

ROYAL GOLD INC
Form 8-K
December 14, 2010

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 10, 2010

ROYAL GOLD, INC.

(Exact name of registrant as specified in its charter)

| | | |
|---|-----------------------------|--------------------------------------|
| Delaware | 001-13357 | 84-0835164 |
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |
| 1660 Wynkoop Street, Suite 1000, Denver, CO | | 80202-1132 |
| (Address of principal executive offices) | | (Zip Code) |
| Registrant's telephone number, including area code 303-573-1660 | | |

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement

On December 10, 2010, RGL Royalty AG (“Swissco”), a wholly-owned subsidiary of Royal Gold, Inc. (“Royal Gold” or the “Company”), entered into an Intercreditor Agreement (the “Intercreditor Agreement”) by and among Swissco, Terrane Metals Corp. (“Terrane”), a wholly-owned subsidiary of Thompson Creek Metals Company Inc. (“Thompson Creek”), and JPMorgan Chase Bank, N.A., as administrative agent for the Senior Debt Secured Parties identified therein (the “Senior Debt Secured Parties”), pursuant to which the Senior Debt Secured Parties agreed to subordinate certain aspects of their security interest in the assets of Thompson Creek in the Mt. Milligan copper-gold project in British Columbia (the “Project”) to the interests of Swissco, and Swissco agreed to subordinate certain aspects of its security interest in the Project to the interests of the Senior Debt Secured Parties. Swissco obtained its security interest in connection with closing of the Mt. Milligan gold purchase transaction previously announced by the Company on October 20, 2010. The parties entered into the Intercreditor Agreement simultaneous with the entry by Thompson Creek into a senior revolving credit facility with the Senior Lenders (as identified in the Intercreditor Agreement).

Pursuant to the Intercreditor Agreement, Swissco will retain a first priority, perfected security interest in 25% of payable gold produced from the Project and all proceeds thereof (the “Royal Gold Priority Collateral”), and Swissco will subordinate to the Senior Debt Secured Parties all other aspects of its security interest in the Project, which include a security interest in the mining leases, mineral claims, minerals other than the Royal Gold Priority Collateral and real property associated with the Project. The terms of the Intercreditor Agreement are consistent with the provisions of Section 8.6(a) of the Purchase and Sale Agreement by and among Swissco, Royal Gold, Terrane and Thompson Creek dated as of October 20, 2010, which was included as Exhibit 10.1 to the Company’s Form 8-K filed on October 20, 2010.

The foregoing description of the terms of the Intercreditor Agreement is qualified in its entirety by the Intercreditor Agreement, which is filed herewith as Exhibit 10.1 and incorporated into this Item 1.01 by reference.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

10.1 Intercreditor Agreement by and among RGL Royalty AG, Terrane Metals Corp. and JPMorgan Chase Bank N.A. dated as of December 10, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Royal Gold, Inc.
(Registrant)

Dated: December 14, 2010

By: /s/ Karen Gross
Name: Karen Gross
Title: Vice President and Corporate Secretary

Exhibit Index

Exhibit No.

10.1 Intercreditor Agreement by and among RGL Royalty AG, Terrane Metals Corp. and JPMorgan Chase Bank N.A. dated as of December 10, 2010.

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