UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

☐ **Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934**

or

☒ **Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2018 **Commission File Number 001-35286**

Franco-Nevada Corporation

(Exact name of registrant as specified in its charter)

Canada	**1040**	**Not Applicable**
(Province or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

199 Bay Street, Suite 2000
P.O. Box 285
Commerce Court Postal Station
Toronto, Ontario M5L 1G9
Canada
(416) 306-6300
(Address and telephone number of registrant's principal executive offices)

DL Services, Inc.
Columbia Center
701 Fifth Avenue, Suite 6100
Seattle, Washington 98104-7043
(206) 903-8800
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	**Name of Each Exchange On Which Registered:**
Common Shares	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

☒ Annual Information Form ☒ Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the registrant's classes of capital or common stock as of the close of the period covered by the annual report: 186,692,481

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act 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 every Interactive Data File required to be submitted 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 such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.
Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

Franco-Nevada Corporation (the "Registrant" or the "Company") is a Canadian issuer that is permitted, under the multijurisdictional disclosure system adopted in the United States, to prepare its Annual Report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in accordance with disclosure requirements in effect in Canada that differ from those of the United States. The Registrant is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and in Rule 405 under the Securities Act of 1933, as amended. Equity securities of the Registrant are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3.

FORWARD LOOKING STATEMENTS

This Annual Report on Form 40-F and the exhibits hereto (this "Annual Report") contain certain "forward looking information" and "forward looking statements" within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively, which may include, but are not limited to, statements with respect to future events or future performance, management's expectations regarding the Registrant's growth, results of operations, estimated future revenues, carrying value of assets, future dividends and requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities, audits being conducted by the Canada Revenue Agency and available remedies, and the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources and gold equivalent ounces ("GEOs") will be realized. Such forward looking statements reflect management's current beliefs and are based on information currently available to management. Often, but not always, forward looking statements can be identified by the use of words such as "plans," "expects," "is expected," "budgets," "scheduled," "estimates," "forecasts," "predicts," "projects," "intends," "targets," "aims," "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may," "could," "should," "would," "might" or "will" be taken, occur or be achieved.

Forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Registrant to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. A number of factors could cause actual events or results to differ materially from any forward looking statement, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty and stream revenue (gold, platinum group metals, copper, nickel, uranium, silver, iron-ore and oil and gas); fluctuations in the value of the Canadian and Australian dollar, Mexican peso and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in any of the countries where properties in which the Registrant holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which the Registrant holds a royalty, stream or other interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by the Registrant; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which the Registrant holds a royalty, stream or other interest; whether or not the Registrant is determined to have "passive foreign investment company" ("PFIC") status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; potential changes in Canadian tax treatment of offshore streams; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which the Registrant holds a royalty, stream or other interest; actual mineral content may differ from the reserves and resources contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks and hazards associated with the business of development and mining on any of the properties in which the Registrant holds a royalty, stream or other interest, including, but not limited to, unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious disease; and the integration of acquired assets. The forward looking statements contained in, or incorporated by reference into, this Annual Report are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the

properties in which the Registrant holds a royalty, stream or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; the Registrant's ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; the expected application of tax laws and regulations by taxation authorities; the expected assessment and outcome of any audit by any taxation authority; no adverse development in respect of any significant property in which the Registrant holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward looking statements are not guarantees of future performance. The Registrant cannot assure investors that actual results will be consistent with these forward looking statements. Accordingly, investors should not place undue reliance on forward looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to the "Risk Factors" section of the 2018 AIF (as defined below) filed as Exhibit 99.1 to this Annual Report.

The forward looking statements herein are made as of the date of this Annual Report only and the Registrant does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law. The Registrant's forward-looking statements contained in the exhibits incorporated by reference into this Annual Report are made as of the respective dates set forth in such exhibits. Such forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made. In preparing this Annual Report, the Registrant has not updated such forward-looking statements to reflect any change in circumstances or in management's beliefs, expectations or opinions that may have occurred subsequent to the date thereof, nor does the Registrant assume any obligation to update such forward-looking statements in the future, except as required by applicable law. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

RESOURCE AND RESERVE ESTIMATES

The 2018 AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. Unless otherwise indicated, all resource and reserve estimates included in the 2018 AIF have been prepared by the owners or operators of the properties (as and to the extent indicated by them) in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian securities regulatory authorities which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits a historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 to be disclosed using the historical terminology if, among other things, the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) states whether the historical estimate uses categories other than those prescribed by NI 43-101; and (d) includes any more recent estimates or data available.

Canadian standards for reporting reserves and resources, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC" or the "Commission") under SEC Industry Guide 7, and reserve and resource information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves." Under SEC Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources," "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC in compliance with SEC Industry Guide 7. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource

is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" under SEC Industry Guide 7 as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by the Registrant in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein and the documents incorporated by reference herein and therein may not be comparable with information made public by companies that report in accordance with U.S. standards. SEC Industry Guide 7, the existing standard for the SEC, is in the process of being replaced by the adoption of new legislation under sub-part of regulation S-K under the U.S. Securities Act ("Modernization of Property Disclosure of Mining Registrants Standards") which will be mandatory for issuers subject to U.S. reporting standards for the first fiscal year beginning on or after January 1, 2021. None of the reserve or resource estimates presented herein have been prepared in accordance with the Modernization of Property Disclosure of Mining Registrants Standards.

In addition to NI 43-101, a number of resource and reserve estimates have been prepared in accordance with the JORC Code or the SAMREC Code (as such terms are defined in NI 43-101), which differ from the requirements of NI 43-101 and U.S. securities laws. Accordingly, information concerning descriptions of the Registrant's mineral properties set forth herein may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder. For more information, see "Reconciliation to CIM Definitions" in the 2018 AIF.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are filed as exhibits to this Annual Report and are hereby incorporated by reference herein:

- the Annual Information Form of the Registrant for the fiscal year ended December 31, 2018 (the "2018 AIF");
- the Management's Discussion and Analysis of the Registrant for the fiscal year ended December 31, 2018 (the "2018 MD&A"); and
- the audited consolidated financial statements of the Registrant, as at and for the fiscal years ended December 31, 2018 and 2017, including the notes thereto, together with Management's Report on Internal Control over Financial Reporting and the report of our Independent Registered Public Accounting Firm thereon (the "Financial Statements").

The Registrant prepares its consolidated financial statements, which are filed as Exhibit 99.3 to this Annual Report, in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"). IFRS differs in some significant respects from generally accepted accounting principles in the United States, and thus the consolidated financial statements may not be comparable to financial statements of United States companies.

DISCLOSURE CONTROLS AND PROCEDURES

The information relating to the Registrant's internal control over financial reporting and disclosure controls and procedures is included under the heading "Internal Control over Financial Reporting and Disclosure Controls and Procedures" in the 2018 MD&A, which is filed as Exhibit 99.2 hereto and incorporated by reference herein.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Management's Report on Internal Control over Financial Reporting is filed in Exhibit 99.3 hereto and incorporated by reference herein.

ATTESTATION REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The attestation report of PricewaterhouseCoopers LLP on the Registrant's internal control over financial reporting is included in Exhibit 99.3 hereto and incorporated by reference herein.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The information relating to changes in the Registrant's internal control over financial reporting is included under the heading "Internal Control over Financial Reporting and Disclosure Controls and Procedures" in the 2018 MD&A, which is filed as Exhibit 99.2 hereto and incorporated by reference herein.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2018 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

BOARD OF DIRECTORS

The Board is comprised of a majority of unrelated, independent directors in accordance with the requirements of Sections 303A.01 and 303A.02 of the New York Stock Exchange Listed Company Manual (the "NYSE Manual"). The composition of the Board, including the independence of the Chairman, ensures that the Board has in place appropriate structures and procedures to ensure that the Board can function independently of management.

The Board meets at each regularly scheduled meeting for executive sessions in which the Registrant's independent and "non-management" directors (as defined in the NYSE Manual) meet independently of non-independent directors and management. Pierre Lassonde, an independent, non-management director and the Chairman of the Board, serves as the presiding director at all meetings of the Board.

In addition, the Board has established the Audit and Risk Committee (as described more fully below under "Audit and Risk Committee") and the Compensation and Corporate Governance Committee, each of which is comprised of unrelated, independent directors, as determined under the NYSE Manual.

The mandate of the Board, the Audit and Risk Committee charter and the Compensation and Corporate Governance Committee charter are located on the Registrant's website at www.franco-nevada.com, under the heading "Corporate—Governance." Copies of the Board mandate and committee charters may be obtained upon request from Investor Relations at 416-306-6328, or by email to info@franco-nevada.com.

AUDIT AND RISK COMMITTEE

The Board has a separately designated standing Audit and Risk Committee established for the purpose of overseeing the accounting and financial reporting processes of the Registrant and audits of the financial statements of the Registrant in accordance with Section 3(a)(58)(A) of the Exchange Act. As of the date of this Annual Report, the Audit and Risk Committee is comprised of Derek Evans, Tom Albanese and committee chairman Randall Oliphant, each of whom is independent under the NYSE Manual and Rule 10A-3 under the Exchange Act. In addition, the Registrant has determined that Mr. Oliphant is an "audit committee financial expert" within the meaning of the rules of the SEC. The information provided under the heading "Audit and Risk Committee Information" in the 2018 AIF and the Audit and Risk Committee Charter attached as Appendix A to the 2018 AIF are hereby incorporated by reference herein.

A copy of Audit and Risk Committee charter is also located on the Registrant's website at www.franco-nevada.com, under the heading "Corporate—Governance," or may be obtained upon request from Investor Relations at 416-306-6328, or by email to info@franco-nevada.com.

NYSE CORPORATE GOVERNANCE

The Registrant operates under corporate governance practices that are consistent with the requirements of Section 303A of the NYSE Manual.

In accordance with Section 303A.11 of the NYSE Manual, a summary of the significant ways in which the Registrant's corporate governance practices differ from those applicable to U.S. domestic companies under New York Stock Exchange listing standards is located on the Registrant's website at www.franco-nevada.com, under the heading

"Corporate—Governance," or may be obtained upon request from Investor Relations at 416-306-6328, or by email to info@franco-nevada.com.

CODE OF ETHICS

The Registrant has adopted a Code of Business Conduct and Ethics (the "Code"), which is applicable to all directors, officers and employees. All amendments to the Code, and all waivers of the Code with respect to any of the officers covered by it, which waiver may be made only by the Board in respect of senior officers, will be promptly posted on the Registrant's website and provided in print to any shareholder who requests them.

A copy of the Code is located on the Registrant's website at www.franco-nevada.com, under the heading "Corporate—Governance", or may be obtained, without charge, upon request from Investor Relations at 416-306-6328, or by email to info@franco-nevada.com.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information relating to the Registrant's principal accountant fees and services that is included under the heading "Audit and Risk Committee Information—Fees" in the 2018 AIF is hereby incorporated by reference herein.

In addition, the information relating to the Audit and Risk Committee's pre-approval policies and procedures that is included under the heading "Audit and Risk Committee Information—Pre-Approval Policies and Procedures" in the 2018 AIF is hereby incorporated by reference herein.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant does not have any off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS

The following table presents, as of December 31, 2018, the Registrant's known contractual obligations, aggregated by type of contractual obligation as set forth below:

	Payments Due by Period				
Contractual Obligations (in U.S. dollars)	**Total**	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Long Term Debt Obligations	$210,000,000	$ —	$ —	$210,000,000	$ —
Capital (Finance) Lease Obligations	—	—	—	—	—
Operating Lease Obligations	3,205,000	564,000	1,128,000	1,090,000	423,000
Purchase Obligations	274,895,000	118,195,000	156,700,000	—	—
Other Long-Term Liabilities	—	—	—	—	—
Total	$488,100,000	$ 118,759,000	$157,828,000	$211,090,000	$ 423,000

MINE SAFETY DISCLOSURE

None.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general summary of certain material U.S. federal income tax considerations applicable to a U.S. Holder (as defined below) arising from and relating to the acquisition, ownership and disposition of Common Shares.

This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax considerations that may apply to a U.S. Holder arising from and relating to the acquisition, ownership and disposition of Common Shares. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax

consequences to such U.S. Holder, including specific tax consequences to a U.S. Holder under an applicable tax treaty. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. This summary does not address the U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, or non-U.S. tax consequences to U.S. Holders of the acquisition, ownership and disposition of Common Shares. Except as specifically set forth below, this summary does not discuss applicable tax reporting requirements. Each prospective holder of Common Shares should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of Common Shares.

No ruling from the United States Internal Revenue Service (the "IRS") has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the acquisition, ownership and disposition of Common Shares. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the conclusions described in this summary.

Scope of this Summary

Authorities

This summary is based on the United States Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "Canada-U.S. Tax Convention"), and U.S. court decisions that are applicable and, in each case, as in effect and available as of the date of this Annual Report. Any of the authorities on which this summary is based could be changed in a material and adverse manner at any time, and any such change could be applied on a retroactive or prospective basis, which could affect the U.S. federal income tax considerations described in this summary. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation that, if enacted, could be applied on a retroactive or prospective basis.

U.S. Holders

For purposes of this summary, the term "U.S. Holder" means a beneficial owner of Common Shares that is for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (a) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Non-U.S. Holders

For purposes of this summary, a "non-U.S. Holder" is a beneficial owner of Common Shares that is not a U.S. Holder. This summary does not address the U.S. federal income tax consequences to non-U.S. Holders arising from and relating to the acquisition, ownership and disposition of Common Shares. Accordingly, a non-U.S. Holder should consult its own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences (including the potential application of and operation of any income tax treaties) relating to the acquisition, ownership and disposition of Common Shares.

U.S. Holders Subject to Special U.S. Federal Income Tax Rules Not Addressed

This summary does not address the U.S. federal income tax considerations applicable to U.S. Holders that are subject to special provisions under the Code, including, but not limited to, the following: (a) U.S. Holders that are tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts; (b) U.S.

Holders that are financial institutions, underwriters, insurance companies, real estate investment trusts, or regulated investment companies; (c) U.S. Holders that are broker-dealers, dealers, or traders in securities or currencies that elect to apply a mark-to-market accounting method; (d) U.S. Holders that have a "functional currency" other than the U.S. dollar; (e) U.S. Holders that own Common Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, or other arrangement involving more than one position; (f) U.S. Holders that acquired Common Shares in connection with the exercise of employee stock options or otherwise as compensation for services; (g) U.S. Holders that hold Common Shares other than as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment purposes); (h) U.S. Holders that own or have owned (directly, indirectly, or by attribution) 10 percent or more of the total combined voting power or value of all outstanding shares of the Company; or (i) U.S. Holders that are U.S. expatriates or former long-term residents of the United States. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisors regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and non-U.S. tax consequences relating to the acquisition, ownership and disposition of Common Shares.

If an entity or arrangement that is classified as a partnership (or other "pass-through" entity) for U.S. federal income tax purposes holds Common Shares, the U.S. federal income tax consequences to such entity and the partners (or other owners) of such entity generally will depend on the activities of the entity and the status of such partners (or owners). This summary does not address the tax consequences to any such owner. Partners (or other owners) of entities or arrangements that are classified as partnerships or as "pass-through" entities for U.S. federal income tax purposes should consult their own tax advisors regarding the U.S. federal income tax consequences arising from and relating to the acquisition, ownership and disposition of Common Shares.

Ownership and Disposition of Common Shares

The following discussion is subject to the rules described below under the heading "Passive Foreign Investment Company Rules."

Distributions on Common Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Common Share will be required to include the amount of such distribution in gross income as a dividend (including the amount of any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Company, as calculated for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated earnings and profits of the Company, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Common Shares and thereafter as gain from the sale or exchange of such Common Shares. (See "Sale or Other Taxable Disposition of Common Shares" below.) However, the Company may not calculate earnings and profits in accordance with U.S. federal income tax principles, and each U.S. Holder should therefore assume that any distribution by the Company with respect to the Common Shares will be treated as ordinary dividend income for U.S. federal information reporting purposes.

Subject to certain holding period and other requirements, dividends received by non-corporate U.S. Holders from a "qualified foreign corporation" may be eligible for reduced rates of taxation. A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Treasury Department determines to be satisfactory for these purposes and that includes an exchange of information provision. The U.S. Treasury has determined that the Canada-U.S. Tax Convention meets these requirements, and the Company believes that it is eligible for the benefits of the Canada-U.S. Tax Convention. A foreign corporation is also treated as a qualified foreign corporation with respect to dividends paid by that corporation on ordinary shares that are readily tradeable on an established securities market in the United States. U.S. Treasury guidance indicates that the Company's Common Shares are readily tradeable on an established securities market in the United States. However, there can be no assurance that the Common Shares will be considered readily tradeable on an established securities market in future years. If the Company is classified as a PFIC (as defined below) in the taxable year of distribution or in the preceding taxable year, then dividends received by U.S. Holders will not be qualified dividends. Dividends received by corporate U.S. Holders generally will not be eligible for the "dividends received deduction." The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the application of such rules.

Sale or Other Taxable Disposition of Common Shares

Upon the sale or other taxable disposition of Common Shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's tax basis in such Common Shares sold or otherwise disposed of. A U.S. Holder's tax basis in Common Shares generally will be such holder's U.S. dollar cost for such shares. Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the Common Shares have been held for more than one year.

Preferential tax rates apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

Passive Foreign Investment Company Rules

If the Company were to constitute a "passive foreign investment company" within the meaning of Section 1297 of the Code (a "PFIC") for any year during a U.S. Holder's holding period, then certain different and potentially adverse U.S. federal income tax rules would affect the U.S. federal income tax consequences to a U.S. Holder resulting from the acquisition, ownership and disposition of Common Shares. The U.S. Treasury Department has not issued specific guidance on how the income and assets of a non-U.S. corporation such as the Company will be treated under the PFIC rules.

The Company generally will be a PFIC for any taxable year in which, after applying relevant look-through rules with respect to the income and assets of subsidiaries, (a) 75 percent or more of its gross income is passive income (the "income test") or (b) 50 percent or more of its assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market values of such assets (the "asset test"). "Gross income" generally includes all sales revenues less the cost of goods sold, plus income from investments and from incidental or outside operations or sources. "Passive income" generally includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Passive income generally excludes active business gains arising from the sale of commodities, if substantially all of a foreign corporation's commodities are stock in trade or inventory, real and depreciable property used in a trade or business, or supplies regularly used or consumed in a trade or business, and certain other requirements are satisfied.

Under certain attribution rules, if the Company were a PFIC, U.S. Holders would generally be deemed to own their proportionate share of the Company's direct or indirect equity interest in any company that is also a PFIC (a "Subsidiary PFIC"), and would be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC upon the sale of the Common Shares of the Company, as well as their proportionate share of (a) any "excess distributions" (as discussed below) on the stock of a Subsidiary PFIC and (b) any gain realized upon the disposition or deemed disposition of stock of a Subsidiary PFIC by the Company or by another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. If the Company were classified as a PFIC for any taxable year in which a U.S. Holder held Common Shares, then the Company generally would continue to be classified as a PFIC with respect to such U.S. Holder for any subsequent taxable year in which the U.S. Holder continued to hold Common Shares, even if the Company's income or assets would not cause it to be a PFIC in such subsequent taxable year, unless an exception were to apply.

The Company believes, on a more-likely-than-not basis, that it currently qualifies, and expects to continue to qualify in the future, for the active commodities business exception for purposes of the PFIC asset test and PFIC income test. Accordingly, the Company believes, on a more-likely-than-not basis, that it was not a PFIC for its taxable year ended December 31, 2018, and, based on its current and anticipated business activities and financial expectations, the Company expects, on a more-likely-than-not basis, that it will not be a PFIC for its current taxable year and for the foreseeable future. However, the Company believes that it was a PFIC for its taxable year ended December 31, 2011, and prior taxable years.

The determination as to whether any corporation was, or will be, a PFIC for a particular taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations and uncertainty. In addition, there is limited authority on the application of the active commodities exception and other relevant PFIC rules to entities such as the Company and its subsidiaries. Accordingly, there can be no assurance that the

IRS will not challenge the views of the Company (or a Subsidiary PFIC, as defined above) concerning its PFIC status. In addition, whether any corporation will be a PFIC for any taxable year depends on its assets and income over the course of such taxable year, and, as a result, the Company's PFIC status for its current taxable year and any future taxable year cannot be predicted with certainty. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of the Company and any Subsidiary PFIC.

If the Company were a PFIC for any taxable year in which a U.S. Holder held Common Shares, and such U.S. Holder had not made an effective QEF Election or Mark-to-Market Election under the PFIC rules (as defined and more fully described below) with respect to its Common Shares, then such holder generally would be subject to special rules with respect to "excess distributions" made by the Company on the Common Shares and with respect to gain from the direct or indirect disposition of Common Shares. An "excess distribution" generally would include the excess of distributions made with respect to the Common Shares to a U.S. Holder in any taxable year over 125% of the average annual distributions made to such U.S. Holder by the Company during the shorter of the three preceding taxable years or such U.S. Holder's holding period for the Common Shares. Generally, a U.S. Holder would be required to allocate any excess distribution or gain from the direct or indirect disposition of the Common Shares ratably over its holding period for the Common Shares. Amounts allocated to the year of the disposition or excess distribution would be taxed as ordinary income, and amounts allocated to prior taxable years would be taxed at the highest tax rate in effect for ordinary income for each such year. In addition, an interest charge would apply.

If the Company were a PFIC for any taxable year in which a U.S. Holder held Common Shares, and such U.S. Holder had made a timely and effective election to treat the Company as a "qualified electing fund" (a "QEF Election") for the first taxable year of such U.S. Holder's holding period in which the Company were classified as a PFIC, then such U.S. Holder generally would not be subject to the PFIC rules described in the preceding paragraph. Instead, such U.S. Holder would be subject to U.S. federal income tax on such holder's pro rata share of (a) the net capital gain of the Company, which would be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which would be taxed as ordinary income to such U.S. Holder. A QEF Election, once made, would be effective with respect to such U.S. Holder's Common Shares for all subsequent taxable years in which the Company were treated as a PFIC, unless the QEF Election were invalidated or terminated or the IRS were to consent to revocation of the QEF Election. The QEF Election cannot be made unless the Company provides or makes available certain information. To facilitate the making of QEF Elections by U.S. Holders, for each taxable year that the Company is classified as a PFIC, the Company intends to: (a) make available to U.S. Holders, upon written request, a "PFIC Annual Information Statement" and (b) upon written request, use commercially reasonable efforts to provide all additional information that such U.S. Holder is required to obtain in connection with maintaining such QEF Election with regard to the Company or any of its Subsidiary PFICs. The Company may provide such information on its website (www.franco-nevada.com). U.S. Holders considering the QEF election should note that a QEF election with respect to Common Shares would not apply to any Subsidiary PFICs. Consequently, unless a U.S. Holder makes a QEF election with respect to any Subsidiary PFIC, it could be subject to the adverse tax consequences described above with respect to any interests in a Subsidiary PFIC. In light of the uncertainties described above, and despite its belief on a more-likely-than-not basis that it was not a PFIC for any taxable year after 2011, the Company has provided such information for all taxable years through 2016. The Company has not provided such information for taxable years after 2016.

If the Company were a PFIC for any taxable year in which a U.S. Holder held Common Shares, and such U.S. Holder had made a timely and effective "mark to market" election (a "Mark-to-Market Election") in the first taxable year of such U.S. Holder's holding period in which the Company were classified as a PFIC, then such U.S. Holder generally would not be subject to the PFIC rules described in the preceding paragraphs. Instead, such U.S. Holder generally would include in ordinary income, for each taxable year in which the Company were a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the Common Shares, as of the close of such taxable year over (b) such U.S. Holder's adjusted tax basis in such Common Shares. The U.S. Holder would be entitled to deduct as an ordinary loss each year the excess of its adjusted tax basis in the Common Shares over their fair market value at the end of the year, but only to the extent of the net amount previously included in income as a result of the Mark-to-Market Election. A U.S. Holder's adjusted tax basis in the Common Shares would be increased by the amount of any income inclusion and decreased by the amount of any deductions under the Mark-to-Market Election rules. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that made a Mark-to-Market Election would recognize ordinary income or ordinary loss (but only to the extent such loss did not exceed the net amount of previously included income as a result of the Mark-to-Market Election). A Mark-to-Market Election would apply to the taxable year in which such election is made and to each subsequent taxable year, unless the Common Shares were to cease to be "marketable stock," the U.S. Holder were to mark the Common Shares to market under non-PFIC provisions of the

Code, or the IRS were to consent to the revocation of such election. The Mark-to-Market Election is expected to be available with respect to the Company, provided that the Common Shares are "regularly traded" for U.S. federal income tax purposes, which is expected to be the case. However, the Mark-to-Market Election will not be available with respect to any Subsidiary PFIC. Accordingly, U.S. Holders making a Mark-to-Market Election would be subject to unfavorable tax consequences described above with respect to any Subsidiary PFIC.

In any year in which the Company is classified as a PFIC, a U.S. Holder generally will be required to file an annual report with the IRS containing certain information regarding such holder's interest in the Company (or a Subsidiary PFIC), subject to certain exceptions. A failure to satisfy such reporting requirement could result in the extension of the statute of limitations with respect to federal income tax returns filed by such U.S. Holder. The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the foregoing reporting requirements, the advisability of making a QEF Election or Mark-to-Market Election, and any other tax consequences under the PFIC rules of acquiring, owning and disposing of Common Shares.

Additional Considerations

Tax on Net Investment Income

Certain individuals, estates and trusts whose income exceeds certain thresholds are required to pay a 3.8 percent additional tax on "net investment income," including, among other things, dividends and net gain from disposition of property (other than property held in a trade or business). Accordingly, dividends on and capital gain from the sale or other taxable disposition of the Common Shares may be subject to this additional tax.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or received by a U.S. Holder in foreign currency on the sale, exchange or other taxable disposition of Common Shares, generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder generally will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S.-source income or loss for foreign tax credit purposes. Each U.S. Holder should consult its own tax advisor regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder that pays (whether directly or through withholding) Canadian income tax with respect to dividends paid on the Common Shares generally will be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a foreign corporation should be treated as foreign-source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S.-source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under the Code. However, the amount of a distribution with respect to the Common Shares that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex and involve the application of rules that depend upon a U.S. Holder's particular circumstances. Each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Disclosure Requirements for Specified Foreign Financial Assets

Certain U.S. Holders that, during any taxable year, hold an interest in a "specified foreign financial asset" generally will be required to file with their U.S. federal income tax returns a statement on IRS Form 8938 setting forth certain information, if the aggregate value of all such assets exceeds certain threshold amounts. "Specified foreign financial assets" generally include financial accounts maintained with non-U.S. financial institutions and may also include Common Shares not held in accounts maintained with certain financial institutions. Substantial penalties may be imposed, and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply. U.S. Holders should consult their own tax advisor as to the possible application to them of this filing requirement.

Backup Withholding and Additional Information Reporting

Payments made within the United States or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, Common Shares will generally be subject to information reporting. Such payments may also be subject to backup withholding tax if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on Form W-9), (b) is notified by the IRS that such U.S. Holder has previously failed to properly report interest and dividend income, or (c) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number, that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax, and that such U.S. Holder is a U.S. person. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes the required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant has previously filed with the Commission a written consent to service of process on Form F-X. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the Commission by amendment to the Form F-X referencing the file number of the Registrant.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

FRANCO-NEVADA CORPORATION

/s/ Lloyd Hong
Lloyd Hong
Chief Legal Officer & Corporate Secretary

Date: March 27, 2019

EXHIBIT INDEX

The following documents are being filed with the SEC as exhibits to this Annual Report.

Exhibit	Description
99.1	Annual Information Form for the fiscal year ended December 31, 2018
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2018
99.3	Audited Consolidated Financial Statements of the Registrant, as at and for the fiscal years ended December 31, 2018 and 2017, including the notes thereto, together with Management's Report on Internal Control over Financial Reporting and the report of our Independent Registered Public Accounting Firm thereon
99.4	Certifications of the Chief Executive Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certifications of the Chief Financial Officer pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of PricewaterhouseCoopers LLP
99.9	Consent of Phil Wilson
101.INS	XBRL Instance Document [(1)]
101.SCH	XBRL Taxonomy Extension Schema Document [(1)]
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document [(1)]
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document [(1)]
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document [(1)]
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document [(1)]

(1) Filed herewith.

Exhibit 99.1

2019
Annual Information Form

For the year ended December 31, 2018
Dated as of March 27, 2019

Franco Nevada
The GOLD Investment that WORKS



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GENERAL MATTERS

Unless otherwise noted or the context otherwise indicates, the terms “Franco-Nevada”, “FNV”, “Company”, “Corporation”, “our” and “we” refer to Franco-Nevada Corporation and its subsidiaries. For reporting purposes, the Corporation presents its financial statements in United States dollars and in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (“**IFRS**”). All dollar amounts in this Annual Information Form (“ **AIF**”) are expressed in United States dollars, except as otherwise indicated. References to “US$”, “$” or “dollars” are to United States dollars, references to “C$” are to Canadian dollars and references to “A$” are to Australian dollars.

The information contained in this AIF is as of December 31, 2018, unless otherwise indicated. More current information may be available on our public website at www.franco-nevada.com or on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com or on the website of the United States Securities and Exchange Commission (the “ **SEC**”) at www.sec.gov. In addition, we generally maintain supporting materials on our website which may assist in reviewing (but are not to be considered part of) this AIF including Franco-Nevada’s 2019 Asset Handbook and 2019 Environmental, Social and Governance (ESG) Report (which contains a discussion of environmental, social and governance issues, including climate change), a Glossary of Non-Technical Terms, Glossary of Technical Terms, Certain Oil & Natural Gas Terms and a Metric Conversion Table.

FORWARD LOOKING STATEMENTS

This AIF contains “forward looking information” and “forward looking statements” within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively, which may include, but are not limited to, statements with respect to future events or future performance, management’s expectations regarding Franco-Nevada’s growth, results of operations, estimated future revenues, carrying value of assets, future dividends and requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities, audits being conducted by the Canada Revenue Agency (“**CRA**”) and available remedies, and the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources and gold equivalent ounces (“**GEOs**”) will be realized. Such forward looking statements reflect management’s current beliefs and are based on information currently available to management. Often, but not always, forward looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “predicts”, “projects”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Franco-Nevada to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. A number of factors could cause actual events or results to differ materially from any forward looking statement, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty and stream revenue (gold, platinum group metals, copper, nickel, uranium, silver, iron-ore and oil and gas); fluctuations in the value of the Canadian and Australian dollar, Mexican peso and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in any of the countries where properties in which Franco-Nevada holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which Franco-Nevada holds a royalty, stream or other interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by Franco-Nevada; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; whether or not the Corporation is determined to have “passive foreign investment company” (“**PFIC**”) status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; potential changes in Canadian tax treatment of offshore streams; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; actual mineral content may differ from the reserves and resources contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks and hazards associated with the business of development and mining on any of the properties in which Franco-Nevada holds a royalty, stream or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious disease; and the integration of acquired assets. The forward looking statements contained in this AIF are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Franco-Nevada holds a royalty, stream or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; the Corporation’s ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; the expected application of tax laws and regulations by taxation authorities; the expected assessment and outcome of any audit by any taxation authority; no adverse development in respect of any significant property in which Franco-Nevada holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward looking statements will prove to be accurate, as actual

results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward looking statements are not guarantees of future performance. Franco-Nevada cannot assure investors that actual results will be consistent with these forward looking statements. Accordingly, investors should not place undue reliance on forward looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to the "Risk Factors" section of this AIF filed with the Canadian securities regulatory authorities on www.sedar.com and the U.S. Securities and Exchange Commission (the "**SEC**") on www.sec.gov. The forward looking statements herein are made as of the date of this AIF only and Franco-Nevada does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

CAUTIONARY NOTE REGARDING MINERAL RESERVE AND RESOURCE ESTIMATES

This AIF has been prepared in accordance with the requirements of Canadian securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral resource and reserve estimates included in this AIF have been prepared by the owners or operators of the relevant properties (as and to the extent indicated by them) in accordance with National Instrument 43-101 — *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian securities regulatory authorities which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits a historical estimate made prior to the adoption of NI 43-101 that does not comply with NI 43-101 to be disclosed using the historical terminology if, among other things, the disclosure: (a) identifies the source and date of the historical estimate; (b) comments on the relevance and reliability of the historical estimate; (c) states whether the historical estimate uses categories other than those prescribed by NI 43-101; and (d) includes any more recent estimates or data available.

Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC under SEC Industry Guide 7, and reserve and resource information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under SEC Industry Guide 7, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC in compliance with SEC Industry Guide 7. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" under SEC Industry Guide 7 as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by the Corporation in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards. SEC Industry Guide 7, the existing standard for the SEC, is in the process of being replaced by the adoption of new legislation under sub-part of Regulation S-K under the U.S. Securities Act ("**Modernization of Property Disclosure of Mining Registrants Standards**") which will be mandatory for issuers subject to U.S. reporting standards for the first fiscal year beginning on or after January 1, 2021. None of the reserve or resource estimates presented herein have been prepared in accordance with the Modernization of Property Disclosure of Mining Registrants Standards.

In addition to NI 43-101, a number of resource and reserve estimates have been prepared in accordance with the JORC Code or the SAMREC Code (as such terms are defined in NI 43-101), which differ from the requirements of NI 43-101 and U.S. securities laws. Accordingly, information containing descriptions of the Corporation's mineral properties set forth herein may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder. For more information, see "Reconciliation to CIM Definitions".

EXCHANGE RATE INFORMATION

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars during each of the following periods; the average rate of exchange for those periods; and the rate of exchange in effect at the end of each of those periods, each based on the exchange rate published by the Bank of Canada.

	Years ended December 31,		
	2018[1]	2017[2]	2016[3]
High	$ 1.3642	$ 1.3743	$ 1.4589
Low	$ 1.2288	$ 1.2128	$ 1.2544
Average for the Period	$ 1.2957	$ 1.2986	$ 1.3248
End of Period	$ 1.3642	$ 1.2545	$ 1.3427

(1) Based on the average daily rate published by the Bank of Canada.
(2) As of March 1, 2017, the Bank of Canada began to publish new foreign exchange rates once a day, by 16:30 ET, in the form of a single indicative rate per currency pair, which represents a daily average rate for that currency against the Canadian dollar. The Bank of Canada ceased to publish the noon rate as of April 28, 2017.
(3) Based on the noon rate published by the Bank of Canada.

On March 26, 2019 the daily average exchange rate was US$1.00 = C$1.3386 as published by the Bank of Canada.

COMMODITY PRICE INFORMATION

	Spot Commodity Prices					
	Gold/oz (LBMA Gold Price PM)	Silver/oz (LBMA Silver Price)	Platinum/oz (London PM Fix)	Palladium/oz (London PM Fix)	Oil/C$ bbl (Edmonton Light)	Gas/C$ mcf (AECO-C)
Average for 2016	$ 1,248	$ 17.20	$ 987	$ 613	$ 53	$ 2.07
Average for 2017	$ 1,257	$ 17.05	$ 948	$ 870	$ 63	$ 2.09
Average for 2018	$ 1,268	$ 15.71	$ 881	$ 1,028	$ 69	$ 1.46

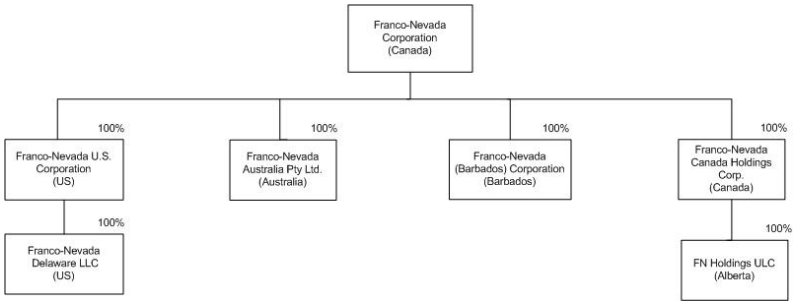
THE CORPORATION

Name, Address and Incorporation

Franco-Nevada was incorporated under the *Canada Business Corporations Act* on October 17, 2007 and was amalgamated with Franco-Nevada Canada Corporation, its wholly-owned subsidiary, on January 1, 2008. Franco-Nevada's head office and registered office is currently located at Suite 2000, Commerce Court West, 199 Bay Street, Toronto, Ontario M5L 1G9. Franco-Nevada has additional offices in (i) Hastings, Christ Church, Barbados, (ii) Denver, Colorado and (iii) Perth, Australia, all of which are used to manage its asset portfolio and pursue new investment opportunities.

Intercorporate Relationships

The chart below depicts significant subsidiaries that are wholly-owned by Franco-Nevada either directly or indirectly and are existing under the laws of the jurisdictions set out therein. Intermediate holding companies have been omitted.



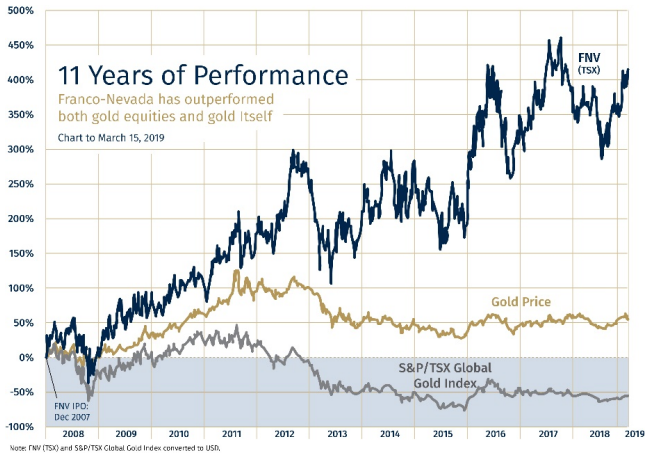
GENERAL DEVELOPMENT OF FRANCO-NEVADA'S BUSINESS

Overview

Franco-Nevada is the leading gold-focused royalty and stream company by both gold revenue and number of gold assets. The Company has the largest and most diversified portfolio of royalties and streams by commodity, geography, revenue type and stage of project. The portfolio is actively managed to maintain a focus on precious metals (gold, silver and PGM) and a diversity of revenue sources with a target of not more than 20% from energy (oil, gas and NGLs).

Franco-Nevada's shares are listed on the Toronto and New York stock exchanges under the symbol FNV. An investment in Franco-Nevada's shares is expected to provide investors with yield and exposure to commodity price and exploration optionality while limiting exposure to many of the risks of operating companies. Since its Initial Public Offering over eleven years ago, Franco-Nevada has increased its dividend annually and its share price has outperformed the gold price and all relevant gold equity benchmarks.

Franco-Nevada's Relative Share Price Performance



Franco-Nevada's revenue is generated from various forms of agreements, ranging from net smelter return royalties, streams, net profits interests, net royalty interests, working interests and other types of arrangements.

The Company does not operate mines, develop projects or conduct exploration. Franco-Nevada's business model is focused on managing and growing its portfolio of royalties and streams. The advantages of this business model are:

- Exposure to precious metals price optionality;
- A perpetual discovery option over large areas of geologically prospective lands;
- No additional capital requirements other than the initial investment;
- Limited exposure to many of the risks associated with operating companies;
- A free cash-flow business with limited cash calls;
- A high-margin business that can generate cash through the entire commodity cycle;
- A scalable and diversified business in which a large number of assets can be managed with a small stable overhead; and
- A forward-looking business in which management focuses on growth opportunities rather than operational or development issues.

Franco-Nevada's financial results in the short-term are primarily tied to the price of commodities and the amount of production from its portfolio of producing assets. Financial results have also been supplemented by acquisitions of new producing assets. Over the longer-term, results are impacted by the availability of exploration and development capital applied by other companies to expand or extend Franco-Nevada's producing assets or to advance Franco-Nevada's advanced and exploration assets into production.

Franco-Nevada has a long-term investment outlook and recognizes the cyclical nature of the industry. Franco-Nevada has operated by maintaining a strong balance sheet so that it can make investments during commodity cycle downturns.

Franco-Nevada currently operates a small organization. As of March 27, 2019, Franco-Nevada has 34 full-time employees and 6 part-time contractors. As such, Franco-Nevada is dependent upon the continued availability and commitment of its key management, whose contributions to the immediate and future operations of Franco-Nevada are of significant importance. From time to time, Franco-Nevada may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. For additional information, see "Risk Factors".

Investment Process and Corporate Policies

Franco-Nevada currently does not operate any of the mining or energy assets in which it has royalty, stream or other interests. However, Franco-Nevada recognizes its business model is dependent on the industry operating in a responsible fashion and actively supports the industry in its efforts and initiatives. Franco-Nevada may from time to time engage in exploration efforts as part of advancing a property or to conduct due diligence in advance of undertaking an investment. When doing so, Franco-Nevada undertakes to be guided by the Principles and Guidance for a Framework of Responsible Exploration as set forth by the e3Plus program of the Prospectors and Developers Association of Canada. A detailed description of Franco-Nevada's investment process and a discussion of environmental, social and governance issues, including climate change, is contained in Franco-Nevada's 2019 Environmental, Social and Governance (ESG) Report, which can be found on the Corporation's website at www.franco-nevada.com but is not to be considered part of this AIF.

Franco-Nevada has adopted policies relating to its business conduct, including a code of business conduct and ethics, a business integrity policy, a whistleblower policy, a policy concerning confidentiality, fair disclosure and trading in securities, a discrimination, harassment and equal opportunity policy, an investment principles (environmental, social and governance) policy, a corporate responsibility policy and a health and safety policy. Additional information relating to these and other policies can be found on the Corporation's website at www.franco-nevada.com and are also contained in Franco-Nevada's management information circular dated March 20, 2019 for its annual and special meeting of shareholders scheduled to be held on May 8, 2019. See "Statement of Governance Practices" in such circular.

Three-Year History

2016

Equity Financing

On February 19, 2016, the Company completed a bought deal financing with a syndicate of underwriters for 19,228,000 Common Shares, including the exercise in full by the underwriters of an over-allotment option of 2,508,000 Common Shares, at a price of $47.85 per Common Share. The net proceeds to the Company were $883.5 million after deducting underwriters' commissions and offering expenses of $36.6 million. The Common Shares were sold on a bought deal basis pursuant to an underwriting agreement dated February 11, 2016 between Franco-Nevada and a syndicate of investment dealers led by BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc. and Scotia Capital Inc.

Acquisition of Antapaccay Precious Metals Stream

On February 26, 2016, the Company through its wholly-owned subsidiary, FN Barbados, acquired, from Glencore plc ("**Glencore**"), a precious metals stream with reference to production from the Antapaccay mine (the " **Glencore Stream**"). The Antapaccay mine is located in Southern Peru and is wholly-owned and operated by Glencore and its subsidiaries. FN Barbados made a one-time $500 million advance payment for the Glencore Stream. In accordance with the terms of the stream agreement, gold and silver deliveries to FN Barbados will initially be determined by reference to copper shipments until 630,000 ounces of refined gold and 10 million ounces of refined silver have been delivered. For each 1,000 tonnes of copper in concentrate shipped, FN Barbados will receive 300 ounces of gold and 4,700 ounces of silver until the above-mentioned thresholds are met. Thereafter, FN Barbados will receive 30% of the gold and silver shipped. FN Barbados will make ongoing payments of 20% of the spot gold and silver price per ounce delivered and 30% of the respective spot prices once 750,000 ounces of gold and 12.8 million ounces of silver have been delivered.

Acquisition of STACK Royalty Portfolio and Mineral Title

On December 19, 2016, Franco-Nevada, through a wholly-owned U.S. subsidiary, acquired a package of royalty rights in the Sooner Trend, Anadarko Basin, Canadian and Kingfisher counties ("**STACK**") shale play in Oklahoma's Anadarko Basin for a price of approximately $100.0 million. The two primary operators of the lands are Encana Corporation and Devon Energy Corporation. Both companies have stated that the STACK is a major focus of their capital spending, a portion of which is expected to be on the royalty lands. Full-field development is getting underway and is expected to grow royalty revenue in future years. The royalties consist of mineral title rights and GORRs which are expected to generate revenue primarily from development of the Meramec and Woodford horizons.

2017

Acquisition of Midland Basin Royalty Portfolio

On March 13, 2017, Franco-Nevada, through a wholly-owned U.S. subsidiary, entered into an agreement to purchase a royalty portfolio in the Midland Basin of West Texas for $110.0 million. Following completion of title due diligence, the first part of the portfolio was acquired for $89.8 million and closed on May 24, 2017. The acquisition of the second part of the portfolio closed on August 8, 2017. The total purchase price was $114.6 million including adjustments for title due diligence and the acquisition of the second part of the portfolio. The Midland Basin forms the eastern half of the broader Permian Basin.

FN Barbados Credit Facility

On March 20, 2017, the Company's wholly-owned subsidiary, FN Barbados, entered into an unsecured revolving credit facility (the "**FNBC Credit Facility**"). The FNBC Credit Facility provides for the availability over a one-year period of up to $100.0 million in borrowings. On March 19, 2019, FN Barbados extended the FNBC Credit Facility to March 20, 2020.

Acquisition of Additional STACK Royalty Portfolio and Mineral Title

On June 30, 2017, Franco-Nevada, through a wholly-owned U.S. subsidiary, entered into an agreement to purchase for $27.6 million, a second package of mineral title in the core of the STACK shale play in Oklahoma from a private company. The transaction closed on November 1, 2017. The Company has the right to royalties on production from June 1, 2017. Revenue from the royalties attributable to the mineral title is expected to grow with further development of the play.

Acquisition of Royalty on the Orion Thermal Project

On September 29, 2017, Franco-Nevada acquired a 4% GORR applicable to the Clearwater Formation within the Orion Thermal Project ("**Orion**") in the Cold Lake region of Alberta from Osum Oil Sands Corp. (" **Osum**") for cash consideration of C$92.5 million. Osum used a portion of the proceeds to fund expansions at Orion. Osum has completed Phase 2C of its expansion program which will bring production capacity to approximately 18,000 barrels per day, and the company has regulatory approval for Phase 2D which would increase production capacity to approximately 20,000 barrels per day.

2018 & 2019 Recent Developments

Additional Acquisition and Funding of Cobre Panama

On January 19, 2018, the Company, through a wholly-owned subsidiary, entered into an amended and restated stream agreement with First Quantum Minerals Ltd. ("**First Quantum**") and Korea Resources Corp. (" **KORES**"). The amended and restated stream agreement covers 100% of the Cobre Panama project ("**Cobre Panama**"). Cobre Panama, which is currently in the construction phase and is located in Panama, is 90% owned by First Quantum and 10% by KORES.

The amended and restated stream agreement comprises two distinct precious metals streams: the original stream covering First Quantum's initial 80% interest in Cobre Panama (the "**Fixed Payment Stream**") and a new stream covering (i) First Quantum's additional 10% interest in the project acquired from LS-Nikko Copper Inc. in Q4/2017 and (ii) KORES' 10% interest in Cobre Panama (the "**Floating Payment Stream**").

Fixed Payment Stream

Under the terms of the Fixed Payment Stream, Franco-Nevada has funded a deposit of $1.0 billion against future deliveries of gold and silver from Cobre Panama. The deposit was funded on a pro-rata basis of 1:3 to First Quantum's share of the capital costs for Cobre Panama in excess of $1.0 billion. Franco-Nevada fulfilled its $1.0 billion commitment in October 2018.

Under the terms of the amended and restated stream agreement, the fixed price for the Fixed Payment Stream is $418 per ounce of gold and $6.27 per ounce of silver (each increased by a 1.5% annual inflation factor), until 1,341,000 ounces of gold and 21,500,000 ounces of silver have been delivered. Thereafter, the ongoing payment will be the greater of 50% of the fixed price and 50% of the spot price.

Floating Payment Stream

The purchase price of the Floating Payment Stream was $356.0 million and was funded upfront upon closing on March 16, 2018. The terms of the Floating Payment Stream, other than the ongoing price, are similar to the Fixed Payment Stream, including initially linking precious metals deliveries to copper in concentrate shipped. Under the Floating Payment Stream, the ongoing price per ounce for deliveries is 20% of the spot price until 604,000 ounces of gold and 9,618,000 ounces of silver have been delivered. Thereafter, the ongoing payment will be 50% of the spot price.

Project Update

First Quantum continued to progress with the construction of its Cobre Panama project, with the focus remaining on commissioning of the process plant and commissioning and ramp-up of the power station. As at the end of 2018, the company reported completion of the project pre-strip, near completion of engineering and procurement and 87% completion of the tailings management facility earthworks. First ore was introduced to the mill on February 11, 2019. The project remains scheduled for ramp-up over 2019 and 2020. For the forecast 140,000 – 175,000 tonnes of contained copper production in 2019, limited production is expected in the first half of 2019 with approximately 80% of production expected to occur in the second half of the year. Subsequent to January 1, 2019 and until the mill reaches an annualized run-rate of 58 million tonnes per year, the stream agreement provides Franco-Nevada downside protection through a discount on the initial ounces purchased pursuant to the agreement. The discount provides Franco-Nevada an effective 5% return on capital.

On September 25, 2018, First Quantum addressed the announcement of the Supreme Court of Panama ruling in connection with the constitutionality of Law 9 of 1997 ("**Law 9**"). According to First Quantum, Law 9 granted the status of national law to the mining concession contract, establishing a statutory legal and fiscal regime for the development of the Cobre Panama project. Minera Panama SA ("**MPSA**"), the operating subsidiary of First Quantum, understands that the Supreme Court ruling with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the MPSA mining concession contract itself, which remains in effect, and allows continuation of the development of Cobre Panama project by MPSA.

In respect of the Supreme Court ruling on Law 9, which remains subject to various procedural processes, First Quantum has noted the following:

- The ruling is not yet in effect.
- The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.
- In reviewing the process of approval of Law 9, the Supreme Court found that the National Assembly had failed to consider whether Law 9 complied with applicable legislation at the time, namely Cabinet Decree 267 of 1969.
- The applicable Cabinet Decree of 1969, which was repealed in 1997 by Law 9, required the Ministry of Commerce and Industry ("**MICI**") to issue a request for proposals before awarding the Law 9 mining concession.
- The Attorney General of Panama has provided two formal opinions favourable to the constitutionality of Law 9 as required in this type of proceedings by Panamanian law.

- The Supreme Court ruling did not make a declaration as to the annulment of the MPSA mining concession contract.

Subsequently, MPSA has submitted filings to the Supreme Court for ruling, which the Supreme Court has accepted, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018 the Government of Panama issued a news release affirming support for the Cobre Panama project. MICI considers that the MPSA mining concession contract, and its extension, remains in effect in all its parts. Construction and commissioning are continuing while the First Quantum seeks to clarify the legal position.

Based on support from the Government of Panama, the Chamber of Commerce and Industries of Panama, the Panamanian Mining Chamber, other Panamanian business and industry chambers and its legal advice, First Quantum has indicated that it is confident of resolving the Law 9 clarification in the near-medium term.

Acquisition of U.S. Oil & Gas Royalties – Delaware Basin, Texas

On February 20, 2018, the Company, through a wholly-owned subsidiary, closed the acquisition of a royalty portfolio in the Delaware Basin, which represents the western portion of the Permian Basin, for $101.3 million. The royalties are derived principally from mineral title which provides a perpetual interest in royalty lands. The transaction entitles the Company to royalty payments effective October 1, 2017.

Acquisition of Bowen Basin Coal Royalties

On February 28, 2018, Franco-Nevada, through a wholly-owned subsidiary, acquired a portfolio of metallurgical coal royalties located in the Bowen Basin of Queensland, Australia for a cash consideration of A$4.2 million. The portfolio includes certain claims that comprise the producing Moorvale mine, Olive Downs project which had filed permitting applications, and another 33 exploration tenements. The Bowen Basin Coal royalty is a production payment of A$0.10 per tonne, adjusted for consumer price index changes since December 31, 1997.

