

Royal Gold Acquires Stream and Royalty Interests on the Large-Scale, Long-Life, Warintza Copper-Gold-Molybdenum Development Project in Ecuador

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[Royal Gold Inc.](#) (NASDAQ: RGLD) (together with its subsidiaries, "Royal Gold" or the "Company," "we" or "our") announced today that its wholly-owned subsidiary RGLD Gold AG ("RG AG"), has entered into a gold purchase agreement ("Gold Stream Agreement"), and a separate net smelter return royalty agreement ("Royalty Agreement") for all metals, produced from the Warintza Project ("Warintza", or the "Project") in southeastern Ecuador, indirectly owned and operated by [Solaris Resources Inc.](#) ("Solaris"), for total cash consideration of \$200 million.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20250520626325/en/>

Figure 1 - Stream and Royalty Area of Interest

"I am pleased to announce these agreements on an emerging multi-generational copper-gold-molybdenum development project," commented Bill Heissenbuttel, President and CEO of Royal Gold. "Royal Gold will provide Solaris with upfront funding to advance development through to a final investment decision and fully repay existing indebtedness. Warintza is at an early stage in its development and is one of the only large-scale copper-gold-molybdenum projects that is not controlled by a major mining company, and the creative transaction structure offers Solaris flexibility as they consider strategic alternatives to advance the Project while protecting Royal Gold should development not proceed according to current plans."

Acquisition Highlights

The acquisition of the stream and royalty will provide Royal Gold shareholders exposure to:

- A world class resource with long life and large-scale production potential: Warintza has total Measured and Indicated Resources of 1.082 billion tonnes at a copper equivalent grade of 0.48%, and an additional Inferred Resource of 3.135 billion tonnes at a copper equivalent grade of 0.27%¹. An updated mineral resource estimate incorporating an additional 82,000 meters of drilling and the publication of a prefeasibility study is expected in the third quarter of 2025.
- A project with an accelerated development timeline operated by an experienced team: The Solaris management team has extensive experience in developing and advancing large copper projects in Latin America, and is targeting a project timeline with early works to begin in the second half of 2026, a construction decision by the end of 2026, and potential first production as soon as 2030.
- Significant long-term growth potential from large areas of interest: The areas of interest covered by the stream and royalty agreements include areas of identified mineralization targeted for pit expansion, reductions to stripping, resource growth, and additional porphyry targets.
- Limited exposure to development and change of control risks: The unique structure of the stream and royalty financing agreements provides Royal Gold with the right to receive a full repayment of the upfront investment while maintaining life of mine royalty exposure to the Project should development timelines be extended or a change of control of Solaris occur within certain timelines.

¹ Based on metal prices of \$4.00/lb copper, \$20.00/lb molybdenum and \$1,850/oz gold

Overview of Transaction Terms

Funding Schedule and Use of Proceeds

RG AG will pay a total of \$200 million in cash consideration ("Advance") in three installments:

- \$100 million on financial closing, which is expected to occur promptly,
- \$50 million after technical approval of the Environmental Impact Assessment ("EIA") (expected in mid-2025) and publication of the Pre-Feasibility Study ("PFS") (expected in the third quarter of 2025), and
- \$50 million one year after closing, upon full registration of security in Ecuador.

The proceeds of the Advance will be directed towards advancing technical studies, permitting activities, early infrastructure development, the repayment of the existing debt, some district exploration activities and general working capital requirements. After receipt of the full Advance, Solaris expects to be fully funded through to a final investment decision.

Gold Stream Agreement

Deliveries under the Gold Stream Agreement will be in an amount equal to 20 ounces of gold per million pounds of recovered copper produced from the stream area of interest defined below. RG AG will pay 20% of the spot gold price for each ounce delivered until the delivery of 90,000 ounces, and 60% of the spot gold price thereafter.

