

# Royal Gold Reports Third Quarter 2018 Results

02.05.2018 | [Business Wire](#)

[Royal Gold Inc.](#) (NASDAQ: RGLD) (together with its subsidiaries, “Royal Gold” or the “Company,” “we” or “our”) reports a net loss of \$153.7 million, or (\$2.35) per share, on revenue of \$116.0 million in its fiscal third quarter ended March 31, 2018 (“third quarter”). Third quarter reported earnings include non-cash charges of \$184.9 million, net of tax. Absent these impacts, adjusted net income<sup>1</sup> was \$31.3 million, or \$0.48 per share, up 32% from the prior year quarter.

## Third Quarter Highlights Compared to Prior Year Quarter:

- Revenue of \$116 million, an increase of 8%
- Operating cash flow of \$105 million, an increase of 37%
- Volume of 87,300 GEOs,<sup>2</sup> in line with the prior year quarter
- Dividends paid of \$16 million, an increase of 5%
- Additional \$75 million repaid on revolving credit facility
- Average gold price of \$1,329 per ounce, an increase of 9%

“We delivered another quarter of solid operating performance, which included our first full quarter sales of gold and silver from Rainy River,” commented Tony Jensen, President and CEO. “While a non-cash impairment from Pascua-Lama impacted our reported earnings, we continue to believe that the project presents significant option value for Royal Gold shareholders. In the near term, we look forward to improved production from Rainy River as it continues to mature, as well as growth from the Peñasquito Pyrite Leach Project and Cortez Crossroads, which are both expected to begin production late this calendar year.”

## Recent Developments

### Peak Gold Joint Venture

As of April 24, 2018, Royal Gold, through its wholly owned subsidiary, Royal Alaska, LLC, owns a 40% interest in and manages the Peak Gold Joint Venture (“Peak Gold JV”), for exploration and development of the Peak Gold Project located near Tok, Alaska. CORE Alaska, LLC, a wholly owned subsidiary of [Contango Ore Inc.](#) (“CORE”), owns a 60% interest in the Peak Gold JV. The approved exploration budget for 2018 is \$9.1 million on a consolidated basis.

Royal Gold also owns net smelter return (“NSR”) royalties of 2.0% and 3.0% over separate areas comprising the Peak Gold Project, which has a maiden resource of 11.3 million tonnes grading 3.46 grams per tonne gold.<sup>3</sup>

In a separate transaction on April 5, 2018, Royal Gold entered into a purchase agreement with a private seller to purchase 809,744 shares of CORE common stock, equating to an approximately 13.6% equity interest in CORE.

### Pascua-Lama

The Company owns a 0.78% to 5.45% sliding-scale NSR gold royalty and a 1.09% NSR copper royalty on the Pascua-Lama project, owned by Barrick Gold Corporation (“Barrick”). The project straddles the border of Chile and Argentina. Our royalty interests are applicable to all gold and copper production from the portion of the Pascua-Lama project lying on the Chilean side of the border.

On February 6, 2018, Barrick announced it reclassified Pascua-Lama’s proven and probable gold

reserves<sup>4</sup> of approximately 14 million ounces as measured and indicated resources.<sup>3</sup> A significant reduction in reserves or mineralized material is an indicator of potential impairment.

On April 23, 2018, Barrick announced that work performed to date on the prefeasibility study for a potential underground project at Pascua-Lama was suspended. Barrick will continue to evaluate opportunities to de-risk the project while maintaining Pascua-Lama as an option for development in the future if economics improve and related risks can be mitigated.

An impairment charge of \$239.4 million (\$178.9 million net of taxes) was taken during the third quarter, resulting in a carrying value of \$177.7 million as of March 31, 2018. As part of our impairment determination, the fair value for Pascua-Lama was estimated by calculating the net present value of future cash flows expected to be generated from mining the Pascua-Lama deposits subject to our royalty interest.

#### Wassa and Prestea

On April 12, 2018, Golden Star announced that it more than doubled its inferred mineral resource<sup>3</sup> estimate for its Wassa underground mine in Ghana, to 5.2 million ounces of gold from 2.1 million ounces at year-end 2017.

#### Mount Milligan

As previously reported, Centerra Gold (“Centerra”) temporarily suspended mill operations at Mount Milligan on December 27, 2017 due to insufficient fresh water. Mill operations restarted on February 5, 2018 with a single ball mill, and the second ball mill restarted on March 23, 2018. Centerra reported on May 1, 2018 that Mount Milligan was operating at an average throughput of approximately 40,000 tonnes per day, and that once the spring snow melt is underway, throughput is expected to increase to a targeted average of 55,000 tonnes per day for the second half of the calendar year.

Centerra is pursuing more permanent permitting solutions to allow higher levels of pumping from current water sources and is developing additional ground water sources for Mount Milligan to proactively mitigate potential future water shortages during winter months.

Our third quarter results were not impacted by the temporary shutdown of the mill processing facility. Due to the timing of shipments and deliveries of gold and copper, we expect the impact of the temporary shutdown to be reflected in Royal Gold’s mid-calendar 2018 results, as some of the deliveries of gold and copper that were expected in the June through August 2018 period will be deferred to a later date.

#### Attributable Reserves

Royal Gold also announces updated estimates of ore reserves and mineralized material<sup>5</sup> attributable to the Company’s stream, royalty and similar interests as of December 31, 2017. These figures are provided by the operators of properties on which the Company holds these interests, or are obtained by Royal Gold through publicly available information.

