

Resource Development Council's 25<sup>th</sup> Anniversary Conference

# Alaska Resources 2005

Competing Globally For Industry Investment

*Is Alaska a Good Place to Invest?*

*Stanley Dempsey, Chairman and Chief Executive Officer  
Royal Gold, Inc.*

November 18, 2004

# *Safe Harbor*

## *Cautionary Statement under the Private Securities Litigation Reform Act of 1995*

Some matters contained in this presentation are forward-looking statements that involve risks and uncertainties that could cause actual events to differ materially from projections or estimates. Such forward-looking statements include statements regarding production estimates for calendar 2004 provided by third party operators, the sliding-scale features of our royalty structure at the Pipeline Mining Complex, and comments regarding cash flow, earnings, revenues, timing, amounts of future production, mineralization, and reserves. Factors that could cause actual results to differ materially from such projections include changes in precious metals prices, various decisions and activities of the operators of our royalty properties, unanticipated grade, geological, metallurgical, processing or other problems, changes in project parameters as plans of the operators are refined, the results of current or planned exploration activities, economic and market conditions, future financial needs or opportunities, and the impact of future acquisitions. These and other factors are discussed in more detail in the Company's filings with the Securities and Exchange Commission. The Company disclaims any obligation to update any forward-looking statements.

# *Introduction*

Background on Royal Gold

How we approach investment decisions

Alaska as a place to do business

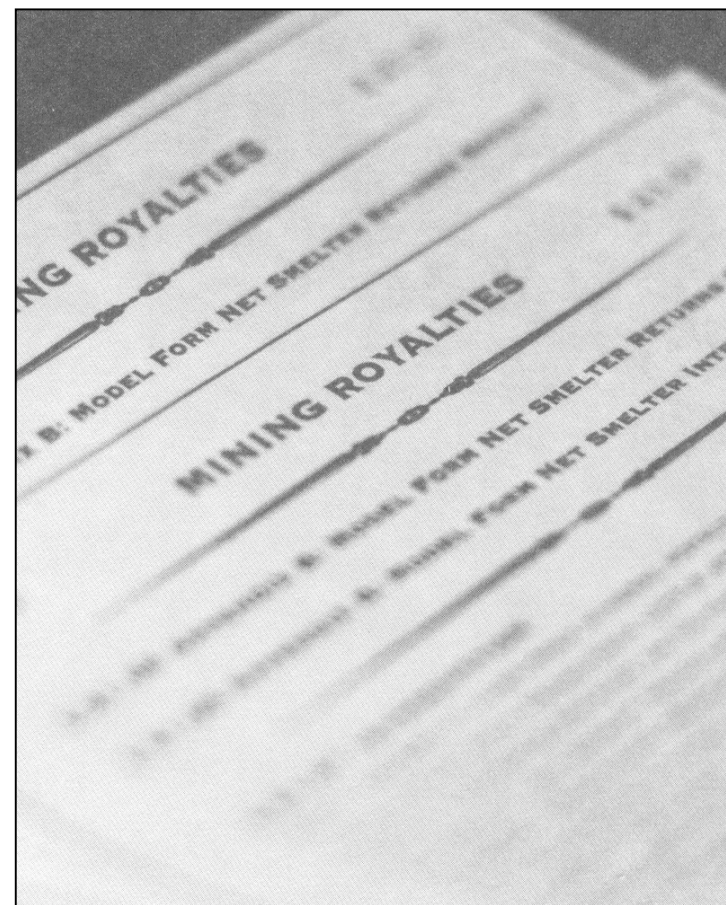
A miners view

- NASDAQ RGLD
- TSX RGL
- Shares outstanding 20.8M  
(fully diluted) 21.1M
- Market cap \$365M
- Daily trading volume 262,000
- Options traded on all major exchanges
- Dividends \$0.20/share

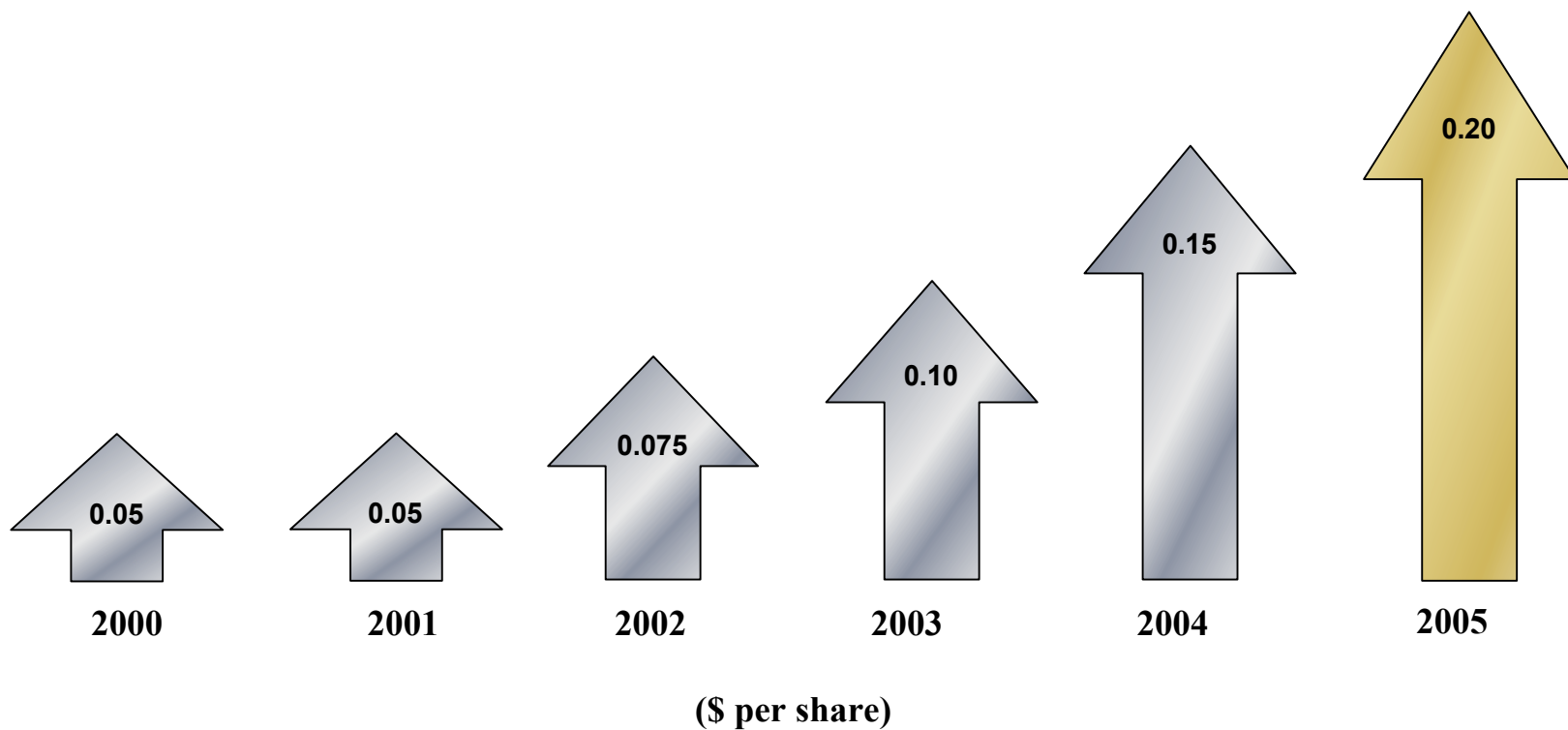


## *A Precious Metals Royalty Company*

- A royalty is a share of production from a mine
- Precious metals
  - Gold
  - Silver
  - Platinum group metals
  - Diamonds

