ROYAL GOLD INC
Form 424B2
April 08, 2009

Table of Contents

Registration No. 333-156376
Filed pursuant to Rule 424(b)(2)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, par value $0.01 per share(1)	7,475,000(2)	$ 38.00	$ 284,050,000	$ 15,850(3)

(1) Includes rights to purchase Series A Junior Participating Preferred Stock which are referred to as Rights. Prior to the occurrence of certain events, the Rights will not be exercisable or evidenced separately from the registrant s common stock, will be transferred with and only with such common stock, and will have no value except as reflected in the market price of the shares of common stock to which they are attached.

(2) Includes 975,000 shares of Common Stock issuable upon exercise of the underwriters over-allotment option.

(3) Calculated in accordance with Rule 457(r), payable in connection with the offering of the Common Stock and pursuant to this prospectus supplement.

PROSPECTUS SUPPLEMENT
(To Prospectus dated December 19, 2008)

$247,000,000

6,500,000 Shares of Common Stock

We are selling 6,500,000 shares of our common stock. We have granted the underwriters an option to purchase up to 975,000 additional shares of common stock to cover over-allotments.

Our common stock is traded on the NASDAQ Global Select Market under the symbol RGLD . The last reported sale price of our common stock on the NASDAQ Global Select Market on April 7, 2009 was $38.72 per share. Our common stock is also traded on the Toronto Stock Exchange under the symbol RGL .

Investing in our common stock involves risks. See Risk Factors beginning on page S-11.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if the prospectus or this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public Offering Price	$ 38.00	$ 247,000,000
Underwriting Discount	$ 1.71	$ 11,115,000
Proceeds to Royal Gold, Inc. (before expenses)	$ 36.29	$ 235,885,000

The underwriters expect to deliver the shares to the purchasers on or about April 14, 2009.

Joint Book Runners

HSBC **Goldman, Sachs & Co.** **Scotia Capital**

Co-Managers

Merrill Lynch & Co. **NBF Securities (USA) Corp.**

The date of this prospectus supplement is April 7, 2009

You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus relating to this offering. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. The information in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference and any written communication from us specifying the final terms of the offering is only accurate as of the date of the respective documents in which the information appears. Our business, financial condition, results of operations and prospects may have changed since those dates. Information in this prospectus supplement updates and modifies the information in the accompanying prospectus.

Table of Contents

Prospectus Supplement

Prospectus

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a registration statement on Form S-3 (File No. 333-156376) that we filed with the Securities and Exchange Commission (the SEC) and that became effective on December 22, 2008 utilizing an automatic shelf registration process. Under this shelf registration process, we may, from time to time, offer debt securities, preferred stock, common stock, warrants and depositary shares, of which this offering is a part. We have also filed this prospectus supplement and the related prospectus, which we refer to as the Canadian prospectus, with the securities regulatory authorities in each of the provinces of Canada, other than Quebec. The securities qualified under the Canadian prospectus may be offered and sold in each of the provinces of Canada, other than Quebec, subject to any applicable securities laws.

This document is in two parts. The first part is this prospectus supplement, which describes the terms of this offering of common stock and also adds, updates and changes information contained in the accompanying prospectus and the documents incorporated herein by reference. The second part is the prospectus, which gives more general information, some of which may not apply to this offering of common stock. To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or any document incorporated herein by reference, the information in this prospectus supplement shall control. You should read both this prospectus supplement and the accompanying prospectus, as well as the additional information described under Where You Can Find More Information on page S-46 of this prospectus supplement, before investing in our common stock.

Unless otherwise stated, information in this prospectus supplement assumes that the underwriters will not exercise their over-allotment option to purchase additional shares of our common stock and no other person will exercise any other outstanding options to purchase shares of our common stock.

This document includes trade names and trademarks of other companies. All such trade names and trademarks appearing in this document are the property of their respective holders.

SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This prospectus supplement, the prospectus and the documents incorporated herein by reference contain certain references to future expectations and other forward-looking statements and information relating to us or to properties operated by others that are based on our beliefs and assumptions or those of management of the companies who operate properties on which we have royalties, as well as information currently available to us. Such forward-looking statements include statements regarding projected production and reserves received from the operators of our royalty properties. Additional written or oral forward-looking statements may be made by us from time to time in filings with the SEC or otherwise. Words such as may, could, should, would, believe, estimate, expect, anticipate, potential, intend, continue, project and similar expressions generally indicate forward-looking statements, which sp only as of the date the statement is made. Such forward-looking statements are within the meaning of that term in Section 27A of the Securities Act of 1933 (the Securities Act) and Section 21E of the Securities Exchange Act of 1934 (the Exchange Act). Forward-looking statements inherently involve risks and uncertainties, some of which cannot be predicted or quantified. Accordingly, actual results may differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ materially from these forward-looking statements include:

- changes in the price of gold and other metals on which our royalties are paid or metals which are the primary deposit mined at our royalty properties;

the production at or performance of our producing royalty properties;

decisions and activities of the operators of our royalty properties;

the ability of the operators to bring projects into production and operate in accordance with feasibility studies;

liquidity or other problems our operators may encounter, such as those recently encountered by High River Gold Mines Ltd. (High River) with respect to the Taparko project;

Table of Contents

- unanticipated grade and geological, metallurgical, processing or other problems at the properties;
- changes in project parameters as plans of operators are refined;
- changes in estimates of reserves and mineralization by the operators of our royalty properties;
- economic and market conditions;
- future financial needs;
- federal, state and foreign legislation governing us or the operators of our royalty properties;
- the availability of royalties for acquisition or other acquisition opportunities and the availability of debt or equity financing necessary to complete such acquisitions;
- our ability to make accurate assumptions regarding the valuation, timing and amount of royalty payments when making acquisitions;
- risks associated with conducting business in foreign countries, including the application of foreign laws to contract and other disputes, environmental laws and enforcement and uncertain political and economic environments;
- risks associated with issuances of substantial additional common stock or incurrence of substantial indebtedness in connection with acquisitions or otherwise;
- satisfaction or waiver of the closing conditions to the proposed acquisition of an interest in the gold production from the Andacollo mine described herein and the closing thereof;
- completion of construction and commencement and continuation of production at the Andacollo mine;
- changes to management and key employees;

as well as other factors described elsewhere in our Annual Report on Form 10-K/A (filed on November 6, 2008) for the fiscal year ended June 30, 2008, our Quarterly Reports on Form 10-Q for the periods ended September 30, 2008 and December 31, 2008 and in future filings we make with the SEC. Most of these factors are beyond our ability to predict or control. We disclaim any obligation to update any forward-looking statement made herein, except as required by law. Readers are cautioned not to put undue reliance on forward-looking statements.

CERTAIN DEFINITIONS

Gross Smelter Return (GSR) Royalty: A defined percentage of the gross revenue from a resource extraction operation, in certain cases reduced by certain contract-defined costs paid by or charged to the operator.

g/t: A unit representing grams/tonne.

Net Smelter Return (NSR) Royalty: A defined percentage of the gross revenue from a resource extraction operation, less a proportionate share of incidental transportation, insurance, refining and smelting costs.

Net Value Royalty (NVR): A defined percentage of the gross revenue from a resource extraction operation, less certain contract-defined transportation costs, milling costs and taxes.

Payable Ounces of Gold: Ounces of gold in concentrate payable to the operator after deduction of a percentage of gold in concentrate that is paid to a third-party smelter pursuant to smelting contracts.

Royalty: The right to receive a percentage or other denomination of mineral production from a resource extraction operation.

Ton: A unit of weight equal to 2,000 pounds or 907.2 kilograms.

Tonne: A unit of weight equal to 2,204.6 pounds or 1,000 kilograms.

Table of Contents

TAX CONSIDERATIONS

We are not providing any tax advice as to the acquisition, holding or disposition of the shares of our common stock offered hereby. In making an investment decision, investors should consult their own tax advisors to determine the U.S. federal or state, and any applicable foreign or other tax consequences related to an investment in our common stock. See Material United States Federal Income Tax Considerations for Non-U.S. Holders on page S-42.

