscal 2018 10-K. For the period ended September 30, 2018, royalty revenue that was estimated or was attributable to metal production for a period prior to September 30, 2018, was not material.

Disaggregation of Revenue

We have identified two material revenue sources in our business: stream interests and royalty interests. These identified revenue sources are consistent with our reportable segments as discussed in Note 8.

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Revenue by metal type attributable to each of our revenue sources is disaggregated as follows:

	Three Months Ended September 30, 2018
Stream revenue:	
Gold	\$ 59,114
Silver	8,720
Copper	2,203
Total stream revenue	\$ 70,037
Royalty revenue:	
Gold	\$ 18,554
Silver	1,352
Copper	3,615
Other	6,434
Total royalty revenue	\$ 29,955
Total revenue	\$ 99,992

Revenue attributable to our principal stream and royalty interests is disaggregated as follows:

	Metal(s)	Three Months Ended September 30, 2018
Stream revenue:		
Andacollo	Gold	\$ 27,743
Pueblo Viejo	Gold & Silver	19,486
Mount Milligan	Gold & Copper	8,847
Wassa and Prestea	Gold	8,061
Other	Gold & Silver	5,900
Total stream revenue		\$ 70,037
Royalty revenue:		
Peñasquito	Gold, Silver, Lead & Zinc	\$ 3,637
Cortez	Gold	603
Other	Various	25,715
Total royalty revenue		\$ 29,955
Total revenue		\$ 99,992

Please refer to Note 8 for the geographical distribution of our revenue by reportable segment.

Contract Receivables

Under our forward sales contracts related to our metal streaming arrangements, payment is due from the purchaser on the day of settlement. Accordingly, our metal stream sales contracts do not give rise to a receivable under ASC 606.

Under our royalty arrangements, payment is typically due by the royalty payor either (i) monthly, typically thirty days after month-end or (ii) quarterly, typically thirty to sixty days after the respective quarter-end. Revenue related to production that has occurred as of the reporting date but for which payment has not been received represents a receivable (rather than a contract asset) under ASC 606, as payment by the operator is unconditional upon the production of metal. As of September 30, 2018, and June 30, 2018, our royalty receivables were \$25.1 million and \$26.4 million, respectively.

Practical Expedients Utilized

Our forward sales contracts related to our metal streaming arrangements are short-term in nature with a term of one year or less. For these contracts, we have utilized the practical expedient allowed in ASC 606 that exempts us from presenting the transaction price allocated to remaining performance obligations (i.e. forecasts of unearned revenue) for contracts with an original expected term of one year or less.

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

Our royalty arrangements generally cover metal production over the life of a mine and, thus, have a contract term that is greater than one year. Under these contracts, variability related to future production volumes and market pricing is allocated entirely to those future production volumes from the mining operation. Consequently, we have utilized an alternative practical expedient allowed in ASC 606 that exempts us from presenting the transaction price allocated to remaining performance obligations (i.e. forecasts of unearned revenue) if the variable consideration in a contract is allocated entirely to a wholly unsatisfied performance obligation.

5. STOCK-BASED COMPENSATION

The Company recognized stock-based compensation expense as follows:

	Three Months Ended	
	September 30, 2018	September 30, 2017
	(Amounts in thousands)	
Stock options	\$ 120	\$ 91
Stock appreciation rights	766	488
Restricted stock	1,280	1,426
Performance stock	278	368
Total stock-based compensation expense	\$ 2,444	\$ 2,373

Stock-based compensation expense is included within *General and administrative* expense in the consolidated statements of operations and comprehensive income.

During the three months ended September 30, 2018, the Company granted the following stock-based compensation awards:

	Three Months Ended	
	September 30, 2018	September 30, 2017
	(Number of shares)	
Stock options	6,430	6,858
Stock appreciation rights	69,360	71,262
Restricted stock	42,260	50,380
Performance stock (at maximum 200% attainment)	57,420	68,020
Total equity awards granted	175,470	196,520

As of September 30, 2018, unrecognized compensation expense (expressed in thousands below) and weighted-average vesting period for each of our stock-based compensation awards were as follows:

	Unrecognized compensation expense	Weighted- average vesting period (years)
Stock options	\$ 227	2.2
Stock appreciation rights	2,949	2.2
Restricted stock	6,307	3.4
Performance stock	1,736	2.1

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
(Unaudited)

6. EARNINGS PER SHARE (“EPS”)

Basic earnings per common share were computed using the weighted average number of shares of common stock outstanding during the period, considering the effect of participating securities. Unvested stock-based compensation awards that contain non-forfeitable rights to dividends or dividend equivalents are considered participating securities and are included in the computation of earnings per share pursuant to the two-class method. The Company’s unvested restricted stock awards contain non-forfeitable dividend rights and participate equally with common stock with respect to dividends issued or declared. The Company’s unexercised stock options, unexercised SSARs and unvested performance stock do not contain rights to dividends. Under the two-class method, the earnings used to determine basic earnings per common share are reduced by an amount allocated to participating securities. Use of the two-class method has an immaterial impact on the calculation of basic and diluted earnings per common share.

The following tables summarize the effects of dilutive securities on diluted EPS for the period:

	Three Months Ended	
	September 30, 2018	September 30, 2017
	(in thousands, except per share data)	
Net income available to Royal Gold common stockholders	\$ 15,008	\$ 28,631
Weighted-average shares for basic EPS	65,374,866	65,235,496
Effect of other dilutive securities	122,293	169,184
Weighted-average shares for diluted EPS	65,497,159	65,404,680
Basic earnings per share	\$ 0.23	\$ 0.44
Diluted earnings per share	\$ 0.23	\$ 0.44

The calculation of weighted average shares includes all of our outstanding common stock. The Company intends to settle the principal amount of the 2019 Notes in cash from amounts available under our revolving credit facility. As a result, there will be no impact to diluted earnings per share unless the share price of the Company’s common stock exceeds the conversion price of \$102.43.

7. INCOME TAXES

	Three Months Ended	
	September 30, 2018	September 30, 2017
	(Amounts in thousands, except rate)	
Income tax expense	\$ 4,115	\$ 7,544
Effective tax rate	25.6%	22.1%

The increase in the effective tax rate for the three months ended September 30, 2018 was primarily related to fewer discrete tax benefits attributable to equity award vesting and exercises in the current quarter as compared to the quarter ending September 30, 2017.

The Company will continue to analyze H.R. 1, originally known as the Tax Cuts and Jobs Act (the “Act”), for additional information and guidance including supplemental legislation, regulatory guidance, or evolving technical interpretations as they become available. The final Act impacts may differ from the recorded amounts as of September 30, 2018 and the Company will continue to refine such amounts within the measurement period provided by Staff Accounting Bulletin No. 118. The Company expects to complete its analysis during the second quarter of fiscal year 2019.

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
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8. SEGMENT INFORMATION

The Company manages its business under two reportable segments, consisting of the acquisition and management of stream interests and the acquisition and management of royalty interests. Royal Gold's long-lived assets (stream and royalty interests, net) are geographically distributed as shown in the following table:

	As of September 30, 2018			As of June 30, 2018			
	Stream interest	Royalty interest	Total stream and royalty interests, net	Stream interest	Royalty interest	Impairments	Total stream and royalty interests, net
Canada	\$ 803,727	\$ 209,725	\$ 1,013,452	\$ 809,500	\$ 214,562	\$ (284)	\$ 1,023,778
Dominican Republic	485,143	—	485,143	495,460	—	—	495,460
Chile	317,434	214,226	531,660	328,331	453,306	(239,080)	542,557
Africa	99,764	495	100,259	104,874	502	—	105,376
Mexico	—	90,243	90,243	—	93,277	—	93,277
United States	—	164,987	164,987	—	165,543	—	165,543
Australia	—	33,622	33,622	—	34,254	—	34,254
Other	12,039	27,210	39,249	12,039	28,833	—	40,872
Total	\$ 1,718,107	\$ 740,508	\$ 2,458,615	\$ 1,750,204	\$ 990,277	\$ (239,364)	\$ 2,501,117

The Company's revenue, cost of sales and net revenue by reportable segment for the three months ended September 30, 2018 and 2017, is geographically distributed as shown in the following table:

	Three Months Ended September 30, 2018			Three Months Ended September 30, 2017		
	Revenue	Cost of sales	Net revenue	Revenue	Cost of sales	Net revenue
Streams:						
Chile	\$ 27,742	\$ 4,278	\$ 23,464	\$ 12,337	\$ 1,812	\$ 10,525
Dominican Republic	19,486	6,324	13,162	25,403	7,588	17,815
Canada	14,747	4,265	10,482	31,952	9,223	22,729
Africa	8,062	1,660	6,402	9,070	1,796	7,274
Total streams	\$ 70,037	\$ 16,527	\$ 53,510	\$ 78,762	\$ 20,419	\$ 58,343
Royalties:						
Canada	\$ 10,181	\$ —	\$ 10,181	\$ 6,092	\$ —	\$ 6,092
Mexico	7,996	—	7,996	10,897	—	10,897
United States	6,056	—	6,056	10,429	—	10,429
Australia	3,060	—	3,060	3,320	—	3,320
Africa	492	—	492	462	—	462
Chile	-	—	-	—	—	-
Other	2,170	—	2,170	2,514	—	2,514
Total royalties	\$ 29,955	\$ —	\$ 29,955	\$ 33,714	\$ —	\$ 33,714
Total streams and royalties	\$ 99,992	\$ 16,527	\$ 83,465	\$ 112,476	\$ 20,419	\$ 92,057

9. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820") establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1: Quoted prices for identical instruments in active markets;

ROYAL GOLD, INC.
Notes to Consolidated Financial Statements (Continued)
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Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets; and

Level 3: Prices or valuation techniques requiring inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis (at least annually) by level within the fair value hierarchy.

	As of September 30, 2018				
	Carrying Amount	Fair Value			
		Total	Level 1	Level 2	Level 3
Assets (In thousands):					
Marketable equity securities ⁽¹⁾	\$ 17,771	\$ 17,771	\$ 17,771	\$ —	\$ —
Total assets	\$ 17,771	\$ 17,771	\$ 17,771	\$ —	\$ —
Liabilities (In thousands):					
Debt ⁽²⁾	\$ 437,488	\$ 373,393	\$ 373,393	\$ —	\$ —
Total liabilities	\$ 437,488	\$ 373,393	\$ 373,393	\$ —	\$ —

(1) Included in *Other assets* on the Company's consolidated balance sheets.

(2) Included in the carrying amount is the equity component of our 2019 Notes in the amount of \$77 million, which is included within *Additional paid-in capital* on the Company's consolidated balance sheets.

The Company's marketable equity securities classified within Level 1 of the fair value hierarchy are valued using quoted market prices in active markets. The fair value of the Level 1 marketable equity securities is calculated as the quoted market price of the marketable equity security multiplied by the quantity of shares held by the Company. The Company's debt classified within Level 1 of the fair value hierarchy is valued using quoted prices in an active market.

As of September 30, 2018, the Company also had assets that, under certain conditions, are subject to measurement at fair value on a non-recurring basis like those associated with stream and royalty interests, intangible assets and other long-lived assets. For these assets, measurement at fair value in periods subsequent to their initial recognition is applicable if any of these assets are determined to be impaired. If recognition of these assets at their fair value becomes necessary, such measurements will be determined utilizing Level 3 inputs.

10. COMMITMENTS AND CONTINGENCIES

Ilovica Gold Stream Acquisition

As of September 30, 2018, the Company's conditional funding schedule for \$163.75 million related to its Ilovica gold stream acquisition made in October 2014 remains subject to certain conditions.

11. SUBSEQUENT EVENT

On October 3, 2018, the Company purchased the second and final tranche of CORE common stock (127,188 shares) for \$26 per share. Upon this acquisition, the Company owns 809,744 shares of CORE common stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to provide information to assist you in better understanding and evaluating our financial condition and results of operations. Royal Gold, Inc. ("Royal Gold", the "Company", "we", "us", or "our"), recommends that you read this MD&A in conjunction with our consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended June 30, 2018 filed with the Securities and Exchange Commission (the "SEC") on August 9, 2018.

This MD&A contains forward-looking information. You should review our important note about forward-looking statements following this MD&A.

We refer to "GSR," "NSR," "NVR," "metal stream (or "stream")" and other types of royalty or similar interests throughout this MD&A. These terms are defined in our Fiscal 2018 10-K.

Statement Regarding Third Party Information

Royal Gold does not own, develop, or mine the properties on which it holds stream or royalty interests, except for our interest in the Peak Gold, LLC joint venture ("Peak Gold JV") as described further in this report. Certain information provided in this report, including the Operator's Production Estimates by Stream and Royalty Interest for Calendar 2018 and Property Developments, has been provided to us by the operators of properties where we own interests or is publicly available information filed by these operators with applicable securities regulatory bodies, including the SEC. 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 such third-party information and refers the reader to the public reports filed by the operators for information regarding those properties.

Overview

Royal Gold, together with its subsidiaries, is engaged in the business of acquiring and managing metal streams, royalties, and similar interests. We seek to acquire existing stream and royalty interests or to finance projects that are in production or in the development stage in exchange for stream or royalty interests.

We manage our business under two segments:

Acquisition and Management of Stream Interests — A metal stream is a purchase agreement that provides, in exchange for an upfront deposit payment, the right to purchase all or a portion of one or more metals produced from a mine, at a price determined for the life of the transaction by the purchase agreement. As of September 30, 2018, we owned stream interests on five producing properties and one development stage property. Stream interests accounted for approximately 70% of our total revenue for the three months ended September 30, 2018 and 2017. We expect stream interests to continue representing a significant proportion of our total revenue.

Acquisition and Management of Royalty Interests — Royalties are non-operating interests in mining projects that provide the right to revenue or metals produced from the project after deducting specified costs, if any. As of September 30, 2018, we owned royalty interests on 35 producing properties, 17 development stage properties and 133 exploration stage properties, of which we consider 56 to be evaluation stage projects. We use "evaluation stage" to describe exploration stage properties that contain mineralized material and on which operators are engaged in the search for reserves. Royalties accounted for approximately 30% of our total revenue for the three months ended September 30, 2018 and 2017.

We do not conduct mining operations on the properties in which we hold stream and royalty interests, and except for our interest in the Peak Gold JV, we generally are not required to contribute to capital costs, exploration costs, environmental costs or other operating costs on those properties.

In the ordinary course of business, we engage in a continual review of opportunities to acquire existing stream and royalty interests, to establish new streams on operating mines, to create new stream and royalty interests through the financing of

mine development or exploration, or to acquire companies that hold stream and royalty interests. We currently, and generally at any time, have acquisition opportunities in various stages of active review, including, for example, our engagement of consultants and advisors to analyze particular opportunities, our analysis of technical, financial and other confidential information of particular opportunities, submission of indications of interest and term sheets, participation in preliminary discussions and negotiations and involvement as a bidder in competitive processes.

