

Royal Gold Reports Record Revenue and Operating Cash Flow for the September Quarter of 2021

03.11.2021 | [Business Wire](#)

DENVER, November 03, 2021 - Royal Gold, Inc. (NASDAQ: RGLD) (together with its subsidiaries, "Royal Gold" or the "Company," "we," "us," or "our") reports for the quarter ended September 30, 2021 (the "September quarter") net income of \$70.2 million, or \$1.07 per share, record revenue of \$174.4 million and record operating cash flow of \$129.9 million. Adjusted net income¹ was \$70.0 million, or \$1.07 per share.

Key September Quarter Highlights:

- Records for revenue of \$174.4 million, operating cash flow of \$129.9 million and volume of 97,400 GEOs²
- 73% of revenue from gold, 10% from silver, 14% from copper
- Ended the quarter with cash of \$160 million, net cash³ of \$60 million and available liquidity of \$1.1 billion
- Received first silver delivery from Khoemacau
- Closed stream on the NX Gold Mine, and received first gold delivery
- Acquired royalty on the world-class Red Chris Mine
- Continued progress on ESG initiatives including upgraded MSCI ESG Rating of AA and achieved net zero carbon emissions for direct operations
- Paid quarterly dividend of \$0.30 per share, a 7% increase over the prior year quarter

Post Quarter Events:

- Khoemacau stream rate increased to 90% of payable silver
- Reduced debt by \$50 million

"I am pleased to report that Royal Gold turned in another quarter of very strong financial and operating performance with record revenue, operating cash flow and GEO² volume in the September quarter," commented Bill Heissenbuttel, President and CEO of Royal Gold. "The portfolio continued to deliver consistent gold-focused revenue and we saw excellent progress at our newest portfolio assets:

- Newcrest released a pre-feasibility study on the block cave at the Red Chris Mine that shows forecast production to 2040 that is substantially similar to our valuation expectations and indicates potential for significant upside well into the future,
- Ero Copper announced exciting exploration results at the NX Gold Mine that indicate further potential for high-grade resource growth, and
- IAMGOLD showed steady progress on construction at the Côté Gold Project with expected first production in 2023.

We also received our first silver deliveries from our biggest growth project, Khoemacau, and after quarter end we increased our stream interest to 90% of payable silver, giving us further exposure to this high-quality, long-life mine."

"During the quarter we also received an upgrade in our MSCI ESG Rating to AA," continued Mr. Heissenbuttel, "and it's gratifying to see external recognition of our approach to managing ESG risks in our business. With the consistent performance of our portfolio, embedded growth projects, solid balance sheet

and approach to sustainability, we are positioned well for continued strong performance in the future."

1 Adjusted net income and adjusted net income per share are non-GAAP financial measures. See Schedule A of this press release for additional information, including a detailed description of adjustments to net income.

2 See Schedule A of this press release for additional information about gold equivalent ounces, or GEOS.

3 Net debt (and net cash) is a non-GAAP financial measure. See Schedule A of this press release for additional information.

Recent Developments

Increase in Silver Stream to 90% and First Silver Delivery from the Khoemacau Project

As previously announced, first concentrate was shipped in mid-July from the long-life Khoemacau Project ("Khoemacau") in Botswana. Royal Gold received its first silver stream deliveries totaling approximately 105,800 ounces for the September quarter.

According to Khoemacau Copper Mining (Pty.) Limited ("KCM"), construction at Khoemacau is substantially complete and activity is focused on ramping up to full production levels. Progress within the mine has been slower than planned due to underground equipment operator shortages caused by international travel restrictions, the late arrival of key underground equipment caused by COVID-19 considerations and recent unrest in South Africa, and typical ramp up issues related to drilling and blasting of the first stopes. With an improvement in the availability of operators, all required equipment now on site, and experience gained from mining the first stopes, progress is being made on resolving these issues and the mining rate at the end of October has steadily improved to approximately 40% of the target mining rate of 10,000 tonnes per day. Stope mining began in September and ground conditions, ore body grades and widths are all in line with expectations.