NOTICE TO UNITED KINGDOM AND EUROPEAN UNION INVESTORS

This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as relevant persons). The shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In any EEA Member State that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any Member State, the Prospectus Directive), this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Directive.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information about Royal Gold, Inc. This summary does not contain all of the information that may be important to you. For a more complete understanding of Royal Gold you should read carefully this entire prospectus supplement and the related prospectus, including the Risk Factors section and the other documents we refer to and incorporate by reference. Unless otherwise indicated, Royal Gold , the Company , we , us and our refer to Royal Gold, Inc. and its subsidiaries and common stock means our common stock, par value $0.01 per share, offered by this prospectus supplement.

Royal Gold Overview

Royal Gold is engaged in the business of acquiring and managing precious metals royalties. Royalties are passive (non-operating) interests in mining projects that provide the right to revenue or production from the project after deducting specified costs, if any. The Company owns royalties on 25 producing properties, 10 development stage properties and over 80 exploration stage properties, of which the Company considers 25 to be evaluation stage projects. The Company uses evaluation stage to describe exploration stage properties that contain mineralized material and on which operators are engaged in the search for reserves. Royal Gold does not conduct mining operations and is not required to contribute to capital costs, exploration costs, environmental costs or other operating costs on the properties on which it holds royalty interests. For the six months ended December 31, 2008, Royal Gold derived 81% of its total revenue from gold royalties, 3% of its total revenue from silver royalties and 16% of its total revenue from other royalties.

Company Strengths

We believe that our core strengths include the following:

- A long history of revenue and royalty reserve growth, as well as royalties on significant development properties that we expect will generate strong future revenue;
- A balanced mix of royalties on producing, development and exploration stage properties, with a focus on producing and development properties operated by proven, well regarded operators, including Barrick Gold Corporation (Barrick), Newmont Mining Corporation (Newmont), AngloGold Ashanti Limited (AngloGold) and Goldcorp Inc. (Goldcorp);
- A geographically diverse portfolio of royalties in largely stable geographic regions;
- No requirements to contribute to capital, exploration, environmental or other operating costs at mine sites;
- Organic growth when reserves are increased on a property on which we hold a royalty interest;
- Exposure to commodity price movements, with no historical practice of metal price hedging;
- Current strong liquidity position;
- An experienced management team with proven skills in acquiring and managing precious metal royalty interests;

- A strong history of successful precious metal royalty acquisitions and a pipeline of potential acquisitions in various stages of review; and

- A $0.32 per share dividend for calendar 2009, representing a 14% increase in the dividend rate for calendar 2008, and a history of increasing our dividend for each of the past eight years.

Royal Gold s strengths are further discussed in the section entitled Royal Gold Business Model and Growth Strategy on page S-3.

Table of Contents

Recent Developments Proposed Acquisition of Andacollo Production Interest

On April 3, 2009, Royal Gold entered into a definitive agreement with a Chilean subsidiary of Teck Cominco Limited (Teck), Compañía Minera Carmen de Andacollo (CDA), to acquire an interest in the gold produced from the sulfide portion of the Andacollo copper and gold project in Chile (the Andacollo Production Interest) for total consideration consisting of $100 million in cash and 4,454,136 shares of our common stock, each subject to adjustment (the Teck Transaction). Pursuant to the definitive agreement with CDA, if this offering closes, at the closing of the Teck Transaction, CDA will receive 1,204,136 shares (or 716,636 shares if the underwriters over-allotment option is exercised in full before closing of the Teck Transaction), representing a decrease in the stock portion of the purchase price by 50% of the number of shares sold in this offering, and a total cash payment of $217.9 million (or $235.6 million if the underwriters over-allotment option is exercised in full before closing of the Teck Transaction), representing an increase to the cash consideration based on the proceeds from the sale of 50% of the shares sold in this offering (minus underwriting commissions and discounts). Royal Gold has also entered into a stockholder agreement with Teck and CDA including customary standstill provisions, voting provisions requiring CDA, Teck and its affiliates to vote in accordance with the recommendations of Royal Gold s board of directors. Royal Gold will also enter into a registration rights agreement providing CDA with certain registration rights.