On a gold equivalent basis<sup>6</sup>, metals reserves attributable to Royal Gold were 6.3 million ounces, on a net reserve basis, at year end 2017, compared with 7.2 million ounces for the same period ended 2016. The reduction in reserves was principally due to the reclassification of reserves to resources at Pascua-Lama, as well as net depletion.

#### Third Quarter Overview

Third quarter revenue was \$116.0 million compared to \$107.0 million in the prior year quarter. Stream and royalty revenue totaled \$83.0 million and \$33.0 million, respectively, for the third quarter. Revenue increased due to higher gold and copper prices as well as increased stream sales from Wassa and Prestea, copper at Mount Milligan, and new production from Rainy River, partially offset by lower metal sales at Pueblo Viejo

and Andacollo.

Third quarter ending inventory was comprised of 26,000 gold ounces and 659,000 silver ounces, an increase over the prior quarter due to deliveries received in late March. We expect our fiscal fourth quarter 2018 sales related to our streaming agreements to be in line with the third quarter as inventory is expected to be reduced according to our routine sales procedures, offsetting lower expected deliveries from Mount Milligan.

Third quarter cost of sales of \$21.3 million was below the \$22.4 million recorded in the prior year quarter, driven by lower portfolio gold and silver sales.

General and administrative expenses increased to \$8.1 million in the third quarter, compared to \$5.4 million in the prior year quarter. The increase was primarily related to an increase in legal costs of \$1.3 million and an increase in non-cash compensation of \$1.2 million.

Exploration costs, which are related to our Peak Gold JV, were \$536,000 in the third quarter, a decrease from \$2.7 million the prior year quarter, due to reduced field work during the winter months.

We recognized an income tax benefit totaling \$45.9 million in the third quarter, compared with an income tax expense of \$6.5 million in the prior year quarter. This resulted in an effective tax rate of 22.9% in the current period, compared with 23.2% in the prior year quarter. The third quarter tax benefit was related to the Pascua-Lama impairment and was somewhat offset by a \$6 million increase to uncertain tax liabilities.

At March 31, 2018, we had current assets of \$151.9 million compared to current liabilities of \$43.5 million, resulting in working capital of \$108.4 million. This compares to current assets of \$165.5 million and current liabilities of \$41.6 million at December 31, 2017, resulting in working capital of \$123.9 million.

During the third quarter, liquidity needs were met from our available cash resources and \$94.7 million in revenue net of our streaming payments. The Company repaid \$75 million of the outstanding revolving credit facility during the quarter resulting in \$925 million available and \$75 million outstanding under the revolving credit facility as of March 31, 2018. Working capital, combined with the Company's undrawn revolving credit facility, totaled approximately \$1 billion of liquidity at March 31, 2018.

## PROPERTY HIGHLIGHTS

A summary of third quarter and historical production reported by operators of our stream and royalty properties can be found on Tables 1 and 2. Calendar year 2018 operator production estimates of certain properties in which we have interests compared to actual production through March 31, 2018 can be found on Table 3. Results of our streaming business for the third quarter, compared to the prior year quarter, can be found on Table 4. Highlights at certain of the Company's principal producing and development properties during the third quarter, compared to the prior year quarter, are detailed in our Annual Report on Form 10-K.

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<sup>1</sup> Adjusted Net Income is a non-GAAP measure. Please see Schedule A for reconciliation.

Gold Equivalent Ounces, ("GEOs") are calculated as revenue divided by the average gold price for the same period. GEOs net of stream payments were 71,200 in the third quarter, compared to 69,400 in the prior year quarter.

The U.S. Securities and Exchange Commission does not recognize the term "resource;" "Resources" are not reserves under the SEC's regulations, but are categorized under the securities law regulations of certain foreign jurisdictions in order of increasing geological confidence into "inferred resources," "indicated resources" and "measured resources." Investors are cautioned that resources cannot be classified as reserves unless and until it is demonstrated that they may be legally and economically extracted and produced and, as a result, they should not assume that all or any part of mineralized material in any of these categories will ever be converted into reserves.

Cautionary Note to U.S. Investors Concerning Estimates of Proven and Probable Mineral Reserves and Measured and Indicated Mineral Resources: The mineral reserve and resource estimates reported by Barrick  
4 were prepared in accordance with Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves. Royal Gold has not reconciled the reserve and resource estimates provided by Barrick with definitions of reserves used by the U.S. Securities and Exchange Commission.

The U.S. Securities and Exchange Commission does not recognize this term. Mineralized material is that part of a mineral system that has potential economic significance but cannot be included in the proven and  
5 probable ore reserve estimates until further drilling and metallurgical work is completed, and until other economic and technical feasibility factors based upon such work have been resolved. Investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.

Gold equivalent basis is calculated as total attributable gold ounces plus non-gold metals calculated with the following ratios per ounce of gold for 2017, using a year-end gold price of \$1,291 per ounce: 76 ounces of  
6 silver, 397 pounds of copper, 1,143 pounds of lead, 861 pounds of zinc, and 232 pounds of nickel. For 2016, non-gold metals were calculated using a year-end gold price of \$1,146: 71 ounces of silver, 458 pounds of copper, 1,273 pounds of lead, 988 pounds of zinc, and 252 pounds of nickel.