Acquisition of U.S. Oil & Gas Royalty Rights and Strategic Relationship with Continental Resources, Inc. – SCOOP and STACK, Oklahoma

On October 23, 2018, the Company, through a wholly-owned subsidiary, entered into a strategic relationship with Continental Resources, Inc. ("**Continental**") to jointly acquire, through a newly-formed entity (the " **Royalty Acquisition Venture**"), royalty rights in the South Central Oklahoma Oil Province ("**SCOOP**") and Sooner Trend Anadarko Basin Canadian and Kingfisher Counties ("**STACK**") plays of Oklahoma. The relationship is intended to capitalize on Continental's land and exploration expertise and focus predominantly on acquiring royalty rights under Continental's drill plan.

In addition to its initial contribution of $218.5 million spent at closing, to grow the Royalty Acquisition Venture portfolio, Franco-Nevada also committed to spend up to $300 million over the following three years to acquire additional royalty rights, subject to satisfaction of agreed upon development thresholds, bringing the total commitment to $520 million. Continental committed to spend up to $75 million over the same three-year period through the Royalty Acquisition Venture.

Revenue distribution from the Royalty Acquisition Venture will vary depending on production volumes, with Franco Nevada entitled to a minimum of 50% of revenue and up to 75% of revenue at certain production volumes. Meaningful revenue from the initial contribution of assets is expected to begin in 2019, increasing over time. The assets subject to the initial investment have an anticipated life of 30+ years from current wells and future development.

As at December 31, 2018, Franco-Nevada has funded $261.8 million to the Royalty Acquisition Venture, which consists of $218.5 million for its initial contribution, and additional contributions of $43.3 million made after the closing date. Franco-Nevada has remaining commitments of $258.2 million, which will be funded over three years.

Acquisition of Salares Norte Royalty Interest

On January 31, 2019, Franco-Nevada, through a wholly-owned Chilean subsidiary, acquired an existing 2% NSR on Gold Fields' Salares Norte project in the Atacama region of northern Chile for $32.0 million, comprised of $27.0 million of Franco-Nevada common shares (366,499 common shares) and $5.0 million in cash. Gold Fields has an option to buy back 1% of the NSR for $6.0 million within 24 months of commercial production.

Acquisition of Valentine Lake Royalty Interest

On February 21, 2019, Franco-Nevada acquired a 2% NSR on Marathon Gold Corporation's (" **Marathon**") Valentine Lake Gold Camp in central Newfoundland for C$18.0 million. Marathon has an option to buy back 0.5% of the NSR for US$7.0 million until December 31, 2022.

Credit Facilities

As noted above, Franco-Nevada closed its transaction with Continental on October 23, 2018 and funded its initial contribution, net of pre-closing royalties, of $214.8 million. The net contribution was funded in part through a draw of $200.0 million on the Company's $1.0 billion unsecured revolving credit facility (the "**Credit Facility**"). The funds were drawn as 30-day LIBOR loans with the associated interest rate based on 30-day LIBOR plus 1.10%. On March 25, 2019, the Credit Facility was extended to

March 22, 2024. As of the date of this AIF, the Credit Facility has an outstanding balance of $210.0 million, and $790.0 million remains available.

FN Barbados also drew on the FNBC Credit Facility during the year to fund its capital contributions towards the Cobre Panama project. All amounts drawn, totaling $27.0 million, incurred interest based on 13-day LIBOR plus 1.35% and were repaid within the year. As at the date of this AIF, the full $100.0 million under the FNBC Credit Facility remains available to FN Barbados.

CRA Review

The CRA is conducting an audit of Franco-Nevada's 2012-2015 taxation years.

On December 5, 2018, the Company announced that it had received a letter from the CRA (the " **CRA Letter**") in which it proposed to reassess the Company's 2013 taxation year for tax, interest and penalties in relation to the Company's Mexican subsidiary. The Company received a Notice of Reassessment (the "**Reassessment**") from the CRA for the 2013 taxation year in accordance with the CRA Letter. The Reassessment assesses the Company for additional Federal and provincial income taxes of C$10.7 million ($7.9 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty.

For the 2013 taxation year, Franco-Nevada's Mexican subsidiary paid 154.3 million Mexican Pesos ($12.1 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico.

Management believes that the Company has filed its tax returns and paid all applicable taxes in compliance with Canadian and Mexican tax laws and as a result, no amounts have been recorded in the financial statements of the Company for the Reassessment or for any potential tax liability that may arise in respect of this matter. The Company intends to vigorously defend its position and if required, seek relief from double taxation under the Canada- Mexico tax treaty.

2019 Guidance

The following contains forward looking statements about our guidance for 2019. Reference should be made to the "Forward Looking Statements" section at the beginning of this AIF. For a description of material factors that could cause our actual results to differ materially from the forward looking statements below, please see the "Forward Looking Statements" section of this AIF and the "Risk Factors" section of this AIF filed with the Canadian securities regulatory authorities on www.sedar.com and our most recent Form 40-F filed with the SEC on www.sec.gov. 2019 guidance is based on assumptions including the forecasted state of operations from our assets based on the public statements and other disclosures by the third-party owners and operators of the underlying properties (subject to our assessment thereof).

For 2019, the Company is pleased to provide the following guidance for its mining and energy segments, respectively:

	2019 Guidance	2018 Actual	2017 Actual
Gold & Gold Equivalent production[1),(2)]	465,000 - 500,000 GEOs	447,902 GEOs	497,745 GEOs
Energy revenue[(3)]	$70.0 - $85.0 million	$86.1 million	$47.0 million

(1) Of the 465,000 to 500,000 GEOs, Franco-Nevada expects to receive 305,000 to 335,000 GEOs under its various streams. the year ended December 31, 2018, the Company earned 293,476 GEOs from its streams.
(2) In forecasting GEOs for 2019, gold, silver, platinum and palladium metals have been converted to GEOs using commodity prices of $1,300 Au, $15.25 Ag, $825 Pt and $1,500 Pd.
(3) In forecasting revenue from Energy assets for 2019, the WTI oil price is assumed to average $55 per barrel.

Our GEO guidance for 2019 is based on the following:

- **Latin America Mining Assets**: We anticipate significant growth from our Latin America Mining assets, reflecting first deliveries from Cobre Panama as the asset ramps-up. First Quantum has provided copper production guidance between 140,000 and 170,000 tonnes of contained copper for 2019, which would translate to approximately 59,000 GEOs based on the midpoint of the provided range. Franco-Nevada expects some delay between concentrate production as reported by First Quantum and ultimate payment under the stream agreement and therefore expects GEOs to range from 20,000 to 40,000 GEOs for 2019. We expect higher deliveries from our Candelaria stream in the second half of 2019, as the mine resumes normal operations following the pit wall slide that occurred in late 2017. However this is expected to be offset by lower deliveries from Antapaccay based on the mine's life of mine plan, and from Guadalupe as Coeur is expected to mine a larger portion outside Franco-Nevada's stream grounds. Antamina is expected to deliver below the mid-point of the long-term range of 2.8 million and 3.2 million silver ounces. Latin America revenue also includes Cerro Moro, with 2019 being the first full year of production as the project is fully ramped up.
- **U.S. Mining Assets**: We expect a decrease in production from our U.S. Mining assets, primarily due to Fire Creek having fulfilled its fixed deliveries requirement, and future royalties now being based on a trailing 2.5% NSR. Royalties from South Arturo will be limited, as Phase 2 mining is completed, and production from the Phase 1 open pit and El Nino underground mine is not expected until late 2019. Royalties from Bald Mountain are also expected to decrease compared to 2018, as mining transitions away from Franco-Nevada royalty grounds. Offsetting these decreases is the expected increase from Stillwater as the Blitz project continues to ramp-up.

- **Canada Mining Assets**: Production from our Canadian Mining assets is expected to increase compared to 2018, primarily from our Sudbury and Brucejack assets. Although the Levack-Morrison mine will be placed on care and maintenance in late March 2019, the impact of the mine closure is expected to be offset by deliveries from the McCreedy West mine. Stream ounces from McCreedy West are subject to a fixed gold equivalent price of $800 per ounce. The expected increase in revenue from Sudbury also reflects higher forecasted palladium prices. Brucejack is expected to provide a first full year of royalties as the operation met the royalty threshold in late 2018.
- **Rest of World Mining Assets**: Overall production from our Rest of World Mining assets is expected to increase slightly year-over-year, principally from Tasiast and Subika due to recently completed expansions. These increases are expected to be largely offset by a decline in ounces from the Karma stream. Karma is expected to deliver fewer ounces in 2019 as it has completed the repayment of the 5,625 ounces of gold which were due as a result of the draw down of the increase option under the stream agreement. Sabodala will deliver 22,500 GEOs in 2019, fulfilling its last year of fixed stream deliveries. Deliveries from MWS are expected to remain relatively flat compared to 2018.

Performance from our Energy assets in 2018 surpassed expectations, based on higher oil prices, unforecasted lease bonus payments, catch-up payments on 2017 production and production from high royalty percentage areas. In 2019, we expect Energy revenue to remain relatively flat year-over-year based on the following:

- **U.S. Energy Assets**: We expect incremental revenue from our recent investment in the Continental Royalty Acquisition Venture to be mostly offset by lower royalties from our SCOOP/STACK and Permian Basin portfolios, based primarily on our assumptions of lower oil prices compared to 2018. 2019 revenue guidance does not include any potential lease bonus revenue.
- **Canada Energy Assets**: Revenue from our Weyburn royalties are expected to decrease compared to 2018 based on an expectation of lower realized prices. Royalties from the Orion oil sands project, which were most impacted by the widened differentials against the Western Canada Select benchmark in the second half of 2018, are expected to increase, as differentials improve and production capacity is further expanded.

Depletion and depreciation expense totaled $247.7 million in 2018. The Company estimates depletion and depreciation expense to be $245.0 million to $275.0 million for 2019. This estimate corrects and supersedes the prior estimate of $295.0 million to $325.0 million contained in the Company's management's discussion and analysis and press release both dated March 19, 2019.

With respect to the Royalty Acquisition Venture held with Continental, the Company is expecting to contribute, subject to satisfaction of agreed upon development thresholds, up to $100 million in 2019.

EXPLANATION OF ROYALTIES, STREAMS AND OTHER INTERESTS

A royalty is a payment to a royalty holder by a property owner or an operator of a property and is typically based on a percentage of the minerals or other products produced or the revenues or profits generated from the property. The granting of a royalty to a person usually arises as a result of: (i) paying part of the consideration payable to land owners, prospectors or junior mining companies for the purchase of their property interests; (ii) providing capital in exchange for granting a royalty; or (iii) converting a participating interest in a joint venture relationship into a royalty.

Royalties are not typically working interests in a property. Therefore, depending on the nature of the royalty interest and the laws applicable to the royalty and project, the royalty holder is generally not responsible for, and has no obligation to contribute, additional funds for any purpose, including, but not limited to, operating or capital costs, or environmental or reclamation liabilities. Typically, royalty interests are established through a contract between the royalty holder and the property owner, although many jurisdictions permit the holder to also register or otherwise record evidence of a royalty interest in applicable mineral title or land registries. The unique characteristics of royalties may provide royalty holders with special commercial benefits not available to the property owner because the royalty holder may enjoy the upside potential of the property with reduced risk.

Revenue-based Royalties: The majority of royalty revenues that Franco-Nevada receives are royalties based on revenues from the value of production. The key types of revenue-based royalties are described in general terms below:

> **Net Smelter Return** ("**NSR**") royalties are based on the value of production or net proceeds received by the operator from a smelter or refinery. These proceeds are usually subject to deductions or charges for transportation, insurance, smelting and refining costs as set out in the royalty agreement. For gold royalties, the deductions are generally minimal, while for base metal projects the deductions can be much more substantial. This type of royalty generally provides cash flow that is free of any operating or capital costs and environmental liabilities. A smaller percentage NSR in a project can effectively equate to the economic value of a larger percentage profit or working interest in the same project.
>
> **Gross Royalties** ("**GR**") **or Gross Overriding Royalties** ("**GORR**") are based on the total revenue stream from the sale of production from the property with few, if any, deductions. Some contracts refer to gross proceeds ("**GP**") which have been characterized as comparable to GRs in this document.
>
> **Overriding Royalties** ("**ORR**") **and Lessor or Freehold Royalties** ("**FH**") are based on the proceeds from gross production and are usually free of any operating, capital and environmental costs. These terms are usually applied in the oil & gas industry.

Profit-based Royalties: Franco-Nevada also receives a portion of its revenues from royalties that are calculated based on profits, as described below:

> **Net Profit Interest** ("**NPI**") is based on the profit realized after deducting costs related to production as set out in the royalty agreement. NPI payments generally begin after payback of capital costs. Although the royalty holder is generally not responsible for providing capital, covering operating losses or environmental liabilities, increases in production costs will affect net profits and royalties payable.
>
> **Net Royalty Interest** ("**NRI**") is paid net of operating and capital costs similar to an NPI.

Fixed Royalties: Franco-Nevada has a small number of fixed royalties. These are royalties that are paid based on a set rate per tonne mined, produced or processed or even a minimum for a period of time rather than as a percentage of revenue or profits. These types of royalties are more common for iron ore, coal and industrial minerals and usually do not have exposure to changes in the underlying commodity price.

The royalty types listed above can include additional provisions that allow them to change character in different circumstances or have varying rates. Some examples are as follows:

> **Minimum Royalty** ("**MR**") is a provision included in some royalties that requires fixed payments at a certain level even if the project is not producing, or the project is producing at too low a rate to achieve the minimum.
>
> **Advance Minimum Royalty** ("**AMR**") is similar to an MR except that, once production begins, the minimum payments already paid are often credited against subsequent royalty payments from production that exceeds the minimum.
>
> **Sliding Scale Royalty** ("**Sliding Scale**" **or** "**ss**") refers to royalties where the royalty percentage is variable. Generally this royalty percentage is indexed to metal prices or a production threshold. Generally, a minimum or maximum percentage would be applied to such a royalty.
>
> **Capped Royalty** ("**Capped**") refers to royalties that expire or cease payment after a particular cumulative royalty amount has been paid or a set production volume threshold or time period has been reached.

Royalties can be commodity specific and, for instance, apply only to gold or hydrocarbons or have varying royalty structures for different commodities from the same property. Royalties can be restricted or varied by metallurgy, ore type or even by stratigraphic

horizon. Generally, the contract terms for royalties in the oil & gas business are more standardized than those found in the mineral business.

Streams: Streams are distinct from royalties. They are metal purchase agreements where, in exchange for an upfront deposit and ongoing payments for metal delivered, the holder purchases all or a portion of one or more metals produced from a mine, at a preset price. In the case of gold, the agreements typically provide for the purchase price to be the spot price at the time of delivery with a fixed price per ounce (typically $400 with a small inflationary adjustment or a percentage of the spot price for gold) payable in cash and the balance paid by applying the upfront deposit. Once the upfront deposit is fully applied, the purchase price is typically, in the case of streams which provide for a fixed price per ounce as opposed to a percentage of the spot price, the lesser of the fixed price per ounce payable in cash and the spot price at the time of delivery. Precious metals streams are well suited to co-product production providing incentive to the operator to produce the precious metals. Because streams can also be used as a form of financing a project, the stream structure may also help maintain the borrowing capacity for the project. Streams can provide higher leverage to commodity price changes as a result of the fixed purchase price per ounce.

Working Interests ("**WI**")**:** A working interest is significantly different than a royalty or stream in that a holder of a WI owns an undivided possessory interest in the land or leasehold itself, and is liable for its share of capital, operating and environmental costs, usually in proportion to its ownership percentage, and it receives its pro-rata share of revenue. Minority working or equity interests are not considered to be royalties because of the ongoing funding commitments, although they can be similar in their calculations to NPIs.

Example of a Royalty (NSR or NPI) versus a Stream

Assume for one ounce of gold, a sales price of $1,300, a "stream cost" of $400 per ounce and an "all-in sustaining cost" (1) of $806 per ounce. Also assume that Franco-Nevada has a 4% NSR, a 4% NPI or WI or a 4% stream.

	NSR	Stream	Developed NPI or WI
One ounce sold at	$ 1,300	$ 1,300	$ 1,300
Applicable cost	—	$ 400	$ 806 (1)
Margin for calculation	$ 1,300	$ 900	$ 494
NSR, Stream or NPI %	4 %	4 %	4 %
Revenue per ounce to FNV	$ 52	$ 36	$ 20

(1) For applicable costs for a developed NPI or WI, Franco-Nevada is, for illustrative purposes, assuming Barrick Gold Corporation's (" **Barrick**") 2018 all-in sustaining cash cost measure, as Barrick is the operator of two assets at which Franco-Nevada has NPI interests.

Based on the above economics, a comparable percentage NSR is greater than 2.60 times more valuable than an equivalent Developed NPI or WI and 1.45 times more valuable than a stream interest. With changes to the gold price, the NPI or WI would demonstrate the most leverage while the NSR would provide the most down side protection. The stream provides commodity price leverage similar to a low cost operating company with more certainty as to future costs.

TECHNICAL AND THIRD PARTY INFORMATION

Except where otherwise stated, the disclosure in this AIF relating to properties and operations on the properties in which Franco-Nevada holds royalty, stream or other interests is based on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as at March 15, 2019 (except where stated otherwise), and none of this information has been independently verified by Franco-Nevada. Specifically, as a royalty or stream holder, Franco-Nevada has limited, if any, access to properties included in its asset portfolio. Additionally, Franco-Nevada may from time to time receive operating information from the owners and operators of the properties, which it is not permitted to disclose to the public. Franco-Nevada is dependent on the operators of the properties and their qualified persons to provide information to Franco-Nevada or on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which Franco-Nevada holds royalty, stream or other interests and generally has limited or no ability to independently verify such information. Although Franco-Nevada does not have any knowledge that such information may not be accurate, there can be no assurance that such third party information is complete or accurate. Some information publicly reported by operators may relate to a larger property than the area covered by Franco-Nevada's royalty, stream or other interest. Franco-Nevada's royalty, stream or other interests often cover less than 100% and sometimes only a portion of the publicly reported mineral reserves, mineral resources and production of a property.

Except where otherwise noted, the disclosure in this AIF relating to mineral reserve and mineral resource statements for individual properties is made as at December 31, 2018. In addition, numerical information presented in this AIF which has been derived from information publicly disclosed by owners or operators may have been rounded by Franco-Nevada and, therefore, there may be some inconsistencies between the significant digits presented in this AIF and the information publicly disclosed by owners and operators.

Franco-Nevada considers its stream interests in the Antapaccay project, the Antamina project, the Candelaria project and the Cobre Panama project to be its only material mining projects for the purposes of NI 43-101. Franco-Nevada will continue to assess the materiality of its assets as new assets are acquired or move into production. For additional information, please refer to Franco-Nevada's 2019 Asset Handbook which can be found on our website.

Information contained in this AIF with respect to each of the Antamina project, the Antapaccay project, the Candelaria project and the Cobre Panama project has been prepared in accordance with the exemption set forth in section 9.2 of NI 43-101.

Unless otherwise noted, the disclosure contained in this AIF of a scientific or technical nature for the Antamina project is based on (i) the information disclosed in the annual information form of Teck Resources Limited ("**Teck**") dated February 25, 2019 and filed under Teck's SEDAR profile on February 27, 2019; (ii) the technical report entitled "Technical Report, Mineral Reserves and Resources, Antamina Deposit, Peru 2010" and dated January 31, 2011, which technical report was prepared for Compañía Minera Antamina S.A. ("**CM Antamina**"), and filed under Teck's SEDAR profile on March 22, 2011; and (iii) the news release dated February 1, 2019 of Glencore containing the Glencore 2018 Production Report, available on Glencore's website, and which reports silver production for the Antamina project.

The disclosure contained in this AIF of a scientific or technical nature for the Antapaccay project is based on (i) the information disclosed in the document entitled "Antapaccay Mining and Technical Information" and dated effective February 10, 2016, which document was prepared by Compañía Minera Antapaccay S.A. ("**CM Antapaccay**"), the owner and operator of the Antapaccay project and an indirect wholly-owned subsidiary of Glencore, available on CM Antapaccay's website at www.glencoreperu.pe; (ii) the Glencore Statement of Resources & Reserves as at December 31, 2018; and (iii) the news release dated February 1, 2019 of Glencore containing the Glencore 2018 Production Report, each available on Glencore's website.

The disclosure contained in this AIF of a scientific or technical nature for the Candelaria project is based on (i) the technical report entitled "Technical Report for the Candelaria Copper Mining Complex, Atacama Province, Region III, Chile" dated November 28, 2018 which technical report was prepared for Lundin and filed under Lundin's SEDAR profile on November 28, 2018 (the "**Candelaria Technical Report**"); and (ii) the management's discussion and analysis of Lundin for the year ended December 31, 2018, dated as of February 14, 2019 and filed under Lundin's SEDAR profile on February 14, 2019.

The disclosure contained in this AIF for the Cobre Panama project is based on (i) the technical report entitled "Cobre Panamá Project -- Colón Province, Republic of Panamá -- NI 43 - 101 Technical Report" and dated June 30, 2015, which was prepared for First Quantum and filed under First Quantum's SEDAR profile on July 22, 2015 ("**Cobre Panama Technical Report**"); (ii) the management's discussion and analysis of First Quantum for the year ended December 31, 2018 and filed under First Quantum's SEDAR profile on February 15, 2019; and (iii) the information disclosed in the annual information form of First Quantum, dated March 27, 2018 and filed under First Quantum's SEDAR profile on March 27, 2018.

The technical and scientific information contained in this AIF relating to the Antamina project, the Antapaccay project, the Candelaria project and the Cobre Panama project was reviewed and approved in accordance with NI 43-101 by Phil Wilson, C.Eng., Vice President, Technical of the Corporation and a "Qualified Person" as defined in NI 43-101.

Reconciliation to CIM Definitions

In this AIF, Franco-Nevada has disclosed a number of resource and reserve estimates covering properties related to the mining assets that are not based on Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") definitions, but instead have been prepared in reliance upon JORC, SAMREC and SEC Industry Guide 7 (collectively, the "**Acceptable Foreign Codes**"). Estimates based on Acceptable Foreign Codes are recognized under NI 43-101 in certain circumstances. SEC Industry Guide 7, the existing standard for the SEC, is being replaced by the adoption of the Modernization of Property Disclosure of Mining Registrants Standards, which will be mandatory for issuers subject to U.S. reporting standards for the first fiscal year beginning on or after January 1, 2021. None of the reserve or resource estimates presented herein have been prepared in accordance with the Modernization of Property Disclosure of Mining Registrants Standards.

In each case, the mineral resources and mineral reserves reported in this AIF are based on estimates previously disclosed by the relevant property owner or operator, without reference to the underlying data used to calculate the estimates. Accordingly, Franco-Nevada is not able to reconcile the resource and reserve estimates prepared in reliance on an Acceptable Foreign Code with that of CIM definitions. Franco-Nevada previously sought confirmation from one of its technical advisory firms, that is comprised of engineers experienced in the preparation of resource and reserve estimates using CIM and each of the Acceptable Foreign Codes, of the extent to which an estimate prepared under an Acceptable Foreign Code would differ from that prepared under CIM definitions. Franco-Nevada was advised that, while the CIM definitions are not identical to those of the Acceptable Foreign Codes, the resource and reserve definitions and categories are substantively the same as the CIM definitions mandated in NI 43-101 and will typically result in reporting of substantially similar reserve and resource estimates. Such advisors further confirmed, without reference to the procedures in which the estimates prepared using Acceptable Foreign Codes that are reproduced in this AIF were conducted, that in the course of their preparation of a resource or reserve estimate they would effectively use the same procedures to prepare and report the resource or reserve estimate regardless of the reliance on CIM or any of the Acceptable Foreign Codes. Such advisors noted two provisos to this confirmation, being (i) SEC Industry Guide 7 prohibits the reporting of resources, and will only permit reporting of reserves, and (ii) it is now generally accepted practice that staff at the SEC expect to see metals prices based on historic three year average prices, while each of CIM and the other Acceptable Foreign Codes permits the author of a resource or reserve estimate to use his or her discretion to establish a reasonable assumed metal price in such calculations. See "Cautionary Note Regarding Mineral Reserve and Resource Reporting Estimates".

FRANCO-NEVADA'S ASSETS

Franco-Nevada's assets are categorized by commodity and stage of development. By commodity, assets are characterized as "Gold & Gold Equivalent" or "Energy". "Gold & Gold Equivalent" includes gold, silver, PGM and other mining assets. "Energy" encompasses oil, gas and natural gas liquids. "**Producing**" assets are those that have generated revenue from steady-state operations for Franco Nevada or are expected to in the next year. "**Advanced**" assets are interests on projects which are not yet producing, but where in management's view, the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. "**Exploration**" assets represent interests on projects where technical feasibility and commercial viability of extracting a mineral resource are not demonstrable.

Management uses the following criteria in its assessment of technical feasibility and commercial viability:

(i) Geology: there is a known mineral deposit which contains mineral reserves or resources; or the project is adjacent to a mineral deposit that is already being mined or developed and there is sufficient geologic certainty of converting the deposit into mineral reserves or resources.

(ii) Accessibility and authorization: there are no significant unresolved issues impacting the accessibility and authorization to develop or mine the mineral deposit, and social, environmental and governmental permits and approvals to develop or mine the mineral deposit appear obtainable.

For accounting purposes, the number of assets has been counted in different manners depending on the category. Royalties on a producing or advanced property are generally counted as a single asset even if Franco-Nevada has multiple different royalties on the property, such as at the Goldstrike complex. Streams covering a group of mines in close proximity and operated by a common operator such as the Sudbury streams have also been counted as one asset. However, royalties and streams on producing properties that have significant co-products have been counted twice, such as the Robinson royalties for gold and copper or the Sudbury streams for gold and PGM. Exploration royalties are simply counted by the number of royalty contracts and no effort has been made to consolidate royalties on the same property. Franco-Nevada's energy interests are subdivided into Producing Assets, which are assets that are currently producing oil or natural gas, or Exploration Assets, which are undeveloped assets that are not producing oil or natural gas. Franco-Nevada's energy interests consist of a variety of working interests and royalty interests which are derived from a large number of underlying leases, contractual agreements and mineral title covering land positions in western Canada, the Canadian Arctic and Oklahoma and Texas in the United States. For accounting purposes, these leases, contracts and mineral title have been grouped into distinct land areas and tabulated as individual assets. In many cases, Franco-Nevada owns multiple royalties or working interests that pertain to the same land area, and in these circumstances, the interests are counted as a single asset.

As of March 27, 2019, Franco-Nevada estimates that it holds 290 mining assets and 80 energy assets for a total of 370 assets.

Franco-Nevada Asset Tabulation at March 27, 2019			
	Mining	Energy	TOTAL
Producing	51	55	106
Advanced	37	—	37
Exploration	202	25	227
TOTAL	290	80	370

Summary of Mineral Reserves and Mineral Resources

The mineral reserves and mineral resources tabulated in this AIF reflect the most recent publicly disclosed figures by the operators of the assets (converted to a 100% basis where appropriate) in which Franco-Nevada has interests. However, Franco-Nevada's interests often do not cover the entire mineral reserve and mineral resource that is publicly reported by the operator. In such cases, Franco-Nevada has provided its best approximation as to the appropriate percentage of mineral reserves and mineral resources covered by Franco-Nevada's interests.

		Mineral Reserves									% of Mineral
		Proven			Probable			**Proven & Probable**			Reserves &
GOLD - LATIN AMERICA	**Notes**	Tonnes 000s	Grade g/t	Contained 000 oz	Tonnes 000s	Grade g/t	Contained 000 oz	**Tonnes 000s**	**Grade g/t**	**Contained 000 oz**	Resources Covered by FNV Interest
Cobre Panama	4	345,600	0.10	1,122	2,837,000	0.06	5,819	**3,182,600**	**0.07**	**6,941**	100 %
Candelaria	1, 5	532,696	0.12	2,086	101,282	0.15	488	**633,978**	**0.13**	**2,574**	80 %
Antapaccay	6	236,000	0.10	731	411,000	0.09	1,173	**647,000**	**0.09**	**1,904**	100 %
Guadalupe-Palmarejo	1, 3, 7	1,164	2.89	108	7,364	2.47	585	**8,528**	**2.53**	**693**	74 %
Cerro Moro	8	43	10.57	15	1,766	11.64	661	**1,809**	**11.61**	**675**	100 %
Salares Norte	1, 9	—	—	—	21,100	5.16	3,500	**21,100**	**5.16**	**3,500**	99 %
Calcatreu	10	—	—	—	—	—	—	**—**	**—**	**—**	—
CentroGold (Gurupi)	11	—	—	—	—	—	—	**—**	**—**	**—**	—
San Jorge	12	—	—	—	—	—	—	**—**	**—**	**—**	—
Taca Taca	13	—	—	—	—	—	—	**—**	**—**	**—**	—
Volcan	1, 14	—	—	—	—	—	—	**—**	**—**	**—**	—
GOLD - UNITED STATES											
Goldstrike	1, 15	55,514	3.65	6,513	12,381	5.05	2,012	**67,895**	**3.91**	**8,525**	65 %
Gold Quarry	1, 16		not available			not available			**not available**		not available
Marigold	1, 17	—	—	—	201,500	0.51	3,300	**201,500**	**0.51**	**3,300**	100 %
Midas/Fire Creek	3, 18	22	41.43	29	83	15.07	40	**104**	**20.57**	**69**	100 %
Bald Mountain	1, 19	2,666	0.98	84	63,984	0.61	1,263	**66,650**	**0.63**	**1,347**	80 %
South Arturo	1, 20	3,762	3.20	387	3,343	2.79	300	**7,105**	**3.01**	**687**	100 %
Mesquite	21	5,627	0.49	89	59,491	0.54	1,040	**65,119**	**0.54**	**1,129**	100 %
Hollister	3, 22	2	34.29	2	8	22.86	6	**10**	**24.93**	**8**	100 %
Stibnite Gold	3, 23	—	—	—	88,964	1.60	4,578	**88,964**	**1.60**	**4,578**	100 %
Castle Mountain	24	136,611	0.58	2,559	60,978	0.51	1,004	**197,589**	**0.56**	**3,563**	100 %
Pinson	1, 3, 25	5,717	0.91	168	1,056	5.19	176	**6,856**	**1.56**	**344**	—
Robinson	26	110,513	0.15	533	8,860	0.12	34	**119,374**	**0.15**	**576**	100 %
Sandman	27	—	—	—	—	—	—	**—**	**—**	**—**	—
GOLD - CANADA											
Sudbury	1, 28		not available			not available			**not available**		not available
Detour Lake	29	85,200	1.24	3,384	413,200	0.91	12,060	**498,400**	**0.96**	**15,444**	100 %
Golden Highway - Holt	30	1,930	4.10	253	1,660	4.50	238	**3,580**	**4.30**	**491**	100 %
Golden Highway - Taylor	1, 31	—	—	—	751	4.90	117	**751**	**4.90**	**117**	95 %
Golden Highway - Holloway	32	24	3.80	3	233	4.40	33	**257**	**4.30**	**36**	100 %
Golden Highway - Hislop	33	—	—	—	176	5.80	33	**176**	**5.80**	**33**	100 %
Hemlo	1, 34	1,425	4.17	191	22,677	2.38	1,733	**24,102**	**2.48**	**1,924**	20 %
Musselwhite	35	3,590	6.57	760	7,310	6.46	1,520	**10,910**	**6.49**	**2,280**	100 %
Kirkland Lake	36	288	21.71	201	2,900	21.99	2,050	**3,190**	**21.94**	**2,250**	100 %
Timmins West	37	407	3.59	47	6,055	3.11	606	**6,462**	**3.14**	**653**	100 %
Canadian Malartic	1, 38	46,058	0.89	1,316	111,598	1.18	4,244	**157,658**	**1.10**	**5,560**	12 %
Brucejack	1, 39	4,700	12.57	1,900	13,800	15.33	6,800	**18,500**	**14.63**	**8,700**	100 %
Hardrock	40	—	—	—	141,700	1.02	4,648	**141,700**	**1.02**	**4,648**	100 %
Valentine Lake	41	—	—	—	—	—	—	**—**	**—**	**—**	—
Red Lake (Phoenix)	42	—	—	—	—	—	—	**—**	**—**	**—**	—
Courageous Lake	43	12,000	2.41	1,000	79,000	2.17	5,500	**91,000**	**2.20**	**6,500**	100 %
Dublin Gulch (Eagle Deposit)	44	27,000	0.80	685	90,000	0.62	1,778	**116,000**	**0.66**	**2,463**	100 %
Goldfields	45	1,228	1.90	75	21,105	1.39	945	**22,333**	**1.42**	**1,020**	100 %
Red Mountain	46	1,308	7.82	329	645	6.93	144	**1,953**	**7.53**	**473**	100 %
Monument Bay	47	—	—	—	—	—	—	**—**	**—**	**—**	—
GOLD - AUSTRALIA											
Duketon	1, 48	9,000	0.86	249	40,800	1.19	1,563	**49,800**	**1.13**	**1,813**	100 %
Henty	49	55	4.90	8	10	5.20	2	**65**	**5.40**	**10**	100 %
Aphrodite	50	—	—	—	—	—	—	**—**	**—**	**—**	—
Yandal (Bronzewing)	51	1,400	2.11	95	14,200	1.67	761	**15,600**	**1.71**	**856**	—
Bullabulling	1, 52	—	—	—	—	—	—	**—**	**—**	**—**	—
Edna May	1, 53	3,398	0.69	75	458	4.28	63	**3,856**	**1.11**	**138**	2 %
Glenburgh	54	—	—	—	—	—	—	**—**	**—**	**—**	—
Red October	55	—	—	—	—	—	—	**—**	**—**	**—**	100 %
South Kalgoorlie	1, 56	492	1.64	26	2,973	2.91	278	**3,465**	**2.73**	**304**	74 %
Matilda (Wiluna)	57	570	0.90	16	25,910	1.80	1,514	**26,480**	**1.80**	**1,530**	100 %
GOLD - REST OF WORLD											
MWS	58	115,780	0.22	800	172,570	0.26	1,440	**288,350**	**0.24**	**2,240**	fixed interest
Sabodala	59	18,450	0.98	580	43,170	1.53	2,130	**61,610**	**1.36**	**2,700**	100 %
Karma	60	1,300	0.63	24	26,200	0.88	740	**27,500**	**0.86**	**764**	100 %
Tasiast	61	34,749	1.20	1,335	85,168	2.20	6,105	**119,917**	**1.90**	**7,440**	100 %
Subika	1, 62	53,900	1.36	2,360	56,200	2.22	4,020	**110,100**	**1.80**	**6,380**	78 %
Edikan	63	18,300	1.00	587	26,400	1.15	979	**44,700**	**1.09**	**1,566**	100 %
Agi Dagi	64	1,450	0.76	36	52,911	0.66	1,130	**54,361**	**0.67**	**1,166**	100 %
Ity	1, 65	—	2.90	2	60,700	1.56	3,036	**60,800**	**1.55**	**3,039**	fixed interest
Perama Hill	66	2,477	4.44	354	7,220	2.68	621	**9,697**	**3.13**	**975**	100 %
Kiziltepe	67	—	—	—	—	—	—	**—**	**—**	**—**	—
Sissingue	1, 68	4,600	1.53	226	100	3.11	10	**4,700**	**2.03**	**306**	100 %
TOTAL GOLD MINERAL RESERVES				**31,342**			**92,820**			**124,231**	

		Mineral Resources - Inclusive of Reserves							Mineral Resources			% of Mineral
		Measured (M)			Indicated (I)			(M)+(I)	Inferred			Reserves &
GOLD - LATIN AMERICA	**Notes**	Tonnes 000s	Grade g/t	Contained 000 oz	Tonnes 000s	Grade g/t	Contained 000 oz	**Contained 000 oz**	Tonnage 000s	Grade g/t	Contained 000 oz	Resources Covered by FNV Interest
Cobre Panama	4	336,000	0.10	1,080	3,358,000	0.06	6,373	**7,453**	1,051,000	0.03	1,135	100 %
Candelaria	1, 5	775,700	0.14	3,604	176,775	0.17	972	**4,577**	52,718	0.12	206	80 %
Antapaccay	6	249,000	0.11	869	640,000	0.10	2,115	**2,983**	169,000	0.11	578	100 %
Guadalupe-Palmarejo	1, 2, 3, 7	1,712	2.91	160	14,208	2.17	992	**1,151**	5,330	2.24	384	92 %
Cerro Moro	2, 8	61	10.71	21	2,990	8.98	863	**883**	1,706	3.85	211	100 %
Salares Norte	1, 9	—	—	—	21,100	5.16	3,500	**3,500**	4,500	2.76	400	99 %
Calcatreu	10	—	—	—	8,816	2.43	690	**690**	7,571	1.41	343	100 %
CentroGold (Gurupi)	11	—	—	—	24,000	2.14	1,653	**1,653**	8,800	1.99	564	100 %
San Jorge	12	79,518	0.22	584	104,091	0.19	626	**1,211**	11,235	0.16	59	100 %
Taca Taca	13	—	—	—	2,165,000	0.08	5,560	**5,560**	921,000	0.05	1,570	100 %
Volcan	1, 14	—	—	—	—	—	—	**—**	18,600	0.85	510	25 %
GOLD - UNITED STATES												
Goldstrike	1, 2, 15	59,086	3.84	7,288	16,973	5.26	2,869	**10,157**	1,817	8.11	474	65 %
Gold Quarry	1, 16	not available			not available			**—**	not available			not available
Marigold	1, 17	—	—	—	354,500	0.49	5,560	**5,560**	33,600	0.37	400	100 %
Midas/Fire Creek	3, 18	246	21.38	169	39,913	1.22	1,564	**1,733**	29,796	1.65	1,582	100 %
Bald Mountain	1, 2, 19	17,651	0.69	394	225,897	0.58	4,247	**4,641**	62,982	0.40	845	90 %
South Arturo	1, 2, 20	9,755	1.88	590	20,392	1.33	870	**1,460**	1,900	1.31	80	100 %
Mesquite	2, 21	9,924	0.46	148	135,350	0.50	2,162	**2,310**	8,871	0.38	107	100 %
Hollister	3, 22	96	31.70	98	131	21.90	92	**190**	499	13.90	223	100 %
Stibnite Gold	3, 23	4,623	2.54	377	100,289	1.62	5,234	**5,610**	23,174	1.29	959	100 %
Castle Mountain	24	160,643	0.58	2,993	81,351	0.51	1,339	**4,332**	171,395	0.40	2,195	100 %
Pinson	1, 3, 25	19,223	1.21	746	4,130	2.54	338	**1,085**	1,080	4.88	169	—
Robinson	26	317,942	0.18	1,840	40,173	0.15	194	**2,072**	11,942	0.18	69	100 %
Sandman	27	—	—	—	1,200	1.23	50	**50**	1,100	1.85	60	100 %
GOLD - CANADA												
Sudbury	1, 28	not available			not available			**—**	not available			not available
Detour Lake	2, 29	101,900	1.25	4,106	508,800	0.93	15,220	**19,325**	42,900	0.82	1,137	100 %
Golden Highway - Holt	2, 30	5,966	4.07	780	4,507	4.18	605	**1,386**	8,253	4.85	1,286	100 %
Golden Highway - Taylor	1, 2, 31	—	—	—	23,877	1.53	1,176	**1,176**	1,988	5.27	337	95 %
Golden Highway - Holloway	2, 32	310	3.81	38	2,142	4.20	289	**326**	5,479	4.12	726	100 %
Golden Highway - Hislop	2, 33	—	—	—	1,323	3.88	165	**165**	800	3.89	100	100 %
Hemlo	1, 2, 34	2,017	3.86	250	59,555	1.70	3,248	**3,498**	6,023	3.37	653	20 %
Musselwhite	2, 35	3,880	6.49	810	9,210	6.08	1,800	**2,610**	5,170	5.17	860	100 %
Kirkland Lake	2, 36	741	19.69	469	7,371	14.13	3,349	**3,817**	17,607	5.06	2,867	100 %
Timmins West	37	247	4.91	39	7,814	3.99	1,001	**1,040**	6,391	5.65	1,161	100 %
Canadian Malartic	1, 2, 38	49,828	0.93	1,482	138,828	1.30	5,816	**7,298**	72,420	1.99	4,638	12 %
Brucejack	1, 39	5,900	12.65	2,400	15,500	15.45	7,700	**10,000**	8,600	14.11	3,900	100 %
Hardrock	2, 40	4,060	1.07	140	178,460	1.28	7,328	**7,468**	27,360	3.09	2,720	100 %
Valentine Lake	41	16,620	2.18	1,167	28,526	1.66	1,525	**2,691**	26,857	1.77	1,532	100 %
Red Lake (Phoenix)	42	188	6.78	41	1,186	6.29	240	**281**	3,884	6.00	749	100 %
Courageous Lake	43	13,401	2.53	1,090	93,914	2.28	6,884	**7,974**	53,227	2.29	3,914	100 %
Dublin Gulch (Eagle Deposit)	44	36,061	0.72	829	162,659	0.62	3,253	**4,083**	12,781	0.50	205	100 %
Goldfields	45	858	2.04	56	20,002	1.51	971	**1,027**	4,564	1.54	226	100 %
Red Mountain	46	1,828	8.92	524	943	5.95	181	**705**	316	6.04	61	100 %
Monument Bay	47	—	—	—	36,581	1.52	1,787	**1,787**	41,946	1.32	1,781	100 %
GOLD - AUSTRALIA												
Duketon	1, 48	14,200	0.83	380	122,200	0.94	3,707	**4,087**	30,600	1.01	998	97 %
Henty	49	846	4.60	125	423	4.30	58	**183**	297	5.00	48	100 %
Aphrodite	50	—	—	—	12,611	2.37	960	**960**	7,566	2.48	603	100 %
Yandal (Bronzewing)	51	1,800	2.15	124	18,000	2.03	1,172	**1,297**	4,100	2.06	272	100 %
Bullabulling	1, 52	—	—	—	68,805	0.99	2,190	**2,190**	26,595	1.19	1,020	50 %
Edna May	1, 53	2,758	0.60	53	20,900	0.98	657	**710**	5,100	0.83	136	2 %
Glenburgh	54	2,900	1.94	181	4,600	1.56	231	**412**	13,900	1.32	591	100 %
Red October	55	—	—	—	3,670	1.65	195	**195**	3,200	1.65	170	100 %
South Kalgoorlie	1, 56	1,536	3.38	167	27,001	2.14	1,855	**2,022**	25,222	2.03	1,645	88 %
Matilda (Wiluna)	57	100	2.49	8	70,000	1.73	3,895	**3,903**	26,400	3.31	2,812	100 %
GOLD - REST OF WORLD												
MWS	58	115,510	0.22	800	172,340	0.26	1,440	**2,240**	—	—	—	fixed interest
Sabodala	59	21,174	1.15	783	65,445	1.74	3,655	**4,438**	17,248	1.81	1,004	100 %
Karma	60	1,300	0.63	28	74,000	1.10	2,627	**2,655**	17,900	1.34	772	100 %
Tasiast	2, 61	39,325	1.14	1,441	155,277	1.79	8,920	**10,361**	5,984	2.20	420	100 %
Subika	1, 2, 3, 62	55,300	1.34	2,390	91,500	2.22	6,540	**8,930**	21,800	3.17	2,220	80 %
Edikan	63	37,300	1.20	1,445	47,600	1.04	1,588	**3,025**	6,800	1.22	267	100 %
Agi Dagi	1, 2, 64	2,516	0.74	60	104,453	0.63	2,132	**2,192**	19,551	0.52	330	98 %
Ity	1, 65	1,400	0.97	44	72,200	1.55	3,602	**3,646**	19,100	1.34	823	fixed interest
Perama Hill	66	3,064	4.30	424	9,375	3.18	958	**1,382**	8,766	1.96	554	100 %
Kiziltepe	67	922	3.34	99	1,342	1.89	82	**181**	1,549	1.53	76	100 %
Sissingue	1, 68	7,500	1.70	409	500	1.37	22	**430**	100	0.93	3	100 %
TOTAL GOLD MINERAL RESOURCES*				**44,143**			**156,885**	**200,956**			**56,741**	

*Total excludes New Prosperity

		Silver Mineral Reserves									% of Mineral
		Proven			Probable			**Proven & Probable**			Reserves &
Silver	**Notes**	Tonnes 000s	Grade g/t	Contained 000 oz	Tonnes 000s	Grade g/t	Contained 000 oz	**Tonnes 000s**	**Grade g/t**	**Contained 000 oz**	Resources Covered by FNV Interest
Cobre Panama	69	345,600	1.33	14,791	2,837,000	1.36	123,612	**3,182,500**	**1.35**	**138,402**	100 %
Candelaria	1, 70	532,696	1.75	29,891	101,282	1.88	6,108	**633,978**	**1.77**	**35,999**	80 %
Antapaccay	71	236,000	1.57	11,934	411,000	1.96	25,922	**647,000**	**1.82**	**37,856**	100 %
Antamina	1, 72	234,800	10.44	78,832	254,200	10.58	86,468	**489,100**	**10.56**	**166,007**	22.5 %
Cerro Moro	73	43	619.90	857	1,766	653.46	37,102	**1,809**	**652.66**	**37,959**	100 %
Salares Norte	1, 74	—	—	—	21,100	57.93	39,300	**21,100**	**57.93**	**39,300**	99 %
Fire Creek	3, 75	22	38.57	27	83	11.30	30	**104**	**16.99**	**57**	100 %
Calcatreu	76	—	—	—	—	—	—	**—**	**—**	**—**	100 %
TOTAL SILVER MINERAL RESERVES				**136,331**			**318,542**			**455,580**	

		Silver Mineral Resources - Inclusive of Reserves										% of Mineral Reserves & Resources Covered by FNV Interest
		Measured (M)			Indicated (I)			(M)+(I)	Silver Inferred Mineral Resources			
Silver	**Notes**	Tonnes 000s	Grade g/t	Contained 000 oz	Tonnes 000s	Grade g/t	Contained 000 oz	**Contained 000 oz**	Tonnage 000s	Grade g/t	Contained 000 oz	
Cobre Panama	69	336,000	1.35	14,584	3,358,000	1.32	142,062	**156,646**	1,051,000	1.08	36,449	100 %
Candelaria	1, 70	775,700	1.97	49,200	176,775	2.13	12,080	**61,280**	52,718	1.07	1,806	80 %
Antapaccay	71	249,000	1.86	14,917	638,000	2.48	50,940	**65,856**	169,000	0.96	5,192	100 %
Antamina	1, 2, 72	346,800	9.96	111,009	707,200	11.36	258,217	**369,933**	1,273,752	11.35	464,856	22.5 %
Cerro Moro	2, 73	61	797.47	1,564	2,990	541.96	52,099	**53,663**	1,706	257.78	14,139	100 %
Salares Norte	1, 74	—	—	—	21,100	57.93	39,300	**39,300**	4,500	30.41	4,400	99 %
Fire Creek	3, 75	246	165.61	1,309	39,913	4.49	5,766	**7,075**	29,796	5.11	4,893	100 %
Calcatreu	76	—	—	—	8,816	23.78	6,740	**6,740**	7,571	14.12	3,438	100 %
TOTAL SILVER MINERAL RESOURCES				**192,582**			**567,204**	**760,493**			**535,173**	

		PGM Mineral Reserves									% of Mineral Reserves & Resources Covered by FNV Interest
		Proven			Probable			Proven & Probable			
PGM	**Notes**	Tonnes 000s	Grade g/t	Contained 000 oz	Tonnes 000s	Grade g/t	Contained 000 oz	**Tonnes 000s**	**Grade g/t**	**Contained 000 oz**	
Sudbury	1, 77	not available			not available			**not available**			100 %
Stillwater	1, 78	5,000	17.08	2,745	36,700	16.24	19,158	**41,800**	**16.30**	**21,903**	96 %
Pandora	1, 79	2,195	4.25	244	19,756	4.08	2,683	**21,951**	**4.09**	**2,927**	80 %
TOTAL PGM MINERAL RESERVES				**2,989**			**21,841**			**24,830**	

		PGM Mineral Resources - Inclusive of Reserves										% of Mineral Reserves & Resources Covered by FNV Interest
		Measured (M)			Indicated (I)			(M)+(I)	PGM Inferred Mineral Resources			
PGM	**Notes**	Tonnes 000s	Grade g/t	Contained 000 oz	Tonnes 000s	Grade g/t	Contained 000 oz	**Contained 000 oz**	Tonnage 000s	Grade g/t	Contained 000 oz	
Sudbury	1, 77	not available			not available			—	not available			100 %
Stillwater	1, 78	7,100	18.46	4,214	49,600	16.82	26,821	**31,035**	92,500	16.63	49,443	96 %
Pandora	1, 79	22,195	4.81	3,415	147,317	4.60	21,707	**25,122**	21,220	4.72	3,171	80 %
TOTAL PGM MINERAL RESOURCES				**7,629**			**48,528**	**56,157**			**52,614**	

		Copper Mineral Reserves									% of Mineral Reserves & Resources Covered by FNV Interest
		Proven			Probable			Proven & Probable			
Copper	**Notes**	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	**Tonnes 000s**	**Grade %**	**Contained Mlbs**	
Rosemont	3, 80	426,110	0.48 %	4,509	110,971	0.31 %	758	**537,080**	**0.45 %**	**5,328**	100 %
NuevaUnion (Relincho)	81	552,200	0.34 %	4,139	899,800	0.36 %	7,141	**1,452,100**	**0.35 %**	**11,280**	100 %
Taca Taca	82	—	—	—	—	—	—	—	—	—	100 %
Robinson	83	110,513	0.42 %	1,023	8,860	0.28 %	55	**119,373**	**0.41 %**	**1,078**	100 %
Vizcachitas	84	—	—	—	—	—	—	—	—	—	100 %
TOTAL COPPER MINERAL RESERVES				**9,672**			**7,954**			**17,687**	

		Copper Mineral Resources - Inclusive of Reserves										% of Mineral Reserves & Resources Covered by FNV Interest
		Measured (M)			Indicated (I)			(M)+(I)	Copper Inferred Mineral Resources			
Copper	**Notes**	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	**Contained Mlbs**	Tonnage 000s	Grade %	Contained Mlbs	
Rosemont	3, 80	632,667	0.44 %	6,137	514,462	0.26 %	2,949	**9,086**	74,479	0.30 %	493	100 %
NuevaUnion (Relincho)	2, 81	684,600	0.32 %	4,810	1,229,000	0.35 %	9,391	**14,202**	589,800	0.37 %	4,811	100 %
Taca Taca	82	—	—	—	2,165,000	0.44 %	21,150	**21,150**	921,000	0.37 %	7,550	100 %
Robinson	83	317,943	0.47 %	3,294	40,173	0.34 %	301	**3,596**	11,942	0.38 %	100	100 %
Vizcachitas	84	—	—	—	1,038,000	0.37 %	8,539	**8,539**	318,000	0.34 %	2,415	100 %
TOTAL COPPER MINERAL RESOURCES				**14,242**			**42,330**	**56,572**			**15,369**	

		Nickel Mineral Reserves									% of Mineral Reserves & Resources Covered by FNV Interest
		Proven			Probable			Proven & Probable			
Nickel	**Notes**	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	**Tonnes 000s**	**Grade %**	**Contained Mlbs**	
Mt Keith	85	18,300	0.56 %	227	4,030	0.45 %	40	**22,330**	**0.54 %**	**267**	100 %
Falcondo	86	44,900	1.28 %	1,267	26,300	1.36 %	789	**71,200**	**1.31 %**	**2,056**	100 %
TOTAL NICKEL MINERAL RESERVES				**1,494**			**829**			**2,323**	

		Nickel Mineral Resources - Inclusive of Reserves										% of Mineral Reserves & Resources Covered by FNV Interest
		Measured (M)			Indicated (I)			(M)+(I)	Nickel Inferred Mineral Resources			
Nickel	**Notes**	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	**Contained Mlbs**	Tonnage 000s	Grade %	Contained Mlbs	
Mt Keith	85	151,000	0.54 %	1,814	67,000	0.52 %	768	**2,582**	24,000	0.52 %	275	100 %
Falcondo	86	40,500	1.42 %	1,268	31,100	1.53 %	1,049	**2,320**	4,900	1.40 %	151	100 %
TOTAL NICKEL MINERAL RESOURCES				**3,082**			**1,817**	**4,902**			**426**	

		Chromite Mineral Reserves							% of Mineral Reserves & Resources Covered by FNV Interest
		Proven			Probable			Proven & Probable		
Chromite	**Notes**	Tonnes 000s	Grade % Cr2O3	Contained Mt	Tonnes 000s	Grade % Cr2O3	Contained Mt	**Tonnes 000s**	**Grade % Cr2O3**	**Contained Mt**	
Ring of Fire	87	—	—	—	—	—	—	—	—	—	100 %
TOTAL CHROMITE MINERAL RESERVES				**—**			**—**			**—**	

		Chromite Mineral Resources - Inclusive of Reserves										% of Mineral Reserves & Resources Covered by FNV Interest
		Measured (M)			Indicated (I)			(M)+(I)	Chromite Inferred Mineral Resources			
Chromite	**Notes**	Tonnes 000s	Grade % Cr2O3	Contained Mt	Tonnes 000s	Grade % Cr2O3	Contained Mt	**Contained Mt**	Tonnage 000s	Grade % Cr2O3	Contained Mt	
Ring of Fire	87	140,200	32.53 %	45.6	52,600	29.83 %	15.7	**61.3**	54,600	30.77 %	16.8	100 %
TOTAL CHROMITE MINERAL RESOURCES				**45.6**			15.7	**61.3**			**16.8**	

Notes and Sources

All Mineral Reserves and Resources have been calculated in accordance with acceptable foreign codes, including CIM, SEC, JORC, or SAMREC guidelines
Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability
Unless otherwise noted, Mineral Resources were reported by the operator inclusive of Mineral Reserves
Contained ounces do not take into account recovery losses
Mineral Reserves and Resources based on publicly disclosed information as of March 15, 2019
Rows and columns may not add up due to rounding

Inferred Resources are in addition to Measured and Indicated Resources. Inferred Resources have a great amount of uncertainty as their existence and whether they can be mined legally or economically. It cannot be assumed that all or any part of the Inferred Resources will ever be upgraded to a higher category. See "Cautionary Note to US Investors Regarding Reserve and Resource Reporting Standards".