KCM reported that progress in the process plant has also been in line with expectations, and nameplate capacity of 10,000 tonnes per day was reached consistently for discrete periods during the commissioning period using stockpiled ore. Average recoveries in October were 85% for copper and 81% for silver, and are expected to reach target recoveries of 88% for copper and 84% for silver as the plant operations progress to steady state, in addition to other ongoing adjustments to the process. Copper concentrate produced so far has met required offtake specifications.

KCM expects that the mining rate will continue to ramp-up steadily and reach approximately 75% of target production at the end of the first calendar quarter of 2022, and reach full, sustained production during the third calendar quarter of 2022. While the Government of Botswana lifted the COVID-19 state of emergency on September 30, 2021, KCM has advised that COVID-19 considerations, both locally and internationally, remain a risk to ramp-up progress.

On October 8, 2021, Royal Gold acquired the right to receive a further 6% of the payable silver from Khoemacau with an advance payment of \$15.9 million, which was requested by KCM to maintain appropriate working capital levels during the ramp up period. With project construction essentially complete, KCM has advised that it is well advanced in closing out all major project contracts and there is limited scope for change to the remaining project capital cost to completion. Royal Gold has remaining committed funding of \$26.5 million to KCM in the form of additional advance payments under the stream, which may be drawn at the election of KCM prior to the earlier of completion of development or 60 days after the start of commercial production. KCM has advised that it expects to have sufficient working capital available through the ramp-up period and it does not expect to draw materially on this remaining available funding.

With the results experienced during the ramp-up period, KCM continues to expect Khoemacau to produce 155,000 to 165,000 tonnes of high-grade copper and silver concentrate a year once full production levels are reached, containing approximately 60,000 to 65,000 tonnes of payable copper and 1.8 to 2.0 million ounces of payable silver, over a mine life of approximately 20 years.

Royal Gold holds the right to receive 90% of the payable silver produced from Khoemacau until the delivery of 36.0 million silver ounces, and 45% thereafter. Royal Gold will pay a cash price equal to 20% of the spot silver price for each ounce delivered; however, if KCM achieves mill expansion throughput levels above 13,000 tonnes per day (30% above current mill design capacity), Royal Gold will pay a higher ongoing cash price for silver ounces delivered in excess of specific annual thresholds.

Positive Red Chris Mine Block Cave Pre-Feasibility Study

As previously announced, on August 11, 2021, Royal Gold acquired a 1.0% net smelter return royalty on certain areas of the Red Chris Mine (the “Red Chris Royalty”) in British Columbia, Canada, which covers the currently known mineralization and prospective exploration areas. The Red Chris Mine is an operating open pit mine producing gold, copper and silver, and is owned by the Red Chris Joint Venture, which is owned 70% by Newcrest Mining Ltd. (“Newcrest”) and 30% by Imperial Metals Corporation, in which Newcrest is the operator. The effective date of the transaction was January 1, 2021 and Royal Gold expects the first royalty payment for production during calendar 2021 to be made within the first 90 days of 2022. Production from the Red Chris Mine for the 9 months ending September 30, 2021, was 46,549 ounces of gold, 22,999 tonnes of copper and 129,543 ounces of silver.

After the end of the quarter, on October 12, 2021, Newcrest released the results of a Pre-Feasibility Study (“PFS”) detailing the long term mine plan and transition from an open pit to an underground block cave operation. Newcrest reported a mine life of 36 years with total production of 480 million tonnes of ore containing 5.3 million ounces of gold and 1.7 million tonnes of copper. Potential sources of additional upside not incorporated in the PFS include exploration success at the recently discovered East Ridge target and a new zone of higher-grade mineralization southwest of the Main Zone, potential acceleration of mining of high-grade pods, and further analysis of the inclusion of next generation mining systems. Results of this study are consistent with the due diligence estimates that provided the basis for Royal Gold’s valuation of the Red Chris Royalty.

Newcrest outlined plans to complete a Feasibility Study by mid-2023 that will include studies to consider early mining of high-grade pods in the East Zone, and accommodate the potential development of the East Ridge discovery and further resource upside. Newcrest reported that drilling to define the extent of the East Ridge mineralization is ongoing and follow up drilling is planned to test extensions of the porphyry corridor further to the east, where step out drilling has intercepted mineralization 700 meters from East Ridge. Newcrest reported that an exploration decline and support infrastructure to provide access for underground exploration had progressed to 393 meters as of October 20, 2021.