The Andacollo Production Interest will equal 75% of the gold produced from the sulfide portion of the deposit at the Andacollo mine until 910,000 payable ounces of gold have been sold, and 50% of the gold produced in excess of 910,000 payable gold ounces. Payment to Royal Gold from the Andacollo Production Interest will be in cash, subject to certain exceptions. The Andacollo Production Interest will not cover copper production. The Andacollo mine has operated since 1996 and is currently operated by CDA, which is 90% owned by Teck and 10% owned by Empresa Nacional de Minería (ENAMI), a Chilean state-owned mining and processing company. The mine, located about 34 miles southeast of the city of La Serena, Chile, produces copper from the oxide portion of the deposit, and Teck is currently constructing facilities to produce both copper and gold from the sulfide portion of the deposit. Proven and probable reserves estimated by the operator for the sulfide portion are 393.5 million tonnes with a grade of 0.39% copper and 0.13 g/t gold. This equates to 1.6 million contained ounces of gold. Reserves were estimated by the operator using a copper price of $1.50 per pound and a gold price of $480 per ounce. Gold will be produced as a by-product of copper production, with a gold recovery rate estimated by the operator to be approximately 61%. The production interest agreements for the Andacollo Production Interest will include certain provisions that limit the concentrate marketing terms applicable to Royal Gold, including a 90.6% minimum payable gold factor and a maximum gold refining charge against the production interest payment to Royal Gold of $6 per ounce of gold. Once the mine is in full production the operator expects the mill to have a capacity of 55,000 tonnes per day. The operator estimates that the mine will produce on average approximately 53,000 ounces of gold and 76,000 tonnes of copper in concentrate annually for the first 10 years of commercial production, with an estimated mine life of 20 years. The mine is estimated by the operator to begin initial production of gold in the fourth quarter of calendar 2009, with ramp up continuing into 2010. The operator anticipates commercial production at the mine to be achieved in the first half of calendar 2010.

Royal Gold s obligation to close the Teck Transaction is subject to CDA s completion of concentrate marketing for a specified percentage of its concentrate production from the Andacollo mine, the condition that CDA s material governmental approvals are not withdrawn or challenged and satisfactory completion of certain limited due diligence by Royal Gold, as well as other customary closing conditions. Either party may terminate the definitive agreement if the closing conditions are not met by October 30, 2009. There can be no assurance that the Teck Transaction will close on time or at all. The closing of the Teck Transaction is not contingent on this offering and can be financed independently of this offering. See Risk Factors Risks Related to the Teck Transaction on page S-21.

Table of Contents

Expected Benefits of the Teck Transaction

The Teck Transaction, if consummated, is expected to provide a number of benefits to Royal Gold:

- A new gold production revenue interest in a project that is:
  - Located in a favorable mining jurisdiction (Chile);
  - Estimated to have a long mine life (20 years);
  - Operated by an experienced mining company (Teck); and
  - Expected to begin commercial production of gold in the first half of calendar 2010.
- A substantial potential increase in revenue to the Company.
- An increase in the gold portion of the Company s revenue distribution.
- An expansion of the Company s royalty presence in Chile and further diversification of the Company s geographic revenue distribution.

See Recent Developments Proposed Acquisition of Andacollo Production Interest on page S-22.

Royal Gold Business Model and Growth Strategy

Royal Gold is engaged in the business of acquiring and managing precious metals royalties. The Company seeks to acquire existing royalties and to create new royalties through the financing of mining, development or exploration projects in exchange for royalty interests. Royal Gold does not conduct mining operations. The key elements of the Company s business model and growth strategy are as follows:

- *Focus on Gold and Precious Metals through Royalty Ownership.* Royal Gold has established its business model based on the premise that an attractive means to gain exposure to gold and precious metals prices is to acquire and hold royalty interests in gold and precious metal properties, rather than to engage directly in mining operations. By holding royalties, the Company benefits from (i) increases in commodity prices, (ii) production increases from properties subject to Royal Gold s royalty interests and (iii) reserve increases on properties subject to Royal Gold royalty interests, potentially extending Royal Gold s revenue stream from such properties. Royal Gold is not required to contribute to capital costs, exploration costs, environmental costs or other operating costs on the properties on which it holds royalties, and, as a result, Royal Gold has been able to achieve historically high margins and low overhead. The Company believes its exposure to operating risks are further reduced because its portfolio is comprised of royalties on properties operated by experienced and well regarded operators throughout the world, including Barrick, Newmont, AngloGold and Goldcorp.