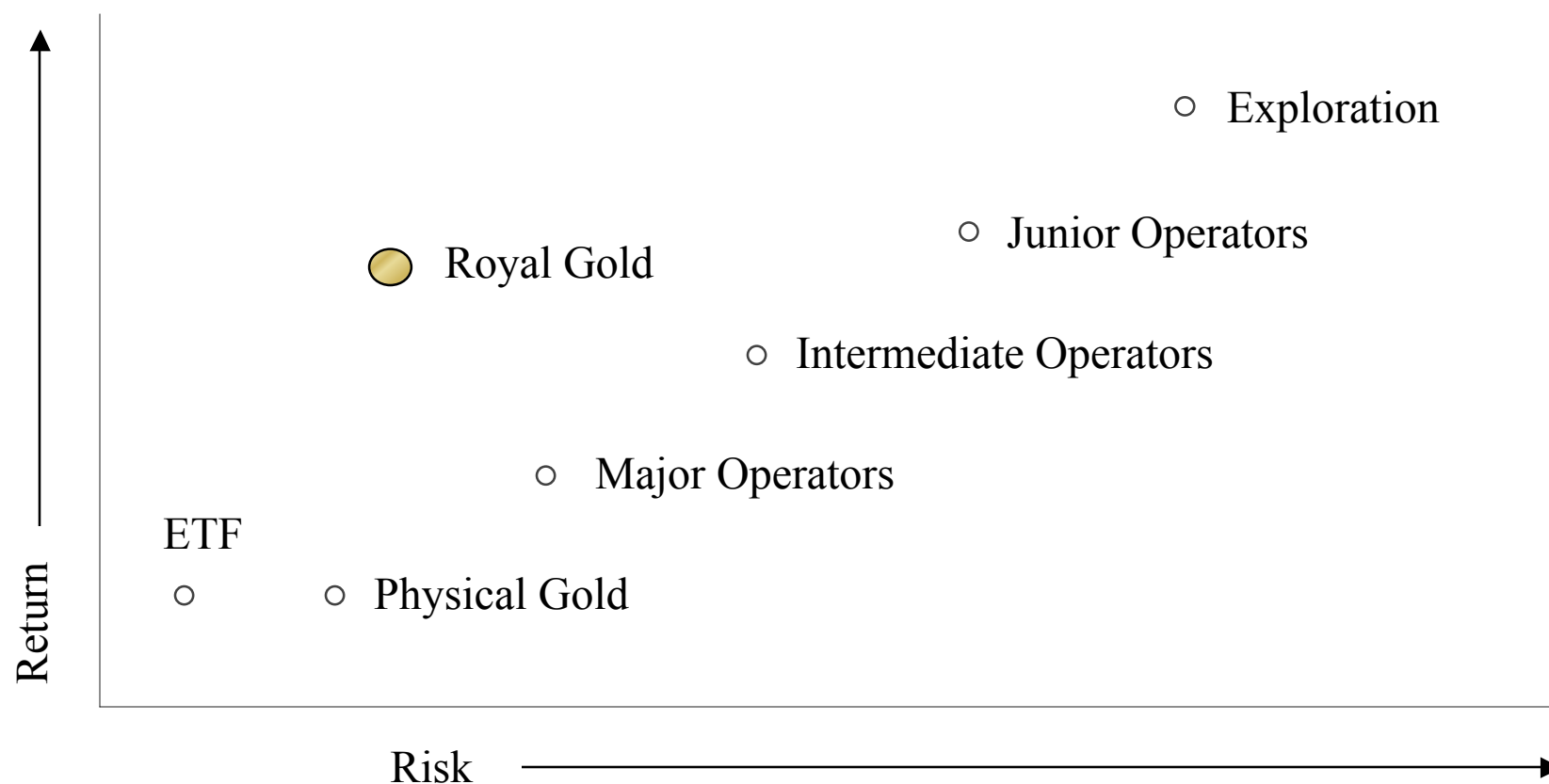


# *Dividends*

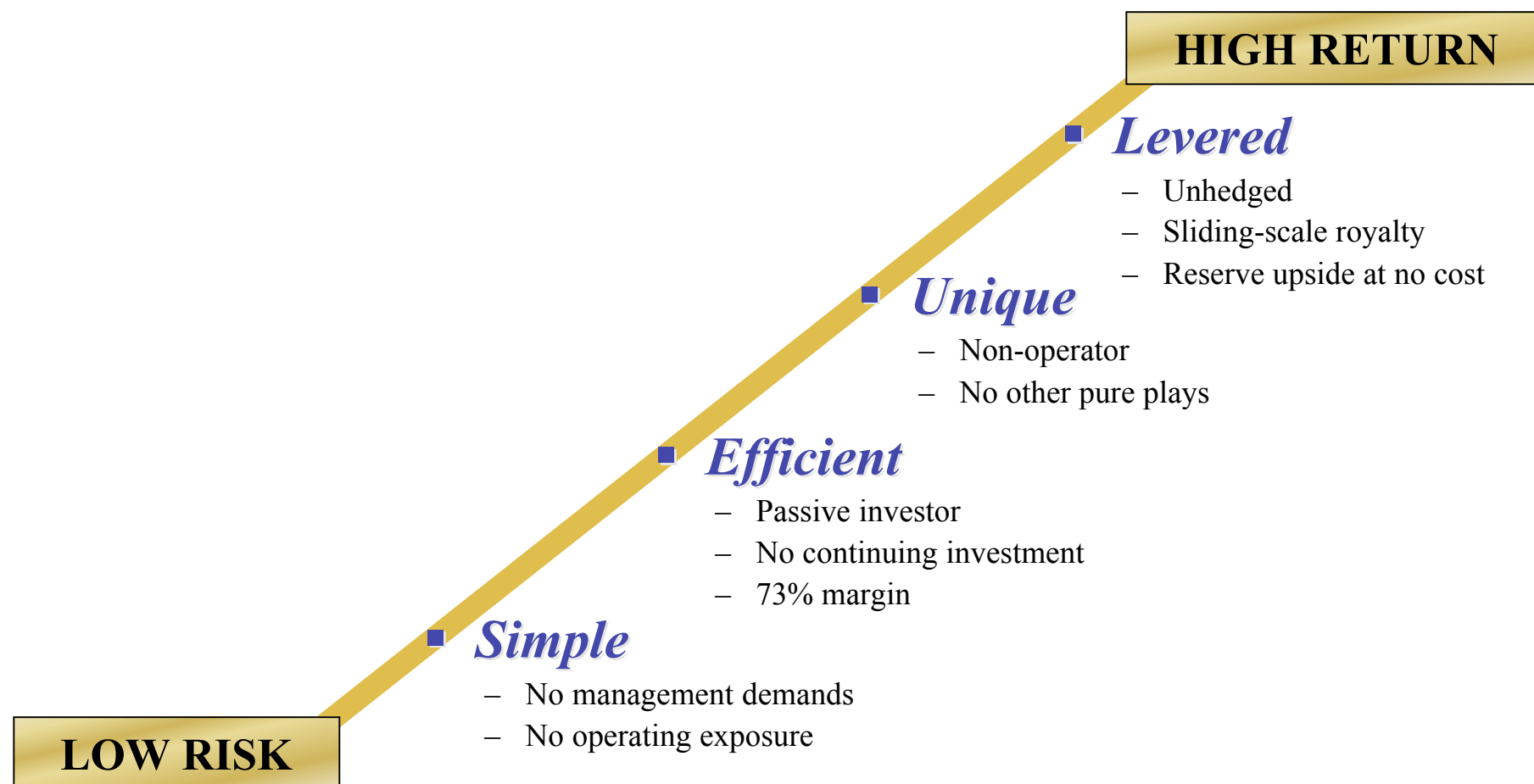


*Royal Gold's dividends - steady and growing*

## *Safe, but High Reward Investment*



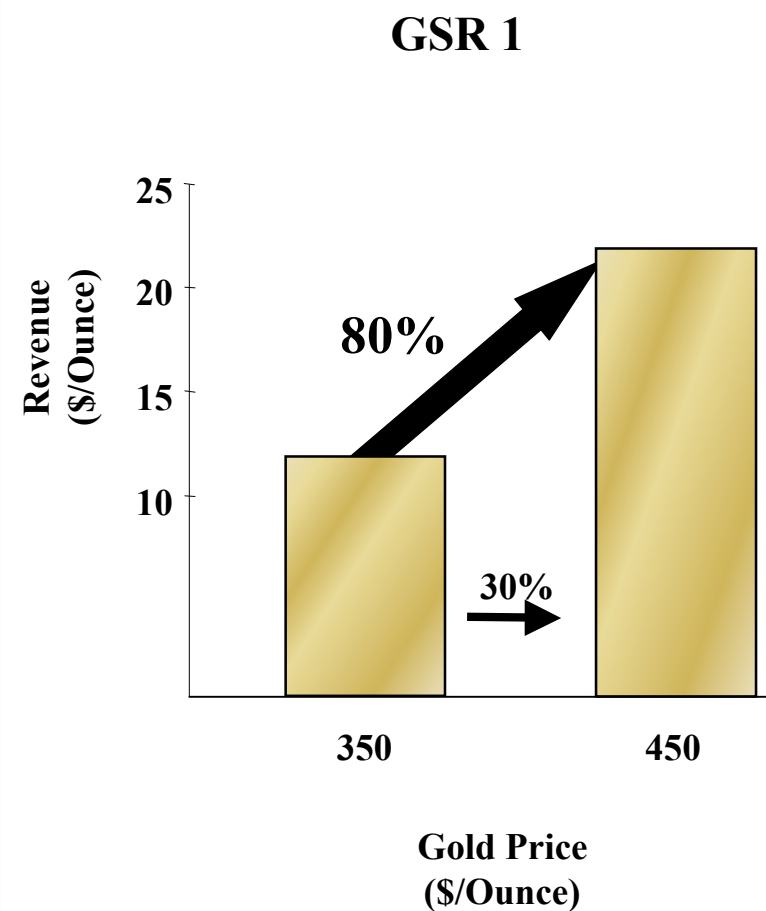
# *Royalty Business Model*





# *Leverage ~ Sliding Scale Royalties*

PRICE OF GOLD	GSR1	GSR2
Below \$210	0.40%	0.72%
\$210 - \$229.99	0.50%	0.90%
\$230 - \$249.99	0.75%	1.35%
\$250 - \$269.99	1.30%	2.34%
\$270 - \$309.99	2.25%	4.05%
\$310 - \$329.99	2.60%	4.68%
\$330 - \$349.99	3.00%	5.40%
\$350 - \$369.99	3.40%	6.12%
\$370 - \$389.99	3.75%	6.75%
\$390 - \$409.99	4.00%	7.20%
<b>\$410 - \$429.99</b>	<b>4.25%</b>	<b>7.65%</b>
\$430 - \$449.99	4.50%	8.10%
\$450 - \$469.99	4.75%	8.55%
\$470 - and above	5.00%	9.00%



## *Quality Assets*

- Royalties on flagship properties of the three largest, world-class gold producers in North America

*Pipeline Mining Complex (GSR and NVR)*

*Placer Dome*

*Leeville (NSR)*

*Newmont*

*SJ Claims (NSR)*

*Barrick*

- Royalties also held with Coeur d'Alene and Revett Silver

# *Pipeline Mining Complex*

*(Operated by Placer Dome)*



