ROYAL GOLD INC
Form DEF 14A
October 08, 2010

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant o

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Royal Gold, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

ý No fee required.

o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

ROYAL GOLD, INC.
1660 Wynkoop Street, Suite 1000
Denver, Colorado 80202
303/573-1660
303/595-9385 (Fax)
info@royalgold.com (E-mail)
www.royalgold.com (Website)

NOTICE OF 2010 ANNUAL MEETING OF STOCKHOLDERS

To Be Held November 17, 2010

* * * *

To the Stockholders of ROYAL GOLD, INC.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of Royal Gold, Inc. will be held at 9:30 a.m., on Wednesday, November 17, 2010, at the Oxford Hotel, Sage Room, 1600 Seventeenth Street, Denver, Colorado, USA, to:

1. Elect two Class II Directors to serve until the 2013 Annual Meeting of Stockholders or until each such director's successor is elected and qualified;

2. Approve amendments to the Company's 2004 Omnibus Long-Term Incentive Plan and, for purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended, to re-approve the material terms of performance-based compensation;

3. Ratify the appointment of Ernst & Young LLP as independent registered public accountants of the Company for the fiscal year ending June 30, 2011; and

4. Transact any other business that may properly come before the meeting and any postponements or adjournments thereof.

All stockholders are cordially invited to attend the meeting; however, only stockholders of record as of the close of business on September 23, 2010, are entitled to vote at the meeting and any postponements or adjournments thereof. It is important that your shares are represented and voted at the Annual Meeting. For that reason, whether or not you expect to attend in person, please vote your shares by telephone or by Internet. If this proxy statement was mailed to you, you may also vote by marking, signing and returning the proxy card in the enclosed envelope. If you do attend the Annual Meeting, you may withdraw your proxy should you wish to vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

Karen P. Gross
Vice President and Corporate Secretary

October 8, 2010

ROYAL GOLD, INC.
2010 Proxy Statement
Table of Contents

Table of Contents

ROYAL GOLD, INC.
1660 Wynkoop Street, Suite 1000
Denver, Colorado 80202
303/573-1660
303/595-9385 (Fax)
info@royalgold.com (E-mail)
www.royalgold.com (Website)

PROXY STATEMENT

2010 ANNUAL MEETING OF STOCKHOLDERS

GENERAL INFORMATION

Stockholders Entitled to Vote

This Proxy Statement is furnished to holders of:

- Royal Gold, Inc. common stock ("common stock"), and;
- RG Exchangeco Inc. ("RG Exchangeco") exchangeable shares ("Exchangeable Shares");

Each in connection with the solicitation of proxies on behalf of the Board of Directors of Royal Gold, Inc. (the "Company" or "Royal Gold") to be voted at the 2010 Annual Meeting of Stockholders of the Company (the "Annual Meeting") to be held on Wednesday, November 17, 2010, at 9:30 a.m. Stockholders of record holding the following Royal Gold securities at the close of business on September 23, 2010 (the "Record Date") are entitled to vote at the Annual Meeting and at all postponements and adjournments thereof:

- Common stock of the Company, par value $0.01 per share, of which there were 53,676,310 shares outstanding as of the Record Date and entitled to vote, and;
- Exchangeable Shares, of which there were 1,605,312 shares outstanding as of the Record Date and entitled to vote pursuant to the terms of the Special Voting Preferred Stock of the Company described below.

Internet Availability of Proxy Materials

We are taking advantage of the Securities and Exchange Commission, or the SEC, rules that allow companies to furnish proxy materials to stockholders via the Internet. If you received a Notice of Internet Availability of Proxy Materials, or "Notice," by mail, you will not receive a printed copy of the proxy materials, unless you specifically request one. The Notice instructs you on how to access and review the proxy statement and annual report, as well as how to submit your proxy over the Internet. The Notice will also identify the date, time and location of the annual meeting; the matters to be acted upon at the meeting and the Board of Directors' recommendation with regard to each matter; a toll-free number, e-mail address and a website where stockholders can request a paper or e-mail copy of the proxy statement, our annual report and a form of proxy relating to the annual meeting; information on how to access the form of proxy; and information on how to obtain directions to attend the meeting and vote in person.

We plan to mail the Notice to stockholders on or about October 8, 2010. A printed copy of this proxy statement, form of proxy card and annual report will be mailed to beneficial stockholders that hold greater than 1,000 shares of common stock, to all shareholders of record and to all shareholders of the Exchangeable Shares. We expect that mailing to begin on or about October 8, 2010.

1

Table of Contents

Voting Your Shares

Royal Gold Common Stock

Each share of Royal Gold common stock that you own entitles you to one vote. Your proxy card shows the number of shares of Royal Gold common stock that you own. You may elect to vote in one of three methods:

By Phone or Internet You may vote your shares by following the instructions on your notice card or proxy card. If you vote by telephone or via the Internet, you do not need to return your proxy card.

By Mail If this proxy statement was mailed to you, or if you requested a proxy statement be mailed to you, you may vote your shares by signing and returning the enclosed proxy card or voting instruction form. If you vote by proxy card or voting instruction form, your "proxy" (each or any of the individuals named on the proxy card) will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted as recommended by the Board of Directors: (1) "FOR" the election of directors as described herein under "Proposal 1 Election of Directors," and (2) "FOR" the approval of amendments to the Company's 2004 Omnibus Long-Term Incentive Plan and re-approval of material terms of performance-based compensation as described herein under "Proposal 2 Approval of Amendments To, and Re-Approval Of, the Company's 2004 Omnibus Long-Term Incentive Plan; and (3) "FOR" ratification of the appointment of the Company's independent registered public accountants described herein under "Proposal 3 Ratification of Appointment of Independent Registered Public Accountants."

In Person You may attend the Annual Meeting and vote in person. We will give you a ballot when you arrive. If your stock is held in the name of your broker, bank or another nominee (a "Nominee"), you must present a proxy from that Nominee in order to verify that the Nominee has not voted your shares on your behalf.

RG Exchangeco Inc. Exchangeable Shares

Holders of Exchangeable Shares are receiving these proxy materials in accordance with the provisions of the Exchangeable Shares and the voting and exchange trust agreement (the "Voting Agreement") dated February 22, 2010, among Royal Gold, RG Exchangeco Inc. and Computershare Trust Company of Canada (the "Trustee"). Each Exchangeable Share has economic rights (such as the right to receive dividends and other distributions) that are, as nearly as practicable, equivalent to rights of shares of Royal Gold common stock. The Exchangeable Shares are exchangeable at any time at the option of the holders into Royal Gold common stock on a one-for-one basis.

In accordance with the Voting Agreement, holders of Exchangeable Shares are effectively provided with voting rights for each Exchangeable Share that are nearly equivalent to the voting rights applicable to a share of Royal Gold common stock, and holders are entitled to instruct the Trustee as to how to vote their Exchangeable Shares. The Trustee holds one share of Special Voting Preferred Stock of the Company (the "Royal Gold Special Voting Stock") that is entitled to vote on all matters on which the shares of Royal Gold common stock vote. The Royal Gold Special Voting Stock has a number of votes in respect of the Annual Meeting equal to the number of Exchangeable Shares outstanding on the Record Date. Based upon the foregoing, the Trustee will be entitled to cast up to 1,605,312 votes at the Annual Meeting. However, the Trustee will exercise each vote attached to the Royal Gold Special Voting Stock only on the basis of instructions received from the holders of record of the Exchangeable Shares. In the absence of instructions from a holder as to voting, the Trustee will not exercise any voting rights with respect to the Exchangeable Shares held by such holder.

Table of Contents

The information related to Royal Gold is relevant to holders of Exchangeable Shares because, as a result of the economic and voting equivalency described above, holders of Exchangeable Shares have a participating interest determined by reference to Royal Gold and not RG Exchangeco.

If you are a holder of record of Exchangeable Shares, there are two ways to vote your Exchangeable Shares:

1. **By Mail** You may vote by signing and returning the enclosed voting instruction form to the Trustee. This form permits you to instruct the Trustee to vote at the Annual Meeting. **The Trustee must receive your voting instruction by 5:00 p.m. (Calgary time) on November 11, 2010,** at the address indicated on the voting instruction form. This will give the Trustee time to tabulate the voting instructions and vote on your behalf.

2. **In Person** Alternatively, if you wish to attend the meeting and vote in person rather than have the Trustee exercise voting rights on your behalf, you may instruct the Trustee (by following the procedures set forth in the enclosed voting instruction form) to give you or your designee a proxy to exercise the voting rights personally at the Annual Meeting. You may also instruct the Trustee to give a proxy to a designated representative of Royal Gold to exercise such voting rights.

Only holders of Exchangeable Shares whose names appear on the records of RG Exchangeco Inc. as the registered holders of Exchangeable Shares are entitled to instruct the Trustee as to how to exercise voting rights in respect of their Exchangeable Shares at the Annual Meeting. If on the Record Date your Exchangeable Shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy materials, if you have received them, are being forwarded to you by that organization. The organization holding your account is considered to be the shareholder of record for purposes of instructing the Trustee as to how to vote your Exchangeable Shares. As a beneficial owner, you have the right to direct your broker or other agent regarding how to instruct the Trustee as to how to vote your Exchangeable Shares.

Revocation of Proxy or Voting Instruction Form

If you are a holder of common stock, you may revoke your proxy at any time before the proxy is voted at the Annual Meeting. This can be done by either submitting another properly completed proxy card with a later date, sending a written notice of revocation to the Corporate Secretary of the Company with a later date or by attending the Annual Meeting and voting in person. You should be aware that simply attending the Annual Meeting will not automatically revoke your previously submitted proxy; rather you must notify a Company representative at the Annual Meeting of your desire to revoke your proxy and vote in person. Written notice revoking a proxy should be sent to the Corporate Secretary, Royal Gold, Inc., 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202.

If you are a holder of Exchangeable Shares, you have the right to revoke or amend any instructions previously given to the Trustee by giving written notice of revocation or amendment of such instructions to the Trustee or by executing and delivering to the Trustee a later-dated voting instruction. No notice of revocation or later-dated voting instruction, however, will be effective unless actually received by the Trustee prior to 5:00 p.m. (Calgary time) on November 11, 2010.

Quorum and Votes Required to Approve Proposals

A majority of the outstanding shares of the Company's common stock and Exchangeable Shares entitled to vote, represented in person or by proxy, will constitute a quorum at a meeting of the stockholders. Abstentions and "broker non-votes" will be counted as being present in person for purposes of determining whether there is a quorum. A "broker non-vote" occurs when a nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the nominee

Table of Contents

does not have discretionary voting power and has not received instructions to do so from the beneficial owner.

With respect to Proposal 1, in an uncontested election of directors, the election of a director nominee will require an affirmative vote of the majority of the votes cast with respect to that director nominee at a meeting at which a quorum is present. This means that the number of votes cast "FOR" a director nominee must exceed the number of votes cast "AGAINST" that director nominee. Starting this year, the Election of Directors is a "non-discretionary" item. Therefore, if you hold your Royal Gold common stock at a broker and you do not instruct your broker how to vote with respect to the election of directors, your broker cannot vote your shares on this proposal. Those votes will be counted as "broker non-vote" and your shares will not be represented in the Election of Directors vote at the Annual Meeting. Abstentions and "broker non-votes" will not be counted as votes "FOR" or "AGAINST" this proposal.

With respect to Proposal 2, the affirmative vote of a majority of the shares that are represented and entitled to vote at a meeting at which a quorum is present shall be the act of the stockholders. This means that in order to approve Proposal 2, the number of votes cast "FOR" Proposal 2 must exceed the number of votes cast "AGAINST" Proposal 2. Abstentions will have the same effect as a vote "AGAINST" Proposal 2. Proposal 2 is a "non-discretionary" item under the NYSE rules and broker non-votes will not affect the outcome of Proposal 2.