## 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. The Company owns interests on 192 properties on six continents, including interests on 39 producing mines and 22 development stage projects. Royal Gold is publicly traded on the NASDAQ Global Select Market under the symbol &ldquo;RGLD.&rdquo; The Company&rsquo;s website is located at [www.royalgold.com](http://www.royalgold.com).

Note: Management&rsquo;s conference call reviewing the third quarter results will be held on Thursday, May 3, 2018, at noon Eastern Time (10:00 a.m. Mountain Time). The call will be webcast and archived on the Company&rsquo;s website for a limited time.

### Third Quarter Earnings Call Information:

Dial-In Numbers: 855-209-8260 (U.S.); toll free  
855-669-9657 (Canada); toll free  
412-542-4106 (International)

Conference Title: Royal Gold

Webcast URL: [www.royalgold.com](http://www.royalgold.com) under Investors, Events & Presentations

Cautionary &ldquo;Safe Harbor&rdquo; 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 herein. Such forward-looking statements include statements about Barrick&rsquo;s reclassification of gold reserves to mineralized material at Pascua-Lama and suspension of work on the underground project pre-feasibility study, the impact of the Company&rsquo;s non-cash impairment of the Pascua-Lama royalty, and the option value of the Pascua-Lama project for the Company&rsquo;s shareholders; improved production at Rainy River; growth from production at the Peñasquito Pyrite Leach Project and at Cortez Crossroads, and expected commencement of production at each; anticipated exploration spending at the Peak Gold Project and mineral resources reported for the Project; the agreement to purchase shares of CORE; the increase in estimated inferred mineral resource for Wassa underground; the impact of the temporary shutdown and subsequent restart of mill processing operations at Mount Milligan; and operators&rsquo; production estimates for calendar year 2018. Net gold and metal reserves attributable to Royal Gold&rsquo;s stream, royalty and other interests are subject to certain assumptions and, like reserves, do not reflect actual ounces that will be produced. Like any stream, royalty or similar interest on a non-producing or not-yet-in-development project, our interests on development projects are subject to certain risks, such as the ability of the operators to bring the projects into production and operate in accordance with their feasibility studies and mine plans, and the ability of Royal Gold to make accurate assumptions regarding valuation and timing and amount of payments. In addition, many of our interests are subject to risks associated with conducting business in a foreign country, including application of foreign laws to contract and other disputes, foreign environmental laws and enforcement and uncertain political and economic environments. Factors that could cause actual results to differ materially from the projections include, among others, precious metals, copper and nickel prices; performance of and production

at the Company's stream and royalty properties, including gold and copper production at Mount Milligan and gold and silver production at Pueblo Viejo; the ability of operators to finance project construction to completion and bring projects into production as expected, including development stage mining properties, mine and mill expansion projects and other development and construction projects; operators' delays in securing or inability to secure or maintain necessary governmental permits; decisions and activities of the operators of the Company's stream and royalty properties; unanticipated grade, environmental, geological, seismic, metallurgical, processing, liquidity or other problems the operators of the Company's stream and royalty properties may encounter; operators' inability to access sufficient raw materials, water or power; changes in operators' project parameters as plans continue to be refined; changes in estimates of reserves and mineralization by the operators of the Company's stream and royalty properties; contests to the Company's stream and royalty interests and title and other defects in the properties where the Company holds stream and royalty interests; errors or disputes in calculating stream deliveries and royalty payments, or deliveries or payments not made in accordance with stream and royalty agreements; economic and market conditions; changes in laws governing the Company and its stream and royalty interests or the operators of the properties subject to such interests, and other subsequent events; as well as other factors described in the Company's Annual Report on Form 10-K, 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 herein. 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 production estimates for calendar 2018, has been provided to us by the operators of the relevant properties or is publicly available information filed by these operators 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 such third-party information and refers the reader to the public reports filed by the operators for information regarding those properties.

TABLE 1

Third Quarter Fiscal 2018

Revenue and Operators' Reported Production for Principal Stream and Royalty Interests  
(In thousands, except reported production in oz. and lbs.)