1 Franco-Nevada's royalties or stream interests may not cover the operator's entire property or all estimated Mineral Reserves and Resources or a combination of both
2 Mineral Resources shown by operator exclusive of Mineral Reserves. The Company's QP determined the inclusive Mineral Resources by adding the exclusive Measured and Indicated Mineral Resources to the Proven and Probable Reserves
3 Mineral Reserves and Resources are reported by the operator in non-metric units. The Company's QP calculated the metric conversion using 1 opt=34.286 g/t, 1 short ton = 0.9018 metric tonnes, 1 oz = 31.1035 g
4 First Quantum Minerals Ltd.; NI 43-101 Technical Report, Cobre Panama Project June 30, 2015
5 Lundin Mining Corp.; Technical Report for the Candelaria Copper Mining Complex, November 28, 2018
6 Glencore; Resources & Reserves as at December 31, 2018
7 Coeur Mining Inc.; Company Release, February 20, 2019
8 Yamana Gold; News Release February 14, 2019
9 Goldfields Ltd; Media Release February 15, 2019, (distribution of Mineral Reserves and Resources by category has not been disclosed at time of publication so is estimated by the Franco-Nevada)
10 Patagonia Gold Plc - Half Yearly Financial Statements September 25, 2018
11 Oz Minerals Ltd; Investor Presentation March 27, 2018
12 Coro Mining Corp.; NI 43-101 Technical Report, Preliminary Feasibility Study, San Jorge 25kt/y Copper Leach Project, March 2012
13 First Quantum Minerals Ltd.; Annual Information Form March 27, 2018
14 Hochchild Mining Plc; Corporate Website, February 2019
15 Barrick Gold Corporation; Reserves and Resources Year End 2018
16 In accordance with certain provisions of the royalty agreement, the Company is not able to disclose Mineral Reserves and Resources for Gold Quarry
17 SSR Mining Inc.; Statement of Mineral Reserves and Resources December 31, 2018
18 Hecla Mining Company Press Release: February 14, 2019
19 Kinross Gold Corporation; 2018 fourth-quarter and full-year results press release (February 13, 2019)
20 Barrick Gold Corporation; Reserves and Resources Year End 2018
21 Equinox Gold Corp.; Corporate Presentation January 9, 2019
22 Hecla Mining Company Press Release: February 14, 2019
23 Midas Gold Corp.; News Releases December 15, 2014 and February 15, 2018
24 Equinox Gold Corp.; Corporate Presentation January 9, 2019
25 Atna Resources; NI 43-101 Technical Report, Pinson Project, Preliminary Feasibility Study, June 30, 2014
26 KGHM; Mineral Resources and Reserves Report, December 31, 2014
27 Newmont Mining Corporation; News Release February 21, 2019
28 KGHM does not provide updated Mineral Reserve and Mineral Resource estimates. As such, Franco-Nevada has chosen not to display the historical figure moving forward
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30 Kirkland Lake Gold Inc.; News Release February 21, 2019
31 Kirkland Lake Gold Inc.; News Release February 21, 2019 Taylor) and News Release February 20, 2018 (Aquarius)
32 Kirkland Lake Gold Inc.; News Release February 21, 2019 (Holloway), and February 20, 2018 (Canamax)
33 Kirkland Lake Gold Inc.; News Releases February 21, 2019 and February 20, 2018
34 Barrick Gold Corporation; Reserves and Resources Year End 2018
35 Goldcorp Inc.; News Release October 24, 2018
36 Kirkland Lake Gold Inc. - News Release February 21, 2019; Agnico Eagle Mines Limited - News Release February 14, 2019
37 Tahoe Resources Inc.; News Release February 15, 2018
38 Yamana Gold; News Release February 14, 2019
39 Pretium Resources Inc.; Corporate Website - Brucejack Project Reserves and Resources Update (December 2016); News Releases December 14, 2016, July 21, 2016, June 19, 2014 & Technical Report dated December 19, 2013
40 Premier Gold Mines - Press Release: February 25, 2019
41 Marathon Gold Corp.; Technical Report Preliminary Economic Assessment, October 30, 2018
42 Rubicon Minerals Corp.; NI 43-101 Technical Report June 13, 2018
43 Seabridge Gold Inc.; Mineral Reserves and Resources updated March 11, 2014
44 Victoria Gold Corp. - Mineral Reserve: NI 43-101 Feasibility Study Technical Report for the Eagle Gold Project, October 26, 2016; Mineral Resource: December 5, 2018 Press Release
45 Fortune Bay Corp.; 43-101 Technical Report Pre-feasibility Study, Re-issue March 13, 2014
46 IDM Mining Ltd.; NI 43-101 Feasibility Study Technical Report for the Red Mountain Project, August 10, 2017, and Mineral Resource Update July 31, 2018
47 Yamana Gold; News Release February 14, 2019
48 Regis Resources Limited; Mineral Resource and Ore Reserve Statement, July 27, 2018
49 Unity Mining Limited; Annual Reserves and Resources Update, September 11, 2015
50 Spitfire Materials Limited Press Release, November 13, 2018
51 Echo Resources Limited; ASX Announcement, November 30, 2018
52 Norton Gold Fields Limited; Corporate website January 30, 2019
53 Ramelius Resources; Press Release September 18, 2018
54 Gascoyne Resources Limited; Annual Genera Meeting Presentation November 28, 2018
55 Saracen Mineral Holdings Limited; Press Release August 1, 2018
56 Northern Star Resources Ltd; ASX Announcement August 2, 2018
57 Blackham Resources Limited; Investor Presentation November 2018
58 AngloGold Ashanti Ltd.; Mineral Resource and Ore Reserve Report 2017
59 Teranga Gold Corporation; Technical Report on the Sabodala Project, August 30, 2017
60 Endeavour Mining Corp.; News Release March 5, 2019
61 Kinross Gold Corporation; 2018 fourth-quarter and full-year results press release (February 13, 2019)
62 Newmont Mining Corporation; News Release February 21, 2019
63 Perseus Mining Limited; August 29, 2018 Press Release
64 Alamos Gold Inc.; Press Release February 19, 2019
65 Endeavour Mining Corp.; News Release March 5, 2019
66 Eldorado Gold Corp.; Mineral Reserves and Resources as of September 30, 2018
67 Ariana Resources plc; Press Release May 3, 2017
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69 First Quantum Minerals Ltd.; NI 43-101 Technical Report, Cobre Panama Project June 30, 2015
70 Lundin Mining Corp.; Technical Report for the Candelaria Copper Mining Complex, November 28, 2018
71 Glencore; Resources & Reserves as at December 31, 2018
72 Teck Resources Limited; Annual Information Form February 25, 2019
73 Yamana Gold; News Release February 14, 2019
74 Goldfields Ltd; Media Release February 15, 2019, (the distribution of Mineral Reserves and Resources by category has not been disclosed at time of publication so is estimated by the company)
75 Hecla Mining Company Press Release: February 14, 2019
76 Patagonia Gold Plc - Half Yearly Financial Statements September 25, 2018
77 KGHM; Mineral Resources and Reserves Report, December 31, 2014
78 Sibanye Stillwater; Mineral Resource and Mineral Reserves Report 2017
79 Lonmin Plc; Mineral Resource and Mineral Reserve Statement 2017
80 Hudbay Minerals Inc.; NI 43-101 Technical Report, Feasibility Study, March 30, 2017
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82 First Quantum Minerals Ltd.; Annual Information Form March 27, 2018
83 KGHM; Mineral Resources and Reserves Report, December 31, 2014
84 Los Andes Copper Limited; MD&A for year ended September 30, 2013
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ANTAMINA MINING AND TECHNICAL INFORMATION

Description and Location

The Antamina project is owned and operated by CM Antamina, a Peruvian Sociedad Anonima indirectly owned by BHP Billiton plc (33.75%), Glencore (33.75%), Teck (22.5%) and Mitsubishi Corporation (10%).

The Antamina property consists of numerous mining concessions and mining claims covering an area of approximately 82,200 hectares and an area of approximately 15,000 hectares of surface rights. These rights, concessions and claims can be held indefinitely, contingent upon the payment of annual license fees and provision of certain production and investment information. All of the mining concessions are located in the San Marcos District, Province of Huari, Ancash Department, Peru, and constitute all of the mineral rights that are required to permit exploitation of the deposit for which Mineral Reserves and Mineral Resources are stated. CM Antamina has sufficient surface rights for mining, tailings disposal, waste disposal, processing and required infrastructure, based on the current life-of-mine plan.

CM Antamina also owns a port facility located at Huarmey and an electrical substation located at Huallanca. CM Antamina holds title to all easements and rights of way for the 302 kilometre concentrate pipeline from the mine to CM Antamina's port at Huarmey.

In Peru, the mining tax regime includes the Special Mining Tax and the Modified Mining Royalty which apply to CM Antamina's operating margin based on a progressive sliding scale ranging from 3% to 20.4%. CM Antamina is also subject to Peruvian income tax.

In addition to Franco-Nevada's stream, Teck's interest is subject to a net profits royalty of 1.667% payable in respect of all of CM Antamina's free cash flow. In addition, certain of Antamina's unexploited concessions are subject to a contractual 2.5% NSR royalty. The concessions are otherwise free of any contractual royalties or back-in rights.

A closure plan complying with Peruvian law is currently on file with the Ministry of Energy and Mines. Included in the closure plan are details for facility dismantling, demolition, post-closure stability and long term maintenance (water management/treatment systems, socio-economic support, land use/reclamation, schedules and financial provisions). Engineering and designs are required to be provided to a feasibility level and must be updated every five years or within 12 months of any environmental impact assessment or modification thereto.

Accessibility, Climate, Local Resource, Infrastructure and Physiography

The Antamina deposit is located at an average elevation of 4,200 metres, 385 kilometres by road and 270 kilometres by air north of Lima, Peru. Antamina lies on the eastern side of the Western Cordillera in the upper part of the Rio Marañon basin. Mine personnel live in a camp facility while at work and commute from both local communities and larger population centres, including Lima.

The mine is accessible via an all-weather chip sealed access road maintained by CM Antamina. The mine road connects at the Peruvian National Highway 14 at Conococha Lake. The closest town to the mine site is San Marcos, 38 kilometres by dirt road. Huaraz is the closest city to the mine site, 200 kilometres by paved road or 156 kilometres by partial dirt road.

Power for the mine is taken from the Peru national energy grid through an electrical substation constructed at Huallanca. Fresh water requirements are sourced from a dam-created reservoir upstream from the tailings impoundment facility. The tailings impoundment facility is located next to the mill. Water reclaimed from the tailings impoundment is used as process water in the mill operation. The operation is subject to water and air permits issued by the Government of Peru. The operation holds all of the permits that are material to its current operations.

The topography in the area of the Antamina property is characterized by steep, sharp limestone ridges and peaks, generally at 4,500 to 4,800 metres altitude, but up to a maximum of 5,073 metres. There are short glacial valleys with lakes and deep, steep-sided river canyons and valleys. The ambient air temperatures at the Antamina property range from an hourly maximum of 15.3°C to an hourly minimum of -0.1°C and the rainfall averages 1,870 millimetres per year. These conditions are appropriate to conduct mining operations throughout the year. Occasional interruptions in mining activities may occur due to strong lightning storms.

History

The Antamina valley has seen limited mineral production by indigenous peoples for centuries. The Cerro de Pasco Corporation ("**Cerro**") was the first company to carry out exploratory work of any magnitude on the Antamina project, beginning in 1952. Cerro defined over one million tonnes averaging better than 3.0% copper and a lower grade reserve of 10 million tonnes. In 1970, all of the mining assets owned by Cerro were transferred to the Government of Peru. Following expropriation, Minero Perú, the Peruvian mining administration agency, formed the Empresa Minera Especial ("**EME**") in partnership with Geomin, the Romanian mining agency. EME carried out a work program on the property culminating in a series of feasibility studies based on the proven and probable reserves determined from drilling and underground sampling. The basic mining plan involved an initial open pit producing 10,000 tonnes per day of ore for seven years then 20,000 tonnes per day for 13 years.

EME updated the initial study in 1978, 1979 and 1982. EME was disbanded in the 1981-1982 period due to its failure to finance the project.

In 1996, Rio Algom Limited and Inmet Mining Corporation acquired the Antamina project and shortly afterward formed CM Antamina to hold their interest in the project. In 1998, Inmet Mining Corporation sold its interest in CM Antamina, and CM Antamina was restructured under the ownership of Rio Algom Limited (37.5%), Noranda Inc. (37.5%) and Teck Corporation (25%). In 1999, the ownership was further modified as each of the three partners sold 10% of their interest to Mitsubishi Corporation, resulting in the ownership of Rio Algom Limited (33.75%), Noranda Inc. (33.75%), Teck Corporation (22.5%) and Mitsubishi Corporation (10%). As a result of various corporate transactions involving its parent owners, the current ownership of CM Antamina is BHP Billiton plc (33.75%), Glencore (33.75%), Teck (22.5%) and Mitsubishi Corporation (10%).

Geological Setting, Mineralization and Deposit Type

The Antamina deposit sits at the bottom of a glacial valley surrounded by limestone ridges. It is hosted in a sequence of limestones and sediments, which were strongly deformed by thrusting and folding, then later intruded by intermediate to felsic stocks.

The Antamina polymetallic deposit is skarn-hosted. It is unusual in its persistent mineralization and predictable zonation, and has a SW-NE strike length of more than 2,500 metres and a width of up to 1,000 metres. The skarn is well-zoned symmetrically on either side of the central intrusion with the zoning used as the basis for four major subdivisions, being a brown garnet skarn, green garnet skarn, wollastonite/diopside/green garnet skarn and a marbleized limestone with veins or mantos of wollastonite. Other types of skarn, including the massive sulphides, massive magnetite, and chlorite skarn, represent the remainder of the skarn and are randomly distributed throughout the deposit. The variability of ore types can result in significant changes in the relative proportions of copper and zinc produced in any given year.

Copper occurs mainly as chalcopyrite except for two areas of bornite, representing approximately five percent of the deposit. Zinc generally occurs as sphalerite. Other significant sulphides include molybdenite and pyrite, while trace amounts of silver and bismuth bearing minerals and local areas of galena are found.

Metal zonation is quite distinctive within the deposit. Copper occurs relatively evenly distributed from endoskarn to the limestone contact. Zinc and bismuth tend to occur within 70 metres of the contact of green garnet skarn with limestone/marble/hornfels. Molybdenite is generally located within the intrusive core and the surrounding endoskarn. Silver is present in any of the skarn lithologies. Lead is generally located in green garnet exoskarn, diopside exoskarn and hornfels. However veins and blebs of tennantite and other minerals can be found as rare occurrences in any rock type at Antamina.

Exploration

Commencing in 1996, CM Antamina performed an extensive exploration and development program to define the deposit. A resource model was built in 1997 to provide input to the feasibility study. The Antamina deposit had been drilled and underground sampled to the level that a resource and reserve model was constructed and a feasibility study undertaken in 1998. Work performed on the property up to 1999 includes metallurgical testing, check assaying of previous drill hole and underground tunnel pulps, geologic mapping, geotechnical core logging and mapping, 135 kilometres of core drilling, 6 kilometres underground tunnels and 225 metres of drifting for bulk sampling. As well, during the development and feasibility work, over 400 tonnes of metallurgical samples, representing all parts of the deposit, were taken and shipped to labs for various bench scale flotation and milling tests as well as pilot plant tests. Project construction was commenced in 1999 with initial production realized in June 2001. Since production, additional exploration studies have associated satellite areas of the property with the main intrusive and Antamina skarn through geochronology, isotopic and alteration patterns. In addition, a series of potential areas for grass-roots exploration have been identified based on stratigraphic, structural and morphological patterns.

Drilling

The Antamina data set contains core drill data, reverse circulation drill data, and data from underground drifts. EME drilled 174 core holes for 19,885 metres and extended the underground drifts driven by Cerro to a total of 6,000 metres. In addition, the entire 6,000 metres of underground drifts were channel sampled. Between 1996 and 2008, CM Antamina drilled an additional 1,905 core holes for 580,060 metres. The drill hole and underground data has been entered into AcQuire database software for validation and storage. The Antamina resource model is updated on an annual basis to incorporate new available drilling data and improved understanding of the orebody.

In 2018, 15 primary and 43 branch infill drill holes, as well as five primary and nine branch deep drillholes were completed within the Antamina pit, for a total of approximately 41,200 metres. For diamond core, three-metre samples of half core (HQ or NQ) are collected and prepared for assay at an external laboratory. The remaining half of the core is retained for future reference. The assay program includes approximately 15% of quality-control samples, comprising reference materials, duplicates and blanks. The reference materials consist of matrix-matched material from Antamina, homogenized and certified in accordance with industry practice.

Sampling, Analysis and Data Verification

More than 280,000 samples have been analyzed. Assay data used for resource modeling is predominately from drill core samples (95%), with a lesser amount of underground channel (4%) and reverse circulation (1%) samples. No bias was noted for particular minerals with respect to core recovery and the samples used for the resource estimation are considered representative. Drill core sampling methodology for all Antamina drilling campaigns was the same: the drill core was cut in half, and sample intervals were set at three metres in length; however, the length of samples were adjusted to start and end at major geologic alteration and lithology contacts. All efforts were made to collect samples with a minimum length not less than 1 metre, except for density samples which average approximately 0.15 metre in length. The whole length of the drill hole was sampled, whether mineralized or not, except where low recovery prevented the collection of a representative sample. Most of the density data has been collected using two methods: caliper and wax-coat water immersion (which were determined to produce equivalent datasets). Additional studies were performed to determine correction factors for the bias between the whole core density and the in-situ density. Those factors were subsequently used during the resource estimation procedures. A bulk metallurgical sample was taken for pilot plant testing to determine grinding and bulk flotation characteristics of the ores. A drift location for the bulk sample was selected in the likely starter pit area. Approximately 400 tonnes of material was shipped for testing.

For all drilling programs run by CM Antamina, sample preparation, assaying, analytical and quality control procedures have followed acceptable industry standard practices. The procedures followed included the use of independent assay labs for all sample preparation and assays and the use of QA/QC protocols in all drilling campaigns. Additionally, most of the drilling programs included an independent audit of the QA/QC program and results. All original data (geological logs, field forms, printed assay certificates, core photographs, and all other types of paper forms) have been archived at the mine site, inventoried and filed by hole. All of the paper forms have been scanned and electronically stored, together with all of the information that was originally received in an electronic form. A backup copy of all electronically-stored data (including backups of the SQL-based resource database) is stored in the CM Antamina vault in Lima. Industry accepted procedures were utilized for sampling, sample preparation, security and analytical procedures. Sample checks have demonstrated that the samples are representative of the mineralization and that there is no bias in the sampling.

Mineral Processing and Metallurgical Testing

Extensive metallurgical testing was conducted on the Antamina ore body from November 1996 to December 1997. The work was carried out by reputable metallurgical laboratories under the direction of a committee of experienced metallurgical experts from within the ownership group supported by independent consultants. Much of the critical initial work was carried out in duplicate at different laboratories. Concentrator operations were started in May 2001. Over ten years of operational and metallurgical data have been realized since the original feasibility test work. The operational data and metallurgical relationships developed subsequent to the feasibility study have been applied to the current resource model.

Mineral Resource and Reserve Estimates

The Mineral Reserves and Mineral Resources for the Antamina deposit as of December 31, 2018 are as follows:

Mineral Reserves as at December 31, 2018 (100% basis)

	Proven		Probable		Total	
Copper	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**
Copper Only Ores OP	153,800	1.01	125,600	0.96	279,500	0.98
Copper Zinc Ores OP	81,000	0.87	128,600	0.79	209,600	0.82
Total	**234,900**	**0.96**	**254,200**	**0.87**	**489,100**	**0.91**

	Proven		Probable		Total	
Zinc	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**
Total	**81,000**	**2.0**	**128,600**	**2.0**	**209,600**	**2.0**

	Proven		Probable		Total	
Silver	**Tonnes '000**	**Grade Ag g/t**	**Tonnes '000**	**Grade Ag g/t**	**Tonnes '000**	**Grade Ag g/t**
Copper Only Ores OP	153,800	7.2	125,600	8.0	279,500	7.6
Copper Zinc Ores OP	81,000	16.6	128,600	13.1	209,600	14.5
Total	**234,900**	**10.5**	**254,200**	**10.6**	**489,100**	**10.5**

	Proven		Probable		Total	
Molybdenum	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**
Total	**153,800**	**0.038**	**125,600**	**0.034**	**279,500**	**0.036**

Mineral Resources (Exclusive of Mineral Reserves) as at December 31, 2018 (100% basis)

	Measured		Indicated		Inferred	
Copper	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**
Copper Only Ore OP	88,000	0.62	315,500	0.79	528,000	0.76
Copper Zinc Ore OP	24,000	0.92	137,500	1.02	238,000	0.97
Copper Only Ore UG	—	—	—	—	296,200	1.28
Copper Zinc Ore UG	—	—	—	—	174,200	1.26
Total	**111,900**	**0.68**	**453,000**	**0.86**	**1,236,400**	**0.99**

	Measured		Indicated		Inferred	
Zinc	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**
Copper Zinc Ore OP	24,000	**1.4**	137,500	1.6	238,000	1.6
Copper Zinc Ore UG	—	**—**	—	—	174,200	1.4
Total	**24,000**	**1.4**	**137,500**	**1.6**	**412,200**	**1.5**

	Measured		Indicated		Inferred	
Silver	**Tonnes '000**	**Grade Ag g/t**	**Tonnes '000**	**Grade Ag g/t**	**Tonnes '000**	**Grade Ag g/t**
Copper Only Ore OP	88,000	6.9	315,500	9.0	528,000	7.7
Copper Zinc Ore OP	24,000	16.4	137,500	18.2	238,000	14.9
Copper Only Ore UG	—	—	—	—	296,200	13.0
Copper Zinc Ore UG	—	—	—	—	174,200	17.2
Total	**111,900**	**8.9**	**453,000**	**11.8**	**1,236,400**	**11.7**

	Measured		Indicated		Inferred	
Molybdenum	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**
Copper Only OP	88,000	0.018	315,500	0.023	528,000	0.028
Copper Only UG	—	—	—	—	296,200	0.020
Total	**88,000**	**0.018**	**315,500**	**0.023**	**824,200**	**0.025**

Notes:
(1)
Source: Teck AIF dated February 25, 2019.
(2)
Columns and rows may not add up due to rounding.
(3)
Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(4)
Zinc is not recovered from copper ores and molybdenum is not usually recovered from copper-zinc ores or from copper ores with high bismuth.
(5)
Open pit reserve estimates were prepared assuming long term metal prices of: $2.94/lb copper, $1.05/lb zinc, $7.96/lb molybdenum and $19.54/oz silver. Open pit and underground resource estimates were prepared assuming long-term metal prices of: $3.30/lb copper, $1.23/lb zinc, $9.50/lb molybdenum and $20.70/oz silver.
(6)
The cut-off grades at Antamina are based on the net value before taxes that the material is expected to generate per hour of concentrator operation at assumed prices, and varies by year in an effort to maximise the net present value of the pit.

Mineral Reserves are limited to the current operation tailings dam capacity.

Mining Operations

Project construction commenced in 1999 with initial production realized in June 2001. Antamina is currently a producing property, with the mine and concentrator operating at the designed capacity.

The mine is an open-pit, truck/shovel operation. The ore is crushed within the pit and conveyed through a 2.7 kilometre tunnel to a coarse ore stockpile at the mill. It is then processed utilizing two SAG mills, followed by ball mill grinding and flotation to produce separate copper, zinc, molybdenum and lead/bismuth concentrates. The mill has the capacity to process approximately 145,000 tonnes per day depending on ore hardness. Silver is predominantly contained within the copper concentrates, with additional silver contained within the lead-bismuth concentrate. The concentrator processes multiple ore types on a campaign basis. These campaigns range from a number of days to an entire month or longer depending upon ore development and concentrate marketing requirements. A 302 kilometre-long slurry concentrate pipeline, approximately 22

centimetres in diameter with a single pump station at the mine site, transports copper and zinc concentrates to the Huarmey port, where they are dewatered and stored prior to loading onto vessels for shipment to smelters and refineries world-wide. CM Antamina has entered into long-term off-take agreements with affiliates of the Antamina shareholders on market terms for copper, zinc and molybdenum concentrates.

Antamina's copper production (100% basis) in 2018 was 446,100 tonnes, compared to 422,500 tonnes in 2017, with the increase primarily as a result of higher copper grades and recovery, partially offset by processing less copper-only ore. Zinc production was 409,300 tonnes in 2018, an increase from 372,100 tonnes produced in 2017, primarily due to processing more copper-zinc ore. In 2018, molybdenum production was 10.2 million pounds, which was 17% higher than 2017, and silver production (calculated based on Glencore's 33.75% attributable share, as disclosed in its February 1, 2019 Production Report for the 12 months ended 31 December 2018, available on Glencore's website), totalled 16.5 million ounces compared to 19.5 million ounces in 2017.

On a 100% basis, Antamina's 2019 production is expected to be in the range of approximately 420,000 -445,000 tonnes of copper, 290,000 - 310,000 tonnes of zinc and 9 - 13 million pounds of molybdenum in concentrate. The expected lower zinc production is a result of mine sequencing.

Based on current designed tailings storage capacity, the mine life is expected to continue until 2028. Operating permits are valid until the end of the life of mine. CM Antamina is currently conducting engineering studies for additional tailings storage options and alternative mine plans that could result in significant mine life extensions.

Labour

The labour agreement at Antamina expired in the third quarter of 2018 and negotiations for a new agreement are ongoing.

Operating and Capital Costs

Total 2019 projected cash operating costs for the project (shown on a 100% basis, calculated from Teck's attributable 22.5% share) are tabulated below.

Component	Approximated Projected Cost, $ million
Labour	404
Supplies	418
Energy	200
Other (including general & administrative, inventory changes)	49
Less amounts associated with projected capitalized stripping	(276)
Total	**796**

The cash operating costs presented above do not include transportation or royalties.

Under a long-term streaming agreement with the Company, Teck has agreed to deliver silver to the Company equivalent to 22.5% of the payable silver sold by Compañía Minera Antamina S.A. The Company will pay 5% of the spot price at the time of the delivery for each ounce of silver delivered under the agreement. After 86 million ounces of silver have been delivered under the agreement, the stream will be reduced by one-third.

Total 2019 projected capital costs for the project (shown on a 100% basis, calculated from Teck's attributable 22.5% share) are tabulated below:

Component	Approximated Projected Cost, $ million
Sustaining	298
Major Enhancement	44
Total	**342**

Exploration and Development

Antamina engaged a third party to conduct an evaluation of the reasonable prospects for the eventual economic extraction for both copper-only and copper-zinc ores to be mined by a more selective underground method than considered in 2017. The mineralized material located below the 2018 mineral resource pit shell was targeted and reported at a conceptual level in sufficient detail to declare Inferred mineral resources. There is also regional exploration potential over a large, prospective land package greater than 700 square kilometres.

ANTAPACCAY MINING AND TECHNICAL INFORMATION

Property Description, Location and Access

The Antapaccay project is owned and operated by CM Antapaccay, a Peruvian company that is an indirect wholly-owned subsidiary of Glencore. Glencore indirectly acquired CM Antapaccay in May 2013 as a result of its acquisition of Xstrata.

The Antapaccay project is located in southern Peru in the Cusco Region, Espinar District and Province, approximately 250 kilometres from the cities of Cusco and Arequipa. The project is accessed by paved and dirt roads (approximately 5 hours by road from Cusco and Arequipa) and is between 3,800 and 4,000 metres above sea level. Mine personnel live at the mine's facilities while at work and commute from both local communities and larger population centres.

The Antapaccay mine is located 9.4 kilometres southwest of CM Antapaccay's past-producing Tintaya mine, and the Antapaccay concentrator is located 4.5 kilometres south of the Tintaya concentrator.

The CM Antapaccay property consists of numerous mining concessions and mining claims covering an area of 99,766 hectares, which includes the former Tintaya mine, current Antapaccay mine and Coroccohuayco project (as described below). These concessions and claims can be held indefinitely, contingent on the payment of the annual license fees and provision of certain production and investment information. The Antapaccay project itself covers 13 mining concessions with a total effective area of 7,944 hectares. These mining concessions constitute all of the mineral rights that are required to permit exploitation of the deposit for which Mineral Reserves are stated.

The CM Antapaccay property also includes the Coroccohuayco project, a satellite deposit that is located within 10 kilometres of the Antapaccay plant. At this stage, exploration, drilling and engineering studies at Coroccohuayco have focused on defining Mineral Resources and Mineral Reserves and no mining activities are being undertaken.

As of February 10, 2016 CM Antapaccay held surface rights over approximately 10,321 hectares of the total concession area and continues to acquire additional surface rights. Surface rights have been acquired for all current operating needs in respect of the Antapaccay project. Additional surface rights would be necessary for the development of certain Mineral Reserves and Mineral Resources.

CM Antapaccay is operating under a tax stability agreement with the government of Peru, pursuant to which it pays a royalty of 1% of net income up to $60 million, 2% of net income between $60 million and $120 million, and 3% of net income in excess of $120 million. CM Antapaccay is also subject to the Special Mining Contribution which applies to its operating income based on a progressive sliding scale ranging from 4% to 13%.

History

Mining activities at the Tintaya mine began in 1984 by the state-owned mining company, Empresa Minera Especial Tintaya SA ("**Empresa**"). The Tintaya mine produced over 1.6 million tonnes of copper and 500,000 ounces of gold until operations ceased in 2012.

Initial exploration activities outside of the Tintaya mine area focussed on the Antapaccay concessions as well as the concessions comprising the Coroccohuayco project. The existence of copper-bearing mineralization in the area of the Antapaccay project was known, with a history of artisanal mining close to the surface at the old Atalaya mine in the same area.

In October 1994, Magma Copper Company ("**Magma**") purchased Empresa, and in 1995 geologists from Magma revised the then existing information on Atalaya (geology and geophysics) and completed mapping of the site, and estimated the potential for 68 million tonnes of skarn-type mineralization grading 1.50% copper.

In July 1998, Broken Hill Proprietary Company Limited ("**BHP**") acquired Atalaya, following which exploration commenced. Two copper-gold porphyry-type orebodies were discovered in addition to the skarn-type mineralization, and, in February 2000, Mineral Resources of 285 million tonnes grading 0.95% copper and 0.19 grams per tonne gold were reported.

The Antapaccay project was managed by BHP Billiton (formed by the merger of BHP with Billiton plc) until 2006, when Xstrata acquired properties in Peru, including the Tintaya mine and plant that were operating at the time and the Antapaccay project. Following the acquisition, further project and infill drilling work was completed on Antapaccay, and construction of the mine and related infrastructure started in 2010. Mining operations commenced in 2012 with first concentrate production in November 2012 and initial design capacity of 70,000 tonnes per day reached in February 2013.

Geological Setting, Mineralization and Deposit Type

Antapaccay

The Antapaccay project contains a porphyry-skarn type (copper-silver-gold) deposit located in the Eocene-Oligocene Andahuaylas-Yauri strip, 9.4 kilometres southwest in a straight line from the Tintaya mine, in the area of the old Atalaya mine. The Eocene-Oligocene Andahuaylas-Yauri strip is located 250 to 300 kilometres west of the current Peru-Chile Trench, above a thick cap of sialic crust (50 to 60 kilometres), in a transitory zone between the flat subduction slab of central Peru and the

normal subduction of southern Peru and northern Chile and immediately to the southeast of the Abancay deflection. It consists geologically of a thick cretaceous sedimentary sequence folded during the Andean deformations and widely intruded by stocks, sills and dykes of Andahuaylas-Yauri batholith, covered by Cenozoic lacustrine and volcanic deposits and quaternary deposits.

The copper mineralization at Antapaccay is mainly contained in intermediate intrusive rocks with dissemination, veinlets, hydrothermal breccias which are in contact with pre-mineral rocks such as diorites and sedimentary rocks (limestones, calcareous shales, siltstones and sandstones), forming contact mineralized breccias, exoskarn and stockwork in sedimentary bodies with a clear predominance of chalcopyrite over bornite up to 350 metres; the roles reverse at a greater depth and are associated with a level of anhydrite-gypsum.

The dominant mineralization within the porphyry is chalcopyrite, followed by bornite and chalcocite. Mineralization consists of both disseminations and veinlets, with the highest grades of gold corresponding to intense bornite rich stockwork zones. The dominant alteration type within the porphyry is a potassic alteration of the host diorite. The porphyry is also in contact with cretaceous sedimentary rocks, which have formed irregular skarn (limestones) and stockwork (hornfels and quartzites) containing high copper values, but represent a minor component of all the resources.

The conditions for the occurrence of a metasomatic process exist in contact with limestones, generating irregular garnet-magnetite +/-pyroxene exoskarn, mainly with chalcopyrite patches. Extensive areas of intense grey quartz veinlet stockwork with a high bornite and chalcopyrite content were identified always near the hornfels-intrusive rock contact, expanding into the hornfels for several metres.

Coroccohuayco

The main copper bearing minerals at Coroccohuayco are bornite, chalcopyrite and chalcocite, with the host rock consisting of Cretaceous sedimentary rocks of the Ferrobamba and Mara formation intruded by monzonitic plutons of the Eocene—Oligocene Andahuaylas—Yauri batholiths. The Coroccohuayco deposit is dominantly a skarn-hosted deposit, whereas the Antapaccay deposit is dominantly porphyry-hosted.

Exploration

General geological techniques utilized at the Antapaccay project include geological mapping, soil geochemistry, geophysical studies (magnetic and induced polarization), cartography, diamond drilling, sampling and interpretation. In addition, up-to-date aerial photographs of the project have been collected to generate digital topographical reliefs to 5 metres. Exploration work undertaken to date indicates the potential for additional copper discoveries within the CM Antapaccay property area.

Drilling

Antapaccay

The Antapaccay resource model is updated on an annual basis to incorporate new available drilling data and improved understanding of the orebody. The Mineral Resource estimate for 2018 was updated using a drill hole database that now includes over 282,223m of total drilling data. The last programme of geological, geometallurgical and geotechnical infill drilling was carried out between May and October 2018 with 24,406 metres completed.

Coroccohuayco

Over 27,000 meters of diamond drilling have been completed at Coroccohuayco, the results of which have been incorporated into the geological interpretation and resource estimate for the Coroccohuayco deposit. The same Mineral Reserves were declared for December 31, 2018 as for December 31, 2016, given there has been limited geological drilling completed during 2017-2018.

Sampling, Analysis and Data Verification

Samples of diamond drill hole cores were collected in carton boxes in the drilling area and the logging area to record geological, geo-mechanical and geotechnical data and to be photographed. Sampling intervals of 2, 2.5 and 3 metres were predominantly used, and 2-metre intervals were standard for mineralized rocks. Samples were sent to the Tintaya sampling area for preparation in accordance with standard protocols. The remaining materials, being half core samples and coarse and fine pulps, were stored in the enclosed areas located at the Tintaya camp.

Drill core sampling methodology for Antapaccay drilling campaigns followed a standardized procedure for copper. The drill core was split in half, respecting the distribution of the mineralization indicated by the logging geologist, and the sample was then reduced by up to 90% of its size with progressively smaller meshes (down to 2 millimetre sieve size). The sample was then reduced with a Jones Riffle quarterer, obtaining 2 kilograms of sample, which was bagged to be kept in the respective file. The rest of the sample was quartered to obtain four 0.5 kilogram samples, which were then dried and pulverized up to 95% of their size with a #140 mesh (0.106 millimetre sieve size). The pulverized samples were put in jars and placed in a homogenizer for 5 minutes and then placed in envelopes, with one envelope sent to the laboratory and the remaining 3 envelopes stored for future requirements. A duplicate was taken every 20 intervals of samples with copper grading more than 0.30%. Upon

obtaining 30 samples, the samples were re-encoded and sent to the same laboratory. Standard samples were placed at intervals indicated by CM Antapaccay geologists.

For all drilling programs run by CM Antapaccay, sample preparation, assaying, analytical and quality control procedures have followed acceptable industry standard practices. Current quality control of the chemical analysis procedures include, standard sample preparation of low, middle and high grade material from the deposit, fine white sample preparation, protocols for blast holes, drill holes, specific gravity for diamond drill programs, and a general quality assurance and quality control ("**QA/QC**") program, based on the latest developments in the industry.

Mineral Processing and Metallurgical Testing

Extensive metallurgical test work and studies have been completed on Antapaccay ore, both prior to the construction of the Antapaccay plant and since commissioning in 2012. The work was completed by a number of reputable engineering and metallurgical laboratories.

Mineral Resource and Mineral Reserve Estimates

The Mineral Resources for the Antapaccay project were estimated from core drilling information and were evaluated using standard geological and geostatistical block modelling methodologies. The primary estimation methodology was Ordinary Kriging. The Mineral Reserve estimate is based on a mine plan and open pit designs developed using modifying parameters including metal prices, metal recovery, operating costs and sustaining capital cost estimates based on the production schedule and equipment requirements.

The Mineral Reserves and Mineral Resources for the Antapaccay, Tintaya Expansion and Coroccohuayco deposits are as follows:

Antapaccay Mineral Resources (inclusive of Mineral Reserves) as at December 31, 2018

		Grade			
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**	**Mo (%)**
Measured	203	0.52	0.11	1.42	0.005
Indicated	389	0.42	0.08	1.16	0.005
Measured & Indicated	**592**	**0.45**	**0.09**	**1.24**	**0.005**
Inferred	157	0.40	0.10	0.80	0.005

Antapaccay Mineral Reserves as at December 31, 2018

		Grade		
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Proven	201	0.52	0.10	1.34
Probable	257	0.42	0.08	1.16
Total	**458**	**0.46**	**0.09**	**1.24**

Tintaya Expansion Mineral Resources (inclusive of Mineral Reserves) as at December 31, 2018

		Grade		
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Measured	4	0.88	0.02	3.71
Indicated	2	0.85	0.02	3.42
Measured & Indicated	**6**	**0.87**	**0.02**	**3.61**
Inferred	-	-	-	-

Tintaya Expansion Mineral Reserves as at December 31, 2018

		Grade		
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Proven	4	0.85	0.02	3.54
Probable	1	0.86	0.02	3.62
Total	**5**	**0.85**	**0.02**	**3.56**

Coroccohuayco Mineral Resources (inclusive of Coroccohuayco Mineral Reserves) as at December 31, 2018

		Grade		
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Measured	42	0.97	0.11	3.83
Indicated	247	1.25	0.14	4.56
Measured & Indicated	**290**	**1.21**	**0.14**	**4.44**
Inferred	12	1.13	0.19	2.99

Coroccohuayco Open Pit Mineral Reserves as at December 31, 2018

		Grade		
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Proven	22	0.75	0.08	2.75
Probable	41	0.56	0.06	1.57
Total	**63**	**0.63**	**0.07**	**1.98**

Coroccohuayco Underground Mineral Reserves as at December 31, 2018

		Grade		
Classification	**Quantity (Mt)**	**Cu (%)**	**Au (g/t)**	**Ag (g/t)**
Proven	9	0.82	0.09	3.02
Probable	112	1.25	0.12	3.93
Total	**121**	**1.22**	**0.12**	**3.86**

Notes:
(1) Source: Glencore Statement of Resources & Reserves as at December 31, 2018. Mineral Resources and Mineral Reserves are estimated in accordance with the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).
(2) Columns and rows may not add up due to rounding.
(3) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(4) Commodity prices and exchange rates used to establish the economic viability of Mineral Reserves are based on long term forecasts applied at the time the Mineral Reserve was estimated.
(5) Mineral Resources for Antapaccay are stated at a defined internal copper cut-off, which is maintained at 0.15% TCu.
(6) The Tintaya pit expansion has been included in the 2018 Antapaccay Ore Reserves, based on a review of the remnant resources in the Tintaya pit.

The Lerchs-Grossman pit optimization method was used to determine the economic pit shell for Measured, Indicated and Inferred Mineral Resources. This method was selected over the floating cone since it provides for improved optimization for discontinuous orebodies in which a mineral area may share some waste material extraction expenses. This situation exists at Antapaccay with the monzonitic porphyry that has a prophylitical alteration and the waste rock area between the North and South pits, separating part of the orebody.

The calculated profit values per block were directly used in the Lerchs-Grossman process for the required economic data. The inter-ramp slope angles recommended by engineering consultants and metallurgical recovery were used to control the walls during the optimization process. The Lerchs-Grossman algorithm finds the most profitable pit surface based on the three-dimensional graph theory, block-by-block economic values and pit slope data.

The resulting life of mine plan and Mineral Reserve estimates consider only Measured and Indicated Mineral Resources, with all Inferred Mineral Resources within the design pit being treated as waste.

The underground Mineral Reserve estimate is based on mine plans and designs using modifying parameters including mining recovery and dilution applied to Measured and Indicated Mineral Resources.

Mining Operations

The Antapaccay mine is an open pit mine (consisting of a North pit and a South pit) with truck and shovel operations that provide a total annual material handling capacity of approximately 165 million tonnes of material. Major equipment includes a fleet of owner-operated 400 short ton class trucks, 48 cubic metre and 35 cubic metre rope shovels, dozers and loaders, as well as support equipment. Ore is mined and sent to the primary crusher located at the mine and the crushed ore is subsequently transported to the coarse ore stockpile by an overland conveyor of approximately 6.8 kilometres. The feeders at the coarse ore stockpile convey the crushed ore to the Antapaccay plant for processing. A portion of the material from the coarse ore stockpile is currently transported to the Tintaya plant using mining trucks pending completion of an overland conveyor to fulfill this purpose.

The Antapaccay metallurgical plant consists of a semi-autogenous grinding mill and two ball mills to prepare feed for a conventional flotation circuit to recover the copper, gold and silver contained in the feed ore into a copper concentrate. The Tintaya metallurgical plant consists of multi-stage crushing followed by ball-milling to prepare feed for a conventional flotation circuit to recover the copper, gold and silver contained in the feed ore into a copper concentrate. The nominal throughput of the Antapaccay and Tintaya plants are currently approximately 85,000 and 20,000 tonnes per day, respectively. The copper concentrate produced from both processing plants is thickened and filtered on site prior to being trucked approximately 355 kilometres to port facilities at the Port of Matarani, operated by TISUR, for shipment to smelters. The road from Tintaya to the port has been expanded to accommodate the shipment of concentrates originating from the Antapaccay project.

Flotation tailings are thickened and delivered to the Tintaya open pit for disposal. The fully-permitted tailings dam storage capacity is sufficient for the current Antapaccay life of mine plan and options to increase height for extended capacity are being studied.

Historical production (metal in concentrates) for Antapaccay is shown in the table below:

	Metal Produced in Concentrates		
	Cu (kt)	Au (koz)	Ag (koz)
2013	139	79	946
2014	167	69	1,048
2015	202	122	1,315
2016	220	115	1,536
2017	207	139	1,455
2018	205	132	1,523

The current life of mine plan contemplates that the Antapaccay mine will operate for 11 years ending in 2029, with ore processed through the Tintaya and Antapaccay plants, and includes the Tintaya pit expansion for which an approval process of relevant environmental and social permits is expected to be completed during 2019. There is the potential to extend the mine life beyond 2029 through additional exploration on the CM Antapaccay property and the development of the Coroccohuayco deposit.

The material produced from the Antapaccay project is marketable in the main international concentrate markets based on its specifications. Payments made to CM Antapaccay are based on the copper, gold and silver contained in concentrates typical for the international concentrate markets.

Infrastructure, Permitting and Compliance Activities

Power for the Antapaccay project is supplied from the Peru national energy grid through an electrical substation constructed at Tintaya. Water consumption is primarily sourced from recycled water from the tailings facility, and the balance of the project's water requirements are sourced from the Salado River. The Antapaccay project currently has water rights which are sufficient for its requirements and is a zero discharge site.

CM Antapaccay holds all of the permits that are material to the Antapaccay operations, operating permits are valid until the end of the life of the mine and a closure plan complying with Peruvian law has been approved by the relevant authorities. Included in the closure plan are details for facility dismantling, demolition, post-closure stability and long term maintenance, including socio-economic support, reclamation, schedules and financial provisions.

Capital and Operating Costs

The main capital expenditure for 2019 is for the completion of an ore conveyor between the coarse ore stockpile and the Tintaya plant, and sustaining capital.

The Antapaccay project is a low cost copper project. Fluctuations in the cash operating costs are largely driven by the changes in the copper head grade in the open pit over the life of mine.

Exploration and Development

Ongoing drilling campaigns are planned to further define the lithology of the resource at depth and for exploratory drilling. Beyond the estimated Mineral Resources and Mineral Reserves of Antapaccay and Coroccohuayco, there are a number of regional targets and prospects for exploration across the 99,766 hectares of concessions held by CM Antapaccay.

CANDELARIA MINING AND TECHNICAL INFORMATION

Property Description, Location and Access

The Candelaria Copper Mining Complex comprises two adjacent copper mining operations, Compañia Contractual Minera Candelaria ("**Minera Candelaria**") and Compañia Contractual Minera Ojos del Salado (" **Minera Ojos del Salado** "), that produce copper concentrates from open pit and underground mines. Minera Candelaria is an open pit and underground mine ("**Candelaria Underground**") providing copper ore to an on-site concentrator with a nominal processing capacity of 75,000 tonnes per day, and Minera Ojos del Salado comprises two underground mines: Santos and Alcaparrosa. The Santos mine provides copper ore to an on-site concentrator with a capacity of 3,800 tonnes per day, while ore from the Alcaparrosa mine is treated at the Minera Candelaria processing plant. The Candelaria Copper Mining Complex is indirectly owned by Lundin Mining Corporation ("**Lundin Mining"**) (80%) and Sumitomo Corporation (" **Sumitomo** ") as to (20%).

Candelaria Copper Mining Complex is located in Chile's Atacama Region, at an elevation of approximately 650 metres above sea level, 20 kilometres south of the city of Copiapó and 650 kilometres north of Santiago. The properties are easily accessed using the public road system. Employees and contractors come primarily from the Copiapó region. Copiapó is a modern city with all regular services and a population of approximately 160,000. The regional Atacama airport is serviced by daily commercial flights from Santiago and other destinations.

The mineral concentrate products from the two processing plants are transported by road to a concentrate storage facility and marine terminal at Punta Padrones, located approximately 110 km from the mining complex on the Pacific coast and adjacent to the community of Caldera. Punta Padrones is also the site of a desalination plant that Minera Candelaria built in 2013, that supplies process water to Candelaria via a dedicated pipeline.

The Minera Candelaria property comprises 253 mining exploitation concessions (approximately 5,891 ha) and 67 mining exploration concessions (approximately 6,680 ha). The Minera Ojos del Salado property comprises 205 mining exploitation concessions (approximately 9,287 ha) and 57 mining exploration concessions (approximately 10,748 ha). The tenements are free of mortgages, encumbrances, prohibitions, injunctions, and litigation. The tenements containing the active and future mining activities are not affected by royalties.

Exploration concessions have a duration of two years and the titleholder must pay a fee of approximately $1.60 per hectare to the Chilean Treasury. At the end of this period, they may: (i) be renewed as an exploration concession for two additional years in which case at least 50% of the surface area must be renounced, or (ii) be converted, totally or partially, into exploitation concessions. Exploitation concessions are of indefinite duration and an annual fee is payable to the Chilean Treasury of approximately $8 per hectare.

History

The Candelaria sulphide deposit was discovered by Phelps Dodge Corporation (" **Phelps Dodge**") in 1987. A feasibility was completed in 1990 and, following approval by the Chilean government, construction started in October of 1992. Sumitomo acquired a 20% stake in the property in 1992. Production commenced in early 1995.

In 2007, property ownership changed when Freeport-McMoRan Inc. (" **Freeport**") acquired Phelps Dodge.

During 2011, a pipeline was completed to bring water from a nearby sewage treatment facility to the Candelaria Copper Mining Complex. A desalination plant at the port of Caldera was built and commissioned in 2013 at a capacity of 500 litres per second.

The Santos underground mine has been in production since 1929, with processing taking place at what is now called the Pedro Aguirre Cerda ("**PAC**") plant. Phelps Dodge became sole owner of Minera Ojos del Salado and the Santos mine and the PAC plant in 1985. The PAC plant has been expanded several times to its current capacity of 3,800 tonnes per day. Sumitomo acquired its 20% interest in Minera Ojos del Salado in 2005.

In early 1996, production from the Alcaparrosa underground mine commenced.

In November 2014, Lundin Mining acquired Freeport's interest in the Candelaria Copper Mining Complex.

In 2015, the Candelaria 2030 project, including the new Los Diques tailings management facility, received environmental approval from Chilean regulators. Construction of Los Diques commenced in 2016 after the receipt of the major construction permits. Construction continued throughout 2017 and first tailings were placed during the first quarter 2018.