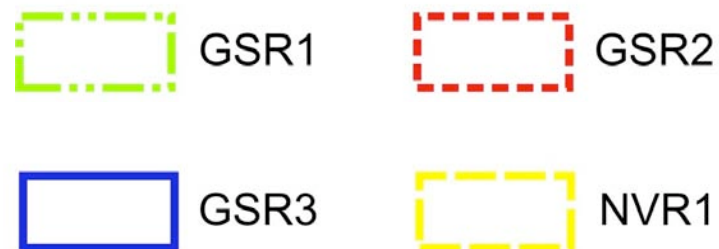
# Pipeline Mining Complex

*(Operated by Placer Dome)*

- Four different royalty streams
- 6.0 million ounces of reserves
- 176.5 million tons of additional mineralization at 0.033 opt  
(160.1 million tonnes at 1.13 gpt)
- Estimated production
  - 952,000 ounces for calendar 2004



***Royal Gold's royalty positions***





# Leeville

*(Operated by Newmont)*

- 1.8% NSR royalty
- 2.6 million ounces of reserves
- 1.5 million ounces of additional mineralization at 0.453 opt at Leeville (1.36 million tonnes at 15.53 gpt)
- Estimated production
  - 116,000 ounces at Carlin East for calendar 2004
  - 500,000 ounces at Leeville per year commencing in late 2005

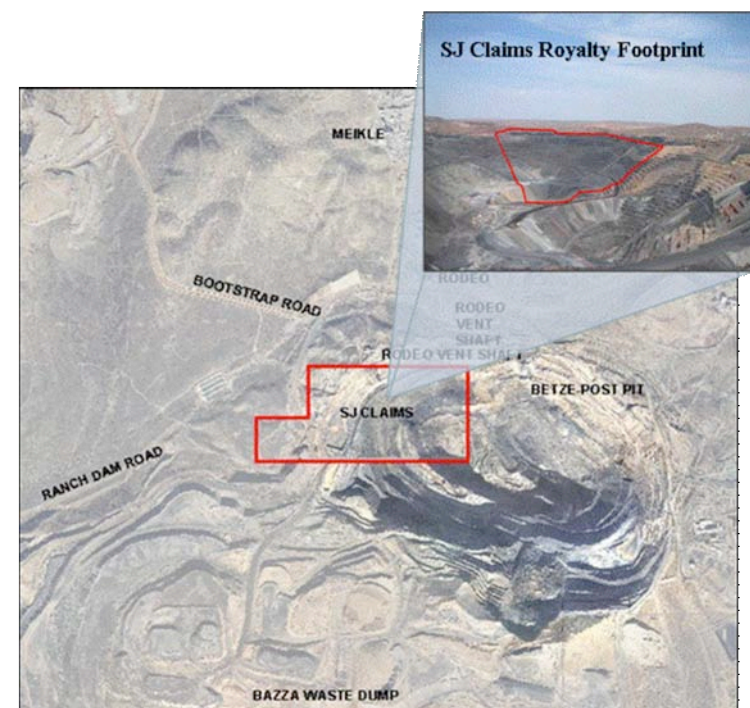


***Well-positioned for additional exploration potential between Carlin East and Leeville***

## *SJ Claims ~ Betze-Post*

*(Operated by Barrick)*

- 0.9% NSR royalty
- 9.8 million ounces of reserves
- Estimated production
  - 515,000 ounces in calendar 2004
- Solid royalty income for years to come
- Emphasis on exploration

