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PRESENTATION

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Thanks, everyone, for joining us for the royalty panel. It's a little bit different this year. Usually, we kick it off in the morning with the Royalty Panel. Today, we're closing it out. So hopefully, no one falls asleep. Hit each other if someone starts bobbing their heads. Maybe it'll sound funnier as well.

But what we'll do is we'll have a 5-minute presentation each. Paul and then Randy and then Bill, and then they'll join us -- me for a fireside chat in the end.

Paul?

Paul Brink - *Franco-Nevada Corporation - President & COO*

Thank you, Cosmos, and thank you, again, for including us in this terrific event.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*
(inaudible)

Paul Brink - *Franco-Nevada Corporation - President & COO*

Everybody is going to love this presentation.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*
I want to hear your (inaudible) precious metals overvalued.

Paul Brink - *Franco-Nevada Corporation - President & COO*

Now the second best investment you can ever make in the precious metal space is 1 of these 2 gentlemen.

Please heed the cautionary. It's 12 years since we've been public again at Franco-Nevada. It's been a tremendously rewarding 12 years for our shareholders. The stock has outperformed. The gold price outperformed the gold index. The compound return on the stock is close to 19% per annum over those 12 years. Compare that to the S&P 500 that's returned about a 5% CAGR. Even the NASDAQ with the big technology stocks has returned about 12% over the period. Those returns have been through the track record of David and Pierre, in particular, and the team in making



investments in great assets, but also making investments that return -- that give good economic returns to our shareholders. That's been a combination of good management and also a lot of good fortune.

The good management, we believe, comes from a culture of ownership, and it's one of the things that we hold very dear in our company. I'll speak more about it.

There's also been a huge amount of good fortune in the Franco-Nevada story, but it hasn't all been serendipity. We believe and we work hard to try and put ourselves in a position to get lucky, and I'll chat a bit more about that, too.

Briefly on the performance of the company and the history, a very quick snapshot. You can see we've grown the company fivefold over that period. If you're looking at gold equivalent ounces, revenue, EBITDA, it really is the same graph. There's another graph I could add on there, which is the graph of our dividends. It's exactly the same as those top 3 graphs. We've increased the dividend each of the 12 years. The total dividends that we've paid out over the period is \$1.2 billion and that is a significant number for us. When our shareholders acquired those assets from Newmont 12 years ago, the price for the asset was \$1.2 billion. So we feel like we've paid back at least that amount in dividends.

The one chart that goes the other way on that is, if you look in the bottom left-hand corner, G&A. You can see how scalable the business has been. We've kept the G&A essentially flat, while we've increased the size of the business. The -- if you take our G&A as a percentage of our market cap, it's about 15 basis points.

I always like to point out for those people who attempted to hold the ETF instead of our stock, you'll pay 20 to 40 basis points for the pleasure of holding a passively managed ETF.

Speaking about being fortunate, and there are 2 ways to put yourself in the way of getting lucky. And the first is exploration optionality. And Franco exposure to exploration optionality comes from the depth of our portfolio that really has been built up over 35 years through the initial Franco-Nevada accumulating those royalty assets. They were held through Newmont, and then we've added on top of that both royalty assets plus stream assets. In total now, more than 50 operating mines, 35 under development, another 200 exploration properties, plus the oil and gas assets that we have in the company, which gives that tremendous exposure to exploration optionality. And it's stories like Goldstrike, (inaudible), Detour, where we have been able to get lucky because of that strategy.

The second side of good fortune is putting yourself in a position to benefit from gold price optionality. And I show a picture of our 4 core assets here, very purposefully. They're all copper assets. The average life of a copper asset is 30 to 50 years. It means the duration of our portfolio is that much longer. We all know with options, so much of the value of the option is the length of the option. These are extremely long-dated options that give us the ability to participate in certainly one and hopefully, many gold price spikes through the life of these assets. And it's that -- both the exploration optionality and the price optionality that drive the value of our company.

Looking forward, we have good growth built into the company. We've been extremely busy. In the last 4 years, we've invested more than \$2.5 billion in growth assets in the company. The biggest of those, Cobre Panama, which has ramped up terrifically and is a big growth driver for us through the next number of years. Also on the oil and gas side, while things have been quite in the gold market, we have increased our exposure on the oil and gas side. Putting those 2 together -- unfortunately, these numbers are a little out of date. We'll update them with the 2019 numbers soon. But from 2018 going to 2023, our 5-year guidance, we're expecting 50% growth in EBITDA. Those are the assets that we already have in-house and paid for. Any acquisitions and expansions are over and above that amount.

In terms of ESG, the 2 companies that we see our investors paying the most attention to in terms of ESG ratings are Sustainalytics and MSCI. Sustainalytics of the 104 precious metal companies that they rank globally, Franco-Nevada is the top-ranked company. MSCI ranks companies in bands, and we are ranked in the top band by MSCI.

In each of those categories, in terms of the environmental side, we do hold ourselves to a very high standard when we're making our investments and doing due diligence to ensure that we're investing in assets that either have good environmental performance or have been designed and planned not to have any adverse impact to the environment.

In terms of communities, the same applies. The impact of those operations on the communities. We do have programs to support communities around the operations that we're investing in.

And on the government side -- and probably an issue that rankles the most in the gold industry is shareholder alignment, management that get paid very well in periods when shareholders are getting very different outcomes. Bloomberg did a survey roughly a year ago looking at CEOs and Chairmen and the amount of pay that they took relative to the amount of stock that they owned. And in both categories, Chairman and CEO, Franco was the top of the list. Pierre and David both owned the most stock in the company for the amount that they draw as a salary. We think that's a very important thing to create that culture of ownership that we've spoken about and also to show shareholders that we respect their money and the way that we deploy it.