During 2018, exploration success led to the first declaration of Mineral Resource and Mineral Reserves on the Española open pit project.

Candelaria Copper Mining Complex has been a significant producer of copper since the mid-1990s. In the last four years, annual contained copper and gold metal in concentrates has averaged approximately 174 kilotonnes and 100,000 ounces respectively.

Geological Setting, Mineralization and Deposit Type

The Candelaria sulphide deposit is located at the boundary between the Coastal Cordillera and the Copiapó Precordillera. The Coastal Cordillera of Chañaral and Copiapó is composed of Permian to Lower Cretaceous intrusions within a basement of metasedimentary rocks of Devonian to Carboniferous age. Volcanic, volcaniclastic, and marine carbonate rocks represent intra- and back-arc sequences that were deposited during early to mid-Cretaceous period.

The Candelaria, Santos, and Alcaparrosa mines are located in the district of Punta del Cobre. The polymetallic sulphide deposits are hosted in volcanic rocks of the Punta del Cobre Formation. Polymetallic sulphide deposits in the Punta del Cobre district are located to the east of the main branches of the Atacama fault zone, a subduction-linked strike-slip fault system stretching over 1,000 kilometres along the Chilean coast and active at least since the Jurassic period. The dominant structural elements of the Punta del Cobre area are the northeast-trending Tierra Amarilla Anticlinorium, a southeast verging fold-and-thrust system, and a series of north-northwest to northwest-trending high-angle faults.

The copper-gold sulphide mineralization found at the Candelaria Copper Mining Complex, which is generally referred to as iron oxide copper gold ("**IOCG**") mineralization, is located within the thermal aureole of the Lower Cretaceous magmatic arc plutonic suite in the Candelaria-Punta del Cobre district. Depending on lithology and the structural setting, the polymetallic sulphide mineralization can occur as veins, hydrothermal breccias, replacement mantos, and calcic skarns within andesite and tuff units. There are also some localized controls to mineralization in the form of faults, breccias, veins, and foliation. Candelaria has become an exploration model for Andean-type IOCG deposits that display close relationships to the plutonic complexes and broadly coeval fault systems.

The main mineralized body at the Candelaria mine is up to 400 m thick in its central part and thins towards the edges. In east-west sections, the mineralization has a lenticular, downward concave shape with a steep eastern limb and a shallowly dipping western limb. The shape of the mineralized body in north-south section is irregular. In plan view, the extent of the mineralization is approximately 1,400 m by 2,400 m. The mineralized body was folded after its formation. The north-northeast-trending fold axis corresponds to the Tierra Amarilla Anticline.

In the Santos mine, three styles of mineralized bodies are observed: veins, mantos, and breccia bodies. An important vein in the Santos mine is the Isabel Vein, which has a northwest striking orientation, and extends over 1 km in length and between 4 and 30 m in width. Manto-type mineralization occurs as tabular bodies located at two sedimentary horizons located in the floor and roof of the albitophyre. The manto mineralization is characterized by variable iron contents with magnetite common in the north and deeper areas, and specular hematite in the south. Mineralization occurs within breccia bodies which are typically contained with the albitoforo and lower andesite and is formed by steeply west-dipping and north-northwest- to northwest-striking bodies.

Mineralization at the Alcaparrosa mine principally occurs as mantos that trend to the northeast and dip to the west. Ore mineralogy consists of chalcopyrite, pyrite, and magnetite, with trace pyrrhotite, molybdenite, and arsenopyrite. Mineralization at the Alcaparrosa mine also occurs as veinlets defining dense stockwork, breccias as well as fine dissemination in biotite meta-andesites. High-grade bodies are also found in massive veins striking north-northwest, north, and east.

In the Española project area, mineralization occurs within mantos hosted mainly in a brown garnet skarn, and in lesser proportions within silica hornfels. Chalcopyrite is the primary copper sulphide mineral found as clusters and in disseminated form, commonly associated with brown garnet porphyroblasts. Near the surface and down to a depth of approximately 70 m, the mineralization is oxidized, characterized by the presence of chrysocolla, malachite, native copper, diogenite and bornite.

Exploration

Ongoing exploration is conducted at the Candelaria Copper Mining Complex with the primary purpose of supporting mining and increasing estimated Mineral Resources and Mineral Reserves. Exploration is focused on the known mantos, veins, and breccia masses in proximity to existing underground infrastructure. Historically, this strategy has proven very effective in defining new estimated Mineral Resources and Mineral Reserves available for underground mining. Much of the exploration is conducted from underground, requiring significant underground development to provide adequate drilling stations. Regional exploration is also undertaken on the large properties surrounding the mines to identify targets and define new areas with Mineral Resource estimates. All existing exploration information is being compiled into a comprehensive 3D model to allow for evaluation and prioritization of exploration efforts.

From 2010 to December 2018, more than US$229 million was invested in exploration primarily below the Candelaria open pit, the Española project area, and at the three underground mines. This exploration has resulted in a significant expansion of the Mineral Resource and Mineral Reserve estimates of the underground mines and contributed to the extension of their life.

Drilling

Mineral Resources are estimated from information obtained from surface and underground boreholes. From 1990 to June 30, 2018, 4,351 core and percussion boreholes (1,260,592 metres) were drilled in and around the Candelaria mine. Between 1990 to 2004, there were five exploration diamond drill holes drilled in Española totaling 2,861 metres, and between July

2017 and the end of June 2018 there were a further 92 new diamond drill holes drilled totaling 31,370 metres in Española. In the Santos mine from 1988 until June 30, 2018, a total 1,504 core boreholes (304,946 metres) were drilled from underground and surface stations. The borehole data base for the Alcaparrosa mine contains 1,085 boreholes (263,634 metres) drilled from surface and underground locations since 1990 and until June 30, 2018. The drilling and sampling procedures used are consistent with generally recognized industry best practices.

Sampling, Analysis and Data Verification

Analytical samples informing the Minera Candelaria Mineral Resources were prepared and assayed at the Candelaria mine laboratory that is accredited to ISO 17025 for the analyses of copper, iron, zinc, and silver. The laboratory is managed by the Candelaria Processing Department and is not independent from Minera Candelaria.

Analytical samples informing the Minera Ojos del Salado Mineral Resource estimates were prepared and assayed by Intertek (formerly Vigalab) in Paipote, Chile, an independent laboratory.

The sample analyses used for the Mineral Resource reporting for the Española project were prepared by Geolaquim Ltda. (Geolaquim) (80 percent) and Intertek (20 percent). Geolaquim is certified under regulation ISO 17025 by the National Institute of Standardization ("**INN**") of Chile for concentrated minerals and others (soluble copper, total copper, iron and gold).

Conventional preparation and assaying procedures are used. Copper is analyzed by multi acid digestion and atomic absorption spectroscopy. Gold is assayed using a fire assay procedure. Specific gravity is measured systematically on core samples.

Minera Candelaria uses Intertek in Paipote as an umpire laboratory.

All drilling assay samples are collected by a contractor under the direct supervision of a mine geologist. Samples from Minera Candelaria are processed and analyzed entirely at the mine site. Samples from Minera Ojos del Salado are shipped directly from the property to the Intertek laboratory in Paipote, which is an independent laboratory. Assay samples are collected by appropriately qualified staff at the laboratories. Sample security involved maintaining the chain of custody of samples to prevent inadvertent contamination or mixing of samples and rendering active tampering as difficult as possible.

The analytical quality control program implemented at Candelaria and Ojos del Salado includes the use of control samples (coarse and pulp duplicate samples and reference material samples) inserted within all batches submitted for assaying.

Since 2016, exploration data are managed through an AcQuire database, which includes quality control management features for sample coordinates from borehole surveys and data management tools. Sample numbering and labelling is controlled through AcQuire, including insertion of quality control samples and consignment notes to the primary laboratories. Analytical results are received electronically and managed through AcQuire with quality control filters. Samples outside defined limits are rejected by AcQuire and flagged for further investigation. The AcQuire system includes features for reporting analytical results and preparing bias charts and time series plots.

Mineral Processing and Metallurgical Testing

The Candelaria Copper Mining Complex maintains regular metallurgical testing programs that are incorporated with historical testing results and mill performance into a statistical model to predict and improve the complex's processing performance in terms of mill throughput, metal recovery to concentrate, and final concentrate grade. Metallurgical tests are executed in a number of specialized in-house and commercial facilities. Testing includes rock hardness classification, mineralogy using QEMSCANTM technology and bench scale flotation testing that is correlated with industrial scale performance in order to predict mill throughput and metallurgical performance. A similar but less intense program is underway for the PAC plant.

New metallurgical tests were initiated in late 2016 as part of a feasibility study to evaluate potential throughput increases at the Candelaria mill. The material tested was a blend of ore considered representative of future feedstock. Testwork included SAG and ball mill pilot testing, specific SAG design tests, bench scale flotation kinetic modelling and automated scanning electron microscopy. Results and analysis from this testwork programme were evaluated using the Ausenco Ausgrind methodology to improve confidence in the estimated throughput for the Life of Mine plan.

In parallel with the mill expansion study, a number of process initiatives have commenced focusing on debottlenecking and improving the existing facilities. As a part of these initiatives, further variability testwork programs were initiated. The Mine-to-Mill study is evaluating potential improvements in primary crusher feed size from blasting (both underground and the open pit) and the effect on overall comminution specific energy. This is combined with a geo-metallurgical initiative to characterize different geological zones, adding to the existing database and incorporating more underground sections. The Candelaria Mill optimization project includes upgrades in grinding, classification and flotation circuit capacity. The anticipated improvement in copper recovery will substantially address the shortfalls associated with previous expansions in plant throughput.

Mineral Resource and Mineral Reserve Estimates

The Mineral Resources at the Candelaria Copper Mining Complex are estimated from core drilling information stored in a secure central database and were evaluated using a geostatistical block modelling approach. Six Mineral Resource models

were prepared for the areas comprising the Candelaria Open Pit mine and Española open pit project and the three underground mines (Candelaria Underground North Sector, Candelaria Underground South Sector, Santos, and Alcaparrosa) using slightly different methodologies and assumptions. The block models comprising the Candelaria Underground, Santos and Alcaparrosa underground deposits have been integrated since 2017.

The open pit Mineral Reserve estimates for both Candelaria and Española are based on a mine plan and open pit designs developed using modifying parameters including metal prices, metal recovery based on performance of the processing plant, actual operating and sustaining capital cost estimates based on the production schedule and equipment requirements. Open pit optimizations are carried out using Minesight® and Datamine software.

Underground Mineral Reserve estimates at Candelaria underground (North and South sectors), Alcaparrosa and Santos are based on mine plans and designs developed using modifying parameters including metal prices, metal recovery based on performance of the processing plant, actual operating and sustaining capital cost estimates based on the production schedule and equipment requirements. Stope layouts and development plans are developed in MineSight® software with CAE Mine Stope Optimizer used for stope design.

Factors which may affect the Mineral Resources and Mineral Reserve estimates include: dilution and mining recovery, metal prices, smelter, refining and shipping terms, metallurgical performance, geotechnical characteristics of the rock mass, capital and operating cost estimates, and the likelihood of obtaining land title, required permits and environmental, social and legal licenses.

Details of the June 30, 2018 Mineral Resource and Mineral Reserve estimate for the Candelaria Copper Mining Complex are set forth below:

Consolidated Mineral Resource Statement as of June 30, 2018 (100% Basis)*

	Classification	Quantity '000 t	Cu %	Au g/t	Ag g/t	Cu '000 t	Au '000 oz	Ag '000 oz
Open Pit	Measured	468,239	0.47	0.11	1.46	2,220	1,647	22,014
	Indicated	65,757	0.38	0.09	0.92	251	198	1,943
	Measured & Indicated	**533,995**	**0.46**	**0.11**	**1.40**	**2,471**	**1,845**	**23,957**
	Inferred	34,417	0.37	0.09	0.42	128	95	462
Underground	Measured	222,957	1.05	0.24	3.27	2,330	1,714	23,431
	Indicated	111,018	0.96	0.22	2.84	1,066	774	10,137
	Measured & Indicated	**333,975**	**1.02**	**0.23**	**3.13**	**3,397**	**2,489**	**33,568**
	Inferred	18,301	1.07	0.19	2.28	196	111	1,344
WIP**	Measured	84,504	0.33	0.09	1.38	278	243	3,755
	Indicated	-	-	-	-	-	-	-
	Measured & Indicated	**84,504**	**0.33**	**0.09**	**1.38**	**278**	**243**	**3,755**
	Inferred	-	-	-	-	-	-	-
Combined	Measured	775,699	0.62	0.14	1.97	4,829	3,605	49,201
	Indicated	176,774	0.74	0.17	2.13	1,317	972	12,080
	Measured & Indicated	**952,474**	**0.65**	**0.15**	**2.00**	**6,146**	**4,577**	**61,281**
	Inferred	52,719	0.62	0.12	1.07	325	205	1,806

* Reported within the boundaries of the Compañia Contractual Minera Candelaria and Compañia Contractual Ojos del Salado properties. Mineral Resources are not Mineral Reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. Mineral Resources include Mineral Reserves. Open pit Mineral Resources are reported at a cut-off grade of 0.15 percent copper for the Candelaria Open Pit and 0.20 percent copper for the Española project, within conceptual pit shells based on metal prices of US$3.16 per pound of copper and US$1,000 per ounce of gold and current topography. Underground Mineral Resources are reported at a cut-off grade of 0.55 percent copper. Franco-Nevada's stream covers only Lundin's 80% indirect interest in the Candelaria Copper Mining Complex.

** Work-in-Progress (WIP) stockpiles.

Consolidated Mineral Reserve Statement as of June 30, 2018 (100% Basis)*

	Classification	Quantity '000 t	Cu %	Au g/t	Ag g/t	Cu '000 t	Au '000 oz	Ag '000 oz
Candelaria Open Pit + Española**	Proven	376,316	0.49	0.11	1.52	1,842	1,365	18,443
	Probable	39,152	0.39	0.10	1.12	154	126	1,409
	Total	**415,468**	**0.48**	**0.11**	**1.49**	**1,996**	**1,491**	**19,852**
Total District Underground	Proven	71,876	0.88	0.24	3.33	634	478	7,693
	Probable	62,130	0.81	0.18	2.35	504	362	4,699
	Total	**134,006**	**0.85**	**0.20**	**2.88**	**1,139**	**840**	**12,392**
WIP Candelaria & Ojos del Salado	Proven	84,504	0.33	0.09	1.38	278	243	3,755
	Probable	-	-	-	-	-	-	-
	Total	**84,504**	**0.33**	**0.09**	**1.38**	**278**	**243**	**3,755**
District Total	Proven	532,696	0.52	0.12	1.75	2,755	2,087	29,891
	Probable	101,282	0.65	0.15	1.88	659	488	6,108
	Total	**633,978**	**0.54**	**0.13**	**1.77**	**3,413**	**2,575**	**35,999**

* Mineral Reserves included in Mineral Resources. Mineral Reserves have been prepared using metal prices of US$2.75 per pound of copper, US$1,000 per ounce of gold, and US$15.00 per ounce of silver. All figures have been rounded to reflect the relative accuracy of the estimates. Mineral Reserves for the Candelaria Open Pit are reported at cut-off grades of 0.17 percent copper. Underground Mineral Reserves for Candelaria North and Candelaria South are reported at cut-off grades of 0.57 percent copper. Underground Mineral Reserves for Santos and Alcaparrosa are reported cut-off grades of 0.64 percent copper and 0.59 percent copper, respectively.

** For the Española project Mineral Reserves have been prepared using metal prices of US$2.75 per pound of copper, US$1,000 per ounce of gold, and US$15.00 per ounce of silver. All figures have been rounded to reflect the relative accuracy of the estimates. Mineral Reserves for the Española Open Pit are reported at cut-off grades of 0.21 percent copper.

Mining Operations

The Candelaria and Española open pits will operate with an overall mining rate of approximately 310,000 tonnes per day for the next ten years. As the final waste stripping is completed the overall mining rate will decline. A stockpile strategy has been developed to maximize the grade of material going to the processing facility. Direct milling ore will average 0.59% Cu from Candelaria and 0.43% Cu from Española. Lower grade stockpile ore will be recovered to meet the plant capacity as required. The mine operates seven electric shovels, forty-three haulage trucks, eight production drills, and a fleet of support equipment. A major mine equipment re-capitilization programme is underway that will see the existing rope shovels replaced with new hydraulic units and the majority of the truck fleet changed for latest generation Cat 793F trucks. Similar upgrades and replacements are proposed to the mine's service and ancillary vehicle fleet.

The Candelaria open pit was designed to be mined in several phases of development. As of June 2018, five phases of development remain in the life-of-mine plan (Phases 9 to 13). The overall strip ratio is expected to be 2.45:1 including ore that is initially delivered to stockpiles. The total in-pit waste is 939.6 million tonnes and the life of mine of the open pit mine is 17 years. The Española total in-pit waste is 83.2 million tonnes and the overall life of mine estimated in 7 years.

The Candelaria underground (North and South Sectors) is planned to ramp up from 11,000 ore tonnes per day in 2019 to a steady state of 14,000 ore tonnes per day by 2021. In both sectors, 60 tonne capacity underground trucks have been introduced to replace the existing contractor operated 30 tonne capacity fleet. The estimated average grade of the combined Candelaria underground mines is 0.85% Cu in the life of mine plan.

The Alcaparrosa underground mine currently produces 4,300 tonnes per day of ore and is expected to maintain that rate in the life of mine plan. The average life of mine grade is 0.79 percent copper. The Santos mine will continue to produce at its current rate of production of 5,200 tonnes per day of ore with an average life of mine grade of 0.91% Cu.

The four underground mines utilize a sublevel stoping mining method for ore extraction. This method is ideal for relatively large, vertical, as well as thick deposits with favourable and stable host rock.

Processing and Recovery Operations

Minera Candelaria and Minera Ojos del Salado operate their own processing plants. The Candelaria processing plant receives ore from the open pit and Candelaria, Alcaparrosa and Santos underground mines. It has a nominal capacity of 75,000 tonnes per day. The PAC processing plant receives ore from the Santos underground mine and has a design capacity of 3,800 tonnes per day.

The Candelaria processing plant flowsheet is conventional comprising two parallel process lines for grinding and flotation followed by common final concentrate filtration and shipping of bulk copper concentrates. Run of mine ore is trucked to a primary gyratory crusher which then feeds a SAG grinding mill – ball mill circuit with pebble extraction and crushing. The secondary ball mill cyclone overflow constitutes feed to the rougher flotation bank. Rougher concentrate is reground prior to two stage cleaning in column flotation cells. Final flotation copper concentrate with gold and silver by-product metals is thickened, filtered, and stored on site. Final flotation tails are conventionally thickened and disposed in the new Los Diques tailings storage facility. Typical metallurgical recoveries average 94% for copper, 75% for gold and 83% for silver.

A feasibility study has been undertaken to evaluate potential debottlenecking expansions of the main Candelaria processing plant to add approximately 15-20% throughput capacity. The expansion of the plant as outlined in the feasibility study has not been advanced, but a number of process improvement initiatives, highlighted during the study, have been initiated. These include upgrades to the primary crusher motor, ball mill repowering, cyclone and cyclone feed pump upgrades, flotation upgrades and pebble crushing circuit upgrades. The forecast cumulative impact of these upgrades is an additional 4,000 tonnes per day of throughput and an additional 1.7% copper recovery. Completion of these upgrades is expected in late 2019.

The PAC concentrator has been in operation since 1929. The PAC concentrator flowsheet comprises a conventional three stage crushing plant. The grinding circuit has three closed circuit ball mills operating in parallel. The ball mill cyclone overflow constitutes feed to the rougher flotation bank. Rougher concentrates are reground prior to cleaning in a column cell with the tailings scavenged with conventional mechanical flotation cells. Final concentrate is thickened and filtered using a ceramic disc filter. Final flotation tailings from the PAC plant are pumped to the main Candelaria tailings storage facilities. Typical metallurgical recoveries average 94% for copper, 72% for gold and 72% for silver.

Copper concentrates containing precious metals are sold on contract to local smelters or trucked to the Punta Padrones port, near Caldera, for export to overseas smelters.

Candelaria Copper Mining Complex has an agreement with a third-party company to process Candelaria's flotation tailings to produce a magnetite concentrate and this produces an additional source of by-product revenue subject to favourable iron ore prices.

Infrastructure, Permitting and Compliance Activities

The mines of the Candelaria Copper Mining Complex receive electrical power through long-term contracts with AES Gener S.A., a local energy company. The main water supply comes from a desalination plant, which was commissioned in 2013 and is located adjacent to the Punta Padrones port facility. Local treated sewage water is also used by the mines. Copper concentrate is shipped from the Punta Padrones port facility at the port of Caldera. Both the desalination plant and the Punta Padrones port are owned by Minera Candelaria.

The Candelaria tailings storage facility currently receives the flotation tails from the PAC processing plants. The remaining tailings storage capacity at the end of June 2018 was estimated at 16 million cubic metres including the additional storage obtained by a reduction in the freeboard from 5.0 to 1.5 metres that was permitted in 2016. Plans are in place to extend the PAC tailings pipeline to Los Diques.

A new tailings storage facility, known as Los Diques, has been constructed to replace the Candelaria tailings storage facility. The Los Diques facility is located to the southwest of the open pit and plant sites and has a designed capacity of approximately 600 million tonnes. The Los Diques tailings management facility was a key part of the Candelaria 2030 EIA that was submitted to the environmental authorities in September 2013 and was approved in July 2015. Engineering was completed during 2016, and after receipt of key sectorial permits, construction of the starter dam was initiated. During 2018, the initial construction and commissioning phases of the Los Diques tailings facility were completed and first tailings were placed. Los Diques can now receive the full flotation tailings from the Candelaria processing plant. Future phases of the Los Diques Main dam planned to start in 2019 have been initiated ahead of schedule, taking advantage of synergies with the current project and the availability of mine waste from the open pit. This is expected to lead to capital cost savings on future embankment raises.

Chile has established a comprehensive regulatory framework for mining and other industrial activities, dating from the mid-1990's that has been updated several times since then. Although the Candelaria and Ojos de Salado facilities were permitted and developed prior to the modern framework being in place, both hold numerous environmental approvals stemming from modifications to the original developments and are compliant with current regulatory requirements. In addition, Minera Candelaria and Minera Ojos del Salado hold more than 1,000 permits for construction and operation of the mining and milling facilities, and related infrastructure.

The most recently completed major environmental assessment process was initiated in September 2013 with the submittal of the Candelaria 2030 EIA. This included, among other things, an extension of the operating life of the facilities and the Los Diques tailings storage facility. The EIA received regulatory approval with conditions in July 2015. Following receipt of the necessary permits, the Company built and commissioned Los Diques, and received the final operating permit during 2018.

The Alcaparrosa mine received environmental approval in 1996 with subsequent amendments, most recently an EIA to support the extension of the mine operation through 2022. Candelaria is now in the scoping phase of the next major environmental permitting exercise, which will include an extension to the mine life, expanded underground mining production, development of the La Española satellite deposit and other mine optimization initiatives. The new EIA is expected to be submitted in late 2019 or early 2020.

The Environmental Management Systems of Minera Candelaria and Minera Ojos del Salado have been certified for many years under the international ISO 14001 Standard. Minera Candelaria and Ojos del Salados's re-certifications (completed in March 2018), are valid until March 2021.

In June 2018 Candelaria was notified of the rejection of an appeal in the Environmental Court filed in June 2017 in connection with alleged non-compliance with its environmental approvals. In July 2018, Candelaria paid a fine (5,049 annual tax units, equivalent to approximately US$4 million) and appealed to the Supreme Court (Corte Suprema). In March 2017, the SMA rejected a third-party claim related to the initial charges. The Candelaria Copper Mining Complex does not foresee any impact of this legal process on production.

Separate mine closure plans ("**MCP**") are in place for Minera Candelaria and Minera Ojos del Salado and both have been approved by the Chilean National Geology and Mining Service ("**SERNAGEOMIN**").

SERNAGEOMIN most recently approved the MCP for Candelaria in September 2018. The updated MCP addresses the changes to the project documented in the 2030 EIA, including the Los Diques tailings storage facility. The approved closure cost estimate is US$153.3 million.

SERNAGEOMIN most recently approved the Minera Ojos del Salado MCP in 2014. Estimated closure costs are US$7.9M. The Ojos del Salado MCP does not include Alcaparrosa, which was recently re-approved to 2022. The associated Alcaparrosa MCP update was submitted for regulatory review in December 2017 and is expected to be approved in 2019.

The financial guarantees for the MCPs are being updated.

Social and Community

The proximity of the mine to the community of Tierra Amarilla can result in potential impacts of noise, dust, visual intrusion, blasting, and vehicular traffic. The concentrate storage shed, marine terminal and desalination plant are located near the community of Caldera. Linear infrastructure and activities including power lines, water pipelines and concentrate transport are located in the vicinity of smaller towns, among which Indigenous communities ("**Colla**") are located.

Minera Candelaria and Minera Ojos del Salado are subject to the requirements of the Chilean regulatory process and must also meet the corporate requirements set by Lundin related to stakeholder engagement, impact management, and social investment. Candelaria has also established voluntary agreements with multiple stakeholders including the Tierra Amarilla Municipality, the Caldera Municipality, the Copiapó Municipality and several fishermen unions.

Complimentary to these stakeholder engagement systems and practices and agreements, social investment and shared value creation programs are being developed and implemented throughout the communities surrounding Candelaria, including supporting Sustainable Fishing in Caldera, a local contracting program, and a program of local suppliers.

At the beginning of 2018, a group of fishermen based in Caldera presented a legal claim accusing Candelaria and another mining companies of impacting their fishing activity due to port operations in Caldera Bay. This claim is under review through the prescribed legal process in a local court.

Capital and Operating Costs

For 2018, the combined Candelaria Copper Mining Complex cash operating cost was US$1.68/lb and for 2019 the cash operating costs is forecast to be $1.60/lb.

Total forecast capital costs for Candelaria for 2019 are tabulated below. Expenditure will continue on the new replacement open pit equipment fleet and on the mill optimisation project. Underground development will continue on the Candelaria South Sector with first production due to commence in the second half of 2019. Future lifts of the Los Diques TSF will continue to take advantage of synergies with the initial project and the availability of mines waste.

Lundin Mining capitalizes waste stripping costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development. During the production phase of the Candelaria open pit mine, waste stripping costs, which provide probable future economic benefits and improved access to the orebody are capitalized to mineral properties. In 2019, capitalized waste stripping is forecast at $130 million.

Candelaria Capital Costs	**Unit**	**2019**
Los Diques TSF	$M	10.0
New Mine Fleet Investment	$M	75.0
Mill Optimisation Project	$M	50.0
Candelaria Underground South	$M	40.0
Other Sustaining	$M	70.0
Total	**$M**	245.0
Capitalized Waste Stripping	$M	130.0
Total Cost	**$M**	**375.0**

Exploration, Development, and Production

As of November 2018, the planned exploration program at the Candelaria Mining Complex is expected to total 44,000 m of diamond drilling during 2019. A total of 940 m of exploration drifting is also planned for the year. Drilling will continue to target lateral extensions of the mineralization, with the objective of generating additional Mineral Resources and Mineral Reserves in open pit and underground mines.

A district exploration program will continue in 2019, building upon the district-wide database and 3D model developed in 2016 with an emphasis on development of new target areas, and possible extensions to known mineralization. Total exploration expenditure for 2019 is forecast at approximately $14.6 million as of November 2018.

In 2018, the Candelaria Copper Mining Complex produced 134,578 tonnes of copper, 78,000 oz of gold and 1.2 million ounces of silver in concentrate. For 2019, forecast production is 145 - 155 thousand tonnes copper, approximately 97 thousand ounces of gold and approximately 1.4 million ounces of silver.

The current forecast LOM of the Candelaria open pit and stockpiles is to 2040, the Espanola open pit is to 2030 while the underground mines, Candelaria (North and South sectors), Alcaparrosa and Alcaparrosa and Santos, have LOM to 2037, 2027 and 2028, respectively.

Over the five year period from 2019 - 2023 inclusive, the average annual production is estimated to be 179 kilotonnes of copper, 107,000 ounces of gold and 1.68 million ounces of silver.

COBRE PANAMA MINING AND TECHNICAL INFORMATION

Project Description, Location and Access

The Cobre Panama concession is 120 kilometres west of Panama City and 25 kilometres from the Caribbean Sea coast, in the District of Donoso, Colon Province, in the Republic of Panama. It includes four zones and covers an area of 12,955.1 hectares. There is no industrial development in the area of the concession and the region is sparsely populated. The primary occupation of the local residents is subsistence farming. The nearest community, the village of Coclecito (population 900), is 12 kilometres southeast of the proposed plant site. The city of Penonomé, which has a population of 25,000, is 49 kilometres southeast of Coclecito.

The topography in the concession area is rugged with considerable local relief covered by dense forest. The area to the north is a lowland with minimal relief extending to the Caribbean coast. Climatic conditions are tropical with high precipitation levels, high humidity and relatively high temperatures year-round of 25 to 30 degrees Celsius.

On February 9, 1997, Minera Panama S.A., ("**MPSA**") was granted the mineral concession to explore and exploit Cobre Panama under Contract Law No. 9 of February 26, 1997 ("**Law 9**"). Law 9 has an initial 20-year term ending in 2017 and there are provisions for two consecutive 20-year extensions. Such extensions are standard and are awarded in the year the concession comes up for renewal. The legal regime established by Law 9 for the development of the Cobre Panama concession is supplemented by the Mineral Resources Code of Panama (the "**Panama Mining Code**").

On December 30, 2016 the Government of Panama signed and issued Resolution No. 128 by which it extended the Law 9 mining concession for a second 20 year term which commenced March 1, 2017 up to February 28, 2037. MPSA remains eligible for consideration of a third 20 year term of the Law 9 mining concession commencing March 1, 2037.

Under Law 9, MPSA has the rights to explore for, extract, exploit, beneficiate, process, refine, transport, sell and market the gold, copper and other mineral deposits on the Cobre Panama concession. MPSA is required to pay a 2% royalty on "Negotiable Gross Production" which is defined as "the gross amount received from the buyer due to the sale (of concentrates) after deductions of all smelting costs, penalties and other deductions, and after deducting all transportation costs and insurance incurred in their transfer from the mine to the smelter" to the Government of Panama. Law 9 also grants to MPSA rights of way on state-owned lands and easements to use surface lands on concessions adjacent to the Cobre Panama concession; the right to build, maintain and use such lands; and easements for use to build, install, maintain and use facilities and installations that MPSA deems convenient for the development of the Cobre Panama concession.

Corporate income tax under Law 9 is payable at a rate of 25% on taxable earnings which is exempted for the period during which MPSA has outstanding debt relating to the construction and development of the project.

In September 2018, First Quantum became aware of a ruling of the Supreme Court of Panama (" **Supreme Court**") in relation to the constitutionality of Law 9. First Quantum understands that the ruling of the Supreme Court with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the MPSA mining concession contract itself, which remains in effect, and allows continuation of the development and operation of the Cobre Panama project by MPSA.

On September 26, 2018 the Government of Panama issued a news release affirming support for the Cobre Panama project. The release confirmed that the Ministry of Commerce and Industries ("**MICI**") considers that the MPSA mining concession contract, and its extension, remains in effect in all its parts. Construction and commissioning are continuing while First Quantum seeks to clarify the legal position regarding the constitutionality of Law 9.

History

Cobre Panama is a development property in Panama which is currently in construction with a phased ramp-up scheduled through 2019.

In August 2012, MPSA entered into a precious metals stream agreement with a subsidiary of Franco-Nevada Corporation for the delivery of precious metals based on production of the Cobre Panama project, which was amended and restated on November 2, 2015 (the "**PSA**").

In 2013, First Quantum acquired an indirect 80% interest in MPSA, which holds the Cobre Panama concession, through its acquisition of Inmet Mining Corporation ("**Inmet**"). At that time the remaining 20% interest in MPSA was held by KPMC, a 50/50 joint venture company whose ultimate shareholders were LS-Nikko Copper Inc. and KORES. In August 2017, First Quantum increased its effective ownership of MPSA to 90% by acquiring LS-Nikko's 50% holding of KPMC which was payable in six installments over a five-year period.

On January 19, 2018, Franco-Nevada, through a wholly-owned subsidiary, entered into an amended and restated stream agreement with First Quantum and KORES which covers 100% of Cobre Panama.

Geological Setting and Mineralization

Mineralization at Cobre Panama consists of several disseminated copper-gold-molybdenum deposits. Known geologically as porphyry copper deposits, these are typical of the Western Cordillera of the Americas and other regions around the Pacific Ocean basin.

Exploration has outlined the several porphyry deposits, which developed around granodioritic stocks within and peripheral to the Oligocene Petaquilla batholith. Epithermal gold mineralization has also been identified in a more distal setting to the batholith.

The porphyry deposits occur at the southern margin of a large granodioritic batholith of mid-Oligocene age. The main deposits are Balboa, Botija, Colina and Valle Grande. There are also a number of smaller zones, the most significant being Brazo and Botija Abajo.

All of the porphyry style mineralization on the property is hosted in granodiorite, feldspar-quartz-hornblende porphyry and adjacent andesitic volcanic rocks. The porphyry at Balboa intruded passively toward the south from a source located northwest of the deposit and is also thought to be influenced by a high angle structure to the west of the deposit. At Botija, a number of north dipping feldspar-quartz-hornblende dikes cut the granodiorite. Two roof pendants of andesitic volcanic rock occur in the central and eastern parts of the deposit. At Colina, mineralization is associated with an east-southeasterly trending, shallow north-dipping 2.5 kilometre by 1 kilometre feldspar-quartz-hornblende porphyry sill and dyke complex that intrudes granodiorite and andesitic volcanic rocks. The Valle Grande zone is associated with a southeast trending feldspar-quartz-hornblende porphyry lopolith that is bounded to the north and south by andesitic volcanics and minor granodioritic dykes. At Brazo and Botija Abajo the host rock is dominantly feldspar-quartz or feldspar-quartz-hornblende porphyry.

Hydrothermal alteration along the Cobre Panama mineral trend is primarily silica-chlorite which is interpreted to be a form of propylitic alteration. Potassic alteration, consisting of salmon coloured potassium feldspar and secondary biotite is seen in the central parts of Botija. Argillic and phyllic alteration is patchy in the three main deposits with the latter variety being most prevalent near the tops of the deposits. At Brazo, pervasive sericite, clay and pyrite is associated with well-developed quartz stockworks.

Hypogene sulphides occur as disseminations, micro-veinlets, fracture fillings and quartz-sulphide stockworks. Chalcopyrite is the dominant copper mineral with lesser bornite. Traces of molybdenite are commonly found in quartz veinlets. There is no significant zone of supergene enrichment at Botija, Colina and Valle Grande. At Brazo, supergene mineralization consisting of chalcocite-coated pyrite and rare native copper occurs to a depth of at least 150 metres.

The Cobre Panama project comprises a series of copper porphyry deposits, including three main zones being Botija, Colina and Valle Grande plus three other zones; Balboa, Brazo and Botija Abajo. There has been significant exploration drilling in this region giving the project a potential life of operations of approximately 40 years. Mineral Resources and Reserves were updated by First Quantum in June 2015, by the filing of an NI 43-101 Technical Report, which replaced the previous NI 43-101 report dated May 2010.

Exploration and Drilling

During a regional survey in 1968, a United Nations Development Program team discovered copper, gold and molybdenum porphyry mineralization in the Petaquilla River region of north-central Panama. A total of 1,805 diamond drill holes totalling 346,294 metres have been drilled from discovery to August 2013.

Sampling, Analysis and Data Verification

Samples from MPSA drilling were placed within aluminum trays and dried in ovens. Once dry, the entire sample was crushed in a Rocklabs Boyd crusher, with sieve tests conducted regularly to ensure that the material was being crushed to the appropriate size. The equipment was cleaned after every sample using high-pressure air and after every tenth sample a coarse blank sample was passed through the crusher. The crushed sample material was split using a Jones rifle splitter and a 500 gram aliquot taken for assay. The aliquot was placed in a small plastic bag which was heat sealed and marked with a bar-coded sample tag. The reject material was returned to the original sample bag and stored on site.

The sample aliquots were shipped by air courier to ALS Chemex Lima in Lima, Peru, for analysis. Umpire assay checks and secondary assay work was conducted by Acme Santiago in Santiago, Chile. Both labs have ISO/IEC 17025-2005 certification. Residual pulps were stored at either ALS Chemex in Lima, Perú, or at a storage warehouse at First Quantum's Minera Antares office in Arequipa, Peru.

All assay samples were kept in a locked facility on site until they were ready for shipment. Samples for a given hole were batched once the entire hole had been logged and sampled. Samples were collected into larger bags in batches of approximately 90 samples per bag. Samples to be assayed for sequential copper were batched into bags of 20 to 25 samples. Several times a week, the samples were dispatched by road to a secure warehouse in Penonomé by MPSA staff. While in

storage, generally for less than two days, samples were kept under locked conditions until picked up by DHL cargo shipping. DHL then airfreighted the samples to ALS Chemex Laboratory in Lima, Peru.

A detailed review of all the historical and current QA/QC practices, QA/QC data and historical QA/QC reports at Cobre Panama has been undertaken by First Quantum in order to determine the accuracy, precision and bias present in the drillhole assay data for the project area, in order to determine suitability for mineral resource estimation. While a systemized program of QA/QC sampling was not fully implemented until 2006, numerous programs of check analysis were undertaken to compare each program of drilling to historic drilling undertaken by previous owners. Similarly, routine review of the QA/QC data and results did not occur until the MPSA drilling programs. Reviews and corrections of any errors identified are currently completed on a quarterly basis. MPSA is currently importing and validating all the Cobre Panama drillhole data into a corporate database, including all the historic QA/QC data collected over the life of the project. The sampling QA/QC results and the related studies demonstrate that sample assay data is representative of the mineralisation sampled and that it is appropriate for use in the Mineral Resource estimation. In addition, data verification completed by FQM supports that data used in the Mineral Resource estimate is similarly adequate.

Mineral Resources

The Mineral Resource estimate for each of the Cobre Panama deposits was generated from the drillhole sample results and an interpretation of the relevant geology that relates to the spatial distribution of copper, molybdenum, gold and silver mineralization. Block grade estimation used ordinary kriging and was post processed by local uniform conditioning of the copper and gold panel estimates considered appropriate to the scale of mining, The Mineral Resource estimates were classified according to the drill hole spacing, sample QA/QC, geological confidence and confidence in the grade estimates.

The Mineral Resource estimate for Cobre Panama, inclusive of the Mineral Reserve inventory, is presented below and reflects the position as at December 31, 2017. This estimate is consistent with that reported in the June 2015 NI 43-101 Technical Report.

Mineral Resource - as at December 31, 2017, and reported using a 0.15% Cu cut-off grade

Deposit	Category	Tonnes (Mt)	TCu %	Mo %	Au g/t	Ag g/t
Botija	Measured	331	0.46	0.008	0.10	1.35
Botija	Indicated	667	0.35	0.007	0.06	1.08
Colina	Indicated	1,032	0.39	0.007	0.06	1.58
Medio	Indicated	63	0.28	0.004	0.03	0.96
Valle Grande	Indicated	602	0.36	0.006	0.04	1.37
Balboa	Indicated	647	0.35	0.002	0.08	1.37
Botija Abajo	Indicated	114	0.31	0.004	0.06	0.93
Brazo	Indicated	228	0.36	0.004	0.05	0.81
Total Measured and Indicated		**3,684**	**0.37**	**0.006**	**0.07**	**1.32**
Botija	Inferred	152	0.23	0.004	0.03	0.78
Colina	Inferred	125	0.26	0.006	0.05	1.20
Medio	Inferred	189	0.25	0.005	0.03	1.25
Valle Grande	Inferred	363	0.29	0.005	0.03	1.14
Balboa	Inferred	79	0.23	0.003	0.04	0.96
Botija Abajo	Inferred	67	0.27	0.005	0.06	1.25
Brazo	Inferred	76	0.21	0.003	0.01	0.73
Total Inferred		**1,051**	**0.26**	**0.005**	**0.04**	**1.08**

Mineral Reserves

The Mineral Reserve estimate for Cobre Panama is disclosed entirely within the Measured and Indicated Mineral Resource estimate in the table above. It is consistent with the Mineral Reserve estimate reported in the Cobre Panama Technical Report. The actual cut-off grade for the estimate varies due to variable processing recovery, but otherwise reflects a longer-term consensus copper price of $3.00/lb, a molybdenum price of $13.50/lb, a gold price of $1,200/oz and a silver price of $16.00/oz.

The reported Mineral Reserve includes ore that has been mined during the course of the pre-strip and stockpiled for future processing.

A cut-off grade optimization strategy was adopted for the Mineral Reserve estimation process, whereby an elevated 0.2% Cu cut-off grade was adopted for the period up to 2040, then followed by a period of marginal cut-off grade plant feed for the remainder of the Project life. The impact of this strategy is that the initial production years are protected from copper price volatility which could otherwise impact on the economics of marginal grade plant feed at this time.

Commencing from the pre-strip phase, the project life extends for approximately 40 years.

Mineral Reserve - as at December 31, 2017 and reported based on a $3.00/lb Cu price

Classification / Pit	Saprock Ore					Primary Sulphide Ore					Total Ore				
	Tonnes (Mt)	TCu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)	Tonnes (Mt)	TCu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)	Tonnes (Mt)	TCu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)
Botija															
Total Proven	14.2	0.21	55.31	0.05	0.98	331.4	0.46	75.72	0.10	1.35	345.6	0.45	74.88	0.10	1.33
Total Probable	12.7	0.16	39.03	0.04	0.88	590.3	0.36	71.52	0.07	1.11	603.0	0.35	70.83	0.07	1.10
Total Mineral Reserve	26.9	0.19	47.62	0.04	0.93	921.7	0.39	73.03	0.08	1.19	948.6	0.39	72.31	0.08	1.19
Colina and Medio															
Total Proven	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Probable	55.0	0.22	48.08	0.08	1.24	954.9	0.40	67.32	0.06	1.61	1,009.9	0.39	66.27	0.06	1.59
Total Mineral Reserve	55.0	0.39	66.27	0.06	1.24	954.9	0.40	67.32	0.06	1.61	1,009.9	0.39	66.27	0.06	1.59
Valle Grande															
Total Proven	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Probable	39.0	0.16	64.58	0.05	1.04	527.0	0.37	67.20	0.05	1.41	566.0	0.36	67.02	0.05	1.39
Total Mineral Reserve	39.0	0.36	67.02	0.05	1.04	527.0	0.37	67.20	0.05	1.41	566.0	0.36	67.02	0.05	1.39
Balboa															
Total Proven	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Probable	—	—	—	—	—	437.1	0.35	16.10	0.08	1.36	437.1	0.35	16.10	0.08	1.36
Total Mineral Reserve	—	—	—	—	—	437.1	0.35	16.10	0.08	1.36	437.1	0.35	16.10	0.08	1.36
BABR															
Total Proven	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Probable	2.0	0.19	33.31	0.07	0.77	218.6	0.40	41.32	0.07	0.87	220.5	0.40	41.25	0.07	0.87
Total Mineral Reserve	2.0	0.40	41.25	0.07	0.77	218.6	0.40	41.32	0.07	0.87	220.5	0.40	41.25	0.07	0.87
Combined Pits															
Total Proven	14.2	0.21	55.31	0.05	0.98	331.4	0.46	75.72	0.10	1.35	345.6	0.45	74.88	0.10	1.33
Total Probable	108.6	0.19	52.67	0.06	1.12	2,727.8	0.38	57.91	0.06	1.36	2,836.4	0.37	57.71	0.06	1.36
Total Mineral Reserve	122.8	0.19	52.98	0.06	1.10	3,059.2	0.38	59.84	0.07	1.36	3,182.0	0.38	59.58	0.07	1.35

An economic analysis, in the form of an undiscounted cash-flow model to support the Mineral Reserve estimate is included in the Cobre Panama Technical Report. This model shows the indicative cash-flow and does not replace a more comprehensive financial model that exists for the Project, from which an accurate net present value and internal rate of return can be calculated.

The annual revenues are calculated using the same metal prices as used in the pit optimization process:

- Copper = US$3.00/lb (US$6,615/t)
- Molybdenum = US$13.50/lb (US$29,762/t)
- Gold = US$1,200/oz
- Silver = US$16.00/oz

The payable metal factors are:

- Copper = 96.43%
- Molybdenum = 86.20%
- Gold = 86.00%
- Silver = 80.00%

Mining Operations

Mining at Cobre Panama will involve large scale and conventional open pit methods at up to approximately 80 Mbcm of ore and waste mined per annum. The multiple pits will be mined in an optimized sequence with ore crushed in-pit and conveyed overland to the nearby processing plant.

Processing and Recovery Operations

The processing plant design is based upon a conventional sulphide ore flotation circuit, with differential flotation to produce separate copper and molybdenum concentrate products. Plant tailings will be directed into areas of valley fill and into the depleted open pits.

The predominantly copper/molybdenum sulphide ore is amenable to conventional differential flotation processing, with lesser gold and silver recovered into the copper and gravity concentrate.

Various metallurgical test work programs have been undertaken on the Cobre Panama project since 1968, commensurate with the various levels of preliminary feasibility and prefeasibility studies that were completed up until 1998.

In 1997 an extensive program of metallurgical testing was designed to confirm earlier studies on the metallurgical response of the Botija and Colina ores. Work included grinding, flotation, dewatering and mineralogical testing. Further testing was completed, including locked-cycle flotation testwork and modal analysis to assist in defining grind requirements for both rougher and cleaner flotation. Copper-molybdenum separation by means of differential flotation was also tested.

Confirmatory batch laboratory flotation testwork was conducted during 2014. Based on all of this testwork, variable processing recovery relationships were determined for copper and gold, while fixed recovery values were determined for molybdenum and silver. While design recoveries vary for each deposit the average recoveries are expected to be as follows:

- Copper: 90.2%
- Molybdenum: 54.0%
- Gold: 55.4%
- Silver: 45.2%

The copper concentrate product will be piped as a slurry to the port site on the northern side of the country (on the Caribbean Sea), from where it will be loaded onto vessels for shipping to world markets. The molybdenum concentrate will be delivered to the port by road and shipped in bulk bags.

Project power will be generated by a coal-fired power station at the port site and transmitted to the mine site along a new access corridor, which also incorporates the concentrate pipeline.

Infrastructure, Permitting and Compliance Activities

The project has two main development areas - the mine and plant site within the concession boundaries, and the port and power station at Punta Rincon, approximately 25 kilometres north of the plant site on the Caribbean coast. The Cobre Panama concession will be developed as a conventional truck and shovel open pit mine with a concentrator that uses proven technology (such as crushing, grinding or flotation) to produce copper-gold and molybdenum concentrates. The port and power plant site consists of a deep water berth for concentrate, and coal shipments, a conventional ship landing site and a 300 megawatt coal fired power plant. An access road has been constructed between the mine and each of the power plant site and the port. The port has been operational since 2015, and new access roads and improvements to the existing access roads from Penonomé through La Pintada and Coclecito to the site have been constructed to permit safe access to the mine and plant site from the Pan-American Highway via the existing road from Penonomé.

In December 2011, the Government of Panama, through Autoridad Nacional del Ambiente (the Panamanian national environmental authority), approved the project environmental and social impact assessment required for development of the Cobre Panama copper project, including the mining operations and related infrastructure, the port facility, and the coal-fired power plant.

Cobre Panama continues to implement its environmental management plans to meet commitments made in the Project Environmental & Social Impact Assessment ("**ESIA**") and comply with Panamanian environmental regulations, international standards including Equator Principles and IFC Performance Standards and internal environmental policies of First Quantum. First Quantum is implementing a Bio-diversity action plan in line with IFC Performance Standard 6 to protect and conserve the sensitive bio-diversity of the Cobre Panama project area. Cobre Panama has implemented site-level water management plans to address concerns with high rainfall levels.

The project continues to be audited quarterly against ESIA commitments by a third party and the results provided to the environmental regulator Mi-AMBIENTE. Although some action items were identified, the project is largely in compliance with its ESIA commitments and an action plan is being implemented.

In 2017, First Quantum successfully obtained change applications relating to the siting of the process plant, decant tower and tunnel at the tailings storage facility ("**TSF**") and above ground pipelines between the Mill and TSF and mine and port site and also lodged the necessary environmental permits to begin commissioning and operation of the power plant at the port.

No material environmental incidents were reported at Cobre Panama in 2017 and no notice of violation or penalties were imposed by any applicable regulatory authority arising as a result of water pollution or contamination of land beyond the boundary of its operations.

Capital and Operating Expenses

The capital expenditure for Cobre Panama in 2018 was $1.332 billion and project spending to the end of 2018 amounted to $6.1 billion, including $1.356 billion contributed by the Company.

Project capital expenditure for 2019 is expected to be $230M, and overall project expenditure is expected to be $6.3B.

By 2022 (when production is expected to be approximately 350,000 tpa copper) C1 cash cost of production is estimated at $1.20/lb and $1.50/lb all-in sustaining. Both estimates are net of an assumed by-product credit of approximately $0.25/lb based principally on gold as well as some molybdenum and silver.

Project Development and Production

Since the acquisition of Cobre Panama, First Quantum's prime focus was to critically review and stabilize all activities and focus on the key elements of the project development, the construction and contracting plan, and implementation of practical site infrastructure. On January 27, 2014, First Quantum announced an update on the development of the Cobre Panama

project. At that time, First Quantum estimated that capital expenditure to develop Cobre Panama would be approximately $6.4 billion, inclusive of $913 million incurred prior to the acquisition of Inmet.

In 2015, the estimated capital cost was reviewed in detail and reappraised and on October 5, 2015 First Quantum announced its revised estimated total project cost at $5.95 billion, approximately 7% below previous estimates. Capital costs were reduced due to better construction efficiency, continued optimization of detailed design and lower costs for equipment and bulk materials such as rebar and structural steel. In early 2016, an additional detailed capex review was performed resulting in a revised capital cost estimate of $5.48 billion from the previous estimate of $5.95 billion.

In early 2018, the expansion of Cobre Panama's throughput capacity, by 15%, to 85 million tonnes per annum and upgrades to certain areas to facilitate a further increase to 100 million tonnes per annum after year 2022 was approved. Cobre Panama's total development capital was estimated at $6.3 billion including installation of an eighth mill and associated infrastructure planned to begin in the second half of 2018 for completion in the second half of 2019. The expanded project also included an expansion of the mining fleet and additional pre-production stripping.

The hard wharf at the Punta Rincon International Port is fully operational having received numerous direct international shipments. The concentrate jetty and mooring system is under completion and is now permitted for importation of coal and exportation of copper concentrate.

Key milestones achieved during 2018 include the construction completion of the first in-pit primary crusher, commencement of mill commissioning, commencement of water commissioning, activation of air circuits, and commencement of demobilization of site labour.

As of the end of 2018, project pre-strip was 100% complete, the tailings management facility earthworks were 87% complete, both of the 150MW power station sets were 100% complete and sets 1 and 2 were 100% and 94% commissioned, respectively, and 2,133 designated operations personnel were engaged including all key management staff.

In January 2019 the reliability and ramp-up programme for the first 150MW power station was completed, and the second 150MW set was successfully synchronised to the Panamanian grid, On February 7, 2019, ore was introduced through primary crushing and onto the stockpile, and on February 11, ore was introduced through to the first milling circuit.

It is expected that first concentrate production will occur within the first quarter of 2019, the gold plant and completion of outstanding infrastructure will occur within the second and third quarters of 2019, and completion of the molybdenum plant is expected in the fourth quarter of 2019.