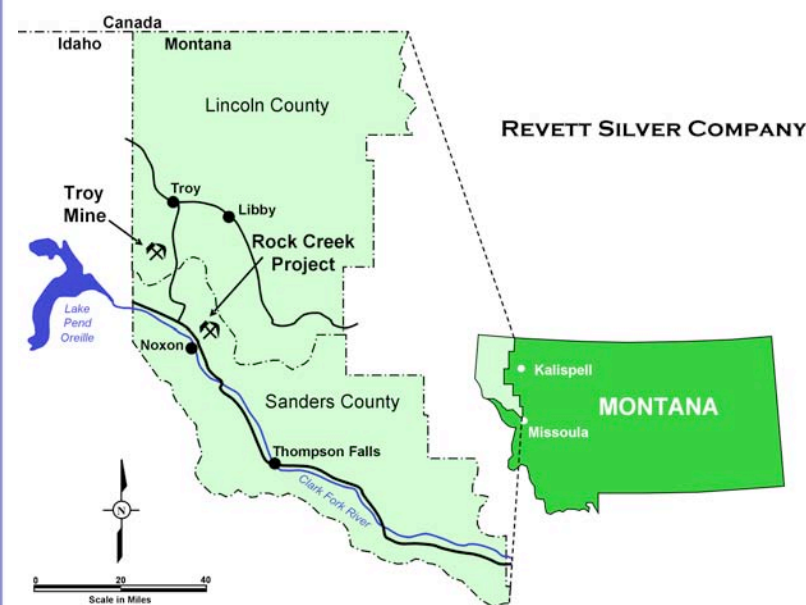


*Positioned for  
Betze-Post expansion*

# Troy Mine

(Operated by Revett)

- Background
  - Troy mine and mill re-opening
  - Revett – owner/operator
- Financing – \$8.5M
  - GSR royalty (Troy Mine)
    - 7.0% (90% of current reserves or \$10.5M)
  - Perpetual GSR royalty
    - 6.1% (100 -115% of current reserves)
    - 2.0% (>115% of current reserves)
  - Revett equity stake
    - 1.3 million shares
    - Convertible into 1% NSR (Rock Creek mine)



*Revett land position*

# *Troy Mine*

*(Operated by Revett)*

- History
  - Constructed in 1980-81
  - Production
    - 44 million ounces silver
    - 390 million pounds copper
- Current operation
  - Reserve estimate
    - 13.6 million ounces silver
    - 113.2 million pounds copper
  - Estimated annual production (late 2004)
    - 3 million ounces silver
    - 25 million pounds copper
  - Mine life – 4 years



***Large scale production -  
6,500 tpd mine and mill***



# *Troy Mine*

*(Operated by Revett)*

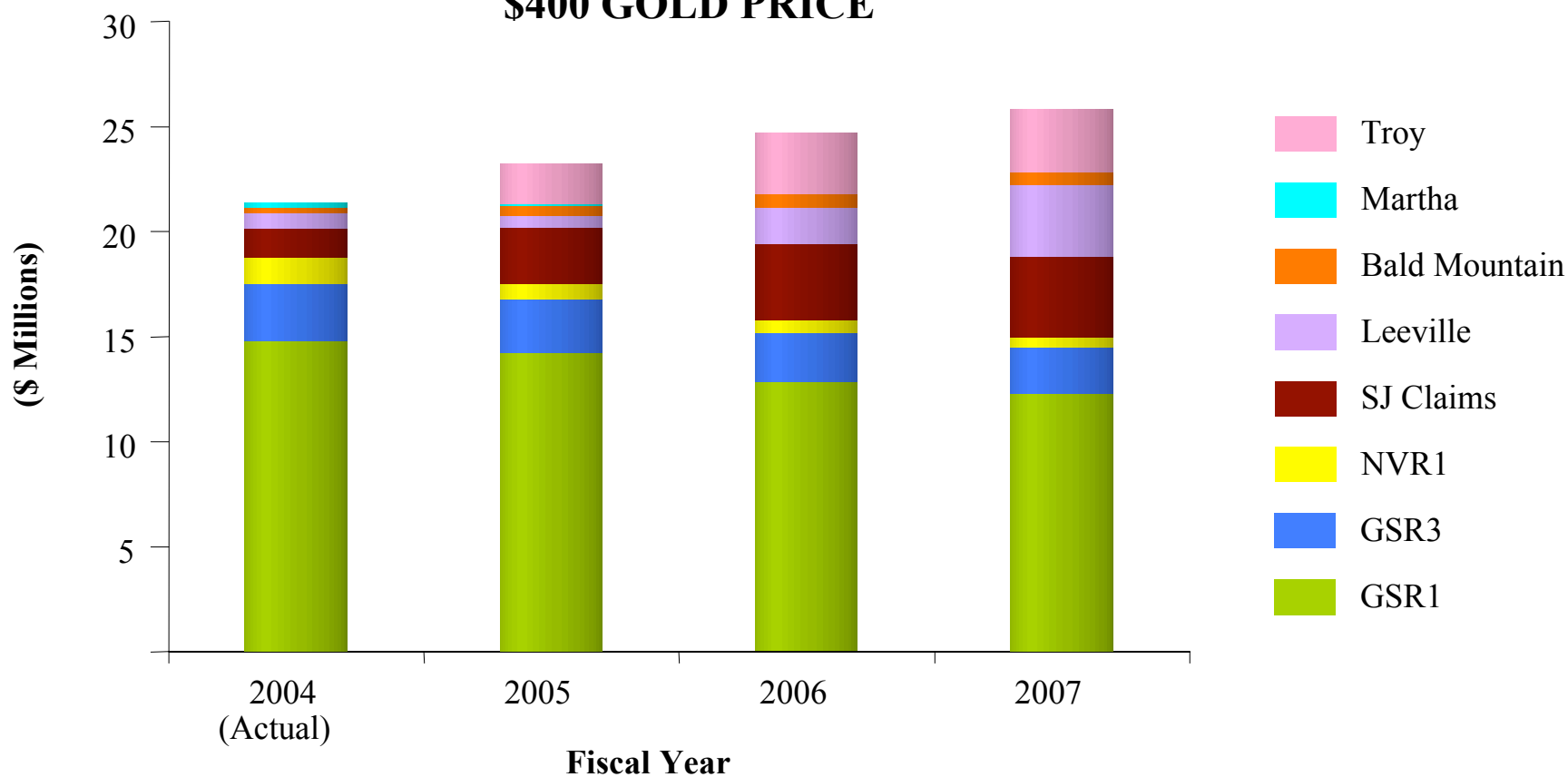
- Royal Gold rewards
  - Accretive to cash flow, earnings and NAV per share
  - Immediate revenue
    - \$3 million per year (at \$6 silver and \$1 copper)
  - Upside potential
    - Troy reserves
    - Rock Creek production