Continued Exploration Success and First Gold Stream Delivery at the NX Gold Mine

As previously announced, on August 6, 2021, Royal Gold closed a stream agreement for gold produced from the operating NX Gold Mine (the “NX Gold Stream”) in Brazil with Ero Gold Corp., a wholly owned subsidiary of Ero Copper Corp., and certain of its affiliates (together, “Ero”). The first gold delivery of 2,468 ounces was received upon closing, representing deliveries from the transaction effective date of May 1, 2021 through to closing.

As previously reported, Ero continues exploration at and around the NX Gold Mine. After the end of the quarter on October 14, Ero provided a further positive update on exploration activities, which are focused on infill and extension drilling of the Santo Antonio Vein, delineation and discovery of new gold-bearing veins within the NX Gold Mine, and executing the first regional exploration program on the broader NX Gold Mine land package. Ero reported that nine drill rigs are currently operating. Reported highlights included:

- New drilling down-plunge of the deepest known gold mineralization and 115 meters beyond the limit of the current mineral resource shell that confirms the continuity of high-grade gold mineralization within the Santo Antonio Vein extension, which remains open to depth.
- Drilling of the recently discovered Matinha Vein continues to extend the known limits of mineralization with recent intercepts located approximately 65 meters down-plunge of prior drilling highlighting apparent thickening at depth. Exploration of the Matinha Vein also highlighted the presence of a second parallel structure at depth where drilling is ongoing. Ero indicated that the Matinha Vein has the potential to become an additional feed source for the mill while leveraging the nearby mine infrastructure of the Brás Vein.
- Ongoing exploration at the Mata Verde System, located approximately 25 kilometers north-north-east of the NX Gold Mine, which to date has been traced over approximately 10.5 kilometers.

Ero expects to incorporate the exploration results into year-end mineral reserve and resource estimates.

Overall Construction Progress at the Côté Gold Project Reaches 36%

On October 18, 2021, IAMGOLD Corporation (“Iamgold”) reported continued construction progress at the Côté Gold Project in Northern Ontario, Canada. Iamgold reported that as of September 30, 2021, the overall project was approximately 36% complete, detailed engineering was 85% complete and the project remains on track for commercial production in the second half of calendar 2023. Iamgold expects to file an updated NI 43-101 Technical Report within 45 days of October 18 that will include optimization of the mine plan since

the last Technical Report published in 2018.

Expansion Continues at Pueblo Viejo and First Deferred Silver Delivery Received

Barrick Gold Corporation ("Barrick") reported that the plant expansion project to increase throughput and allow the mine to maintain average annual gold production of approximately 800,000 ounces after calendar year 2022 (on a 100% basis) is progressing well. Barrick also continues to work on a new tailings storage facility that will support the expansion and extension of the mine life until the 2040's. Barrick reported that the Government of the Dominican Republic has launched independent studies to review alternatives for a new tailings storage facility and that the Pueblo Viejo Joint Venture will be completing site investigations to improve confidence in the preferred options. Barrick has cautioned that an inability to obtain the additional tailings storage capacity would result in an end to production in 2030.

Silver deliveries during the September quarter totaled 396,500 ounces, and included normal-course stream deliveries of approximately 377,800 ounces and previously deferred deliveries of approximately 18,700 ounces. The deferred ounces are the result of a mechanism in the stream agreement that allows for the deferral of deliveries in a period if silver recoveries fall below a fixed 70% recovery rate, with delivery of those deferred ounces to be made in future periods as silver recovery allows. Temporary operational issues with the silver circuit caused recoveries to fall below the fixed 70% recovery rate and deferral of silver deliveries started in the quarter ended March 31, 2021, and continued into the quarter ended June 30, 2021. Barrick advised that it completed maintenance work on the silver recovery circuit in the quarter ended June 30, 2021, and continues to make modifications to further improve recoveries. As of September 30, 2021, approximately 418,300 ounces remain deferred and Royal Gold expects delivery of these deferred ounces to continue over the next several quarters.

On October 19, 2021, Barrick reported that Pueblo Viejo is on track to deliver production guidance for 2021 of 470,000 to 510,000 ounces of gold (60% Barrick share).