|                           |          | Three Months Ended<br>March 31, 2018 |                                     |       | Three Months Ended<br>March 31, 2017 |                                     |       |
|---------------------------|----------|--------------------------------------|-------------------------------------|-------|--------------------------------------|-------------------------------------|-------|
| Stream/Royalty            | Metal(s) | Revenue                              | Reported<br>Production <sup>1</sup> |       | Revenue                              | Reported<br>Production <sup>1</sup> |       |
| Stream:<br>Mount Milligan |          | \$ 47,807                            |                                     |       | \$ 35,112                            |                                     |       |
|                           | Gold     |                                      | 25,800                              | oz.   |                                      | 28,900                              | oz.   |
|                           | Copper   |                                      | 4.3                                 | Mlbs. |                                      | N/A                                 |       |
| Pueblo Viejo <sup>2</sup> |          | \$ 15,734                            |                                     |       | \$ 24,524                            |                                     |       |
|                           | Gold     |                                      | 8,500                               | oz.   |                                      | 15,600                              | oz.   |
|                           | Silver   |                                      | 260,800                             | oz.   |                                      | 322,000                             | oz.   |
| Wassa and Prestea         | Gold     | \$ 8,350                             | 6,300                               | oz.   | \$ 6,563                             | 5,400                               | oz.   |
| Andacollo                 | Gold     | \$ 7,186                             | 5,400                               | oz.   | \$ 10,398                            | 8,500                               | oz.   |
| Rainy River               |          | \$ 3,902                             |                                     |       | \$ N/A                               |                                     |       |
|                           | Gold     |                                      | 2,800                               | oz.   |                                      | N/A                                 |       |
|                           | Silver   |                                      | 11,100                              | oz.   |                                      | N/A                                 |       |
| Total stream revenue      |          | \$ 82,979                            |                                     |       | \$ 76,597                            |                                     |       |
| Royalty:<br>Peñasquito    |          | \$ 6,452                             |                                     |       | \$ 6,981                             |                                     |       |
|                           | Gold     |                                      | 91,200                              | oz.   |                                      | 137,500                             | oz.   |
|                           | Silver   |                                      | 5.0                                 | Moz.  |                                      | 4.8                                 | Moz.  |
|                           | Lead     |                                      | 26.0                                | Mlbs. |                                      | 31.3                                | Mlbs. |
|                           | Zinc     |                                      | 88.0                                | Mlbs. |                                      | 88.5                                | Mlbs. |
| Cortez                    | Gold     | \$ 1,901                             | 18,900                              | oz.   | \$ 1,068                             | 11,300                              | oz.   |
| Other <sup>3</sup>        | Various  | \$ 24,651                            | N/A                                 |       | \$ 22,326                            | N/A                                 |       |
| Total royalty revenue     |          | \$ 33,004                            |                                     |       | \$ 30,375                            |                                     |       |
| Total Revenue             |          | \$ 115,983                           |                                     |       | \$ 106,972                           |                                     |       |

TABLE 1

Third Quarter Fiscal 2018

Revenue and Operators' Reported Production for Principal Stream and Royalty Interests  
(In thousands, except reported production in oz. and lbs.)

| Stream/Royalty            | Metal(s) | Nine Months Ended<br>March 31, 2018 |                                     |       | Nine Months Ended<br>March 31, 2017 |                                     |       |
|---------------------------|----------|-------------------------------------|-------------------------------------|-------|-------------------------------------|-------------------------------------|-------|
|                           |          | Revenue                             | Reported<br>Production <sup>1</sup> |       | Revenue                             | Reported<br>Production <sup>1</sup> |       |
| Stream:<br>Mount Milligan |          | \$ 101,390                          |                                     |       | \$ 105,161                          |                                     |       |
|                           | Gold     |                                     | 57,100                              | oz.   |                                     | 83,500                              | oz.   |
|                           | Copper   |                                     | 8.7                                 | Mlbs. |                                     | N/A                                 |       |
| Pueblo Viejo <sup>2</sup> |          | \$ 67,492                           |                                     |       | \$ 71,911                           |                                     |       |
|                           | Gold     |                                     | 35,900                              | oz.   |                                     | 40,200                              | oz.   |
|                           | Silver   |                                     | 1.3                                 | Moz.  |                                     | 1.2                                 | Moz.  |
| Andacollo                 | Gold     | \$ 41,124                           | 32,100                              | oz.   | \$ 41,552                           | 32,900                              | oz.   |
| Wassa and Prestea         | Gold     | \$ 26,049                           | 20,200                              | oz.   | \$ 17,484                           | 14,000                              | oz.   |
| Rainy River               |          | \$ 4,973                            |                                     |       | \$ N/A                              |                                     |       |
|                           | Gold     |                                     | 3,600                               | oz.   |                                     | N/A                                 |       |
|                           | Silver   |                                     | 11,100                              | oz.   |                                     | N/A                                 |       |
| Total stream revenue      |          | \$ 241,028                          |                                     |       | \$ 236,108                          |                                     |       |
| Royalty:<br>Peñasquito    |          | \$ 20,439                           |                                     |       | \$ 19,935                           |                                     |       |
|                           | Gold     |                                     | 296,200                             | oz.   |                                     | 423,000                             | oz.   |
|                           | Silver   |                                     | 15.9                                | Moz.  |                                     | 15.1                                | Moz.  |
|                           | Lead     |                                     | 95.5                                | Mlbs. |                                     | 97.8                                | Mlbs. |
|                           | Zinc     |                                     | 274.8                               | Mlbs. |                                     | 232.1                               | Mlbs. |
| Cortez                    | Gold     | \$ 7,823                            | 73,800                              | oz.   | \$ 4,942                            | 47,600                              | oz.   |
| Other <sup>3</sup>        | Various  | \$ 73,517                           | N/A                                 |       | \$ 70,895                           | N/A                                 |       |
| Total royalty revenue     |          | \$ 101,779                          |                                     |       | \$ 95,772                           |                                     |       |
| Total revenue             |          | \$ 342,807                          |                                     |       | \$ 331,880                          |                                     |       |