It's also a matter of personal commitment to it. Both Pierre and David have been terrific in the industry with their time and also with their philanthropic contributions. Pierre, as you all know, is a founder of the World Gold Council, longtime Chairman of the World Gold Council.

David currently the Chair of the World Gold Council, committing his time to it. He's very proud that on his watch, they developed the Responsible Gold Mining Principles, and he's been very active in promoting those principles.

Both of them, as you know, following in Seymour's footsteps with philanthropy, have contributed in the -- many millions of dollars -- many tens of millions of dollars to mining education, if it's the (inaudible) School of Mines, the Utah School of Mines, the (inaudible) School of Mines up at [Laurentian]. They have really personally contributed to the mining community. So to finish off, the performance has been tremendous.

Often, the question on shareholders' minds is to see can you keep that growth going forward. We have a very well-proven track record in making acquisitions that add value. That track record expand -- extends to increasing the dividend every single year. We've spent the money to put the growth in place for the next number of years. So you have certainly that, that will be happening. We've also put in place those 2 elements to expose you to good fortune, the long-dated assets that allow you to participate in the price optionality plus the exploration portfolio to allow you to participate as an investor in that exploration success.

So we believe Franco is in a terrific position going forward.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Thanks, Paul. Randy?

It's the Wheaton Precious Metals presentation.

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Okay. Thank you. Randy Smallwood, President and CEO of Wheaton Precious Metals. Forward-looking statements will be made by all of us up here. You understand the risk behind those.

Who is Wheaton Precious Metals? And I'll go with a different answer than Paul just had when this came up. We started the streaming model 15 years ago. When I was at Goldcorp, it was a way for us to raise capital to continue growing our company going forward. And the original Silver Wheaton we've now built into Wheaton Precious Metals, really, it's a business model that's got strength, delivers value all the way across our entire stakeholder complex. And our stakeholders include, of course, our shareholders that's ultimately who I report to and who we deliver value back to in terms of good exposure to high-quality, high-margin precious metals production to our partners.

If there's one thing that differentiates streams and royalties is the partnerships that we build, where we go beyond the upfront payment and continue to find ways to deliver value back to our partners. We have an overlying monitor in our company about the healthier our partners are, the healthier we are. And so we're constantly looking for ways to deliver value back to our partners.



And of course, the neighbors, the social license that we require to be successful and that our partners require to be successful. We're the leaders in terms of contributing into communities around mine sites and continue to grow that focus. Again, it makes our partners stronger in terms of their own social license on a go-forward basis.

So what have we built? We've got 29 assets in our company. 20 of them are delivering metal to us right now. You can see a strong Americas focused. We did start off being focused on silver. So Mexico and Peru were, of course, very important to us to begin with, but we are now producing more gold than silver. About 55% of our current revenues. Actually, close to 60% is coming from gold. And so gold dominant, but we still are Americas focused with a few assets in Europe.

That doesn't say that the world isn't out of our range. It's just we haven't -- we're very sensitive to political risk and structure. And so we're very selective about what we make for investments.

If there's one thing, I think, that differentiates our company, it is our focus on the quality of the assets. We don't go for quantity. We go for quality. And we focus -- one of the first measures of quality, of course, is the operating margins that our partners see going forward. Because not only will these assets continue to produce through low parts of commodity price cycles, it's also the first place that our partners reinvest into when it comes to exploration dollars and expansion dollars. You can see that more than 2/3 of our production comes from first quartile assets, assets that respectively produce in the first quartile of their principal commodities.

We've also got 32 years of reserves and additional -- and more than 30 years of resources in front of us. So over 60 years of reserves and resources. Good, high-margin, high-quality, long-life assets in our portfolio.

Our production profile. Last year, our forecast was about 690,000 gold equivalent ounces. We see strong growth over the next few years organically. Over the next 5 years, climbing up to an average of over 750,000 over that 5-year period. We will during that period peak at over -- reach up to 800,000 gold equivalent ounces in production, most of that organic growth coming from the Stillwater-Blitz project, where palladium, of course, is doing very well for us. And Constancia. The Salobo. There's an expansion going on at Salobo. And of course, Peñasquito, some of the highest grades that we've seen out of that asset over the next while. So good, strong organic growth.

Optionality. Great optionality in terms of the Salobo expansion, where we see a 50% increase in throughput capacity. So good, strong organic growth profile going forward.

And plenty of cash flow. We -- over the last few years, we have used -- we've been using a \$2 billion revolver to finance our growth mainly because in our business, we see very lumpy acquisitions and then extended periods of time where we just generate significant cash flow. And so our preference is instead of issuing shares and diluting our current shareholders, which is a gain who we work for, our preference is to access low-cost debt to balance that differential between our lumpy acquisition schedule and our very, very consistent cash flow. This year, current commodity prices will see in excess of \$650 million in free cash flow. And you can see how that multiplies as we see commodity prices climb and the trend is going in the right direction. So plenty of capacity on the balance sheet. And we think that this has been a very effective way of delivering extra value to our shareholders as opposed to diluting it through financings.

ESG, of course. Sustainability, a very core focus. I came from the operating side. I've built a couple of mines myself. I understand how important it is to maintain social license. It's one of the reasons that we kicked off the investment programs into the communities around where we get our resources from, even though we're not active there.

It starts with due diligence days. And we constantly are studying this to make sure that we're delivering good solid value back and ensuring that the partners are focused on delivering -- doing the right thing and maintaining social licenses, something that's incredibly important to us.

We are, of course, members of the World Gold Council, and we've committed to the Responsible Gold Mining Principles, but we've also -- we're the first streaming that can be accepted to the UN Global Compact, which is a little bit more rigorous in terms of expectations. And so it's a good, strong commitment that we've made in terms of delivering this value back and making sure that we maintain these standards.