By the end of 2019 the Cobre Panama mine is expected to be running at an annualized throughput rate of 72 mpta and will reach the 85 mtpa throughput rate by 2020.

The Company's precious metals streams are linked to copper production from the Cobre Panama project. Contained copper production is estimated at between 140,000 tonnes and 175,000 tonnes in 2019, between 270,000 tonnes and 300,000 tonnes in 2020, approximately 300,000 tonnes in 2021 increasing to approximately 350,000 tonnes in 2022. Gold production in 2020 and 2021 is estimated at approximately 100,000 ounces.

On the basis of the current Mineral Reserves estimate and the planned processing capacity, the life of operations is approximately 40 years. During the period when processing at the 90 Mtpa rate, average annual copper production is approximately 311,000 tonnes of recovered metal (reaching a maximum of approximately 397,000 tonnes of recovered metal). The annual average metal production rate when processing at 90 Mtpa is around 17% higher than the initial project plan.

Over the life of operations, the average by-product production is expected to be 97,000 ounces of recovered gold, 1,570 thousand ounces of recovered silver and 2,570 tonnes of recovered molybdenum. The average copper feed grade is expected to be 0.42% total copper for the first 10 years and 0.35% total copper for the remaining operations life. The average life-of-mine strip ratio (tonnes) is 1:1.

RISK FACTORS

Investors should carefully consider all of the information disclosed in this AIF prior to investing in the securities of Franco-Nevada. In addition to the other information presented in this AIF, the following risk factors should be given special consideration when evaluating an investment in such securities.

Risks Related to the Business of Franco-Nevada

Changes in the market price of the commodities that underlie the royalty, stream, working and other interests will affect the profitability of Franco-Nevada and the revenue generated therefrom

The revenue derived by Franco-Nevada from its asset portfolio will be significantly affected by changes in the market price of the commodities underlying the royalties, streams, working interests and investments. Franco-Nevada's revenue will be particularly sensitive to changes in the price of gold, silver, oil, natural gas, PGM and copper, as the revenue from these commodities represents substantially all of the cash flow derived from the asset portfolio. Commodity prices, including those to which Franco-Nevada is exposed, fluctuate on a daily basis and are affected by numerous factors beyond the control of Franco-Nevada, including levels of supply and demand, industrial development levels, inflation and the level of interest rates, the strength of the U.S. dollar and geopolitical events in significant oil & natural gas producing countries. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments.

All commodities, by their nature, are subject to wide price fluctuations and future material price declines will result in a decrease in revenue or, in the case of severe declines that cause a suspension or termination of production by relevant operators, a complete cessation of revenue from royalties, streams or working interests applicable to one or more relevant commodities. Moreover, despite Franco-Nevada's commodity diversification, the broader commodity market tends to be cyclical, and a general downturn in overall commodity prices could result in a significant decrease in overall revenue. Any such price decline may result in a material adverse effect on Franco-Nevada's profitability, results of operations and financial condition.

Gold, silver, and/or PGM are produced or will be produced as a by-product metal at some of the assets including the Antapaccay project, Antamina project, Candelaria project, Cobre Panama project, Guadalupe-Palmarejo project, Sudbury project and MWS project; therefore, production decisions and the economic cut-off applied to the reporting of gold, silver and PGM reserves and resources, as applicable, will be influenced by changes in the commodity prices of other metals at the mines. To some extent risks related to this will be mitigated by Franco-Nevada in respect of each of Antapaccay and Cobre Panama as gold and silver deliveries under the stream are initially tied to the production of copper, the primary product to be produced at such projects and the Candelaria project as gold and silver deliveries under the stream are subject to recovery collars.

For mining assets that are subject to stream agreements where there is a fixed price payable per ounce, in the event that the price of gold and/or silver falls below the fixed price per ounce (subject to inflation adjustment), Franco-Nevada would not realize any profits.

The operation of the properties in which Franco-Nevada holds an interest is generally determined by third party property owners and operators, and Franco-Nevada has no or limited decision making power as to how these properties are operated, and the operators' failure to perform could affect the revenues generated by Franco-Nevada

Franco-Nevada is not directly involved in the operation of mines. The revenue derived from the asset portfolio is based on production by third party property owners and operators. The owners and operators generally will have the power to determine the manner in which the properties are exploited, including decisions to expand, continue or reduce, suspend or discontinue production from a property, decisions about the marketing of products extracted from the property and decisions to advance exploration efforts and conduct development of non-producing properties. The interests of third party owners and operators and those of Franco-Nevada on the relevant properties may not always be aligned. As an example, it will usually be in the interest of Franco-Nevada to advance development and production on properties as rapidly as possible in order to maximize near-term cash flow, while third party owners and operators may take a more cautious approach to development as they are at risk on the cost of development and operations. Likewise, it may be in the interest of property owners to invest in the development of and emphasize production from projects or areas of a project that are not subject to streaming, royalty or working interest obligations. The inability of Franco-Nevada to control the operations for the properties in which it has a royalty, stream or working interest may result in a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition. In addition, the owners or operators may take action contrary to Franco-Nevada's policies or objectives; be unable or unwilling to fulfill their obligations under their agreements with Franco-Nevada; have difficulty obtaining or be unable to obtain the financing necessary to move projects forward; or experience financial, operational or other difficulties, including insolvency, which could limit the owner or operator's ability to perform its obligations under arrangements with Franco-Nevada.

Franco-Nevada may not be entitled to any material compensation if any of the properties in which it holds a royalty, stream or other interest shuts down or discontinues their operations on a temporary or permanent basis. At any time, any of the operators of the properties in which it holds a royalty, stream or other interest or their successors may decide to suspend or discontinue operations.

The owners or operators of the projects in which Franco-Nevada holds an interest may from time to time announce transactions, including the sale or transfer of the projects or of the operator itself, over which Franco-Nevada has little or no control. If such transactions are completed it may result in a new operator controlling the project, who may or may not operate the project in a similar manner to the current operator which may positively or negatively impact Franco-Nevada. If any such transaction is announced, there is no certainty that such transaction will be completed, or completed as announced, and any consequences of such non-completion on Franco-Nevada may be difficult or impossible to predict.

Franco-Nevada has limited access to data and disclosure regarding the operation of properties, which will affect its ability to assess the royalty's/stream's performance

As a royalty/stream holder, Franco-Nevada has limited access to data on the operations or to the actual properties themselves. This could affect its ability to assess the performance of the royalty/stream. This could result in deviations in cash flow from that which is anticipated by Franco-Nevada based on the stage of development of the properties covered by the asset portfolio. In addition, some royalties/streams may be subject to confidentiality arrangements which govern the disclosure of information with regard to royalties/streams and, as such, Franco-Nevada may not be in a position to publicly disclose non-public information with respect to certain royalties/streams. The limited access to data and disclosure regarding the operations of the properties in which Franco-Nevada has an interest, may restrict Franco-Nevada's ability to enhance its performance which may result in a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition. Although when creating new royalty or stream agreements, we attempt to obtain these rights, there is no assurance that our efforts will be successful.

Franco-Nevada depends on its operators for the calculation of royalty/stream payments. It may not be able to detect errors and payment calculations may call for retroactive adjustments

Franco-Nevada's royalty/stream payments are calculated by the operators of the properties on which Franco-Nevada has royalties/streams based on the reported production. Each operator's calculation of our royalty/stream payments is subject to and dependent upon the adequacy and accuracy of its production and accounting functions, and errors may occur from time to time in the calculations made by an operator. Certain royalty/stream agreements require the operators to provide Franco-Nevada with production and operating information that may, depending on the completeness and accuracy of such information, enable Franco-Nevada to detect errors in the calculation of royalty/stream payments that it receives. Franco-Nevada does not, however, have the contractual right to receive production information for all of its royalty/stream interests. As a result, Franco-Nevada's ability to detect royalty/stream payment errors through its royalty/stream monitoring program and its associated internal controls and procedures is limited, and the possibility exists that Franco-Nevada will need to make retroactive royalty/stream revenue adjustments. Some of our royalty/stream contracts provide the right to audit the operational calculations and production data for the associated royalty/stream payments; however, such audits may occur many months following our recognition of the royalty/stream revenue and may require us to adjust our revenue in later periods.

The Antamina, Antapaccay, Candelaria and Cobre Panama project streams are significant to Franco-Nevada and other assets and properties may become significant to Franco-Nevada from time to time and any adverse development related to any such assets will affect the revenue derived from such assets

The streams on the Antamina, Antapaccay, Candelaria and Cobre Panama projects are currently significant to Franco-Nevada, although as new assets are acquired or move into production, the materiality of each of our assets will be reconsidered. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the Antamina, Antapaccay, Candelaria and Cobre Panama projects or any other significant property in the asset portfolio from time to time, such as, but not limited to, unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, pit wall failures, tailings dam failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage, or the inability to hire suitable personnel and engineering contractors or secure supply agreements on commercially suitable terms, may have a material adverse effect on Franco-Nevada's profitability, financial condition and results of operations. As well, any adverse development in the clarification of Law 9 with respect to Cobre Panama may have a material adverse effect on Franco-Nevada's profitability, financial condition and results of operations. In addition, Franco-Nevada has no control over operational decisions made by the third party owners and operators of these projects. Any adverse decision made by the owners and operators, including for example, alterations to mine plans or production schedules, may impact the timing and amount of revenue that Franco-Nevada receives and may have a material and adverse effect on Franco-Nevada's profitability, financial condition and results of operations. As mines on which Franco-Nevada has royalties/streams mature, it can expect overall declines in production over the years unless operators are able to replace reserves that are mined through mine expansion or successful new exploration.

Franco-Nevada is dependent on the payment of royalties/streams by the owners and operators of the relevant properties and any delay in or failure of such royalty/stream payments will affect the revenues generated by the asset portfolio

Franco-Nevada is dependent to a large extent upon the financial viability and operational effectiveness of owners and operators of the relevant royalty/stream properties. Payments from production generally flow through the operator and there is a risk of delay and additional expense in receiving such revenues. Payments may be delayed by restrictions imposed by lenders, delays in the sale or delivery of products, the ability or willingness of smelters and refiners to process mine products, delays in the connection of wells to a gathering system, blowouts or other accidents, recovery by the operators of expenses incurred in the operation of the royalty/stream properties, the establishment by the operators of reserves for such expenses or the insolvency of the operator. Franco-Nevada's rights to payment under the royalties/streams must, in most cases, be enforced by contract without the protection of the ability to liquidate a property. This inhibits Franco-Nevada's ability to collect outstanding royalties/streams upon a default. Additionally, some agreements may provide limited recourse in particular circumstances which may further inhibit Franco-Nevada's ability to recover or obtain equitable relief in the event of a default under such agreements. In the event of a bankruptcy of an operator or owner, it is possible that an operator may claim that Franco-Nevada should be treated as an unsecured creditor and, therefore, have a limited prospect for full recovery of revenue and a possibility that a creditor or the operator may claim that the royalty or stream agreement should be terminated in the insolvency proceeding. Failure to receive payments from the owners and operators of the relevant properties or termination of Franco-Nevada's rights may result in a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition.

Certain royalty/stream interests and working interests are subject to rights in favour of others or third parties that could adversely affect the revenues generated from the asset portfolio

Some royalty/stream interests and working interests are subject to: (i) buy-down right provisions pursuant to which an operator may buy-back all or a portion of the royalty/stream, (ii) pre-emptive rights pursuant to which parties to operating and royalty/stream agreements have the right of first refusal or first offer with respect to a proposed sale or assignment of a royalty/stream to Franco-Nevada, or (iii) claw back rights pursuant to which the seller of a royalty/stream to Franco-Nevada has the right to re-acquire the royalty/stream. Holders may exercise these rights such that certain royalty/stream interests and working interests would no longer be held by Franco-Nevada.

The asset portfolio includes a number of royalty interests based on net profits, and the revenue derived from such royalty interests is dependent upon factors beyond the control of Franco-Nevada that may have an adverse effect on the overall revenues generated by the asset portfolio

Franco-Nevada holds a number of net profit royalties, equity interests and working interests in its asset portfolio. These royalties and other interests allow the operator to account for the effect of prevailing cost pressures on the project before calculating the royalty payable to Franco-Nevada. These cost pressures include costs of labour, equipment, fuel, electricity, environmental compliance, oil prices and numerous other capital, operating and production inputs. Such costs will fluctuate in ways that are unpredictable and are beyond the control of Franco-Nevada, and can have a dramatic effect on the revenue payable to Franco-Nevada on these royalties and other interests. Any increase in the costs incurred by the operators on the applicable properties will likely result in a decline in the revenue received by Franco-Nevada. This will affect overall revenue generated by the asset portfolio which may have a material and adverse effect on Franco-Nevada's profitability, financial condition, and results of operations.

Franco-Nevada may enter into acquisitions or other material royalty or streaming transactions at any time

Franco-Nevada is continuously reviewing opportunities to acquire existing royalties or streams, to create new royalty interests or streaming arrangements through the financing of mining projects, financing of new acquisitions or to acquire companies that hold royalties or streams. At any given time Franco-Nevada has various types of transactions and acquisition opportunities in various stages of active review, including submission of indications of interest and participation in discussions or negotiations in respect of such transactions. This process also involves the engagement of consultants and advisors to assist in analyzing particular opportunities. Any such acquisition or transaction could be material to Franco-Nevada and may involve the issuance of securities by Franco-Nevada or the incurring of indebtedness to fund any such acquisition. In addition, any such acquisition or other royalty or streaming transaction may have other transaction specific risks associated with it, including risks related to the completion of the transaction, the project operators or the jurisdictions in which assets may be acquired.

Additionally, Franco-Nevada may consider opportunities to restructure its royalties or stream arrangements where it believes such a restructuring may provide a long-term benefit to Franco-Nevada, even if such restructuring may reduce near-term revenues or result in Franco-Nevada incurring transaction related costs.

Franco-Nevada may enter into one or more acquisitions, restructurings or other royalty and streaming transactions at any time.

Franco-Nevada may experience difficulty attracting and retaining qualified management and technical personnel to efficiently operate its business

Franco-Nevada is dependent upon the continued availability and commitment of its key management, whose contributions to immediate and future operations of Franco-Nevada are of significant importance. The loss of any such key management could negatively affect business operations. From time to time, Franco-Nevada may also need to identify and retain additional skilled management and specialized technical personnel to efficiently operate its business. The number of persons skilled in the acquisition, exploration and development of royalties/streams and interests in natural resource properties is limited and competition for such persons is intense. Recruiting and retaining qualified personnel is critical to Franco-Nevada's success and there can be no assurance of such success. If Franco-Nevada is not successful in attracting and retaining qualified personnel, Franco-Nevada's ability to execute its business model and growth strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition. Franco-Nevada does not intend to maintain "key man" insurance for any members of its management.

Increased competition for royalty/stream interests and resource investments could adversely affect Franco-Nevada's ability to acquire additional royalties, streams and other investments in mineral and oil & natural gas properties

Many companies are engaged in the search for and the acquisition of mineral and oil & natural gas interests, and there is a limited supply of desirable mineral and oil & natural gas interests. The mineral exploration and mining and oil & natural gas businesses are competitive in all phases. Many companies are engaged in the acquisition of mining and oil & natural gas interests, including large, established companies with substantial financial resources, operational capabilities and long earnings records. Franco-Nevada may be at a competitive disadvantage in acquiring those interests, whether by way of royalty, stream or other form of investment, as competitors may have greater financial resources and technical staffs. There can be no assurance that Franco-Nevada will be able to compete successfully against other companies in acquiring new natural resource properties and royalty/stream interests. In addition, Franco-Nevada may be unable to acquire royalties or streams at acceptable valuations which may result in a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition.

Royalty/stream and other interests may not be honoured by operators of a project

Royalty/stream and other interests in natural resource properties are largely contractual in nature. Parties to contracts do not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. To the extent grantors of royalty/stream and other interests do not abide by their contractual obligations, Franco-Nevada would be forced to take legal action to enforce its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined adversely to Franco-Nevada, may have a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

There may be unknown defects in the asset portfolio

A defect in a royalty, stream, working interest or equity interest and/or the underlying contract may arise to defeat or impair the claim of Franco-Nevada to such royalty, stream, working interest or equity interest. When Franco-Nevada acquired assets from Newmont Mining Corporation ("**Newmont**"), it was not provided with title representations and warranties relating to the royalties and various equity interests in the Newmont acquisition agreement. Newmont only represented that it would transfer the extent of its interest in the assets to Franco-Nevada. If there was a defect in Newmont's interest in the royalties, working interest or equity interest and/or the underlying contract, Franco-Nevada will not have any recourse against Newmont under the Newmont acquisition agreement. Unknown defects in the royalty, stream or other assets of Franco-Nevada may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Current global financial conditions continue to be challenging

Global financial conditions have been characterized by ongoing volatility. Global financial conditions could suddenly and rapidly destabilize in response to future events, as government authorities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes, including natural disasters, geopolitical instability, changes to energy prices or sovereign defaults.

Any sudden or rapid destabilization of global economic conditions could negatively impact Franco-Nevada's ability, or the ability of the operators of the properties in which Franco-Nevada holds royalties, streams or other interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. Additionally, Franco-Nevada may be subject to counterparty risk and liquidity risk. Franco-Nevada is exposed to various counterparty risks including, but not limited to (i) through financial institutions that hold Franco-Nevada's cash, (ii) through companies that have payables to Franco-Nevada, (iii) through Franco-Nevada's insurance providers, and (iv) through Franco-Nevada's lenders. Franco-Nevada is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be

maintained or appropriate financing is unavailable. These factors may impact the ability of Franco-Nevada to obtain loans or other credit facilities or obtain equity financing in the future or to obtain them on terms favourable to Franco-Nevada. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, Franco-Nevada's operations could be adversely impacted and the trading price of Franco-Nevada securities could be adversely affected.

Franco-Nevada's revenue, earnings, the value of its treasury and the value it records for its assets are subject to variations in foreign exchange rates, which may adversely affect the revenue generated by the asset portfolio or cause adjustments to the recorded value of assets

Franco-Nevada's royalty/stream interests are subject to foreign currency fluctuations and inflationary pressures, which may have a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition. There can be no assurance that the steps taken by management to address variations in foreign exchange rates will eliminate all adverse effects and Franco-Nevada may suffer losses due to adverse foreign currency rate fluctuations.

The ability to pay dividends will be dependent on the financial condition of Franco-Nevada

Payment of dividends on the Common Shares is within the discretion of Franco-Nevada's Board of Directors and will depend upon Franco-Nevada's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. Although Franco-Nevada currently pays a regular dividend, there can be no assurance that it will be in a position to declare dividends due to the occurrence of one or more of the risks described herein.

Changes in tax legislation or accounting rules could affect the profitability of Franco-Nevada

Changes to, or differing interpretation of, taxation laws or regulations in any of Canada, the United States, Mexico, Barbados, Australia, Chile, Peru or any of the countries in which Franco-Nevada's assets or relevant contracting parties are located could result in some or all of Franco-Nevada's profits being subject to additional taxation. No assurance can be given that new taxation rules or accounting policies will not be enacted or that existing rules will not be applied in a manner which could result in Franco-Nevada's profits being subject to additional taxation or which could otherwise have a material adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities. In addition, the introduction of new tax rules or accounting policies, or changes to, or differing interpretations of, or application of, existing tax rules or accounting policies could make royalties, streams or other investments by Franco-Nevada less attractive to counterparties. Such changes could adversely affect Franco-Nevada's ability to acquire new assets or make future investments.

The effect of comprehensive U.S. tax reform legislation on the Corporation and its U.S. Subsidiaries, whether adverse or favorable, is uncertain

U.S. federal income tax reform legislation known as the "Tax Cuts and Jobs Act", which was signed into law on December 22, 2017, has resulted in fundamental changes to the U.S. Internal Revenue Code. Among such changes, the Tax Cuts and Jobs Act reduces the marginal U.S. corporate income tax rate from 35% to 21%, limits the deduction for net interest expense, shifts the United States toward a modified territorial tax system, and imposes new taxes to combat erosion of the U.S. federal income tax base. The aggregate tax effect of the Tax Cuts and Jobs Act on the Corporation and its U.S. Subsidiaries, whether adverse or favorable, is uncertain, and may not become evident for some period of time. Investors are urged to consult their own tax advisors regarding the implications of the Tax Cuts and Jobs Act for an investment in Common Shares.

Reviews conducted by tax authorities, now or in the future, may result in adverse tax consequences for Franco-Nevada

The CRA is conducting an audit of Franco-Nevada's 2012-2015 taxation years.

As noted previsously, the Company received the Reassessment from the CRA for the 2013 taxation year in relation to the Company's Mexican subsidiary. The Reassessment assesses the Company for additional Federal and provincial income taxes of C$10.7 million ($7.9 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty.

For the 2013 taxation year, the Company's Mexican subsidiary paid 154.3 million Mexican Pesos ($12.1 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico.

Management believes that the Company has filed its tax returns and paid all applicable taxes in compliance with Canadian and Mexican tax laws. The Company intends to vigorously defend its position and if required, seek relief from double taxation under the Canada-Mexico tax treaty.

The CRA audit is ongoing and there can be no assurance that the CRA will not further challenge the manner in which the Company and its foreign subsidiaries has filed its income tax returns and reported its income. In the event that the CRA successfully challenges the manner in which the Company has filed its tax returns and reported its income, this could potentially result in additional income taxes, penalties and interest, which could have a material adverse effect on the Company.

Certain of Franco-Nevada's directors and officers serve in similar positions with other public companies, which could put them in a conflict position from time to time

Certain of the directors and officers of Franco-Nevada also serve as directors or officers of, or have significant shareholdings in, other companies involved in natural resource exploration, development and production and, to the extent that such other companies may engage in transactions or participate in the same ventures in which Franco-Nevada participates, or in transactions or ventures in which Franco-Nevada may seek to participate, the directors and officers of Franco-Nevada may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where directors and officers have an interest in other companies, such other companies may also compete with Franco-Nevada for the acquisition of royalties/streams, or mineral or oil & natural gas property investments. Such conflicts of the directors and officers may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Franco-Nevada can provide no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable and Franco-Nevada may have to raise additional capital through the issuance of additional equity, which could result in dilution to Franco-Nevada's shareholders

There can be no assurance that Franco-Nevada will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede Franco-Nevada's funding obligations, or result in delay or postponement of further business activities which may result in a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition. Franco-Nevada may require new capital to continue to grow its business and there are no assurances that capital will be available when needed, if at all. It is likely that, at least to some extent, such additional capital will be raised through the issuance of additional equity, which could result in dilution to shareholders.

If Franco-Nevada expands its business beyond the acquisition of royalty/stream interests, Franco-Nevada may face new challenges and risks which could affect its profitability, results of operations and financial condition

Franco-Nevada's operations and expertise have been focused on the acquisition and management of royalty/stream interests. Franco-Nevada may pursue acquisitions outside this area, including acquiring and/or investing in and/or developing resource projects. Expansion of Franco-Nevada's activities into new areas would present challenges and risks that it has not faced in the past, including many of the risks described under "Risks Related to Mining Operations and Oil & Natural Gas Operations". The failure to manage these challenges and risks successfully may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Potential litigation affecting the properties in which Franco-Nevada holds its royalty/stream interests could have an adverse effect on Franco-Nevada

Potential litigation may arise on a property on which Franco-Nevada holds or has a royalty/stream interest (for example, litigation between joint venture partners or between operators and original property owners or neighbouring property owners). As a royalty/stream holder, Franco-Nevada will not generally have any influence on the litigation and will not generally have access to data. Any such litigation that results in the cessation or reduction of production from a property (whether temporary or permanent) could have a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Information Systems and Cyber Security

Franco-Nevada's operations depend, in part, on its information technology (" **IT**") systems, networks, equipment and software and the security of these systems. The Company depends on various IT systems to estimate reserve and resource quantities, process and record financial data, analyze seismic information, administer its contracts with its counterparties and communicate with employees and third-parties. These IT systems, and those of its third-party service providers and vendors and the counterparties under its royalty/stream agreements may be vulnerable to an increasing number of continually evolving cyber security risks. Unauthorized third parties may be able to penetrate network security and misappropriate or compromise confidential information, create system disruptions or cause shutdowns. Any such breach or compromise may go undetected for an extended period of time.

A significant breach of Franco-Nevada's IT systems or data security or misuse of data, particularly if such breach or misuse goes undetected for an extended period of time, could result in significant costs, loss of revenue, fines or lawsuits and damage to reputation. The costs to eliminate or alleviate cyber or other security problems, including bugs, viruses, worms, malware and other security vulnerabilities, could be significant, and our efforts to address these problems may not be successful. The significance of any cyber-security breach is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks Related to Mining Operations and Oil & Natural Gas Operations

Franco-Nevada is subject to the same risk factors as the owners and operators of properties in which it holds a royalty, stream or other interests

To the extent that they relate to the production of minerals or oil & natural gas from, or the continued operation of, the properties in which Franco-Nevada holds a royalty, stream or interest, Franco-Nevada will be subject to the risk factors applicable to the owners and operators of such mines or projects.

The inability to add additional reserves to its asset portfolio through either the development of existing resources or the acquisition of new mineral or oil & natural gas producing assets could adversely affect Franco-Nevada

The revenue generated by Franco-Nevada is principally based on the exploitation of mineral and oil & natural gas reserves on assets underlying the royalty/stream interests and on which Franco-Nevada has a royalty, stream or other interest. Reserves are continually being depleted through extraction and the long-term viability of Franco-Nevada's asset portfolio depends on the replacement of reserves through new producing assets and increases in reserves on existing producing assets. While Franco-Nevada may be able to maintain all or a portion of its interest in its reserve inventory through acquisitions, its business model relies on the successful development of the non-producing properties in its asset portfolio. Exploration for minerals and energy resources is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures made by the operator of any given project will result in discoveries of commercial quantities of minerals or energy resources on properties underlying the asset portfolio. Even in those cases where a significant mineral or oil & natural gas deposit is identified, there is no guarantee that the deposit can be economically extracted. Substantial expenditures are required to establish reserves through drilling, to develop processes to extract the resources and, in the case of new properties, to develop the extraction and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, no assurance can be given that new reserves will be identified to replace or increase the amount of reserves currently in the asset portfolio. This includes mineral resources, as the resources that have been discovered have not been subjected to sufficient analysis to justify commercial operations or the allocation of funds required for development. The inability to add additional reserves or to replace existing reserves through either the development of existing resources or the acquisition of new mineral or oil & natural gas producing assets may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Reserves and resources are estimates based on interpretation and assumptions and actual production may differ from amounts identified in such estimates

The mineral and oil & natural gas reserves and resources on properties underlying Franco-Nevada's royalty, stream or other interests are estimates only, and no assurance can be given that the estimated reserves and resources are accurate or that the indicated level of minerals and oil & natural gas will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralization or formations may be different from those predicted. Further, it may take many years from the initial phase of drilling before production is possible and during that time the economic feasibility of exploiting a discovery may change.

Market price fluctuations of the applicable commodity, as well as increased production and capital costs or reduced recovery rates, may render the proven and probable reserves on properties underlying Franco-Nevada's royalty/stream interests unprofitable to develop at a particular site or sites for periods of time or may render reserves containing relatively lower grade mineralization uneconomic. Moreover, short-term operating factors relating to the reserves, such as the need for the orderly development of ore bodies or the processing of new or different ore grades, may cause reserves to be reduced or not extracted. Estimated reserves may have to be recalculated based on actual production experience. The economic viability of a mineral deposit may also be impacted by other attributes of a particular deposit, such as size, grade and proximity to infrastructure, governmental regulations and policy relating to price, taxes, royalties, land tenure, land use permitting, the import and export of minerals and environmental protection and by political and economic stability.

Resource estimates in particular must be considered with caution. Resource estimates for properties that have not commenced production are based, in many instances, on limited and widely spaced drill hole or other limited information, which is not necessarily indicative of the conditions between and around drill holes. Such resource estimates may require revision as more drilling or other exploration information becomes available or as actual production experience is gained. Further, resources may not have demonstrated economic viability and may never be extracted by the operator of a property. It should not be assumed that any part or all of the mineral resources on properties underlying Franco-Nevada's royalty/stream interests constitute or will be converted into reserves.

Any of the foregoing factors may require operators to reduce their reserves and resources, which may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

The exploration and development of mining and resource properties is inherently dangerous and subject to risks beyond the control of Franco-Nevada

Companies engaged in mining and oil & natural gas activities are subject to all of the hazards and risks inherent in exploring for and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, increases in the cost of labour, social unrest, changes in the regulatory environment, permitting and title risks, impact of non-compliance with laws and regulations, fires, explosions, blowouts, cratering, sour gas releases and spills, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated metallurgical characteristics or less than expected mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, tailings dam failures, periodic interruptions due to inclement or hazardous weather conditions, earthquakes, seismic activity, other natural disasters or unfavourable operating conditions and losses. Should any of these risks or hazards affect a company's exploration or development activities, it may (i) cause the cost of development or production to increase to a point where it would no longer be economic to produce the metal or oil & natural gas from the company's resources or expected reserves, (ii) result in a write down or write-off of the carrying value of one or more projects, (iii) cause delays or stoppage of mining or processing, (iv) result in the destruction of properties, processing facilities or third party facilities necessary to the company's operations, (v) cause personal injury or death and related legal liability, or (vi) result in the loss of insurance coverage. The occurrence of any of above mentioned risks or hazards could result in an interruption or suspension of operation of the properties in which Franco-Nevada holds a royalty/stream interest and have a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Title defects may result in a loss of entitlement to a property

A defect in the chain of title to any of the properties underlying the royalty, stream or other interests or necessary for the anticipated development or operation of a particular project to which a royalty, stream or other interest relates may arise to defeat or impair the claim of the operator to a property. In addition, claims by third parties or aboriginal groups in Canada and elsewhere may impact on the operator's ability to conduct activities on a property to the detriment of Franco-Nevada's royalty, stream or other interests. To the extent an owner or operator does not have title to the property, it may be required to cease operations or transfer operational control to another party. Many royalties, streams or other interests are contractual, rather than an interest in land, with the risk that an assignment or bankruptcy or insolvency proceedings by an owner will result in the loss of any effective royalty, stream or other interest in a particular property. Further, even in those jurisdictions where there is a right to record or register royalties, streams or other interests held by Franco-Nevada in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the holder of such interests. Accordingly, the holder of such interests may be subject to risk from third parties. As a result, known title defects, as well as unforeseen and unknown title defects may impact operations at a project in which Franco-Nevada has a royalty, stream or other interest and may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

The operations in which Franco-Nevada holds a royalty, stream or other interest require various property rights, permits and licenses in order to conduct current and future operations, and delays or a failure to obtain or maintain such property rights, permits and licenses, or a failure to comply with the terms of any of such property rights, permits and licenses could result in interruption or closure of operations or exploration on the properties

Exploration, development and operation of mining and oil & natural gas properties are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, project development, mineral production, permitting and maintenance of title, exports, taxes, labour standards, reclamation obligations, heritage and historic matters and other matters. Franco-Nevada, in respect of its own assets and operations, as well as the owners and operators of the properties in which Franco-Nevada holds a royalty, stream or other interest, require licenses and permits from various governmental authorities in order to conduct their operations. Future changes in such laws and regulations or in such licenses and permits could have a material adverse impact on the revenue Franco-Nevada derives from the royalty/stream interests. Such licenses and permits are subject to change in various circumstances and are required to be kept in good standing through a variety of means, including cash payments and satisfaction of conditions of issue. Such licenses and permits are subject to expiration, relinquishment and/or termination without notice to, control of or recourse by Franco-Nevada. There can be no guarantee that Franco-Nevada or the owners or operators of those properties in which Franco-Nevada holds a royalty, stream or other interest, will be able to obtain or maintain all necessary licenses and permits in good standing that may be required to explore, develop and operate the properties, commence construction or operation of mining or oil & natural gas facilities, or maintain operations that economically justify the cost. Any failure to comply with applicable laws and regulations, permits and licenses, or to maintain permits and licenses in good standing, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or fines, penalties or other liabilities accruing to the owner or operator of the project. Any such occurrence could substantially decrease production or cause the termination of operations on the property and have a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Franco-Nevada is exposed to risks related to the permitting, construction, development and/or expansion in relation to the projects and properties in which it holds a royalty, stream or other interest

Many of the projects or properties in which Franco-Nevada holds an interest in are in the permitting, construction, development and/or expansion stage and such projects are subject to numerous risks, including, but not limited to delays in obtaining equipment, materials and services essential to the construction and development of such projects in a timely manner, delays or inability to obtain required permits, changes in environmental or other regulations, currency exchange rates, labour shortages, cost escalations and fluctuations in metal prices. There can be no assurance that the owners or operators of such projects will have the financial, technical and operational resources to complete permitting, construction, development and/or expansion of such projects in accordance with current expectations or at all.

The operations in which Franco-Nevada holds an interest are subject to environmental and endangered species laws and regulations that may increase the costs of doing business and may restrict the operations

All phases of the mining and the oil & natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of government laws and regulations, including laws and regulations relating to the protection of endangered and threatened species. Compliance with such laws and regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, which may be material. In addition, such laws and regulations can constrain or prohibit the exploration and development of new projects or the development or expansion of existing projects. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, increases in land use restrictions, larger fines and liability and potentially increased capital expenditures and operating costs. Any breach of environmental legislation by Franco-Nevada, as an owner or operator of a property, or by owners or operators of properties underlying the asset portfolio could have a material impact on the viability of the relevant property and impair the revenue derived from the owned property or applicable royalty/stream, which could have a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Additional costs may be incurred as a result of international climate change initiatives and may affect the availability of resources and cause business disruptions

Franco-Nevada acknowledges climate change as an international and community concern. Franco-Nevada supports and endorses various initiatives for voluntary actions consistent with international initiatives on climate change. In addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, Franco-Nevada expects this may result in increased costs at some of the operations underlying its royalty/stream interests.

Risks relating to foreign jurisdictions

Many of the Corporation's royalty and stream interests relate to properties outside of the United States and Canada, including Latin America and, to a lesser extent, Africa. In addition, future investments may expose the Corporation to new jurisdictions. The ownership, development and operation of these properties and the mines and projects thereupon by their owners and operators are subject to the risks normally associated with conducting business in foreign countries. These risks include, depending on the country, nationalization and expropriation, social unrest and political instability, less developed legal and regulatory systems, uncertainties in perfecting mineral titles, trade barriers, exchange controls and material changes in taxation. These risks may, among other things, limit or disrupt the ownership, development or operation of properties, mines or projects in respect of which the Corporation holds royalty and stream interests, restrict the movement of funds, or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation.

The Corporation applies various methods, where practicable, to identify, assess and, where possible, mitigate these risks prior to entering into stream and royalty agreements. Such methods generally include: conducting due diligence on the political, social, legal and regulatory systems and on the ownership, title and regulatory compliance of the properties subject to the royalty or stream interest; engaging experienced local counsel and other advisors in the applicable jurisdiction; negotiating where possible so that the applicable royalty or stream agreement contains appropriate protections, representations, warranties and, in each case as the Corporation deems necessary or appropriate in the circumstances, all applied on a risk-adjusted basis. There can be no assurance, however, that the Corporation will be able to identify or mitigate all risks relating to holding royalty and stream interests in respect of properties, mines and projects located in foreign jurisdictions, and the occurrence of any of the factors and uncertainties described above could have a material adverse effect on the Corporation's business, results of operations, cash flows and financial condition.

Franco-Nevada is exposed to risks of changing political attitudes and stability and ensuing changes in government regulation in the countries in which it holds royalty, stream or other interests

The properties on which Franco-Nevada holds or will hold a royalty, stream or other interest are located in multiple legal jurisdictions and political systems. There is sovereign risk in investing in foreign countries, including the risk that the resource

concessions may be susceptible to revision or cancellation by new laws, may not be renewed as anticipated or may otherwise be adversely impacted by changes in direction by the government in question. It is possible that changes in applicable laws, regulations, or in their enforcement or regulatory interpretation could result in adverse changes to mineral or oil & natural gas operations. These are matters over which Franco-Nevada has no control. There is no assurance that future political and economic conditions in such countries will not result in the adoption of different policies or attitudes respecting the development and ownership of resources. Any such changes in policy or attitudes may result in changes in laws affecting ownership of assets, land tenure and resource concessions, licensing fees, taxation, royalties, price controls, exchange rates, export controls, environmental protection, labour relations, foreign investment, nationalization, expropriation, repatriation of income and return of capital, which may affect both the ability to undertake exploration and development on, or production from, the properties in which Franco-Nevada holds a royalty, stream or other interest. In certain areas where Franco-Nevada holds a royalty, stream or other interest, the regulatory environment is in a state of continuing change, and new laws, regulations and requirements may be retroactive in their effect and implementation. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability are beyond the control of Franco-Nevada and the owners and operators of the properties in which Franco-Nevada has an interest and such changes may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Additionally, Franco-Nevada is indirectly exposed to the risks faced by the owners and operators of the properties in which Franco-Nevada holds or will hold royalties, streams or other interests in foreign jurisdictions. These include risks related to political and economic instability, under-developed legal systems, inconsistencies in the application of local laws and other legal uncertainty, terrorism, military repression, political violence, crime, corruption, infectious diseases, unsophisticated infrastructure and inaccessibility.

Changes to provincial and state royalty frameworks may have an adverse effect on the revenue generated by energy assets

In addition to federal regulation, each Canadian province and U.S. state has legislation and regulations that govern royalties, production rates and other matters. The royalty regime in a given province or state is a significant factor in the profitability of crude oil, natural gas liquids, sulfur and natural gas production. Royalties payable on production from lands other than Crown or U.S. federal government lands are determined by negotiation between the mineral freehold owner and the lessee, although production from such lands is subject to certain taxes and royalties. Royalties from production on Crown or U.S. federal government lands are determined by governmental regulation and are generally calculated as a percentage of the value of gross production. The rate of royalties payable generally depends in part on prescribed reference prices, well productivity, geographical location, field discovery date, method of recovery and the type or quality of the petroleum product produced. Other royalties and royalty-like interests are, from time to time, carved out of the working interest owner's interest through non-public transactions. These are often referred to as overriding royalties, gross overriding royalties, net profits interests, or net carried interests.

Occasionally the governments of the western Canadian provinces create incentive programs for exploration and development. Such programs often provide for royalty rate reductions, royalty holidays, or royalty tax credits and are generally introduced when commodity prices are low to encourage exploration and development activity by improving earnings and cash flow within the industry.

Any increased royalty burden may affect the operations of the owners or operators of properties underlying Franco-Nevada's energy assets which may materially and adversely affect its profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Proposed changes to U.S. federal mining and public land law could impose, among other things, royalties and fees paid to the U.S. government by mining companies and royalty holders

Periodically, members of the U.S. Congress have introduced bills which would supplant or alter the provisions of The General Mining Law of 1872 which governs the disposition of metallic minerals on lands owned by the federal government. Some of the production covered by Franco-Nevada's royalties occurs on unpatented mining claims located on U.S. federal lands. There have been recent proposals to amend the U.S. mining law to impose a royalty on the production of select hardrock minerals, such as silver, gold and copper, from U.S. federal lands, and a reclamation fee on production from federal and other lands. Any such proposal, if enacted by the U.S. Congress, could substantially increase the cost of holding mining claims and could reduce the revenue Franco-Nevada receives from royalties on unpatented mining claims, and to a lesser extent, on other lands in the United States. Moreover, such legislation could significantly impair the ability of owners of properties subject to Franco-Nevada's royalties to develop mineral resources on unpatented mining claims. Although it is impossible at this time to predict what royalties and fees may be imposed in the future, the imposition of such royalties and fees could adversely affect the potential for development of such mining claims and the economics of existing operating mines on federal lands. Passage of such legislation may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

Adequate infrastructure may not be available to develop the properties in which Franco-Nevada has an interest

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the operations in which Franco-Nevada has a royalty/stream interest.

North American crude oil price differentials are expected to continue to be volatile throughout 2019 which will have an impact on crude oil prices for Canadian producers. Overall, supply in excess of current pipeline and refining capacity is expected to exist. Material structural changes are required to reduce these bottlenecks and the resulting price discounts. There are numerous projects proposed to alleviate pipeline bottlenecks in Canada and the United States, expand refinery capacity and expand or build new pipelines in Canada and the United States to source new markets, some of which are in the regulatory application phase. There can be no assurance that such regulatory approvals will be secured on a timely basis or at all.

Production is dependent on operators' employees

Production from the properties in which Franco-Nevada holds an interest depends on the efforts of operators' employees. There is competition for geologists and persons with mining and oil & gas expertise. The ability of the owners and operators of such properties to hire and retain geologists and persons with mining expertise is key to those operations. Further, relations with employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in the jurisdictions in which those operations are conducted. Changes in such legislation or otherwise in the relationships of the owners and operators of such properties with their employees may result in strikes, lockouts or other work stoppages, any of which could have a material adverse effect on such operations, results of operations and financial condition of Franco-Nevada. If these factors cause the owners and operators of such properties to decide to cease production at one or more of the properties, such decision could have a material adverse effect on the business and financial condition of Franco-Nevada.

Franco-Nevada is subject to risks related to certain operations in developing economies

Certain operators are subject to risks normally associated with the conduct of business in developing economies. Risks may include, among others, problems relating to power supply, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in laws or policies, foreign taxation and exchange controls, nationalization of assets, opposition to mining from environmental or other non-governmental organizations or changes in the political attitude towards mining, empowerment of previously disadvantaged people, local ownership requirements, limitations on foreign ownership, power supply issues, limitations on repatriation of earnings, infrastructure limitations and increased financing costs. The above risks may limit, disrupt or negatively impact the operator's business activities.

Franco-Nevada's assets may be subject to risks related to indigenous peoples

Various international and national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties, and other principles and considerations relate to the rights of indigenous peoples. Franco-Nevada holds royalty/stream interests on operations located in some areas presently or previously inhabited or used by indigenous peoples. Many of these materials impose obligations on government to respect the rights of indigenous people. Some mandate consultation with indigenous people regarding actions which may affect indigenous people, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national requirements, principles and considerations pertaining to indigenous people continue to evolve and be defined. Franco-Nevada's current and future operations are subject to a risk that one or more groups of indigenous people may oppose continued operation, further development, or new development of those projects or operations on which Franco-Nevada holds a royalty, stream or other interest. Such opposition may be directed through legal or administrative proceedings or protests, roadblocks or other forms of public expression against Franco-Nevada or the operators' activities. Opposition by indigenous people to such activities may require modification of or preclude operation or development of projects or may require the entering into of agreements with indigenous people. Claims and protests of indigenous peoples may disrupt or delay activities of the operators of Franco-Nevada's royalty/stream assets.

Risks Related to Franco-Nevada's securities

Franco-Nevada's securities are subject to price volatility

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Franco-Nevada include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries or asset classes. There can be no assurance that continued fluctuations in mineral and oil & natural gas prices will

not occur. As a result of any of these factors, the market price of Franco-Nevada's securities at any given time may not accurately reflect the long term value of Franco-Nevada.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against them. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Franco-Nevada.

There may be limitations on enforcement of civil judgments

A substantial portion of the assets of Franco-Nevada are located outside of Canada. As a result, it may not be possible for investors in Franco-Nevada's securities to collect from Franco-Nevada judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces and territories of Canada. It may also be difficult for investors in Franco-Nevada's securities to succeed in a lawsuit in the United States, based solely on violations of Canadian securities laws.

Additional issuance of securities by Franco-Nevada may dilute existing securityholders, reduce some or all of Franco-Nevada's financial measures on a per share basis, reduce the trading price of the Common Shares or other Franco-Nevada securities or impede Franco-Nevada's ability to raise future capital

Franco-Nevada may issue additional securities in the future in connection with acquisitions, strategic transactions, financings or for other purposes. To the extent additional securities are issued, Franco-Nevada's existing securityholders could be diluted and some or all of Franco-Nevada's financial measures could be reduced on a per share basis. Additionally, Franco-Nevada securities issued in connection with a transaction may not be subject to resale restrictions and, as such, the market price of Franco-Nevada's securities may decline if certain large holders of Franco-Nevada securities or recipients of Franco-Nevada securities in connection with an acquisition, sell all or a significant portion of such securities or are perceived by the market as intending to sell such securities. In addition, such issuances of securities may impede Franco-Nevada's ability to raise capital through the sale of additional equity securities in the future.

Franco-Nevada may be, or may become, a "passive foreign investment company," which may result in adverse tax consequences for United States investors

If Franco-Nevada were to constitute a PFIC for any year during a U.S. holder's holding period, then certain potentially adverse U.S. federal income tax rules would affect the U.S. federal income tax consequences to such U.S. holder resulting from the acquisition, ownership and disposition of Common Shares.

The U.S. Treasury Department has not issued specific guidance on how the income and assets of a non-U.S. corporation such as Franco-Nevada will be treated under the PFIC rules. Franco-Nevada believes, on a more-likely-than-not basis, that it was not a PFIC for its taxable year ended December 31, 2018, and, based on its current and anticipated business activities and financial expectations, Franco-Nevada expects, on a more-likely-than-not basis, that it will not be a PFIC for its current taxable year and for the foreseeable future. However, Franco-Nevada believes that it was a PFIC for its taxable year ended December 31, 2011, and prior taxable years.

The determination as to whether a corporation is, or will be, a PFIC for a particular taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations and uncertainty. In addition, there is limited authority on the application of the relevant PFIC rules to entities such as Franco-Nevada. Accordingly, there can be no assurance that the Internal Revenue Service will not challenge the views of Franco-Nevada concerning its PFIC status. In addition, whether any corporation will be a PFIC for any taxable year depends on its assets and income over the course of such taxable year, and, as a result, Franco-Nevada's PFIC status for its current taxable year and any future taxable year cannot be predicted with certainty. Each U.S. holder should consult its own tax advisor regarding the PFIC status of Franco-Nevada.

This risk factor is qualified in its entirety by the discussion set forth under the heading, "United States Federal Income Tax Considerations" contained in Franco-Nevada's Annual Report on Form 40-F which has been filed with the SEC and can be found at the SEC's website www.sec.gov.

Franco-Nevada's business is subject to evolving corporate governance and public disclosure regulations that have increased both Franco-Nevada's compliance costs and the risk of noncompliance, which could have an adverse effect on the price of Franco-Nevada's securities

Franco-Nevada is subject to changing rules and regulations promulgated by a number of United States and Canadian governmental and self-regulated organizations, including the SEC, the Canadian Securities Administrators, the NYSE, the TSX, and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. For example, new rules have been proposed and enacted that will require Franco-Nevada to disclose on an annual basis certain payments made by Franco-Nevada, its subsidiaries or entities controlled by it, to domestic and foreign governments, including sub-national governments. Further, Franco-Nevada's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased

general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Franco-Nevada may fail to maintain the adequacy of internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act

Section 404 of the *Sarbanes-Oxley Act of 2002* ("**SOX**") requires an annual assessment by management of the effectiveness of Franco-Nevada's internal control over financial reporting and an attestation report by Franco-Nevada's independent auditors addressing this assessment. While Franco-Nevada's internal controls over financial reporting for the year ended December 31, 2018 were effective, Franco-Nevada may in the future fail to achieve and maintain the adequacy of its internal control over financial reporting, as such standards are modified, supplemented or amended from time to time, and Franco-Nevada may not be able to ensure that it can conclude on an ongoing basis that it has effective internal control over financial reporting in accordance with Section 404 of SOX. Franco-Nevada's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm Franco-Nevada's business and negatively impact the trading price of its Common Shares. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Franco-Nevada's operating results or cause it to fail to meet its reporting obligations. Future acquisitions of companies may provide Franco-Nevada with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to Franco-Nevada.

No evaluation can provide complete assurance that Franco-Nevada's internal control over financial reporting will detect or uncover all failures of persons within Franco-Nevada to disclose material information otherwise required to be reported. The effectiveness of Franco-Nevada's controls and procedures could also be limited by simple errors or faulty judgments. In addition, should Franco-Nevada expand in the future, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that Franco-Nevada continue to improve its internal control over financial reporting. Although Franco-Nevada intends to devote substantial time and incur substantial costs, as necessary, to ensure compliance, Franco-Nevada cannot be certain that it will be successful in complying with Section 404 on an ongoing basis.

Franco-Nevada may become subject to burdensome regulatory requirements under U.S. laws regulating pension plans

Franco-Nevada may not qualify as an "operating company" for purposes of the *Employee Retirement Income Security Act of 1974* (United States), as amended ("**ERISA**"). Consequently, if 25% or more of the issued Common Shares were held by private pension plans subject to ERISA or plans subject to the U.S. Internal Revenue Code's "prohibited transaction" rules (such as individual retirement accounts), then Franco-Nevada's assets would be treated as ERISA "plan assets". As a result, Franco-Nevada could become subject to the ERISA regulatory regime, including, among other potentially burdensome regulatory requirements, heightened fiduciary duties owed to plan participants. While Franco-Nevada intends to monitor beneficial ownership of its Common Shares by ERISA plans, there can be no assurance that Franco-Nevada will not become subject to ERISA regulations in the future. If Franco-Nevada were subject to ERISA regulatory requirements, it could have a material and adverse effect on Franco-Nevada's ability to manage its business and/or its results of operations and financial condition.

DIVIDENDS

Franco-Nevada declares its dividends in U.S. dollars. The following tables set forth the dividends paid by Franco-Nevada for each of the three most recently completed financial years in U.S. dollars and the Canadian dollar equivalent.

Dividends Paid in US$ (in millions)	2018	2017	2016
Per Common Share (in dollars)	$ 0.95	$ 0.91	$ 0.87
Cash payments	$ 136.1	$ 125.8	$ 118.1
DRIP payments[1]	$ 41.7	$ 42.1	$ 38.7
In aggregate[1]	$ 177.8	$ 167.9	$ 156.8

(1) For 2018, 2017 and 2016, includes DRIP payments which were satisfied by the issuance of 615,250, 575,553, and 588,182 Common Shares respectively.

Dividends Paid in C$ (in millions)	2018	2017	2016
Per Common Share (in dollars) [1]	$ 1.25	$ 1.17	$ 1.11
Cash payments[1]	$ 178.5	$ 162.9	$ 149.9
DRIP payments[1][2]	$ 55.4	$ 54.4	$ 50.8
In aggregate[1][2]	$ 233.9	$ 217.3	$ 200.6

(1) The exchange rate used to convert the dividends to C$ for 2018 and 2017 is the daily exchange rate posted by the Bank of Canada on the record date and for 2016 is the noon rate posted by the Bank of Canada on the day before the dividend declaration date.
(2) For 2018, 2017 and 2016, includes DRIP payments which were satisfied by the issuance of 615,250, 575,553, and 588,182 Common Shares respectively.

Franco-Nevada has adopted a dividend policy to pay an adequate sustainable dividend as determined by its Board of Directors to qualify its Common Shares for large generalist institutional funds. In July 2010, Franco-Nevada began to declare and pay monthly dividends and, effective Q2 2014, the Board of Directors began to pay dividends on a quarterly basis. The Board of Directors may change the dividend policy at any time at its sole discretion and there is no assurance that Franco-Nevada will be able to pay any dividends or sustain any level of dividend payments. It is expected that the Board of Directors will conduct periodic reviews of Franco-Nevada's dividend policy.

