

ROYAL GOLD INC
Form 10-Q
May 01, 2014
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2014

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-13357

Royal Gold, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

84-0835164
(I.R.S. Employer
Identification No.)

1660 Wynkoop Street, Suite 1000
Denver, Colorado
(Address of Principal Executive Offices)

80202
(Zip Code)

Registrant's telephone number, including area code **(303) 573-1660**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer
Non-accelerated filer
(Do not check if a smaller reporting company)

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

There were 64,738,671 shares of the Company's common stock, par value \$0.01 per share, outstanding as of April 23, 2014. In addition as of such date, there were 380,153 exchangeable shares of RG Exchangeco Inc. outstanding which are exchangeable at any time into shares of the Company's common stock on a one-for-one basis and entitle their holders to voting, dividend and other rights economically equivalent to those of the Company's common stock.

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Consolidated Balance Sheets

(Unaudited, in thousands except share data)

	March 31, 2014	June 30, 2013
ASSETS		
Cash and equivalents	\$ 646,112	\$ 664,035
Royalty receivables	42,209	50,385
Income tax receivable	20,026	15,158
Prepaid expenses and other	4,090	14,919
Total current assets	712,437	744,497
Royalty and stream interests, net (Note 3)	2,133,375	2,120,268
Available-for-sale securities (Note 4)	7,280	9,695
Other Assets	29,739	30,881
Total assets	\$ 2,882,831	\$ 2,905,341
LIABILITIES		
Accounts payable	2,949	2,838
Dividends payable	13,673	13,009
Foreign withholding taxes payable	3,984	15,518
Other current liabilities	4,938	3,720
Total current liabilities	25,544	35,085
Debt (Note 5)	309,401	302,263
Deferred tax liabilities	161,277	174,267
Uncertain tax positions (Note 9)	23,590	21,166
Other long-term liabilities	2,197	1,924
Total liabilities	522,009	534,705
Commitments and contingencies (Note 12)		
EQUITY		
Preferred stock, \$.01 par value, authorized 10,000,000 shares authorized; and 0 shares issued		
Common stock, \$.01 par value, 100,000,000 shares authorized; and 64,409,078 and 64,184,036 shares outstanding, respectively	644	642
Exchangeable shares, no par value, 1,806,649 shares issued, less 1,276,221 and 1,139,420 redeemed shares, respectively	23,344	29,365
Additional paid-in capital	2,138,899	2,142,173
Accumulated other comprehensive loss	(6,987)	(4,572)
Accumulated earnings	186,915	181,279
Total Royal Gold stockholders' equity	2,342,815	2,348,887
Non-controlling interests	18,007	21,749
Total equity	2,360,822	2,370,636
Total liabilities and equity	\$ 2,882,831	\$ 2,905,341

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The accompanying notes are an integral part of these consolidated financial statements.

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ROYAL GOLD, INC.

Consolidated Statements of Operations and Comprehensive Income

(Unaudited, in thousands except share data)

	For The Three Months Ended		For The Nine Months Ended	
	March 31,	March 31,	March 31,	March 31,
	2014	2013	2014	2013
Revenue	\$ 57,748	\$ 74,166	\$ 167,020	\$ 231,898
Costs and expenses				
Cost of sales	1,940		2,875	
General and administrative	3,866	7,163	15,093	19,290
Production taxes				