***The Troy mine is one of the  
largest silver mines in  
North America***

# *Excellent Foundation*

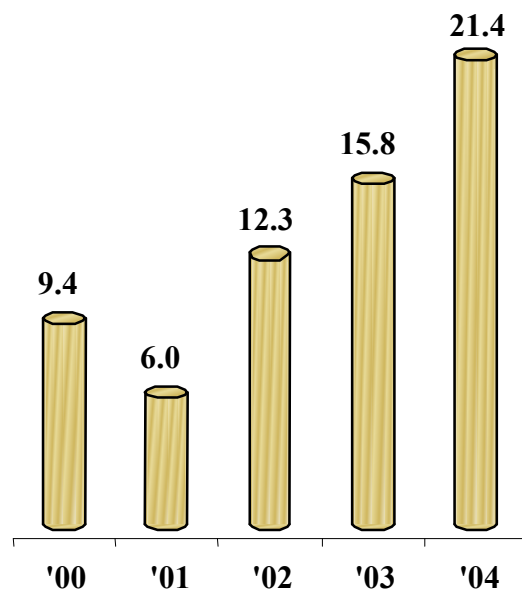
## ESTIMATED ROYALTY REVENUES \$400 GOLD PRICE



# Demonstrated Results

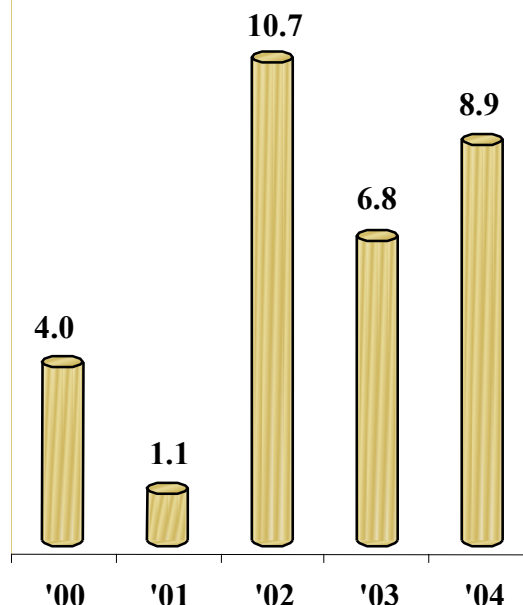
## ROYALTY REVENUES

*23% Compounded Return*



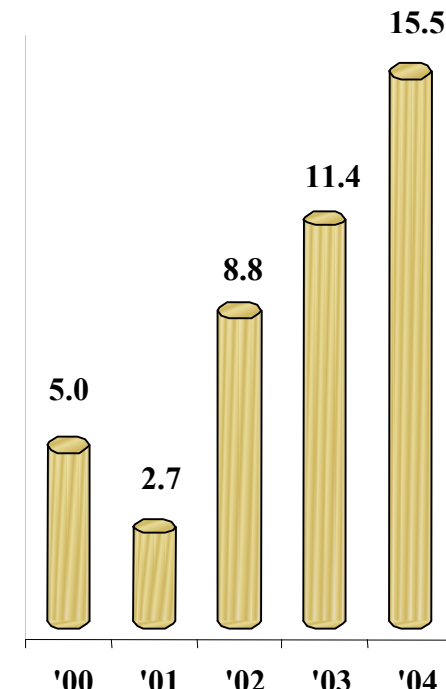
## NET INCOME

*22% Compounded Return*



## FREE CASH FLOW

*32% Compounded Return*



*For the fiscal years ended June 30 (\$ millions)*

## *Focused Growth Strategy*

- Acquisition of existing royalties
- Innovative royalty financing transactions, including:
  - Exploration
  - Feasibility studies
  - Mine construction/development loan guarantees
  - Reclamation
  - Other project financing needs
  - Restructuring balance sheets

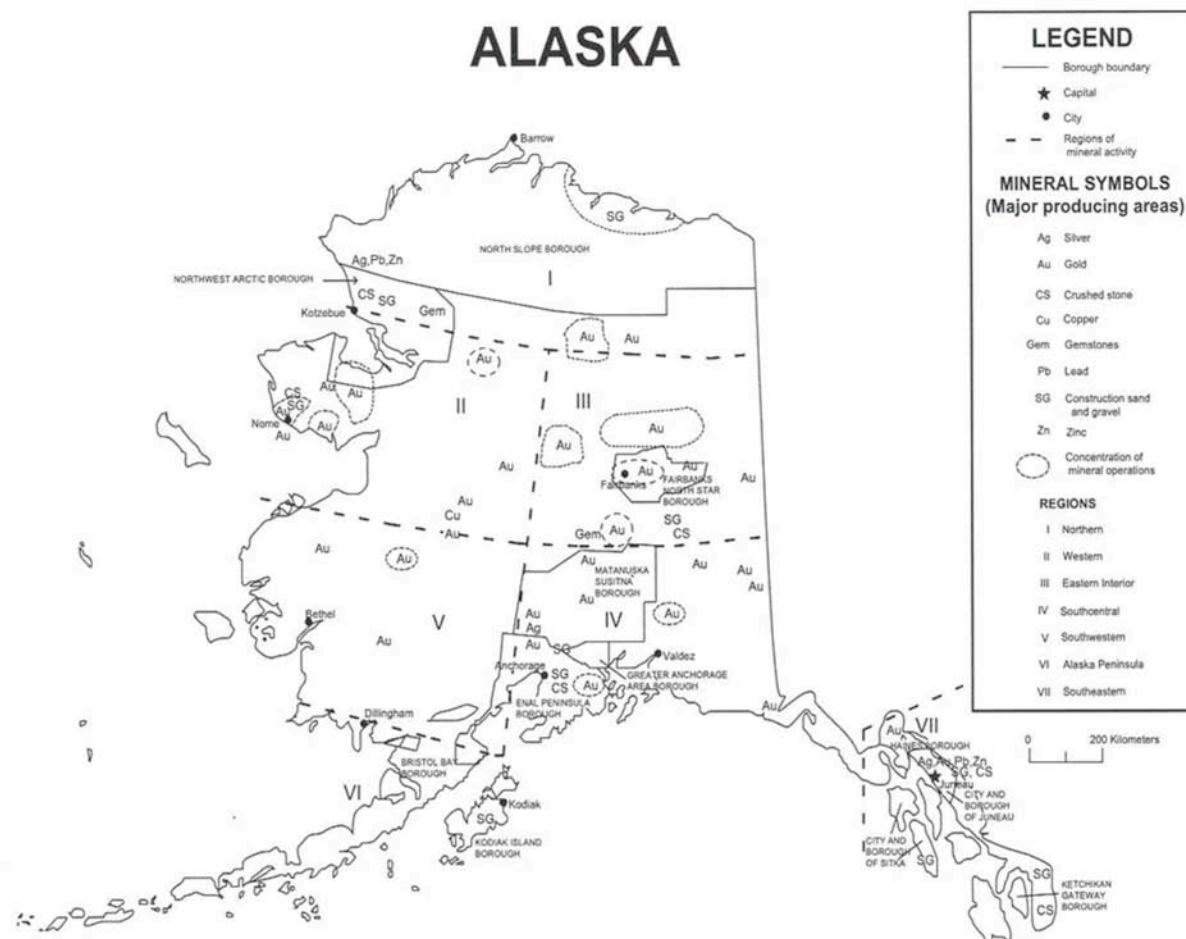
## *Cash Ready to Invest*

- Cash on hand \$43 million
- Line of Credit with HSBC
- \$300 million universal SEC Shelf Registration
- \$300 million acquisition SEC Shelf Registration