With respect to Proposal 3, the affirmative vote of a majority of the shares that are represented and entitled to vote at a meeting at which a quorum is present shall be the act of the stockholders. This means that in order to approve Proposal 3, the number of votes cast "FOR" Proposal 3 must exceed the number of votes cast "AGAINST" Proposal 3. Abstentions and "broker non-votes" have the same effect as a vote "AGAINST" Proposal 3.

Cumulative voting is not permitted for the election of directors. Under Delaware law, holders of common stock are not entitled to appraisal or dissenters' rights with respect to the matters to be considered at the Annual Meeting.

Tabulation of Votes

Votes at the Annual Meeting will be tabulated and certified by Broadridge Financial Solutions, Inc.

Solicitation Costs

In addition to solicitation of proxies by mail or by electronic mail, the Company's directors, officers or employees, without additional compensation, may make solicitations by telephone, facsimile, or personal interview. The Company has retained Phoenix Advisory Partners to aid in the solicitation of brokers, banks, intermediaries and other institutional holders in the United States and Canada for a fee of $7,200, plus reimbursement for out-of-pocket expenses. All costs of the solicitation of proxies will be borne by the Company. The Company will also reimburse the banks and brokers for their reasonable out-of-pocket expenses in forwarding proxy materials to beneficial owners of shares of common stock.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows the beneficial ownership, as of September 23, 2010, of the Company's common stock by each director, the Company's principal executive officer, principal financial officer and the three most highly compensated executive officers in fiscal year 2010 (each a "named executive officer"), persons known to the Company to be the beneficial owner of more than 5% of the issued and outstanding shares of common stock, and by all of the Company's directors and executive officers as a group.

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
Stanley Dempsey(1) Chairman 1660 Wynkoop Street Suite 1000 Denver, CO 80202	221,881	*
Tony Jensen(2) President, Chief Executive Officer and Director 1660 Wynkoop Street Suite 1000 Denver, CO 80202	247,113	*
M. Craig Haase(3) Director 1622 Eagle Hill Road Gunnison, CO 81230	8,390	*
William Hayes(4) Director 808 Brickell Key Drive, #804 Miami, FL 33131	14,000	*
S. Oden Howell, Jr.(5) Director P.O. Box 36097 Louisville, KY 40233	514,730	*
James W. Stuckert(6) Director P.O. Box 32760 Louisville, KY 40232	1,774,920	3.31%
Donald Worth(7) Director 2679 Bayview Avenue Willowdale, Ontario M2L 1C1 Canada	37,250	*
Karen P. Gross(8) Vice President and Corporate Secretary 1660 Wynkoop Street Suite 1000 Denver, CO 80202	204,518	*

Table of Contents

Name and Address of Beneficial Owner	Number of Shares of Common Stock Beneficially Owned	Percent of Class
William Heissenbuttel[9] Vice President of Corporate Development 1660 Wynkoop Street Suite 1000 Denver, CO 80202	66,287	*
Bruce C. Kirchhoff[10] Vice President and General Counsel 1660 Wynkoop Street Suite 1000 Denver, CO 80202	55,864	*
Stefan L. Wenger[11] Chief Financial Officer and Treasurer 1660 Wynkoop Street Suite 1000 Denver, CO 80202	117,397	*
All Directors and Executive Officers as a Group including those named above (12 persons)	3,266,904	6.09%

* Less than 1% ownership of the Company's common stock.

(1) Includes 1,000 shares of restricted stock and 25,893 shares beneficially owned by certain members of Mr. Dempsey's immediate family. Mr. Dempsey disclaims beneficial ownership of these 25,893 shares of common stock.

(2) Includes 77,166 shares of restricted stock, 14,705 shares of stock-settled stock appreciation rights ("SARs"), and options to purchase 82,629 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(3) Includes 1,000 shares of restricted stock.

(4) Includes 1,000 shares of restricted stock.

(5) Includes 1,000 shares of restricted stock and options to purchase 27,500 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(6) Includes 1,000 shares of restricted stock and options to purchase 17,500 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(7) Includes 1,000 shares of restricted stock and options to purchase 17,500 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(8) Includes 34,000 shares of restricted stock, 19,114 SARs and options to purchase 76,006 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(9) Includes 32,500 shares of restricted stock, 6,371 SARs and options to purchase 15,129 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(10) Includes 27,500 shares of restricted stock, 6,371 SARs and options to purchase 14,229 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

(11) Includes 46,251 shares of restricted stock, 6,371 SARs and options to purchase 37,609 shares of common stock that were exercisable as of September 23, 2010, or which become exercisable within 60 days from such date.

Table of Contents

PROPOSAL 1.

ELECTION OF CLASS II DIRECTORS

The Company's Board of Directors consists of three classes of directors, with each class of directors serving for a three-year term ending in a successive year. The Company's current Class I Directors are Messrs. Dempsey and Jensen; the Class II Directors are Messrs. Hayes and Stuckert; and the Class III Directors are Messrs. Haase, Howell and Worth.

If the proxy is properly completed and received in time for the Annual Meeting, and if the proxy does not indicate otherwise, the represented shares will be voted **FOR** William Hayes and James W. Stuckert as Class II Directors of the Company. If any of the nominees for election as a Class II Director should refuse or be unable to serve (an event that is not anticipated), the proxy will be voted for a substitute nominee who is designated by the Board of Directors. Each Class II Director elected shall serve until the 2013 Annual Meeting, or until his successor is elected and qualified.

Vote Required for Approval

The Company's Amended and Restated Bylaws ("bylaws") require that each director be elected by the majority of votes cast at a meeting at which a quorum is present with respect to such director in uncontested elections (the number of shares voted "for" a director nominee must exceed 50% of the votes cast with respect to that director). In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors would be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. This year's election is expected to be an uncontested election, and the majority vote standard will apply. If a nominee who is serving as a director is not elected at the Annual Meeting, Delaware law provides that the director would continue to serve on the Board as a "holdover director." Under the Company's bylaws, each director nominee who is serving as a director that is not elected shall offer to tender his or her resignation to the Board of Directors. In that situation, the Compensation, Nominating and Governance Committee would make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether to take other action. The Board of Directors will act on the Compensation, Nominating and Governance Committee's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of the certification of the election results. The director who tenders his or her resignation will not participate in the Board of Directors' decision. If a nominee who was not already serving as a director fails to receive a majority of votes cast at the Annual Meeting, Delaware law provides that the nominee does not serve on the Board as a "holdover director." All of the Class II director nominees are currently serving on the Board of Directors.

Information concerning the nominees for election as directors is set forth below under "Directors and Officers."

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE "FOR"
EACH OF THE CLASS II DIRECTOR NOMINEES.**

Table of Contents

DIRECTORS AND OFFICERS

The following is information regarding the directors and executive officers of the Company related to their names, position with the Company, periods of service and experience. The persons who are nominated for election as directors at the Annual Meeting are indicated with an asterisk. Each Director brings a strong and unique background and set of skills to the Board such as board service, leadership experience, finance experience and industry experience in the areas of mining, operations, manufacturing, marketing, law and international business.

Stanley Dempsey, 71, Class I Director (term expires in 2012), Chairman of the Board of Directors since 1988 and a Director since 1983.

Chairman of the Board of Directors since August 1988. Executive Chairman of the Board of Directors from July 2006 through December 2008. Chairman and Chief Executive Officer of the Company from August 1988 until June 2006. President of the Company from May 2002 until August 2003. President and Chief Operating Officer of the Company from July 1987 to July 1988. From 1983 through June 1986, Mr. Dempsey was a partner in the law firm of Arnold & Porter and a principal in Denver Mining Finance Company, a firm that provides financial, management, and advisory services to the mining industry. From 1964 through 1983, Mr. Dempsey was employed by AMAX, Inc., a major international mining firm, serving in various managerial and executive capacities. Mr. Dempsey holds a Bachelor of Science degree in geology, a J.D. from the University of Colorado and completed the Program for Management Development at the Harvard Business School. He was awarded an Honorary Doctor of Engineering degree by the Colorado School of Mines in 2006 and received the 2007 William Lawrence Saunders Gold Medal Award from the Society of Mining Engineers. Mr. Dempsey served as a director of Taranis Resources, Inc., an exploration company listed on the TSX Venture Exchange, from January 2006 to August 10, 2010, when his term expired.

Director Qualifications:

Board Service	Current Chairman of the Board. Board member of Taranis Resources, Inc. until August 10, 2010, and involved in various mining-related associations.
Leadership Experience	Extensive experience as Executive Chairman, Chief Executive Officer and President of Royal Gold. During his tenure with AMAX, he developed a pioneering approach to management of the environmental and community acceptance issues that arose to challenge the mining industry starting in the late 1960's. He served as Chairman of the Tax Committee and was Chairman of the Colorado Mining Association; and a member of the boards of the Nevada and Northwest Mining Associations. Mr. Dempsey also served on the board of the National Mining Association, and as Chair of its Public Lands Committee. Mr. Dempsey was one of the first developers of a publicly traded precious metals royalty company. He successfully converted Royal Gold from an exploration and producing company, to an owner of royalties in the early 1990's.
Finance Experience	Prior service as Principal of Denver Mining Finance Company, where he had direct supervision of various mandates from several European mining firms to acquire mining assets in the United States.
Industry, Mining and International Business Experience	Mr. Dempsey was a Vice President of AMAX Inc., a major multinational mining company, and was Chairman of AMAX Australia, a position which involved all aspects of AMAX's businesses in Australia and Papua New Guinea. He was directly involved in all aspects of the business, including strategic planning, finance, relations with joint venture counterparties, and government relations.
Law	Extensive experience as a practicing attorney. Mr. Dempsey has a strong background in mining law and in creating the structures for multiparty mining ventures. He was directly involved in development of the Rocky Mountain Mineral Law Foundation's ("RMMLF")

Table of Contents

Form 5, a standard form for mining joint ventures that has gained wide acceptance in the mining industry. He has also specialized in the law related to mining royalties, and has written papers on the subject for RMMLF.

Tony Jensen, 48, Class I Director (term expires in 2012), President and Chief Executive Officer since 2006 and a Director since 2004.

President and Chief Executive Officer of the Company since July 2006. President and Chief Operating Officer of the Company from August 2003 until June 2006. Mr. Jensen has over 25 years of mining industry experience, including 18 years with Placer Dome Inc. His corporate and operations experience were developed both in the United States and Chile where he occupied several senior management positions in mine production, corporate development and finance. Before joining the Company, he was the Mine General Manager of the Cortez Joint Venture from August 1999 to June 2003. Mr. Jensen holds a Bachelor of Science degree in Mining Engineering from South Dakota School of Mines and Technology, and a Certificate of Finance from Golden Gate University.

Director Qualifications:

Board Service   Current Director of Royal Gold, member of the Industrial Advisory Board of the South Dakota School of Mines and Technology, and a director and member of the Finance Committee of the National Mining Association.

Leadership Experience   Extensive operations, corporate and executive experience with Placer Dome and current President and Chief Executive Officer of Royal Gold.

Finance Experience   Actively involved in the financial review of Royal Gold results as well as prior experience as Director, Finance and Strategic Growth, and Treasurer of Placer Dome Latin America and current member of the National Mining Association's finance committee.

Industry, Mining and International Business Experience   In addition to active board membership, prior Chairman and board member of the Nevada Mining Association and Colorado Mining Association as well as extensive industry, mining, acquisition, and international business experience through various roles with Royal Gold and Placer Dome Inc., including foreign assignments in Canada and Chile.

Operations   Prior domestic and international experience as mine engineer, operations supervisor, and mine manager while based at three mining operations for Placer Dome, as well as review, development and acquisition assignments at various other operations and properties.

Marketing   Extensive experience in corporate development for Royal Gold and Placer Dome Inc.