On July 9, 2013, Franco-Nevada adopted a DRIP to provide, among other things, eligible holders of Franco-Nevada's Common Shares with a means to reinvest dividends declared and payable to them as shareholders (less any withholding tax) in additional Common Shares of Franco-Nevada. Currently, such Common Shares are issued from treasury at a 3% discount to the market price. The discount may be adjusted in future but cannot exceed 5%. Shareholders were able to participate in the DRIP starting with the October 2013 dividend payment. During Q2 2018, Franco-Nevada amended and restated the DRIP to allow for the participation of certain non-Canadian and non-U.S. shareholders, subject to the satisfaction of certain conditions. Non-Canadian and non-U.S. shareholders who are interested in participating in the DRIP should contact Franco-Nevada to determine whether they satisfy the necessary conditions to participate in the DRIP.

CAPITAL STRUCTURE

The authorized share capital of Franco-Nevada consists of an unlimited number of Common Shares and an unlimited number of preferred shares of which, as of March 26, 2019, 187,079,821 Common Shares and no preferred shares were outstanding.

Common Shares

Each Common Share carries the right to one vote at all meetings of shareholders of Franco-Nevada. There are no special rights or restrictions of any nature attached to the Common Shares. All Common Shares rank equally as to dividends, voting powers and participation in assets upon liquidation of Franco-Nevada.

Preferred Shares

The preferred shares may be issued in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by resolution of the Board of Directors. The directors shall determine before the issue thereof the designations, rights, privileges, restrictions and conditions attaching to the preferred shares of each series including the rate or amount of dividends or the method of calculating dividends, the dates of payment thereof, the redemption and/or purchase prices and terms and conditions of redemption and/or purchase, any voting rights, any conversion rights and any sinking fund or other provisions.

The preferred shares of each series will, with respect to payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding up, rank on a parity with the preferred shares of every other series and be entitled to preference over the Common Shares and over any other shares ranking junior to the preferred shares. The preferred shares of any series may also be given such other preferences over the Common Shares and over any other shares ranking junior to the preferred shares as may be fixed by the directors.

MARKET FOR SECURITIES

The Common Shares of Franco-Nevada are listed and posted for trading on the TSX and the New York Stock Exchange ("**NYSE**") in each case under the symbol "FNV".

Trading Price and Volume

The following table sets forth the high and low prices and volumes for the Common Shares traded on the TSX and on the NYSE for the most recently completed financial year.

	Common Shares TSX			Common Shares NYSE		
	High C$	**Low C$**	**Volume**	**High $**	**Low $**	**Volume**
2018						
January	101.48	92.31	10,091,616	80.79	74.88	12,747,054
February	94.49	85.75	10,870,038	76.72	67.90	14,370,019
March	92.85	85.21	10,694,520	72.04	66.19	16,244,310
April	92.29	85.63	8,300,751	73.50	66.84	11,915,078
May	96.94	90.14	9,012,020	75.60	70.08	9,267,333
June	96.59	90.31	8,591,074	73.48	68.47	11,189,468
July	99.93	94.32	6,409,898	75.71	72.09	8,991,360
August	95.70	83.18	10,448,438	73.73	63.63	13,166,529
September	83.93	76.53	11,772,577	65.10	58.26	16,041,276
October	88.31	78.50	13,824,659	67.73	60.47	17,720,433
November	93.71	82.70	12,534,878	70.52	62.80	11,648,739
December	99.68	91.27	12,515,601	74.17	68.64	14,484,770
2019						
January	102.44	90.20	10,568,576	77.92	67.97	11,206,820
February	103.23	97.83	7,574,668	77.84	73.45	9,089,263
March (1-26)	105.04	94.64	11,100,273	78.82	70.95	12,243,149

DIRECTORS AND OFFICERS

The following table sets forth, as at the date hereof, the name, province or state and country of residence, position held with Franco-Nevada and principal occupation of each director and executive officer of Franco-Nevada:

Name and Municipality of Residence	Position with Franco-Nevada[1]	Principal Occupation
Pierre Lassonde Toronto, Ontario, Canada	Director and Chair	Chair, Franco-Nevada
David Harquail Toronto, Ontario, Canada	Director, Chief Executive Officer	Chief Executive Officer, Franco-Nevada
Tom Albanese(3) Hillsborough, New Jersey, U.S.A.	Director	Corporate Director
Derek W. Evans(3) Calgary, Alberta, Canada	Director	President, Chief Executive Officer and Director, MEG Energy Corp.
Catharine Farrow(2) Toronto, Ontario, Canada	Director	President, FarExGeoMine Ltd.
Louis Gignac(2) Brossard, Quebec, Canada	Director	President, G Mining Services Inc.
Randall Oliphant(3) Toronto, Ontario, Canada	Director	Corporate Director
Hon. David R. Peterson(2) Toronto, Ontario, Canada	Director	Chairman Emeritus, Cassels Brock & Blackwell LLP
Paul Brink Toronto, Ontario, Canada	President & Chief Operating Officer	President & Chief Operating Officer, Franco-Nevada
Sandip Rana Brampton, Ontario, Canada	Chief Financial Officer	Chief Financial Officer, Franco-Nevada
Lloyd Hong Toronto, Ontario, Canada	Chief Legal Officer & Corporate Secretary	Chief Legal Officer & Corporate Secretary, Franco-Nevada

(1) All of the directors have served since November 2007 with the exception of Derek Evans, Tom Albanese and Catharine Farrow who were appointed in August 2008, August 2013 and May 2015 respectively.

(2) Member of the Compensation and Corporate Governance Committee.

(3) Member of the Audit and Risk Committee.

Each director's term of office expires at the next annual meeting of shareholders of Franco-Nevada or when his or her successor is duly elected or appointed, unless his or her term ends earlier in accordance with the articles or by-laws of Franco-Nevada, he or she resigns from office or he or she becomes disqualified to act as a director of Franco-Nevada.

As of the date hereof, the directors and executive officers of Franco-Nevada, as a group, beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 3,471,254 Common Shares, representing approximately 1.9% of the Common Shares outstanding.

Biographical information regarding the directors and executive officers of Franco-Nevada is provided as follows:

Pierre Lassonde, Director and Chair — Pierre Lassonde is the independent Chair of the Board. Mr. Lassonde formerly served as President of Newmont from 2002 to 2006 and as a director and Vice-Chair of Newmont until November 30, 2007. Previously, Mr. Lassonde served as a director and President (1982 to 2002) and Co-CEO (1999 to 2002) of Franco-Nevada Mining Corporation Limited ("**Old Franco-Nevada**"). Mr. Lassonde also served as President and CEO of Euro-Nevada Mining Corporation Limited from 1985 to 1999, prior to its amalgamation with Old Franco-Nevada. Mr. Lassonde served as a director of Normandy Mining Limited from 2001 to 2002 and of New Gold Inc. from 2008 to 2016. Mr. Lassonde is past Chair and a past director of the World Gold Council, past Chair of the Quebec National Art Museum and a director of Enghouse Systems Limited. Mr. Lassonde received his Chartered Financial Analyst designation from the CFA Institute in 1984, a P. Eng (Association of Professional Engineers of Ontario) in 1976, a Master of Business Administration from the University of Utah in 1973, a B.Sc. (Electrical Engineering) from Ecole Polytechnique in 1971 and a B.A. from Seminaire de St. Hyacinthe/Université de Montréal in 1967. Mr. Lassonde was appointed a Member of the Order of Canada in 2002, was inducted into the Canadian

Mining Hall of Fame in 2013, was appointed Chair of the Canadian Council for the Arts in July 2015 and was awarded the Mining and Metallurgical Society of America's (the "**MMSA**") gold medal in February 2019, the highest honor awarded by the MMSA.

David Harquail, Chief Executive Officer and Director — David Harquail is Chief Executive Officer and is a director of Franco-Nevada. He is Chair of the World Gold Council and serves as a director of the Bank of Montreal. He served in senior executive roles at Newmont from 2002-2007. Prior to the acquisition by Newmont of Old Franco-Nevada in 2002, Mr. Harquail was with Old Franco-Nevada for a period of 15 years with the final position of Senior Vice President responsible for the metals royalty division and corporate development. He has also held roles as President and CEO of Redstone Resources Inc., as a director of Inco Limited, Echo Bay Mines Limited, Kinross Gold Corporation and the Prospectors and Developers Association of Canada and as a task force advisor to the Toronto Stock Exchange. Mr. Harquail holds a B.A.Sc. in Geological Engineering from the University of Toronto, an MBA from McGill University and is a registered Professional Engineer in Ontario. He is also a major benefactor of the School of Earth Sciences and its Mineral Exploration Research Centre (MERC) at Laurentian University in Sudbury as well as the Centre for Neuromodulation at Sunnybrook Health Sciences in Toronto.

Tom Albanese, Director — Tom Albanese is a director of Franco-Nevada. He served as CEO of Vedanta Resources plc (2014 to 2017), CEO of Vedanta Limited (2014 to 2017) and was CEO of Rio Tinto plc (2007 to 2013). Mr. Albanese is the lead independent director of Nevada Copper Corp. and previously served on the boards of Vedanta Resources plc, Vedanta Limited, Rio Tinto plc, Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. Mr. Albanese holds a Master's of Science degree in Mining Engineering and a Bachelor of Science degree in Mineral Economics both from the University of Alaska Fairbanks.

Derek W. Evans, Director — Derek Evans is President & CEO of MEG Energy Corp. (a Canadian oil sands company) and is a director of Franco-Nevada. He served as President and CEO and a director of Pengrowth Energy Corporation (an oil and natural gas company) from 2009 until March 15, 2018. From May to September 2009, Mr. Evans was President and Chief Operating Officer of Pengrowth Energy Trust. Mr. Evans served as President and CEO of Focus Energy Trust from May 2002 until March 2008. Mr. Evans has over 30 years of experience in a variety of operational and senior management positions in the oil and gas business in Western Canada. Mr. Evans holds a Bachelor of Science degree in Mining Engineering from Queen's University and is a registered Professional Engineer in Alberta. Mr. Evans is also a member of the Institute of Corporate Directors.

Dr. Catharine Farrow, Director — Dr. Catharine Farrow is a Professional Geoscientist (APGO) with more than 25 years of mining industry experience. She currently serves as a Director of Franco-Nevada and Chair of the Board of Exiro Minerals Corp. She is President of FarExGeoMine Ltd. (her private consulting company), is an Advisory Board Member of Behr Technologies Inc., is Chair of the Advisory Board of the Mineral Exploration Research Centre, Harquail School of Earth Sciences, Laurentian University, is a member of Laurentian's Goodman School of Mines Advisory Board, and has been an Adjunct Professor at Laurentian since 1995. From 2012 to 2017 she was Founding CEO, Director and Co-Founder of TMAC Resources Inc., the first producing gold miner with operations in Kitikmeot Region, Nunavut, in Canada's High Arctic. Before TMAC, Catharine was Chief Operating Officer of KGHM International (formerly Quadra FNX Mining Ltd.). Previously at Quadra FNX and FNX Mining Company Inc. she held multiple senior executive roles in a wide range of disciplines including operations, technical services, corporate development and exploration. Before FNX, Catharine was with both Inco Ltd. and the Ontario Geological Survey. Catharine has served on the Board of a number of not-for-profit and government Advisory Boards including the PDAC and the Canadian Breast Cancer Foundation – Ontario Region, and is currently a Program Director of the Osgoode Mining Law Program. She has been honoured as one of the 100 Global Inspirational Women in Mining (2015 and 2018) and is a past recipient of the William Harvey Gross Medal of the Geological Association of Canada (2000). Catharine obtained her BSc (Hons) from Mount Allison University, her MSc from Acadia University and her PhD from Carleton University.

Louis Gignac, Director — Louis Gignac is Chair of G Mining Services Inc. (a private consultancy) and is a director of Franco-Nevada. Mr. Gignac previously served as President, CEO and a director of Cambior Inc. from its creation in 1986 until its acquisition by IAMGOLD Corporation in 2006. Mr. Gignac previously held management positions with Falconbridge Copper Company and Exxon Minerals Company and has served as a director of several companies including Domtar Corporation, St Andrew Goldfields Ltd., Marengo Mining Limited and Gaz Métro Inc. Mr. Gignac also served as a professor in mining engineering at Laval University from 1979 to 1981. Mr. Gignac is a member of the Ordre des ingénieurs du Québec. Mr. Gignac holds a Doctorate of Engineering in Mining Engineering from the University of Missouri Rolla, a Master's degree in Mineral Engineering from the University of Minnesota, and a Bachelor of Science degree in Mining Engineering from Laval University. Mr. Gignac was inducted into the Canadian Mining Hall of Fame in 2016.

Randall Oliphant, Director — Randall Oliphant has worked in natural resources in many capacities for over 30 years. From 1999 to 2003, Mr. Oliphant was the President and Chief Executive Officer of Barrick Gold Corporation, and since that time he has served on the boards of numerous public companies and not-for-profit organizations. Mr. Oliphant was the Chairman of Western Goldfields Inc. from 2006 until its business combination with New Gold in 2009. Mr. Oliphant served as the Executive Chairman of New Gold from the time of the business combination to January 2017. Mr. Oliphant presently serves on the advisory board of Metalmark Capital LLC, a leading private equity firm, and the board of directors of Franco-Nevada

Corporation. In addition, Mr. Oliphant served as Chairman of the World Gold Council from 2013 to 2017. Mr. Oliphant is a CPA, CA and was granted the designation of FCPA in 2016 in recognition of his outstanding contribution to his profession.

Hon. David R. Peterson, Director — David Peterson is Chairman Emeritus at the law firm Cassels Brock & Blackwell LLP and is a director of Franco-Nevada. He was the Premier of the Province of Ontario from 1985 to 1990. He was the founding Chair of the Toronto Raptors of the National Basketball Association and was the Chair of the successful Toronto Bid for the 2015 Pan Am Games and was the Chair of the 2015 Pan American and Parapan American Games Organizing Committee. Mr. Peterson also serves as a director of Rogers Communications Inc. Mr. Peterson is Chancellor Emeritus of the University of Toronto and a director of St. Michael's Hospital Foundation. Mr. Peterson holds an LL.B. from the University of Toronto, was called to the Bar of Ontario in 1969, appointed Queen's Counsel in 1980 and summoned by Her Majesty to the Privy Council in 1992.

Paul Brink, President & Chief Operating Officer — Paul Brink has been with Franco-Nevada since its inception. He served as SVP Business Development from 2008 to 2018 when he was promoted to President & Chief Operating Officer. He previously had roles in corporate development at Newmont, investment banking at BMO Nesbitt Burns and project financing at UBS. Mr. Brink holds a Bachelor's degree in Mechanical Engineering from the University of Witwatersrand and a Master's degree in Management Studies from Oxford University. His community support roles include the YMCA and Trails Youth Initiatives.

Sandip Rana, Chief Financial Officer — Sandip Rana, Chief Financial Officer, rejoined Franco-Nevada in April 2010. He previously served in treasurer and controller roles at Old Franco-Nevada until 2002 and then acted as an international controller for Newmont Mining Corporation. From 2003 to April 2010, Mr. Rana held financial roles at Four Seasons Hotels Limited where he last served as Vice-President Corporate Finance. Mr. Rana holds a Bachelor of Business Administration degree from the Schulich School of Business and is a Chartered Professional Accountant, CA. In February 2019, Mr. Rana was recognized as a Top Gun CFO by Brendan Wood International.

Lloyd Hong, Chief Legal Officer & Corporate Secretary — Lloyd Hong, Chief Legal Officer & Corporate Secretary, joined Franco-Nevada in December 2012. He previously was the Senior Vice-President, Legal Counsel and Assistant Secretary of Uranium One Inc. Prior to that, he was a partner with the Canadian law firm of Davis LLP (now DLA Piper (Canada) LLP) with a practice focused on corporate finance and mergers and acquisitions. Mr. Hong holds a Bachelor of Commerce degree from the University of Alberta and a Bachelor of Laws degree from Queen's University. Mr. Hong is a member of The Law Society of Ontario and The Law Society of British Columbia (non-practising).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as set out below, no director or executive officer of Franco-Nevada (or where applicable, personal holding company of a director or executive officer):

(a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company) that:

  (i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

  (ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or

(c) has, within 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold the assets of the director or executive officer; or

(d) has been subject to:

  (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

  (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Derek Evans was a director (until his resignation in January 2016) of a private oil and gas company that sought protection under the *Companies' Creditors Arrangement Act* (Canada) in May 2016.

Under a settlement agreement dated November 30, 2017, Mr. Louis Gignac, a director of the Corporation, resolved concerns of the Authorité des marches financiers ("**AMF**") regarding a trade in shares of another issuer made in 2015. The AMF and Mr. Gignac agreed in the settlement agreement that Mr. Gignac traded shares in error while in possession of privileged information, as defined in the Securities Act (Quebec) (the "**Quebec Act**"). The AMF and Mr. Gignac agreed that Mr. Gignac self-reported his trading to the AMF, fully cooperated with the AMF and that Mr. Gignac had no intention of trading with privileged information. Mr. Gignac agreed to pay an administrative fine of $94,369 under section 204 of the Quebec Act to fully resolve the matter.

For the purposes of the above, "order" means: (i) a cease trade order; (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant company access to any exemption under securities legislation, and, with respect to each, was in effect more than 30 consecutive days.

Other Disclosed Matters

On October 17, 2017, the SEC filed civil charges against each of Rio Tinto plc, Tom Albanese and the former CFO of Rio Tinto plc, alleging, among other things, violations of the anti-fraud, reporting, books and records and internal control provisions of U.S. federal securities laws in connection with conduct at Rio Tinto plc and certain of its subsidiaries while Mr. Albanese was the CEO of Rio Tinto plc and prior to his becoming a director of the Corporation. On March 2, 2018, the Australian Securities and Investments Commission ("**ASIC**") commenced proceedings in the Federal Court of Australia against each of Rio Tinto Limited, Tom Albanese and the former CFO of Rio Tinto Limited relating to statements which ASIC alleges were misleading contained in the annual report of Rio Tinto Limited for 2011.

The Corporation is aware of the allegations and will continue to monitor the progress of the situation.

Conflicts of Interest

In the opinion of management of Franco-Nevada, there are no existing or potential conflicts of interest among Franco-Nevada, its directors, officers or other insiders of Franco-Nevada, other than as described in the following paragraph. Various officers, directors or other insiders of the Corporation may hold senior positions with other entities, including entities involved in the resource industry or may otherwise be involved in transactions within the resource industry and may develop other interests outside the Corporation. In the event that any such conflict of interest arises (or could potentially arise) for a director, such director will be required to disclose the conflict to a meeting of the directors of the Corporation and abstain from voting for or against the approval of such participation or such terms. In the event that any such conflict of interest arises (or could potentially arise) for an officer or other insider of the Corporation, such person will be required to disclose the conflict to the Chief Legal Officer and abstain from participating in any discussions related to such matter and the Board will be apprised of such conflict. In appropriate cases, the Corporation will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. Any decision made by any of such directors involving the Corporation will be required to be made in accordance with their duties and obligations to deal honestly and in good faith with a view to the best interests of the Corporation and its shareholders.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no outstanding material legal proceedings to which Franco-Nevada or any of its subsidiaries is a party or was a party to during fiscal 2018 or that any of its properties or assets is subject or was subject to, during fiscal 2018, and no proceedings are known to be contemplated against Franco-Nevada, any of its subsidiaries or any of their property or assets.

There have been no penalties or sanctions imposed against Franco-Nevada by a court relating to securities legislation or by a securities regulatory authority during fiscal 2018 and there have been no other penalties or sanctions imposed by a court or regulatory body against Franco-Nevada that would likely be considered important to a reasonable investor in making an investment decision. Franco-Nevada has not entered into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority during fiscal 2018.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of Franco-Nevada, any other insider of Franco-Nevada or any associate or affiliate of any of such individuals or companies has any material interest, directly or indirectly, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected Franco-Nevada or is reasonably expected to materially affect Franco-Nevada.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Common Shares is Computershare Investor Services Inc. at its principal office in Toronto, Ontario and Computershare Investor Services at its principal office in Golden, Colorado.

MATERIAL CONTRACTS

Franco-Nevada has not entered into a material contract since October 17, 2007 (date of incorporation) that is still in effect other than material contracts entered into in the ordinary course of business (none of which are required to be disclosed).

EXPERTS

Certain technical and scientific information contained in this AIF, including in respect of the Antapaccay project, the Antamina project, the Candelaria project and the Cobre Panama project was reviewed and approved in accordance with NI 43-101 by Phil Wilson, C.Eng., Vice President, Technical of the Corporation and a "Qualified Person" as defined in NI 43-101.

To the knowledge of Franco-Nevada, this expert held less than 1% of the outstanding securities of the Corporation or of any associate or affiliate thereof as of the date hereof, when he prepared the technical information contained in this AIF or following the preparation of such technical information. No firm or person received, or will receive, any direct or indirect interest in any securities of the Corporation or of any associate or affiliate thereof in connection with the preparation of such technical information.

Franco-Nevada's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have issued a report of an independent registered public accounting firm dated March 19, 2019 in respect of Franco-Nevada's consolidated financial statements as at December 31, 2018 and 2017 and for each of the years then ended and Franco-Nevada's internal control over financial reporting as at December 31, 2018. They have advised Franco-Nevada that they are independent with respect to Franco-Nevada within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct and Public Company Accounting Oversight Board Rule 3520 Auditor Independence.

ADDITIONAL INFORMATION

Additional information relating to Franco-Nevada is available electronically on SEDAR at www.sedar.com and on the website of the SEC at www.sec.gov and on its website at www.franco-nevada.com. The metric conversion table, listing of certain oil & gas terms, glossary of non-technical terms and glossary of technical terms are generally available on Franco-Nevada's website.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Franco-Nevada's securities and securities authorized for issuance under equity compensation plans, is contained in Franco-Nevada's management information circular for its annual and special meeting of shareholders scheduled to be held on May 8, 2019. For information relating to compensation and corporate governance related matters, please see "Statement of Executive Compensation" and "Statement of Governance Practices", respectively, in such circular.

Additional financial information is provided in Franco-Nevada's financial statements and MD&A for its most recently completed financial year.

AUDIT AND RISK COMMITTEE INFORMATION

The following information is provided in accordance with Form 52-110F1 under the Canadian Securities Administrators' National Instrument 52-110 — *Audit Committees* ("**NI 52-110**").

Audit and Risk Committee Charter

The Audit and Risk Committee Charter (the "**Charter**") is attached as Appendix A to this AIF. The Charter was last updated effective March 19, 2019 to include climate change risks under the Audit and Risk Committee's (the "**ARC**") overall risk management oversight.

With respect to risk management, the Charter provides that the ARC will generally review with management the Company's significant risks and exposures and the steps management has taken to manage, monitor and control such risks and exposures. The ARC will also more specifically review the Company's principal business, political, financial, litigation and control risks and exposures with a view to ensuring that such risks and exposures are being effectively managed, monitored or controlled. For more information regarding the ARC's responsibilities relating to risk management, please see Appendix A to this AIF.

Composition of the Audit and Risk Committee

As of December 31, 2018, the ARC was composed of the following three directors: Tom Albanese, Derek Evans and Randall Oliphant, Chair. Each director was and is considered "independent" and "financially literate" (as such terms are defined in NI 52-110, the rules of the NYSE and Rule 10A-3 of the *U.S. Securities Exchange Act of 1934*).

Relevant Education and Experience

Each member of the ARC is financially literate, i.e., has the ability to read and understand financial statements. Collectively, the ARC has the education and experience to fulfill the responsibilities outlined in the Charter, including those relating to risk

management. The education and current and past experience of each ARC member that is relevant to the performance of his responsibilities as an ARC member is summarized below:

Education and Experience (Past and Present)

Tom Albanese	Member of the Board of Nevada Copper Corp. Previous CEO of Vedanta Resources plc and Vedanta Limited (formerly known as SesaSterlite Ltd.) Previous Chair of Vedanta Limited's Risk Management Committee Previous Chief Executive Officer of Rio Tinto plc Previous Chair of Rio Tinto plc Risk Committee
Derek Evans	President, Chief Executive Officer and Director, MEG Energy Corp. Previous President, CEO and Director, Pengrowth Energy Corporation Previous President, CEO and Director of Focus Energy Trust Previous Senior Executive of Renaissance Energy Member, Institute of Corporate Directors
Randall Oliphant	Previous Executive Chair and Director of New Gold Inc. Previous Chief Financial Officer of Barrick Gold Corporation Previous Chair of the audit committee of WesternZagros Resources Limited FCPA, FCA (2016) Chartered Professional Accountant, CA (1986) Bachelor of Commerce (with honours), University of Toronto, 1984

Pre-Approval Policies and Procedures

The Board of Directors, upon the recommendation of the ARC, has adopted policies and procedures regarding services provided by external auditors (collectively, the "**Auditor Independence Policy**"). Under the Auditor Independence Policy, specific proposals for audit services and permitted non-audit services must be pre-approved by the ARC. The ARC may delegate to any one or more of its members pre-approval authority (other than pre-approval of the annual audit service engagement). Any approvals granted under this delegated authority must be presented to the ARC at its next meeting. The Auditor Independence Policy also provides that the ARC may pre-approve services (other than the annual audit service engagement) without the requirement for a specific proposal where the scope and parameters of such services and their attendant fees are clearly defined. The ARC must be informed in writing at its next scheduled meeting of any engagement of the external auditor to provide services in such circumstances. The Auditor Independence Policy deems *de minimus* non-audit services to have been pre-approved by the ARC in limited circumstances and subject to certain conditions being met.

The Auditor Independence Policy prohibits the external auditors from providing any of the following types of non-audit services:

bookkeeping or other services related to the accounting records or financial statements;

financial information systems design and implementation;

appraisal or valuation services, fairness opinion, or contribution-in-kind reports;

actuarial services;

internal audit outsourcing services;

management functions or human resources services;

corporate finance or other services;

broker-dealer, investment advisor or investment banking services;

legal services; and

any other service that under applicable law and generally accepted auditing standards cannot be provided by an external auditor.

The Auditor Independence Policy provides that the external auditor should not be precluded from providing tax or advisory services that do not fall within any the categories described above, unless the provision of those services would reasonably be expected to compromise the independence of the external auditor.

Reliance on Certain Exemptions

At no time since the commencement of Franco-Nevada's most recently completed financial year has Franco-Nevada relied on any exemption from NI 52-110.

Audit Committee Oversight

At no time since the commencement of Franco-Nevada's most recently completed financial year was a recommendation of the ARC to nominate or compensate an external auditor not adopted by the Board of Directors of Franco-Nevada.

Fees

For the years ended December 31, 2018 and 2017, PricewaterhouseCoopers LLP was paid fees from the Corporation as detailed below:

	December 31, 2018	December 31, 2017
Audit Fees	C$ 979,600 (1)	C$ 705,078 (1)
Audit-Related Fees	C$ 51,450	C$ 57,750
Tax Fees	C$ 52,497	C$ NIL
Other Fees	C$ NIL	C$ 15,750
Total Fees	C$ 1,083,547	C$ 778,578

(1) Fees are reported on an accrual basis for the relevant year and include out-of-pocket expenses and administrative fees.

For the year ended December 31, 2018, "Audit-Related Fees" noted above included C$43,575 and C$7,875 for services related to: (i) the French translation of documents, and (ii) accounting assistance, respectively. For the year ended December 31, 2017, "Audit-Related Fees" noted above related to the French translation of documents, and "Other Fees" related to ESTMA reporting.

APPENDIX A
FRANCO-NEVADA CORPORATION
AUDIT AND RISK COMMITTEE CHARTER

PURPOSE

The Audit and Risk Committee is appointed by the Board of Directors of Franco-Nevada Corporation (the " **Company**") to assist the Board of Directors in its oversight and evaluation of:

the quality and integrity of the financial statements of the Company,

the compliance by the Company with legal and regulatory requirements in respect of financial disclosure,

the qualification, independence and performance of the Company's independent auditors,

the performance of the Company's Chief Financial Officer,

risk management oversight, including climate change risks,

the compliance by the Company with legal and regulatory requirements in respect of its oil and gas disclosure, and

the qualification, independence and performance of the Company's qualified oil and gas reserves evaluators or auditors.

In addition, the Audit and Risk Committee provides an avenue for communication between the independent auditor, financial management, other employees and the Board of Directors concerning accounting and auditing matters.

The Audit and Risk Committee is directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditor (including oversight of the resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing audit reports or performing other audit, review or attest services for the Company.

The Audit and Risk Committee is not responsible for:

planning or conducting audits,

certifying or determining the completeness or accuracy of the Company's financial statements or that those financial statements are in accordance with applicable accounting principles or standards, or

guaranteeing the report of the Company's independent auditor.

The fundamental responsibility for the Company's financial statements and disclosure rests with management. It is not the duty of the Audit and Risk Committee to conduct investigations, to itself resolve disagreements (if any) between management and the independent auditor or to ensure compliance with applicable legal and regulatory requirements.

REPORTS

The Audit and Risk Committee shall report to the Board of Directors of the Company on a regular basis and, in any event, before the public disclosure by the Company of its quarterly and annual financial results. The reports of the Audit and Risk Committee shall include any issues of which the Committee is aware with respect to the quality or integrity of the Company's financial statements, its compliance with legal or regulatory requirements in respect of financial matters and disclosure, and the performance and independence of the Company's independent auditor.

The Committee shall also prepare, as required by applicable law, any committee report required for inclusion in the Company's publicly filed documents.

COMPOSITION

The members of the Audit and Risk Committee shall be three or more individuals who are appointed (and may be replaced) by the Board of Directors of the Company on the recommendation of the Company's Compensation and Corporate Governance Committee. Each of the members of the Audit and Risk Committee shall be "independent" and "financially literate" within the meaning of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**") and any other securities legislation and stock exchange rules applicable to the Company, and as confirmed by the Board of Directors using its business judgment. In addition, at least one member of the Audit and Risk Committee shall be a "financial expert" as determined by the Board of Directors in its business judgment. No member of the Audit and Risk Committee shall accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries or affiliates (collectively, the "**Franco-Nevada Group**") (other than remuneration for acting in his or her capacity as a director) or be an "affiliated entity" within the meaning of NI 52-110.

RESPONSIBILITIES

Independent Auditors

The Audit and Risk Committee shall:

- Recommend to the Board of Directors the independent auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation of the independent auditor;
- Recommend to the Board of Directors any change of the independent auditor, and oversee any such change to ensure compliance with the provisions of the Canada Business Corporations Act and applicable securities legislation;
- Require and obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Audit and Risk Committee and the Board of Directors of the Company;
- Oversee the work of the independent auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- Pre-approve all audit and permitted non-audit services provided to the Company and its subsidiary entities by the independent auditor, including adopting policies and procedures for the pre-approval of the retention thereof (subject to any restrictions on such services imposed by applicable securities legislation) and including procedures for the delegation of authority to provide such approval to one or more members of the Audit and Risk Committee; and
- At least annually, review the qualifications, performance and independence of the independent auditor. In doing so, the Audit and Risk Committee should, among other things, undertake the measures set forth in Schedule "A".

The Financial Statements, Audit Process and Related Disclosure

The Audit and Risk Committee shall:

- As may be delegated by the Board of Directors, review, approve and authorize the issuance of the Company's interim financial statements, MD&A and interim earnings press releases before the Company publicly discloses this information;
- Review and recommend to the Board of Directors for approval the Company's annual financial statements, MD&A and press releases before the Company publicly discloses the information; and
- Be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and will periodically assess the adequacy of those procedures.

The Audit and Risk Committee shall also, as it determines to be appropriate:

- Review with management and the independent auditor,
  - the planning and staffing of the audit by the independent auditor,
  - financial information and any earnings guidance provided to analysts and rating agencies, recognizing that this review and discussion may be done generally (consisting of a discussion of the types of information to be disclosed and the types of presentations to be made) and need not take place in advance of the disclosure of each release or provision of guidance,
  - any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the selection or application of accounting principles or standards, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Company's financial statements, as raised by the independent auditor, and review management's response thereto,
  - all critical accounting policies and practices used,
  - all alternative treatments of financial information by applicable accounting principles or standards that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor,

- the use of “pro forma” or “adjusted” information that is not consistent with applicable accounting principles or standards,
- the effect of regulatory and accounting initiatives, as well as any off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise), on the Company’s financial statements,
- any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Audit and Risk Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process for forms filed with applicable securities regulators, and
- the adequacy of the Franco-Nevada Group’s internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel and any special steps adopted in light of any material control deficiencies.

- Review with the independent auditor,
  - the quality as well as the acceptability of the accounting principles or standards that have been applied,
  - any problems or difficulties the independent auditor may have encountered during the provision of its audit-related services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to management and the Company’s response to that letter or communication, and
  - any changes to the Company’s significant auditing and accounting principles, standards and practices suggested by the independent auditor to members of management.

Risk Management Oversight

The Audit and Risk Committee shall:

- Generally review with management the Franco-Nevada Group’s significant risks and exposures and the steps management has taken to manage, monitor and control such risks and exposures.
- More specifically review the Company’s principal business, political, financial, litigation and control risks and exposures with a view to ensuring that such risks and exposures are being effectively managed, monitored or controlled by:
  - reviewing the Company’s risk philosophy as set forth by management and the Board of Directors,
  - reviewing management’s assessment of the significant risks and exposures facing the Company, including climate change risks (where applicable),
  - reviewing management’s policies, plans, processes and programs to manage and control significant risks and exposures, including the Company’s loss prevention policies, disaster response and recovery programs, corporate liability protection programs for directors and officer and any other insurance programs, as applicable,
  - receiving regular reports from management regarding the development and implementation of its policies, plans, processes and programs to manage, monitor and control significant risks and exposures, and
  - if the Audit and Risk Committee deems it appropriate, requesting the independent auditor’s opinion of management’s assessment of significant risks facing the Company and how effectively they are managed, monitored and controlled.

Oil and Gas Reserves

The Audit and Risk Committee shall:

- Recommend to the Board of Directors the appointment of the qualified oil and gas reserves evaluators or auditors (where required by applicable law or regulatory requirements or otherwise determined appropriate by the Audit and Risk Committee), who must be independent of the Company and who will report to the Board of Directors and the Committee on the Company’s oil and gas reserves data.

- Review, with reasonable frequency (as determined by the Audit and Risk Committee), the Company's procedures relating to the disclosure of information with respect to oil and gas activities, including its procedures for complying with applicable disclosure requirements and restrictions.
- When applicable, review each appointment of the Company's qualified oil and gas reserves evaluators or auditors, and in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the appointed qualified oil and gas reserves evaluator or auditor and management of the Company.
- When applicable, review, with reasonable frequency (as determined by the Audit and Risk Committee), the Company's procedures for providing information to the qualified oil and gas reserves evaluators or auditors who report on oil and gas reserves data.
- When applicable, prior to approving the filing of oil and gas reserves data and the report of the qualified oil and gas reserves evaluators or auditors meet with management and each qualified oil and gas reserves evaluator or auditor to:
  - determine whether any restrictions affect the ability of the qualified oil and gas reserves evaluator or auditor to report on the oil and gas reserves data without reservation; and
  - review the oil and gas reserves data and the report of the qualified oil and gas reserves evaluator or auditor thereon.
- When applicable, recommend to the Board of Directors whether to approve:
  - the content and filing of the statement of oil and gas reserves data and other required information,
  - the filing of the report of the independent qualified oil and gas reserves evaluator or auditor, and
  - the content and filing of the required report of management and the directors.

Compliance

The Audit and Risk Committee shall:

- Establish procedures for:
  - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and
  - the confidential, anonymous submission by employees of the Franco-Nevada Group of concerns regarding questionable accounting or auditing matters.
- Review and approve clear policies for the hiring by the Franco-Nevada Group of partners, employees or former partners or employees of the present and former independent auditor of the Company.

The Audit and Risk Committee shall also, as it determines appropriate:

- Obtain reports from the Chief Financial Officer, other members of management and the independent auditor that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's Code of Business Conduct and Ethics, including disclosures of insider and affiliated party transactions.
- Review with the Chief Financial Officer, other members of management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.
- Advise the Board of Directors of the Company with respect to the Franco-Nevada Group's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.
- Review with the Chief Financial Officer legal matters that may have a material impact on the financial statements, the Franco-Nevada Group's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
- Periodically review with management the need for an internal audit function.

Delegation

To avoid any confusion, the Audit and Risk Committee responsibilities identified above are the sole responsibility of the Audit and Risk Committee and may not be delegated to a different committee.

MEETINGS

The Audit and Risk Committee shall meet at least quarterly and more frequently as circumstances require. All members of the Audit and Risk Committee should strive to be at all meetings. The Audit and Risk Committee shall meet separately, periodically, with management and the independent auditors and may request any officer or employee of the Franco-Nevada Group or the Franco-Nevada Group's outside counsel or independent auditor to attend meetings of the Committee or with any members of, or advisors to, the Committee. The Audit and Risk Committee also may meet with the investment bankers, financial analysts and rating agencies that provide services to, or follow, the Franco-Nevada Group.

The Audit and Risk Committee may form and delegate authority to individual members and subcommittees where the Committee determines it is appropriate to do so.

INDEPENDENT ADVICE

In discharging its mandate, the Audit and Risk Committee shall have the authority to retain (and authorize the payment by the Company of) and receive advice from special legal, accounting or other advisors as the Audit and Risk Committee determines to be necessary to permit it to carry out its duties.

ANNUAL EVALUATION

At least annually, the Audit and Risk Committee shall, in a manner it determines to be appropriate:

- Perform a review and evaluation of the performance of the Committee and its members, including the compliance of the Audit and Risk Committee with this Charter.
- Review and assess the adequacy of its Charter and recommend to the Board of Directors any improvements to this Charter that the Committee determines to be appropriate.

Qualifications, Performance and Independence of Independent Auditor

- Review the experience and qualifications of the senior members of the independent auditor's team.
- Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.
- Review annual reports from the independent auditor regarding its independence and consider whether there are any non-audit services or relationships that may affect the objectivity and independence of the independent auditor and, if so, recommend that the Board of Directors of the Company take appropriate action to satisfy itself of the independence of the independent auditor.
- Obtain and review such report(s) from the independent auditor as may be required by applicable legal and regulatory requirements.

Updated: March 19, 2019

www.franco-nevada.com

FNV TSX/NYSE



Exhibit 99.2

Management's Discussion and Analysis

For the year ended December 31, 2018

Franco Nevada
The GOLD Investment that WORKS



Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") of financial position and results of operations of Franco-Nevada Corporation ("Franco-Nevada", the "Company", "we" or "our") has been prepared based upon information available to Franco-Nevada as at March 19, 2019 and should be read in conjunction with Franco-Nevada's audited consolidated financial statements and related notes as at and for the year ended December 31, 2018 and 2017. The audited consolidated financial statements and MD&A are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A and to consult Franco-Nevada's audited consolidated financial statements for the year ended December 31, 2018 and 2017 and the corresponding notes to the financial statements which are available on our website at www.franco-nevada.com, on SEDAR at www.sedar.com and in our most recent Form 40-F filed with the United States Securities and Exchange Commission on EDGAR at www.sec.gov.

Additional information related to Franco-Nevada, including our Annual Information Form, is available on SEDAR at www.sedar.com, and our Form 40-F is available on EDGAR at www.sec.gov. These documents contain descriptions of certain of Franco-Nevada's producing and advanced royalty and stream assets, as well as a description of risk factors affecting the Company. For additional information, our website can be found at www.franco-nevada.com.

Abbreviations used in this report

The following abbreviations may be used throughout this MD&A:

Abbreviated Definitions

Periods under review

"Q4/2018"	The three-month period ended December 31, 2018
"Q3/2018"	The three-month period ended September 30, 2018
"Q2/2018"	The three-month period ended June 30, 2018
"Q1/2018"	The three-month period ended March 31, 2018
"Q4/2017"	The three-month period ended December 31, 2017
"Q3/2017"	The three-month period ended September 30, 2017
"Q2/2017"	The three-month period ended June 30, 2017
"Q1/2017"	The three-month period ended March 31, 2017

Places and currencies

"U.S."	United States
"$" or "USD"	United States dollars
"C$" or "CAD"	Canadian dollars
"A$" or "AUD"	Australian dollars

Interest types

"NSR"	Net smelter return royalty
"GR"	Gross royalty
"ORR"	Overriding royalty
"GORR"	Gross overriding royalty
"FH"	Freehold or lessor royalty
"NPI"	Net profits interest
"NRI"	Net royalty interest
"WI"	Working interest

Measurement

"GEO"	Gold equivalent ounces
"PGM"	Platinum group metals
"oz"	Ounce
"oz Au"	Ounce of gold
"oz Ag"	Ounce of silver
"oz Pt"	Ounce of platinum
"oz Pd"	Ounce of palladium
"LBMA"	London Bullion Market Association
"bbl"	Barrel
"boe"	Barrels of oil equivalent
"WTI"	West Texas Intermediate

For definitions of the various types of agreements, please refer to our most recent Annual Information Form filed on SEDAR at www.sedar.com or our Form 40-F filed on EDGAR at www.sec.gov.

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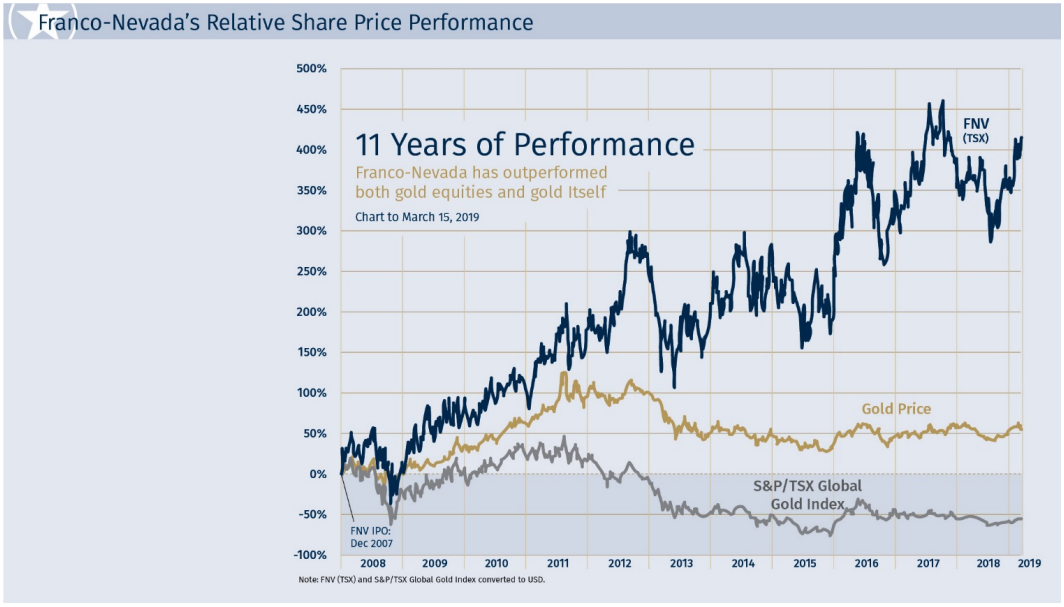
Overview

Franco-Nevada is the leading gold-focused royalty and stream company by both gold revenue and number of gold assets. The Company has the largest and most diversified portfolio of royalties and streams by commodity, geography, revenue type and stage of project. The portfolio is actively managed to maintain a focus on precious metals (gold, silver and PGM) and a diversity of revenue sources with a target of not more than 20% from energy (oil, gas and NGLs).

Franco-Nevada Asset Count at March 19, 2019

	Mining	Energy	TOTAL
Producing	51	55	**106**
Advanced	37	—	**37**
Exploration	202	25	**227**
TOTAL	**290**	**80**	**370**

Franco-Nevada's shares are listed on the Toronto and New York stock exchanges under the symbol FNV. An investment in Franco-Nevada's shares is expected to provide investors with yield and exposure to commodity price and exploration optionality while limiting exposure to many of the risks of operating companies. Since its Initial Public Offering over eleven years ago, Franco-Nevada has increased its dividend annually and its share price has outperformed the gold price and all relevant gold equity benchmarks.



Strategy

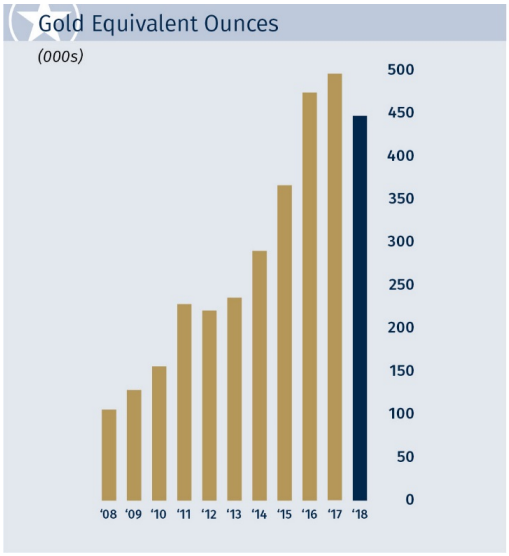
Franco-Nevada's revenue is generated from various forms of agreements, ranging from net smelter return royalties, streams, net profits interests, net royalty interests, working interests and other types of arrangements.

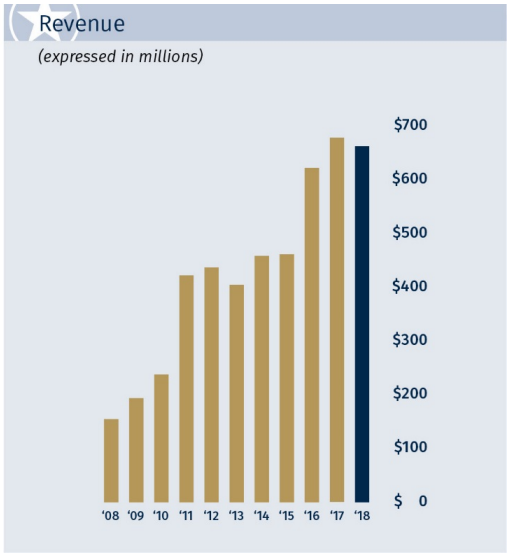
The Company does not operate mines, develop projects or conduct exploration. Franco-Nevada's business model is focused on managing and growing its portfolio of royalties and streams. The advantages of this business model are:

- Exposure to precious metals price optionality;
- A perpetual discovery option over large areas of geologically prospective lands;
- No additional capital requirements other than the initial investment;
- Limited exposure to many of the risks associated with operating companies;
- A free cash-flow business with limited cash calls;
- A high-margin business that can generate cash through the entire commodity cycle;
- A scalable and diversified business in which a large number of assets can be managed with a small stable overhead; and
- A forward-looking business in which management focuses on growth opportunities rather than operational or development issues.

Franco-Nevada's financial results in the short-term are primarily tied to the price of commodities and the amount of production from its portfolio of producing assets. Financial results have also been supplemented by acquisitions of new producing assets. Over the longer-term, results are impacted by the availability of exploration and development capital applied by other companies to expand or extend Franco-Nevada's producing assets or to advance Franco-Nevada's advanced and exploration assets into production.

Franco-Nevada has a long-term investment outlook and recognizes the cyclical nature of the industry. Franco-Nevada has operated by maintaining a strong balance sheet so that it can make investments during commodity cycle downturns.





Franco-Nevada actively manages its portfolio to maintain a focus on precious metals (gold, silver and PGM) and a diversity of revenue sources with a target of not more than 20% from energy (oil, gas and NGLs). In the short-term, we may diverge from the long-term target based on opportunities available. With 86.8% of revenue earned from gold and gold equivalents and 13.2% from energy assets in 2018, the Company has the flexibility to consider diversification opportunities outside of the precious metals' space and increase its exposure to other commodities while maintaining its long-term target.

One of the strengths of the Franco-Nevada business model is that our business is not generally impacted when producer costs increase as long as the producer continues to operate. Royalty and stream payments/deliveries are based on production levels with no adjustments for the operator's operating costs, with the exception of NPI and NRI royalties, which are based on the profit of the underlying operation. Profit-based royalties accounted for approximately 6.7% of total revenue in 2018.

Highlights

Financial Update – Q4/2018

- **104,877 GEOs**[1] earned in Q4/2018, a decrease of 12.5% from 119,839 GEOs in Q4/2017;
- **$148.2 million in revenue**, a decrease of 11.4% compared to Q4/2017;
- **$21.5 million, or $208 per GEO, in Cash Costs**[2] **attributable to GEO production**, compared to $31.0 million, or $266 per GEO, in Q4/2017;
- **$118.7 million, or $0.64 per share, of Adjusted EBITDA**[2], a decrease of 7.3% and 7.2%, respectively, compared to Q4/2017;
- **80.1% in Margin**[2], compared to 76.6% in Q4/2017;
- **$31.3 million, or $0.17 per share, in net loss**, compared to net income of $43.5 million, or $0.23 per share, in Q4/2017, reflecting impairment charges of $75.4 million on the Sudbury assets;
- **$44.7 million, or $0.24 per share in Adjusted Net Income**[2], a decrease of 14.2% and 14.3%, respectively, compared to Q4/2017;
- **$97.8 million in net cash provided by operating activities**, a decrease of 22.6% compared to $126.3 million in Q4/2017;
- **$1.2 billion in available capital** as at December 31, 2018, comprising $153.5 million of working capital[3], $132.8 million in marketable equity securities, and $0.9 billion available under the Company's credit facilities. Debt of $210.0 million that was used to fund the acquisition of royalty rights with Continental Resources, Inc. and the final contribution towards the Cobre Panama project remains outstanding at year-end.

Financial Update – 2018

- **447,902 GEOs** earned, a decrease of 10.0% from 497,745 GEOs in 2017;
- **$653.2 million in revenue**, a decrease of 3.2% compared to 2017;
- **$105.2 million, or $239 per GEO, in Cash Costs attributable to GEO production,** compared to $129.7 million, or $265 per GEO, in 2017;
- **$519.6 million, or $2.79 per share, in Adjusted EBITDA,** an increase of 0.7% and a decrease of 1.1%, respectively, from 2017;
- **79.5% in Margin**, an increase compared to 76.5% in 2017;
- **$139.0 million, or $0.75 per share, in net income,** a decrease of 28.6% and 29.2%, respectively, compared to 2017, reflecting impairment charges of $75.4 million on the Sudbury assets;
- **$217.0 million, or $1.17 per share, in Adjusted Net Income,** an increase of 9.4% and 8.3%, respectively, compared to 2017;
- **$474.8 million in net cash provided by operating activities,** an decrease of 2.8% compared to $488.6 million in 2017.

Corporate Developments

Acquisition of Valentine Lake Royalty Interest – Newfoundland, Canada

On February 21, 2019, Franco-Nevada acquired a 2% NSR on Marathon Gold Corporation's ("Marathon") Valentine Lake Gold Camp in central Newfoundland for C$18.0 million. Marathon has an option to buy back 0.5% of the NSR for $7.0 million until December 31, 2022.

Acquisition of Salares Norte Royalty Interest - Chile

On January 31, 2019, Franco-Nevada, through a wholly-owned Chilean subsidiary, acquired an existing 2% NSR on Gold Fields' Salares Norte project in the Atacama region of northern Chile for $32.0 million, comprised of $27.0 million of Franco-Nevada common shares (366,499 common shares) and $5.0 million in cash. Gold Fields has an option to buy back 1% of the NSR for $6.0 million within 24 months of commercial production.

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1 GEOs include production from our Mining assets, and do not include Energy assets. GEOs are estimated on a gross basis for NSR royalties and, in the case of stream ounces, before the payment of the per ounce contractual price paid by the Company. For NPI royalties, GEOs are calculated taking into account the NPI economics. Silver, platinum, palladium and other mining commodities are converted to GEOs by dividing associated revenue, which includes settlement adjustments, by the relevant gold price. The price used in the computation of GEOs earned from a particular asset varies depending on the royalty or stream agreement, which may make reference to the market price realized by the operator, or the average price for the month, quarter, or year in which the mining commodity was produced or sold. For illustrative purposes, please refer to the average commodity price table on pages 13 and 17 of this MD&A for indicative prices which may be used in the calculation of GEOs for the year ended December 31, 2018 and 2017, respectively.