Our financial results are primarily tied to the price of gold and, to a lesser extent, the price of silver and copper, together with the amounts of production from our producing stage stream and royalty interests. The price of gold, silver, copper and other metals has fluctuated widely in recent years. The marketability and the price of metals are influenced by numerous factors beyond the control of the Company and significant declines in the price of gold, silver or copper could have a material and adverse effect on the Company's results of operations and financial condition.

For the three months ended September 30, 2018 and 2017, gold, silver and copper price averages and percentage of revenue by metal were as follows:

Metal	Three Months Ended			
	September 30, 2018		September 30, 2017	
	Average Price	Percentage of Revenue	Average Price	Percentage of Revenue
Gold (\$/ounce)	\$ 1,213	78%	\$ 1,278	77%
Silver (\$/ounce)	\$ 15.02	10%	\$ 16.84	10%
Copper (\$/pound)	\$ 2.77	6%	\$ 2.88	10%
Other	N/A	6%	N/A	3%

Recent Business Developments

Voisey's Bay

The royalty on production of nickel, copper, cobalt and other minerals from the Voisey's Bay mine in Newfoundland and Labrador, Canada is directly owned by the Labrador Nickel Royalty Limited Partnership ("LNRLP"), in which the Company's wholly-owned indirect subsidiary is the general partner and 90% owner. The remaining 10% interest in LNRLP is owned by a subsidiary of Altius Minerals Corporation ("Altius").

On September 13, 2018, LNRLP entered into an agreement with Vale Canada Limited and certain of its subsidiaries (collectively, the "Parties") to comprehensively settle their long-standing litigation related to calculation of the royalty on the sale of all concentrates produced from the Voisey's Bay mine. Refer to Note 14 of our Fiscal 2018 10-K for further discussion on the claims previously asserted by LNRLP.

The Parties agreed to a new method for calculating the royalty in respect of concentrates processed at Vale's Long Harbour Processing Plant, which will be effective for all Voisey's Bay mine production after April 1, 2018. Under the terms of the settlement, Royal Gold expects the 3% royalty rate will apply to approximately 50% of the gross metal value in the concentrates at the nickel, copper and cobalt prices prevailing at the time of settlement. As those metal prices rise or fall, the percentage of gross metal value in the concentrates applicable to the royalty would correspondingly increase or decrease.

LHPP is designed to produce 50,000 tonnes of finished nickel annually. The plant is currently ramping up and is producing at an annualized rate of approximately 35,600 tonnes based on actual production of 8,900 tonnes in the second calendar quarter of 2018. In the next few years, Voisey's Bay concentrate will provide 100% of the feed to LHPP but, over time, other sources of concentrate will be added to LHPP.

On June 11, 2018, Vale announced it will recommence the \$1.7 billion development of an underground mine and associated facilities, which is expected to extend the Voisey's Bay mine life until 2034. Vale expects the underground mine to begin production in 2021 and to ramp up over four years, while the current open pit mining in the Ovoid deposit is expected to continue until 2022. Vale estimates Voisey's Bay mineral reserves at 32.4 million tonnes with a nickel grade of 2.13%, a copper grade of 0.96%, and a cobalt grade of 0.13% as of December 31, 2017.

During the three months ended September 30, 2018, the Company recognized approximately \$4.9 million (includes 10% non-controlling interest) in royalty revenue attributable to Voisey's Bay metal production in total for the June 30 (\$2.7 million) and September 30, 2018 (\$2.2 million) quarters. Royalty payments for each quarter are due 45 days after quarter-end. The Company anticipates recognizing revenue for the Voisey's Bay royalty in the period in which metal production occurs, based on information provided by the operator. If information is not received timely from the operator, the Company may estimate Voisey's Bay royalty revenue based on available or historical information. Refer to Note 4 of our notes to consolidated financial statements for further discussion on our revenue recognition.

Peak Gold JV

On September 24, 2018, the Company announced that the Peak Gold JV, of which our Royal Alaska, LLC subsidiary owns a 40% interest, completed a Preliminary Economic Assessment ("PEA") on the Peak Gold Project located near Tok, Alaska. The PEA contemplates on a preliminary basis an open pit mining operation with positive economics at base case gold and silver prices.

Royal Gold also owns two net smelter return royalties on the Peak Gold Project.

Acquisition of Contango Ore, Inc. Common Stock

On October 3, 2018, the Company purchased the second and final tranche of Contango Ore, Inc. ("CORE") common stock (127,188 shares) for \$26 per share. As previously reported in our Fiscal 2018 10-K, the Company purchased 682,556 shares of CORE common stock at \$26 per share in June 2018. As of the date of this report, the Company owns 809,744 shares of CORE common stock.

Principal Stream and Royalty Interests

The Company considers both historical and future potential revenues in determining which stream and royalty interests in our portfolio are principal to our business. Estimated future potential revenues from both producing and development properties are based on a number of factors, including reserves subject to our stream and royalty interests, production estimates, feasibility studies, metal price assumptions, mine life, legal status and other factors and assumptions, any of which could change and could cause the Company to conclude that one or more of such stream and royalty interests are no longer principal to our business. Currently, our principal producing stream and royalty interests are listed alphabetically in the following table.

Please refer to our Fiscal 2018 10-K for further discussion of our principal producing stream and royalty interests.

Principal Producing Properties

Mine	Location	Operator	Stream or royalty interests (Gold unless otherwise stated)
Andacollo	Region IV, Chile	Compañía Minera Teck Carmen de Andacollo ("Teck")	Gold stream - 100% of gold produced (until 900,000 ounces delivered; 50% thereafter)
Cortez	Nevada, USA	Barrick Gold Corporation ("Barrick")	GSR1: 0.40% to 5.0% sliding-scale GSR GSR2: 0.40% to 5.0% sliding-scale GSR GSR3: 0.71% GSR NVR1: 4.91% NVR; 4.52% NVR (Crossroads)
Mount Milligan	British Columbia, Canada	Centerra Gold Inc. ("Centerra")	Gold stream - 35.00% of payable gold Copper stream - 18.75% of payable copper
Peñasquito	Zacatecas, Mexico	Goldcorp Inc. ("Goldcorp")	2.0% NSR (gold, silver, lead, zinc)
Pueblo Viejo	Sanchez Ramirez, Dominican Republic	Barrick (60%)	Gold stream - 7.5% of gold produced (until 990,000 ounces delivered; 3.75% thereafter) Silver stream - 75% of silver produced (until 50.0 million ounces delivered; 37.5% thereafter)
Wassa and Prestea ⁽¹⁾	Western Region of Ghana	Golden Star Resources Ltd. ("Golden Star")	Gold stream - 10.5% of gold produced

(1) Gold stream percentage increased to 10.5% from 9.25% effective January 1, 2018.

Operators' Production Estimates by Stream and Royalty Interest for Calendar 2018

We received annual production estimates from many of the operators of our producing mines during the first calendar quarter of 2018. The following table shows such production estimates for our principal producing properties for calendar 2018 as well as the actual production reported to us by the various operators through September 30, 2018. The estimates and production reports are prepared by the operators of the mining properties. We do not participate in the preparation or calculation of the operators' estimates or production reports and have not independently assessed or verified, and disclaim all responsibility for, the accuracy of such information. Please refer to "Property Developments" below within this MD&A for further discussion on our principal producing and development stage properties.

Operators' Estimated and Actual Production by Stream and Royalty Interest for Calendar 2018
Principal Producing Properties

Stream/Royalty	Calendar 2018 Operator's Production Estimate			Calendar 2018 Operator's Production Actual ⁽²⁾		
	Gold (oz.)	Silver (oz.)	Base Metals (lbs.)	Gold (oz.)	Silver (oz.)	Base Metals (lbs.)
Stream:						
Andacollo ⁽³⁾	66,700			43,300		
Mount Milligan ⁽⁴⁾	175,000 - 195,000			134,700		
<i>Copper</i>			40 - 47 million			35.3 million
Pueblo Viejo ⁽⁵⁾	575,000 - 590,000	Not provided		415,000	Not provided	
Wassa and Prestea ⁽⁶⁾	225,000 - 235,000			175,900		
Royalty:						
Cortez GSR1	48,300			29,100		
Cortez GSR2	2,200			700		
Cortez GSR3	50,500			29,800		
Cortez NVR1	31,600			18,100		
Peñasquito ⁽⁷⁾	310,000	Not provided		220,000	14.1 million	
<i>Lead</i>			160 million			82.5 million
<i>Zinc</i>			300 million			225.9 million

-
- (1) Production estimates received from our operators are for calendar 2018. Please refer to our cautionary statement regarding third party information at the beginning of this MD&A. There can be no assurance that production estimates received from our operators will be achieved. Please also refer to our cautionary language regarding forward-looking statements following this MD&A, as well as the Risk Factors identified in Part I, Item 1A, of our Fiscal 2018 10-K for information regarding factors that could affect actual results.
 - (2) Actual production figures shown are from our operators and cover the period January 1, 2018 through September 30, 2018, unless otherwise noted.
 - (3) The estimated and actual production figures shown for Andacollo are contained gold in concentrate.
 - (4) The estimated and actual production figures shown for Mount Milligan are payable gold and copper in concentrate.
 - (5) The estimated and actual production figures shown for Pueblo Viejo are payable gold in doré and represent Barrick's 60% interest in Pueblo Viejo. The operator did not provide estimated or actual silver production.
 - (6) The estimated and actual production figures shown for Wassa and Prestea are payable gold in doré.
 - (7) The estimated and actual gold production figures shown for Peñasquito are payable gold in concentrate and doré. The estimated and actual lead and zinc production figures shown are payable lead and zinc from concentrate. The operator did not provide estimated annual silver production, and the actual silver production figure shown is payable silver in concentrate and doré.

Property Developments

The following property development information is provided by the operators of the property, either to Royal Gold or in various documents made publicly available.

Stream Interests

Andacollo

Gold stream deliveries from Andacollo were approximately 15,300 ounces of gold for the three months ended September 30, 2018, compared to approximately 13,000 ounces of gold for the three months ended September 30, 2017.

Consistent with their mine plan at Andacollo, Teck expects production to decline as lower copper grades are expected for the remainder of calendar 2018 and future years. Teck continues to study and pilot projects that would help partially offset the decline in grades. The current life of mine for Andacollo is expected to continue until 2035. Additional permitting or amendments to existing permits will be required to execute the life of mine plan.

Mount Milligan

Gold stream deliveries from Mount Milligan were approximately 12,600 ounces of gold for the three months ended September 30, 2018, compared to approximately 18,700 ounces of gold for the three months ended September 30, 2017.

Copper stream deliveries from Mount Milligan were approximately 1.60 million pounds during the three months ended September 30, 2018, compared to approximately 2.58 million pounds during the three months ended September 30, 2017.

As expected, the temporary shutdown of the mill processing facility that occurred earlier in calendar 2018, due to a lack of sufficient water sources, resulted in the decrease in our gold and copper stream deliveries during the current quarter.

Processing operations were impacted during the current quarter by unplanned shutdowns for primary crusher maintenance in July 2018 and maintenance to repair transformer damage from a lightning strike in September 2018. Although these two events reduced operating days, Centerra reaffirmed their annual guidance expectation. Plant performance for the current quarter averaged 40,805 tonnes per calendar day, or approximately 55,000 tonnes per operating day, while throughput in August 2018 was 61,135 tonnes per operating day.

The temporary shutdown of the Mount Milligan processing facility that occurred earlier in calendar 2018 due to a lack of sufficient water sources resulted in a decrease in our gold and copper stream deliveries from the project during the first quarter.

On September 14, 2018, Centerra reported that Mount Milligan received approval to access certain short-term water sources until November 15, 2018. On October 31, 2018, Centerra provided the following update: Centerra has made applications for certain additional/extended water sources until 2021. Discussions are underway with Canadian regulators,

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First Nations and other affected stakeholders regarding these applications and Centerra expects that access to these sources may be granted as early as the end of January 2019. However, these applications have not yet been granted and as the flow from the approved short-term water sources declines during the calendar fourth quarter and during the remainder of the winter season, Centerra expects to reduce Mount Milligan throughput to properly manage its water balance until the water flow increases in the spring of 2019.

In addition, Centerra reported that the development of a long-term water supply plan and methodology to assess water sources is underway, and applications and government review of that methodology are expected to commence within the December 2018 quarter. Centerra's expectation is that its updated long-term water source (or sources) will be available from and after 2021 for the entire mine life.

Pueblo Viejo

Gold stream deliveries from Pueblo Viejo were approximately 8,900 ounces of gold for the three months ended September 30, 2018, compared to approximately 10,500 ounces of gold for the three months ended September 30, 2017. Silver stream deliveries were approximately 509,500 ounces of silver for the three months ended September 30, 2018, compared to approximately 470,000 ounces of silver for the three months ended September 30, 2017.

Barrick reported lower gold production during the current period resulted from the expected decline in ore grades and mining in areas of the Moore Pit that contained higher proportions of carbonaceous ore, which has lower recoveries. Barrick expects production to be positively impacted during the December 2018 quarter by higher throughput, higher ore head grades and less carbonaceous ore feed resulting in improved recoveries. Barrick revised their production guidance range from 585,000 to 615,000 ounces of gold down to 575,000 to 590,000 ounces of gold.

Barrick stated the prefeasibility-level studies are advancing for a plant expansion at Pueblo Viejo, which could increase throughput by roughly 50% to 12 million tonnes per year, allowing the mine to maintain average annual gold production of approximately 800,000 ounces after calendar 2022. The prefeasibility study is evaluating options including the addition of a pre-oxidation heap leach pad with a capacity of eight million tonnes per year, a new mill and flotation concentrator with a capacity of four million tonnes per year, and additional tailings capacity. The project has the potential to convert roughly seven million ounces of measured and indicated resources to proven and probable reserves. The pilot pre-oxidation heap leach pad is now in operation, and construction of the pilot flotation circuit is well advanced, including the holding tank and thickener. Both pilots will test metallurgy and recoveries in support of the prefeasibility study for the project.

Wassa and Prestea

Gold stream deliveries from Wassa and Prestea were approximately 6,500 ounces of gold for the three months ended September 30, 2018, compared to approximately 7,400 ounces of gold for the three months ended September 30, 2017.

On September 20, 2018, Golden Star announced a decrease in their calendar year 2018 production guidance from between 230,000 and 255,000 ounces to between 225,000 and 235,000 ounces as a result of the ramp up of Prestea underground being slower than previously expected.

On October 2, 2018, Golden Star announced the completion of a \$125.7 million strategic investment by La Mancha Holding. Golden Star reported that the investment will allow them, among other things, to expedite their exploration and expansion programs at Wassa underground and Prestea underground mines.