M. Craig Haase, 67, Class III Director (term expires 2011), retired mining executive, a Director since 2007.

Mr. Haase served as Director, Executive Vice President and Chief Legal Officer of Franco-Nevada Mining Corporation, a publicly-traded precious metals royalty company for more than 15 years prior to its merger with Newmont Mining Corporation in 2002. He served as a director of Newmont from March 2002 until he retired in May 2003. He served in a similar capacity at Euro-Nevada Mining Corporation from 1987 to 1999 when Euro-Nevada merged with Franco-Nevada. Mr. Haase was also Chairman and Chief Executive Officer for Gold Marketing Corporation of America, Inc., a physical gold export company, from 1994 to 2002. He was engaged in private law practice from 1971 to 1990, with an emphasis in mining law and litigation. Mr. Haase holds a J.D. from the University of Illinois and a Bachelor of Arts degree in Geology from Northwestern University.

Table of Contents

Director Qualifications:

Board Service   Current Compensation, Nominating and Governance Committee Chairman of Royal Gold. Previous board member of Newmont Mining, Euro-Nevada, Franco-Nevada and Gold Marketing Corporation of America.

Leadership Experience   Prior service as Chief Executive Officer, Executive Vice President and Chief Legal Officer of international mining companies.

Industry and Mining Experience   More than 20 years of executive experience in the mining industry.

Law   Extensive experience as a practicing attorney, with more than 35 years representing numerous international mining companies in property management, acquisition and merger transactions, mining finance, capital acquisition, credit transactions, and litigation.

***William Hayes**, 65, Class II Director (term expires 2010), retired mining executive, a Director since 2008.

Mr. Hayes served in various management positions with Placer Dome, Inc. from 1988 to 2006. He was Executive Vice President for Project Development and Corporate Affairs from 2004 to 2006. From 2000 to 2004, he served as Executive Vice President for USA and Latin America, and from 1994 to 2000 as Executive Vice President for Latin America. From 1991 to 1994, he served as Chief Executive Officer of Mantos de Ore, Chile, at the La Coipa mine, and was Chief Financial Officer from 1988 to 1991. Mr. Hayes also served as Vice President and Treasurer of Placer Dome from 1991 to 1994. From 1972 to 1987, Mr. Hayes served in various financial positions with Exxon Corporation. Mr. Hayes holds a Bachelor of Arts and Master of Arts degree in International Management from the American Graduate School of International Management and a Bachelor of Arts degree in Political Science from the University of San Francisco.

Director Qualifications:

Board Service   Current Lead Director and member of the Audit Committee of Royal Gold. A Director (since 2006) of Antofogasta PLC, a FTSE 100 Company   London Stock Exchange, mining, transportation and water distribution. Subsidiary Board membership of Antofogasta: Chairman and Director of Tethyan Copper Company a fifty-fifty joint venture between Antofogasta and Barrick related to the Reko Diq Project in Pakistan; Director, Energin Andina a sixty-forty joint venture between Antofogasta and the government of Chile related to thermal exploration; Director of Twin Metals a forty-sixty joint venture between Antofogasta and Duluth Metals related to the Nokomis Project in Minnesota.

Leadership Experience, Finance Experience and International Business Experience   Prior service as Executive Vice President for U.S. and Latin America, Placer Dome Inc.; Executive Vice President, Project Development and Corporate Relations, Placer Dome Inc.; Vice President and Treasurer, Placer Dome Inc.; and Regional Treasurer and Controller, Exxon Minerals.

Industry Experience   Previously served as President of the Mining Council in Chile and President of the Gold Institute in Washington D.C.

Mining Experience   Previously responsible for six operating mines in Chile and the U.S. and five development projects in the U.S., Chile, Dominican Republic and Africa.

Marketing   Extensive experience in project development and corporate affairs.

Table of Contents

S. Oden Howell, Jr., 70, Class III Director (term expires 2011), President of Howell & Howell Contractors, Inc., a Director since 1993.

Mr. Howell has been President of Howell & Howell Contractors, Inc., a renovation contractor, and industrial and commercial painting contractor, since 1988. He is the Secretary/Treasurer of LCM Constructors, Inc., a general construction company and Secretary/Treasurer of SemperFi Constructors, LLC, a service-disabled, veteran-owned small business. From 1972 until 1988, Mr. Howell was Secretary/Treasurer of Howell & Howell, Inc., an industrial and commercial painting contractor firm. Mr. Howell attended the University of Louisville.

Director Qualifications:

Board Service	Current member of the Compensation, Nominating and Governance Committee of Royal Gold. Chairman of Keller Manufacturing Company and Paragon Door Designs, Inc. Trustee of Lindsey Wilson College in Columbia, Kentucy.
Leadership Experience	Extensive experience as owner and president of a private enterprise.
Finance Experience	Experience as Secretary/Treasurer of a private enterprise and trustee of a private university.
Industry and Manufacturing Experience	More than 20 years of industrial and manufacturing experience.

***James W. Stuckert**, 72, Class II Director (term expires 2010), senior executive of Hilliard Lyons, Inc., a Director since 1989.

Mr. Stuckert has been a Senior Executive of Hilliard, Lyons, Inc., since 2004, a full service financial asset management firm located in 13 Midwestern states. Mr. Stuckert joined Hilliard, Lyons in 1962 and served in several capacities including Chief Executive Officer prior to being named Chairman in December 1995. He served as Chairman from December 1995 to December 2003. Mr. Stuckert holds a Bachelor of Science degree in Mechanical Engineering and a Master of Arts degree in Business Administration from the University of Kentucky.

Director Qualifications:

Board Service	Current Chairman of the Audit Committee and member of the Compensation, Nominating and Governance Committee of Royal Gold. Previous Chairman of Hilliard, Lyons, Inc. and past Chairman of Senbanc Fund, Thomas Transportation, Inc. and United Farm Tool, Inc. Previous Board member of Securities Industry Association and Databeam, Inc.
Leadership Experience	Senior Executive and former Chief Executive Officer of Hilliard, Lyons, LLC. Past member of the Nominating Committee of the New York Stock Exchange. Chair of the Regional Firms Committee of the Securities Industry Association. Member of the Board of Trustees, Chairman of the Development Council, past Chairman of a capital campaign (the first $1 billion) and past President of the National Alumni Association for the University of Kentucky.
Finance Experience	The Board of Directors has determined that Mr. Stuckert is an Audit Committee Financial Expert. Extensive financial management experience and satisfies the NASDAQ financial literacy and sophistication requirements. Chair of the Investment Committee for a hospital group ($650 million in assets) and Chair of the Investment Committee for the University of Kentucky Endowment ($800 million in assets).

Table of Contents

Donald Worth, 78, Class III Director (term expires 2011), retired mining specialist and retired senior executive of Canadian Imperial Bank of Commerce, a Director since 1999.

Mr. Worth has been involved in the mining industry since 1949. He was a mining specialist prior to joining Canadian Imperial Bank of Commerce (Canada) ("CIBC" now CIBC Mellon) in October 1964. He served as Vice President of CIBC from July 1984 to August 1997, when he retired. He is involved with several professional associations both in Canada and the United States. Mr. Worth holds a Bachelor of Applied Science degree in Mining Engineering and a Master of Science degree in Mineral Economics from the University of Toronto.

Director Qualifications:

Board Service	Member of the Audit Committee of Royal Gold. Previous Board member of Cominco Ltd., Canarc Resource Corp., Real del Monte Mining Corp., Corner Bay Silver Inc., Lakefield Research Limited and Tiomin Resources Inc. Currently a Director of Cornerstone Capital Corp. and Labrador Iron Ore Royalty Income Corp. He is also a Trustee of Sentry Select Capital Corp.
Finance Experience	During a 33-year career with CIBC, known then as Canada's Mining Bank, he was involved in lending money to mining companies with operations in Canada and elsewhere. He is currently a Trustee of Sentry Select Capital Corp. a company that manages $4 billion in mutual funds and income trusts.
Mining Experience	Experience as a miner's helper, surveyor's helper and sampler. Served as a mine engineer and foreman in Mexico and superintendent in Quebec (asbestos) and Ontario (gypsum).

Officers:

See page 9 for Mr. Jensen, President and Chief Executive Officer.

Karen Gross, 56, Vice President and Corporate Secretary. Ms. Gross has been Vice President of the Company since June 1994 and Corporate Secretary since 1989. From 1987 until 1989, Ms. Gross was the Assistant Secretary to the Company. Ms. Gross is in charge of investor relations, public relations and ensuring the Company's compliance with various corporate governance standards. Ms. Gross is involved with the National Investor Relations Institute, The Society of Corporate Secretaries and Governance Professionals, and is a director of the Denver Gold Group, a mining-related association. Ms. Gross holds a Bachelor of Arts degree in Business Administration from the University of Colorado-Denver.

William Heissenbuttel, 45, Vice President of Corporate Development. Mr. Heissenbuttel has been Vice President of Corporate Development since February 2007. He was Manager of Corporate Development from April 2006 through January 2007. Mr. Heissenbuttel brings more than 20 years of corporate finance experience with 15 of those years in project and corporate finance in the metals and mining industry. Mr. Heissenbuttel served as Senior Vice President from February 2000 to April 2006 and Vice President from 1999 to 2000 at N M Rothschild & Sons (Denver) Inc. From 1994 to 1999, he served as Vice President and then as Group Vice President at ABN AMRO Bank N.V. From 1987 to 1994, he was a Senior Credit Analyst and an Associate at Chemical Bank Manufacturers Hanover. Mr. Heissenbuttel holds a Master of Business Administration degree with a specialization in finance from the University of Chicago and a Bachelor of Arts degree in Political Science and Economics from Northwestern University.

Bruce C. Kirchhoff, 51, Vice President and General Counsel. Mr. Kirchhoff has been Vice President and General Counsel since February 2007. He has over 20 years experience representing hardrock and industrial minerals mining companies, as well as mineral exploration and development clients. From January 2004 through January 2007, Mr. Kirchhoff was a partner with the law firm Carver

Table of Contents

Kirchhoff Schwarz McNab & Bailey, LLC. From January 2003 to December 2003, Mr. Kirchhoff was a partner with the law firm Carver & Kirchhoff, LLC, and from April 1996 through December 2002, Mr. Kirchhoff was a partner in the law firm Alfers & Carver, LLC. Prior to private practice, Mr. Kirchhoff was a senior attorney with Cyprus Amax Minerals Company from June 1986 through March 1996. Mr. Kirchhoff holds a J.D. from the University of Denver, a Master of Science in Mineral Economics from the Colorado School of Mines, and a Bachelor of Arts degree in Anthropology from Colorado College.

Stefan Wenger, 37, Chief Financial Officer and Treasurer. Mr. Wenger has been Chief Financial Officer since July 2006 and Treasurer since August 2007. He was Chief Accounting Officer of the Company from April 2003 until June 2006. Mr. Wenger was a manager with PricewaterhouseCoopers LLP from June 2002 until March 2003. From September 2000 until June 2002, he was a manager with Arthur Andersen LLP. Mr. Wenger has over 15 years of experience in the mining and natural resources industry working in various financial roles. In March 2010, he became a director of McWatters Mining Inc., a publicly traded Canadian company, in which Royal Gold owns 100% of the common shares and a 45% voting interest. Mr. Wenger holds a Bachelor of Science degree in Business Administration from Colorado State University, has completed the General Management Program at the Harvard Business School, and is a certified public accountant. He is a member of the Colorado Society of Certified Public Accountants and the American Institute of Certified Public Accountants.