The Gold Stream Agreement may be subject to early termination, with the return of the Advance, under three scenarios:

1. Until May 21, 2030, and prior to the first gold delivery to RG AG:
 1. Solaris has the option to terminate the Gold Stream Agreement if a change of control of Solaris or the Project occurs (the "Solaris Option").
 2. RG AG has the option to terminate the Gold Stream Agreement if there is a change of control of Solaris or the Project (the "RG AG Option"). The RG AG Option will extend beyond 2030 if an acquirer of a control position held a lesser ownership position in Solaris or the Project prior to May 21, 2023.
2. If deliveries under the Gold Stream Agreement have not begun by May 21, 2033, RG AG will have the further option to terminate the Gold Stream Agreement at that time.

The Gold Stream Agreement will cover all copper produced from the area of interest shown as the "RGLD Gold AOI" in Figure 1, an area of approximately 31 km². If the first gold stream delivery is not received by May 21, 2033, and RG AG does not terminate the Gold Stream Agreement, the area of interest will expand to the "RGLD Gold Expanded AOI," an area of approximately 186 km².

If ore from outside the stream area of interest is commingled and processed at Warintza, all ore processed is subject to the Gold Stream Agreement until the delivery of 230,000 ounces of gold to RG AG.

Royalty Agreement

On financial close, RG AG will receive an incremental net smelter return ("NSR") royalty (the "Royalty") over all metals produced from within the RGLD Gold Expanded AOI at an initial rate of 0.30%. The Royalty rate will increase by 0.0375% per year until the earlier to occur of the first delivery under the Gold Stream Agreement or May 21, 2033, to a maximum of 0.60%, subject to certain scenarios:

1. If the Solaris Option is exercised, the full 0.6% royalty rate will vest for the life of mine.
2. If the RG AG Option is exercised, the incremental Royalty rate earned at the time of exercise will vest for the life of mine. For example, if the RG AG Option is exercised in 2030, the Royalty rate will be 0.49%. If the RG AG Option is exercised and the Gold Stream Agreement is terminated, the royalty area of interest will decrease to the smaller RGLD Gold AOI.

If ore from outside the royalty area of interest is commingled and processed at Warintza, all ore processed is subject to the Royalty Agreement until 11.5 billion pounds of recovered copper have been produced.

If Solaris sells any property located outside the boundaries of the RGLD Gold AOI but within the RGLD Gold Expanded AOI while the Gold Stream Agreement remains in effect, the Gold Stream Agreement will no longer extend to those properties, but RG AG will immediately vest in a 1.2% royalty over the property sold.

Security

RG AG's interests under the Gold Stream Agreement and Royalty Agreement are supported by secured guarantees from the wholly-owned subsidiaries of Solaris that directly and indirectly own the Project or are otherwise parties to the agreements, and will be further subject to security over the Project mining rights in Ecuador once those interests are registered in country. The security will remain in place until the earlier of the termination of the Gold Stream Agreement or repayment of the Advance, while the guarantees will continue for the life of mine.

Rights to Participate in Future Financings

RG AG maintains certain rights to participate in any future stream, royalty or similar production-based financing on the Warintza land package.

Funding

RG AG expects to pay the first instalment of the Advance using cash on hand and the remaining \$100 million from available cash resources.

Background on the Warintza Project

Warintza was discovered in 2000 and is a significant copper-molybdenum-gold porphyry development project owned 100% by Solaris Resources. The project area covers 268 km² and is located in southeastern Ecuador, in the Province of Morona Santiago, approximately 50 km north of the Mirador open pit copper mine and 75 km north of the Fruta del Norte underground mine. Solaris has executed Impact and Benefits Agreements with local communities, and has received government endorsements at the municipal, provincial and federal levels in Ecuador.

The Project consists of a cluster of five separate porphyry copper-molybdenum-gold intrusions that coalesce within two overlapping open pits. As of July 2024, the Project mineral resource is substantial:

- Measured & Indicated Resources: 1,082 Mt at 0.48% copper equivalent ("CuEq").
- Inferred Resources: 3,135 Mt at 0.27% CuEq.

These estimates are based on a 0.15% CuEq cut-off grade and are calculated using metal prices of \$4.00/lb copper, \$20/lb molybdenum, and \$1,850/oz gold.