Royalty Interests

Cortez

Production attributable to our royalty interest at Cortez decreased approximately 77% over the prior year quarter, as a result of lower production subject to our royalty interests during the current quarter. Waste stripping at Crossroads, which is subject to our NVR1 (Crossroads) and GSR2 royalty interests is currently ongoing. Production from Crossroads, which contains 3.2 million ounces of gold, is expected to begin in late calendar 2018.

Peñasquito

Gold, silver, lead and zinc production attributable to our royalty interest at Peñasquito decreased approximately 62%, 29%, 17% and 31%, respectively, when compared to the prior year quarter.

Goldcorp reported production was lower than the prior year period as a result of the planned transition from higher grade ore in the Peñasco pit to lower grade ore from stockpiles during calendar 2018. This transition facilitated the stripping campaign in the Peñasco pit and the pre-stripping campaign in the newly developed Chile Colorado pit. Goldcorp further reported production during the September 2018 quarter was adversely impacted by a reduction in mill throughput as much harder lower-grade stockpiles were processed during the commissioning of the Carbon Pre-floatation plant (“CPP”). The CPP commissioning proceeded as planned and the circuit is successfully treating high-carbon ore, with focus now moving to optimization of the circuit in anticipation of improving concentrate quality. Goldcorp achieved commercial production for the CPP on October 1, 2018.

On September 4, 2018, Goldcorp announced the Pyrite Leach project (“PLP”) completed construction with commissioning further accelerated to the September 2018 quarter, two quarters ahead of schedule. Goldcorp expects first gold and commercial production in the December 2018 quarter. Following the commissioning of the PLP and commencement of mining in the Chile Colorado pit, Goldcorp expects higher grade ore and higher mill tonnes in the December 2018 quarter.

Results of Operations

Quarter Ended September 30, 2018, Compared to Quarter Ended September 30, 2017

For the quarter ended September 30, 2018, we recorded net income attributable to Royal Gold stockholders of \$15.0 million, or \$0.23 per basic and diluted share, as compared to net income attributable to Royal Gold stockholders of \$28.6 million, or \$0.44 per basic and diluted share, for the quarter ended September 30, 2017. The decrease in our earnings per share was primarily attributable to a decrease in revenue, an increase in general and administrative expenses, and the impact of the adoption of new accounting guidance around equity securities, each discussed below.

For the quarter ended September 30, 2018, we recognized total revenue of \$100.0 million, which is comprised of stream revenue of \$70.0 million and royalty revenue of \$30.0 million at an average gold price of \$1,213 per ounce, an average silver price of \$15.02 per ounce and an average copper price of \$2.77 per pound. This is compared to total revenue of \$112.5 million for the three months ended September 30, 2017, which was comprised of stream revenue of \$78.8 million and royalty revenue of \$33.7 million, at an average gold price of \$1,278 per ounce, an average silver price of \$16.84 per ounce and an average copper price of \$2.88 per pound for the quarter ended September 30, 2017. Revenue and the corresponding production attributable to our stream and royalty interests for the quarter ended September 30, 2018 compared to the quarter ended September 30, 2017 are as follows:

Revenue and Reported Production Subject to Our Stream and Royalty Interests
 Quarter Ended September 30, 2018 and 2017
 (In thousands, except reported production ozs. and lbs.)

Stream/Royalty	Metal(s)	Three Months Ended September 30, 2018		Three Months Ended September 30, 2017	
		Revenue	Reported Production ⁽¹⁾	Revenue	Reported Production ⁽¹⁾
Stream ⁽²⁾:					
Andacollo	Gold	\$ 27,743	22,700 oz.	\$ 12,337	9,700 oz.
Pueblo Viejo		\$ 19,486		\$ 25,403	
Mount Milligan	Gold		9,200 oz.		12,900 oz.
	Silver		540,200 oz.		536,600 oz.
		\$ 8,847		\$ 31,952	
Wassa and Prestea	Gold		5,500 oz.		18,600 oz.
	Copper		837,100 lbs.		2.6 Mlbs.
Other ⁽³⁾	Gold	\$ 8,061	6,500 oz.	\$ 9,070	7,100 oz.
Total stream revenue		\$ 70,037		\$ 78,762	
Royalty ⁽²⁾:					
Peñasquito		\$ 3,637		\$ 7,796	
	Gold		50,300 oz.		134,000 oz.
	Silver		4.2 Moz.		5.9 Moz.
	Lead		29.9 Mlbs.		36.2 Mlbs.
	Zinc		64.2 Mlbs.		92.4 Mlbs.
Cortez	Gold	\$ 603	7,000 oz.	\$ 2,988	29,900 oz.
Other ⁽³⁾	Various	\$ 25,715	N/A	\$ 22,930	N/A
Total royalty revenue		\$ 29,955		\$ 33,714	
Total Revenue		\$ 99,992		\$ 112,476	

- (1) Reported production relates to the amount of metal sales, subject to our stream and royalty interests for the three months ended September 30, 2018 and 2017, and may differ from the operators' public reporting.
- (2) Refer to "Property Developments" above for further discussion on our principal stream and royalty interests.
- (3) Individually, no stream or royalty included within the "Other" category contributed greater than 5% of our total revenue for either period. The "Other" category for streams is only our Rainy River gold and silver stream.

The decrease in our total revenue for the three months ended September 30, 2018, compared with the three months ended September 30, 2017, resulted primarily from a decrease in our stream revenue and a decrease in the average gold, silver and copper prices. The decrease in our stream revenue was primarily attributable to a decrease in gold and copper sales at Mount Milligan and a decrease in gold sales at Pueblo Viejo. These decreases were partially offset by higher metal sales at Andacollo. The decrease in metal sales at Mount Milligan was anticipated based on previously announced news from Centerra, as further discussed above under "Property Developments."

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Gold and silver ounces and copper pounds purchased and sold during the three months ended September 30, 2018 and 2017, and gold and silver ounces and copper pounds in inventory as of September 30, 2018, and June 30, 2018, for our streaming interests were as follows:

Gold Stream	Three Months Ended September 30, 2018		Three Months Ended September 30, 2017		As of September 30, 2018	As of June 30, 2018
	Purchases (oz.)	Sales (oz.)	Purchases (oz.)	Sales (oz.)	Inventory (oz.)	Inventory (oz.)
Andacollo	15,300	22,700	13,000	9,600	—	7,400
Mount Milligan	12,600	5,500	18,700	18,600	7,400	300
Pueblo Viejo	8,900	9,200	10,500	12,900	8,900	9,200
Wassa and Prestea	6,500	6,500	7,400	7,100	3,900	3,900
Rainy River	3,600	4,500	NA	NA	—	800
Total	46,900	48,400	49,600	48,200	20,200	21,600

Silver Stream	Three Months Ended September 30, 2018		Three Months Ended September 30, 2017		As of September 30, 2018	As of June 30, 2018
	Purchases (oz.)	Sales (oz.)	Purchases (oz.)	Sales (oz.)	Inventory (oz.)	Inventory (oz.)
Pueblo Viejo	509,500	540,200	470,000	536,600	509,500	540,200
Rainy River	35,200	31,500	—	—	36,000	32,300
Total	544,700	571,700	470,000	536,600	545,500	572,500

Copper Stream	Three Months Ended September 30, 2018		Three Months Ended September 30, 2017		As of September 30, 2018	As of June 30, 2018
	Purchases (Mlbs.)	Sales (Mlbs.)	Purchases (Mlbs.)	Sales (Mlbs.)	Inventory (Mlbs.)	Inventory (Mlbs.)
Mount Milligan	1.6	0.8	2.6	2.6	0.8	—

Our royalty revenue decreased during the quarter ended September 30, 2018, compared with the quarter ended September 30, 2017, primarily due to decreased production at Peñasquito and Cortez and a decrease in the average gold, silver and copper prices. Please refer to “Property Developments” earlier within this MD&A for further discussion on recent developments regarding properties covered by certain of our stream and royalty interests.

General and administrative expenses increased to \$9.9 million for the three months ended September 30, 2018 from \$6.9 million for the three months ended September 30, 2017. The increase during the current quarter was primarily due to an increase in legal costs attributable to the Voisey’s Bay royalty calculation dispute and settlement as discussed further above under “Recent Business Developments.”

Exploration costs increased to \$4.4 million for the three months ended September 30, 2018, from \$3.2 million for the three months ended September 30, 2017. Exploration costs are specific to our Peak Gold JV for exploration and advancement of the Peak Gold Project located near Tok, Alaska, as discussed further in Note 3 of our notes to consolidated financial statements included in our Fiscal 2018 10-K. As of September 30, 2018, Royal Gold, through its wholly-owned subsidiary Royal Alaska, LLC owns a 40% membership interest in the Peak Gold JV.

Depreciation, depletion and amortization increased to \$42.6 million for the three months ended September 30, 2018 from \$39.7 million for the three months ended September 30, 2017. The increase was primarily attributable to additional depletion from our Voisey’s Bay royalty interest. The Company recognized revenue from our Voisey’s Bay royalty during the current quarter as a result of the recent settlement terms as discussed further above under “Recent Business Developments.”

As a result of the adoption of new Accounting Standards Update (“ASU”) guidance, the Company recognized a loss on changes in fair value of equity securities of \$1.5 million for the three months ended September 30, 2018. The Company adopted the new ASU guidance, which impacts how we recognize changes in fair value on our equity securities at each reporting period, on July 1, 2018. Refer to Note 1 of our notes to consolidated financial statements for further detail. The new guidance could increase our earnings volatility.

During the three months ended September 30, 2018, we recognized income tax expense totaling \$4.1 million compared with income tax expense of \$7.5 million during the three months ended September 30, 2017. This resulted in an effective tax rate of 25.6% in the current period, compared with 22.1% in the quarter ended September 30, 2017. The increase in the effective tax rate for the three months ended September 30, 2018 was primarily due to fewer discrete tax benefits attributable to equity award vesting and exercises in the current quarter as compared to the quarter ending September 30, 2017.

Liquidity and Capital Resources

Overview

At September 30, 2018, we had current assets of \$159.4 million compared to current liabilities of \$37.4 million resulting in working capital of \$122.0 million and a current ratio of 4 to 1. This compares to current assets of \$125.8 million and current liabilities of \$51.4 million at June 30, 2018, resulting in working capital of \$74.4 million and a current ratio of approximately 2 to 1.

During the quarter ended September 30, 2018, liquidity needs were met from \$83.5 million in net revenue and our available cash resources. As of September 30, 2018, the Company had no amounts outstanding and \$1 billion available under its revolving credit facility. Working capital, combined with the Company's undrawn revolving credit facility, resulted in approximately \$1.1 billion of total liquidity at September 30, 2018. The Company was in compliance with each financial covenant under the revolving credit facility as of September 30, 2018. Refer to Note 3 of our notes to consolidated financial statements for further discussion on our debt.

We believe that our current financial resources and funds generated from operations will be adequate to cover anticipated expenditures for debt service, general and administrative expense costs and capital expenditures for the foreseeable future. Our current financial resources are also available to fund dividends and for acquisitions of stream and royalty interests. Our long-term capital requirements are primarily affected by our ongoing acquisition activities. The Company currently, and generally at any time, has acquisition opportunities in various stages of active review. In the event of one or more substantial stream and royalty interest or other acquisitions, we may seek additional debt or equity financing as necessary.

Please refer to our risk factors included in Part 1, Item 1A of our Fiscal 2018 10-K and in Part II, Item 1A of this Quarterly Report on Form 10-Q for a discussion of certain risks that may impact the Company's liquidity and capital resources.

Summary of Cash Flows

Operating Activities

Net cash provided by operating activities totaled \$44.6 million for the three months ended September 30, 2018, compared to \$71.6 million for the three months ended September 30, 2017. The decrease is primarily due to higher income taxes paid of \$16.3 million over the prior quarter and a decrease in proceeds received from our stream and royalty interests, net of production taxes and cost of sales, of approximately \$6.9 million.

Investing Activities

Net cash used in investing activities totaled \$0.1 million for the three months ended September 30, 2018, compared to net cash provided by investing activities of \$0.1 million for the three months ended September 30, 2017.

Financing Activities

Net cash used in financing activities totaled \$16.2 million for the three months ended September 30, 2018, compared to cash used in financing activities of \$69.2 million for the three months ended September 30, 2017. The decrease in cash used in financing activities is primarily due to decrease in repayments on our revolving credit facility. The Company repaid the remaining amounts outstanding on the revolving credit facility during fiscal year 2018.

Recently Issued or Adopted Accounting Standards and Critical Accounting Policies

Refer to Note 1 of our notes to consolidated financial statements for further discussion on any recently issued or adopted accounting standards. Refer to our Fiscal 2018 10-K for discussion on our critical accounting policies.

Forward-Looking Statements

Cautionary "Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: With the exception of historical matters, the matters discussed in this Quarterly Report on Form 10-Q are forward-looking statements that involve

risks and uncertainties that could cause actual results to differ materially from projections or estimates contained herein. Such forward-looking statements include, without limitation, statements regarding projected production estimates and estimates pertaining to timing and commencement of production from the operators of properties where we hold stream and royalty interests; statements related to ongoing developments and expected developments at properties where we hold stream and royalty interests; effective tax rate estimates, including the effect of recently enacted tax reform; application of the royalty on production from Voisey's Bay to a percentage of gross metal value in concentrates; the results of the PEA for the Peak Gold Project; the adequacy of financial resources and funds to cover anticipated expenditures for debt service and general and administrative expenses as well as costs associated with exploration and business development and capital expenditures, expected delivery dates of gold, silver, copper and other metals, and our expectation that substantially all our revenues will be derived from stream and royalty interests. Words such as "may," "could," "should," "would," "believe," "estimate," "expect," "anticipate," "plan," "forecast," "potential," "intend," "continue," "project," and variations of these words, comparable words and similar expressions generally indicate forward-looking statements, which speak only as of the date the statement is made. Do not unduly rely on forward-looking statements. Actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include, among others:

- a low price environment for gold and other metal prices on which our stream and royalty interests are paid or a low price environment for the primary metals mined at properties where we hold stream and royalty interests;
- the production at or performance of properties where we hold stream and royalty interests, and variation of actual performance from the production estimates and forecasts made by the operators of these properties;
- the ability of operators to bring projects into production on schedule or operate in accordance with feasibility studies, including development stage mining properties, mine and mill expansion projects and other development and construction projects;
- acquisition and maintenance of permits and authorizations, completion of construction and commencement and continuation of production at the properties where we hold stream and royalty interests;
- challenges to mining, processing and related permits and licenses, or to applications for permits and licenses, by or on behalf of indigenous populations, non-governmental organizations or other third parties;
- liquidity or other problems our operators may encounter, including shortfalls in the financing required to complete construction and bring a mine into production;
- decisions and activities of the operators of properties where we hold stream and royalty interests;
- hazards and risks at the properties where we hold stream and royalty interests that are normally associated with developing and mining properties, including unanticipated grade, continuity and geological, metallurgical, processing or other problems, mine operating and ore processing facility problems, pit wall or tailings dam failures, industrial accidents, environmental hazards and natural catastrophes such as drought, floods, hurricanes or earthquakes and access to sufficient raw materials, water and power;
- changes in operators' mining, processing and treatment techniques, which may change the production of minerals subject to our stream and royalty interests;
- changes in the methodology employed by our operators to calculate our stream and royalty interests, or failure to make such calculations in accordance with the agreements that govern them;
- changes in project parameters as plans of the operators of properties where we hold stream and royalty interests are refined;
- accuracy of and decreases in estimates of reserves and mineralization by the operators of properties where we hold stream and royalty interests;
- contests to our stream and royalty interests and title and other defects in the properties where we hold stream and royalty interests;
- adverse effects on market demand for commodities, the availability of financing, and other effects from adverse economic and market conditions;
- future financial needs of the Company and the operators of properties where we hold stream or royalty interests;