William M. Zisch, 53, Vice President Operations. Mr. Zisch has been Vice President Operations since March 2009. Mr. Zisch has more than 25 years experience in the mining industry. Prior to joining Royal Gold, Mr. Zisch spent 12 years working for Newmont on both domestic and international assignments in technical, operating and executive positions. From 2007 to 2009, he served as Vice President of Planning for Newmont, from 2005 to 2007 as Vice President African Operations and from 2003 to 2005 as Group Executive and Managing Director of West African Operations. Prior to his tenure at Newmont, Mr. Zisch spent 16 years with FMC Gold and FMC Company where he held several positions in coal and gold operations and strategic sourcing roles in the company's Chemical Group. He is a member of the board of directors of the Nevada Mining Association and the Colorado Mining Association. Mr. Zisch holds a Master of Business Administration from the Wharton School at the University of Pennsylvania and a Bachelor of Science degree in Mining Engineering from the Colorado School of Mines.

MEETINGS AND COMMITTEES OF THE BOARD OF DIRECTORS

During the fiscal year ended June 30, 2010 ("fiscal year 2010"), the Board of Directors held three regular meetings, each of which included executive sessions of the independent directors, and sixteen special meetings. Each director attended, in person or by telephone, at least 75% of the aggregate number of meetings of the Board of Directors and of the Committee(s) of the Board of Directors on which he served. It is the Company's policy that each director attends each Annual Meeting. All of the directors attended last year's Annual Meeting.

Independence of Directors

The Board of Directors has determined that each director, except for Mr. Jensen, who is the President and Chief Executive Officer of the Company, and Mr. Dempsey, who is the Chairman of the Board of Directors, is "independent" under the NASDAQ listing standards. Messrs. Merritt Marcus and John Goth, who served as directors of the Company until their retirement on November 18, 2009, were determined by the Board of Directors to be "independent" under the NASDAQ listing standards. The Board of Directors has determined that the directors designated as "independent" have no relationship with the Company that would interfere with the exercise of their independent judgment in carrying out the responsibilities of a director.

Table of Contents

Board Structure

The Board of Directors does not have a prescribed policy on whether the roles of the Chairman and Chief Executive Officer should be separate or combined, but recognizes the value to the Company of having a non-executive Chairman. Mr. Dempsey served as the Executive Chairman of the Company from 2006 to 2008. Since Mr. Dempsey's retirement as an executive officer of the Company, the Board has elected a non-executive Chairman. Due to the Board of Director's determination that our Chairman is not "independent," the Board of Directors also elected a lead independent director. The lead director presides over executive sessions of the independent directors scheduled at each regular meeting of the Board of Directors. This lead director position is a rotating position on a yearly basis. The lead director chairs the executive sessions of the independent directors and serves as liaison between the Chairman and the President and Chief Executive Officer, and the other independent directors. Mr. William Hayes currently serves as lead director.

Board Oversight of Risk Management

The Board of Directors has overall responsibility for risk oversight with a focus on the most significant risks facing the Company. The Board of Directors relies upon the President and Chief Executive Officer to supervise the day-to-day risk management, who reports directly to the Board and certain board committees on such matters, as appropriate.

The Board of Directors delegates certain oversight responsibilities to its Committees. For example, while the primary responsibility for financial and other reporting, internal controls, compliance with laws and regulations, and ethics rests with the management of the Company, the Audit Committee provides risk oversight with respect to the Company's financial statements, the Company's compliance with legal and regulatory requirements and corporate policies and controls, and the independent auditor's selection, retention, qualifications, objectivity and independence. Additionally, the Compensation, Nominating and Governance Committee provides risk oversight with respect to the Company's compensation program, governance structure and processes and succession planning.

Audit Committee

The Board of Directors has a standing Audit Committee. The Audit Committee consists of James W. Stuckert, as Chairman, William Hayes and Donald Worth. All members of the Audit Committee are independent under the NASDAQ listing standards and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended. The Board of Directors has determined that James Stuckert is an "audit committee financial expert" as that term is defined in Item 407(d) of Regulation S-K. As an "audit committee financial expert," Mr. Stuckert satisfies the NASDAQ financial literacy and sophistication requirements. The Audit Committee held six meetings during fiscal year 2010. The Audit Committee Charter is available on the Company's website at www.royalgold.com.

The Audit Committee assists the Board of Directors in its oversight of the integrity of the Company's financial statements and compliance with legal and regulatory requirements and corporate policies and controls. The Audit Committee has the sole authority to retain and terminate the Company's independent registered public accountants, review reports of the independent registered public accountants, approve all auditing services and related fees and the terms of any agreements, and to pre-approve any non-audit services to be rendered by the Company's independent registered public accountants. The Audit Committee monitors the effectiveness of the audit process and the Company's financial reporting, reviews the adequacy of financial and operating controls and evaluates the effectiveness of the Committee. The Audit Committee is responsible for confirming the independence and objectivity of the independent registered public accountants. The Audit Committee is also responsible for preparation of the Audit Committee report for inclusion in the Company's Proxy Statement.

Table of Contents

The Audit Committee reviews and approves all related-party business transactions in which any of the Company's officers, directors or nominees for director have an interest and that may be required to be reported in the Company's periodic reports and reports to the full Board of Directors about whether it has approved such a transaction. The standards applied by the Audit Committee when reviewing and approving related-party transactions are found in the Audit Committee Charter, which provides, in pertinent part, that "the Audit Committee shall review and approve any related-party business transactions, preferably in advance, in which the corporation's officers or directors have an interest and that would be required to be reported by the corporation in its periodic reports pursuant to the rules and regulations of the SEC." Beyond this, when reviewing and approving transactions with related persons, the Audit Committee will use applicable standards under Delaware law to approve or reject related-party transactions, including disinterested director approval based on fairness to the Company and the best interests of the Company and its stockholders. When reviewing related-party transactions, the Audit Committee will review all facts related to the transaction it deems material and will take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances, the extent of the related person's interest in the transaction, and, if applicable, the availability of other sources of comparable products or services.

Compensation, Nominating and Governance Committee

The Board of Directors has a standing Compensation, Nominating and Governance Committee (the "Committee"). The Committee consists of M. Craig Haase, as Chairman, S. Oden Howell, Jr. and James W. Stuckert. All members of the Committee are considered independent directors under the NASDAQ listing standards. The Committee held four meetings during the fiscal year. The Compensation, Nominating and Governance Committee Charter is available on the Company's web site at www.royalgold.com.

The Committee oversees the Company's compensation policies, plans and programs, and reviews and recommends the compensation to be paid to executive officers and directors.

The Committee also administers and implements the Company's incentive compensation and equity-based plans. The Committee is responsible for overseeing the preparation of the Compensation Discussion and Analysis and preparing the report on executive compensation for public disclosure in the Company's Proxy Statement.

The Committee may form subcommittees and delegate to its subcommittees such power and authority as it deems necessary or advisable. The Committee has no current intention to delegate any of its authority with respect to determining executive officer compensation to any subcommittee. The Committee does not delegate its responsibilities with respect to executive compensation to any executive officer of the Company.

In addition to compensation matters, the Committee also identifies or reviews individuals proposed to become members of the Board of Directors and recommends director nominees. In selecting director nominees, the Committee assesses the nominee's independence, as well as considers his or her experience, areas of expertise, including experience in the mining industry, diversity, perspective, broad business judgment and leadership, all in the context of an assessment of the perceived needs of the Board of Directors at that time. The Company does not have a separate policy regarding the consideration of diversity in selecting director nominees. However, the Committee considers a diverse range of criteria in nominee selection including social, technical, political, management, legal, finance and broader business experience as well as other areas of expertise. This is considered through discussions at the Committee meetings.

The Committee will consider director candidates recommended by stockholders using the same criteria outlined above, provided such written recommendations are submitted to the Corporate Secretary of the Company in accordance with the advance notice and other provisions of the Company's bylaws.

Table of Contents

The Committee also advises the Board of Directors on various corporate governance principles. The Committee reviews the content and compliance with the Company's Board of Directors Governance Guidelines annually.

All recommendations from the Compensation, Nominating and Governance Committee are submitted to the Board of Directors for approval.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation, Nominating and Governance Committee are or have been officers or employees of the Company. No interlocking relationship existed between our Board of Directors or our Compensation, Nominating and Governance Committee and the Board of Directors or compensation committee of any other company during fiscal year 2010.

Communication with Directors

Any stockholder who desires to contact the Company's Board of Directors may do so by writing to the Corporate Secretary, Royal Gold, Inc., 1660 Wynkoop Street, Suite 1000, Denver, Colorado 80202. Any such communication should state the number of shares beneficially owned by the stockholder making the communication. The Corporate Secretary will forward any such communication to the Chairman of the Compensation, Nominating and Governance Committee, and will forward such communication to other members of the Board of Directors, as appropriate, provided that such communication addresses a legitimate business issue. Any communication relating to accounting, auditing or fraud will be forwarded to the Chairman of the Audit Committee.

Code of Business Ethics and Conduct

The Company has adopted a Code of Business Ethics and Conduct (the "Code") applicable to all of its directors, officers and employees, including the President and Chief Executive Officer, the Chief Financial Officer and Treasurer, and other persons performing financial reporting functions. The Code is reviewed on a yearly basis. The Code is available through the Company's website at www.royalgold.com. The Code is designed to deter wrongdoing and promote (a) honest and ethical conduct; (b) full, fair, accurate, timely and understandable disclosures; (c) compliance with laws, rules and regulations; (d) prompt internal reporting of Code violations; and (e) accountability for adherence to the Code. The Company will post on its website any amendments to, or waivers from any provision of, the Code.

Governance Guidelines

The Board of Directors, upon recommendation from the Compensation, Nominating and Governance Committee, adopted Board of Directors Governance Guidelines to assist the Board of Directors in the discharge of its duties and to serve the interests of the Company and its stockholders. The Board of Directors Governance Guidelines are reviewed on a yearly basis. The Board of Directors Governance Guidelines are available on the Company's website at www.royalgold.com.

Certain Relationships and Related Transactions

In November 2005, the Company entered into two strategic exploration alliance agreements with Taranis Resources, Inc. ("Taranis Resources"), a Colorado-based resource company listed on the TSX Venture Exchange, to pursue exploration opportunities in Finland. In January 2006, in support of the Company's strategic exploration alliance agreements, Mr. Dempsey, Chairman of the Company's Board of Directors, became a director of Taranis Resources. As a director of Taranis Resources, Mr. Dempsey was awarded stock options under Taranis Resources' stock option plan. Mr. Dempsey was awarded 100,000 incentive stock options at a price of Cdn$0.35 per share in January 2006; 41,000 incentive stock options at a price of Cdn$0.55 per share in November 2007; 100,000 incentive stock options at a price of Cdn$0.20

per share in October 2008; and 100,000 incentive stock options at a price of Cdn$0.21 on February 9, 2010. All stock option awards are exercisable for a period of five years from the date of grant.

In July 2006, the Company entered into an agreement with Mr. Dempsey under which any director fees, consulting fees and other remuneration (whether in cash, securities or otherwise) paid to Mr. Dempsey by Taranis Resources was remitted to the Company. Pursuant to the agreement, the Company may require Mr. Dempsey to exercise the stock options granted to him by Taranis Resources at any time or from time to time during the exercise period and under the terms of the Taranis Resources stock option agreement. If the Company requires Mr. Dempsey to exercise the stock options, it will pay Mr. Dempsey the amount necessary to exercise the stock options. The securities gained upon exercise will be transferred to the Company. The Company will reimburse Mr. Dempsey for incurred tax liability, if any.

As of June 30, 2010, the Company beneficially owned 1,337,500 shares or 5.02% of Taranis Resources' common stock, including 100,000 stock warrants owned by the Company, and 341,000 stock options awarded to Mr. Dempsey that the Company has the right to acquire.

Mr. Dempsey did not stand for re-election as a Director of Taranis Resources. Therefore, he shall have the right for a period of 90 days from August 10, 2010, to exercise the options. Upon the expiration of the 90 day period, all unexercised stock option rights shall immediately be terminated.