# Alaska's Mineral Endowment

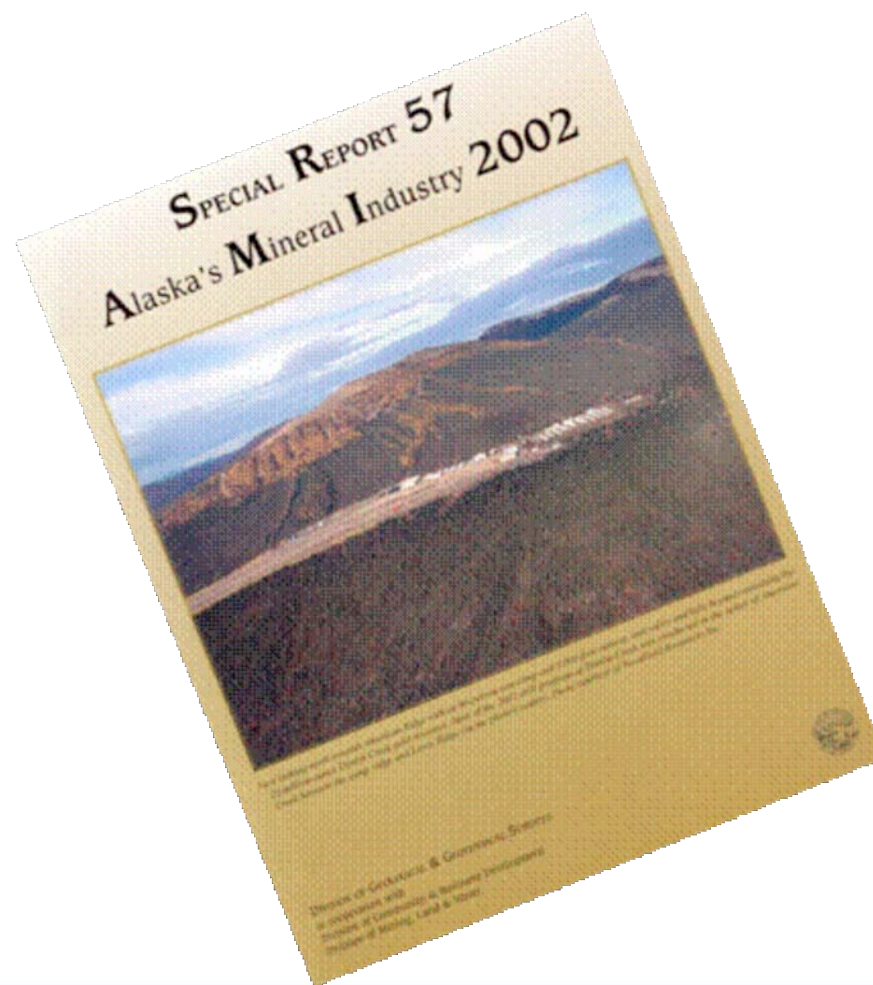
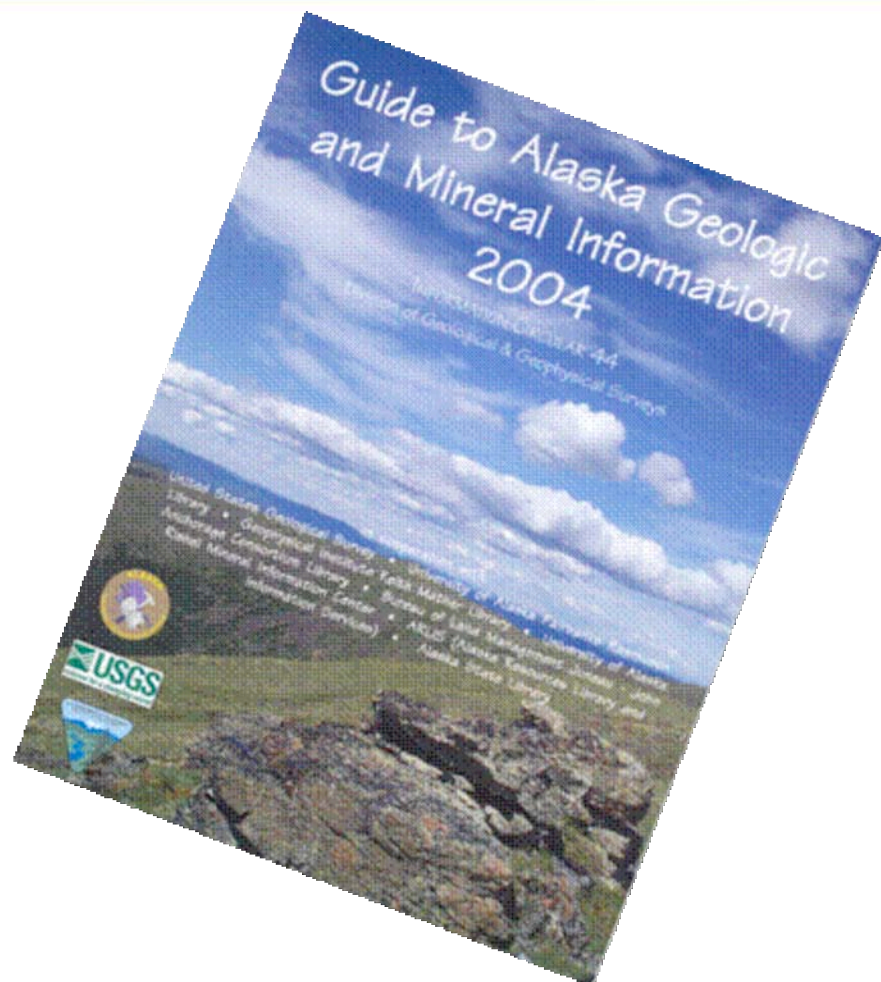
- World class deposits
- Significant mines
- Relatively unexplored



Source: Alaska Division of Geological and Geophysical Surveys/U.S. Geological Survey (2002)

