

ROYAL GOLD, INC.

AUDIT COMMITTEE CHARTER

Purpose

The purpose of the audit committee shall be to represent and assist the board of directors in its general oversight of the corporation's accounting and financial reporting processes, audits of the financial statements, internal controls, and compliance with legal and regulatory requirements and ethics standards adopted by the corporation. Consistent with this function, the audit committee shall encourage continuous improvement of, and shall foster adherence to, the corporation's policies, procedures, and practices at all levels. The audit committee shall also provide for open communication among the independent auditor, financial and senior management, and the board of directors.

Membership and Structure

The audit committee shall be composed of at least three (3) directors, each of whom in the opinion of the board of directors is "independent" in accordance with applicable rules and regulations of the Securities and Exchange Commission (the "SEC") and the listing requirements of The NASDAQ Stock Market, Inc. ("NASDAQ"), the Toronto Stock Exchange and any other applicable securities market. Each member of the audit committee shall meet the financial literacy requirements of the rules and regulations of the SEC and the listing requirements of NASDAQ and any other applicable securities market, as such qualification is interpreted by the board of directors in its business judgment. No member of the audit committee shall have participated in the preparation of the financial statements of the corporation or any current subsidiary of the corporation at any time during the past three (3) years. In addition, at least one member of the audit committee, as determined by the board of directors in its business judgment, shall be an "audit committee financial expert" as defined by the rules and regulations of the SEC and the listing requirements of NASDAQ to be a person that has past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

Appointment to the audit committee, including the designation of the chairperson of the audit committee and the designation of any committee members as "audit committee financial experts," shall be made on an annual basis by the full board of directors upon recommendation of the Compensation, Nominating and Governance Committee.

Meetings and Delegation

Meetings of the audit committee shall be held at such times and places as the audit committee shall determine, including by written consent. The audit committee will meet at least quarterly, and have such other special meetings as may be called by the chairperson of the audit committee, or senior management, or at the request of the independent auditors of the corporation. When

necessary, the audit committee shall meet in executive session with the independent auditor outside the presence of any senior executive officer of the corporation. The chairperson of the audit committee shall report on activities of the audit committee to the full board of directors. In fulfilling its responsibilities, the audit committee shall have authority to delegate its authority to subcommittees, in each case to the extent permitted by all applicable statutes, rules and regulations, including those of applicable exchanges.

Responsibilities

In carrying out its responsibilities, the audit committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the corporate accounting, audit and reporting practices of the corporation are in accordance with all requirements and are of the highest quality.

The audit committee shall:

1. Review the adequacy of the charter of the audit committee annually, or more often if needed, and submit any recommended changes to the board of directors for approval.
2. Ensure that an annual review of the audit committee's own performance is conducted.
3. Be directly responsible for the appointment, determination of compensation, oversight (including the resolution of disagreements between management and the independent auditors regarding financial reporting), and, where appropriate, replacement of the independent auditors engaged to audit the financial statements of the corporation and its divisions and subsidiaries or to perform other audit, review or attest services to the corporation. The independent auditors shall report directly to the audit committee.
4. Solicit requests for proposals from independent auditors at least every five years.
5. In connection with the appointment, determination of compensation, retention and oversight of the independent auditors, meet with members of senior management and the financial management of the corporation who work with the independent auditors to review the scope of the proposed audit for the current year and the adequacy of the audit procedures to be utilized, and the appropriateness of the fees proposed to be charged for such services. The audit committee shall also solicit on a regular basis the views of management concerning the quality and timeliness of the independent auditor's services.
6. Meet with the independent auditors, senior management and financial management of the corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and to review and approve in advance all audit and non-audit related services to be performed by the independent auditors. The audit committee may delegate its authority to pre-approve non-audit services to one or more members of the committee to the extent permitted by applicable rules and regulations of the SEC and the listing requirement of NASDAQ and any other applicable securities market.

7. Upon conclusion of the annual audit, review and discuss with the independent auditors, senior management and financial management of the corporation:
 - a. The corporation's financial statements and related notes and disclosures, including the MD&A portion of the corporation's filings;
 - b. The independent auditors' report on the financial statements;
 - c. The management letter issued by the independent auditors, and any other material written communications between the independent auditors and management;
 - d. Any disagreements that occurred during the audit between the independent auditors and management of the corporation;
 - e. Whether the independent auditors are satisfied with the quality of disclosure and content of the financial statements to be presented to the shareholders;
 - f. The conclusions of the independent auditors of the quality and acceptability of the corporation's critical accounting principles and judgments used in preparing the financial statements, including the consistent application of such accounting principles, alternative accounting principles that have been discussed with management and the independent auditors' preferred treatment;
 - g. Any other matters required to be communicated to the independent auditors under Statements on Auditing Standards Nos. 61 and 90 (Communications with Audit Committees); and
 - h. Based upon its reviews and discussions, determine whether to recommend to the board of directors that the audited financial statements be included in the corporation's annual report on Form 10-K.
8. Review the interim financial statements and the quarterly report on Form 10-Q with senior management and the financial management of the corporation and the independent auditors prior to filing the report with the SEC to determine that the independent auditors are satisfied with the disclosure and content of the financial statements and other information contained in the report.
9. Provide for inclusion in the corporation's proxy statement a report to shareholders as required by the rules and regulations of the SEC and the listing requirements of NASDAQ and any other applicable securities market.
10. Review with the independent auditors and the corporation's senior management and its financial and accounting personnel:
 - a. The process and schedule for evaluating the corporation's internal controls;
 - b. Management's evaluation of the adequacy and effectiveness of the internal controls of the corporation, including any material changes to such controls, and

the independent auditors' report on management's evaluation of the internal controls;

- c. Any actions being taken to correct any material weaknesses in such controls;
 - d. The process to maintain and update internal control documentation and to address weaknesses in controls as they may occur.
11. Elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis shall be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
 12. Ensure the receipt from the independent auditors of a formal written statement delineating all relationships between the auditor and the corporation, consistent with Independence Standards Board Standard 1; actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor; and take appropriate action to ensure the independence of the independent auditor.
 13. Review the internal financial function of the corporation including the independence and authority of its reporting obligations, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors.
 14. Provide sufficient opportunity for the independent auditors to meet with the members of the audit committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the corporation's financial, accounting, and auditing personnel, and the cooperation that the independent auditors received during the course of the audit.
 15. 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.
 16. Review earnings press releases.
 17. Establish procedures for the receipt, retention and treatment of whistleblower or other complaints regarding accounting matters, internal accounting controls or audit matters. Such procedures shall allow for the confidential, anonymous submission of concerns from employees of the corporation regarding any questionable accounting or auditing matters.
 18. Submit the minutes of all meetings of the audit committee to, or discuss the matters discussed at each committee meeting with, the board of directors.

19. Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel, accountants, experts and other advisors as the audit committee determines necessary to carry out its duties.

Limitation on Audit Committee's Role

While the audit committee has the responsibilities and powers set forth in this charter, it is not the duty of the audit committee to, and the audit committee will not, (a) plan or conduct audits, (b) prepare the corporation's financial statements, or (c) determine or certify that the corporation's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Funding

The corporation shall provide appropriate funding, as determined by the audit committee, for the payment of:

1. Compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the corporation.
2. Compensation to any advisers, including outside counsel, retained by the audit committee.
3. Ordinary administrative expenses of the audit committee that are necessary or appropriate for the carrying out of the audit committee's duties.

Recommended by the Audit Committee to the Board on August 14, 2007.

Adopted by the Board of Directors on August 23, 2007.