DIRECTORS' COMPENSATION

Royal Gold's compensation for non-employee directors is designed to reflect current market trends and developments with respect to compensation of board members. The Company does not have a retirement plan for non-employee directors. Executive officers who are also directors are not paid additional compensation for their services on the Board of Directors. Therefore, Mr. Jensen, as President and Chief Executive Officer, does not receive any compensation as a director.

The Compensation, Nominating and Governance Committee is responsible for evaluating and recommending to the independent members of the Board of Directors the compensation for non-employee directors. The independent members of the Board of Directors make final compensation decisions. Director compensation was reviewed and modified for fiscal year 2011, based on a May 2010 study conducted by Frederic W. Cook & Co., Inc. (the "Cook Study"). The Cook Study reviewed annual cash retainers, fees for attending board and committee meetings, fees for committee membership, and an annualized present value of equity compensation for a benchmark peer group. The Cook Study found that compensation for non-employee directors was competitive with the benchmark peer group but some improvements should be considered. See "Executive Compensation Role of Compensation Consultants and Evaluation of Compensation Package" for more information about the Cook Study and the peer group.

Cash Compensation

For fiscal year 2010, each non-employee director of the Company received an annual fee of $20,000 for service as a director and an additional $1,000 for each Board of Directors meeting attended, either in person or via telephone. The Chairman of the Audit Committee received an annual fee of $6,000 and the Chairman of the Compensation, Nominating and Governance Committee received an annual fee of $4,000 for their service as chairman of their respective committees. Each member of the Audit Committee and Compensation, Nominating and Governance Committee received $750 for each meeting attended, either in person or via telephone. In addition, Mr. Dempsey received an additional annual fee of $55,000 for service as Chairman of the Board of Directors.

Based on the Cook Study and the increased business demands of the Company, the Board of Directors modified the non-employee directors' compensation beginning July 1, 2010, as follows: annual retainer increased to $30,000 from $20,000, meeting fees increased to $1,500 from $1,000 per meeting attended either in person or by telephone, fee paid to the Chairman of the Compensation, Nominating and Governance Committee increased to $6,000 from $4,000 per year, and committee meeting fees increased to $1,000 from $750 per meeting attended either in person or by telephone.

Table of Contents

Equity Compensation

On November 18, 2009, each non-employee director was granted 2,000 shares of restricted stock. Half of the shares of restricted stock vested immediately upon grant and the remaining half of the shares of restricted stock will vest on the first anniversary of the grant date. Non-employee directors were not awarded stock options in fiscal year 2010.

Expenses

Non-employee directors are reimbursed for all out-of-pocket expenses incurred in connection with the business and affairs of the Company.

Stock Ownership Guidelines

All directors are encouraged to have a significant long-term financial interest in the Company. To encourage alignment of the interests of the directors and the stockholders, each director is expected to own shares of Royal Gold common stock equal to ten times the annual cash retainer for non-employee directors within five years of the date of grant of restricted stock. All of the directors meet the stock ownership guidelines.

Fiscal Year 2010 Directors' Compensation

The following table provides information regarding the compensation of the Company's non-employee directors in fiscal year 2010. Amounts shown for each director vary due to service on committees or as committee chairs for all or a portion of the year. The annual retainer for fiscal year 2010 is paid in cash on a quarterly basis.

Name	Paid in Cash(1) ($)	Stock Awards(2) ($)	Option Awards(3) ($)	All Other Compensation ($)	Total ($)
Stanley Dempsey	$ 90,000	$ 106,000	$	$	$ 196,000
John W. Goth[(4)]	$ 18,417	$	$	$	$ 18,417
M. Craig Haase	$ 39,583	$ 106,000	$	$	$ 145,583
William Hayes	$ 37,000	$ 106,000	$	$	$ 143,000
S. Oden Howell	$ 37,250	$ 106,000	$	$	$ 143,250
Merritt Marcus[(4)]	$ 13,000	$	$	$	$ 13,000
James Stuckert	$ 45,250	$ 106,000	$	$	$ 151,250
Donald Worth	$ 36,000	$ 106,000	$	$	$ 142,000

(1) Non-employee directors received an annual cash retainer for service on our Board of Directors of $20,000, and an additional $1,000 for each Board of Directors meeting attended. Mr. Dempsey received an additional annual retainer of $55,000 for service as Chairman of the Board. Mr. Stuckert received an additional annual retainer of $6,000 for service as the Chairman of the Audit Committee. Mr. Haase received an additional annual retainer of $4,000 for service as the Chairman of the Compensation, Nominating and Governance Committee. Messrs. Haase, Hayes, Howell, Stuckert and Worth each received an additional $750 for each committee meeting attended. Mr. Hayes received an additional annual retainer of $2,500 for services as a Director of RG Finance (Barbados) Limited, a wholly-owned subsidiary of the Company.

(2) The amounts shown represent the total grant date fair value, determined in accordance with Account Standards Codification ("ASC") 718, of restricted stock awards in fiscal year 2010. Amounts shown do not represent cash payments made to the individuals, amounts realized or amounts that may be realized. Refer to Note 7 to the Company's Consolidated Financial Statements contained in the

18

Table of Contents

Company's 2010 Annual Report on Form 10-K filed with the SEC on August 26, 2010, for a discussion of the assumptions used in valuation of the restricted stock awards. In accordance with ASC 718, the grant date fair value for each restricted stock award in fiscal year 2010 was $53.00. Restricted stock awards related to continued service for non-employee directors vest 50% immediately upon grant and 50% on the first anniversary of the date of the grant. Additionally, on December 23, 2009, 15,000 shares of restricted stock awarded to Mr. Dempsey as Executive Chairman, vested. As of June 30, 2010, Messrs. Dempsey, Haase, Hayes, Howell, Stuckert and Worth each beneficially owned 1,000 shares of restricted stock.

(3)

No stock option awards were granted to non-employee directors during fiscal year 2010. Stock option awards for non-employee directors granted in previous years vest 50% immediately upon grant and 50% on the first anniversary of the grant. As of June 30, 2010, Messrs. Dempsey, Haase, Hayes, Howell, Stuckert and Worth owned 0, 0, 0, 27,500, 17,500 and 17,500 previously granted stock options that remain unexercised, respectively.

(4)

Messrs. Goth and Marcus retired from the Board of Directors effective November 18, 2009.

EXECUTIVE COMPENSATION

Compensation, Nominating and Governance Committee Report

The information contained in the following Compensation, Nominating and Governance Committee Report shall not be deemed "soliciting material" or "filed" with the SEC, nor shall such information be incorporated by reference into a future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent the Company specifically incorporates this Report by reference therein.

The Compensation, Nominating and Governance Committee of the Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K. Based on such review and discussion, the Compensation, Nominating and Governance Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

This Report has been submitted by the following members of the Compensation, Nominating and Governance Committee of the Board of Directors:

M. Craig Haase, Chairman
S. Oden Howell, Jr.
James W. Stuckert

Compensation Discussion and Analysis

Overview

The Compensation, Nominating and Governance Committee (the "Committee") is responsible for, among other things, setting and administering the policies that govern the compensation for the executive officers of the Company. The Committee evaluates the performance of management and recommends to the full Board of Directors the compensation level for all officers and key employees. The Committee also administers the Company's 2004 Omnibus Long-Term Incentive Plan and recommends levels of equity awards such as stock options, SARs, restricted stock and performance stock awards to executive officers and key employees to the full Board of Directors. The Committee is composed entirely of "outside directors," as defined under Section 162(m) of the Internal Revenue Code, and each member is independent under the applicable NASDAQ listing standards. Final compensation decisions are made by the independent members of the Board of Directors following discussion and consideration of the recommendations of the Committee.

Table of Contents

Compensation Philosophy and Objectives

Royal Gold's general compensation philosophy is focused on paying a competitive salary and providing attractive long-term incentives to reward growth and to link management interests with stockholder interests. The Committee believes that bonus and long-term incentives are critical to the sustainability and continuity of the Company's business and that such incentives support executive retention and avoid short-term windfalls.

The Committee specifically believes that the compensation philosophy and programs of Royal Gold should:

- link rewards to individual performance, business results and stockholder returns;
- encourage creation of long-term stockholder value and achievement of strategic objectives;
- target management salary range structures and award opportunities at or slightly above the market median, with opportunity to receive total direct compensation in the upper quartile for superior results;
- maintain an appropriate balance between base salary, annual bonuses and long-term incentives; and
- attract and retain the highest caliber personnel on a long-term basis.

Royal Gold employs twenty employees and places primary importance on the talent of those employees to manage and grow the Company. Based on the small number of employees, Royal Gold's executives are required to be multi-disciplined, self-reliant, and highly experienced. The Committee feels the loss of Royal Gold's executive talent would be a significant threat to the Company's future success. To avoid the loss of talent, the Company believes it is required to target total direct compensation near the 75th percentile of its peer group companies in the United States and Canada engaged in either the mining of or exploration for precious metals or in the acquisition or management of interests in mining operations. In determining specific compensation amounts for executives, the Committee considers such factors as (1) experience; (2) individual performance; (3) tenure; (4) role in achieving corporate objectives; and (5) compensation compared to the Company's other officers and to the Company's peer group.

Role of Management

Corporate goals and objectives are established by the Committee with recommendations by the President and Chief Executive Officer and reviewed annually with the Board of Directors. Each executive officer completes annually a self-assessment of his or her individual performance and contributions to the Company's corporate goals and objectives, which is reviewed with Royal Gold's President and Chief Executive Officer. Based on such annual reviews and the Company's compensation objectives, the President and Chief Executive Officer recommends annual bonus awards and long-term incentive awards to the Committee. The Committee considers those recommendations in making annual bonus and long-term incentive award recommendations to the Board of Directors. The Committee conducts an annual review of the President and Chief Executive Officer's performance and all recommendations relating to the President and Chief Executive Officer's compensation are made by the Committee independent from members of management.

Role of Compensation Consultants and Evaluation of Compensation Package

The Committee has sought and received advice from independent compensation and benefits consultants as necessary or useful to conduct a review of the Company's compensation package. The Committee's goal in utilizing compensation and benefits consultants is to maintain total direct compensation near the 75th percentile and base salary above the 50th percentile of a benchmark peer group of companies in the United States and Canada in the mining industry, as discussed below. The

Table of Contents

Committee also reviews cost of living increases as a separate factor in salary increases, and utilizes the Mountain States Employers' Council to determine the level salaries should be increased to reflect cost of living increases.

In May 2009, the Committee engaged Frederic W. Cook to conduct a study of the Company's compensation program. This study was used to review and provide guidance for executive compensation for fiscal year 2011. Frederic W. Cook was asked to use a benchmark peer group of companies in the United States and Canada engaged in either the mining of or exploration for precious metals or in the acquisition and management of interests in mining operations that excluded companies with the largest market-capitalization. In response to the Committee's request, Frederic W. Cook used a benchmark peer group consisting of 10 companies: Agnico-Eagle Mines, Yamana Gold, IAMGOLD, Silver Wheaton, Franco Nevada, Pan American Silver, Coeur d'Alene Mines, Golden Star Resources, Hecla Mining and International Royalty Corporation.

The study reviewed the Company's base salaries, annual bonuses, benefits, non-cash compensation, and long-term incentives in comparison with the benchmark group and provided a review of the competitiveness, fairness, and effectiveness of each component of compensation and an evaluation of individual total compensation. The results of the May 2009 benchmark study showed that executive officer salaries were in the 20th percentile, salaries plus bonuses were in the 36th percentile, long-term incentives were in the 79th percentile, and total direct compensation (salary, bonus, and long-term incentives) was in the 63rd percentile of the benchmark peer group.

Based on the 2009 benchmark study, the Committee concluded that the Company's total direct compensation package had declined relative to the benchmark peer group. Since a comparable peer group benchmarking study had been conducted in 2007, the Committee determined that salary adjustments were appropriate in order to reinforce the key objectives of attracting and retaining key executives and to reflect average salary levels paid to mining executives and officers in the benchmark peer group. The Committee felt that methodical salary adjustments should be made over the next few years, instead of a lump sum catch-up, for those individuals whose salaries fall below the 50th percentile. As a result, salaries for the named executive officers were increased for fiscal year 2010 from fiscal year 2009 by an average of approximately 11%, and salaries for fiscal year 2011 were increased.