2 Cash Costs, Adjusted Net Income, Adjusted EBITDA, and Margin are non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see the "Non-IFRS Financial Measures" section of this MD&A.

3 The Company defines working capital as current assets less current liabilities.

Acquisition of U.S. Oil & Gas Royalty Rights and Strategic Relationship with Continental Resources, Inc. – SCOOP and STACK, Oklahoma

On October 23, 2018, the Company, through a wholly-owned subsidiary, entered into a strategic relationship with Continental Resources, Inc. ("Continental") to jointly acquire, through a newly-formed entity (the "Royalty Acquisition Venture"), royalty rights in the South Central Oklahoma Oil Province ("SCOOP") and Sooner Trend Anadarko Basin Canadian and Kingfisher Counties ("STACK") plays of Oklahoma. The relationship is intended to capitalize on Continental's land and exploration expertise and focus predominantly on acquiring royalty rights under Continental's drill plan.

In addition to its initial contribution of $218.5 million spent at closing, to grow the Royalty Acquisition Venture portfolio, Franco-Nevada also committed to spend up to $300 million over the following three years to acquire additional royalty rights, subject to satisfaction of agreed upon development thresholds, bringing the total commitment to $520 million. Continental committed to spend up to $75 million over the same three-year period through the Royalty Acquisition Venture.

Revenue distribution from the Royalty Acquisition Venture will vary depending on production volumes, with FrancoNevada entitled to a minimum of 50% of revenue and up to 75% of revenue at certain production volumes. Meaningful revenue from the initial contribution of assets is expected to begin in 2019, increasing over time. The assets subject to the initial investment have an anticipated life of 30+ years from current wells and future development.

As at December 31, 2018, Franco-Nevada has funded $261.8 million to the Royalty Acquisition Venture, which consists of $218.5 million for its initial contribution, and additional contributions of $43.3 million made after the closing date. Franco-Nevada has remaining commitments of $258.2 million, which will be funded over three years.

The initial contribution made in 2018 was funded net of $3.7 million in royalties generated by the acquired assets between March 1, 2018, the effective date of the transaction, and October 23, 2018, the date on which the Company acquired joint control of the Royalty Acquisition Venture.

Acquisition of Bowen Basin Coal Royalties – Australia

On February 28, 2018, Franco-Nevada, through a wholly-owned subsidiary, acquired a portfolio of metallurgical coal royalties located in the Bowen Basin of Queensland, Australia for a cash consideration of A$4.2 million. The portfolio includes certain claims that comprise the producing Moorvale mine, the Olive Downs project which has filed permitting applications, and another 33 exploration tenements. The Bowen Basin Coal royalties are production payments of A$0.10 per tonne, adjusted for consumer price index changes since December 31, 1997.

Acquisition of U.S. Energy Royalties – Delaware Basin, Texas

On February 20, 2018, the Company, through a wholly-owned subsidiary, closed the acquisition of a royalty portfolio in the Delaware Basin, which represents the western portion of the Permian Basin, for $101.3 million. The royalties are derived principally from mineral title which provides a perpetual interest in royalty lands. The transaction entitles the Company to royalties effective October 1, 2017. Prior to year-end, the Company advanced $11.0 million into escrow in respect of this transaction which was included in royalty, stream and working interests on the statement of financial position as at December 31, 2017.

Additional Acquisition and Funding of Cobre Panama – Panama

On January 19, 2018, the Company, through a wholly-owned subsidiary, entered into an amended and restated stream agreement with First Quantum Minerals Ltd. ("First Quantum") and Korea Resources Corp. ("KORES"). The amended and restated stream agreement covers 100% of the Cobre Panama project. Cobre Panama, which is in the construction phase and is located in Panama, is 90% owned by First Quantum and 10% by KORES.

The amended and restated stream agreement comprises two distinct precious metals streams: the original stream covering First Quantum's initial 80% interest in the project (the "Fixed Payment Stream") and a new stream covering (i) First Quantum's additional 10% interest in the project acquired from LS-Nikko Copper Inc. in Q4/2017 and (ii) KORES' 10% interest in the project (the "Floating Payment Stream").

The amended and restated stream agreement provides Franco-Nevada protection against a delayed start-up through a discount on the initial fixed price gold ounces purchased until the mill reaches a run-rate of 58 million tonnes per day, effective January 1, 2019. The discount would provide Franco-Nevada an effective 5% return on capital.

Fixed Payment Stream

Under the terms of the Fixed Payment Stream, Franco-Nevada has funded a deposit of $1.0 billion against future deliveries of gold and silver from Cobre Panama. The deposit was funded on a pro-rata basis of 1:3 to First Quantum's share of the capital costs for Cobre Panama in excess of $1.0 billion. Franco-Nevada made a final contribution of $25.6 million on October 19, 2018, thereby fulfilling its capital commitment of $1.0 billion as at December 31, 2018.

Under the terms of the amended and restated stream agreement, the fixed price for the Fixed Payment Stream is $418 per ounce of gold and $6.27 per ounce of silver (each increased by a 1.5% annual inflation factor), until 1,341,000 ounces of gold and 21,500,000 ounces of silver have been delivered. Thereafter, the ongoing payment will be the greater of 50% of the fixed price and 50% of the spot price.

Floating Payment Stream

The purchase price of the Floating Payment Stream was $356.0 million and was funded upfront upon closing on March 16, 2018. The terms of the Floating Payment Stream, other than the ongoing price, are similar to the Fixed Payment Stream, including initially linking precious metals deliveries to copper in concentrate shipped. Under the Floating Payment Stream, the ongoing price per ounce for deliveries is 20% of the spot price until 604,000 ounces of gold and 9,618,000 ounces of silver have been delivered. Thereafter, the ongoing payment will be 50% of the spot price.

Significant Portfolio Updates

Additional updates related to our portfolio of assets is available in our News Release issued on March 19, 2019, available on SEDAR at www.sedar.com, and EDGAR at www.sec.gov.

Sudbury

In December 2018, KGHM International Ltd. ("KGHM"), the operator of the Sudbury assets, announced that it expected to halt operations at the Levack-Morrison mine and put the mine on care and maintenance, as a result of current metal prices and lower ore grades. Although the Company understands the Levack-Morrison mine will be placed on care and maintenance in late March 2019, the impact of the mine closure is expected to be offset by deliveries from the McCreedy West mine.

McCreedy West had been on care and maintenance since 2011, but recently resumed operations and is expected to deliver gold and PGM ounces to Franco-Nevada in 2019 and part of 2020. To support the restart of the McCreedy West mine, Franco-Nevada agreed to renegotiate the existing contract with KGHM by increasing the fixed price per ounce of gold equivalent from a price of $429 (initially $400 per ounce, subject to inflation adjustments) to $800, until December 31, 2021.

Franco-Nevada recorded impairment charges with respect to the Sudbury assets in 2018. Refer to the Impairments of Royalties, Streams and Working Interests section on page 21 of this MD&A for details.

Cobre Panama

First Quantum announced first introduction of ore to the processing plant at Cobre Panama on February 13, 2019, with ramp-up scheduled over 2019 and 2020.

On September 25, 2018, First Quantum addressed the announcement of the Supreme Court of Panama ruling in connection with the constitutionality of Law 9 of 1997. According to First Quantum, Law 9 granted the status of national law to the mining concession contract, establishing a statutory legal and fiscal regime for the development of the Cobre Panama project. Minera Panama SA ("MPSA"), the operating subsidiary of First Quantum, understands that the Supreme Court ruling with respect to the constitutionality of Law 9 relates to the enactment of Law 9 and does not affect the legality of the MPSA mining concession contract itself, which remains in effect, and allows continuation of the development of Cobre Panama project by MPSA. Subsequently, MPSA has submitted filings to the Supreme Court for ruling, which it has accepted, prior to the ruling in relation to the constitutionality of Law 9 taking effect. On September 26, 2018 the Government of Panama issued a news release affirming support for the Cobre Panama project. Construction and commissioning are continuing while the First Quantum seeks to clarify the legal position.

Candelaria

In 2018, deliveries from the Candelaria stream were negatively affected as a result of a pit wall slide that occurred in late 2017. The mine was also processing lower grade materials, in accordance with an updated technical report and life of mine plan which was issued in November 2017. Processing of higher grade ore is expected to resume later in 2019.

Brucejack

Franco-Nevada has a 1.2% NSR covering Pretium Resources Inc.'s Brucejack gold project in British Columbia, Canada. The mine is operated by Pretium Resources Inc. First gold was poured from the Brucejack project in June 2017 and achieved commercial production in July 2017. The royalty agreement is subject to royalty thresholds of approximately 500,000 ounces for gold, and 17.9 million ounces for silver. The operation met the royalty threshold and royalty payments commenced in December 2018.

Cerro Moro

Franco-Nevada has a 2% NSR on the Cerro Moro mine operated by Yamana Gold Inc. in Santa Cruz, Argentina. Construction was completed in 2018 and commercial production was declared on June 26, 2018. Royalty payments to Franco-Nevada commenced in mid-2018, and the Company will benefit from a first full year of production in 2019.

Financing

Credit Facilities

During the year, the Company drew down $210.0 million from its $1.0 billion unsecured revolving credit facility (the "Credit Facility"), primarily to fund its initial contribution to the Continental Royalty Acquisition Venture on October 23, 2018. The funds were drawn as 30-day LIBOR loans with the associated interest rate based on 30-day LIBOR plus 1.10%. As of the date of this MD&A, the Credit Facility has an outstanding balance of $210.0 million, and $790.0 million remains available. The Credit Facility has a maturity date of March 22, 2023, which the Company expects to extend by an additional year.

Franco-Nevada (Barbados) Corporation ("FNBC") also drew on its credit facility (the "FNBC Credit Facility") during the year to fund its capital contributions towards the Cobre Panama project. All amounts drawn were repaid within the year. As at the date of this MD&A, the full $100.0 million remains available to FNBC. The FNBC Credit Facility has a maturity date of March 20, 2020.

Dividend Declaration

For the year ended December 31, 2018, dividends declared totaled $0.95 per share, or $177.8 million, of which $136.1 million was paid in cash and $41.7 million was paid in common shares issued under the Company's Dividend Reinvestment Plan ("DRIP"). In Q4/2018, Franco-Nevada declared a quarterly dividend of $0.24 per share. The total dividend declared was $44.9 million, of which $31.5 million was paid in cash and $13.4 million was paid in common shares.

Guidance

The following contains forward-looking statements. Reference should be made to the "Cautionary Statement on Forward-Looking Information" section at the end of this MD&A. For a description of material factors that could cause our actual results to differ materially from the forward-looking statements below, please see the "Cautionary Statement" and the "Risk Factors" section of our most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com and our most recent Form 40-F filed with the United States Securities and Exchange Commission on www.sec.gov. 2019 guidance is based on assumptions including the forecasted state of operations from our assets based on the public statements and other disclosures by the third-party owners and operators of the underlying properties (subject to our assessment thereof).

For 2019, the Company is pleased to provide the following guidance for its mining and energy segments, respectively:

	2019 Guidance	2018 Actual	2017 Actual
Gold & Gold Equivalent production[1),(2)]	465,000 - 500,000 GEOs	447,902 GEOs	497,745 GEOs
Energy revenue[(3)]	$70.0 - $85.0 million	$86.1 million	$47.0 million

1 Of the 465,000 to 500,000 GEOs, Franco-Nevada expects to receive 305,000 to 335,000 GEOs under its various streams. In the year ended December 31, 2018, the Company earned 293,476 GEOs from its streams.
2 In forecasting GEOs for 2019, gold, silver, platinum and palladium metals have been converted to GEOs using commodity prices of $1,300 Au, $15.25 Ag, $825 Pt and $1,500 Pd.
3 In forecasting revenue from Energy assets for 2019, the WTI oil price is assumed to average $55 per barrel.

Our GEO guidance for 2019 is based on the following:

- **Latin America Mining Assets:** We anticipate significant growth from our Latin America Mining assets, reflecting first deliveries from Cobre Panama as the asset ramps-up. First Quantum has provided copper production guidance between 140,000 and 170,000 tonnes of contained copper for 2019, which would translate to approximately 59,000 GEOs based on the midpoint of the provided range. Franco-Nevada expects some delay between concentrate production as reported by First Quantum and ultimate payment under the stream agreement and therefore expects GEOs to range from 20,000 to 40,000 GEOs for 2019. We expect higher deliveries from our Candelaria stream in the second half of 2019, as the mine resumes normal operations following the pit wall slide that occurred in late 2017. However this is expected to be offset by lower deliveries from Antapaccay based on the mine's life of mine plan, and from Guadalupe as Coeur is expected to mine a larger portion outside Franco-Nevada's stream grounds. Antamina is expected to deliver below the mid-point of the long-term range of 2.8 million and 3.2 million silver ounces. Latin America revenue also includes Cerro Moro, with 2019 being the first full year of production as the project is fully ramped up.
- **U.S. Mining Assets:** We expect a decrease in production from our U.S. Mining assets, primarily due to Fire Creek having fulfilled its fixed deliveries requirement, and future royalties now being based on a trailing 2.5% NSR. Royalties from South Arturo will be limited, as Phase 2 mining is completed, and production from the Phase 1 open pit and El Nino underground mine is not expected until late 2019. Royalties from Bald Mountain are also expected to decrease compared to 2018, as mining transitions away from Franco-Nevada royalty grounds. Offsetting these decreases is the expected increase from Stillwater as the Blitz project continues to ramp-up.
- **Canada Mining Assets:** Production from our Canadian Mining assets is expected to increase compared to 2018, primarily from our Sudbury and Brucejack assets. Although the Levack-Morrison mine will be placed on care and maintenance in late March 2019, the impact of the mine closure is expected to be offset by deliveries from the McCreedy West mine. Stream ounces from McCreedy West are subject to a fixed gold equivalent price of $800 per ounce. The expected increase in revenue from Sudbury also reflects higher forecasted palladium prices. Brucejack is expected to provide a first full year of royalties as the operation met the royalty threshold in late 2018.
- **Rest of World Mining Assets:** Overall production from our Rest of World Mining assets is expected to increase slightly year-over-year, principally from Tasiast and Subika due to recently completed expansions. These increases are expected to be largely offset by a decline in ounces from the Karma stream. Karma is expected to deliver fewer ounces in 2019 as it has completed the repayment of the 5,625 ounces of gold which were due as a result of the draw down of the increase option under the stream agreement. Sabodala will deliver 22,500 GEOs in 2019, fulfilling its last year of fixed stream deliveries. Deliveries from MWS will remain relatively flat compared to 2018.

Performance from our Energy assets in 2018 surpassed expectations, based on higher oil prices, unforecasted lease bonus payments, catch-up payments on 2017 production and production from high royalty percentage areas. In 2019, we expect Energy revenue to remain relatively flat year-over-year based on the following:

- **U.S. Energy Assets:** We expect incremental revenue from our recent investment in the Continental Royalty Acquisition Venture to be mostly offset by lower royalties from our SCOOP/STACK and Permian Basin portfolios, based primarily on our assumptions of lower oil prices compared to 2018. 2019 revenue guidance does not include any potential lease bonus revenue.
- **Canada Energy Assets:** Revenue from our Weyburn royalties are expected to decrease compared to 2018 based on an expectation of lower realized prices. Royalties from the Orion oil sands project, which were most impacted by the widened differentials against the Western Canada Select benchmark in the second half of 2018, are expected to increase, as differentials improve and production capacity is further expanded.

Depletion and depreciation expense totaled $247.7 million in 2018. The Company estimates depletion and depreciation expense to be $295.0 million to $325.0 million for 2019.

With respect to the Royalty Acquisition Venture held with Continental, the Company is expecting to contribute, subject to satisfaction of agreed upon development thresholds, up to $100 million in 2019.

Market Overview

The prices of precious metals, gold in particular, are the largest factors in determining profitability and cash-flow from operations for Franco-Nevada. Historically, the price of gold has been subject to volatile price movements and is affected by numerous macroeconomic and industry factors that are beyond the Company's control. Major influences on the gold price include the level of interest rates, inflation expectations, currency exchange rate fluctuations including the relative strength of the U.S. dollar, and the supply of and demand for gold.

Commodity price volatility also impacts the number of GEOs contributed by non-gold Mining assets when converting silver, platinum, palladium and other mining commodities to GEOs. Silver, platinum, palladium and other mining commodities are converted to GEOs by dividing associated revenue, which includes settlement adjustments, by the relevant gold price. The price used in the computation of GEOs earned from a particular asset varies depending on the royalty or stream agreement, which may make reference to the market price realized by the operator, or the average price for the month, quarter, or year in which the mining commodity was produced or sold.

During Q4/2018, gold prices averaged $1,228/oz, down 3.6% compared to the Q4/2017 average of $1,274/oz. Gold prices traded between $1,186/oz and $1,279/oz, ending Q4/2018 at $1,279/oz, approximately 7.7% lower than at the end of Q3/2018.

Silver prices averaged $14.55/oz in Q4/2018, a decrease of 12.9% compared to $16.70/oz in Q4/2017. Platinum and palladium prices averaged $822/oz and $1,157/oz, respectively, in Q4/2018, compared to $920/oz and $993/oz, respectively, for Q4/2017, a decrease of 10.7% and an increase of 16.5% year-over-year, respectively.

During the quarter, Edmonton Light prices averaged C$47.95/bbl, down 28.2% compared to Q4/2017, while WTI averaged $58.70/bbl, a 6.0% increase from Q4/2017.

Selected Financial Information

(in millions, except Average Gold Price, GEOs sold, Margin, per share amounts)	For the three months ended December 31, 2018	2017	For the year ended December 31, 2018	2017
Statistical Measures				
Average Gold Price	**$ 1,228**	$ 1,274	**$ 1,268**	$ 1,257
GEOs sold[1]	**104,877**	119,839	**447,902**	497,745
Statement of Income and Comprehensive Income				
Revenue	**$ 148.2**	$ 167.2	**$ 653.2**	$ 675.0
Depletion and depreciation	**61.5**	63.8	**247.7**	273.0
Cost of sales	**24.8**	35.2	**118.2**	142.0
Operating (loss) income	**(19.3)**	61.2	**188.8**	235.4
Net (loss) income	**(31.3)**	43.5	**139.0**	194.7
Basic (loss) earnings per share	**$ (0.17)**	$ 0.23	**$ 0.75**	$ 1.06
Diluted (loss) earnings per share	**$ (0.17)**	$ 0.23	**$ 0.75**	$ 1.06
Dividends declared per share	**$ 0.24**	$ 0.23	**$ 0.95**	$ 0.91
Dividends declared (including DRIP)	**$ 44.9**	$ 43.2	**$ 177.8**	$ 167.9
Weighted average shares outstanding	**186.4**	185.5	**186.1**	182.9
Non-IFRS Measures				
Cash Costs[2] attributable to GEO production	**$ 21.5**	$ 31.0	**$ 105.2**	$ 129.7
Cash Costs[2] per GEO	**$ 208**	$ 266	**$ 239**	$ 265
Adjusted EBITDA[2]	**$ 118.7**	$ 128.0	**$ 519.6**	$ 516.1
Adjusted EBITDA[2] per share	**$ 0.64**	$ 0.69	**$ 2.79**	$ 2.82
Margin[2]	**80.1 %**	76.6 %	**79.5 %**	76.5 %
Adjusted Net Income[2]	**$ 44.7**	$ 52.1	**$ 217.0**	$ 198.3
Adjusted Net Income[2] per share	**$ 0.24**	$ 0.28	**$ 1.17**	$ 1.08
Statement of Cash Flows				
Net cash provided by operating activities	**$ 97.8**	$ 126.3	**$ 474.8**	$ 488.6
Net cash used in investing activities	**$ (285.3)**	$ (116.2)	**$ (988.7)**	$ (500.9)
Net cash provided by (used in) financing activities	**$ 182.5**	$ (32.0)	**$ 77.6**	$ 239.7

	As at December 31, 2018	As at December 31, 2017
Statement of Financial Position		
Cash and cash equivalents	**$ 69.7**	$ 511.1
Total assets	**4,931.8**	4,788.4
Debt	**207.6**	—
Deferred income tax liabilities	**67.3**	60.3
Total shareholders' equity	**4,631.9**	4,705.5
Working capital[3]	**153.5**	593.8

1 Refer to Note 1 at the bottom of page 6 of this MD&A for the methodology for calculating GEOs, and, f or illustrative purposes, to the average commodity price table on pages 13 and 17 of this MD&A for indicative prices which may be used in the calculations of GEOs for the year ended December 31, 2018 and 2017, respectively.

2 Cash cost of sales, Adjusted EBITDA, Margin and Adjusted Net Income are non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see the "Non-IFRS Financial Measures" section of this MD&A.

3 The Company defines Working Capital as current assets less current lia bilities.

Revenue by Asset

Our portfolio is well-diversified with GEOs and revenue being earned from 52 Mining assets and 55 Energy assets in various jurisdictions. The following table details revenue earned from our various royalty, stream and working interests for the years ended December 31, 2018 and 2017:

(expressed in millions)		For the three months ended December 31,		For the year ended December 31,	
Property	**Interest and %** *(Gold unless otherwise noted)*	**2018**	2017	**2018**	2017
GOLD & GOLD EQUIVALENTS					
Latin America					
Antapaccay	Stream (indexed) Gold & Silver	**$ 21.9**	$ 25.0	**$ 97.5**	$ 90.2
Candelaria	Stream 68% Gold & Silver	**11.3**	18.1	**70.5**	105.2
Antamina	Stream 22.5% Silver	**10.9**	16.3	**51.1**	62.9
Guadalupe-Palmarejo	Stream 50%	**6.8**	17.5	**45.3**	65.5
Other		**1.8**	0.5	**3.9**	2.2
United States					
Goldstrike	NSR 2-4%, NPI 2.4-6%	**$ 6.3**	$ 4.4	**$ 19.0**	$ 16.8
Stillwater	NSR 5% PGM	**6.6**	5.2	**21.3**	20.6
Gold Quarry	NSR 7.29%	**3.3**	3.6	**14.4**	14.2
Marigold	NSR 1.75-5%, GR 0.5-4%	**2.5**	2.7	**10.2**	10.3
Fire Creek/Midas	NSR 2.5%, Fixed to 2018	**1.9**	4.3	**10.1**	11.0
Bald Mountain	NSR/GR 0.875-5%	**4.1**	2.1	**14.5**	6.4
South Arturo	GR 4-9%	**0.1**	0.8	**4.1**	10.7
Other		**1.0**	1.7	**4.8**	4.4
Canada					
Sudbury	Stream 50% PGM & Gold	**$ 6.3**	$ 7.9	**$ 23.3**	$ 30.3
Detour Lake	NSR 2%	**4.4**	4.3	**15.8**	14.3
Golden Highway	NSR 2-10%	**1.3**	2.4	**8.0**	8.7
Hemlo	NSR 3%, NPI 50%	**1.6**	0.8	**7.1**	4.4
Musselwhite	NPI 5%	**1.0**	0.8	**2.6**	3.8
Kirkland Lake	NSR 1.5-5.5%, NPI 20%	**1.3**	1.1	**4.6**	4.1
Timmins West	NSR 2.25%	**0.7**	0.7	**2.6**	3.4
Canadian Malartic	GR 1.5%	**0.6**	0.4	**2.5**	2.0
Other		**3.2**	2.9	**8.8**	13.3
Rest of World					
MWS	Stream 25%	**$ 8.2**	$ 9.2	**$ 32.9**	$ 35.8
Sabodala	Stream 6%, Fixed to 2019	**6.9**	7.1	**28.5**	30.5
Karma	Stream 4.875%, Fixed to 80,625 oz	**5.6**	5.6	**22.5**	23.0
Subika	NSR 2%	**2.9**	1.7	**9.4**	6.6
Tasiast	NSR 2%	**2.1**	1.4	**6.3**	6.2
Duketon	NSR 2%	**0.8**	1.6	**6.0**	6.7
Edikan	NSR 1.5%	**0.9**	1.0	**4.3**	3.7
Other		**3.7**	2.1	**15.2**	10.8
		$ 130.0	$ 153.2	**$ 567.1**	$ 628.0
ENERGY					
United States					
SCOOP/STACK - Continental	Royalty Acquisition Venture	**1.7**	—	**1.7**	—
SCOOP/STACK - Other	Various Royalty Rates	**3.2**	1.4	**14.0**	3.4
Permian Basin	Various Royalty Rates	**6.3**	0.8	**23.1**	2.3
Canada					
Weyburn	NRI 11.71%, ORR 0.44%, WI 2.56%	**$ 4.6**	$ 8.8	**$ 35.5**	$ 32.2
Orion	GORR 4%	**0.6**	1.2	**3.7**	1.5
Other		**1.8**	1.8	**8.1**	7.6
		$ 18.2	$ 14.0	**$ 86.1**	$ 47.0
Revenue		**$ 148.2**	$ 167.2	**$ 653.2**	$ 675.0

Review of Quarterly Financial Performance

The prices of precious metals, oil and gas and production from Mining and Energy assets are the largest factors in determining profitability and cash flow from operations for Franco-Nevada. The following table summarizes average commodity prices and average exchange rates during the periods presented.

Quarterly average prices and rates		Q4/2018	Q3/2018	Q4/2017	QOQ (Q4/2018-Q3/2018)	YOY (Q4/2018-Q4/2017)
Gold[1]	($/oz)	**$ 1,228**	$ 1,213	$ 1,274	1.2 %	(3.6)%
Silver[2]	($/oz)	**14.55**	14.99	16.70	(2.9) %	(12.9)%
Platinum[3]	($/oz)	**822**	814	920	1.0 %	(10.7)%
Palladium[3]	($/oz)	**1,157**	953	993	21.4 %	16.5 %
Edmonton Light	(C$/bbl)	**47.95**	77.14	66.78	(37.8) %	(28.2)%
West Texas Intermediate	($/bbl)	**58.70**	69.67	55.40	(15.7) %	6.0 %
CAD/USD exchange rate[4]		**0.7575**	0.7652	0.7867	(1.0) %	(3.7)%

1 Based on LBMA Gold Price PM Fix.
2 Based on LBMA Silver Price.
3 Based on London PM Fix.
4 Based on Bank of Canada daily average rates.

Revenue

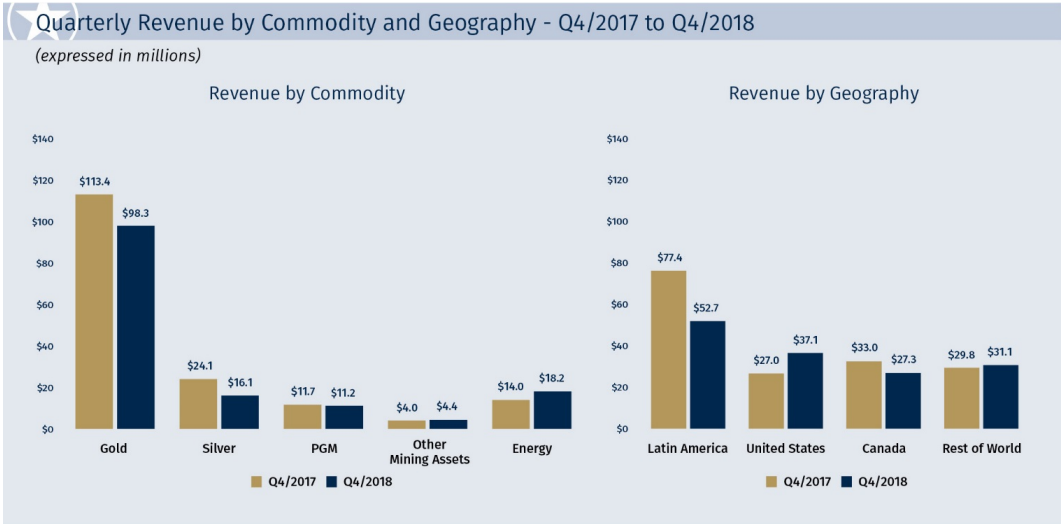
Revenue and GEO production attributable to Franco-Nevada by commodity, geographical location and type of interest for the three months ended December 31, 2018 and 2017 is as follows:

	Gold Equivalent Ounces[1]			Revenue *(in millions)*		
For the three months ended December 31,	**2018**	2017	Variance	**2018**	2017	Variance
Commodity						
Gold	**79,623**	88,954	(9,331)	**$ 98.3**	$ 113.4	$ (15.1)
Silver	**12,895**	18,843	(5,948)	**16.1**	24.1	(8.0)
PGM	**8,830**	8,977	(147)	**11.2**	11.7	(0.5)
Other mining assets	**3,529**	3,065	464	**4.4**	4.0	0.4
Mining	**104,877**	119,839	(14,962)	**$ 130.0**	$ 153.2	$ (23.2)
Energy	-	-	-	**18.2**	14.0	4.2
	104,877	119,839	(14,962)	**$ 148.2**	$ 167.2	$ (19.0)
Geography						
Latin America	**42,435**	60,568	(18,133)	**$ 52.7**	$ 77.4	$ (24.7)
United States	**21,244**	19,454	1,790	**37.1**	27.0	10.1
Canada	**16,066**	16,350	(284)	**27.3**	33.0	(5.7)
Rest of World	**25,132**	23,467	1,665	**31.1**	29.8	1.3
	104,877	119,839	(14,962)	**$ 148.2**	$ 167.2	$ (19.0)
Type						
Revenue-based royalties	**31,900**	27,469	4,431	**$ 51.5**	$ 40.0	$ 11.5
Streams	**62,378**	83,390	(21,012)	**78.0**	106.6	(28.6)
Profit-based royalties	**5,521**	3,078	2,443	**8.9**	9.4	(0.5)
Other	**5,078**	5,902	(824)	**9.8**	11.2	(1.4)
	104,877	119,839	(14,962)	**$ 148.2**	$ 167.2	$ (19.0)

1 Refer to Note 1 at the bottom of page 6 of this MD&A for the methodology for calculating GEOs and, f or illustrative purposes, to the average commodity price table above for indicative prices which may be used in the calculations of GEOs.

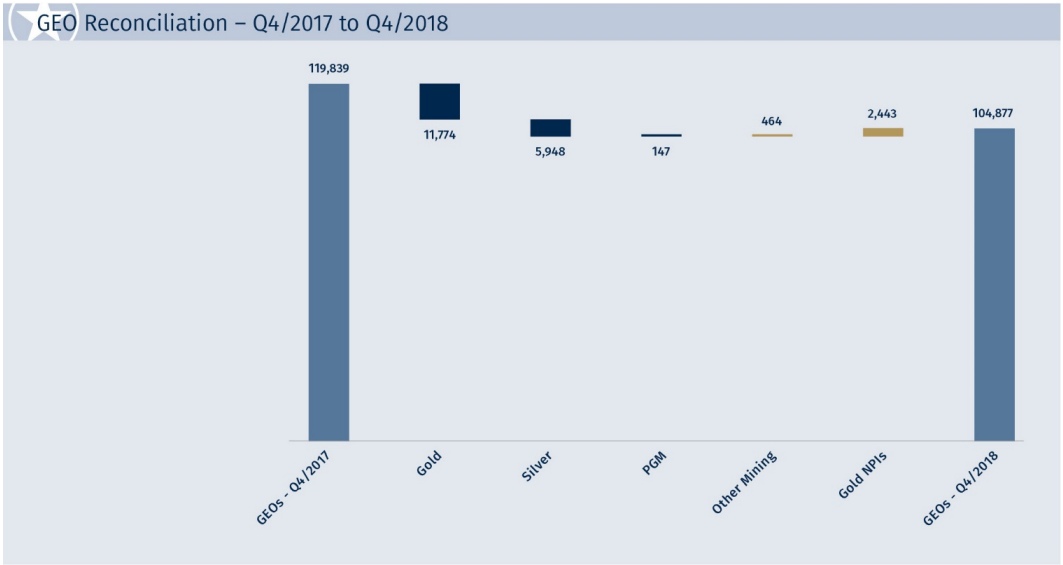
Revenue for Q4/2018 was $148.2 million, down 11.4% from Q4/2017, and comprised $130.0 million from Mining assets, and $18.2 million from Energy assets. Mining revenue decreased 15.1% year-over-year due to fewer GEOs earned, but was partly offset by a 30.0% increase in Energy revenue. Recently acquired Energy assets which closed in 2018, namely Delaware and the SCOOP/STACK royalties with Continental, added $6.0 million in incremental revenue compared to Q4/2017.

Mining assets contributed 87.7% of the Company's total revenue in Q4/2018, compared to 91.6% in Q4/2017, reflecting the growth of the Company's portfolio of Energy assets over the last two years. Geographically, the Company remains heavily invested in the Americas, with 79.0% of revenue in Q4/2018, compared to 82.1% in Q4/2017.



GEO Production

GEOs produced in Q4/2018 totaled 104,877 ounces, compared to 119,839 GEOs in Q4/2017.



The year-over-year decrease was primarily due to the following assets:

- **Candelaria** – 9,152 GEOs were earned from the Company's Candelaria stream, representing a decline of 35.5%, from 14,185 GEOs earned in Q4/2017. Precious metals production levels from the Candelaria mine are currently lower than in the comparable period due to the temporary processing of lower grade materials and a delay in year-end deliveries.
- **Guadalupe** – 5,457 GEOs were earned from Guadalupe, a decrease 60.3% from 13,741 GEOs in Q4/2017, reflecting less mining on Franco-Nevada stream lands.
- **Antamina** – 8,710 GEOs were earned from the Antamina stream, a decrease of 32.3% from 12,870 GEOs in Q4/2017. The year-over-year decrease was expected as part of Antamina's 2018 life of mine plan. Revenue from Antamina was also impacted by lower silver prices compared to the 2017 period.
- **Fire Creek/Midas** – 1,533 GEOs were earned from Fire Creek/Midas in Q4/2018, a decrease 54.0%, compared to 3,332 GEOs earned in the same period in 2017. The ounces sold in Q4/2018 represented the last ounces from the fixed delivery schedule from Fire Creek/Midas. Starting in 2019, ounces will be earned based on a floating 2.5% NSR.

The above decreases were partly offset by the following:

- **Bald Mountain** – 3,450 GEOs were earned from the Bald Mountain royalties, an increase of 1,777 GEOs, or 106.2%.
- **Goldstrike** – 5,145 GEOs were earned from the Goldstrike royalties, an increase of 1,686 GEOs, or 48.7%.

Energy Revenue

Energy assets generated revenue of $18.2 million (88% oil and 12% gas) for the quarter, an increase of 30.0% compared to $14.0 million (95% oil and 5% gas) in Q4/2017. Production volume increased 55.8% year-over-year.

Revenue from the Weyburn Unit during the quarter decreased to $4.6 million from $8.8 million in Q4/2017, primarily due to lower average realized prices, and comprised the following: $2.1 million earned from the NRI (Q4/2017 - $5.6 million), $2.2 million earned from the WI (Q4/2017 - $2.8 million) and $0.3 million earned from the ORRs (Q4/2017 - $0.4 million). Capital and operating expenditures were 79.0% and 23.0% higher in Q4/2018 than in Q4/2017, respectively. Capital expenditures increased year-over-year due to investments in new wells. The actual realized price from the NRI decreased 17.8% in Q4/2018, at C$52.30/boe, compared to C$63.65/boe for Q4/2017.

Orion contributed $0.6 million in revenue in Q4/2018 (Q4/2017 - $1.2 million). Revenue was negatively impacted by widened price differentials and government-mandated volume curtailments in Western Canada.

U.S. assets represented 61.5% of Franco-Nevada's Energy revenue, and performed well in Q4/2018. The SCOOP/STACK royalty portfolio generated $3.2 million in Q4/2018 (Q4/2017 - $1.4 million), while assets from the Permian Basin, which include the Midland and Delaware portfolios, produced $6.3 million in revenue (Q4/2017 - $0.8 million), reflecting the addition of the Delaware portfolio of royalties and higher volumes. Assets acquired over the last year, being Continental and Delaware, contributed an incremental $6.0 million in Q4/2018, for which there is no comparative in the same period in 2017.

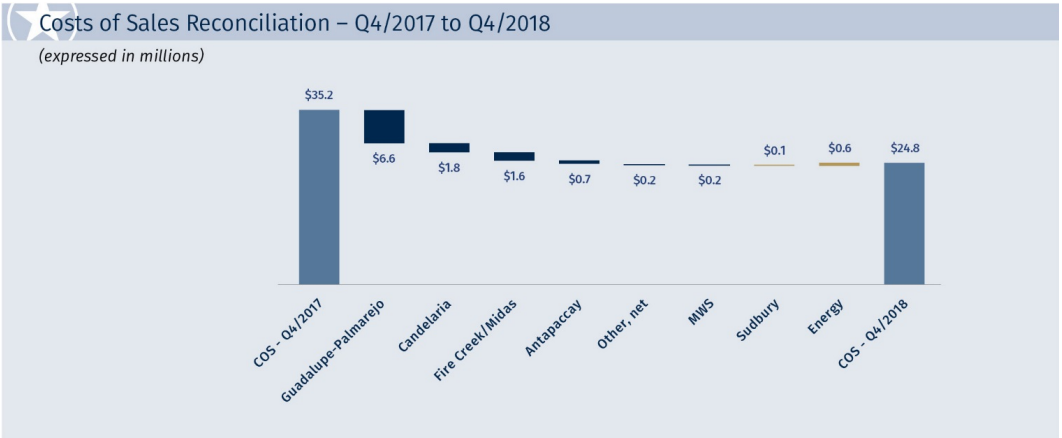
Costs of Sales

The following table provides a breakdown of cost of sales incurred in the periods presented:

	For the three months ended December 31,		
(expressed in millions)	**2018**	2017	Variance
Cost of stream sales	**$ 20.9**	$ 30.5	$ (9.6)
Cost of prepaid ounces	**1.4**	3.0	(1.6)
Mineral production taxes	**0.6**	0.5	0.1
Mining operating costs	**$ 22.9**	$ 34.0	$ (11.1)
Energy operating costs	**1.9**	1.2	0.7
	$ 24.8	$ 35.2	$ (10.4)

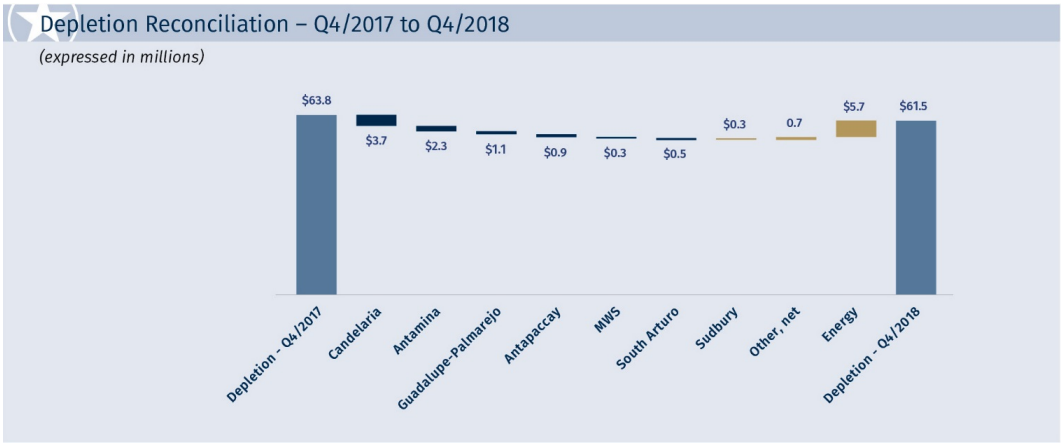
Stream ounces sold decreased 25.2% in Q4/2018 to 62,378 GEOs, compared to 83,390 GEOs in Q4/2017, primarily due to fewer ounces purchased under the Candelaria, Guadalupe and Antamina streams. The reduction in cost of sales from stream ounces decreased to a greater extent, down 31.5% compared to Q4/2017, as ounces from the Guadalupe stream carry a relatively high cash payment per ounce.

Cost of prepaid ounces decreased by $1.6 million compared to Q4/2017, reflecting 1,533 ounces sold in Q4/2018 compared to 3,332 ounces in the same period in 2017.



Depletion and Depreciation

Depletion and depreciation expense totaled $61.5 million in Q4/2018 compared to $63.8 million in Q4/2017, reflecting fewer GEOs earned from the Candelaria, Antamina and Guadalupe streams.



Impairment Charges

The Company has recorded impairment charges of $54.4 million and $21.0 million with respect to the Levack-Morrison and Podolsky assets, respectively. The Company also wrote-off $0.6 million with respect to abandoned tenements, concessions or grounds which were subject to royalty rights held by the Company. Refer to the Impairments of Royalties, Streams and Working Interests section on page 21 of this MD&A for details.

Income Taxes

Income tax expense for the quarter was $11.7 million in Q4/2018 (Q4/2017 - $16.9 million), comprised of a current income tax expense of $9.2 million (Q4/2017 - $5.3 million) and a deferred income tax expense of $2.5 million (Q4/2017 - $11.6 million). The decrease in income tax expense year-over year was mainly due to a one-time adjustment being recorded in 2017 as a result of the United States enacting Tax Reform legislation on December 22, 2017. The company recorded a deferred tax expense in Q4/2017 of $7.1 million on the re-measurement of the Company's deferred tax assets in the U.S.

Net Income

Net loss for Q4/2018 was $31.3 million, or $0.17 per share, compared to net income of $43.5 million, or $0.23 per share, for the same period in 2017. The net loss in Q4/2018 was a result of the impairments of $76.0 million recorded during the period, as well as lower revenue from our Mining assets. Adjusted Net Income, which excludes impairment charges and other items, was $44.7 million, or $0.24 per share, compared to $52.1 million, or $0.28 per share, earned in Q4/2017.

Review of Annual Financial Performance

The prices of precious metals, oil and gas and the actual production from Mining and Energy assets are the largest factors in determining profitability and cash flow from operations for Franco-Nevada. The following table summarizes average commodity prices and average exchange rates during the periods presented.

Year-to-date average prices and rates		2018	2017	Variance
Gold[1]	($/oz)	**$ 1,268**	$ 1,257	0.9 %
Silver[2]	($/oz)	**15.71**	17.05	(7.9)%
Platinum[3]	($/oz)	**881**	948	(7.1)%
Palladium[3]	($/oz)	**1,028**	870	18.2 %
Edmonton Light	(C$/bbl)	**68.99**	62.65	10.1 %
West Texas Intermediate	($/bbl)	**64.78**	50.90	27.3 %
CAD/USD exchange rate[4]		**0.7721**	0.7550	2.3 %

1 Based on LBMA Gold Price PM Fix.
2 Based on LBMA Silver Price.
3 Based on London PM Fix.
4 Based on Bank of Canada noon and daily average rates.

Revenue

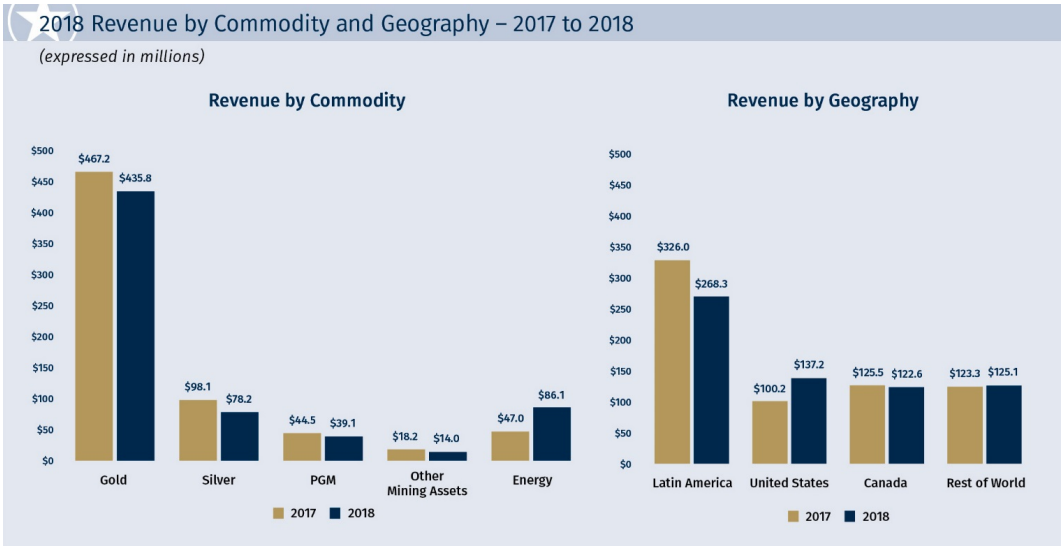
Revenue and GEO production attributable to Franco-Nevada by commodity, geographical location and type of interest for the year ended December 31, 2018 and 2017 by commodity, geographical location is as follows:

	Gold Equivalent Ounces[1]			Revenue *(in millions)*		
For the year ended December 31,	**2018**	2017	Variance	**2018**	2017	Variance
Commodity						
Gold	**344,107**	371,440	(27,333)	**$ 435.8**	$ 467.2	$ (31.4)
Silver	**61,737**	77,426	(15,689)	**78.2**	98.1	(19.9)
PGM	**30,946**	34,520	(3,574)	**39.1**	44.5	(5.4)
Other mining assets	**11,112**	14,359	(3,247)	**14.0**	18.2	(4.2)
Mining	**447,902**	497,745	(49,843)	**$ 567.1**	$ 628.0	$ (60.9)
Energy	-	-	-	**86.1**	47.0	39.1
	447,902	497,745	(49,843)	**$ 653.2**	$ 675.0	$ (21.8)
Geography						
Latin America	**211,862**	258,285	(46,423)	**$ 268.3**	$ 326.0	$ (57.7)
United States	**77,776**	75,203	2,573	**137.2**	100.2	37.0
Canada	**59,513**	65,982	(6,469)	**122.6**	125.5	(2.9)
Rest of World	**98,751**	98,275	476	**125.1**	123.3	1.8
	447,902	497,745	(49,843)	**$ 653.2**	$ 675.0	$ (21.8)
Type						
Revenue-based royalties	**119,964**	113,347	6,617	**$ 197.9**	$ 155.8	$ 42.1
Streams	**293,476**	350,827	(57,351)	**371.7**	443.3	(71.6)
Profit-based royalties	**17,091**	13,209	3,882	**44.0**	37.0	7.0
Other	**17,371**	20,362	(2,991)	**39.6**	38.9	0.7
	447,902	497,745	(49,843)	**$ 653.2**	$ 675.0	$ (21.8)

1 Refer to Note 1 at the bottom of page 6 of this MD&A for the methodology for calculating GEOs and, f or illustrative purposes, to the average commodity price table above for indicative prices which may be used in the calculations of GEOs.

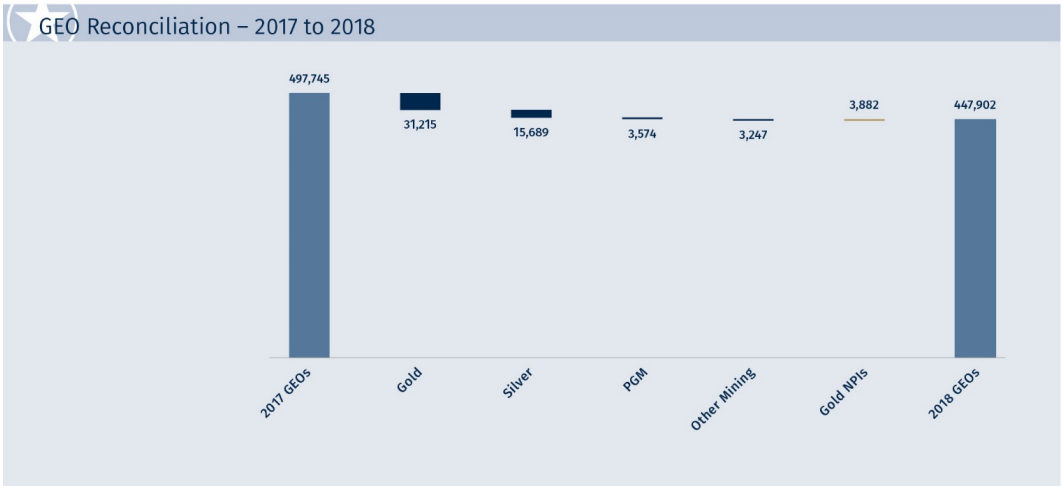
Revenue in 2018 was $653.2 million, down 3.2% from 2017. GEOs earned in 2018 decreased 10.0%, resulting in a corresponding decrease in revenue from Mining assets which was slightly offset by higher gold prices. Revenue from Energy assets compensated to a large degree for the decrease in revenue from Mining assets, reflecting the growth of the Company's Energy portfolio over the last two years.

Mining revenue comprised 86.8% of total revenue 2018, a decrease from 93.0% in 2017. We continue to earn the majority of our revenue from the Americas, at 80.8% compared to 81.7% in 2017.



GEO Production

GEOs produced in 2018 totaled 447,902 ounces, compared to 497,745 GEOs in 2017.



The year-over-year decrease in GEOs was primarily due to the following assets:

- **Candelaria –** 55,671 GEOs were earned from the Candelaria stream in 2018, down 33.4% compared to 83,610 in 2017. Although a decrease in production of precious metals was expected in 2018 based on planned processing of lower grade material, the impact on gold and silver production was greater than expected. GEOs earned in 2017 included 2,032 GEOs which had been delivered in 2016, but were sold in Q1/2017.
- **Guadalupe –** 35,807 GEOs were earned in 2018, a decrease of 31.3% compared to 52,124 GEOs in 2017. The year-over-year decrease was due to a temporary suspension of activities in 2018. 2017 was also an exceptionally strong year of production for Guadalupe-Palmarejo.
- **Antamina –** 40,384 GEOs were earned from the Antamina silver stream, down 18.7% compared to 49,656 GEOs in 2017, in line with the 2018 life of mine plan. Revenue from Antamina was also impacted by lower silver prices compared to the 2017 period.
- **South Arturo –** 3,087 GEOs in 2018, down 64.4% compared to 8,670 GEOs in 2017 due to the end of mining in Phase 2, with processing of ore stockpiled from Phase 2 continuing on a limited scale.

The above decreases were partly offset by the following:

- **Antapaccay –** 76,877 GEOs were earned in 2018, an increase of 8.0% compared to 71,183 GEOs earned in 2017. The increase was expected based on the 2018 life of mine plan as the mine sequencing moved to a phase of production with higher grades.
- **Bald Mountain –** 11,643 GEOs were earned in 2018, more than double compared to 5,122 GEOs in 2017, reflecting the expiration of royalty payment caps on a specific royalty as well as a strong performance for the mine in 2018 compared to the same period in 2017.

Energy Revenue

Revenue from the Company's Energy assets almost doubled compared to the prior year, contributing revenue of $86.1 million in 2018 (95% oil and 5% gas), compared to $47.0 million in 2017 (95% oil and 5% gas), as a function of both increased production and realized prices.

Revenue from the Weyburn Unit in 2018 increased to $35.5 million (2017 - $32.2 million) with $22.4 million earned from the NRI (2017 - $20.5 million), $11.0 million earned from the WI (2017 - $9.9 million) and $2.1 million earned from the ORRs (2017 - $1.8 million). Increased revenue was primarily a reflection of stronger oil prices during the year, offsetting the higher capital and operating expenses as well as slightly lower volumes. The actual realized price from the NRI was 14.8% higher in 2018, at C$66.42/boe compared to C$57.85/boe in 2017.

Orion contributed $3.7 million in revenue in 2018 (2017 - $1.5 million). Revenue was negatively impacted by widened differentials for heavy oil prices and volume curtailments in Western Canada in the latter part of the year. The Orion acquisition closed at the end of Q3/2017, therefore only generating limited production for Franco-Nevada in 2017.