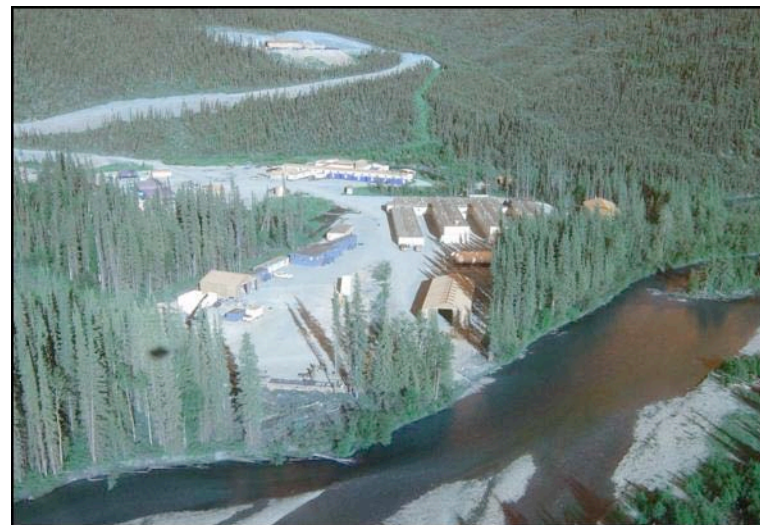


# *Geological and Geophysical Information*



## *Land Availability*

- State lands
- Native corporation lands
- Federal lands





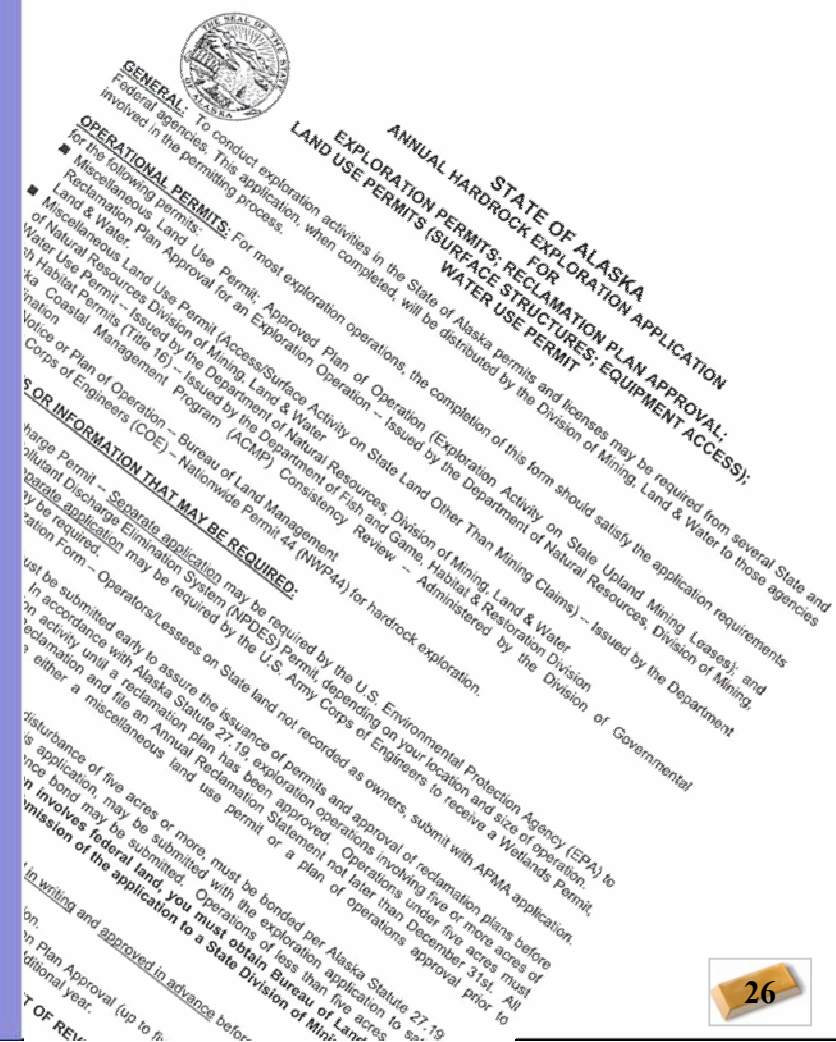
## *Infrastructure*

- Transportation
- Communication
- Energy



# Permitting

- Attitude of the State to permitting
- Bonding



## *Regulation*

- The Fraser Institute Annual Survey of Mining Companies 2003/2004

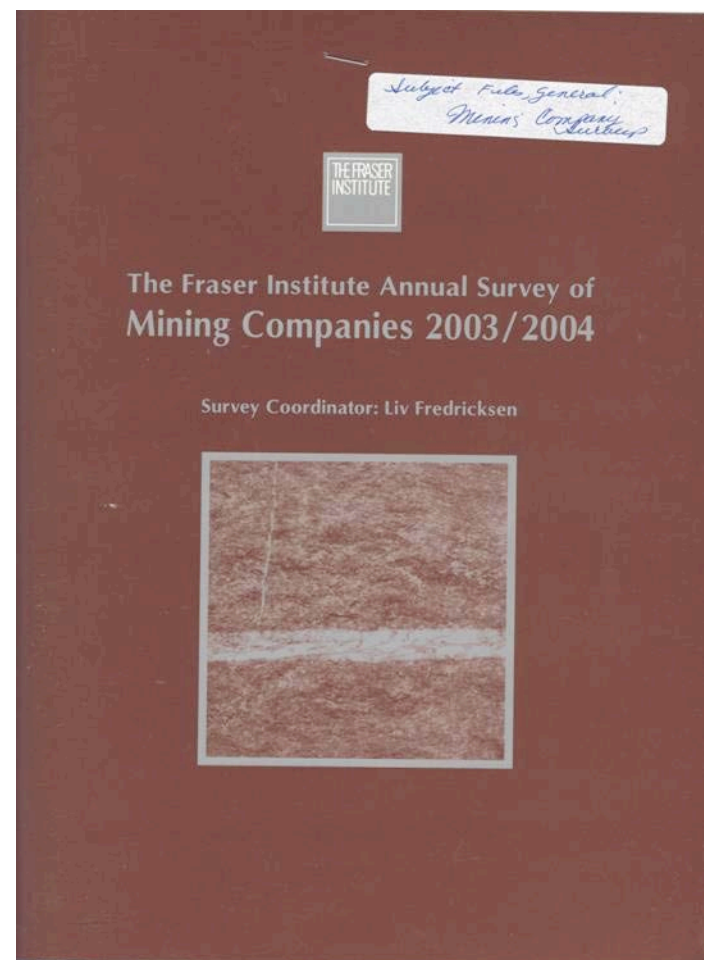


Figure 1: Policy Potential Index

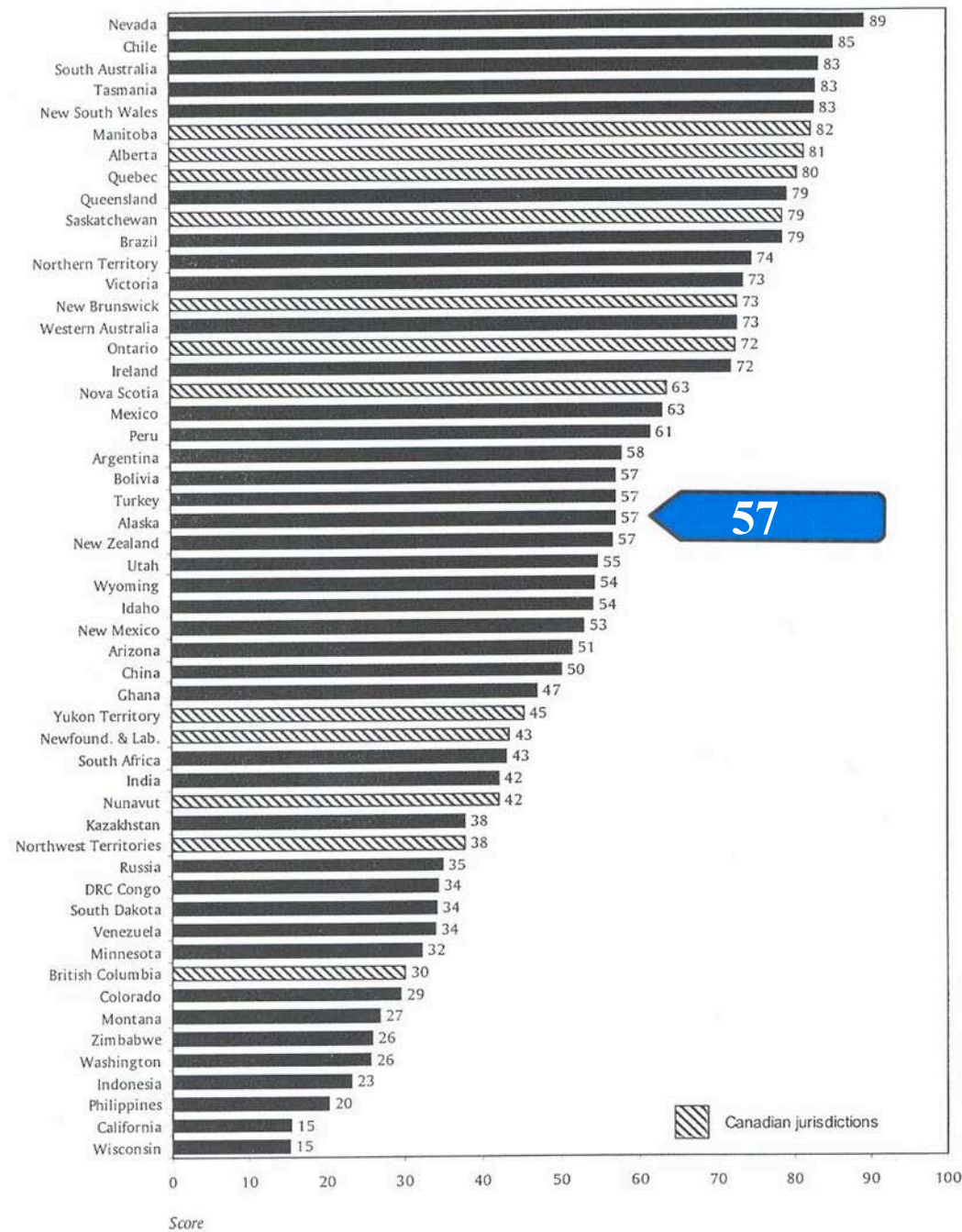