The Committee approved and recommended base salary increases for the named executive officers of $148,000 or 9.5% on average for fiscal year 2011, which includes a 2.7% adjustment for cost of living increase determined by Mountain States Employers' Council data. Based on this, the Committee recommended, and the independent members of the Board of Directors approved, an increase in base salary for Mr. Jensen from $450,000 to $500,000, Mr. Heissenbuttel from $210,000 to $240,000, Mr. Kirchhoff from $245,000 to $252,000, Mr. Wenger from $210,000 to $235,000 and Ms. Gross from $200,000 to $230,000 for fiscal year 2011.

Components of Executive Compensation

Royal Gold's compensation program consists of base pay, annual cash bonuses, long-term incentives and benefits. The Company believes perquisites for executives should be extremely limited in scope and value and, therefore, generally does not provide perquisites or other special benefits to executive officers. The Committee attempts to pay competitively in the aggregate as well as deliver an appropriate balance between fixed compensation (base salary, bonuses and benefits) versus variable compensation (long-term incentives). Consistent with the Company's philosophy of attracting and retaining excellent executive talent, the Committee emphasizes long-term incentives over fixed compensation as components of the executive compensation package. The relative portions of fixed compensation and long-term incentives varies for each named executive officer, but generally each named executive officer's compensation package is intended to provide a significant portion of the executive's compensation through long-term incentives.

Table of Contents

Employment Agreements

Royal Gold has entered into employment agreements with Messrs. Jensen, Kirchhoff, Wenger, and Ms. Gross. Pursuant to Mr. Jensen's employment agreement, Mr. Jensen will continue to serve as the Company's President and Chief Executive Officer and the Company's Board of Directors will continue to nominate Mr. Jensen for re-election as director. Pursuant to individual employment agreements, Mr. Wenger, Mr. Kirchhoff and Ms. Gross will continue to serve as the Company's Chief Financial Officer and Treasurer, Vice President and General Counsel and Vice President and Corporate Secretary, respectively. Each employment agreement is for a one-year term, which will automatically renew for four consecutive one-year periods unless either the Company or the executive timely elects not to renew the term of the Agreement. As described below, each of the employment agreements provides for severance compensation in the event of a termination by the Company without "Cause," a voluntary termination by the executive for "Good Reason," or if the Company elects not to renew the term of the employment agreement during the four-year renewal period. The executive does not receive severance compensation in the event of a termination by the Company for "Cause," a voluntary termination by the executive without "Good Reason," or if the executive elects not to renew the term of the employment agreement during the four-year renewal period. Each employment agreement is in the second year of the four year renewal period.

Pursuant to Mr. Jensen's employment agreement, Mr. Jensen will receive severance compensation upon an involuntary termination of employment without "Cause," a voluntary termination of employment for "Good Reason," or if the Company elects not to renew the employment term during the four-year renewal period. If such termination or non-renewal does not occur within two years after a "Change of Control," then Mr. Jensen will be entitled to one times his then base salary. If such termination or non-renewal occurs within two years after a "Change of Control," Mr. Jensen will be entitled to two and one-half times his then base salary, two and one-half times his average annual cash incentive bonus for the prior three fiscal years and continued employee benefits for twelve months. The employment agreement restricts Mr. Jensen from competing against the Company or soliciting the Company's employees, customers or business relationships for a period of 12 months following termination of his employment with the Company.

Pursuant to the employment agreements with Mr. Kirchhoff, Mr. Wenger and Ms. Gross, each such executive will receive severance compensation upon an involuntary termination of his or her employment without "Cause," a voluntary termination of his or her employment for "Good Reason," or if the Company elects not to renew his or her employment term during the four-year renewal period. If such termination or non-renewal does not occur within two years after a "Change of Control," then the executive will be entitled to one times his or her then base salary. If such termination or non-renewal occurs within two years after a "Change of Control," the executive will be entitled to one and one-half times his or her then base salary, one and one-half times his or her average annual cash incentive bonus for the prior three fiscal years and continued employee benefits for twelve months. The employment agreements restrict each executive from competing against the Company or soliciting the Company's employees, customers or business relationships for a period of 12 months following termination of his or her employment with the Company.

The employment agreements, and benefits payable thereunder, with each of Messrs. Jensen, Kirchhoff, Wenger and Ms. Gross are described in further detail in the section titled "Potential Payments Upon Termination or Change of Control" on page 35.

Base Salary

Base salary is the fixed cash amount paid to an officer on a fiscal year cycle. Increases in cost of living are considered and will be added to the base salary levels at the prevailing rate, if appropriate. Actual salaries vary by individual and are based on sustained performance toward achievement of the Company's goals and objectives, experience and peer group benchmark studies. The Committee believes that salaries should be adjusted as necessary in order to maintain the Company's competitiveness within the mining industry. Due to the Company's emphasis on long-term incentives, individual salaries are intended to be around the 50th percentile of the Company's benchmark peer group for each position, including the position of the President and Chief Executive Officer.

Table of Contents

Based on the May 2009 benchmark study, the Committee determined that base salary compensation, which was in the 20th percentile of the benchmark peer group for 2009, required adjustment for fiscal year 2010. The Committee also felt that methodical salary adjustments should be made over the next few years, instead of a lump sum catch-up, for those individuals whose salaries fall below the 50th percentile. Since 2005, the Company's total direct compensation has fallen in percentile rank and is currently at the 63rd percentile which is outside of the targeted 75th percentile. Base salary figures for each of the named executive officers are shown in the Summary Compensation Table.

Annual Cash Bonuses

Annual cash bonus awards are discretionary and are based on individual and corporate performance, returns to shareholders, the Company's ability to pay, and general practices in the mining industry. Bonuses are designed to balance rewards for exceptional performance and personal contributions as well as to tie accountability with actual performance. Annual bonuses are recommended to the Committee by the Company's President and Chief Executive Officer based on annual reviews of each executive officer's performance and contribution to the Company's corporate goals and objectives.

Annual cash bonus awards for executive officers are recommended by the Committee to the independent members of the Board of Directors in November each year for the fiscal year last ended. Bonuses are paid either at the end of the calendar year or at the beginning of the next calendar year. Historically, annual cash bonus awards for the named executive officers have ranged from 53% to 77% of base salary. Bonus awards determined in November 2009 related to executive and Company performance during the fiscal year ended June 30, 2009. At this time, the amount of annual cash bonuses for the fiscal year ended June 30, 2010 for each of the named executive officers have not been determined.

In determining the amount of cash bonuses made in November 2009 for the fiscal year ended June 30, 2009, the Committee considered three main factors: (i) each executive officer's potential to influence the six performance elements discussed below, (ii) the Company's performance with respect to the six performance elements, and (iii) extraordinary accomplishments of the Company's executive officers. As a first step in this process, the Committee made a subjective judgment regarding each executive officer's potential to influence the following six performance elements: (1) the Company's financial growth, (2) cost containment, (3) financial strength, (4) protection of assets, (5) governance, and (6) marketing. An overview of the Committee's overall impression of each named executive officer's potential to influence the six performance elements during the fiscal year ended June 30, 2009, is provided below.

Tony Jensen, President and Chief Executive Officer: Mr. Jensen was determined to have significant potential to influence each of the six performance elements.

Stefan Wenger, Chief Financial Officer and Treasurer: Mr. Wenger was determined to have significant potential to influence financial strength, cost containment, protection of assets and governance, and was determined to have modest potential to influence the Company's financial growth and marketing.

Bruce C. Kirchhoff, Vice President and General Counsel: Mr. Kirchhoff was determined to have significant potential to influence governance, the Company's financial growth, cost containment and financial strength, and was determined to have modest potential to influence protection of assets and marketing.

William Heissenbuttel, Vice President of Corporate Development: Mr. Heissenbuttel was determined to have significant potential to influence the Company's financial growth, cost containment and financial strength, and was determined to have modest potential to influence marketing, protection of assets and governance.

Karen P. Gross, Vice President and Corporate Secretary: Ms. Gross was determined to have significant potential to influence governance, marketing and cost containment, and was

Table of Contents

determined to have modest potential to influence financial strength, the Company's financial growth and protection of assets.

As a second step, the Committee also analyzed, on a subjective basis, the Company's performance across the six performance elements for the fiscal year ended June 30, 2009, and determined that the Company showed very strong performance with respect to the Company's financial growth, financial strength and marketing, and the Company showed strong or acceptable performance with respect to cost containment, governance and protection of assets.

As a third step, the Committee made a subjective determination relating to the extraordinary accomplishments of each individual executive officer based on the Company's extraordinary growth during the fiscal year ended June 30, 2009. The Committee will use a similar methodology in determining cash bonuses for fiscal year 2010 for each of the named executive officers.

Long-Term Incentives

The Company's 2004 Omnibus Long-Term Incentive Plan ("LTIP") permits the award of various types of stock-based incentives. Grants are typically in the form of incentive and non-qualified stock options, SARs, shares of restricted stock and performance stock awards that vest based on the achievement of performance objectives. The LTIP is designed to provide a variety of long-term awards in order to balance the Company's other cash compensation with the need for sustainable results, to align the interests of management with stockholders, and to provide each executive officer with a significant incentive to manage the Company over a multi-year period from the perspective of an owner with an equity stake in the business. The LTIP compensation is intended to drive future performance of employees by delivering a significant portion of each executive officer's potential total compensation at a future date. The amount of each incentive award is driven primarily by the Company's overall compensation goals for the individual, the Company's desire to retain the individual as an employee, an individual's relative level in the Company, and the individual's ability to impact corporate goals. In conjunction with the 2009 benchmark study, long-term incentives are part of total compensation for which the Company strives to meet the 75th percentile.

As discussed in more detail under the headings *Compensation Philosophy and Objectives* on page 20 and *Role of Compensation Consultants and Evaluation of Compensation Packages* on page 20, the Company has set a general goal of targeting total direct compensation (cash and equity awards) near the 75th percentile of its benchmark peer group and cash awards (base salary and bonus) near the 50th percentile of its benchmark peer group. In determining the amount of equity awards to be made under the LTIP in November 2009, as a starting point the Committee considered the combination of base salary and bonus for each individual. The Committee then used its discretion to grant equity awards that, when added to each individual's cash awards, would allow the individuals to approach the total direct compensation target.

In determining the form of equity awards made in November 2009, the Committee considered (i) the goal of retaining certain individuals through the granting of restricted shares, (ii) the desire to drive sustainable results through the granting of stock options and SARs, and (iii) the intent to drive individual performance and the potential to influence the six performance elements described under the heading *Annual Cash Bonuses* on page 23, in particular the Company's financial growth, through the granting of performance shares. The aggregate amount of equity awards granted in November 2009 was distributed relatively uniformly between these three categories, with fewer performance shares, which are considered more challenging to achieve, generally being awarded. In general, individuals that had a greater potential to influence the Company's financial growth were granted slightly higher levels of performance shares.

The Company typically awards the first $100,000 in value of stock options in the form of incentive stock options (the limit for incentive stock options under the Internal Revenue Code), and amounts above $100,000 are typically awarded in the form of SARs. The amount and form of equity awards determined by the Committee in the manner described above for each named executive officer were recommended to the

Table of Contents

independent members of the Board of Directors by the Committee, and the independent members of the Board of Directors finally determined and granted the awards.

For any fiscal year, the Committee does not utilize predetermined levels of LTIP awards as a percentage of base salary. Members of Royal Gold's management do not have authority to make off-cycle or ad-hoc equity grants. In the event of a new hire grant, approval is obtained prior to any grant being made either at a regularly scheduled Board of Directors meeting or by unanimous written consent of the Board of Directors.