TABLE 2

Operators' Historical Production

| Property                               | Operator      | Stream/Royalty   | Metal(s)                               |
|--|---------------|--|--|
| Stream:<br>Mount Milligan <sup>4</sup> | Centerra      | 35% of payable gold<br>18.75% of payable copper                            | Gold<br>Copper                         |
| Pueblo Viejo                           | Barrick (60%) | 7.5% of gold produced up to 990,000 ounces; 3.75% thereafter               | Gold                                   |
|  |               | 75% of payable silver up to 50 million ounces; 37.5% thereafter            | Silver                                 |
| Andacollo                              | Teck          | 100% of gold produced  | Gold                                   |
| Rainy River                            | New Gold      | 6.5% of gold produced up to 230,000 ounces; 3.25% thereafter               | Gold                                   |
|  |               | 60% of silver produced up to 3.1 millions ounces delivered; 30% thereafter | Silver                                 |
| Wassa and Prestea <sup>5</sup>         | Golden Star   | 10.5% of gold produced up to 240,000 ounces; 5.5% thereafter               | Gold                                   |
| Royalty:<br>Peñasquito                 | Goldcorp      | 2.0% NSR   | Gold<br>Silver<br>Lead<br>Zinc<br>Gold |
| Cortez                                 | Barrick       | GSR1 and GSR2, GSR3, NVR1  |  |

## FOOTNOTES



## Tables 1 and 2

<sup>1</sup> Reported production relates to the amount of metal sales that are subject to our stream and royalty interests for the stated period, as reported to us by operators of the mines.

<sup>2</sup> The first silver stream deliveries were in March 2016, with the first silver sales made during the June 2016 quarter.

<sup>3</sup> Individually, no stream or royalty included within the "Other" category contributed greater than 5% of our total revenue for the entire period.

Reflects the October 20, 2016 amendment to our Mount Milligan streaming agreement. Prior to the amendment, Royal Gold held a 52.25% gold stream. Gold concentrate that was in transit at October 20, 2016 was delivered to us under the 52.25% gold stream. Royal Gold began receiving gold and copper deliveries reflecting the amended stream agreement in April 2017.

<sup>4</sup> The gold stream percentage at Wassa and Prestea increased to 10.5% from 9.25%, effective January 1, 2018.

## TABLE 3

## Calendar 2018 Operator's Production Estimate vs Actual Production

| Stream/Royalty Stream:      | Calendar 2018 Operator's Production Estimate <sup>1</sup> |              |                    | Calendar 2018 Operator's Production Actual <sup>2,3</sup> |              |                    |
|-----------------------------|---|--------------|--------------------|---|--------------|--------------------|
|                             | Gold (oz.)  | Silver (oz.) | Base Metals (lbs.) | Gold (oz.)  | Silver (oz.) | Base Metals (lbs.) |
| Andacollo <sup>4</sup>      | 66,700  |              |                    | 14,000  |              |                    |
| Mount Milligan <sup>5</sup> | 195,000-215,000   |              | 47 - 52 million    | 29,500  |              | 6.1 million        |
| Pueblo Viejo <sup>6</sup>   | 585,000-615,000   | Not provided |                    | 141,000   | Not provided |                    |
| Rainy River <sup>7</sup>    | 310,000-350,000   | Not provided |                    | 39,300  | 0.1 million  |                    |
| Wassa and Prestea           | 230,000-255,000   |              |                    | 57,600  |              |                    |
| Royalty:                    |   |              |                    |   |              |                    |
| Cortez GSR1                 | 48,300  |              |                    | 18,500  |              |                    |
| Cortez GSR2                 | 2,200   |              |                    | 400   |              |                    |
| Cortez GSR3                 | 50,500  |              |                    | 18,900  |              |                    |
| Cortez NVR1                 | 31,600  |              |                    | 11,900  |              |                    |
| Peñasquito <sup>8</sup>     | 310,000   | Not provided |                    | 98,000  | 5.2 million  |                    |
| Lead                        |   |              | 160 million        |   |              | 26.0 million       |
| Zinc                        |   |              | 300 million        |   |              | 88.7 million       |

Production estimates received from our operators are for calendar 2018. There can be no assurance that production estimates received from our operators will be achieved. Please refer to our cautionary language regarding forward-looking statements and the statement regarding third party information contained in this press release, as well as the Risk Factors identified in Part I, Item 1A, of our Fiscal 2017 Form 10-K for information regarding factors that could affect actual results.

<sup>2</sup> Actual production figures shown are from our operators and cover the period January 1, 2018 through March 31, 2018.

Actual production figures for Cortez are based on information provided to us by [Barrick Gold Corp.](#), and actual production figures for Andacollo, Mount Milligan, Pueblo Viejo, Peñasquito (gold) and Wassa and Prestea are the publicly reported figures of the operators of those properties.

<sup>4</sup> The estimated and actual production figures shown for Andacollo are contained gold in concentrate.

<sup>5</sup> The estimated and actual production figures shown for Mount Milligan are payable gold and copper in concentrate.

<sup>6</sup> The estimated and actual production figures shown for Pueblo Viejo are payable gold in doré and represent Barrick's 60% interest in Pueblo Viejo.

<sup>7</sup> The estimated gold production figures shown for Wassa and Prestea are payable gold in concentrate and doré.

<sup>8</sup> The estimated and actual gold production figures shown for Peñasquito are payable gold in concentrate. The operator did not provide estimated silver production.