So what have we done? Over \$9 billion invested in streams since we created the company. We've already returned \$6.5 billion back in cash flow generated. Over \$1 billion paid in dividends to date. As I said earlier on, \$650 million in free cash flow expected at current commodity prices and great exposure to commodities over the next while. 60 years of reserves and resources, and an average after-tax return of 17% for our shareholders. So good, strong growth. A great track record of over 15 years.

So our objective, of course, is to provide -- our objective is to be the best option for investing into precious metals. And by a combination of these, we think we're getting there. Thank you.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Thanks, Randy. Bill?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Thank you. Here we go. Afternoon, everyone. Cosmos, thank you very much for the opportunity to present. We'll be making forward-looking statements, so I ask you to please be familiar with the cautionary statement.

Really, I'd like to start with a high-level view of the business model. I think the attracted -- attractiveness of the business to investors, it centers around a few key attributes. And the first one really is optionality. And what we're talking about here is cost-free upside that's inherent in our portfolio.

You can buy the GLD, but an ounce is always an ounce. And what we're trying to do is find investments where an ounce might become 2 or 3 or 4 ounces over a mine life. And we do this by retaining life-of-mine interest in production at some level. And I think for generalists, this sector is a natural. When you're ready for a little bit more risk than the GLD, but you really don't want to take on the full operating company risk.

We're highly efficient. We have 24 employees. We have a market capitalization per employee of over \$300 million. And our cash G&A of about \$25 million is somewhere between 0.3% and 0.35% of our total market cap. We provide a diverse set of 41 producing properties, and I'll spend a little bit more time with those assets on the following slide.

In terms of capital deployment, we continue to be very selective. We think in terms of years in developing relationships, negotiating new transactions. And when we do make these investments, we look to our cash balances, our cash from operations and our debt facility first. We have not done an equity issue since 2012. And we got our position in the GDX as having the lowest share count very closely.

I'll say since that equity issue in 2012, our revenue, our operating cash flow, our dividends are all up by at least 45%. Our share base has increased by 2%. So that measures returns on a per share basis.

Our financial position is strong. At the end of September, we had total and net debt of \$170 million and \$50 million, respectively. And we had total liquidity of about \$1 billion.

And finally, we have a long history of increased -- paying increasing dividends. We've paid a dividend since 2000. We've increased it every year since 2001. And we remain focused on increasing the dividend rate, but also ensuring that, that rate is sustainable over the long term.

We have a diverse portfolio of producing assets. They provide a gold-focused revenue stream from really good mining jurisdictions, whether it's Canada, Chile, the U.S.

I'll just highlight a couple of things in the portfolio. We've seen Mount Milligan's throughput increase recently. And its water availability situation improved, such that there will be no impact -- no expected impact to operations this winter. We note New Gold's continued improvement at Rainy River during 2019, higher mill availability, higher recoveries and production within the provided guidance.



We continue to watch Barrick's progress and an expansion of Pueblo Viejo, and that may provide a higher level of sustained gold production than we ever envisioned when we made the original investment and could see the conversion of 11 million ounces of gold from resources into reserves.

At [Alchomecal], which is our principal development project, construction is advancing and production is expected in mid-2021. That project could add about 2 million ounces of silver to us, which would translate into about 18,000 net gold equivalent ounces to our growth profile. Project is expected to have a 20-year mine plan, second quartile cash cost, has a strong capital efficiency and a relatively stable life-of-mine production.

So of all the attributes I spoke on Page 1, it's the optionality that I think is most important. So when we announce a new transaction, investors and analysts will provide a review of the investment, including a return on the investment. And I'll tell you that, that initial estimate of IRR is really not what we're focused on. We're focused on assets that improve IRRs over time. So we're playing the long game here when we look at the success of our transactions. So this chart is intended to give you a sense for a couple of things. Number one, the mine lives that make up our portfolio and also show you what percentage of our original investment has returned to us.

So the portfolio has a revenue-weighted average life of 14 years, which means we're under no real pressure to do new transactions. And as you can see, many of our investments have returned a multiple of our original investment. And we hope to repeat that performance as our newer assets, some of the larger green circles there continue to mature.

So after the announcement of my appointment last quarter, I held a number of discussions with key investors and analysts, and I reiterated some of the strategic objectives you see highlighted here. We believe we can continue to grow and diversify the company's revenue base through the acquisition of new investments. Those investments will continue to be focused on precious metals, gold, in particular. We will maintain flexibility by using cash, prudent levels of debt to grow our business and we'll only issue equity when necessary.

And finally, we try to be a leader in total shareholder return in many ways and against many indices. So the chart at the bottom here shows our TSR relative to gold, the GDX and the S&P 500 over 4 different time periods. We're not cherry picking. It may not surprise you that we beat the GDX in the gold price in all 4 periods, but it may surprise you to know that we beat the S&P 500 in 3 of those 4 periods. And that's not really something you might expect from a traditional gold investment.

Thank you for your interest and your time. Look forward to the panel discussion.

QUESTIONS AND ANSWERS

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Thanks, Bill. So clearly, we have some new members of the panel this year. Bill, it's your first time here. I think, Paul, you started coming last year. We're clearly seeing a transition to the next generation of leadership at the companies here.

How are each of your company is positioned? And do you anticipate any strategic changes at Franco-Nevada and Royal Gold.

And then maybe for Randy, you and I talked about this over lunch that it will make you the longest-serving CEO on this panel. Any plans?

Paul Brink - *Franco-Nevada Corporation - President & COO*

Thanks for that. I'd be happy to start, Cosmos. The -- in terms of our transition, it has been something we have spoken about for quite a while. It hasn't quite yet happened. But at our AGM in May, Pierre Lassonde, our Chairman, will step down as chair. David will go on as the Chairman. David, our current CEO. And I get to take David's position as the CEO.