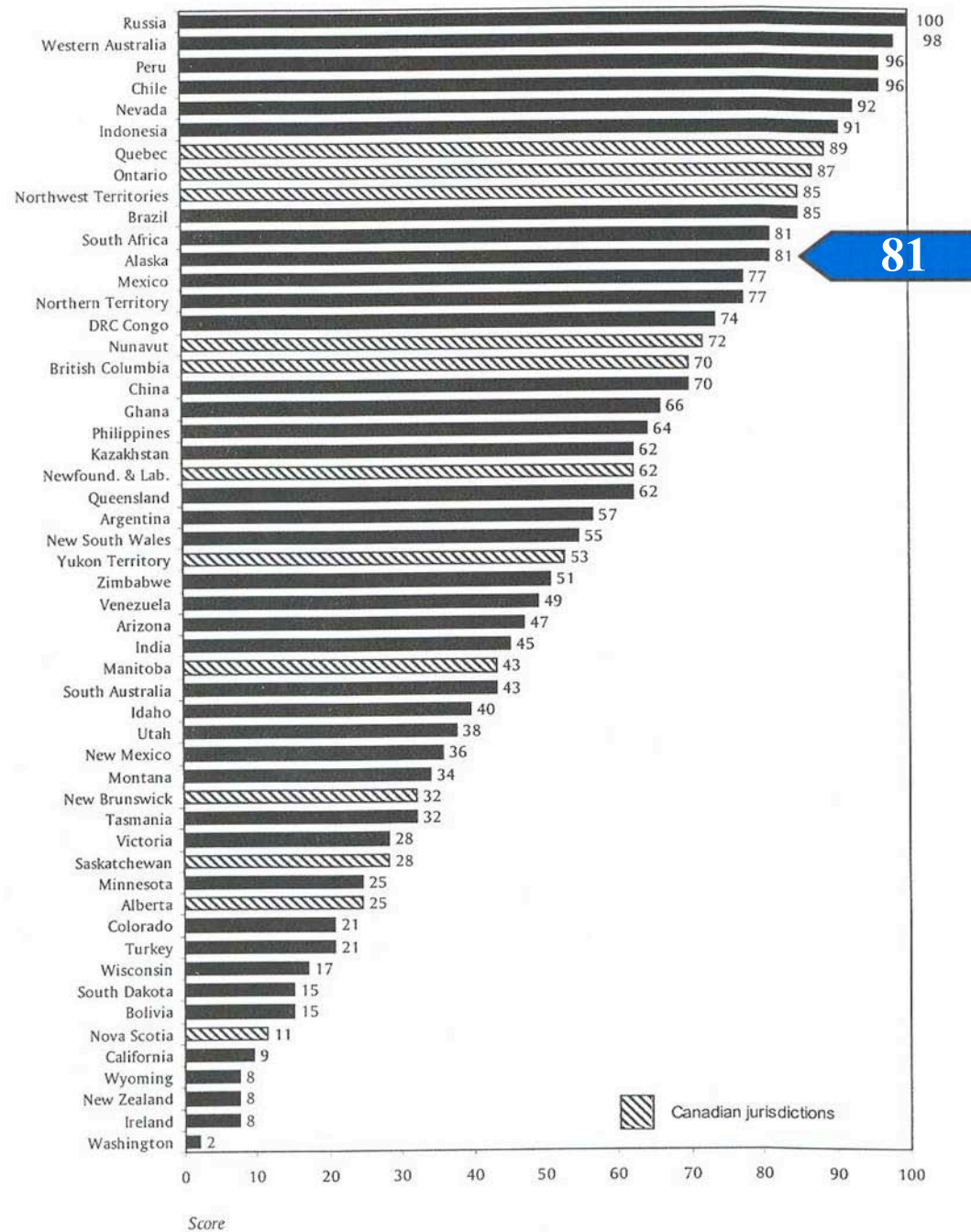


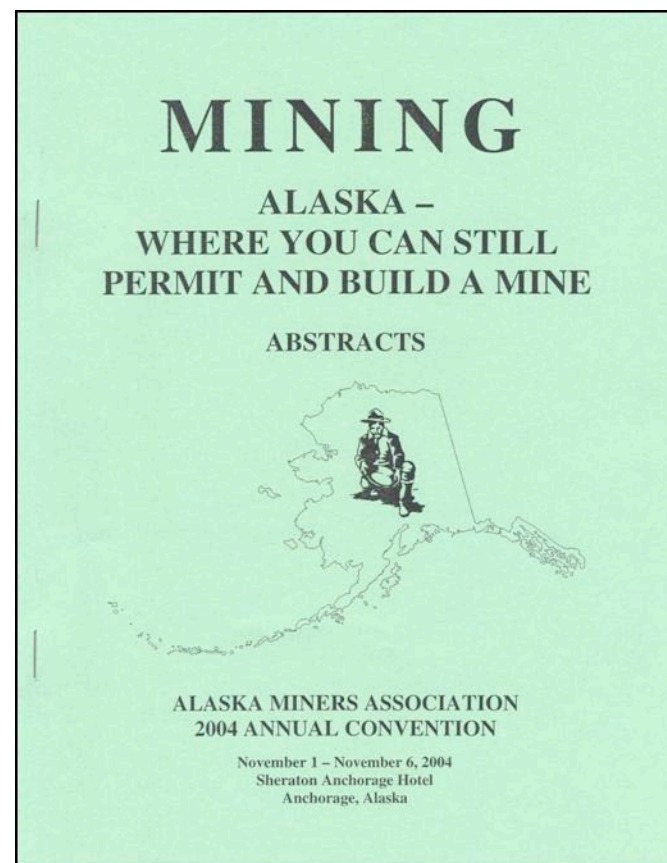
Figure 2: Mineral Potential Index





## *Trade Associations*

- Alaska Miners Association
- Resource Council



## *Trade Associations*

- Cooperative efforts



## *Contact Information*

### **ROYAL GOLD, INC.**

**1660 Wynkoop Street, Suite 1000  
Denver, Colorado 80202-1132  
United States of America**

**Telephone: (303) 573-1660**

**Fax: (303) 595-9385**

**Email:  
info@royalgold.com**

**Web Site: [www.royalgold.com](http://www.royalgold.com)**