

NEWS RELEASE



World Class Royalty Company

Royal Gold Provides Update on Revised Life of Mine Plan for the Rainy River Mine

DENVER, COLORADO. FEBRUARY 13, 2020: ROYAL GOLD, INC. (NASDAQ: RGLD) (together with its subsidiaries, “Royal Gold” or the “Company,” “we” or “our”) announced today that New Gold Inc. (“New Gold”) released an updated life of mine plan for the Rainy River operation in Ontario, Canada.

New Gold announced in April 2019 that it had launched a comprehensive optimization study with the overall objective of reducing capital spending and improving the return on investment over the life of the Rainy River mine. The updated life of mine plan is the result of that study, and key highlights as reported by New Gold today include:

- A mine plan covering the 2020 to 2028 period, which considers mining from a smaller and higher-grade open pit through to early 2025, with concurrent mining from a smaller and more selective underground operation from 2022 through 2027. Processing of stockpiled low-grade open pit material is expected to supplement underground mill feed during 2026 to 2028;
- Overall gold grade of 1.10 grams per tonne mined and 1.06 grams per tonne milled;
- Average gold recovery of 89%;
- Average gold equivalent production of 289,000 ounces per year¹; and,
- Proven and probable reserves of 2.636 million ounces of contained gold and 6.266 million ounces of contained silver as at December 31, 2019.

The mine plan was based on proven and probable reserves estimated at a gold price of \$1,275 per ounce and a silver price of \$17.00 per ounce. New Gold expects there may remain potential to extend the underground mine life beyond 2028 should the prevailing gold price support the development of additional mining areas during that period and/or exploration efforts increase the resource inventory.

“While the reserves and mine life have been reduced at Rainy River, this new life of mine plan is expected to be more profitable and position the operation for sustainable free cash flow generation beginning later this calendar year,” commented Bill Heissenbittel, President and CEO. “We are also encouraged that New Gold has highlighted the potential to extend the mine life beyond 2028.”

New Gold reports that it will file a National Instrument 43-101 (“NI 43-101”) technical report detailing the updated life of mine plan within 45 days.

¹ Gold equivalent ounces include 3.6 million ounces of silver produced and converted to gold equivalent ounces using metal prices of \$1,300 per ounce gold and \$16.00 per ounce silver.

Significance to Royal Gold

On July 20, 2015, Royal Gold entered into an agreement to provide an advance payment of \$175 million for the development of the Rainy River mine in return for the right to purchase (i) 6.5% of the gold produced from Rainy River until 230,000 ounces have been delivered, and 3.25% of the gold thereafter, and (ii) 60% of the silver produced from Rainy River until 3,100,000 ounces have been delivered, and 30% thereafter. New Gold receives 25% of the spot price per ounce of gold and silver at the time of delivery from Royal Gold. Royal Gold completed its advance payment under the agreement in November 2016, and commercial operations began in October 2017.

In the approximately two-year period since commercial operations began through to December 31, 2019, Royal Gold has received approximately 32,200 ounces of gold and 332,300 ounces of silver, and recognized revenue from gold and silver produced at Rainy River net of per ounce payments of approximately \$34.3 million, which represents approximately 19.6% of the total \$175 million advance payment.

As of December 31, 2019, the net book value of Royal Gold's investment at Rainy River was \$155.3 million, and the depletion rate for its interest at Rainy River was \$591 per ounce of gold and \$6.34 per ounce of silver production. Due to the reduction in gold and silver reserves at Rainy River, as reported by New Gold, the Company estimates its prospective depletion rates will increase to between \$850 to \$875 per ounce of gold and between \$11.00 and \$11.25 per ounce of silver. The Company continues to analyze the updated life of mine information provided by New Gold, and although additional work must be completed, we currently do not anticipate the updated reserve information will result in an impairment of our stream interest at Rainy River given that the prospective depletion rate estimates remain well below current gold and silver prices.

CORPORATE PROFILE

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

For further information, please contact:

Alistair Baker
Director, Business Development
(720) 554-6995

Cautionary “Safe Harbor” Statement Under the Private Securities Litigation Reform Act of 1995: With the exception of historical matters, the matters discussed in this press release are forward-looking statements that involve risks and uncertainties that could cause actual results to differ materially from projections or estimates contained in this release. These forward-looking statements include among others New Gold’s expectations about its operations including profitability and free cash flow, the expected impact on the Company of New Gold’s updated life of mine plan and forthcoming NI 43-101 report for Rainy River. Factors that could cause actual results to differ materially from forward-looking statements include among others precious metals prices; production changes; errors or disputes in calculating or accounting for stream deliveries and payments, or deliveries and payments not made in accordance with streaming agreements; counterparty failure to perform under contracts for sales of metal; economic and market conditions; and other subsequent events; as well as other factors described in the Company’s most recent Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, and other filings with the Securities and Exchange Commission. Most of these factors are beyond the Company’s ability to predict or control. The Company disclaims any obligation to update any forward-looking statement made in this release. Readers are cautioned not to put undue reliance on forward-looking statements.