Exploration potential is high for near and in-mine targets, as well as within the larger project area. Topographic limitations for exploration drill access create the potential for tonnage increases through further drilling, as well as possible grade increases in the near-surface supergene zone.

Solaris has submitted the Environmental Impact Assessment (EIA), and is targeting completion of a Pre-Feasibility Study (PFS) in the third quarter of 2025. Solaris is targeting first production in 2030.

Background on Solaris Resources Inc.

Solaris Resources Inc. is an Ecuador-based company focused on advancing copper and gold projects across the Americas. Founded in 2018, the company's flagship asset is the Warintza Project. Solaris also holds interests in exploration projects in Peru, Chile, and Mexico, including the La Verde joint venture with Teck Resources. As of December 2024, Solaris had a market capitalization of approximately US\$520 million

and a strong balance sheet with over US\$68 million in available liquidity. The company is led by an experienced management team and Board of Directors.

Corporate Profile

Royal Gold is a high margin, mid-capitalization company that generates strong cash flows from a large and well-diversified portfolio of precious metal streams, royalties and similar production-based interests located in mining-friendly jurisdictions. Royal Gold shares trade under the symbol "RGLD" and provide growth, value and income investors with exposure to the metals and mining industry. The Company's website is located at www.royalgold.com.

Forward-Looking Statements: This press release includes "forward-looking statements" within the meaning of U.S. federal securities laws. Forward-looking statements are any statements other than statements of historical fact. Forward-looking statements are not guarantees of future performance, and actual results may differ materially from these statements. Forward-looking statements are often identified by words like "will," "may," "could," "should," "would," "believe," "estimate," "expect," "anticipate," "plan," "forecast," "potential," "intend," "continue," "project," or negatives of these words or similar expressions. Forward-looking statements include, among others, statements regarding the following: anticipated developments relating to the Project, including the development timeline, the amount and timing of production, estimates of mineral resources and mineral reserves, the anticipated mine life, exploration potential, environmental and feasibility studies, technical reports, mine plans, capital requirements, liquidity and capital expenditures; Solaris' anticipated uses of the Advance and the adequacy of the Advance through to a final investment decision; Solaris' ability to return the Advance upon exercise of the RG AG Option; the timing of RG AG's payment of the Advance instalments and sources of such instalments; and anticipated benefits from the Gold Stream Agreement and Royalty Agreement.

Factors that could cause actual results to differ materially from these forward-looking statements include, among others, the following: changes in the price of gold, copper or other metals; operating activities or financial performance on the Project or Solaris' other projects, including variations between actual and forecasted performance, operators' ability to complete projects on schedule and as planned, operators' changes to mine plans and mineral reserves and mineral resources (including updated mineral reserve and mineral resource information), liquidity needs, mining and environmental hazards, labor disputes, distribution and supply chain disruptions, permitting and licensing issues, other adverse government or court actions, or operational disruptions; changes of control of Solaris or the Project; contractual issues involving the Gold Stream Agreement or Royalty Agreement; the timing of deliveries of metals and our subsequent sales of metal; risks associated with doing business in foreign countries; environmental risks, including those caused by climate change; potential cyber-attacks, including ransomware; adverse economic and market conditions; effects of health epidemics and pandemics; changes in laws or regulations governing us, operators or operating properties; changes in management and key employees; and other factors described in our reports filed with the Securities and Exchange Commission, including Item 1A, Risk Factors of our most recent Annual Report on Form 10-K. Most of these factors are beyond our ability to predict or control. Other unpredictable or unknown factors not discussed in this release could also have material adverse effects on 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, except as required by law. Readers are cautioned not to put undue reliance on forward-looking statements.

Statement Regarding Third-Party Information: Certain information provided in this press release, including anticipated developments relating to the Project, anticipated mineral resources, production estimates, property descriptions, and the background on the Project, was provided to us by the operator of the Project or is publicly available information filed by the operator with applicable securities regulatory bodies, including the Securities and Exchange Commission. 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 any such third-party information and refers the reader to the public reports filed by the operator for information regarding the Project.

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