I don't foresee any particular change in the strategy of our business. Probably, the most important thing that we maintain is that culture of ownership. I think that's been very well drilled into all of us. You know the nature of our business. We're essentially investors in the industry. It means the job

of management is to structure deals, do the diligence and be the champion of those deals. The investment committee is the Board. And -- so the biggest change from us is rather than myself and David sitting on one side of the table promoting the deals, now I have David joining the Board on the other side of the table. So all I can say is getting deals pass the Board is not going to get any easier.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Bill?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Yes. I've been in the seat for 4 weeks now. And I would say it's been a great transition. And you may not know it, but -- so I was the CFO. And when I was promoted, we elevated our Treasurer to become the CFO. We also have a new Vice President and General Counsel. So if you were to look at our website, you say, there's a lot of change going on at Royal Gold. I say, "Well, I've been there 14 years. Our CFO has been there 15 years. And our new General Counsel has been there for almost a decade."

Tony and the Board did a great job in terms of working with succession not just at the CEO level. So it's been a very smooth transition. There's no hiccup. There's no -- the CEO needs to have a review period. There's a 90-day plan. It's been absolutely smooth. Nothing has stopped. We're working just the way we did in December when Tony was the CEO.

In terms of -- Cosmos, you asked about strategy, and I just talked about it. One of the things I was struck by and talking to our investors is they really like the precious metal focus and the gold focus. And we're going to stick with it. You talk about doing the expected. And I think that's what our key investors are looking to me for at this point.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And then, Randy, joking aside, I think you have a very strong team in place. The entire team at Wheaton Precious Metals has been together. You've made a lot of acquisitions together. Maybe reiterate some of those key points.

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Yes. Quite literally, I'm not going anywhere. I'm still hungry. As part of the founding team behind this idea of streaming and sort of building it and seeing how it's grown beyond even our company into a whole industry of supplying capital to the industry and finding -- unlocking and finding value, and I love treasure hunting. And that's exactly the business that I'm in is trying to find value for shareholders hidden in projects and deliver capital back to the industry itself, but trying to find those opportunities.

The team is a good tight team. We've been together for a long time. So I've got plenty of capacity waiting patiently below me, but I'm not going anywhere anytime soon. So we're set up well. We've got a good strong support of Board. And when I look at how this company, we're focused on precious metals. The shift from silver to precious metals was intentional. It's something that I've long seen. I am slightly more bullish on silver, but at the same time very happy to be investing into the gold space and also like all the PGMS and so really focused on that whole side. And I don't see any change in direction for us. It's positioned us very well right now, so...

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

There you go, Gary, Keith might ask a question.



But maybe that's a good segue to my next question here. It's interesting how Bill talks about gold being a focus area. Certainly, maybe, Randy, if you can talk about palladium. You made a very good acquisition last year. Palladium, has that -- a year before. Has that exceeded your expectations, and maybe talk about Stillwater and the upside potential here.

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Well, it's an incredible asset. And I know Paul has some exposure to it too through a royalty, and he's had it much longer than we have. We -- ours is focused on palladium and gold. We get 100% of the gold production from Stillwater and then a nice chunk of palladium. I'm not going to hurt myself patting myself on the back in terms of predicting the commodity prices. We did the transaction. Palladium was trading at about \$900 an ounce. And so it's done very well for us. But as I said earlier on, it's picking up commodity prices. I think it was Dave Smith just before here. Picking off commodity prices, there's some skill and you put in all the effort, but it does require some luck. And so we've had the benefit of this.

Now there were some sound fundamentals behind choosing to invest into palladium. We did see a shift away from diesel and palladium is a preferential catalyst for gasoline engines, whereas platinum is more preferential for diesel engines. And then the other side of it is the ongoing move towards hybrid vehicles and electric vehicles. Especially hybrid vehicles, the amount of catalyst required for engines to turning on and off all the time is actually substantial, about 10% to 20% increase in the amount of palladium on a per unit basis. So there was all sorts of indicators in terms of increasing demand on the go forward and then you look at the supply side, and is in deficit for as long as anyone can see on a go-forward basis. So I really don't think palladium has finished its run. And I kind of wish we'd grabbed a bit more of it when we had the opportunity.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

But what does that mean -- like in terms of a 10% increase in palladium, what does that do to your cash flow?

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Well, we're getting about 6% of our revenue right now from palladium at its current prices. And so 10% increase would drive that up. Our production payment on a per ounce basis is about 18%. So we make 80% on every ounce that gets delivered to us. I think it's 18% and then 22%, but around 80%. So it just takes that \$615 million and keeps on building it higher.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And then Paul, clearly the culture, the heritage of Franco-Nevada included, and still includes, energy. It's been a very good year last year in terms of new acquisitions in oil and gas, especially in the U.S. How should we view that? And a bigger question is with gold prices going up and oil prices being a bit more stagnant, does that give you a bit more room to get to your 20% exposure to energy hub? How should we look at it?

Paul Brink - *Franco-Nevada Corporation - President & COO*

Sure. On the way we think about business is we are a company. Our expertise is investing in resources. And the model is very simple, it's fine good resources, good economic resources, where you can be certain that you'll get your capital back and your investment. Once you've got it back, you've got a free option on the resource potential, and you're looking to buying the assets where you think this tremendous resource upside. And that model works equally well. If you're investing in gold assets or copper assets, potash, oil and gas. We're open to doing all of those. Obviously, our commitment to invest is we want to be the go-to-gold stock and so the focus will always be on gold. We gave ourselves, we always say, at least 80% be it precious metal, but with attitude to invest in those other commodities. We're open to all of those commodities. Although, with a history of the company and you allude to, seem one of the founders was an oil and gas investor. And so it's always been that when oil and gas assets have become available at good value, then we've added them to the portfolio.