## TABLE 4

## Stream Summary

| Gold Stream | Three Months Ended March 31, 2018 |             | Three Months Ended March 31, 2017 |             | As of March 31, 2018 | As of June 30, 2017 |
|-------------|-----------------------------------|-------------|-----------------------------------|-------------|----------------------|---------------------|
|             | Purchases (oz.)                   | Sales (oz.) | Purchases (oz.)                   | Sales (oz.) | Inventory (oz.)      | Inventory (oz.)     |

|                   |                    |                |                    |                |                    |                    |
|-------------------|--------------------|----------------|--------------------|----------------|--------------------|--------------------|
| Mount Milligan    | 27,400             | 25,800         | 22,700             | 28,900         | 6,800              | 100                |
| Pueblo Viejo      | 13,200             | 8,500          | 10,400             | 15,600         | 13,200             | 12,900             |
| Andacollo         | 10,000             | 5,400          | 10,900             | 8,500          | 4,600              | 100                |
| Wassa and Prestea | 6,800              | 6,300          | 5,700              | 5,400          | 900                | 1,000              |
| Rainy River       | 2,900              | 2,800          | &mdash;            | &mdash;        | 300                | &mdash;            |
| Total             | 60,300             | 48,800         | 49,700             | 58,400         | 25,800             | 14,100             |
|                   | Three Months Ended |                | Three Months Ended |                | As of              | As of              |
|                   | March 31, 2018     |                | March 31, 2017     |                | March 31, 2018     | June 30, 2017      |
| Silver Stream     | Purchases (oz.)    | Sales (oz.)    | Purchases (oz.)    | Sales (oz.)    | Inventory (oz.)    | Inventory (oz.)    |
| Pueblo Viejo      | 616,300            | 260,800        | 373,600            | 322,000        | 616,300            | 536,800            |
| Rainy River       | 41,800             | 11,100         | &mdash;            | &mdash;        | 42,600             | &mdash;            |
| Total             | 658,100            | 271,900        | 373,600            | 322,000        | 658,900            | 536,800            |
|                   | Three Months Ended |                | Three Months Ended |                | As of              | As of              |
|                   | March 31, 2018     |                | March 31, 2017     |                | March 31, 2018     | June 30, 2017      |
| Copper Stream     | Purchases (tonnes) | Sales (tonnes) | Purchases (tonnes) | Sales (tonnes) | Inventory (tonnes) | Inventory (tonnes) |
| Mount Milligan    | 1,540              | 1,966          | N/A                | N/A            | &mdash;            | &mdash;            |
|                   | Nine Months Ended  |                | Nine Months Ended  |                | As of              | As of              |
|                   | March 31, 2018     |                | March 31, 2017     |                | March 31, 2018     | June 30, 2017      |
| Gold Stream       | Purchases (oz.)    | Sales (oz.)    | Purchases (oz.)    | Sales (oz.)    | Inventory (oz.)    | Inventory (oz.)    |
| Mount Milligan    | 63,800             | 57,100         | 76,100             | 83,500         | 6,800              | 100                |
| Andacollo         | 36,500             | 32,100         | 35,400             | 32,900         | 4,600              | 100                |
| Pueblo Viejo      | 36,300             | 35,900         | 39,700             | 40,200         | 13,200             | 12,900             |
| Wassa and Prestea | 20,200             | 20,200         | 14,500             | 14,000         | 900                | 1,000              |
| Rainy River       | 3,900              | 3,600          | &mdash;            | &mdash;        | 300                | &mdash;            |
| Total             | 160,700            | 148,900        | 165,700            | 170,600        | 25,800             | 14,100             |
|                   | Nine Months Ended  |                | Nine Months Ended  |                | As of              | As of              |
|                   | March 31, 2018     |                | March 31, 2017     |                | March 31, 2018     | June 30, 2017      |
| Silver Stream     | Purchases (oz.)    | Sales (oz.)    | Purchases (oz.)    | Sales (oz.)    | Inventory (oz.)    | Inventory (oz.)    |
| Pueblo Viejo      | 1,346,500          | 1,267,000      | 1,239,400          | 1,188,600      | 616,300            | 536,800            |
| Rainy River       | 53,700             | 11,100         | &mdash;            | &mdash;        | 42,600             | &mdash;            |
| Total             | 1,400,200          | 1,278,100      | 1,239,400          | 1,188,600      | 658,900            | 536,800            |
|                   | Nine Months Ended  |                | Nine Months Ended  |                | As of              | As of              |
|                   | March 31, 2018     |                | March 31, 2017     |                | March 31, 2018     | June 30, 2017      |
| Copper Stream     | Purchases (tonnes) | Sales (tonnes) | Purchases (tonnes) | Sales (tonnes) | Inventory (tonnes) | Inventory (tonnes) |
| Mount Milligan    | 2,414              | 1,988          | N/A                | N/A            | &mdash;            | &mdash;            |

ROYAL GOLD, INC.