- *Industry Experience and Relationships.* Royal Gold relies on its experienced management team to identify opportunities and to structure creative approaches to acquire royalty interests, as well as to manage royalty streams once acquired. The Company s management team includes senior executives with many years of industry experience in geology, mine operations, mining law and mine financing. The management team maintains personal relationships throughout the industry, from major mining companies to exploration companies, landowners and prospectors, giving the Company an excellent platform from which to identify, target and obtain or create royalty interests.

Acquisition of Royalties on Producing Mines or Development Projects. Royal Gold actively seeks to acquire royalties on both producing mines and development projects and has successfully executed an acquisition strategy that has more than doubled the reserves subject to its royalty interests from fiscal 2006 through fiscal 2008. Producing royalties generate revenue, while development stage properties represent an important part of the Company s growth strategy. Development stage properties not only provide a pipeline of reserves subject to Royal Gold s royalty interests, but also provide potential future revenue should they begin production over the next several years as expected by the operators of our principal development projects. Royal Gold also considers evaluation and exploration stage properties

Table of Contents

to be an important component in maintaining a balanced royalty portfolio with potential for future growth. Royal Gold has acquired portfolios of royalties that include royalties on exploration and evaluation stage properties that Royal Gold believes have potential.

Recent key acquisitions of producing and development stage properties include:

on October 1, 2008, a portfolio of 72 royalties from Barrick, including the remaining 70% of a royalty on the Mulatos gold mine located in Mexico of which we previously owned 30%, as well as royalties on the Malartic gold project in Canada and the Siguiri gold mine in the Republic of Guinea;

in fiscal 2008, royalties on the Marigold gold project located in Nevada, the El Chanate mine located in Mexico and the Benso gold concession located in the Republic of Ghana and 13 royalties as part of our acquisition of Battle Mountain Gold Exploration Corp. (Battle Mountain), including two royalties on the Dolores mine in Mexico;

in fiscal 2007, royalties on the Peñasquito mine located in Mexico and the Pascua-Lama project located in Chile; and

in fiscal 2006, a royalty on the Robinson mine located in Nevada, 30% of a royalty on the Mulatos mine (the remaining 70% of which was acquired in October 2008 as described above) and four royalties on the Taparko mine located in Burkina Faso through a financing arrangement with High River.

Please see Royalty and Reserve Information on page S-30 for information about these royalty interests and reserves subject to these royalty interests.

Utilize Flexible Acquisition Approaches. Royal Gold has pursued a growth strategy using a variety of acquisition structures. Royal Gold used the following acquisition structures to grow its royalty portfolio: (i) the acquisition of existing royalties or portfolios of existing royalties, (ii) the creation of new royalties by providing financing or capital, including for exploration activities, in exchange for royalties and (iii) the acquisition of companies holding royalty assets. Royal Gold s ability to utilize various acquisition structures allows it to adapt to changing market conditions affecting mining companies and to capitalize on the changing needs of mining companies. The Company takes a flexible approach to each royalty acquisition it examines, with consideration given to industry conditions as well as the various goals and capabilities of each operator or potential business partner.

Royalty Evaluation Criteria. Royal Gold believes there are substantial benefits to holding royalties on properties with significant reserves that represent long-lived assets. The Company utilizes a series of technical, business and legal criteria by which it evaluates potential royalty acquisitions. Among the factors considered are: (i) the quality of the asset, (ii) the reputation of the operator, (iii) country risks, (iv) environmental risks, (v) timing of anticipated production, (vi) potential for reserve growth, (vii) overall size and likely duration of the project and (viii) strategic, financial and operating impact of the acquisition on Royal Gold. The Company relies both on its own management expertise, and on that of consultants, to evaluate mining properties and reserves in order to evaluate royalties for acquisition. Royal Gold believes its systematic evaluation of royalties combined with its experience provides it a competitive advantage in acquiring royalties.