The recent trend has been, with oil prices coming down in 2014, if coincided with a fairly quiet period in terms of opportunities for gold streaming. And we saw some tremendous opportunities, particularly in the U.S. as fracking took off, and we saw a huge amount of capitals being spent in that area and assets that met exactly that criteria. Great economics, we can be sure of getting our capital back and exposes us to really long term optionality. And in particular, many of those royalty interests, they're all in the U.S., it's a tremendous jurisdiction in terms of regulatory support. Those assets are close to market. But there's also the tenure. It's generally private land in the U.S., some of the best tenure that you can get in the royalty market.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And then, Bill, as you talked about precious metals focused. How should we look at it? Would you look at silver? Would you look at palladium? Would you look at platinum?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Yes. I would just throw all those that are in the box and the last transaction that we announced was a silver-only stream. It was our first silver-only stream. They're in the box. We often talk about saying that we don't want to be less than 70% precious. But I always caution investors that, that's not a goal. And we've never come anywhere close to it. But that just seems to be a level that the market is comfortable with. So if it's a precious metal, it's in the box. That's not to say we wouldn't do a one-off base metal copper-type situation that would have to be a really, really good opportunity. I always say, if you give me 5 development projects, 3 are gold ones, silver ones, copper, the 3 gold ones get most of the time for review.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And Paul, you and I have talked about this in the past, and Randy as well. There's always key themes coming up in the beginning of each year in terms of royalty companies. In the past, there was certain times recapitalization of base metal companies. Other years, it was helping M&A for operators. What is it going to be in year 2020? And what are some of these new key drivers for new opportunities in the coming year. Paul?

Paul Brink - *Franco-Nevada Corporation - President & COO*

2 things. It has been quite on the gold side, the last number of years. Part of that, lot -- not a lot of new builds. I'd say the biggest constraint on new builds has been a lack of equity, and we can provide some of the capital to help build a new mine, but you really need equity as part of the funds for any new project. If you'd asked me 2 years ago, I would have said at these sort of gold price levels, that there would be a flood of equity coming into the space. It hasn't yet come. I'm still hopeful. The cracks are opening up. We're seeing some light at the end of the horizon. So I do think we'll see more projects can built by gold companies that we can participate in. The other trend is just the ratio of copper gold. And so many of the transactions that all of us have done have been gold streams on copper assets. If you look at the copper-gold ratio, today, it's reached the same level that it did in 2015, with gold price has been particularly high compared to copper prices. You don't have the balance sheet, so much better in most of those companies. So you don't have the balance sheet pain. But if you are an operator of a base metal asset, and you're looking to raise capital in this environment, the best capital that you could raise is selling a precious metal stream. It's a huge value arbitrage. So I think we'll see some opportunities there.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And Randy, talk about that and, also, maybe specifically on silver as well because you are the key person here in terms of silver acquisitions for streams and royalties?



Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Yes. Sure. 2018 was the -- we had a couple of good-sized transactions in 2018, gold, palladium and cobalt. 2019, we didn't do any transactions. It was a busy year for us, but I would say that the first 9 months, and it kind of fits with what Paul just described, the first 9 months is more of a proactive year where we were out knocking on doors and chasing in, just didn't really see much of appetite there that if there was a transaction, it was a structure that we weren't comfortable with and then quality wise and scale, it just wasn't a lot of interest. And so what we saw in the last quarter, though, was a shift from being proactive to being reactive where all of a sudden, there was a bit more interest level from companies out there looking to source capital. And so we are starting to see a bit more of an interest level. Most of it is for brownfield's or greenfield's development, but we're definitely seeing a bit of a change. And so I'm pretty comfortable that sometime this year. I know at least one of us and probably multiples of us, we'll be doing transactions because there is opportunities out there. So the industry has -- has opened up a little bit from that side.

On the silver side, starting to see some decent opportunities in the silver. It is -- I think silver has better fundamentals than gold, and it's setting itself up. Most silver is actually produced as a byproduct from lead, zinc and copper mines. And with the lack of decent prices in that base metal, there hasn't been any investment in that space for a long time. And so we are seeing -- we have seen peak silver in terms of production, and yet, we see increasing demand. Silver conducts electricity better than any other noble metal. And so as this world gets more and more focused on efficiencies and lack of waste and being more productive and having batteries last longer and such silver's going to play a role. We see it in solar panels. We see it in high-efficiency electronics and such and so. So we are bullish in that sense. That being said -- as I said, we're focused on precious metals and pretty excited about what we see over the next few months here.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

So is it, Randy, it sounds like you think silver could potentially outperform gold in 2020. Whereas 2020...

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Yes. If you look at how -- I mean, if you go back and look over time, silver has always lagged gold in terms of a movement in precious metals production, and then it outperforms, and that's always had going about 50, 60 years. It's always had higher beta, higher response and outperforms. The one thing I'd say about the gold market and it kind of fits with everything that offer from both Bill and Paul and even other speakers today is that I don't think we've seen the retail investment into the gold space yet. I think a lot of what's driven our gold price right now is almost a de-dollarization. It's more central bank striving. And you look at all the stats out of World Gold Council stuff like that, the amount of buying from central banks. I think that's one of the things that's sort of pushed that. We just haven't seen that retail kick on the gold space yet. When that retail wakes up and realizes that, that there's a need for a store value, a good solid store of value in coming time, that's when I think you're going to see gold and silver both move. Silver always move stronger. So...

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Bill, anything to add in terms of key themes. And maybe 2019, as Paul mentioned, it was a slower year for precious metals acquisitions, but you made an acquisition on Khoemacau, which is a precious metal stream. So maybe you can talk about that. And then, again, some key themes in terms of a recap of 2019 and looking into 2020?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Yes. I find that we never know what the theme is until we're in the middle of it because if you had told me at the start of 2015 that Barrick Tech and Glencore were going to do the side streams, they had ultimately did, I wouldn't have believed you. I think one of the things that I really like about this industry is we can talk about activity going up, activity going down. We provide capital. This industry always needs capital. This works for project development. It can work for M&A, and it can work for balance sheet restructurings. And those things don't always tend to move in the same direction. So if you're rebuilding your balance sheet, you're not building a new mine. But that doesn't really matter for us. There's always

somebody out there that has a need. And in our instance, if there's a precious metal flow available, we can certainly look at it. So yes, the business goes up and down.