## Consolidated Balance Sheets

(In thousands except share data)

|                                   |                |
|-----------------------------------|----------------|
|                                   | March 31, 2018 |
| ASSETS                            |                |
| Cash and equivalents              | \$ 109,376     |
| Royalty receivables               | 27,795         |
| Income tax receivable             | 1,149          |
| Stream inventory                  | 12,699         |
| Prepaid expenses and other        | 826            |
| Total current assets              | 151,845        |
| Stream and royalty interests, net | 2,532,603      |
| Other assets                      | 68,999         |
| Total assets                      | \$ 2,753,447   |
| LIABILITIES                       |                |
| Accounts Payable                  | \$ 3,008       |
| Dividends payable                 | 16,361         |
| Income tax payable                | 12,431         |
| Withholding taxes payable         | 3,652          |
| Other current liabilities         | 8,045          |

|  |              |
|--|--------------|
| Total current liabilities  | 43,497       |
| Debt   | 422,273      |
| Deferred tax liabilities   | 103,221      |
| Uncertain tax positions  | 36,616       |
| Other long-term liabilities  | 17,435       |
| Total liabilities  | 623,042      |
| Commitments and contingencies  |              |
| EQUITY   |              |
| Preferred stock, \$.01 par value, 10,000,000 shares authorized; and 0 shares issued  | &mdash;      |
| Common stock, \$.01 par value, 200,000,000 shares authorized; and 65,309,018 and 65,179,527 shares outstanding, respectively | 653          |
| Additional paid-in capital   | 2,188,251    |
| Accumulated other comprehensive income   | 21           |
| Accumulated (losses) earnings  | (100,173     |
| Total Royal Gold stockholders' equity  | 2,088,752    |
| Non-controlling interests  | 41,653       |
| Total equity   | 2,130,405    |
| Total liabilities and equity   | \$ 2,753,447 |
| ROYAL GOLD, INC.   |              |

## Consolidated Statements of Operations and Comprehensive (Loss) Income

(In thousands except for per share data)

|  | Three Months Ended |                   | Nine Months       |
|--|--------------------|-------------------|-------------------|
|  | March 31,<br>2018  | March 31,<br>2017 | March 31,<br>2018 |
| Revenue  | \$ 115,983         | \$ 106,972        | \$ 342,807        |
| Costs and expenses   |                    |                   |                   |
| Cost of sales  | 21,345             | 22,419            | 61,627            |
| General and administrative   | 8,100              | 5,402             | 24,555            |
| Production taxes   | 423                | 389               | 1,568             |
| Exploration costs  | 536                | 2,647             | 5,098             |
| Depreciation, depletion and amortization                                 | 39,679             | 40,164            | 121,380           |
| Impairments of royalty interests   | 239,364            | &mdash;           | 239,364           |
| Total costs and expenses   | 309,447            | 71,021            | 453,592           |
| Operating (loss) income  | (193,464 )         | 35,951            | (110,785          |
| Interest and other income  | 1,781              | 1,326             | 3,416             |
| Interest and other expense   | (8,294 )           | (9,254 )          | (25,946           |
| (Loss) income before income taxes  | (199,977 )         | 28,023            | (133,315          |
| Income tax benefit (expense)   | 45,859             | (6,492 )          | (10,044           |
| Net (loss) income  | (154,118 )         | 21,531            | (143,359          |
| Net loss attributable to non-controlling interests                       | 468                | 2,130             | 3,573             |
| Net (loss) income attributable to Royal Gold common stockholders         | \$ (153,650 )      | \$ 23,661         | \$ (139,786       |
| Net (loss) income  | \$ (154,118 )      | \$ 21,531         | \$ (143,359       |
| Adjustments to comprehensive (loss) income, net of tax                   |                    |                   |                   |
| Unrealized change in market value of available-for-sale securities       | (666 )             | 360               | (858              |
| Comprehensive (loss) income  | (154,784 )         | 21,891            | (144,217          |
| Comprehensive loss attributable to non-controlling interests             | 468                | 2,130             | 3,573             |
| Comprehensive (loss) income attributable to Royal Gold stockholders      | \$ (154,316 )      | \$ 24,021         | \$ (140,644       |
| Net (loss) income per share available to Royal Gold common stockholders: |                    |                   |                   |
| Basic (loss) earnings per share  | \$ (2.35 )         | \$ 0.36           | \$ (2.14          |
| Basic weighted average shares outstanding                                | 65,307,324         | 65,169,883        | 65,283,019        |
| Diluted (loss) earnings per share  | \$ (2.35 )         | \$ 0.36           | \$ (2.14          |
| Diluted weighted average shares outstanding                              | 65,307,324         | 65,274,926        | 65,283,019        |
| Cash dividends declared per common share                                 | \$ 0.25            | \$ 0.24           | \$ 0.74           |
| ROYAL GOLD, INC.   |                    |                   |                   |

## Consolidated Statements of Cash Flows

(In thousands)