Repayment of \$50 Million of Revolving Credit Facility Balance Leaving \$950 Million Available

As previously announced, on August 9, 2021, the Company drew \$100 million on its revolving credit facility for business development activities. In keeping with Royal Gold's capital allocation strategy to repay outstanding debt as cash flow allows, on October 8, 2021, the Company repaid \$50 million of the credit facility balance leaving an outstanding balance of \$50 million and \$950 million available under the credit facility.

Upgrade in MSCI ESG Rating to AA

Royal Gold received a rating of AA in the MSCI ESG Ratings assessment during the September quarter citing Company practices in the areas of governance and operations. The AA rating (on a scale of AAA-CCC) places Royal Gold within the category of "Leader," the highest rating given to companies in the Metals and Mining – Precious Metals sector.

Achieved Net Zero Carbon Emissions for Fiscal Year 2020 Corporate Operations

During the quarter Royal Gold acquired carbon credits to fully offset emissions from its direct corporate operations for fiscal year 2020.

Established Support for the Riverside Foundation for Healthcare and Mikinaak Center for Wellness

Royal Gold seeks opportunities to support our counterparties and their sustainability initiatives in the areas surrounding the operations in which the Company has interests. Agreements were completed in the September quarter to provide donations to the Riverside Foundation for Healthcare (C\$60,000 per year for three years) and the Mikinaak Center for Wellness (C\$34,000) in Fort Frances, Ontario, Canada, to support health and wellness programs in the catchment area of the Rainy River Mine.

September Quarter 2021 Overview

September quarter revenue was \$174.4 million, compared to \$146.9 million in the prior year quarter, with stream revenue of \$115.9 million and royalty revenue of \$58.5 million. The increase in total revenue for the September quarter compared to the prior year quarter resulted primarily from higher gold sales at Mount

Milligan, higher gold production at Cortez, gold sales from the newly acquired NX Gold Stream and an increase in average copper prices, offset by a decrease in gold sales from Andacollo and lower average gold prices compared to the prior period.

Cost of sales, which excludes depreciation, depletion and amortization, increased to \$27.2 million for the September quarter from \$21.9 million for the prior year quarter. The increase was primarily due to an increase in gold and copper sales from Mount Milligan and an increase in the average copper price. This increase was partially offset by a decrease in the average gold price and a decrease in gold sales at Andacollo when compared to the prior period. Cost of sales is specific to the Company's stream agreements and is the result of the purchase of gold, silver and copper for a cash payment.

Depreciation, depletion and amortization increased to \$50.6 million for the September quarter from \$46.3 million for the prior year quarter. The increase compared to the prior period was primarily due to higher gold sales from Mount Milligan, higher gold production at Cortez and maiden gold sales from the newly acquired NX Gold Stream. The increase was offset by lower gold and silver sales from Pueblo Viejo and lower gold sales from Andacollo.

Income tax expense totaling \$16.0 million was recorded in the September quarter, compared with an income tax benefit of \$2.4 million for the prior year quarter. The income tax expense resulted in an effective tax rate of 18.5% in the current period, compared with (2.3%) for the prior year quarter.

At September 30, 2021, the Company had current assets of \$232.1 million compared to current liabilities of \$60.3 million, which resulted in working capital of \$171.8 million. This compares to current assets of \$297.1 million and current liabilities of \$52.1 million at June 30, 2021, resulting in working capital of \$245.0 million. The decrease in working capital was primarily due to the cash payments associated with the acquisitions of the Red Chris Royalty and NX Gold Stream during the September quarter.

Net cash provided by operating activities totaled \$129.9 million for the September quarter compared to \$94.2 million for the prior year quarter. The increase was primarily due to an increase in cash proceeds received from the Company's stream and royalty interests, net of cost of sales and production taxes, of approximately \$33.1 million.

As of September 30, 2021, the Company had \$900 million available and \$100 million outstanding under the revolving credit facility. Working capital, combined with available capacity under the revolving credit facility, resulted in approximately \$1.1 billion of total liquidity at September 30, 2021. On October 8, 2021, the Company repaid \$50 million of the outstanding borrowings under the revolving credit facility, which increased the amount available under the revolving credit facility to \$950 million and decreased the amount outstanding to \$50 million.