Stock Options

The Company grants stock options as part of its LTIP. Stock options are considered long-term awards that are intended to drive shareholder value and align management with stockholders with regard to share price appreciation. Stock options are granted once a year in November as recommended by the Committee to the independent members of the Board of Directors. The exercise price of options is based on the closing price of the Company's common stock on the NASDAQ Global Select Market on the date of grant. Options have ten-year terms. For all of the named executive officers, other than Ms. Gross, stock options vest in equal annual increments over three years. Stock options granted to Ms. Gross vest one year from the grant date. The Committee recommended and the independent members of the Board of Directors approved a shorter vesting schedule for Ms. Gross to reward her long standing service with the Company that has continued for more than 20 years and because Ms. Gross has exceeded the stock ownership levels determined for her pursuant to the Company's stock ownership program described below.

Stock-Settled Stock Appreciation Rights

SARs are granted as part of the Company's LTIP. SARs are similar to stock options and are considered long-term awards that are intended to achieve stockholder value by aligning management's interests with stockholders' interests. SARs are granted once a year in November as recommended by the Committee to the independent members of the Board of Directors. The exercise price of SARs is based on the closing price of the Company's common stock on the NASDAQ Global Select Market on the date of grant. SARs have ten-year terms. For all of the named executive officers, other than Ms. Gross, SARs vest in equal annual increments over three years. SARs granted to Ms. Gross vest one year from the grant date. The Committee recommended and the independent members of the Board of Directors approved a shorter vesting schedule for Ms. Gross for the same reasons as the shorter vesting schedule for stock options was approved.

Restricted Stock

The Company's LTIP also allows for the issuance of restricted stock awards. Restricted stock awards are focused on retention and long-term commitment of executives. Restricted stock awards are granted to officers and certain other employees. Shares of restricted stock are granted once a year in November as recommended by the Committee to the independent members of the Board of Directors. Shares of restricted stock are considered issued and outstanding with respect to which executives may vote and receive dividends paid in the ordinary course to other Royal Gold stockholders. Royal Gold has paid a cash dividend on its common stock for each fiscal year beginning in fiscal year 2000, on a calendar year basis, subject to the discretion of the Board of Directors.

Restricted stock awards vest in equal one-third increments beginning on the fourth anniversary of the restricted stock grant date, with full vesting six years from the date of grant. The Committee believes that delaying the vesting of restricted stock awards until the fourth anniversary of the grant date encourages employee retention.

Table of Contents

Performance Awards

The Company also grants performance awards under the LTIP. Performance awards, which are also referred to as performance shares or performance stock awards in this Proxy Statement, are intended to provide significant incentive to obtain long-term, non-dilutive growth performance. The portion of each executive officer's total compensation in the form of performance shares varies for each officer. In awarding performance shares to any executive officer, the Committee considers the executive officer's responsibilities within the Company and the executive officer's ability to influence or meet the performance objectives. Performance shares can only be earned if multi-year performance goals are met within five years of the date of grant. If the performance goals are not earned by the end of the five year period, the performance shares will be forfeited. Performance shares granted may vest upon meeting one of two defined performance goals: (1) growth of free cash flow per share on a trailing twelve-month basis; and (2) growth of royalty ounces in reserve per share on an annual basis. The Committee believes that free cash flow per share is an important indicator of the Company's financial health while royalty ounces per share represents potential future growth. The Company defines free cash flow, a non-GAAP financial measure, as operating income plus depreciation, depletion and amortization, non-cash charges and any impairment of mining assets, less non-controlling interests in operating income of consolidated subsidiaries. Performance shares may vest in 25% increments upon meeting 25%, 50%, 75% and 100% of performance goals. Performance shares will vest upon the Committee's determination that such 25% increment of the performance goals has been met.

The Committee strives to establish performance goals that are challenging to meet and would provide significant stockholder value, if achieved. Performance goals for a particular period are generally set to drive long-term, significant year-over-year improvements in financial performance and the general financial health of the Company, taking into account prior results. At the time the performance goals were set with respect to the performance shares granted in November 2009, the Company believed the performance goals would be relatively difficult to achieve because they required substantial increases in the Company's free cash flow per share and/or royalty ounces in reserve per share, and achieving the performance goals would require the Company to grow its underlying assets substantially in the face of a highly competitive market with a finite number of royalties.

Performance shares are not considered issued and outstanding shares with respect to which executives may vote or receive dividends. Performance shares are settled with shares of the Company's common stock when they vest.

As of the record date, 50% of the performance goals set for the performance shares awarded in fiscal year 2007 were met, 75% of the performance goals set for the performance shares awarded in fiscal year 2008 were met, and 75% of the performance goals set for the performance shares awarded in fiscal year 2009 were met. As a result, 50%, 75% and 75% of the performance shares for fiscal years 2007, 2008 and 2009, respectively, have vested and have been settled with common stock. Solely for purposes of ASC 718 recognition of compensation expense, as of June 30, 2010, management determined that it is probable that the remaining 50% of the performance shares granted in fiscal year 2007, and the remaining 25% of the performance shares granted in fiscal years 2008 and 2009 will vest in future periods, in large part due to the Company's strong performance since the grant date of such performance shares, resulting in part from the Company's successful acquisitions during fiscal 2010. However, performance shares will not vest until performance objectives are actually met as determined by the Committee.

Benefit Programs

Benefit programs for the executive officers are generally common in design and purpose to those for the broad-base of employees in the United States. The Company also maintains a Simplified Employee Pension Plan, known as a Salary Reduction/Simplified Employee Pension Plan ("SARSEP Plan") in which all employees are eligible to participate. This plan was chosen because of regulatory compliance simplicity, avoidance of significant administrative expense, availability of tax-advantaged

Table of Contents

investment opportunities, and relative freedom from significant vesting or other limitations. The SARSEP Plan allows employees to reduce their pre-tax salary, subject to certain limitations, and to put this money into a tax deferred investment plan. This is a voluntary plan. Individuals may make contributions of up to the lesser of (i) 25% of their aggregate annual salary and bonus, or (ii) $16,500, or if the employee is over age 50, $22,000, for calendar year 2010. The Company will match 100% of the individual's contribution, up to 7% of an individual's annual salary and bonus. Those that do not participate in the SARSEP Plan will receive a 3% employer contribution in accordance with the Plan. Employer contributions are immediately 100% vested. Total employee and employer contributions may not exceed the lesser of $49,000 for calendar 2010 or 25% of aggregate annual salary and bonus for any individual.

Perquisites

The Company believes perquisites for executives should be extremely limited in scope and value and, therefore, generally does not provide perquisites or other special benefits to executive officers.

Executive Stock Ownership

Royal Gold has adopted a stock ownership program to encourage its executive officers to achieve and maintain a minimum investment in the Company's common stock at levels set by the Committee. The program provides incentives for these officers to focus on improving long-term shareholder value and linking the interest of management and stockholders. Royal Gold's executive stock ownership program requires each of the Company's executive officers to own a number of shares that is valued at a multiple of his or her base salary. Unexercised stock options and SARs, unvested shares of restricted stock and unearned performance shares are not considered owned for purposes of the program. The multiple for the President and Chief Executive Officer is four times base salary, and the multiple for all other executive officers is two times base salary. There is no time frame in which the executive officers must meet ownership targets. The program requires each executive officer to hold an aggregate of fifty percent (50%) of the shares of stock acquired after the required tax withholdings, pursuant to any option grant, SARs grant, restricted stock grant, or performance share grant until such executive officer reaches his or her ownership target.

Post-Termination Compensation

The Company does not provide pension or other retirement benefits apart from the SARSEP Plan described above. The Company provides certain post-termination benefits pursuant to the terms of employment agreements and the LTIP, described above under "Employment Agreements" on page 22 and below under the section titled "Potential Payments Upon Termination or Change-in-Control" on page 35.

Table of Contents

2010 SUMMARY COMPENSATION TABLE

The following table provides information regarding the compensation of the Company's named executive officers for fiscal years 2010, 2009 and 2008.

Name and Principal Position	Year (fiscal)	Salary(2) ($)	Bonus(3) ($)	Stock Awards(4) ($)	Option Awards(5) ($)	All Other Compensation(6) ($)	Total ($)
Tony Jensen	2010	$ 450,000	$	$ 1,484,000	$ 505,189	$ 36,634	$ 2,475,823
President and Chief	2009	$ 375,500	$ 280,000	$ 1,083,600	$ 184,200	$ 18,745	$ 1,942,045
Executive Officer	2008	$ 341,000	$ 260,000	$ 1,041,250	$ 192,300	$ 35,826	$ 1,870,376
Stefan Wenger	2010	$ 210,000	$	$ 662,500	$ 161,089	$ 23,647	$ 1,057,236
Chief Financial Officer	2009	$ 182,000	$ 120,000	$ 541,800	$ 122,800	$ 23,667	$ 990,267
and Treasurer	2008	$ 169,019	$ 95,000	$ 520,625	$ 128,200	$ 18,638	$ 931,482
Bruce C. Kirchhoff[(1)]	2010	$ 245,000	$	$ 662,500	$ 161,089	$ 27,497	$ 1,096,086
Vice President and	2009	$ 237,000	$ 130,000	$ 541,800	$ 122,800	$ 28,142	$ 1,059,742
General Counsel							
William Heissenbuttel	2010	$ 210,000	$	$ 662,500	$ 161,089	$ 18,997	$ 1,052,586
Vice President of	2009	$ 182,000	$ 125,000	$ 541,800	$ 122,800	$ 18,017	$ 989,617
Corporate Development	2008	$ 162,500	$ 125,000	$ 520,625	$ 128,200	$ 15,406	$ 951,731
Karen P. Gross	2010	$ 200,000	$	$ 424,000	$ 206,969	$ 24,694	$ 855,663
Vice President and	2009	$ 182,000	$ 115,000	$ 309,600	$ 184,200	$ 22,806	$ 813,606
Corporate Secretary	2008	$ 170,000	$ 90,000	$ 446,250	$ 160,250	$ 21,794	$ 888,294

(1) Fiscal year 2009 was Mr. Kirchhoff's first year as a named executive officer. As such, only compensation he received for fiscal years 2009 and 2010 are required to be included in this Proxy Statement.

(2) Salaries are subject to annual review and adjustment by the Compensation, Nominating and Governance Committee as approved by the Board of Directors. In May 2010, the Board of Directors approved salaries for fiscal year 2011 for Messrs. Jensen, Wenger, Kirchhoff, Heissenbuttel, and Ms. Gross in the amounts of $500,000, $235,000, $252,000, $240,000 and $230,000, respectively.

(3) Bonus award amounts for fiscal year 2010 are not determinable as of the date of this Proxy Statement. Any bonus awards for fiscal year 2010 will be determined in November 2010 and may be paid in December 2010 or January 2011. Bonus awards earned in a particular fiscal year are customarily determined and paid in the next fiscal year. Bonus awards for fiscal year 2009 were determined in November 2009 and were paid in December 2009 for some individuals and January 2010 for other individuals. Fiscal year 2008 bonus amounts for Messrs. Jensen and Heissenbuttel include a special adjustment for efforts related to the Barrick transaction.

(4) Amounts shown reflect the total grant date fair value of restricted stock awards and performance stock awards, determined in accordance with ASC 718, made during fiscal years 2010, 2009 and 2008. Amounts shown do not represent cash payments made to the individuals, amounts realized or amounts that may be realized. Refer to Note 7 to the Company's Consolidated Financial Statements contained in the Company's 2010 Annual Report on Form 10-K filed with the SEC on August 26, 2010 for a discussion of the assumptions used in valuation of the restricted stock and performance stock awards. It was determined that it is probable that 100% of the performance stock awards will vest.