Organic Growth through Reserve Replacement. In addition to acquiring royalties with existing or anticipated near-term production, Royal Gold seeks to acquire and manage royalties with substantial potential for further reserve growth. This provides cost-free upside from the exploration efforts of the operator because additional reserves, if mined, extend Royal Gold s revenue stream from the property with no additional cost to Royal

Gold. Recent examples of significant reserve growth on royalties acquired by Royal Gold include an additional 2.4 million ounces of gold reserves announced by Barrick at the Crossroads deposit at the Cortez Pipeline Mining Complex (Cortez), which more than doubled the reserves subject to Royal Gold s royalty interest at Cortez, and reserve increases at Goldcorp s Peñasquito mine of 34% and 21% in gold and silver, respectively, both of which are subject to Royal Gold s royalty interest.

Table of Contents

Principal Royalty Properties

Royal Gold s portfolio includes gold royalties on properties owned by various operating companies across five continents. While the Company maintains a strong royalty presence in Nevada, a jurisdiction with a long history of successful gold mining, the Company believes that it is important to hold royalties in other parts of the world. Royal Gold s principal producing and development royalty properties outside of the United States are primarily located in Canada (Malartic), Mexico (Peñasquito, Mulatos and Dolores), Chile (Pascua-Lama) and West Africa (Taparko and Siguiri). The Company also holds royalties on properties in Argentina, Australia, Bolivia, Burkina Faso, Colombia, Finland, Honduras, Nicaragua and Russia. The map below illustrates the location of our principal producing and development royalties, as well as the location of the Andacollo property.

Royal Gold s principal producing royalties are as follows:

four royalty interests on Cortez located in Nevada and operated by the Cortez Joint Venture, a joint venture between Barrick Cortez Inc. and Barrick Gold Finance Inc., both affiliates of Barrick;

one royalty interest on the Robinson mine located in eastern Nevada and operated by a subsidiary of Quadra Mining Ltd. (Quadra);

one royalty interest on the Leeville Mining Complex located in Nevada and operated by a subsidiary of Newmont;

one royalty interest on the Goldstrike mine located in Nevada and operated by a subsidiary of Barrick;

one royalty interest on the Peñasquito mine, covering both the oxide portion of the deposit (currently in production) and the sulfide portion of the deposit (currently in development) located in Zacatecas, Mexico and operated by a subsidiary of Goldcorp;

one royalty interest on the Mulatos mine located in Sonora, Mexico and operated by a subsidiary of Alamos Gold, Inc. (Alamos);

two royalty interests that are currently in effect, and two royalty interests that are not yet in effect, on the Taparko mine located in Burkina Faso and operated by a subsidiary of High River;

one royalty interest on the Siguiri mine located in the Republic of Guinea and operated by AngloGold; and

Table of Contents

- one royalty interest on the Dolores mine located in Chihuahua, Mexico and operated by a subsidiary of Minefinders Corporation, Ltd. (Minefinders).

Royal Gold s principal development royalties are as follows:

- the royalty on the Peñasquito mine mentioned above that includes production from the sulfide portion of the deposit that is currently in development and is estimated by Goldcorp to commence production in mid-calendar 2009 and reach commercial production by the end of calendar 2009;
- one royalty interest, in addition to the royalty interest described above, on the Dolores mine that will begin to produce revenue upon the mine achieving commercial production, estimated by Minefinders to be achieved during the second quarter of calendar 2009;
- two royalty interests on the Pascua-Lama project located in Chile and operated by a subsidiary of Barrick;
- one royalty interest, of the four Cortez royalty interests described above, that also covers the Crossroads deposit of Cortez; and
- one royalty interest on the Malartic project located in Quebec, Canada and operated by Osisko Mining Corporation (Osisko).

Royal Gold considers both historical and future expected revenues in determining which royalties in its portfolio are principal to its business. Estimated future expected royalty revenues from both producing and development properties are based on a number of factors, including reserves subject to our royalty, feasibility studies, metal price assumptions, mine life and other factors and assumptions, any of which could change and could cause Royal Gold to conclude that such royalties are no longer principal to its business.

Royalty structure and reserve information for all of Royal Gold s producing and development stage royalty properties are set forth under Royalty and Reserve Information on page S-30.