Outlook

Royal Gold increased its guidance for total stream segment and royalty sales volume to a range of between 180,000 and 190,000 GEOS⁴ for the 6-month transition period ending December 31, 2021. For the same period, depreciation, depletion and amortization expense is expected to range between \$525 and \$575 per GEO, and the effective tax rate is expected to range between 18% and 22%.

Other than potential remaining conditional funding at Khoemacau of \$26.5 million and potential exploration and resource payments under the NX Gold Stream of \$10 million, Royal Gold has no other project capital commitments or financing obligations.

⁴ Commodity price assumptions for GEO projections include: \$1,750 per ounce of gold, \$25.50 per ounce of silver, \$4.15 per pound of copper, \$8.00 per pound of nickel, \$0.95 per pound of lead, and \$1.25 per pound of zinc

Property Highlights

A breakdown of revenue for the stream and royalty portfolio can be found on Table 1. Historical production reported by operators of the Company's principal stream and royalty properties can be found on Table 2. Calendar year 2021 operator production estimates for the Company's principal stream and royalty properties compared to actual production at these properties through September 30, 2021, can be found on Table 3. Results of the streaming business for the September 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 September quarter, compared to the prior year quarter, are detailed in the Quarterly Report on Form 10-Q.

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 September 30, 2021, the Company owned interests on 190 properties on five continents, including interests on 44 producing mines and 16 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.

September Quarter 2021 Call Information:

Dial-In 855-209-8260 (U.S.); toll free
Numbers: 855-669-9657 (Canada); toll free, 412-542-4106 (International)
Conference Title: Royal Gold
Webcast URL: www.royalgold.com under Investors, Events & Presentations

Note: Management's conference call reviewing the results for the quarter ended September 30, 2021 will be held on Thursday, November 4, 2021, at noon Eastern Time (10:00 a.m. Mountain Time). The call will be webcast and archived on the Company's website for a limited time.

Additional Investor Information:

Royal Gold routinely posts important information, including information about upcoming investor presentations and press releases, on its website under the Investors tab. Investors and other interested parties are encouraged to enroll at www.royalgold.com to receive automatic email alerts for new postings.

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, the following: statements about our expected financial performance and outlook, including sales volume, revenue, expenses, tax rates, earnings or cash flow; operators' expected operating and financial performance, including production, deliveries, mine plans and reserves, development, cash flows and capital expenditures; planned and potential acquisitions or dispositions, including funding schedules and conditions; liquidity, financing and stockholder returns; our overall investment portfolio; macroeconomic and market conditions including the impacts of COVID-19; prices for gold, silver, copper, nickel and other metals; potential impairments; or tax changes.

Factors that could cause actual results to differ materially from these forward-looking statements include, among others, the following: a lower-price environment for gold, silver, copper, nickel or other metals; operating activities or financial performance of properties on which we hold stream or royalty interests, including variations between actual and forecasted performance, operators' ability to complete projects on schedule and as planned, changes to mine plans and reserves, liquidity needs, mining and environmental hazards, labor disputes, distribution and supply chain disruptions, permitting and licensing issues, contractual issues involving our stream or royalty agreements, or operational disruptions due to COVID-19, including due to variant strains of the virus; risks associated with doing business in foreign countries; increased competition for stream and royalty interests; environmental risks, included those caused by climate change; potential cyber-attacks, including ransomware; our ability to identify, finance, value and complete acquisitions; adverse economic and market conditions; 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 our Form 10-K for the fiscal year ended June 30, 2021. Most of these factors are beyond our ability to predict or control.

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

production estimates, 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 any such third-party information and refers the reader to the public reports filed by the operators for information regarding those properties.

Information in this press release concerning the Khoemacau Project was provided to the Company by Cupric Canyon Capital L.P., the privately held owner and developer of Khoemacau. Such information may not have been prepared in accordance with applicable laws, stock exchange rules or international standards governing preparation and public disclosure of technical data and information relating to mineral properties. 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 this third-party information, and investors are cautioned not to rely upon this information.

TABLE 1

<https://www.businesswire.com/news/home/20211103006160/en/Royal-Gold-Reports-Record-Revenue-and-Operating-Cash-Flow-for-the-September-Quarter-of-2021>

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