(5)
Amounts shown reflect the total grant date fair value of stock option and SARs, determined in accordance with ASC 718 using the Black-Scholes-Merton option-pricing model, awarded during fiscal years 2010, 2009 and 2008 . Amounts shown do not represent cash payments made to the individuals, amounts realized or amounts that may be realized. Refer to Note 7 to the Company's Consolidated Financial Statements contained in the Company's 2010 Annual Report on Form 10-K filed with the SEC

Table of Contents

on August 26, 2010, for a discussion of the assumptions used in valuation of stock option and SARs awards.

(6)
All Other Compensation includes the following:

Name	Year (fiscal)	Employer SARSEP Contributions	Life and Accidental Death & Dismemberment Insurance Premiums	Long-Term Disability Insurance Premiums	Total All Other Compensation
Tony Jensen	2010	$ 35,107	$ 702	$ 825	$ 36,634
	2009	$ 17,218	$ 702	$ 825	$ 18,745
	2008	$ 34,299	$ 702	$ 825	$ 35,826
Stefan Wenger	2010	$ 22,120	$ 702	$ 825	$ 23,647
	2009	$ 22,140	$ 702	$ 825	$ 23,667
	2008	$ 17,111	$ 702	$ 825	$ 18,638
Bruce C. Kirchhoff	2010	$ 25,970	$ 702	$ 825	$ 27,497
	2009	$ 26,615	$ 702	$ 825	$ 28,142
William Heissenbuttel	2010	$ 17,470	$ 702	$ 825	$ 18,997
	2009	$ 16,490	$ 702	$ 825	$ 18,017
	2008	$ 13,879	$ 702	$ 825	$ 15,406
Karen P. Gross	2010	$ 21,420	$ 702	$ 2,572(1)	$ 24,694
	2009	$ 19,052	$ 702	$ 3,052(1)	$ 22,806
	2008	$ 18,200	$ 702	$ 2,892(1)	$ 21,794

(1)
Amounts include additional disability benefits for Ms. Gross pursuant to a previous benefits package.

The Company provides SARSEP and life and disability benefits to all of its employees. The Company matches employee contributions to the SARSEP Plan, up to 7% of an individual's aggregate annual salary and bonus.

Table of Contents

GRANTS OF PLAN-BASED AWARDS IN FISCAL YEAR 2010

This table provides information regarding incentive awards and other stock-based awards granted during fiscal year 2010 to the named executive officers.

		Estimated Future Payouts Under Equity Incentive Plan Awards(1)						
Name	Grant Date	Threshold (#)	Target (#)	Maximum (#)	All Other Stock Awards: Number of Shares of Stock or Units(2) (#)	All Other Option Awards: Number of Securities Underlying Options(3) (#)	Exercise or Base Prices of Option Awards(4) ($/sh)	Grant Date Fair Value of Stock and Option Awards(5) ($)
Tony Jensen	11/18/2009	6,250	25,000	25,000				$ 1,325,000
	11/18/2009				3,000			$ 159,000
	11/18/2009					22,000	$ 53.00	$ 505,189
Stefan Wenger	11/18/2009	1,250	5,000	5,000				$ 265,000
	11/18/2009				7,500			$ 397,500
	11/18/2009					7,000	$ 53.00	$ 161,089
Bruce C. Kirchhoff	11/18/2009	1,250	5,000	5,000				$ 265,000
	11/18/2009				7,500			$ 397,500
	11/18/2009					7,000	$ 53.00	$ 161,089
William Heissenbuttel	11/18/2009	1,250	5,000	5,000				$ 265,000
	11/18/2009				7,500			$ 397,500
	11/18/2009					7,000	$ 53.00	$ 161,089
Karen P. Gross	11/18/2009	1,000	4,000	4,000				$ 212,000
	11/18/2009				4,000			$ 212,000
	11/18/2009					9,000	$ 53.00	$ 206,969

(1) Represents performance stock awards that will vest upon achievement of target performance objectives within five years of the grant. If target performance objectives are not met within five years of the grant, the performance stock awards will be forfeited. If target performance objectives are met at any time during the five year period, up to 100% of the performance stock awards will vest. Interim amounts may vest in 25% increments upon achievement of 25%, 50%, 75% and 100% of the target objectives. Amounts shown in the "Threshold" column represent minimum achievement of 25% of the target objectives. Amounts shown in the "Target" column and "Maximum" column represent maximum achievement of 100% of the target objectives. Each performance stock award, if earned, will be settled with a share of Royal Gold common stock. The closing price of Royal Gold's common stock on the NASDAQ Global Select Market on the date of grant was $53.00. Performance targets are based on growth of free cash flow per share on a trailing twelve month basis and growth of royalty ounces in reserve per share on an annual basis. Performance stock awards will not vest until one of the performance targets are actually met. Performance stock awards are not issued and outstanding shares upon which the named executive officer may vote or receive dividends.

(2)

Represents shares of restricted stock that vest on continued service. The closing price of Royal Gold's common stock on the NASDAQ Global Select Market on the date of grant was $53.00. Shares of restricted stock vest ratably over three years commencing on the fourth anniversary of the grant date. Accordingly, one-third of the awarded shares will vest on November 18 of each of the years 2013, 2014 and 2015. Shares of restricted stock are issued and outstanding shares of common stock which have voting rights and upon which the named executive officers received dividends calculated at the same rate as paid to other stockholders. Royal Gold has paid a cash dividend on its common stock for each year beginning in fiscal year 2000.

(3)

Stock option and SARs awards granted to Messrs. Jensen, Wenger, Kirchhoff, and Heissenbuttel vest ratably over three years commencing on the first anniversary of the grant date and accordingly, one-third of the stock options and SARs will become exercisable on November 18 of each of the years 2010, 2011 and 2012. Stock options and SARs granted to Ms. Gross vest entirely on the first anniversary of the grant date and, accordingly, will become exercisable on November 18, 2010. Amounts for Messrs. Jensen, Wenger, Kirchhoff, Heissenbuttel, and Ms. Gross include SARs awards of 20,114, 5,114, 5,114, 5,114 and 7,114 shares, respectively, and 1,886 stock option awards for each individual.

Table of Contents

(4) Exercise or base price is the closing price of the Company's common stock on the NASDAQ Global Select Market on the grant date.

(5) Amounts shown represent the total fair value of awards calculated as of the grant date in accordance with ASC 718 and do not represent cash payments made to the individuals, amounts realized or amounts that may be realized. For restricted stock and performance stock awards, grant date fair value is calculated using the closing price of the Company's common stock on the date of grant. For stock option awards and SARs, grant date fair value is calculated using the Black-Scholes-Merton option-pricing model on the date of grant. In accordance with ASC 718, the grant date fair value for stock option awards and SARs granted on November 18, 2009, was $23.21 and $22.94, respectively, and the grant date fair value for performance stock awards and restricted stock granted on November 18, 2009, was $53.00. Refer to Note 7 to the Company's Consolidated Financial Statements contained in the Company's 2010 Annual Report on Form 10-K filed with the SEC on August 26, 2010, for a discussion of the assumptions used in valuation of plan-based awards.

Table of Contents

OUTSTANDING EQUITY AWARDS AT 2010 FISCAL YEAR END

This table provides information about the total outstanding stock options, SARs, shares of restricted stock and performance stock awards for each of the named executive officers as of June 30, 2010.

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options(1) (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units That Have Not Vested(2) (#)	Market Value of Shares or Units of Stock That Have Not Vested(3) ($)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(4) (#)	Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(5) ($)
Tony Jensen	10,000		$ 12.55	5/20/2014				
	25,000		$ 17.38	11/10/2014				
	15,000		$ 22.22	11/8/2015				
	15,000		$ 28.78	11/7/2016				
	10,000	5,000(6)	$ 29.75	11/7/2017				
	5,000	10,000(7)	$ 30.96	11/5/2018				
		22,000(8)	$ 53.00	11/18/2019				
					4,166(9)	$ 199,968		
					10,000(10)	$ 480,000		
					20,000(11)	$ 960,000		
					20,000(12)	$ 960,000		
					20,000(13)	$ 960,000		
					3,000(14)	$ 144,000		
							11,250(15)	$ 540,000
							11,250(16)	$ 540,000
							25,000(17)	$ 1,200,000
Stefan Wenger	4,980		$ 20.08	5/29/2013				
	10,000		$ 22.22	11/8/2015				
	10,000		$ 28.78	11/7/2016				
	6,667	3,333(6)	$ 29.75	11/7/2017				
	3,333	6,667(7)	$ 30.96	11/5/2018				
		7,000(8)	$ 53.00	11/18/2019				
					2,084(9)	$ 100,032		
					6,667(10)	$ 320,016		
					10,000(11)	$ 480,000		
					10,000(12)	$ 480,000		
					10,000(13)	$ 480,000		
					7,500(14)	$ 360,000		
							5,625(15)	$ 270,000
							5,625(16)	$ 270,000

	5,000(17)	$	240,000

Table of Contents

Name	Option Awards: Number of Securities Underlying Unexercised Options(1) (#) Exercisable	Option Awards: Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Awards: Option Exercise Price ($)	Option Awards: Option Expiration Date	Stock Awards: Number of Shares or Units That Have Not Vested(2) (#)	Stock Awards: Market Value of Shares or Units of Stock That Have Not Vested(3) ($)	Stock Awards: Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested(4) (#)	Stock Awards: Equity Incentive Plan Awards: Market Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested(5) ($)
Bruce C. Kirchhoff	1,600		$ 32.40	2/15/2017				
	6,667	3,333(6)	$ 29.75	11/7/2017				
	3,333	6,667(7)	$ 30.96	11/5/2018				
		7,000(8)	$ 53.00	11/18/2019				
					10,000(12)	$ 480,000		
					10,000(13)	$ 480,000		
					7,500(14)	$ 360,000		
							5,625(15)	$ 270,000
							5,625(16)	$ 270,000
							5,000(17)	$ 240,000
William Heissenbuttel	2,500		$ 28.78	11/7/2016				
	6,667	3,333(6)	$ 29.75	11/7/2017				
	3,333	6,667(7)	$ 30.96	11/5/2018				
		7,000(8)	$ 53.00	11/18/2019				
					5,000(11)	$ 240,000		
					10,000(12)	$ 480,000		
					10,000(13)	$ 480,000		
					7,500(14)	$ 360,000		
							5,625(15)	$ 270,000
							5,625(16)	$ 270,000
							5,000(17)	$ 240,000
Karen P. Gross	25,000		$ 20.08	5/29/2013				
	11,100		$ 17.38	11/10/2014				
	15,000		$ 22.22	11/8/2015				
	12,500		$ 28.78	11/7/2016				
	12,500		$ 29.75	11/7/2017				
	15,000		$ 30.96	11/5/2018				
		9,000(18)	$ 53.00	11/18/2019				
					5,000(10)	$ 240,000		
					10,000(11)	$ 480,000		
					10,000(12)	$ 480,000		
					5,000(13)	$ 240,000		
					4,000(14)	$ 192,000		
							3,750(15)	$ 180,000
							3,750(16)	$ 180,000

	4,000(17)	$ 192,000

(1) Figures represent shares of common stock underlying stock options and SARs. Stock options and SARS awarded to Messrs. Jensen, Wenger, Kirchhoff, and Heissenbuttel vest ratably over three years commencing on the first anniversary of the grant date. Stock options and SARS granted to Ms. Gross vest entirely on the first anniversary of the grant date.

Table of Contents

(2)
Represents shares of restricted stock that vest based on continued service. Shares of restricted stock vest ratably over three years commencing on the fourth anniversary of the grant date.

(3)
Market value is based on a stock price of $48.00, the closing price of Royal Gold's common stock on the NASDAQ Global Select Market on June 30, 2010, and the outstanding number of shares of restricted stock.

(4)
Represents performance stock awards that will vest upon achievement of target performance objectives within five years of the grant. If target performance objectives are not met within five years of the grant, the performance stock awards will be forfeited. If target performance objectives are met at any time during the five