- federal, state and foreign legislation governing us or the operators of properties where we hold stream and royalty interests;
- the availability of stream and royalty interests for acquisition or other acquisition opportunities and the availability of debt or equity financing necessary to complete such acquisitions;
- our ability to make accurate assumptions regarding the valuation, timing and amount of revenue to be derived from our stream and royalty interests when evaluating acquisitions;
- risks associated with conducting business in foreign countries, including application of foreign laws to contract and other disputes, validity of security interests, governmental consents for granting interests in exploration and exploitation licenses, application and enforcement of real estate, mineral tenure, contract, safety, environmental and permitting laws, currency fluctuations, expropriation of property, repatriation of earnings, taxation, price controls, inflation, import and export regulations, community unrest and labor disputes, endemic health issues, corruption, enforcement and uncertain political and economic environments;
- changes in laws governing us, the properties where we hold stream and royalty interests or the operators of such properties;
- risks associated with issuances of additional common stock or incurrence of indebtedness in connection with acquisitions or otherwise including risks associated with the issuance and conversion of convertible notes;
- changes in management and key employees; and
- failure to complete future acquisitions;

as well as other factors described elsewhere in this report and our other reports filed with the SEC, including our Fiscal 2018 10-K. Most of these factors are beyond our ability to predict or control. Future events and actual results could differ materially from those set forth in, contemplated by or underlying the forward-looking statements. Forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to update any forward-looking statements made herein, except as required by law. Readers are cautioned not to put undue reliance on forward-looking statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our earnings and cash flows are significantly impacted by changes in the market price of gold and other metals. Gold, silver, copper and other metal prices can fluctuate significantly and are affected by numerous factors, such as demand, production levels, economic policies of central banks, producer hedging, world political and economic events and the strength of the U.S. dollar relative to other currencies. Please see “*Volatility in gold, silver, copper, nickel and other metal prices may have an adverse impact on the value of our stream and royalty interests and may reduce our revenues. Certain contracts governing our stream and royalty interests have features that may amplify the negative effects of a drop in metals prices,*” under Part I, Item 1A of our Fiscal 2018 10-K, for more information that can affect gold, silver, copper and other metal prices as well as historical gold, silver, copper and nickel prices.

During the three months ended September 30, 2018, we reported revenue of \$100.0 million, with an average gold price for the period of \$1,213 per ounce, an average silver price of \$15.02 per ounce and an average copper price of \$2.77 per pound. Approximately 78% of our total reported revenues for the three months ended September 30, 2018 were attributable to gold sales from our gold producing stream and royalty interests, as shown within the MD&A. For the three months ended September 30, 2018, if the price of gold had averaged 10% higher or lower per ounce, we would have recorded an increase or decrease in revenue of approximately \$8.0 million.

Approximately 10% of our total reported revenues for the three months ended September 30, 2018 were attributable to silver sales from our silver producing stream and royalty interests. For the three months ended September 30, 2018, if the price of silver had averaged 10% higher or lower per ounce, we would have recorded an increase or decrease in revenue of approximately \$1.0 million.

Approximately 6% of our total reported revenues for the three months ended September 30, 2018 were attributable to copper sales from our copper producing stream and royalty interests. For the three months ended September 30, 2018, if

the price of copper had averaged 10% higher or lower per pound, we would have recorded an increase or decrease in revenue of approximately \$0.6 million.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2018, the Company's management, with the participation of the President and Chief Executive Officer (the principal executive officer) and Chief Financial Officer and Vice President Strategy (the principal financial and accounting officer) of the Company, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on such evaluation, the Company's President and Chief Executive Officer and its Chief Financial Officer and Vice President Strategy have concluded that, as of September 30, 2018, the Company's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the required time periods and that such information is accumulated and communicated to the Company's management, including the President and Chief Executive Officer and the Chief Financial Officer and Vice President Strategy, as appropriate to allow timely decisions regarding required disclosure.

Disclosure controls and procedures involve human diligence and compliance and are subject to lapses in judgment and breakdowns resulting from human failures. As a result, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected.

Changes in Internal Controls

There has been no change in the Company's internal control over financial reporting during the three months ended September 30, 2018 that has materially affected, or that is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Voisey's Bay

Refer to Note 2 of our notes to consolidated financial statements for a discussion of the settlement associated with our Voisey's Bay royalty.

ITEM 1A. RISK FACTORS

Information regarding risk factors appears in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations — Forward-Looking Statements," and various risks faced by us are also discussed elsewhere in Part I, Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report on Form 10-Q. In addition, risk factors are included in Part I, Item 1A of our Fiscal 2018 10-K.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1*	Form of Incentive Stock Option Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
10.2*	Form of Stock Appreciation Rights Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
10.3*	Form of Restricted Stock Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
10.4*	Form of Restricted Stock Unit Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
10.5*	Form of Director Restricted Stock Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
10.6*	Form of Director Restricted Stock Unit Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
10.7*	Form of Performance Share Agreement under Royal Gold's 2015 Omnibus Long-Term Incentive Plan.
31.1*	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1‡	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2‡	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

‡ Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROYAL GOLD, INC.

Date: November 1, 2018

By: /s/ Tony Jensen
Tony Jensen
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 1, 2018

By: /s/ William Heissenbittel
William Heissenbittel
Chief Financial Officer and Vice President Strategy
(Principal Financial and Accounting Officer)

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
INCENTIVE STOCK OPTION AGREEMENT**

Royal Gold, Inc., a Delaware corporation (the “Company”), hereby grants an option to purchase shares of its common stock, \$.01 par value (the “Stock”), to the optionee named below. The terms and conditions of the option are set forth in this cover sheet, in the attachment (the “Agreement”) and in the Company’s 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the “Plan”).

Grant Date: [Grant Date]
Name of Optionee: [Full Name]
Number of Shares Covered by Option: [# of ISOs]
Option Price per Share: [\$_._] (At least 100% of Fair Market Value on the Grant Date)

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.

ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
INCENTIVE STOCK OPTION AGREEMENT

Incentive Stock Option	<p>This option is intended to be an incentive stock option under Section 422 of the Internal Revenue Code and will be interpreted accordingly. If you cease to be an employee of the Company, its parent or a Subsidiary (“Employee”) but continue to provide Service, this option will be deemed a nonstatutory stock option three months after you cease to be an Employee. In addition, to the extent that all or part of this option exceeds the \$100,000 rule of Section 422(d) of the Internal Revenue Code, this option or the lesser excess part will be deemed to be a nonstatutory stock option.</p>
Vesting	<p>This option is only exercisable before it expires and then only with respect to the vested portion of the option. Subject to the preceding sentence, you may exercise this option, in whole or in part, to purchase a whole number of vested shares not less than 100 shares, unless the number of shares purchased is the total number available for purchase under the option, by following the procedures set forth in the Plan and below in this Agreement.</p> <p>Your right to purchase shares of Stock under this option vests as to one-third (1/3) of the total number of shares covered by this option, as shown on the cover sheet, on each of the first, second and third anniversaries of the Grant Date, provided you then continue in Service. The resulting aggregate number of vested shares will be rounded to the nearest whole number, and you cannot vest in more than the number of shares covered by this option.</p> <p>No additional vesting shall occur after your Service has terminated for any reason.</p>
Termination after Long-Term Service	<p>Notwithstanding the foregoing vesting rules, if you incur a termination of Service by the Company other than for “Cause” (as defined in the Employment Agreement), at any time after you have provided fifteen (15) years of Service to the Company, you shall be one hundred percent (100%) vested in this option as of the date of such termination of Service.</p>
Termination without Cause, Good Reason or Non-Renewal of Employment Agreement	<p>Notwithstanding the foregoing vesting rules, if (i) the Company terminates your Service or your Employment Agreement without “Cause” (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for “Good Reason” (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company’s election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, then, after the Company’s receipt of the Severance and Release Documents (as defined in your Employment Agreement) you shall be 100% vested in this option as of the date of the Company’s receipt of such Severance and Release Documents.</p> <p>As used herein, the term "Employment Agreement" shall mean that certain Employment Agreement, as amended, between you and the Company dated [date], as amended, as the same may be amended after the date hereof.</p>
Term	<p>Your option will expire in any event at the close of business at Company headquarters on the day of the 10th anniversary of the Grant Date, as shown on the cover sheet. Your option will expire earlier if your Service terminates, as described below.</p>

Executive Officer

Regular Termination If your Service terminates for any reason, other than death, Disability or Cause, your option will expire at the close of business at Company headquarters on the 90th day after your termination date.

Termination for Cause If your Service is terminated for Cause, then you shall immediately forfeit all rights to your option and the option shall immediately expire.

Death If your Service terminates because of your death, then your option will expire at the close of business at Company headquarters on the date twelve (12) months after the date of death. During that twelve month period, your estate or heirs may exercise the vested portion of your option.

In addition, if you die during the 90-day period described in connection with a regular termination (i.e., a termination of your Service not on account of your death, Disability or Cause), and a vested portion of your option has not yet been exercised, then your option will instead expire on the date twelve (12) months after your termination date. In such a case, during the period following your death up to the date twelve (12) months after your termination date, your estate or heirs may exercise the vested portion of your option.

Disability If your Service terminates because of your Disability, then your option will expire at the close of business at Company headquarters on the date twelve (12) months after your termination date.

Extension of Expiration Date Notwithstanding the foregoing, if (i) you are terminated pursuant to Sections 5(a), (c), (d) or (e) of your Employment Agreement, and (ii) you are precluded from selling in the open market any shares of Stock underlying your option for any portion of the period of time between the date of termination of your Service and the expiration date of your option set forth in the section entitled "Regular Termination," "Death" or "Disability" above, as applicable, by reason of any lock-up agreement restricting your ability to sell such Stock in the open market or under the Company's insider trading or similar plan as then in effect (whether because a trading window is not open or you are otherwise restricted from trading), then the expiration date for the option shall be extended for a period of time equal to the number of days that you were precluded from selling such Stock during the exercise period, provided, however, that the expiration date shall not be extended pursuant to this section beyond the tenth (10th) anniversary of the Grant Date.

Leaves of Absence For purposes of this option award, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.

Notice of Exercise When you wish to exercise this option, you must notify the Company by filing the proper "Notice of Exercise" form at the address given on the form. Your notice must specify how many shares you wish to purchase (in a parcel of at least 100 shares generally). Your notice must also specify how your shares of Stock should be registered (in your name only or in your and your spouse's names as joint tenants with right of survivorship). The notice will be effective when it is received by the Company.

If someone else wants to exercise this option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Form of Payment

When you submit your notice of exercise, you must include payment of the option price for the shares you are purchasing. Payment may be made in one (or a combination) of the following forms:

- Cash, your personal check, a cashier's check, a money order, wire transfer or another cash equivalent acceptable to the Company.
- Shares of Stock which are already owned by you. The value of the shares, determined as of the effective date of the option exercise, will be applied to the option price.
- By delivery (on a form prescribed by the Company) of an irrevocable direction to a licensed securities broker acceptable to the Company (a "Qualified Broker") to sell Stock and to deliver all or part of the sale proceeds to the Company in payment of the aggregate option price and any withholding taxes (the "Net Exercise").

Withholding Taxes

You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the exercise, vesting, settlement or issuance of shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Laws, by causing the Company or its Affiliate to withhold shares of Stock otherwise issuable to you as a result of this grant. The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Transfer of Option

During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise the option. You cannot transfer or assign this option. For instance, you may not sell this option or use it as security for a loan. If you attempt to do any of these things, this option will immediately become invalid. You may, however, dispose of this option in your will or it may be transferred upon your death by the laws of descent and distribution.

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your spouse, nor is the Company obligated to recognize your spouse's interest in your option in any other way.

Retention Rights

Neither your option nor this Agreement give you the right to be retained by the Company (or any parent, Subsidiaries or Affiliates) in any capacity. The Company (and any parent, Subsidiaries or Affiliates) reserve the right to terminate your Service at any time and for any reason.

Executive Officer

Shareholder Rights

You, or your estate or heirs, have no rights as a shareholder of the Company until the shares of Stock received pursuant to the exercise of your option have been issued. No adjustments are made for dividends or other rights if the applicable record date occurs before your shares are issued, except as described in the Plan.

Forfeiture of Rights

If you should take actions in competition with the Company, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to, the right to cause: (i) a forfeiture of any outstanding option, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company and ending twelve (12) months following such termination of Service (A) a forfeiture of any gain recognized by you upon the exercise of an option or (B) a forfeiture of any Stock acquired by you upon the exercise of an option (but the Company will pay you the option price without interest). Unless otherwise specified in an employment or other agreement between the Company and you, you take actions in competition with the Company if, within one year following your termination of Service, you directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or are a proprietor, director, officer, stockholder, member, partner or an employee or agent of, or a consultant to any business, firm, corporation, partnership or other entity that is in the business of creating, financing, acquiring, investing in and managing precious metal royalties, precious metal streams and similar interests. Under the prior sentence, ownership of less than 1% of the securities of a public company shall not be treated as an action in competition with the Company.

Adjustments

In the event of a stock split, a stock dividend or a similar change in the Stock, the number of shares covered by this option and the option price per share shall be adjusted if required pursuant to the Plan. Your option shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this option. Any prior agreements, commitments or negotiations concerning this option are superseded.

Other Agreements

You agree, as a condition of the grant of this option, that in connection with the exercise of the option, you will execute such document(s) as necessary to become a party to any shareholder agreement or voting trust as the Company may require.

Executive Officer

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident optionees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Consent to Electronic Delivery

The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this option grant you agree that the Company may deliver the Plan prospectus and the Company's annual report to you in an electronic format. If at any time you would prefer to receive paper copies of these documents, as you are entitled to, the Company would be pleased to provide copies. Please contact the Secretary at 303-573-1660 to request paper copies of these documents.

Certain Dispositions

If you sell or otherwise dispose of Stock acquired pursuant to the exercise of this option sooner than the one year anniversary of the date you acquired the Stock, then you agree to notify the Company in writing of the date of sale or disposition, the number of shares of Stock sold or disposed of and the sale price per share within 30 days of such sale or disposition.