|  | Three Months Ended<br>March 31,<br>2018 | March 31,<br>2017 | Nine Months Ended<br>March 31,<br>2018 |
|--|---|-------------------|--|
| Cash flows from operating activities:  |   |                   |  |
| Net (loss) income  | \$ (154,118)                            | \$ 21,531         | \$ (143,000)                           |
| Adjustments to reconcile net (loss) income to net cash provided by operating activities: |   |                   |  |
| Depreciation, depletion and amortization   | 39,679                                  | 40,164            | 121,000                                |
| Amortization of debt discount and issuance costs   | 3,787                                   | 3,451             | 11,200                                 |
| Non-cash employee stock compensation expense   | 1,563                                   | 314               | 5,950                                  |
| Impairments of royalty interests   | 239,364                                 | &mdash;           | 239,364                                |
| Deferred tax benefit   | (60,541)                                | (3,055)           | (31,000)                               |
| Other  | (41)                                    | &mdash;           | (199)                                  |
| Changes in assets and liabilities:   |   |                   |  |
| Royalty receivables  | 1,490                                   | 5,768             | (909)                                  |
| Stream inventory   | (5,340)                                 | 3,554             | (4,800)                                |
| Income tax receivable  | 26,217                                  | (6,065)           | 21,000                                 |
| Prepaid expenses and other assets  | 3,552                                   | 92                | 3,220                                  |
| Accounts payable   | 719                                     | 191               | (939)                                  |
| Income tax payable   | (2,666)                                 | 11,698            | 6,770                                  |
| Withholding taxes payable  | 201                                     | (7,085)           | 227                                    |
| Uncertain tax positions  | 6,429                                   | 1,289             | 10,900                                 |
| Other liabilities  | 4,280                                   | 4,213             | 13,400                                 |
| Net cash provided by operating activities  | \$ 104,575                              | \$ 76,060         | \$ 251,000                             |
| Cash flows from investing activities:  |   |                   |  |
| Acquisition of stream and royalty interests  | (1,012)                                 | (10,903)          | (1,000)                                |
| Other  | (1,157)                                 | (271)             | (1,200)                                |
| Net cash used in investing activities  | \$ (2,169)                              | \$ (11,174)       | \$ (2,200)                             |
| Cash flows from financing activities:  |   |                   |  |
| Borrowings from revolving credit facility  | &mdash;                                 | &mdash;           | &mdash;                                |
| Repayment of revolving credit facility   | (75,000)                                | (45,000)          | (175,000)                              |
| Net payments from issuance of common stock   | 39                                      | (298)             | (3,500)                                |
| Common stock dividends   | (16,364)                                | (15,680)          | (47,000)                               |
| Purchase of additional royalty interest from non-controlling interest                    | &mdash;                                 | (24)              | &mdash;                                |
| Other  | 163                                     | 218               | 240                                    |
| Net cash used in financing activities  | \$ (91,162)                             | \$ (60,784)       | \$ (226,000)                           |
| Net increase (decrease) in cash and equivalents  | 11,244                                  | 4,102             | 23,500                                 |
| Cash and equivalents at beginning of period  | 98,132                                  | 83,988            | 85,800                                 |
| Cash and equivalents at end of period  | \$ 109,376                              | \$ 88,090         | \$ 109,300                             |

## SCHEDULE A

## Non-GAAP Financial Measures

Non-GAAP financial measures are intended to provide additional information only and do not have any standard meaning prescribed by generally accepted accounting principles ("GAAP"). These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

## Adjusted Net (Loss) Income Reconciliation

Management of the Company uses adjusted net income (loss) to evaluate the Company's operating performance, and for planning and forecasting future business operations. The Company believes the use of adjusted net income (loss) allows investors and analysts to understand the results relating to receipt of

revenue from its royalty interests and purchase and sale of gold from its streaming interests by excluding certain items that have a disproportionate impact on our results for a particular period. The net income (loss) adjustments are presented net of tax generally at the Company's statutory effective tax rate. Management's determination of the components of adjusted net income (loss) are evaluated periodically and based, in part, on a review of non-GAAP financial measures used by mining industry analysts. Net income (loss) attributable to Royal Gold stockholders is reconciled to adjusted net income (loss) as follows:

|  | Three Months Ended<br>March 31,<br>(Unaudited, in thousands) |           | Nine Months Ended<br>March 31,<br>(Unaudited, in thousands) |
|--|--|-----------|---|
|  | 2018   | 2017      | 2017  |
| Net (loss) income attributable to Royal Gold common stockholders                     | \$ (153,650 )  | \$ 23,661 | \$ (153,650 )   |
| Preliminary impacts of U.S. tax legislation  | &mdash;  | &mdash;   | &mdash;   |
| Income tax foreign currency election   | 132  | &mdash;   | 132   |
| Increase in uncertain tax positions  | 5,925  | &mdash;   | 5,925   |
| Impairments royalty interests, net of tax  | 178,856  | &mdash;   | 178,856   |
| Adjusted net income attributable to Royal Gold common stockholders                   | \$ 31,263  | \$ 23,661 | \$ 31,263   |
| Net (loss) income attributable to Royal Gold common stockholders per basic share     | \$ (2.35 )   | \$ 0.36   | \$ (2.35 )  |
| Preliminary impacts of U.S. tax legislation  | &mdash;  | &mdash;   | &mdash;   |
| Income tax foreign currency election   | &mdash;  | &mdash;   | &mdash;   |
| Increase in uncertain tax positions  | 0.09   | &mdash;   | 0.09  |
| Impairments royalty interests, net of tax  | 2.74   | &mdash;   | 2.74  |
| Adjusted net income attributable to Royal Gold common stockholders per basic share   | \$ 0.48  | \$ 0.36   | \$ 0.48   |
| Net (loss) income attributable to Royal Gold common stockholders per diluted share   | \$ (2.35 )   | \$ 0.36   | \$ (2.35 )  |
| Preliminary impacts of U.S. tax legislation  | &mdash;  | &mdash;   | &mdash;   |
| Income tax foreign currency election   | &mdash;  | &mdash;   | &mdash;   |
| Increase in uncertain tax positions  | 0.09   | &mdash;   | 0.09  |
| Impairments royalty interests, net of tax  | 2.74   | &mdash;   | 2.74  |
| Adjusted net income attributable to Royal Gold common stockholders per diluted share | \$ 0.48  | \$ 0.36   | \$ 0.48   |

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Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/297634--Royal-Gold-Reports-Third-Quarter-2018-Results.html>

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