But again, when I talk about Khoemacau, we were talking to them 3 years ago, 2 years ago, and then they brought in a new technical team. The technical team said, well, I want to go back and revisit the whole feasibility study. Well that calmed conversations down for 6 to 9 months. So it's an industry that's very, very hard to sort of measure on quarterly conference calls or even on an annual basis because I bet you, we're all working on something that closes in 2021. So I'd just say the theme for us is always being patient.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Great. And then, Randy, I think you brought up a good point in terms of retail investors, not fully back into the sector yet. So what do you believe? What -- like what do you guys need to do to pull the investors back in? And I guess, more specifically, in a rising gold price environment, silver price environment. One key pushback I get all the time is that, oh, Cosmos, royalty and streaming companies have a lack of earnings, cash flow, share price leverage, they're so low cost. What would you say to that?

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

The lack of earnings?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

We're doing pretty well.

Paul Brink - *Franco-Nevada Corporation - President & COO*

Earnings lack. We're doing pretty well.

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

No. It's the leverage side. And it all comes down to the appetite for risk from the investors' perspective. And to be honest, I think what the 3 companies up here, what the royalty and streaming companies deliver is a low-risk way to get exposure to precious metals, and we should be a foundation of every investment portfolio out there in terms making sure that you've got that base exposure. And then you can go out and chase the higher cost operations, which is where you get your leverage from. There's a lot more risk associated with that. And so there's space -- I mean, we really -- and to reinforce what Paul had in his, we really should be replacing the ETF as the way to invest for the low-risk side of precious metals investing because of the -- how much we deliver it for, but we deliver a dividend, we deliver organic growth, we deliver accretive growth. We have leverage, we always outperform ETF or Bullion Holdings. That's the area that be shifting into our companies and going forward. And we deliver so much more than that, but that's -- it's easy to justify from that side. But we're not here to deliver the high risk, high leverage style investment. That's not our business model. We focus on high-quality assets with high margins that will deliver good value for a very long time.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And Paul, I'm sure you want to talk about your hundreds of royalties in the portfolio, maybe you don't. But the optionality with higher gold and silver prices and better within that portfolio.

Paul Brink - *Franco-Nevada Corporation - President & COO*

There are 2 elements to that or even more. The -- and the first is, any time you're in a bull market, the pressure on operators is to deliver growth. And more that a high gold price, what it folds them is, they can reduce the cutoffs and mine more material. Royalty companies are the beneficiary because in that sort of environment you get operators developing a lot more volume. We get both price benefit plus volume benefit. So it's not immediately intuitive, but I think it's surprising if you have to look at the actual results to see how well the royalty companies and streaming companies perform in a bullish environment. Part of it is that operating impact. The other aspect is in terms of all of us have portfolios, their development projects in that portfolio. As soon as you get into a bull market, capital is available to get those projects built. Capital is available to the explorers. They're drilling on ground, in many cases, we have royalties on that property. So in a bull market, we get tremendous organic growth. And it's a combination of that organic growth plus the commodity price appreciation that often means the royalty -- and the reality is the royalty of streaming companies outperformed the sector, in general, in a bull market.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And Bill, is there anything you want to point out within your point.

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Yes. I mean, who has the highest leverage to the gold price, is the highest cost producer, and that's not what we're about. I think the one thing that we noticed last year that was very interesting is that sort of the middle part of the year when the gold price started to tick up, we're a little bit unique in that we're the only U.S.-based precious metals company. And what we saw was generalist interest in the metal price and the pool of capital that is there. If we could generate that interest because in the U.S., you have Nueva and you have us, you have us. And so we -- I look at the gold price going up, I'm not a leverage play. But I'm going to the generalist saying, if you want something a little bit more than physical in your portfolio, this is where you want to be. Now we did -- we attributed the increase in our share price in that to the fact that we announced that Tony was leaving. But it was the fact that the generalist -- the U.S. generalist started to come into our thought.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Maybe switching gears a little bit here. ESG, that's been a hot topic. ESG is a bit more complicated for the royalty companies, just given that you need to depend on the operators in terms of what they do, and that can affect your ESG score. Maybe, Bill, you can start on this one. How do you factor -- how does ESG factor into your acquisition process? And also you're continuing monitoring of some of these streams that you have and royalties within your portfolio. And what do you do?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Yes. It's always been core to our business. I mean, I joined the company in 2006, and I will tell you every due diligence we ever do has an environmental social analysis. We've got consultants that are specific to it. And we build in things into our agreements. We build covenants into our agreements that says you will act a certain way, and there are defaults if they don't act that way. So the one thing I will say, and I give Randy and Paul great credit, we're a little bit behind them. And what we've never been very good at doing is trying to consolidate and disclose and discuss everything that goes on in our business. And I can tell you that only been in the seat for 4 weeks. That is a real strategic emphasis for us is to try to make more of an impact with the operators in their communities, in our communities and just to really do a better job of disclosing the things we do. I mean, there are some things where we'd get things, you don't have this policy. Well, that policy is actually in a handbook, that's not public. It's okay, we can pull all that stuff out and put it on the website. It -- very little -- there's some very small things, where we're going to start, but I'd like to see the program advance quite a bit in the next 12 months.



Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Okay. And Randy, do you...