Stock Ownership Requirements

You are required to continue to hold an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to this option grant together with all other shares of Stock acquired by you pursuant to any other option grant made under the Plan (such 50% to be determined after reducing the shares of Stock covered by this grant and all other option grants made to you under the Plan by the number shares of Stock equal in value to the amount required to be withheld to pay taxes in connection with the exercise of this option and such other option grants) for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

By agreeing to accept this Agreement online, you acknowledge that you have received, read and understand the Plan and this Agreement, and agree to abide by and be bound their terms and conditions.

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN**

STOCK APPRECIATION RIGHTS AGREEMENT - STOCK SETTLED

Royal Gold, Inc., a Delaware corporation (the “Company”), hereby grants stock appreciation rights (“SARs”) relating to its common stock, \$.01 par value per share (the “Stock”), to the Grantee named below subject to the restrictions and vesting conditions set forth in the attachment (the “Agreement”). The terms and conditions of the SARs are set forth in this cover sheet, the Agreement, and in the Company’s 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the “Plan”).

Grant Date:	[Grant Date]
Name of Grantee:	[Full Name]
Number of Shares of Stock Subject to the SARs:	 [# of SARs]
SAR Grant Price per Share:	[\$__.] (At least 100% of Fair Market Value on the Grant Date)
Vesting Start Date:	[Vesting Start Date]

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.



ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
STOCK APPRECIATION RIGHTS AGREEMENT

Stock Appreciation Rights	<p>This grant is an award of stock appreciation rights (“SARs”) exercisable for the number of shares set forth on the cover sheet, subject to the vesting conditions described below.</p>
Vesting	<p>The SARs are only exercisable before they expire and then only with respect to the vested portion of the SARs. Subject to the preceding sentence, you may exercise the SARs, in whole or in part, for a whole number of vested shares not less than 100 shares, unless the number of shares purchased is the total number available for purchase under the SARs, by following the procedures set forth in the Plan and below in this Agreement.</p> <p>Your right to exercise the SARs vests as to one-third (1/3) of the total number of shares of Stock subject to the SARs, as shown on the cover sheet, on the first, second and third anniversaries of the Vesting Start Date ("Anniversary Date"), provided you then continue in Service. The resulting aggregate number of vested SARs will be rounded to the nearest whole number, and you cannot vest in more than the number of SARs shown on the cover sheet.</p> <p>No additional SARs will vest after your Service has terminated for any reason.</p>
Termination after Long-Term Service	<p>Notwithstanding the foregoing vesting rules, if you incur a termination of Service by the Company other than for “Cause” (as defined in the Employment Agreement), at any time after you have provided fifteen (15) years of Service to the Company, you shall be one hundred percent (100%) vested in the SARs as of the date of such termination of Service.</p>
Termination without Cause, Good Reason or Non-Renewal of Employment Agreement	<p>Notwithstanding the foregoing vesting rules, if (i) the Company terminates your Service or your Employment Agreement without “Cause” (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for “Good Reason” (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company’s election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, then, after the Company’s receipt of the Severance and Release Documents (as defined in your Employment Agreement) you shall be 100% vested in the SARs as of the date of the Company’s receipt of such Severance and Release Documents.</p> <p>As used herein, the term "Employment Agreement" shall mean that certain Employment Agreement between you and the Company dated [Employment Agreement Date], as amended, as the same may be amended after the date hereof.</p>
Term	<p>Your SARs will expire in any event at the close of business at Company headquarters on the day of the 10th anniversary of the Grant Date, as shown on the cover sheet. Your SARs will expire earlier if your Service terminates, as described below.</p>

Executive

Regular Termination

If your Service terminates for any reason, other than death, Disability or Cause, then your unvested SARs will expire immediately and your vested SARs will expire at the close of business at Company headquarters on the 90th day after your termination date.

Termination for Cause

If your Service is terminated for Cause, then you shall immediately forfeit all rights to your SARs and the SARs shall immediately expire.

Death

If your Service terminates because of your death, then your unvested SARs will expire immediately and your vested SARs will expire at the close of business at Company headquarters on the date twelve (12) months after the date of death. During that twelve month period, your estate or heirs may exercise the vested portion of your SARs.

In addition, if you die during the 90-day period described in connection with a regular termination (i.e., a termination of your Service not on account of your death, Disability or Cause), and a vested portion of your SARs has not yet been exercised, then your SARs will instead expire on the date twelve (12) months after your termination date. In such a case, during the period following your death up to the date twelve (12) months after your termination date, your estate or heirs may exercise the vested portion of your SARs.

Disability

If your Service terminates because of your Disability, then your unvested SARs will expire immediately and your vested SARs will expire at the close of business at Company headquarters on the date twelve (12) months after your termination date.

Extension of Expiration Date

Notwithstanding the foregoing, if (i) you are terminated pursuant to Sections 5(a), (c), (d) or (e) of your Employment Agreement, and (ii) you are precluded from selling in the open market any shares of Stock underlying the SARs for any portion of the period of time between the date of termination of your Service and the expiration date of the SARs set forth in the section entitled "Regular Termination," "Death" or "Disability" above, as applicable, by reason of any lock-up agreement restricting your ability to sell such Stock in the open market or under the Company's insider trading or similar plan as then in effect (whether because a trading window is not open or you are otherwise restricted from trading), then the expiration date for the SARs shall be extended for a period of time equal to the number of days that you were precluded from selling such Stock during the exercise period, provided, however, that the expiration date shall not be extended pursuant to this section beyond the tenth (10th) anniversary of the Grant Date.

Leaves of Absence

For purposes of this award of SARs, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.

Executive

Notice of Exercise When you wish to exercise this award of SARs, you must notify the Company by filing the proper “Notice of Exercise” form at the address given on the form. Your notice must specify how many SARs you wish to exercise (in a parcel of at least 100 SARs generally). Your notice must also specify how the shares of Stock received on the exercise of your SARs should be registered (in your name only or in your and your spouse’s names as joint tenants with right of survivorship). The notice will be effective when it is received by the Company.

If someone else wants to exercise the SARs after your death, that person must prove to the Company’s satisfaction that he or she is entitled to do so.

Payment for SARs Upon your exercise of the SARs, the Company shall pay you in shares of Stock an amount equal to the positive difference (if any) between the Fair Market Value of a share of Stock on the exercise date and the SAR Grant Price, multiplied by the number of SARs being exercised. Any fractional shares of Stock shall be paid to you in cash.

Withholding Taxes You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the exercise, vesting, settlement or issuance of shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Law, by causing the Company or its Affiliate to withhold shares of Stock otherwise issuable to you as a result of this grant. The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Transfer of SARs During your lifetime, only you (or, in the event of your legal incapacity or incompetency, your guardian or legal representative) may exercise the SARs. You cannot transfer or assign the SARs. For instance, you may not sell the SARs or use them as security for a loan. If you attempt to do any of these things, the SARs will immediately become invalid. You may, however, dispose of the SARs in your will or the SARs may be transferred upon your death by the laws of descent and distribution.

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your spouse, nor is the Company obligated to recognize your spouse’s interest in your SARs in any other way.

Retention Rights Neither your SARs nor this Agreement give you the right to be retained by the Company (or any parent, Subsidiaries or Affiliates) in any capacity. The Company (and any parent, Subsidiaries or Affiliates) reserve the right to terminate your Service at any time and for any reason.

Executive

Shareholder Rights

You, or your estate or heirs, have no rights as a shareholder of the Company until the shares of Stock received pursuant to the exercise of your SARs have been issued. Except as described in the Plan, no adjustments are made for dividends or other rights if the applicable record date occurs before your shares are issued.

Forfeiture of Rights

If you should take actions in competition with the Company, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to, the right to cause: (i) a forfeiture of any outstanding SARs, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company and ending twelve (12) months following such termination of Service (A) a forfeiture of any gain recognized by you upon the exercise of SARs or (B) a forfeiture of any Stock acquired by you upon the exercise of SARs. Unless otherwise specified in an employment or other agreement between the Company and you, you take actions in competition with the Company if, within one year following your termination of Service, you directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or are a proprietor, director, officer, stockholder, member, partner or an employee or agent of, or a consultant to any business, firm, corporation, partnership or other entity that is in the business of creating, financing, acquiring, investing in and managing precious metal royalties, precious metal streams and similar interests. Under the prior sentence, ownership of less than 1% of the securities of a public company shall not be treated as an action in competition with the Company.

Adjustments

In the event of a stock split, a stock dividend or a similar change in the Stock, the number of shares covered by the SARs and the SAR Grant Price per share shall be adjusted if required pursuant to the Plan. Your SARs shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding the SARs. Any prior agreements, commitments or negotiations concerning the SARs are superseded.

Other Agreements

You agree, as a condition of the grant of the SARs, that in connection with the exercise of the SARs, you will execute such document(s) as necessary to become a party to any shareholder agreement or voting trust as the Company may require.

Executive

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes, but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Consent to Electronic Delivery

The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting the SARs you agree that the Company may deliver the Plan prospectus and the Company's annual report to you in an electronic format. If at any time you would prefer to receive paper copies of these documents, as you are entitled to, the Company would be pleased to provide copies. Please contact the Secretary at (303) 573-1660 to request paper copies of these documents.

Stock Ownership Requirements

You are required to continue to hold an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to the SARs together with all other shares of Stock acquired by you pursuant to any other stock appreciation rights grant made under the Plan (such 50% to be determined after reducing the shares of Stock covered by this grant and all other stock appreciation rights grants made to you under the Plan by the number shares of Stock equal in value to the amount required to be withheld to pay taxes in connection with the exercise of the SARs and such other stock appreciation rights grants) for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

By agreeing to accept this Agreement online, you acknowledge that you have received, read and understand the Plan and this Agreement, and agree to abide by and be bound by their terms and conditions.

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN**

RESTRICTED STOCK AGREEMENT

Royal Gold, Inc., a Delaware corporation (the “Company”), hereby grants shares of its common stock, \$.01 par value (the “Stock”), to the Grantee named below, subject to the restrictions and vesting conditions set forth in the attachment. Additional terms and conditions of the grant are set forth in this cover sheet, in the attachment and in the Company’s 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the “Plan”).

Grant Date:	[Grant Date]
Name of Grantee:	[Full Name]
Number of Shares of Stock Covered by Grant:	[# of Shares]
Purchase Price per Share of Stock:	Par value, paid by services previously rendered

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT**

Restricted Stock/ Nontransferability	<p>This grant is an award of restricted Stock (“Restricted Stock”) in the number of shares set forth on the cover sheet. The per share purchase price of par value has been satisfied by your prior service to the Company. The grant is subject to the vesting conditions described below. To the extent not yet vested, your Restricted Stock may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Restricted Stock be made subject to execution, attachment or similar process.</p>
Issuance and Vesting	<p>The Company will issue your Restricted Stock in your name as of the Grant Date.</p> <p>Your right to vest in the Stock under this Restricted Stock grant is subject to satisfaction of both the Performance-Based Vesting Condition and the time-based vesting condition set forth below.</p> <p><u>Performance-Based Vesting Condition</u>. In order for you to vest in any of the shares of Restricted Stock covered by this grant, the Company must obtain net revenue for fiscal year [year] of [####,000,000], holding metal prices constant [and excluding revenue from the Voisey’s Bay net smelter return royalty] (the “Performance-Based Vesting Condition”). If the Performance-Based Vesting Condition is not satisfied for fiscal year [year], all of the shares of Stock underlying this Restricted Stock grant will be forfeited.</p> <p><u>Time-Based Vesting Condition</u>. Provided that the Performance-Based Vesting Condition is satisfied, your right to vest in the Stock under this Restricted Stock Grant vests as to one-third (1/3) of the total number of shares covered by this grant, as shown on the cover sheet, on each of the third, fourth and fifth anniversaries of the Grant Date (each a “Vesting Date”), provided you then continue in Service.</p>
Termination after Long-Term Service	<p>Notwithstanding the foregoing vesting schedule, if you incur a termination of Service by the Company other than for “Cause” (as defined in the Employment Agreement), at any time after (i) the Performance-Based Vesting Condition has been satisfied, and (ii) you have provided fifteen (15) years of Service to the Company, you shall be one hundred percent (100%) vested in the Restricted Stock as of the date of such termination of Service.</p>
Termination without Cause, Good Reason or Non-Renewal of Employment Agreement; Change in Control	<p>Notwithstanding the foregoing vesting schedule, if (i) the Company terminates your Service or your Employment Agreement without “Cause” (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for “Good Reason” (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company’s election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, and both (A) any such termination of Service or your Employment Agreement occurs after the</p>

Performance-Based Vesting Condition has been satisfied, and (B) any such termination does not occur within the period of time beginning ninety (90) days prior to and ending two (2) years after the occurrence of a “Change of Control” (as defined in your Employment Agreement), then, you will be vested as of the date of your termination in a prorated portion of the shares of the Restricted Stock subject to this Agreement calculated by dividing (x) the number of days that you have remained in the Service of the Company between the Grant Date and the termination date, by (y) the number of days required for you to fully vest in this grant of Restricted Stock as set forth in the section entitled “Issuance and Vesting” above. The resulting aggregate number of vested shares will be rounded down to the nearest whole number, and you cannot vest in more than the number of shares set forth on the cover sheet.

If (i) the Company terminates your Service or your Employment Agreement without “Cause” (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for “Good Reason” (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company’s election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, and both (A) any such termination of Service or your Employment Agreement occurs after the Performance-Based Vesting Condition has been satisfied, and (B) any such termination occurs within the period beginning ninety (90) days prior to and ending two (2) years after the occurrence of a “Change of Control” (as defined in your Employment Agreement), then, you will be one hundred percent (100%) vested in the number of shares of Restricted Stock set forth on the cover sheet as of the date of your termination.

As used herein, the term "Employment Agreement" shall mean that certain Employment Agreement between you and the Company dated [Employment Agreement Date], as amended, as the same may be amended after the date hereof.

Forfeiture of Unvested Stock

In the event that your Service terminates for any reason, except as provided above in the sections entitled “Termination after Long-Term Service” and "Termination without Cause, Good Reason or Non-Renewal of Employment Agreement; Change of Control," you will forfeit all of the shares of Restricted Stock that have not yet vested. For the avoidance of doubt, if you incur a termination of Service for any reason prior to the satisfaction of the Performance-Based Vesting Condition, you will forfeit all of the shares of Restricted Stock and will not thereafter vest in any shares of Restricted Stock.

Leaves of Absence

For purposes of this award of Restricted Stock, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.

Escrow

The shares of Restricted Stock shall be deposited in escrow with the Company's transfer agent to be held in accordance with the provisions of this paragraph. The shares of Restricted Stock shall remain in escrow until such time or times as the shares are to be released or otherwise surrendered for cancellation as discussed below.