Table of Contents

The Offering

Common stock being offered by us	6,500,000 shares
Common stock to be outstanding immediately after this offering	40,718,666 shares
Use of proceeds	We intend to use the net proceeds of this offering for general corporate purposes and to fund acquisitions of additional royalty interests. If the Teck Transaction is completed, then the net proceeds will be used to fund the cash portion of the purchase price. Pursuant to the definitive agreement with CDA for the Teck Transaction and if this offering closes, at the closing of the Teck Transaction the stock portion of the purchase price (4,454,136 shares) will be decreased to 1,204,136 shares (or 716,636 shares if the underwriters over-allotment option is exercised in full before closing of the Teck Transaction) and the cash portion of the purchase price will be increased to a total cash payment of $217.9 million (or $235.6 million if the underwriters over-allotment option is exercised in full before closing of the Teck Transaction). See Recent Developments Proposed Acquisition of the Andacollo Production Interest on page S-22. We intend to invest net proceeds from this offering pending their use primarily in money market accounts that are invested in United States treasury bills or United States treasury-backed securities. See Use of Proceeds on page S-24 for further information regarding the use of proceeds from this offering.
Risk factors	An investment in our common stock involves a significant degree of risk. We urge you to carefully consider all of the information described in the section entitled Risk Factors beginning on page S-11.
NASDAQ Global Select Market symbol	RGLD
Toronto Stock Exchange symbol	RGL
Dividend policy	We have paid a cash dividend on a quarterly basis on our common stock for each fiscal year beginning in fiscal 2000. For calendar 2009, we will pay a total dividend of $0.32 per share, up from $0.28 per share in calendar 2008. We currently plan to pay a quarterly dividend on a calendar year basis, subject to the discretion of our board of directors. Our board of directors, however, may determine not to declare a dividend based on a number of factors, including the gold price, economic and market conditions and funding requirements of our operations and opportunities that might arise in the future.

The number of shares of common stock that will be outstanding after the offering is based on 34,218,666 shares outstanding as of April 7, 2009. This number excludes:

up to 1,204,136 shares of common stock issuable to CDA pursuant to the Teck Transaction described further under Recent Developments Proposed Acquisition of Andacollo Production Interest on page S-22;

558,690 shares of common stock issuable upon exercise of outstanding options at a weighted average exercise price of $22.59 per share, of which 484,857 shares of common stock are subject to options that are vested and immediately exercisable;

101,250 performance shares that vest upon achieving certain performance goals;

50,500 shares of common stock issuable upon exercise of outstanding stock-settled stock appreciation rights (SSARs), of which zero shares of common stock are subject to SSARs that are vested and immediately exercisable;

263,150 shares of common stock reserved for future issuance under our equity compensation plans;

up to 46,245 shares of common stock subject to issuance pursuant to a contingent stock arrangement related to our acquisition of Battle Mountain in October 2007; and

any of the 975,000 additional shares issuable pursuant to the underwriters over-allotment option.

Table of Contents

Summary of Consolidated Financial Data

The following summary consolidated financial data should be read together with Management s Discussion and Analysis of Financial Condition and Results of Operations, our consolidated financial statements and related notes and other financial information contained in our Annual Report on Form 10-K/A (filed on November 6, 2008) for the fiscal year ended June 30, 2008 and our Quarterly Reports on Form 10-Q for the quarters ended September 30, 2008 and December 31, 2008 incorporated by reference in this prospectus supplement and the accompanying prospectus. We derived the consolidated statement of operations data for the years ended June 30, 2008, 2007 and 2006 from our audited consolidated financial statements. The related audit report is incorporated by reference in this prospectus supplement and the accompanying prospectus. We derived the unaudited consolidated financial data for the six months ended December 31, 2008 and 2007 from our unaudited consolidated financial statements, which include all adjustments, consisting only of normal recurring adjustments, that management considers necessary for a fair presentation of the information shown. Historical results are not necessarily indicative of the results to be expected in the future. Our consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States, which differ in certain respects from generally accepted accounting principles in Canada. Therefore our financial data contained in or incorporated by reference in this prospectus supplement may not be comparable to the financial data of Canadian companies.

	For the Six Months Ended December 31,		For the Fiscal Years Ended June 30,		
	2008	2007 (As Restated)	2008 (As Restated)	2007	2006
	(dollars in thousands, except share and per share data)				
Statements of Operations Data:					
Royalty revenues	$ 30,701	$ 27,213	$ 66,297	$ 48,357	$ 28,380
Costs and expenses					
Costs of operations	1,460	1,742	3,664		