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Just to reinforce, and I've heard it in previous talks before this, so much of it is about communication. You can't be successful in the resources business unless you've taken this seriously in your own business practices going forward. There's plenty of failed cases out there, people that didn't take social license seriously. We're up on the stage. Why? Because we have built that. At Wheaton, we started 7 years ago. We started investing directly back into communities around the mine sites because that's where our resources are coming from. And so this is something that we have taken very importantly. Again, it fits in with the whole concept of ensuring that the healthier, the stronger our partners are, the healthier and the stronger we are. And so everything we can do. It also comes down to selecting your partners. We have a partner code of conduct, a supplier code of conduct that we integrate into our contracts. And it sort of specifies some objectives that have to be maintained and some targets that have to be reached in terms of making sure that we deliver this -- a sustainable benefit on the long. The industry has to do this. It's just the right thing to do.

And so, so much of it does about communication. And I think that's what the industry as a whole waking up to over the last 3 or 4 years. It's getting what has sort of inherently been part of good business practice now down on paper, making sure that we document the fact that these are things that we test for to ensure that that we are making sound business decisions that go beyond the dollar, go beyond that perspective. And so it's something that we continue to focus on, continue to improve on. A lot of it has had to do with taking the time to sit down with the rating agencies because it was embarrassing. Some of the mistakes that were being made or some of the misconceptions that were being made all the way through this process. And so putting a real big effort into that stage. And initiatives like the responsible gold mining principles out of the Royal Gold Council and the UN Global Compact, it's great because it gives you a framework that you can work around in terms of ensuring that you are delivering that responsibly back to your -- ultimately, your shareholders and society as a whole, really. So...

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And Paul, anything you want to reinforce on that one -- on that slide that you had in the presentation?

Paul Brink - *Franco-Nevada Corporation - President & COO*

Yes. My hope is that the increased investor focus on ESG will be a huge positive for the modern mining industry. Mining, obviously, has a bad legacy. But I think so few people are educated on terms of modern mining and naturally make the assumption that it is a dirty industry. I got to say any time that I visit any of the mine sites, I'm so impressed about the efforts that they go through, the extent to which they protect the environment. They expect -- extent which they engage in communities. I think it is a tremendous industry in all of those respects. And I'm hoping that through this additional communication, we can change the face of how people perceive modern mining and get the investment industry to realize what a positive contribution the industry makes.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Any other questions coming from the audience, Georgia?

Unidentified Analyst

The corporate today and Kinross, for example, mentioned that they have an independent panel (inaudible) tailing. What steps have you taken from ESG point of view to kind of inject some independence on the review that you do for these -- some of these key mines, especially the ones that



have more significant exposure to have independent audits done on some of these tailings (inaudible) within these operations from a ESG point of view?

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Who wants to take that one?

Paul Brink - *Franco-Nevada Corporation - President & COO*

It is something we pay attention to. And the -- we can't mandate what not an operator does, but agreed it is best practice to have an independent committee to look at any tailings construction, that is a high-risk construction. So we look for that and where it has been done, we engage with those folks and encourage it.

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Yes. It's any project review, what we look for is where are the risks? And if there's risks along those lines, if we see anything like that, it's a matter of bringing in the outside experts, the specialists that come in and provide us comfort that those risks could be managed. I mean, in this industry, our decisions are all made upfront once we made that investment, we're stuck with this asset. And so it's very important that we thoroughly go through the whole process. So we have, in our due diligence things, we have a dedicated person that focuses on that side of it. But it kind of blurs into geotechnical and community and there's a technical aspect to it. So it's everyone's responsibility in terms of going through and ensuring that you have best operating practices on best operating principles being applied. And if that means that we have to bring in outside experts, specialized experts within fields like tailings [upon] stability, et cetera, then we go through that process. It's part of our risk process.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Bill?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Yes. I think the really important one is the decision point of us making an investment is absolutely critical. I mean, that's where we get to make a decision about whether or not this is satisfactory or not. I will tell you that in all of our agreements, we have access rights, and we can go in and review it, and we have had situations, not so much ESG, but where we have paid for consultants to come into an operation and make recommendations or analyze something for us. So -- but it's the upfront side of it where we really we have to focus.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

And maybe switching gears a little bit here, unless there's more questions coming from the audience. Don't forget, I have an iPad, you can ask questions anonymously, and I can read it out for you. But in terms of -- so earlier today, when Khoemacau make their presentation. Khoemacau talked about the CRE appeal. We should find out any final decision sometime soon. I guess, the word that was being used was imminent. Randy, you've had your share of issues...

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Sorry, Khoemacau? What's that?

Cosmos Chiu - CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst

And the CRA and things like that?

Randy V. J. Smallwood - Wheaton Precious Metals Corp. - President, CEO & Director

Yes, CRA. Oh, yes.

Cosmos Chiu - CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst

So any potential impact at Wheaton Precious Metals and maybe at Franco-Nevada as well because you've had some letters coming from the CRA as well on certain issues. So maybe start off with Randy and then Paul.

Randy V. J. Smallwood - Wheaton Precious Metals Corp. - President, CEO & Director

We have a tax settlement. It's an agreement with the CRA that as long as we maintain our current business practices and move forward, then we're -- our standard protocol, our standard procedures are satisfactory in terms of moving forward. So if the laws change, that everyone has access or everyone is exposed to that risk. And so we don't see any risk on that side. I mean, I hate to say I haven't followed Khoemacau much because it is different. Khoemacau relates to Canadian production and the bulk of the case that relates to Canadian production being sold offshore, whereas our company is not structured that way. Our Canadian assets are fully taxable in Canada. And so it's -- there's a big difference between us, and I've never agreed with the correlation between Khoemacau's case and our case. It's a very different case, and that's one of the reasons why the CRA settled with us. And that was an agreement, not something that was forced by the court or a decision of a court that's up for appeal. It's an agreement between us and the CRA. We have tax confidence.

Cosmos Chiu - CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst

Paul?