All regular cash dividends on the Restricted Stock (or other securities at the time held in escrow) shall be paid directly to you and shall not be held in escrow. However, in the event of any stock dividend, stock split, recapitalization or other change affecting the Company's outstanding common stock as a class effected without receipt of consideration or in the event of a stock split, a stock dividend or a similar change in the Company Stock, any new, substituted or additional securities or other property which is by reason of such transaction distributed with respect to the Restricted Stock shall be immediately delivered to the Secretary of the Company to be held in escrow hereunder, but only to the extent the Restricted Stock is at the time subject to the escrow requirements hereof.

The shares of Restricted Stock held in escrow hereunder shall be subject to the following terms and conditions relating to their release from escrow or their surrender to the Company for repurchase and cancellation:

- As your interest in the shares vests as described above, the vested shares shall be released from escrow and delivered to you within thirty (30) days following each vesting date.
- Upon termination of your Service, any escrowed shares in which you are at the time vested shall be promptly released from escrow.
- Should the Company exercise its rights to cause a forfeiture with respect to any unvested shares (as described below in the section entitled "Forfeiture of Rights") held at the time in escrow hereunder, then such unvested shares shall be surrendered to the Company for cancellation, and you shall have no further rights with respect to such shares of Restricted Stock.
- Should the Company elect not to exercise its right to cause a forfeiture with respect to any shares (as described below in the section entitled "Forfeiture of Rights") held at the time in escrow hereunder, then such shares shall be surrendered to you.

Withholding Taxes

You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the vesting, settlement or issuance of shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Laws, by causing the Company or its Affiliate to withhold shares of

Stock otherwise issuable to you as a result of this grant. The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Section 83(b) Election

Under Section 83 of the Internal Revenue Code of 1986, as amended (the “Code”), the difference between the purchase price paid for the shares of Restricted Stock and their fair market value on the date any forfeiture restrictions applicable to such shares lapse will be reportable as ordinary income at that time. For this purpose, “forfeiture restrictions” include the Company’s Repurchase Right or forfeiture as to unvested Restricted Stock described above. You may elect to be taxed at the time the shares are acquired, rather than when such shares cease to be subject to such forfeiture restrictions, by filing an election under Section 83(b) of the Code with the Internal Revenue Service within thirty (30) days after the Grant Date. You will have to make a tax payment to the extent the purchase price is less than the fair market value of the shares on the Grant Date. No tax payment will have to be made to the extent the purchase price is at least equal to the fair market value of the shares on the Grant Date. The form for making this election is attached as Exhibit A hereto. Failure to make this filing within the thirty (30) day period will result in the recognition of ordinary income by you (in the event the fair market value of the shares as of the vesting date exceeds the purchase price) as the forfeiture restrictions lapse.

YOU ACKNOWLEDGE THAT IT IS YOUR SOLE RESPONSIBILITY, AND NOT THE COMPANY’S, TO FILE A TIMELY ELECTION UNDER SECTION 83(b), EVEN IF YOU REQUEST THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON YOUR BEHALF. YOU ARE RELYING SOLELY ON YOUR OWN ADVISORS WITH RESPECT TO THE DECISION AS TO WHETHER OR NOT TO FILE ANY 83(b) ELECTION.

Retention Rights

This Agreement does not give you the right to be retained by the Company (or any Parent, Subsidiaries or Affiliates) in any capacity. The Company (and any Parent, Subsidiaries or Affiliates) reserves the right to terminate your Service at any time and for any reason.

Shareholder Rights

You have the right to vote the Restricted Stock and to receive any dividends declared or paid on such stock. Any distributions you receive as a result of any stock split, stock dividend, combination of shares or other similar transaction shall

Executive Officer

be deemed to be a part of the Restricted Stock and subject to the same conditions and restrictions applicable thereto. The Company may in its sole discretion require any dividends paid on the Restricted Stock to be reinvested in shares of Stock, which the Company may in its sole discretion deem to be a part of the shares of Restricted Stock and subject to the same conditions and restrictions applicable thereto.

Forfeiture of Rights

If you should take actions in competition with the Company in violation of your Employment Agreement, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to: (i) a forfeiture of any outstanding unvested Restricted Stock, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company (A) a forfeiture of any proceeds received upon a sale of shares acquired by you upon vesting of shares of Restricted Stock or (B) a forfeiture of any shares of Stock acquired by you upon vesting of the Restricted Stock.

Adjustments

In the event of a stock split, a stock dividend or a similar change in the Company Stock, the number of shares covered by this grant may be adjusted pursuant to the Plan. Your Restricted Stock shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Legends

All certificates or book entries representing the Restricted Stock issued in connection with this grant shall, where applicable, have endorsed thereon the following legends:

“ THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OPTIONS TO PURCHASE SUCH SHARES SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR HIS OR HER PREDECESSOR IN INTEREST. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY BY THE HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE.”

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant of Restricted Stock. Any prior agreements, commitments or negotiations concerning this grant are superseded.

Executive Officer

Other Agreements

You agree, as a condition of this grant of Restricted Stock, that you will execute such document(s) as necessary to become a party to any shareholder agreement or voting trust as the Company may require.

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Stock Ownership Requirements

You are required to hold an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to this Restricted Stock grant together with all other shares of Stock acquired by you pursuant to any other restricted stock grant made under the Plan (such 50% to be determined after reducing the shares of Stock covered by this grant and all other restricted stock grants made to you under the Plan by the number of shares of Stock equal in value to the amount required to be withheld to pay taxes in connection with this grant and such other restricted stock grants) for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

Code Section 409A

It is intended that this award comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A"), and to the maximum extent permitted, will be interpreted and administered in accordance with Code Section 409A. Notwithstanding anything herein to the contrary, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6)-month period immediately following your Separation from Service will instead be paid on the first payroll date after the six (6)-month anniversary of your Separation from Service (or your death, if earlier). Notwithstanding the foregoing, neither the Company nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A, and neither the Company or an Affiliate nor the Board or the Committee will have any liability to you for such tax or penalty.

By signing the cover sheet of this Agreement, you acknowledge that you have received, read and understand the Plan and this Agreement, and agree to abide by and be bound by their terms and conditions.

EXHIBIT A

**ELECTION UNDER SECTION 83(b) OF
THE INTERNAL REVENUE CODE**

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and social security number of the undersigned:

Name: _____

Address: _____

Social Security No. : _____

2. Description of property with respect to which the election is being made:

_____ shares of common stock, par value \$.01 per share, Royal Gold, Inc., a Delaware corporation, (the "Company").

3. The date on which the property was transferred is _____, 20__.

4. The taxable year to which this election relates is calendar year 20__.

5. Nature of restrictions to which the property is subject:

The shares of stock are subject to the provisions of a Restricted Stock Agreement between the undersigned and the Company. The shares of stock are subject to forfeiture under the terms of the Agreement.

6. The fair market value of the property at the time of transfer (determined without regard to any lapse restriction) was \$_____ per share, for a total of \$_____.

7. The amount paid by taxpayer for the property was \$_____.

8. A copy of this statement has been furnished to the Company.

Dated: _____, 20__

Taxpayer's Signature

Taxpayer's Printed Name

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT**

Royal Gold, Inc., a Delaware corporation (the "Company"), hereby grants restricted stock units relating to shares of its common stock, \$.01 par value (the "Stock"), to the Grantee named below, subject to the restrictions and vesting conditions set forth in the attachment (the "Agreement"). Additional terms and conditions of the grant are set forth in this cover sheet, the Agreement, and in the Company's 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the "Plan").

Grant Date: [Grant Date]

Name of Grantee: [Full Name]

**Number of Shares of Stock underlying
Restricted Stock Units:** [# of Shares]

Purchase Price per Share of Stock: Par value, paid by services previously rendered

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.

ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Restricted Stock Units / Nontransferability	This grant is an award of restricted stock units (“Restricted Stock Units”) relating to the number of shares of Stock set forth on the cover sheet. The per share purchase price of par value will be satisfied by your prior service to the Company at the time of the issuance of such Stock. The grant is subject to the vesting conditions described below. To the extent not yet vested, your Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of, whether by operation of law or otherwise.
Vesting	<p>Your right to the Stock under this Restricted Stock Unit Grant is subject to satisfaction of both the Performance-Based Vesting Condition and the Time-Based Vesting Condition set forth below.</p> <p><u>Performance-Based Vesting Condition</u>. In order for you to vest in any of the shares of Stock under this Restricted Stock Unit Grant, the Company must obtain net revenue for fiscal year [year] of [###,000,000], holding metal prices constant [and excluding revenue from the Voisey’s Bay net smelter return royalty] (the “Performance-Based Vesting Condition”). If the Performance-Based Vesting Condition is not satisfied for fiscal year [year], all of the shares of Stock underlying this Restricted Stock Unit Grant will be forfeited.</p> <p><u>Time-Based Vesting Condition</u>. Provided that the Performance-Based Vesting Condition is satisfied, your right to vest in the Stock under this Restricted Stock Unit Grant vests as to one-third (1/3) of the total number of shares covered by this grant, as shown on the cover sheet, on each of the third, fourth and fifth anniversaries of the Grant Date (each a “Vesting Date”), provided you then continue in Service.</p>
Termination after Long-Term Service	Notwithstanding the foregoing vesting schedule, if you incur a termination of Service by the Company other than for “Cause” (as defined in the Employment Agreement), at any time after (i) the Performance-Based Vesting Condition has been satisfied, and (ii) you have provided fifteen (15) years of Service to the Company, you shall be one hundred percent (100%) vested in the Restricted Stock Units as of the date of such termination of Service.
Termination without Cause, Good Reason or Non-Renewal of Employment Agreement; Change of Control	Notwithstanding the foregoing vesting schedule, if (i) the Company terminates your Service or your Employment Agreement without “Cause” (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for “Good Reason” (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company’s election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, and both (A) any such termination of Service or your Employment Agreement occurs after the Performance-Based Vesting Condition has been satisfied, and (B) any such termination does not occur

within the period of time beginning ninety (90) days prior to and ending two (2) years after the occurrence of a "Change of Control" (as defined in your Employment Agreement), then, you will be vested as of the date of your termination in a prorated portion of the shares of Stock under this Restricted Stock Unit Grant subject to this Agreement calculated by dividing (x) the number of days that you have remained in the Service of the Company between the Grant Date and the termination date, by (y) the number of days required for you to fully vest in this grant of Restricted Stock Units as set forth in the section entitled "Vesting" above. The resulting aggregate number of vested shares will be rounded down to the nearest whole number, and you cannot vest in more than the number of shares set forth on the cover sheet.

If (i) the Company terminates your Service or your Employment Agreement without "Cause" (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for "Good Reason" (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company's election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, and both (A) any such termination of Service or your Employment Agreement occurs after the Performance-Based Vesting Condition has been satisfied, and (B) any such termination occurs within the period beginning ninety (90) days prior to and ending two (2) years after the occurrence of a "Change of Control" (as defined in your Employment Agreement), then, you will be one hundred percent (100%) vested in the number of unvested shares of Stock remaining under this grant, set forth on the cover sheet as of the date of your termination, or, if later, the occurrence of such Change of Control.

As used herein, the term "Employment Agreement" shall mean that certain Employment Agreement between you and the Company dated [Employment Agreement Date], as amended, as the same may be amended after the date hereof.

Forfeiture of Unvested Units

In the event that your Service terminates for any reason, except as provided above in the sections entitled "Termination after Long-Term Service" and "Termination without Cause, Good Reason or Non-Renewal of Employment Agreement; Change of Control," you will forfeit all of the shares of Stock under this Restricted Stock Unit Grant that have not yet vested. For the avoidance of doubt, if you incur a termination of Service for any reason prior to the satisfaction of the Performance-Based Vesting Condition, you will forfeit all of the shares of Stock under this grant and will not thereafter vest in any shares of Stock.

Leaves of Absence

For purposes of this award of Restricted Stock Units, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.

Share Delivery of Vested Units

Shares underlying the vested shares of Stock represented by the Restricted Stock Units will be delivered to you by the Company as soon as practicable after the Restricted Stock Units have vested, but in no event later than 60 days following the date such Restricted Stock Units became vested.

Executive Officer

Evidence of Issuance The issuance of the shares of Stock upon any vesting of the Restricted Stock Units shall be evidenced in such a manner as the Committee, in its sole discretion, deems appropriate, including without limitation, book-entry or direct registration (including transaction advices) or a certificate evidencing ownership of such shares of Stock.

Withholding Taxes You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the vesting, settlement or issuance of shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Laws, by causing the Company or its Affiliate to withhold shares of Stock otherwise issuable to you as a result of this grant. The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Retention Rights This Agreement does not give you the right to be retained by the Company (or any Parent, Subsidiaries or Affiliates) in any capacity. The Company (and any Parent, Subsidiaries or Affiliates) reserves the right to terminate your Service at any time and for any reason.

Shareholder Rights You do not have any of the rights of a shareholder with respect to the Restricted Stock Units unless and until the Stock relating to the Restricted Stock Units has been delivered to you.

You will, however, as of each dividend record date for Stock occurring on or after the Grant Date of the Restricted Stock Units and prior to the date the shares of Stock underlying the Restricted Stock Units are delivered (or, if applicable, the date of forfeiture of the Restricted Stock Units), be entitled to receive an amount equal to the dividend that you would have been entitled to receive had you held the number of shares of Stock underlying the Restricted Stock Units on such record date, payable on the date of payment of the applicable dividend in cash or such number of shares of Stock having a Fair Market Value equivalent to such amount (each as determined by the Company in its sole discretion).

Executive Officer

Forfeiture of Rights

If you should take actions in competition with the Company in violation of your Employment Agreement, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to: (i) a forfeiture of any outstanding unvested Restricted Stock Units, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company (A) a forfeiture of any proceeds received upon a sale of shares acquired by you upon vesting of shares of Restricted Stock Units or (B) a forfeiture of any shares of Stock acquired by you upon vesting of the Restricted Stock Units.

Adjustments

In the event of a stock split, a stock dividend or a similar change in the Company Stock, the number of shares covered by this grant may be adjusted pursuant to the Plan. Your Restricted Stock Units shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Voluntary Participation

You agree that your participation in the Plan and the grant of the Restricted Stock Units to you by the Company pursuant to the Plan and this Agreement is voluntary.

The Plan

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant of Restricted Stock Units. Any prior agreements, commitments or negotiations concerning this grant are superseded.

Other Agreements

You agree, as a condition of this grant of Restricted Stock Units, that you will execute such document(s) as necessary to become a party to any shareholder agreement or voting trust as the Company may require.

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Executive Officer

Stock Ownership Requirements

You are required to hold an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to this Restricted Stock Unit Grant together with all other shares of Stock acquired by you pursuant to any other restricted stock grant and restricted stock unit grant made under the Plan (such 50% to be determined after reducing the shares of Stock covered by this grant and all other restricted stock grants and restricted stock unit grants made to you under the Plan by the number of shares of Stock equal in value to the amount required to be withheld to pay taxes in connection with this grant and such other restricted stock grants and restricted stock unit grants) for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

Code Section 409A

It is intended that this award comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A"), and to the maximum extent permitted, will be interpreted and administered in accordance with Code Section 409A. Notwithstanding anything herein to the contrary, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6)-month period immediately following your Separation from Service will instead be paid on the first payroll date after the six (6)-month anniversary of your Separation from Service (or your death, if earlier). Notwithstanding the foregoing, neither the Company nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A, and neither the Company or an Affiliate nor the Board or the Committee will have any liability to you for such tax or penalty.

By agreeing to accept this Agreement online, you acknowledge that you have received, read and understand the Plan and this Agreement, and agree to abide by and be bound by their terms and conditions.

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT**

Royal Gold, Inc., a Delaware corporation (the “Company”), hereby grants shares of its common stock, \$.01 par value (the “Stock”), to the Grantee named below, subject to the restrictions and vesting conditions set forth in the attachment. Additional terms and conditions of the grant are set forth in this cover sheet, in the attachment and in the Company’s 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the “Plan”).

Grant Date:	[Grant Date]
Name of Grantee:	[Full Name]
Number of Shares of Stock Covered by Grant:	[# of shares] Shares
Purchase Price per Share of Stock:	Par value, paid by services previously rendered

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.

ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK AGREEMENT

Restricted Stock/ Nontransferability	<p>This grant is an award of restricted Stock (“Restricted Stock”) in the number of shares set forth on the cover sheet. The per share purchase price of par value has been satisfied by your prior service to the Company. The grant is subject to the vesting conditions described below. To the extent not yet vested, your Restricted Stock may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Restricted Stock be made subject to execution, attachment or similar process.</p>
Issuance and Vesting	<p>The Company will issue your Restricted Stock in your name as of the Grant Date.</p> <p>Your right to the Stock under this Restricted Stock grant vests immediately as to fifty percent (50%) of the total number of shares covered by this grant and as to the remaining fifty percent (50%) on the first anniversary of the Grant Date (“Vesting Date”), provided you then continue in Service.</p>
Termination after Long-Term Service	<p>Notwithstanding the foregoing vesting schedule, if: (i) you incur a termination in connection with a Change in Control because you are not nominated for re-election or incur any other involuntary cessation of Service as a director in connection with a Change in Control or (ii) you have provided fifteen (15) years of Service to the Company and you are not nominated for re-election or incur any other involuntary cessation of Service as a director, you shall be one hundred percent (100%) vested in the Restricted Stock as of the date of such termination of Service.</p>
Forfeiture of Unvested Stock	<p>Unless otherwise approved by the Board, in the event that your Service terminates for any reason, except as provided above in the section entitled “Termination after Long-Term Service,” you will forfeit to the Company all of the shares of Restricted Stock subject to this grant that have not yet vested.</p>
Leaves of Absence	<p>For purposes of this award of Restricted Stock, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.</p>
Escrow	<p>The shares of Restricted Stock shall be deposited in escrow with the Company’s transfer agent to be held in accordance with the provisions of this paragraph. The shares of Restricted Stock shall remain in escrow until such time or times as the shares are to be released or otherwise surrendered for cancellation as discussed below.</p> <p>All regular cash dividends on the Restricted Stock (or other securities at the time held in escrow) shall be paid directly to you and shall not be held in escrow. However, in the event of any stock dividend, stock split, recapitalization or other change affecting the Company’s outstanding common stock as a class effected without receipt of consideration or in the event of a stock split, a stock dividend or</p>

Director

a similar change in the Company Stock, any new, substituted or additional securities or other property which is by reason of such transaction distributed with respect to the Restricted Stock shall be immediately delivered to the Secretary of the Company to be held in escrow hereunder, but only to the extent the Restricted Stock is at the time subject to the escrow requirements hereof.

The shares of Restricted Stock held in escrow hereunder shall be subject to the following terms and conditions relating to their release from escrow or their surrender to the Company for repurchase and cancellation:

- As your interest in the shares vests as described above, the vested shares shall be released from escrow and delivered to you, at your request, within thirty (30) days following each vesting date.
- Upon termination of your Service, any escrowed shares in which you are at the time vested shall be promptly released from escrow.
- Should the Company exercise its rights to cause a forfeiture with respect to any unvested shares (as described below in the section entitled “Forfeiture of Rights”) held at the time in escrow hereunder, then such unvested shares shall be surrendered to the Company for cancellation, and you shall have no further rights with respect to such shares of Restricted Stock.
- Should the Company elect not to exercise its right to cause a forfeiture with respect to any shares held at the time in escrow hereunder, then such shares shall be surrendered to you.

Withholding Taxes

You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the vesting, settlement or issuance of shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Laws, by causing the Company or its Affiliate to withhold shares of Stock otherwise issuable to you as a result of this grant. The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Section 83(b) Election Under Section 83 of the Internal Revenue Code of 1986, as amended (the “Code”), the difference between the purchase price paid for the shares of Restricted Stock and their fair market value on the date any forfeiture restrictions applicable to such shares lapse will be reportable as ordinary income at that time. For this purpose, “forfeiture restrictions” include the Company’s Repurchase Right or forfeiture as to unvested Restricted Stock described above. You may elect to be taxed at the time the shares are acquired, rather than when such shares cease to be subject to such forfeiture restrictions, by filing an election under Section 83(b) of the Code with the Internal Revenue Service within thirty (30) days after the Grant Date. You will have to make a tax payment to the extent the purchase price is less than the fair market value of the shares on the Grant Date. No tax payment will have to be made to the extent the purchase price is at least equal to the fair market value of the shares on the Grant Date. The form for making this election is attached as Exhibit A hereto. Failure to make this filing within the thirty (30) day period will result in the recognition of ordinary income by you (in the event the fair market value of the shares as of the vesting date exceeds the purchase price) as the forfeiture restrictions lapse.

YOU ACKNOWLEDGE THAT IT IS YOUR SOLE RESPONSIBILITY, AND NOT THE COMPANY’S, TO FILE A TIMELY ELECTION UNDER SECTION 83(b), EVEN IF YOU REQUEST THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON YOUR BEHALF. YOU ARE RELYING SOLELY ON YOUR OWN ADVISORS WITH RESPECT TO THE DECISION AS TO WHETHER OR NOT TO FILE ANY 83(b) ELECTION.

Retention Rights This Agreement does not give you the right to be retained by the Company (or any Parent, Subsidiaries or Affiliates) in any capacity. The Company (and any Parent, Subsidiaries or Affiliates) reserves the right to terminate your Service at any time and for any reason.

Shareholder Rights You have the right to vote the Restricted Stock and to receive any dividends declared or paid on such stock. Any distributions you receive as a result of any stock split, stock dividend, combination of shares or other similar transaction shall be deemed to be a part of the Restricted Stock and subject to the same conditions and restrictions applicable thereto. The Company may in its sole discretion require any dividends paid on the Restricted Stock to be reinvested in shares of Stock, which the Company may in its sole discretion deem to be a part of the shares of Restricted Stock and subject to the same conditions and restrictions applicable thereto.

Forfeiture of Rights If you should take actions in competition with the Company, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to: (i) a forfeiture of any outstanding unvested Restricted Stock, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company (A) a forfeiture of any proceeds received upon a sale of shares acquired by you upon vesting of shares of Restricted Stock or (B) a forfeiture of

Director

any shares of Stock acquired by you upon vesting of the Restricted Stock. Unless otherwise specified in an employment or other agreement between the Company and you, you take actions in competition with the Company if, within one year following your termination of Service, you directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or are a proprietor, director, officer, stockholder, member, partner or an employee or agent of, or a consultant to any business, firm, corporation, partnership or other entity that is in the business of creating, financing, acquiring, investing in and managing precious metal royalties, precious metal streams and similar interests. Under the prior sentence, ownership of less than 1% of the securities of a public company shall not be treated as an action in competition with the Company.

Adjustments

In the event of a stock split, a stock dividend or a similar change in the Company Stock, the number of shares covered by this grant may be adjusted pursuant to the Plan. Your Restricted Stock shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Legends

All certificates or book entries representing the Restricted Stock issued in connection with this grant shall, where applicable, have endorsed thereon the following legends:

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER AND OPTIONS TO PURCHASE SUCH SHARES SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR HIS OR HER PREDECESSOR IN INTEREST. A COPY OF SUCH AGREEMENT IS ON FILE AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED UPON WRITTEN REQUEST TO THE SECRETARY OF THE COMPANY BY THE HOLDER OF RECORD OF THE SHARES REPRESENTED BY THIS CERTIFICATE.”

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

The Plan

The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant of Restricted Stock. Any prior agreements, commitments or negotiations concerning this grant are superseded.

Other Agreements

You agree, as a condition of this grant of Restricted Stock, that you will execute such document(s) as necessary to become a party to any shareholder agreement or voting trust as the Company may require.

Director

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes, but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Holding Period

You are required to hold, within five years of this Grant Date, an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to this Restricted Stock Agreement, for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

Code Section 409A

It is intended that this award comply with Section 409A of the Internal Revenue Code of 1986, as amended ("Code Section 409A"), and to the maximum extent permitted, will be interpreted and administered in accordance with Code Section 409A. Notwithstanding anything herein to the contrary, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6)-month period immediately following your Separation from Service will instead be paid on the first payroll date after the six (6)-month anniversary of your Separation from Service (or your death, if earlier). Notwithstanding the foregoing, neither the Company nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A, and neither the Company or an Affiliate nor the Board or the Committee will have any liability to you for such tax or penalty.

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described above and in the Plan.

EXHIBIT A

**ELECTION UNDER SECTION 83(b) OF
THE INTERNAL REVENUE CODE**

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

1. The name, address and social security number of the undersigned:

Name: _____

Address: _____

Social Security No. : _____

2. Description of property with respect to which the election is being made:

_____ shares of common stock, par value \$.01 per share, Royal Gold, Inc., a Delaware corporation, (the "Company").

3. The date on which the property was transferred is _____, 20__.

4. The taxable year to which this election relates is calendar year 20__.

5. Nature of restrictions to which the property is subject:

The shares of stock are subject to the provisions of a Restricted Stock Agreement between the undersigned and the Company. The shares of stock are subject to forfeiture under the terms of the Agreement.

6. The fair market value of the property at the time of transfer (determined without regard to any lapse restriction) was \$_____ per share, for a total of \$_____.

7. The amount paid by taxpayer for the property was \$_____.

8. A copy of this statement has been furnished to the Company.

Dated: _____, 20__

Taxpayer's Signature

Taxpayer's Printed Name

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN**

RESTRICTED STOCK UNIT AGREEMENT

Royal Gold, Inc., a Delaware corporation (the “Company”), hereby grants restricted stock units relating to shares of its common stock, \$.01 par value (the “Stock”), to the Grantee named below, subject to the restrictions and vesting conditions set forth in the attachment (the “Agreement”). Additional terms and conditions of the grant are set forth in this cover sheet, the Agreement and in the Company’s 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the “Plan”).

Grant Date:	[Grant Date]
Name of Grantee:	[Full Name]
Number of Shares of Stock underlying Restricted Stock Units:	[# of RSUs]
Purchase Price per Share of Stock:	Par value, paid by services previously rendered

By agreeing to accept this Agreement online, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.



ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT

Restricted Stock Units / Non-transferability	This grant is an award of restricted stock units (“Restricted Stock Units”) relating to the number of shares of Stock set forth on the cover sheet. The per share purchase price of par value will be satisfied by your prior service to the Company at the time of the issuance of such Stock. The grant is subject to the vesting conditions described below. To the extent not yet vested, your Restricted Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of, whether by operation of law or otherwise.
Vesting	Your right to the Stock under this Restricted Stock Unit Grant vests immediately as to fifty percent (50%) of the total number of shares covered by this grant and as to the remaining fifty percent (50%) on the first anniversary of the Grant Date (“Vesting Date”), provided you then continue in Service.
Termination after Long-Term Service	Notwithstanding the foregoing vesting schedule, if: (i) you incur a termination in connection with a Change in Control because you are not nominated for re-election or incur any other involuntary cessation of Service as a director in connection with a Change in Control, or (ii) you have provided fifteen (15) years of Service to the Company and you are not nominated for re-election or incur any other involuntary cessation of Service as a director, you shall be one hundred percent (100%) vested in the Restricted Stock Units as of the date of such termination of Service.
Forfeiture of Unvested Units	Unless otherwise approved by the Board, in the event that your Service terminates for any reason, except as provided above in the section entitled “Termination after Long-Term Service,” you will forfeit to the Company all of the Restricted Stock Units subject to this grant that have not yet vested.
Leaves of Absence	For purposes of this award of Restricted Stock Units, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.
Share Delivery of Vested Units	Shares underlying the vested shares of Stock represented by the Restricted Stock Units will be delivered to you by the Company as soon as practicable after the Restricted Stock Units have vested, but in no event later than 60 days following the date such Restricted Stock Units became vested.
Evidence of Issuance	The issuance of the shares of Stock upon any vesting of the Restricted Stock Units shall be evidenced in such a manner as the Committee, in its sole discretion, deems appropriate, including without limitation, book-entry or direct registration (including transaction advices) or a certificate evidencing ownership of such shares of Stock.
Withholding Taxes	You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the vesting, settlement or issuance of

Director

shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Laws, by causing the Company or its Affiliate to withhold shares of Stock otherwise issuable to you as a result of this grant. The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Retention Rights This Agreement does not give you the right to be retained by the Company (or any Parent, Subsidiaries or Affiliates) in any capacity. The Company (and any Parent, Subsidiaries or Affiliates) reserves the right to terminate your Service at any time and for any reason.

Shareholder Rights You do not have any of the rights of a shareholder with respect to the Restricted Stock Units unless and until the Stock relating to the Restricted Stock Units has been delivered to you. You will, however, as of each dividend record date for Stock occurring on or after the Grant Date of the Restricted Stock Units and prior to the date the shares of Stock underlying the Restricted Stock Units are delivered (or, if applicable, the date of forfeiture of the Restricted Stock Units), be entitled to receive an amount equal to the dividend that you would have been entitled to receive had you held the number of shares of Stock underlying the Restricted Stock Units on such record date, payable on the date of payment of the applicable dividend in cash or such number of shares of Stock having a Fair Market Value equivalent to such amount (each as determined by the Company in its sole discretion).

Forfeiture of Rights If you should take actions in competition with the Company, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to: (i) a forfeiture of any outstanding unvested Restricted Stock Units, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company (A) a forfeiture of any proceeds received upon a sale of shares acquired by you upon vesting of shares of Restricted Stock Units or (B) a forfeiture of any shares of Stock acquired by you upon vesting of the Restricted Stock Units. Unless otherwise specified in an employment or other agreement between the Company and you, you take actions in competition with the Company if, within one year following your termination of Service, you directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or are a proprietor, director, officer, stockholder, member, partner or an employee or agent of, or a consultant to any business, firm, corporation, partnership or other entity that is in the business of creating, financing, acquiring,

Director

investing in and managing precious metal royalties, precious metal streams and similar interests. Under the prior sentence, ownership of less than 1% of the securities of a public company shall not be treated as an action in competition with the Company.