Paul Brink - Franco-Nevada Corporation - President & COO

The -- so the CRA is pursuing a similar attack now with Franco, having lost the battle with Wheaton. Perhaps we're a softer target. Although, we -- in terms of the proposals that they have, they do relate to assets that we hold in Barbados and their desire to attack some of that income in Canada. I think the pattern is similar and that we've done everything as prescribed by Canadian tax rules. So I don't see if that there is a big risk even in the worst case because we got into streaming later than Wheaton did. We don't have much of a historical tax liability. So there's -- in terms of any historical taxes to be paid even if the CRA did prevail, it's not a large number. I think it's highly unlikely that we come to that. I think having gone down the paths with Wheaton and reached the settlement, I think it would be -- that's a likely place that we would end up. And again, that would have de minimis financial impact for the company.

Cosmos Chiu - CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst

For sure. And Bill, CRA doesn't keep you up at night. Hopefully, it doesn't. But how about Mount Milligun, does that keep you up at night? No, about Rainy River, does that keep you up at night?

William H. Heissenbuttel - Royal Gold, Inc. - President, CEO & Director

Look, those are 2 assets where there are going to be new technical reports issued. We know new golds are a couple of weeks away. Centerra is working on their technical report. I'd love to get that behind us, get the understanding of how those mines are going to operate in the short term.



Out in the market, we get questions all the time from folks saying, what's it mean to you? What's it mean to you? I say, wait until we have the technical report. Let's look at the results. I will say that we like to think that good mines get better, and if 5 years from now, we're not talking about another technical report on these assets, and it's gotten better. It wouldn't surprise me, but we just -- we have to get through. Nothing keeps me up at night. Let me put it that way.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

[Scott Perry], does he keep you up at night?

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

I don't have to respond to it.

Unidentified Company Representative

Maybe he takes good care.

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

It doesn't keep you up at night?

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Okay that's it. We're almost out of time, so maybe we'll end on this one question here. Clearly, based on my numbers, based on the street numbers, the group up here trades at a premium multiple. And it's deserving of a premium multiple. What do you need to do to keep that premium multiple? And can you give me 1 key catalyst for each company for 2020. Paul?

Paul Brink - *Franco-Nevada Corporation - President & COO*

I don't think we trade at a premium multiple.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

All right.

Paul Brink - *Franco-Nevada Corporation - President & COO*

I think we trade at the appropriate model.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

All right. Good. Okay.

Paul Brink - *Franco-Nevada Corporation - President & COO*

And a couple of things to that. We're doing some work last year, looking at alternative assets. One of them that we looked at was lumber in the U.S. So these are very long-term perpetual assets. Most of them are helped buying down the funds. A lot of the same attributes that you would get in holding a royalty, a life of mine interest in a mining property. What EBITDA multiple do you think for us products change hands for in the U.S., 25x EBITDA. It's the same multiple that all we trade at, it is the multiple that long term, low-risk assets with perpetual optionality should trade at. So I do think it is an appropriate multiple.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Catalyst?

Paul Brink - *Franco-Nevada Corporation - President & COO*

In terms of catalyst, the -- everybody knows about Cobre, so I won't wax lyrical about it. So it's obviously a big driver for us. One that folks might not have seen is 1 of our other big assets is Antapaccay, it's run by Glencore. It's a very large property, large porphyry system. On that property, there is a second deposit, Coroccohuayco, and it's about 75% the size of Antapaccay itself. The company has been looking to develop that deposit. They did just in the last week or so, get their permits to develop that second deposit and so that is all incremental outside that will ultimately flow to the stream.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Randy?

Randy V. J. Smallwood - *Wheaton Precious Metals Corp. - President, CEO & Director*

Yes. I'm going to echo the multiple. Actually, twice, I'm going to reference Dave Smith and echo his comment about the fact that what gold price is actually being used in the calculation of NAV, right? And so again, I think what we reflect is good, low risk, high-quality access to gold in a positive trending market, and that's one of the reasons we trade where we are. And so I'm comfortable with where we are, wouldn't call it a premium multiple. And in fact, it's probably the 1 that trades the lowest amongst my peers here, definitely a very compelling valuation for Wheaton. So catalyst for 2020. This -- we've got a very consistent growth profile over the next 5 years, it's going to continue to deliver. We've got assets that are continually adding value through organic growth at the assets themselves.

And so I see us -- last year, our forecast, we haven't put out our guidance, but the detailed guidance for 2020. But good, solid production that's going to deliver good, solid cash flow. Current commodity price is \$650 million, which would just about two-up our debt if we didn't put any of it back into the ground. I am hopeful that we put some of that back into the ground and maybe even a bit more. There is some good opportunities out there right now. And so 2020, I'm hopeful to add a few more assets to the portfolio. But to tackle -- one of Bill's comments, patience is something that is required in this industry. You just have to make sure that you're making good sound investment decisions because you only got one chance to start once you're into these things, you're -- it's a little bit tougher to steer. So you're going to make sure you make good solid decisions. At the worst case, our debt disappears. So 2020 will be a good year.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Bill, I'll let you cause it out.

William H. Heissenbuttel - *Royal Gold, Inc. - President, CEO & Director*

Okay. So if there's a premium, go there. I'd say for us, because we have so many new members of senior management and based on my conversations with investors I'd say, sort of a key for us is do the expected. The one thing that I heard over and over is don't tell us you're doing this and then go over there. So I'd just say do the expected and be patient, are really things I'd like to focus on this year. In terms of catalysts, this is kind of nice to have a big portfolio because there isn't 1 catalyst that you can often point to. I would say, again, I've referenced the 2 technical reports. We get pass those hopefully by the end of the year. We're talking about Barrick's potential expansion of Pueblo Viejo. We're talking about Khoemacau being somewhere 16 months away from initial production. So those are a couple of things that I would love to revisit in 9 to 12 months.

Cosmos Chiu - *CIBC Capital Markets, Research Division - Executive Director of Institutional Equity Research & Equity Research Analyst*

Thanks. That's all the time we have. Thanks, Paul, Randy and Bill.

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