Adjustments In the event of a stock split, a stock dividend or a similar change in the Company Stock, the number of shares covered by this grant may be adjusted pursuant to the Plan. Your Restricted Stock Units shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Applicable Law This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Voluntary Participation You agree that your participation in the Plan and the grant of the Restricted Stock Units to you by the Company pursuant to the Plan and this Agreement is voluntary.

The Plan The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this grant of Restricted Stock Units. Any prior agreements, commitments or negotiations concerning this grant are superseded.

Other Agreements You agree, as a condition of this grant of Restricted Stock Units, that you will execute such document(s) as necessary to become a party to any shareholder agreement or voting trust as the Company may require.

Data Privacy In order to administer the Plan, the Company may process personal data about you. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business address and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident Grantees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Holding Period You are required to hold, within five years of this Grant Date, an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to this Restricted Stock Unit Agreement, for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

Director

Code Section 409A It is intended that this award comply with Section 409A of the Internal Revenue Code of 1986, as amended (“Code Section 409A”), and to the maximum extent permitted, will be interpreted and administered in accordance with Code Section 409A. Notwithstanding anything herein to the contrary, to the extent required to avoid accelerated taxation and tax penalties under Code Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to the Plan during the six (6)-month period immediately following your Separation from Service will instead be paid on the first payroll date after the six (6)-month anniversary of your Separation from Service (or your death, if earlier). Notwithstanding the foregoing, neither the Company nor the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Code Section 409A, and neither the Company or an Affiliate nor the Board or the Committee will have any liability to you for such tax or penalty.

By agreeing to accept this Agreement online, you acknowledge that you have received, read and understand the Plan and this Agreement, and agree to abide by and be bound by their terms and conditions.

**ROYAL GOLD, INC.
2015 OMNIBUS LONG-TERM INCENTIVE PLAN**

**PERFORMANCE SHARE AGREEMENT
(Gold Equivalent Ounce Vesting) / (Total Shareholder Return Vesting)**

Royal Gold, Inc., a Delaware corporation (the “Company”), hereby grants performance shares relating to shares of its common stock, \$.01 par value (the “Stock”), to the individual named below as the Holder, subject to the vesting conditions set forth in the attached (the “Agreement”). Additional terms and conditions of the grant are set forth in this cover sheet, in the Agreement and in the Royal Gold, Inc. 2015 Omnibus Long-Term Incentive Plan, as it may be amended from time to time (the “Plan”).

Grant Date: [Grant Date]

Name of Holder: [Full Name]

Number of Performance Shares Covered by Grant:

Target:	[# of shares]
Maximum:	[# of shares]

By agreeing to the online acceptance of this Agreement, you agree to all of the terms and conditions described in the attached Agreement and in the Plan, a copy of which is available in your Shareworks document library, or upon request to the Secretary. You acknowledge that you have carefully reviewed the Plan, and agree that the Plan will control in the event any provision of this Agreement should appear to be inconsistent.

Grantee: _____
(Signature)

Company: _____
(Signature)

Title: _____

Attachment

This is not a stock certificate or a negotiable instrument.



ROYAL GOLD, INC.

2015 OMNIBUS LONG-TERM INCENTIVE PLAN
PERFORMANCE SHARE AGREEMENT

Performance Shares – Number and Transferability	<p>This grant is an award of performance shares in the number of shares set forth on the cover sheet, subject to the vesting conditions described below (the “Performance Shares”). The purchase price for the Performance Shares is deemed paid by your services to the Company. The number of Performance Shares, if any, that may be issued pursuant to the terms of this Agreement shall be calculated based on the attainment of specified performance goals, as set forth on the attached <u>Exhibit A</u>. Your Performance Shares may not be transferred, assigned, pledged or hypothecated, whether by operation of law or otherwise, nor may the Performance Shares be made subject to execution, attachment or similar process.</p>
Vesting	<p>You will vest in the number of Performance Shares, if any, determined in accordance with the terms of <u>Exhibit A</u> following the availability of data upon which vesting can be calculated, but in no event later than September 30 of any year in which shares are eligible to vest; provided that, except as otherwise set forth in this Agreement, you continue in continuous Service from the Grant Date to the Service Date(s) specified in <u>Exhibit A</u>.</p> <p>Except as otherwise provided in this Agreement, no additional Performance Shares will vest after your Service has terminated for any reason.</p> <p>All Performance Shares that have not vested as a result of performance or otherwise as a result of the provisions of this Agreement on or prior to the date(s) specified in <u>Exhibit A</u> will be forfeited.</p> <p>The Compensation, Nominating and Governance Committee (the “Committee”) has the authority to certify whether the vesting thresholds set forth in Exhibit A have been achieved. Further, the Committee shall determine if you have incurred an Involuntary Termination and whether or not such Involuntary Termination was in connection with a Change in Control. Any such determinations shall be made in the sole discretion of the Committee. The resulting aggregate number of vested Performance Shares will be rounded down to the nearest whole number of Performance Shares. You may not vest in more than the maximum number of Performance Shares set forth on the cover sheet.</p>
Termination without Cause, Good Reason or Non-Renewal of Employment Agreement; Change of Control	<p>Notwithstanding the foregoing vesting rules, if (i) the Company terminates your Service or your Employment Agreement without “Cause” (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for “Good Reason” (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company’s election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, and any such termination does not occur within the period beginning ninety (90) days prior to and ending two (2) years after the occurrence of a “Change of Control”</p>

Executive Officer

(as defined in your Employment Agreement), then, you will be eligible to vest in a prorated portion of the Performance Shares to which you would be entitled based on the Company's performance through the last day of the Company's fiscal year in which your Service is terminated and determined in accordance with the Company's practices as in effect at such time. Once the Committee has determined the degree to which the performance criteria through the last day of the Company's fiscal year in which your Service is terminated has been satisfied, your prorated vesting portion will be determined by multiplying the number of Performance Shares that would otherwise vest based on Company performance by a fraction, where the numerator is the number of days you remained in Service from the Grant Date through the date of your termination of Service and the denominator is the number of days from the Grant Date to the date the performance criteria were satisfied. The resulting aggregate number of vested shares will be rounded down to the nearest whole number, and you cannot vest in more than the maximum number of shares set forth on the cover sheet.

If (i) the Company terminates your Service or your Employment Agreement without "Cause" (as defined in your Employment Agreement) during the term of your Employment Agreement, (ii) you terminate your Service or your Employment Agreement for "Good Reason" (as defined in your Employment Agreement) during the term of your Employment Agreement, or (iii) your Service is terminated upon the Company's election not to renew the term for one of the four successive one-year renewal terms pursuant to Section 2 of your Employment Agreement, and any such termination occurs within the period beginning ninety (90) days prior to and ending two (2) years after the occurrence of a "Change of Control" (as defined in your Employment Agreement), then, you will be one hundred percent (100%) vested in the maximum number of Performance Shares set forth on the cover sheet as of the date of your termination.

As used herein, the term "Employment Agreement" shall mean that certain Employment Agreement between you and the Company dated [Employment Agreement Date], as amended, as the same may be amended after the date hereof.

Delivery of Stock Pursuant to Vested Performance Shares	Unless an earlier delivery date is specified below, Stock represented by the vested Performance Shares (which shares of Stock will be rounded down to the nearest number of whole shares) will be delivered to you as soon as practicable following the end of the fiscal year for which Performance Shares are determined to vest, but in no event later than September 30 of such year.
Forfeiture of Unvested Performance Shares	In the event that your Service terminates for any reason, except as provided above in the section entitled "Termination without Cause, Good Reason or Non-Renewal of Employment Agreement; Change of Control," you will forfeit all of the Performance Shares that have not yet vested.
Leaves of Absence	For purposes of this award of Performance Shares, the impact of any leave of absence on your Service shall be determined in accordance with Company policies and procedures and Applicable Laws.

Executive Officer

Withholding Taxes You agree, as a condition of this grant, that you will make acceptable arrangements consistent with Company policies and procedures to pay any withholding or other taxes that may be due as a result of this grant or the vesting, settlement or issuance of shares related to this grant. You may satisfy such withholding or other tax obligations by remitting cash payments to the Company within the time periods specified by Company policies and procedures or, to the extent permitted under Applicable Laws, by causing the Company or its Affiliate to withhold shares of Stock otherwise issuable to you as a result of this grant.

The shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

In the event that the Company determines that any withholding or other tax is required and you have not made satisfactory arrangements to satisfy such obligations within the time periods specified by Company policies and procedures, the Company shall have the right to: (i) require such payments from you; (ii) withhold such amounts from other payments due to you from the Company or any Affiliate; or (iii) withhold shares of Stock otherwise issuable to you as a result of this grant. Any shares of Stock so withheld shall have an aggregate Fair Market Value equal to such withholding obligations.

Retention Rights Neither the Performance Shares nor this Agreement give you the right to be retained by the Company (or any parent, Subsidiaries or Affiliates) in any capacity. The Company (and any parent, Subsidiaries or Affiliates) reserve the right to terminate your Service at any time and for any reason.

Forfeiture of Rights If you should take actions in competition with the Company, the Company shall have the right to cause a forfeiture of your rights, including, but not limited to: (i) a forfeiture of any outstanding unvested Performance Shares, and (ii) with respect to the period commencing twelve (12) months prior to your termination of Service with the Company (A) a forfeiture of any proceeds received upon a sale of shares acquired by you upon vesting of Performance Shares or (B) a forfeiture of any shares of Stock acquired by you upon vesting of the Performance Shares. Unless otherwise specified in your Employment Agreement, you take actions in competition with the Company if, within one year of your termination of Service, you directly or indirectly, own, manage, operate, join or control, or participate in the ownership, management, operation or control of, or are a proprietor, director, officer, stockholder, member, partner or an employee or agent of, or a consultant to any business, firm, corporation, partnership or other entity that is in the business of creating, financing, acquiring, investing in and managing precious metal royalties, precious metal streams and similar interests. Under the prior sentence, ownership of less than 1% of the securities of a public company shall not be treated as an action in competition with the Company.

Shareholder Rights You, or your estate or heirs, have no rights as a shareholder of the Company until the shares of Stock relating to the vested Performance Shares have been issued. Except as described in the Plan, no adjustments are made for dividends or other rights if the applicable record date occurs before your shares are issued.

Adjustments In the event of a stock split, a stock dividend or a similar change in the Stock, the number of Performance Shares covered by this grant shall be adjusted if required pursuant to the Plan. Performance Shares shall be subject to the terms of the agreement of merger, liquidation or reorganization in the event the Company is subject to such corporate activity.

Executive Officer

Applicable Law This Agreement will be interpreted and enforced under the laws of the State of Delaware, other than any conflicts or choice of law, rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

Section 409A It is intended that this Agreement comply with Section 409A of the Internal Revenue Code (“Section 409A”) to the extent subject thereto, and, accordingly, to the maximum extent permitted, the Agreement will be interpreted and administered to be in compliance with Section 409A. To the extent that the Company determines that you would be subject to the additional taxes or penalties imposed on certain nonqualified deferred compensation plans pursuant to Section 409A as a result of any provision of this Agreement, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional taxes or penalties. The nature of any such amendment shall be determined by the Company. Notwithstanding anything to the contrary in this Agreement or the Plan, to the extent required to avoid accelerated taxation and penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following your “separation from service” (as defined for purposes of Section 409A, a “Separation from Service”) will instead be paid on the first payroll date after the six-month anniversary of your Separation from Service (or your death, if earlier). Notwithstanding anything to the contrary in this Agreement, for purposes of any provision of this Agreement providing for the settlement of any shares of Stock upon or following a termination of employment or a termination of Service that are considered “deferred compensation” under Section 409A, references to your “termination of employment” or “termination of Service” (and corollary terms) with the Company shall be construed to refer to your Separation from Service. Each installment of Performance Shares that vests under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Section 409A.

Consent to Electronic Delivery The Company may choose to deliver certain statutory materials relating to the Plan in electronic form. By accepting this grant you agree that the Company may deliver the Plan prospectus and the Company’s annual report to you in an electronic format. If at any time you would prefer to receive paper copies of these documents, as you are entitled to, the Company would be pleased to provide copies. Please contact the Secretary at (303) 573-1660 to request paper copies of these documents.

The Plan The text of the Plan is incorporated in this Agreement by reference. Certain capitalized terms used in this Agreement are defined in the Plan, and have the meaning set forth in the Plan.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding the Performance Shares. Any prior agreements, commitments or negotiations concerning the Performance Shares are superseded.

Executive Officer

Data Privacy

In order to administer the Plan, the Company may process personal data about you. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about you such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan.

By accepting this award, you give explicit consent to the Company to process any such personal data. You also give explicit consent to the Company to transfer any such personal data outside the country in which you work or are employed, including, with respect to non-U.S. resident optionees, to the United States, to transferees who shall include the Company and other persons who are designated by the Company to administer the Plan.

Stock Ownership Requirements

You are required to continue to hold an aggregate of fifty percent (50%) of the shares of Stock acquired by you pursuant to this Performance Share grant together with all other shares of Stock acquired by you pursuant to any other performance share grant made under the Plan (such 50% to be determined after reducing the shares of Stock covered by this grant and all other performance share grants made to you under the Plan by the number of shares of Stock equal in value to the amount required to be withheld to pay taxes in connection with this grant and such other performance share grants) for so long as the number of shares of Stock owned by you is less than the number of shares of Stock which satisfies your stock ownership requirements under the Company's Stock Ownership Guidelines in effect from time to time.

By signing the cover sheet of this Agreement, you acknowledge that you have received, read and understand the Plan and this Agreement, and agree to abide by and be bound by their terms and conditions.

Executive Officer

Exhibit A

[Performance Metrics, Vesting Schedule and Service Date(s) to be added each year.]

CERTIFICATION

I, Tony Jensen, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Royal Gold, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 1, 2018

/s/Tony Jensen

Tony Jensen
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, William H. Heissenbittel, certify that:

- (1) I have reviewed this Quarterly Report on Form 10-Q of Royal Gold, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present, in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:
 - (a) Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 1, 2018

/s/William H. Heissenbittel

William H. Heissenbittel

Chief Financial Officer and Vice President Strategy
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Royal Gold, Inc. (the "Company"), for the period ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Tony Jensen, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 1, 2018

/s/Tony Jensen

Tony Jensen

President and Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Royal Gold, Inc. (the "Company"), for the period ended September 30, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Heissenbuttel, Chief Financial Officer and Vice President Strategy of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that, to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 1, 2018

/s/ William Heissenbuttel

William Heissenbuttel

Chief Financial Officer and Vice President Strategy
(Principal Financial and Accounting Officer)