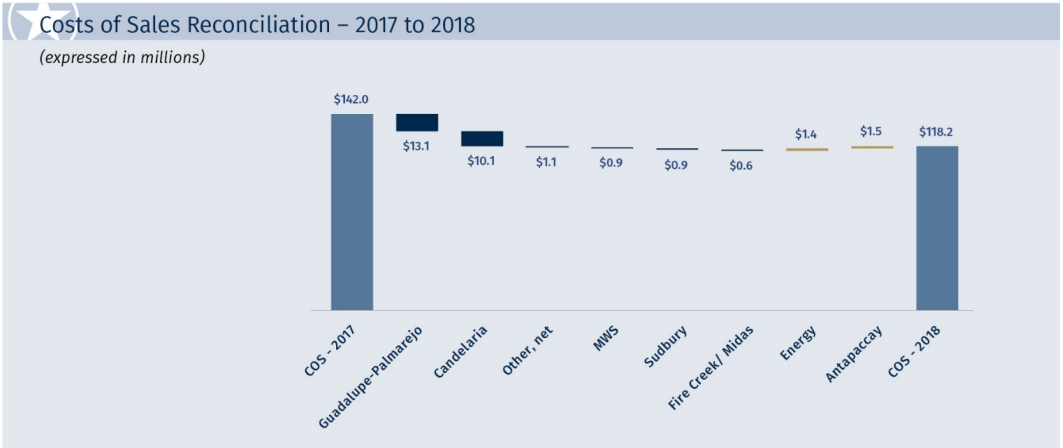
The Company's U.S. Energy assets generated 45.1% of the Company's Energy revenue, with rig activity on royalty acreage ahead of original expectations. Revenue from the U.S. Energy assets was comprised of $14.4 million from Delaware (2017 – nil), $8.7 million from Midland (2017 - $2.3 million), and $14.0 million from SCOOP/STACK (2017 - $3.4 million). Included in the 2018 revenue for Delaware is a true-up of $2.0 million as the transaction closed in February 2018, but had an effective date of October 1, 2017. Additionally, U.S. Energy revenue benefited from lease bonus payments of $3.4 million, which had not been budgeted. Revenue from the SCOOP/STACK royalties with Continental totaled $1.7 million, reflecting only limited distributions for the year.

Costs of Sales

The following table provides a breakdown of cost of sales incurred in the periods presented:

	For the year ended December 31,		
(expressed in millions)	**2018**	2017	Variance
Cost of stream sales	**$ 102.9**	$ 127.4	$ (24.5)
Cost of prepaid ounces	**7.1**	7.7	(0.6)
Mineral production taxes	**2.3**	2.3	—
Mining operating costs	**$ 112.3**	$ 137.4	$ (25.1)
Energy operating costs	**5.9**	4.6	1.3
	$ 118.2	$ 142.0	$ (23.8)

The decrease in costs of sales of $23.8 million is proportionate with the decrease in stream ounces being sold, of 293,476 GEOs in 2018 compared to 350,827 GEOs in 2017, primarily from Guadalupe and Candelaria.



Depletion and Depreciation

Depletion and depreciation expense totaled $247.7 million in 2018 compared to $273.0 million in 2017. The decrease of $25.3 million is largely due to lower royalty payments and stream deliveries from Candelaria, South Arturo, Antamina and Guadalupe, partly offset by an increase in the depletion of the Antapaccay stream and Energy assets. Depletion on a per ounce basis also decreased for certain of the Company's assets, reflecting increases in reserves over the last year.



Impairment Charges

The Company has recorded impairment charges of $54.4 million and $21.0 million with respect to the Levack-Morrison and Podolsky mines, respectively. The Company also wrote-off $0.6 million with respect to abandoned tenements, concessions or grounds which were subject to royalty rights held by the Company. Refer to the Impairments of Royalties, Streams and Working Interests section on page 21 of this MD&A for details.

Income Taxes

Income tax expense in 2018 totaled $50.1 million (2017 – $41.3 million), comprised of a current income tax expense of $40.1 million (2017 - $19.5 million) and a deferred income tax expense of $10.0 million (2017 – $21.8 million). The increase in income tax expense year-over-year reflects higher income earned (before impairment charge) during the year compared to 2017. Also, income tax expense in 2017 was lower as the company realized tax benefits from the utilization of tax attributes for which no deferred tax asset was previously recognized.

Net Income

Net income in 2018 was $139.0 million, or $0.75 per share, compared to $194.7 million, or $1.06 per share, for the same period in 2017. The decrease in net income reflects the impairment of $76.0 million recorded in Q4/2018, as well as lower revenue from our Mining assets. This was however, partly offset by lower depletion rates per ounce, reflecting increases in reserves for certain of the Company's assets. Adjusted Net Income, which excludes impairment charges and other items, was $217.0 million, or $1.17 per share, compared to $198.3 million, or $1.08 per share, earned in 2017.

Impairments of Royalties, Stream and Working Interests

Royalties, streams and working interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. As part of the Company's regular asset impairment analysis, the Company noted the presence of impairment indicators. The Company recorded impairment charges for the year ended December 31, 2018 as summarized in the following table:

(expressed in millions)	**2018**	2017
Royalty, stream and working interests, net:		
Sudbury assets		
Levack-Morrison	**$ 54.4**	$ —
Podolsky	**21.0**	—
McCreedy	**—**	—
Exploration assets	**0.6**	—
Total impairment losses	**$ 76.0**	$ —

Sudbury assets

The Company's Sudbury assets comprise the Levack-Morrison, Podolsky and McCreedy streams. The mines are operated by KGHM International Ltd. ("KGHM"). As a result of KGHM's ongoing optimization of the multi-year plan of operating activities in the Sudbury Basin, KGHM decided to halt the extraction of ore from the Levack-Morrison deposit, and recommence production at the McCreedy mine. The Company was notified of KGHM's intentions in December 2018. As KGHM's optimization plan encompasses all of the Sudbury assets, management considered the announcement to be an indicator of impairment for all three assets, and performed an impairment assessment for each affected asset.

Franco-Nevada estimated the recoverable amount of its Levack-Morrison, Podolsky and McCreedy interests to be $3.6 million, nil, and $11.0 million, respectively. Impairment charges of $54.4 million and $21.0 million were recorded with respect to the Levack-Morrison and Podolsky mines, respectively.

Exploration assets

The Company also wrote-off $0.6 million with respect to abandoned tenements, concessions or grounds which were subject to royalty rights held by the Company.

General and Administrative Expenses

The following table provides a breakdown of general and administrative expenses incurred for the periods presented:

	For the three months ended December 31,			**For the year ended December 31,**		
(expressed in millions)	**2018**	2017	Variance	**2018**	2017	Variance
Salaries and benefits	**$ 2.0**	$ 2.5	$ (0.5)	**$ 6.6**	$ 7.8	$ (1.2)
Professional fees	**0.4**	1.0	(0.6)	**2.8**	3.1	(0.3)
Office costs	**0.3**	0.2	0.1	**0.9**	0.8	0.1
Board of Directors' costs	**1.1**	0.7	0.4	**0.7**	3.2	(2.5)
Share-based compensation	**1.1**	0.7	0.4	**5.2**	4.6	0.6
Other	**0.3**	1.9	(1.6)	**6.4**	5.4	1.0
	$ 5.2	$ 7.0	$ (1.8)	**$ 22.6**	$ 24.9	$ (2.3)

General and administrative expenses represented 3.5% of revenue for Q4/2018 and 2018. General and administrative expenses, which include business development costs, vary depending upon the level of business development related activity and the timing of completing transactions. In 2018, the Company capitalized costs primarily in relation to its acquisitions of the Continental Royalty Acquisition Venture, Delaware U.S. Energy royalties and Cobre Panama Floating Stream.

Board of Directors' fees vary according to the mark-to-market of the value of deferred share units that are granted to the directors of the Company. Although the Company's share price at the close of the 2018 year-end increased compared to the closing price at the end of 2017, the year-over-year increase was less pronounced than in 2017. As such, the marked-to-market value of the deferred share unit liability increased to a lesser extent.

Other Income and Expenses

Foreign Exchange and Other Income/Expenses

The following table provides a list of foreign exchange and other income/expenses incurred for the periods presented:

	For the three months ended December 31,			For the year ended December 31,		
(expressed in millions)	**2018**	2017	Variance	**2018**	2017	Variance
Foreign exchange gain (loss)	**$ 0.3**	$ 0.5	$ (0.2)	**$ 0.4**	$ (0.8)	$ 1.2
Other income	**0.9**	0.6	0.3	**1.4**	2.1	(0.7)
Mark-to-market loss on warrants	**—**	(0.2)	0.2	**—**	(0.2)	0.2
	$ 1.2	$ 0.9	$ 0.3	**$ 1.8**	$ 1.1	$ 0.7

The foreign exchange gain recognized in Q4/2018 and 2018 reflects a strengthening of the U.S. dollar relative to the Canadian dollar. Under IFRS, all foreign exchange gains or losses related to monetary assets and liabilities held in a currency other than the functional currency are recorded in net income as opposed to other comprehensive income. The parent company's functional currency is the Canadian dollar, while the functional currency of certain of the Company's subsidiaries is the U.S. dollar.

Other income includes dividend income on certain of the Company's equity investments.

Finance Income and Finance Expenses

The following table provides a breakdown of finance income and expenses incurred for the periods presented:

	For the three months ended December 31,			For the year ended December 31,		
(expressed in millions)	**2018**	2017	Variance	**2018**	2017	Variance
Finance income						
Interest	**$ 0.7**	$ 1.8	$ (1.1)	**$ 3.1**	$ 5.4	$ (2.3)
	$ 0.7	$ 1.8	$ (1.1)	**$ 3.1**	$ 5.4	$ (2.3)
Finance expenses						
Interest	**$ 1.5**	—	1.5	**$ 1.5**	—	1.5
Standby charges	**0.4**	$ 0.6	$ (0.2)	**2.1**	$ 2.5	$ (0.4)
Amortization	**0.3**	0.4	(0.1)	**1.0**	0.9	0.1
	$ 2.2	$ 1.0	$ 1.2	**$ 4.6**	$ 3.4	$ 1.2

Finance income is earned on our cash and cash equivalents. Finance income also includes interest income in the amount of $2.2 million accrued on the Noront Resources Ltd. loan during 2018 (2017 - $2.0 million). Finance expenses consist of the costs of interest expense incurred on our Credit Facility, which had a balance outstanding of $210.0 million as at December 31, 2018, as well as interest incurred on the drawdowns on the FNBC Credit Facility which were repaid prior to year-end. The Company also incurs standby charges, which represent the costs of maintaining our credit facilities based on the undrawn amounts, and recognizes the amortization of costs incurred with respect to the initial set-up or subsequent amendments of our credit facilities.

Summary of Quarterly Information

Selected quarterly financial and statistical information for the most recent eight quarters[1],[2] is set out below:

(in millions, except Margin, GEOs, per ounce and per share amounts)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenue	$ 148.2	$ 170.6	$ 161.3	$ 173.1	$ 167.2	$ 171.5	$ 163.6	$ 172.7
Costs and expenses[3]	167.5	104.8	96.4	95.7	106.0	108.5	107.6	117.5
Operating (loss) income	(19.3)	65.8	64.9	77.4	61.2	63.0	56.0	55.2
Other income (expenses)	(0.3)	0.1	(0.2)	0.7	(0.8)	(0.1)	0.7	0.8
Income tax expense	11.7	13.8	11.1	13.5	16.9	2.9	11.1	10.4
Net (loss) income	(31.3)	52.1	53.6	64.6	43.5	60.0	45.6	45.6
Basic (loss) earnings per share	$ (0.17)	$ 0.28	$ 0.29	$ 0.35	$ 0.23	$ 0.32	$ 0.25	$ 0.26
Diluted (loss) earnings per share	$ (0.17)	$ 0.28	$ 0.29	$ 0.35	$ 0.23	$ 0.32	$ 0.25	$ 0.25
Net cash provided by operating activities	$ 97.8	$ 128.2	$ 111.3	$ 137.5	$ 126.3	$ 116.0	$ 126.5	$ 119.8
Net cash used in investing activities	(285.3)	(89.4)	(90.8)	(523.2)	(116.2)	(185.6)	(137.2)	(61.9)
Net cash provided by (used in) financing activities	182.5	(33.8)	(35.0)	(36.1)	(32.0)	(29.3)	332.0	(31.0)
Average Gold Price[4]	$ 1,228	$ 1,213	$ 1,306	$ 1,329	$ 1,274	$ 1,278	$ 1,257	$ 1,219
GEOs earned[5]	104,877	120,021	107,333	115,671	119,839	123,787	122,541	131,578
Cash Costs[6] attributable to GEO production	$ 21.5	$ 29.9	$ 26.5	$ 27.3	$ 31.0	$ 31.2	$ 30.4	$ 37.1
Cash Costs[6] per GEO	$ 208	$ 254	$ 252	$ 241	$ 266	$ 253	$ 254	$ 286
Adjusted EBITDA[6]	$ 118.7	$ 134.7	$ 126.3	$ 139.9	$ 128.0	$ 134.1	$ 125.5	$ 128.5
Adjusted EBITDA[6] per share	$ 0.64	$ 0.72	$ 0.68	$ 0.75	$ 0.69	$ 0.72	$ 0.69	$ 0.72
Margin[6]	80.1 %	79.0 %	78.3 %	80.8 %	76.6 %	78.2 %	76.7 %	74.4 %
Adjusted Net Income[6]	$ 44.7	$ 54.6	$ 53.7	$ 63.9	$ 52.1	$ 55.3	$ 46.1	$ 44.8
Adjusted Net Income[6] per share	$ 0.24	$ 0.29	$ 0.29	$ 0.34	$ 0.28	$ 0.30	$ 0.25	$ 0.25

1 Sum of the quarters may not add up to yearly total due to rounding.

2 Quarterly results for the periods ended after January 1, 2018 have been prepared in accordance with IFRS 9 *Financial Instruments*, and IFRS 15 *Revenue from Contracts with Customers*. Comparative information for the quarters ended prior to January 1, 2018 has not been restated and is accounted for under IAS 39 *Financial Instruments: Recognition and Measurement*, and IAS 18 *Revenue*.

3 Includes impairment charges on royalty, stream and working interests of $76.0 million recorded in Q4/2018.

4 Based on LBMA Gold Price PM Fix.

5 GEOs include our gold, silver, platinum, palladium and other mining assets, and do not include Energy assets. GEOs are estimated on a gross basis for NSR royalties and, in the case of stream ounces, before the payment of the per ounce contractual price paid by the Company. For NPI royalties, GEOs are calculated taking into account the NPI economics. Silver, platinum, palladium and other mining commodities are converted to GEOs by dividing associated revenue, which includes settlement adjustments, by the relevant gold price. The price used in the computation of GEOs earned from a particular asset varies depending on the royalty or stream agreement, which may make reference to the market price realized by the operator, or the average price for the month, quarter, or year in which the mining commodity was produced or sold. For illustrative purposes, please refer to the average commodity price table on pages 13 and 17 of this MD&A for indicative prices which may be used in the calculation of GEOs for the year ended December 31, 2018 and 2017, respectively.

6 Cash costs, Adjusted EBITDA, Margin and Adjusted Net Income are non-IFRS measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please refer to the "Non-IFRS Financial Measures" section of this MD&A.

Balance Sheet Review

Summary Balance Sheet and Key Financial Metrics

(expressed in millions, except debt to equity ratio)	At December 31, 2018	At December 31, 2017
Cash and cash equivalents	$ 69.7	$ 511.1
Current assets	178.5	616.4
Non-current assets	4,753.3	4,172.0
Total assets	$ 4,931.8	$ 4,788.4
Current liabilities	25.0	22.6
Non-current liabilities	274.9	60.3
Total liabilities	$ 299.9	$ 82.9
Total shareholders' equity	$ 4,631.9	$ 4,705.5
Debt	$ 207.6	$ —
Total common shares outstanding	186.7	185.9
Key Financial Metrics		
Working Capital	$ 153.5	$ 593.8
Debt to equity	0.04:1	—

Assets

Total assets were $4,931.8 million at December 31, 2018 compared to $4,788.4 million at December 31, 2017. Our asset base is primarily comprised of non-current assets such as our royalty, stream and working interests, and equity investments, while our current assets primarily comprise cash and cash equivalents, and accounts receivable. The decrease of $437.9 million in current assets as at December 31, 2018 is due to the funding of the Continental Royalty Acquisition Venture and Cobre Panama Floating Payment Stream, fulfillment of the remaining capital commitments for the Cobre Panama Fixed Payment Stream, and Delaware Basin asset acquisition. Funding for acquisitions during the year totaled $988.0 million, partly funded through drawdowns from our Credit Facility. The increase in non-current assets from these capital expenditures was partly offset by the depletion of royalty, stream and working interests.

Liabilities

Total liabilities as at December 31, 2018 increased to $299.9 million from $82.9 million at December 31, 2017, with such increase reflecting the balance outstanding under our Credit Facility. Drawdowns of $210.0 million outstanding at year-end, to fund the Continental Royalty Acquisition Venture and our final Cobre Panama contribution, are presented net of deferred debt issue costs of $2.4 million, for a net amount of $207.6 million. As at December 31, 2018, $890.0 million remains available to the Company through its two credit facilities.

Shareholders' Equity

Shareholders' equity decreased by $73.6 million as at December 31, 2018 compared to December 31, 2017, reflecting net income of $139.0 million in 2018, offset by a loss of $18.4 million on the Company's equity investments, a loss $68.3 million in currency translation adjustment, and declared dividends of $177.8 million. The dividends of $177.8 million were partly settled through the issuance of $41.7 million in common shares pursuant to the Company's DRIP.

Liquidity and Capital Resources

Cash flow for the year ended December 31, 2018 and 2017 was as follows:

	For the three months ended December 31,		For the year ended December 31,	
(expressed in millions)	**2018**	2017	**2018**	2017
Net cash provided by operating activities	**$ 97.8**	$ 126.3	**$ 474.8**	$ 488.6
Net cash used in investing activities	**(285.3)**	(116.2)	**(988.7)**	(500.9)
Net cash provided by (used in) financing activities	**182.5**	(32.0)	**77.6**	239.7
Effect of exchange rate changes on cash and cash equivalents	**(2.2)**	(0.3)	**(5.1)**	30.7
Net change in cash and cash equivalents	**$ (7.2)**	$ (22.2)	**$ (441.4)**	$ 258.1

Operating Cash Flow

For the year ended December 31, 2018 and 2017, operating cash flows were $474.8 million and $488.6 million, respectively. Net cash generated by operating activities was $97.8 million and $126.3 million in Q4/2018 and Q4/2017, respectively. Although GEO ounces produced were lower in 2018 than in the 2017 periods, revenues benefitted from higher commodity prices and production from the Company's Energy portfolio.

Investing Activities

For the year ended December 31, 2018 and 2017, cash used in investing activities was $988.7 million and $500.9 million, respectively. Net cash used in investing activities was $285.3 million in Q4/2018 compared to $116.2 million in Q4/2017, respectively. Investing activities in 2018 included funding of $257.4 million for the Continental Royalty Acquisition Venture, $273.4 million towards the Cobre Panama Fixed Payment Stream, the purchase of the Cobre Panama Floating Payment Stream for $356.0 million, and the funding of $90.3 million for the acquisition of the Delaware Basin Energy royalties. Comparatively, investing activities in the 2017 period included the ongoing funding of the Cobre Panama Fixed Payment Stream deposit, the acquisitions of royalties on the Orion thermal project of $74.1 million (C$92.5 million) and the purchase of royalty portfolios in the STACK and Midland plays of $27.6 million and $114.6 million, respectively.

Financing Activities

For the year ended December 31, 2018, financing activities resulted in an inflow of $77.6 million, primarily reflecting proceeds from the net drawdowns of $210.0 million on the Company's Credit Facility, which remains outstanding as at the end of the year, net of the payment of cash dividends of $136.1 million. This compares to an inflow of $239.7 million in 2017, which, in addition to the payment of cash dividends, reflects the proceeds of $356.4 million from the exercise of share purchase warrants which expired in June 2017. Net cash from financing activities was an inflow of $182.5 million in Q4/2018, compared to an outflow of $32.0 million in Q4/2017, representing the net drawdowns on the Company's credit facilities and cash payment of dividends declared in the quarter.

Capital Resources

As at December 31, 2018, our cash and cash equivalents totaled $69.7 million (December 31, 2017 - $511.1 million). In addition, we held long-term investments at December 31, 2018 of $169.7 million (December 31, 2017 - $203.1 million), of which $132.8 million was held in publicly-traded equity instruments (December 31, 2017 - $168.1 million).

As at December 31, 2018, an amount of $790.0 million, or its Canadian dollar equivalent, is available under the Company's unsecured Credit Facility. The Credit Facility has a term of March 22, 2023. The Company expects to extend the maturity by an additional year. Advances under the Credit Facility bear interest depending upon the currency of the advance and the Company's leverage ratio. Funds are generally drawn using LIBOR 30-day rates plus 110 basis points.

An additional amount of $100.0 million is available under the FNBC Credit Facility, which is an unsecured revolving credit facility of the Company's subsidiary, FNBC. Subsequent to year-end, the FNBC Credit Facility maturity date was extended by an additional year to March 20, 2020. Funds are generally drawn using LIBOR rates plus 135 basis points. During the year, FNBC drew down $27.0 million to fund its contributions to the Cobre Panama project, which was repaid in full by December 31, 2018.

As at March 19, 2019, the aggregate amount available under the two credit facilities is $890 million.

Management's objectives when managing capital are to:

(a) ensure the preservation and availability of capital not being used for long-term investments by investing in low risk investments with high liquidity; and
(b) ensure that adequate levels of capital are maintained to meet the Company's operating requirements and other current liabilities.

As at December 31, 2018, the majority of funds were held in cash deposits with several financial institutions. Franco-Nevada invests its excess funds in term deposits. Certain investments with maturities upon acquisition of three months, or 92 days or less, were classified as term deposits with cash and cash equivalents on the statement of financial position.

Our performance is impacted by foreign currency fluctuations of the Canadian dollar and Australian dollar relative to the U.S. dollar. The largest exposure is with respect to the Canadian/U.S. dollar exchange rates as we hold a significant amount of our assets in Canada and report our results in U.S. dollars. The effect of volatility in these currencies against the U.S. dollar impacts our corporate administration, business development expenses and depletion on Mining and Energy interests incurred in our Canadian and Australian entities due to their respective functional currencies. During Q4/2018, the Canadian dollar traded in a range of $0.7330 to $0.7811, closing the quarter at $0.7330, and the Australian dollar traded between $0.7366 and $0.7041, closing the quarter at $0.7055.

Our near-term cash requirements include funding of our commitments towards the Royalty Acquisition Venture, corporate administration costs, certain costs of operations, payment of dividends and income taxes directly related to the recognition of royalty and stream revenues. As a royalty and stream company, there are limited requirements for capital expenditures other than for the acquisition of additional royalties or streams and capital commitments for our working interests. Such acquisitions are entirely discretionary and will be consummated through the use of cash, as available, or through the issuance of common shares or other equity or debt securities, or use of our credit facilities. We believe that our current cash resources, available credit facilities and future cash flows will be sufficient to cover the costs of our commitments, operating and administrative expenses, and dividend payments for the foreseeable future.

Purchase Commitments

The following table summarizes Franco-Nevada's commitments to pay for gold, silver and PGM pursuant to the associated precious metals agreements:

	Attributable Payable Production to be Purchased			Per Ounce Cash Payment [1],[2]				
Interest	Gold	Silver	PGM	Gold	Silver	PGM	Term of Agreement[3]	Date of Contract
Antamina	0 %	22.5 % [4]	0 %	n/a	5 % [5]	n/a	40 years	7-Oct-15
Antapaccay	— % [6]	— % [7]	0 %	20 % [8]	20 % [9]	n/a	40 years	10-Feb-16
Candelaria	68 % [10]	68 % [10]	0 %	$ 400	$ 4.00	n/a	40 years	6-Oct-14
Cobre Panama Fixed Payment Stream	— % [11]	— % [12]	0 %	$ 418 [13]	$ 6.27 [14]	n/a	40 years	19-Jan-18
Cobre Panama Floating Payment Stream	— % [15]	— % [16]	0 %	20 % [17]	20 % [18]	n/a	40 years	19-Jan-18
Karma	4.875 % [19]	0 %	0 %	20 % [20]	n/a	n/a	40 years	11-Aug-14
Guadalupe-Palmarejo	50 %	0 %	0 %	$ 800	n/a	n/a	40 years	2-Oct-14
Sabodala	6 % [21]	0 %	0 %	20 % [22]	n/a	n/a	40 years	12-Dec-13
MWS	25 %	0 %	0 %	$ 400	n/a	n/a	40 years [23]	2-Mar-12
Cooke 4	7 %	0 %	0 %	$ 400	n/a	n/a	40 years	5-Nov-09
Sudbury[24]	50 %	0 %	50 %	$ 400	n/a	$ 400	40 years	15-Jul-08

1 Subject to an annual inflationary adjustment except for Antamina, Antapaccay, Karma, Guadalupe-Palmarejo, and Sabodala.
2 Should the prevailing market price for gold be lower than this amount, the per ounce cash payment will be reduced to the prevailing market price.
3 Subject to successive extensions.
4 Subject to a fixed payability of 90%. Percentage decreases to 15% after 86 million ounces of silver has been delivered under the agreement.
5 Purchase price is 5% of the average silver price at the time of delivery.
6 Gold deliveries are referenced to copper in concentrate shipped with 300 ounces of gold delivered for each 1,000 tonnes of copper in concentrate shipped, until 630,000 ounces of gold has been delivered. Thereafter, percentage is 30% of gold shipped.
7 Silver deliveries are referenced to copper in concentrate shipped with 4,700 ounces of silver delivered for each 1,000 tonnes of copper in concentrate shipped, until 10.0 million ounces of silver has been delivered. Thereafter, percentage is 30% of silver shipped.
8 Purchase price is 20% of the spot price of gold until 750,000 ounces of gold have been delivered, thereafter the purchase price is 30% of the spot price of gold.
9 Purchase price is 20% of the spot price of silver until 12.8 million ounces of silver have been delivered, thereafter the purchase price is 30% of the spot price of silver.
10 Percentage decreases to 40% after 720,000 ounces of gold and 12.0 million ounces of silver have been delivered under the agreement.
11 Gold deliveries are indexed to copper in concentrate produced from the project. 120 ounces of gold per every 1 million pounds of copper produced until 808,000 ounces of gold delivered. Thereafter, 81 ounces of gold per 1 million pounds of copper produced to 1,716,188 ounces of gold delivered. Thereafter, 63.4% of the gold in concentrate.
12 Silver deliveries are indexed to copper in concentrate produced from the project. 1,376 ounces of silver per every 1 million pounds of copper produced until 9,842,000 ounces of silver delivered. Thereafter 1,776 ounces of silver per 1 million pounds of copper produced to 29,731,000 ounces of silver delivered. Thereafter, 62.1% of the silver.
13 In accordance with the terms of the agreement, the purchase price was adjusted from $406 per ounce to $418.27 per ounce after November 2017 on the initial gold deliveries. After 1,341,000 ounces of gold delivered, purchase price is the greater of 50% of spot and $418.27 per ounce. In the event that the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum is not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return until the above-mentioned mill throughput has been achieved, through a reduction of the applicable Fixed Gold Price of $100 per ounce or a delivery of additional ounces for no consideration.
14 In accordance with the terms of the agreement, the purchase price was adjusted from $6.09 per ounce to $6.27 per ounce after November 2017 on the initial silver deliveries. After 21,510,000 ounces of silver delivered, purchase price is the greater of 50% of spot and $6.27 per ounce.
15 Gold deliveries are indexed to copper in concentrate produced from the project. 30 ounces of gold per every 1 million pounds of copper produced until 202,000 ounces of gold delivered. Thereafter 20.25 ounces of gold per 1 million pounds of copper produced to 429,047 ounces of gold delivered. Thereafter, 15.85% of the gold in concentrate.
16 Silver deliveries are indexed to copper in concentrate produced from the project. 344 ounces of silver per every 1 million pounds of copper produced until 2,460,500 ounces of silver delivered. Thereafter, 444 ounces of silver per 1 million pounds of copper produced to 7,432,750 ounces of silver delivered. Thereafter, 15.53% of the silver in concentrate.
17 Purchase price is 20% of the spot price of gold until 604,000 ounces of gold have been delivered. Thereafter, purchase price is 50% of the spot price of gold. In the event that the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum is not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return until the above-mentioned mill throughput has been achieved, through a reduction of the applicable Fixed Gold Price of $100 per ounce or a delivery of additional ounces for no consideration.
18 Purchase price is 20% of the spot price of silver until 9,618,000 ounces of silver have been delivered. Thereafter, purchase price is 50% of the spot price of silver.
19 Gold deliveries are fixed at 15,000 ounces per annum from March 31, 2016 until February 28, 2021 (exclusive of an aggregate 5,625 gold ounces, or 703 gold ounces per quarter, to be delivered as a result of the exercise by the operator of its option to increase the upfront deposit). Thereafter, percentage is 4.875%.
20 Purchase price is 20% of the average gold price at the time of delivery.
21 Gold deliveries are fixed at 1,875 ounces per month until December 31, 2019. Thereafter, percentage is 6% of gold produced.
22 Purchase price is 20% of prevailing market price at the time of delivery.
23 Agreement is capped at 312,500 ounces of gold.
24 The Company is committed to purchase 50% of the precious metals contained in ore from the properties. Cash payment is based on gold equivalent ounces. For McCreedy West, the Fixed Price per gold equivalent ounce was increased to $800 per ounce (with no annual inflationary adjustment), effective July 1, 2018 until December 31, 2021.

Acquisition of Royalty Rights with Continental Resources, Inc.

As described in the Corporate Developments section above, the Company entered into a strategic relationship with a subsidiary of Continental to jointly acquire royalty rights in the SCOOP and STACK plays of Oklahoma. Franco-Nevada is expecting to fund, subject to satisfaction of agreed upon development thresholds, up to $100 million per year over three years to acquire additional mineral rights through the Royalty Acquisition Venture. As at December 31, 2018, the total remaining commitment was $258.2 million.

Contingencies

CRA Review

The Canada Revenue Agency ("CRA") is conducting an audit of Franco-Nevada's 2012-2015 taxation years.

As previously announced on December 5, 2018, the Company received a letter from the CRA (the "CRA Letter") in which it proposed to reassess the Company's 2013 taxation year for tax, interest and penalties in relation to the Company's Mexican subsidiary. The Company has received a Notice of Reassessment (the "Reassessment") from the CRA for the 2013 taxation year in accordance with the CRA Letter. The Reassessment assesses the Company for additional Federal and provincial income taxes of C$10.7 million ($7.9 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty.

For the 2013 taxation year, the Company's Mexican subsidiary paid 154.3 million Pesos ($12.1 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico.

Management believes that the Company has filed its tax returns and paid all applicable taxes in compliance with Canadian and Mexican tax laws and as a result, no amounts have been recorded in the financial statements of the Company for the Reassessment or for any potential tax liability that may arise in respect of this matter. The Company intends to vigorously defend its position and if required, seek relief from double taxation under the Canada-Mexico tax treaty.

The CRA audit is ongoing and there can be no assurance that the CRA will not further challenge the manner in which the Company and its foreign subsidiaries has filed its income tax returns and reported its income. In the event that the CRA successfully challenges the manner in which the Company has filed its tax returns and reported its income, this could potentially result in additional income taxes, penalties and interest, which could have a material adverse effect on the Company.

Critical Accounting Estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience. However, actual outcomes may differ from the amounts included in the consolidated financial statements.

In particular, the areas which require management to make significant judgments, estimates and assumptions in determining carrying values are:

Reserves and Resources

Royalty, stream and working interests comprise a large component of the Company's assets and as such, the reserves and resources of the properties to which the interests relate have a significant effect on the Company's financial statements. These estimates are applied in determining the depletion of and assessing the recoverability of the carrying value of royalty, stream and working interests. For mineral royalty and stream interests, the public disclosures of reserves and resources that are released by the operators of the interests involve assessments of geological and geophysical studies and economic data and the reliance on a number of assumptions, including commodity prices and production costs. For energy interests, the estimated reserves in reserve reports prepared by independent petroleum consultants or other qualified parties engaged by the Company reflect similar assessments of geological and geophysical studies and economic data and reliance on assumptions. These assumptions are, by their very nature, subject to interpretation and uncertainty.

The estimates of reserves and resources may change based on additional knowledge gained subsequent to the initial assessment. Changes in the estimates of reserves and resources may materially affect the recorded amounts of depletion and the assessed recoverability of the carrying value of royalty, stream and working interests.

Impairment of Royalty, Stream and Working Interests

Assessment of impairment of royalty, stream, working interests and energy well equipment requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's royalty, stream and working interests, investments measured at cost and/or energy equipment. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, foreign exchange rates, future capital expansion plans and the associated production implications. In addition, the Company may use other approaches in determining fair value which may include judgment and estimates related to (i) dollar value per ounce or pound of reserve/resource; (ii) cash-flow multiples; and (iii) market capitalization of comparable assets. Changes in any of the assumptions and estimates used in determining the fair value of the royalty, stream or working interests, or energy well equipment could impact the impairment analysis.

Asset Acquisitions and Business Combinations

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgment. If deemed to be a business combination, applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of royalty, stream or working interests generally requires a high degree of judgment, and

include estimates of mineral reserves and resources acquired, future metal prices, discount rates and reserve/resource conversion. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets and liabilities.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

The Company evaluated its joint arrangement with Continental, whereby the Company acquired a 49.9% economic interest in TMRCII, in accordance with IFRS 11. The Company concluded that the arrangement qualified as a joint operation based on the terms of the contractual agreement which specify how revenues and expenses are shared. Under the agreement, revenues generated by the royalty assets of TMRCII are to be distributed based on the performance of the assets against agreed upon development thresholds and the tranche in which the assets were acquired, resulting in the Company receiving distributions ranging between 50-75% of revenue. As a result, the Company has concluded that its rights are tied to the assets of TMRCII, rather than the net results of the entity.

Income Taxes

The interpretation and application of existing tax laws, regulations or rules in Canada, Barbados, the United States, Australia or any of the countries in which the mining operations are located or to which shipments of gold, silver or platinum group metals are made requires the use of judgment. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on facts and circumstances of the relevant tax position considering all available evidence. Differing interpretation of these laws, regulations or rules could result in an increase in the Company's taxes, or other governmental charges, duties or impositions.

In assessing the probability of realizing deferred income tax assets, the Company makes estimates related to expectations of future taxable income and expected timing of reversals of existing temporary differences. Such estimates are based on forecasted cash flows from operations which require the use of estimates and assumptions such as long-term commodity prices and recoverable ounces of gold, silver or platinum group metals. Therefore, the amount of deferred income tax assets recognized on the balance sheet could be reduced if the actual results differ significantly from forecast. The Company reassesses its deferred income tax assets at the end of each reporting period.

Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

New and Amended Standards Adopted by the Company

The following standard was effective and implemented for the annual period as of January 1, 2018.

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* ("IFRS 9"), replaces the provisions of IAS 39*Financial Instruments: Recognition and Measurement* ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 on January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The Company has applied the changes in accounting policies retrospectively; however in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The reclassifications and adjustments are recognized in the opening balance sheet as at January 1, 2018 as summarized below.

- The Company has made an irrevocable election available under IFRS 9 to classify its long-term investments in equity securities at fair value through other comprehensive income ("FVTOCI") because these investments are held as long-term strategic investments that are not expected to be sold in the short term. This election is available on an instrument-by-instrument basis. Previously these investments were classified as available-for-sale under IAS 39. Changes in the fair value of these investments are recognized in other comprehensive income (loss). On adoption of IFRS 9, the Company recorded an adjustment of $27.1 million to reduce opening deficit with a corresponding adjustment to increase accumulated other comprehensive loss to reclassify the accumulated impairment losses on these investments to accumulated other comprehensive loss.

- Under IAS 39, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured can be measured at cost. This cost exemption is not available under IFRS 9. At the date of adoption, the Company held one equity investment at cost, which had a carrying value of $4.0 million as at

January 1, 2018. The Company assessed the fair value of the instrument based on valuation techniques that include inputs that are not based on observable market data and determined that the fair value approximates the carrying value of the instrument as of the date of adoption and as such the Company concluded no adjustment is required.

- IFRS 9 applies an expected credit loss model to evaluate financial assets for impairment, rather than an incurred loss model previously applied under IAS 39. The Company's financial assets which are subject to credit risk include cash and cash equivalents, receivables and loan receivable. The Company holds one loan receivable from Noront Resources Ltd. The loan receivable is carried at amortized cost and had a carrying value of $30.1 million as at January 1, 2018. Application of the expected credit loss model under the general approach at the date of adoption did not have a significant impact on the Company's financial assets because the Company determined that the expected credit losses on its financial assets were nominal.

On the date of the initial application, January 1, 2018, the financial instruments of the Company were as follows, with any reclassifications noted:

	Measurement category		Carrying amount		
(expressed in millions)	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)	Difference
Current financial assets					
Cash and cash equivalents	Available-for-sale	Amortized cost	$ 511.1	$ 511.1	$ —
Receivables	Amortized cost	Amortized cost	54.6	54.6	—
Receivables from provisional concentrate sales	FVTPL[1]	FVTPL	11.3	11.3	—
Non-current financial assets					
Equity investments	Available-for-sale	FVTOCI[2]	$ 172.2	$ 172.2	$ —
Warrants	FVTPL	FVTPL	0.8	0.8	—
Loan receivable	Amortized cost	Amortized cost	30.1	30.1	—
Financial liabilities					
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	$ 21.5	$ 21.5	$ —
Debt	Amortized cost	Amortized cost	—	—	—

1 Fair value through profit or loss.
2 Fair value through other comprehensive income or loss.

Except as noted above, the adoption of IFRS 9 did not result in changes in the carrying values of the Company's financial instruments on January 1, 2018.

The following policies applied in accounting for financial instruments for the year ended December 31, 2018.

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable, accrued liabilities, debt, and investments, including equity investments, loans receivable, and warrants. Financial instruments are recognized initially at fair value.

Under the IFRS 9 model for classification the Company has classified its financial assets as described below.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are recorded at amortized cost using the effective interest method.

(ii) Receivables

Receivables, other than those related to stream agreements with provisional pricing mechanisms, are classified as financial assets at amortized cost and measured using the effective interest method less any impairment loss allowance. The loss allowance for receivables is measured based on lifetime expected credit losses.

(iii) Investments

Investments comprise equity interests in publicly-traded and privately-held entities, warrants, marketable securities with original maturities at the date of the purchase of more than three months and a loan receivable.

The Company's equity investments are held for strategic purposes and not for trading. The Company made an irrevocable election to designate these investments in common shares at FVTOCI. FVTOCI investments are recognized initially at fair value plus transaction costs. Subsequent to initial recognition, FVTOCI investments are measured at fair value and changes in the fair value are recognized directly in other comprehensive income (loss). When an equity investment at FVTOCI is sold, the accumulated gains or losses are reclassified from accumulated other comprehensive income (loss) directly to deficit. Previously under IAS 39, these equity investments were classified as available-for-sale financial assets.

Translation differences on equity securities classified as FVTOCI are included in other comprehensive income (loss).

Derivative instruments, such as warrants and receivables related to stream agreements with provisional pricing mechanisms, are classified as fair value through profit and loss ("FVTPL") and are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value. In the case of receivables related to stream agreements with provisional pricing, once the final settlement price is determined the financial instrument is no longer a derivative and is classified as a financial asset at amortized cost. Changes in the fair value of receivables related to stream agreements with provisional pricing mechanisms are recognized in revenue in the statement of income and other comprehensive income. Changes in fair value of warrants are recognized as other income (expenses) in the statement of income and comprehensive income.

Loans receivable are classified as financial assets at amortized cost because these instruments are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest. Loans are measured at amortized cost using the effective interest method, less any impairment loss allowance. The impairment loss allowance for the loan receivable is measured based on expected credit losses under the general approach. Interest income is recognized by applying the effective interest rate method and presented as finance income in the statement of income and comprehensive income.

(iv) Financial liabilities

Financial liabilities, including accounts payable, accrued liabilities and debt, are classified as financial liabilities to be subsequently measured at amortized cost using the effective interest method.

IFRS 15 *Revenue from Contracts with Customers*

Effective January 1, 2018, the Company has adopted IFRS 15*Revenue from Contracts with Customers* ("IFRS 15"). This new standard was applied using a modified retrospective approach whereby the effects of the change in accounting policies for revenue as at January 1, 2018 are presented together as a single adjustment to the opening balance of deficit. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 *Revenue*. The adoption of IFRS 15 did not have a significant impact on the timing or measurement of the Company's revenue and no adjustment to the opening balance of deficit as at January 1, 2018 has been recorded as result of adopting IFRS 15.

The following policies applied in accounting for revenue for the year ended December 31, 2018.
The Company generates revenue from contracts with customers under each of its royalty, stream and working interests. The Company has determined that each unit of a commodity that is delivered to a customer under a royalty, stream, or working interest arrangement is a performance obligation for the delivery of a good that is separate from each other unit of the commodity to be delivered under the same arrangement.

(i) Stream arrangements

Under its stream arrangements, the Company acquires commodities from operators of mining properties on which the Company has stream interests. The Company sells the commodities received under these arrangements to its customers under separate sales contracts.

For those stream arrangements where the Company acquires refined metal from the operator, the Company sells the refined metal to third party financial institutions or brokers. The Company transfers control over the commodity on the date the commodity is delivered to the customer's metal account, which is the date that title to the commodity and the risks and rewards of ownership transfer to the customer and the customer is able to direct the use of and obtain substantially all of the benefits from the commodity. The transaction price for these sales is fixed at the delivery date based on the spot price for the commodity and payment of the transaction price is generally due immediately when control has been transferred.

For those stream arrangements where the Company acquires the commodities in concentrate form from the operator, the Company sells the concentrate under sales contracts with independent smelting companies. The Company transfers control over the concentrate at the time of shipment, which is when the risks and rewards of ownership and title pass to the independent smelting company. The final prices for metals contained in the concentrate are determined based on the market price for the metals on a specified future date after shipment. Upon transfer of control at shipment, the Company records revenue and a corresponding receivable from these sales based on forward commodity prices at the time of shipment.

Variations between the price recorded at the transfer of control and the actual final price set under the contracts with the smelting companies are caused by changes in market commodity prices, and result in an embedded derivative in the receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of stream revenue. These provisional price adjustments associated with concentrate sales are not considered to be revenue from contracts with customers as they arise from changes in market commodity prices.

(ii) Royalty arrangements

For royalty interests, the Company sells commodities to customers under contracts that are established by the operator of each mining or energy property on which the royalty interest is held. The Company recognizes revenue from these sales when control over the commodity transfers to the customer. This transfer of control generally occurs when the operator of the mining or energy property on which the royalty interest is held physically delivers the commodity to the customer. At this point in time, the risks and rewards of ownership have transferred to the customer and the Company has an unconditional right to payment.

Revenue from royalty arrangements is measured at the transaction price agreed in the royalty arrangement with the operator of each mining or energy property. The transaction price will reflect the gross value of the commodity sold less deductions that vary based on the terms of the royalty arrangement.

(iii) Working interest arrangements

The Company sells its proportionate share of the crude oil, natural gas and natural gas liquids to third-party customers using the services of a third-party marketing agent. The Company transfers control over the oil and gas at the time it enters the pipeline system, which is when title and the risks and rewards of ownership are transferred to customers and the Company has an unconditional right to payment. Revenue is measured at the transaction price set by reference to monthly market commodity prices plus certain price adjustments. Price adjustments include product quality and transportation adjustments and market differentials.

New Accounting Standards Issued But Not Yet Effective

IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRIC 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23") was developed by the IFRS Interpretation Committee, and issued by the IASB, to address how to reflect uncertainty in accounting for income taxes. IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect the application of IFRIC 23 to have a material impact on the consolidated financial statements.

IFRS 16 *Leases*

In January 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The Company does not anticipate early adoption of this new standard. The Company has assessed the impact of IFRS 16 on the consolidated financial statements. The Company does not expect the application of IFRS 16 to have a material impact on the consolidated financial statements.

Outstanding Share Data

Franco-Nevada is authorized to issue an unlimited number of common and preferred shares. A detailed description of the rights, privileges, restrictions and conditions attached to each class of authorized shares is included in our most recent Annual Information Form, a copy of which can be found on SEDAR at www.sedar.com and in our Form 40-F, a copy of which can be found on EDGAR at www.sec.gov.

As of March 19, 2019, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	187,079,821
Issuable upon exercise of Franco-Nevada options[1]	994,568
Issuable upon vesting of Franco-Nevada RSUs	115,337
Diluted common shares	188,189,726

1 There were 994,568 stock options under our share compensation plan outstanding to directors, officers, employees and others with exercise prices ranging from C$31.39 to C$100.10 per share.

Franco-Nevada has not issued any preferred shares.

Internal Control Over Financial Reporting and Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining Franco-Nevada's internal control over financial reporting and other financial disclosure and our disclosure controls and procedures.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Franco-Nevada's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Franco-Nevada; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of Franco-Nevada are being made only in accordance with authorizations of management and directors of Franco-Nevada; and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Franco-Nevada's assets that could have a material effect on Franco-Nevada's financial statements. Internal control over other financial disclosure is a process designed to ensure that other financial information included in this MD&A, fairly represents in all material respects the financial condition, results of operations and cash flows of Franco-Nevada for the periods presented in this MD&A.

Franco-Nevada's disclosure controls and procedures are designed to provide reasonable assurance that material information relating to Franco-Nevada, including its consolidated subsidiaries, is made known to management by others within those entities, particularly during the period in which this report is prepared and that information required to be disclosed by Franco-Nevada in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Due to its inherent limitations, internal control over financial reporting and other financial disclosure may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

For the year ended December 31, 2018, there has been no change in Franco-Nevada's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, Franco-Nevada's internal control over financial reporting.

Non-IFRS Financial Measures

Cash Costs attributable to GEO production and Cash Costs per GEO

Cash Costs attributable to GEO production and Cash Costs per GEO are non-IFRS financial measures. Cash Costs are calculated by starting with total costs of sales and removing depletion and depreciation, costs not attributable to GEO production such as our Energy operating costs, and other non-cash costs of sales such as costs related to our prepaid gold purchase agreement. Cash costs per GEO are calculated by dividing Cash Costs by the number of GEOs sold in the period, excluding prepaid GEOs.

Management uses Cash Costs and Cash Costs per GEO to evaluate the Company's ability to generate positive cash flow from its mining royalty, stream and working interests. Management and certain investors also use this information to evaluate the Company's performance relative to peers in the mining industry who present this measure on a similar basis. Cash Costs and Cash Costs per GEO are only intended to provide additional information to investors and analysts, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS, and may not be comparable to similar measures presented by other issuers.

Reconciliation of Cash Costs and Cash Costs per GEO:

	For the three months ended December 31,		For the year ended December 31,	
(expressed in millions, except per GEO amounts)	**2018**	2017	**2018**	2017
Total costs of sales	**$ 86.3**	$ 99.0	**$ 365.9**	$ 415.0
Less: Depletion and depletion	**(61.5)**	(63.8)	**(247.7)**	(273.0)
Less: Energy operating costs	**(1.9)**	(1.2)	**(5.9)**	(4.6)
Less: Non-cash costs of sales	**(1.4)**	(3.0)	**(7.1)**	(7.7)
Cash Costs attributable to GEO production	**$ 21.5**	$ 31.0	**$ 105.2**	$ 129.7
GEOs, excluding prepaid ounces	**103,344**	116,506	**439,902**	489,077
Cash Costs per GEO	**$ 208**	$ 266	**$ 239**	$ 265

Adjusted EBITDA and Adjusted EBITDA per share

Adjusted EBITDA and Adjusted EBITDA per share are non-IFRS financial measures, which exclude the following from net income and earnings per share ("EPS"):

- Income tax expense/recovery;
- Finance expenses;
- Finance income;
- Depletion and depreciation;
- Non-cash costs of sales;
- Impairment charges related to royalty, stream and working interests;
- Impairment of investments;
- Gains/losses on sale of royalty, stream and working interests;
- Gains/losses on investments;
- Foreign exchange gains/losses and other income/expenses; and
- Unusual non-recurring items.

Management uses Adjusted EBITDA and Adjusted EBITDA per share to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Management believes that in addition to measures prepared in accordance with IFRS such as Net Income and EPS, our investors and analysts use Adjusted EBITDA and Adjusted EBITDA per share to evaluate the results of the underlying business of the Company, particularly since the excluded items are typically not included in our guidance, with the exception of depletion and depreciation expense. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted EBITDA and Adjusted EBITDA per share are useful measures of the Company's performance because they adjust for items which may not relate to or have a disproportionate effect on the period in which they are recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted EBITDA and Adjusted EBITDA per share are only intended to provide additional information to investors and analysts, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS, and may not be comparable to similar measures presented by other issuers.

Reconciliation of Net Income to Adjusted EBITDA:

(expressed in millions, except per share amounts)	For the three months ended December 31, 2018	2017	For the year ended December 31, 2018	2017
Net Income	**$ (31.3)**	$ 43.5	**$ 139.0**	$ 194.7
Income tax expense	**11.7**	16.9	**50.1**	41.3
Finance expenses	**2.2**	1.0	**4.6**	3.4
Finance income	**(0.7)**	(1.8)	**(3.1)**	(5.4)
Depletion and depreciation	**61.5**	63.8	**247.7**	273.0
Non-cash costs of sales	**1.4**	3.0	**7.1**	7.7
Impairment of royalty, stream and working interests	**76.0**	—	**76.0**	—
Impairment of investments	**—**	4.5	**—**	4.5
Gain on investments	**—**	(2.0)	**—**	(2.0)
Foreign exchange (gains)/losses and other (income)/expenses	**(2.1)**	(0.9)	**(1.8)**	(1.1)
Adjusted EBITDA	**$ 118.7**	$ 128.0	**$ 519.6**	$ 516.1
Basic weighted average shares outstanding	**186.4**	185.5	**186.1**	182.9
Basic EPS	**$ (0.17)**	$ 0.23	**$ 0.75**	$ 1.06
Income tax expense	**0.06**	0.09	**0.27**	0.23
Finance expenses	**0.01**	0.01	**0.02**	0.02
Finance income	**—**	(0.01)	**(0.02)**	(0.03)
Depletion and depreciation	**0.33**	0.34	**1.33**	1.49
Non-cash costs of sales	**0.01**	0.02	**0.04**	0.05
Impairment of royalty, stream and working interests	**0.41**	—	**0.41**	—
Impairment of investments	**—**	0.02	**—**	0.02
Gain on sale of royalty interest	**—**	(0.01)	**—**	(0.01)
Foreign exchange (gains)/losses and other (income)/expenses	**(0.01)**	—	**(0.01)**	(0.01)
Adjusted EBITDA per share	**$ 0.64**	$ 0.69	**$ 2.79**	$ 2.82

Margin

Margin is a non-IFRS financial measure which is defined by the Company as Adjusted EBITDA divided by revenue. The Company uses Margin in its annual incentive compensation process to evaluate management's performance in increasing revenue and containing costs. Margin is intended to provide additional information, does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for a measure of performance in accordance with IFRS.

Reconciliation of Net Income to Margin:

(expressed in millions, except Margin)	For the three months ended December 31, 2018	2017	For the year ended December 31, 2018	2017
Net Income	**$ (31.3)**	$ 43.5	**$ 139.0**	194.7
Income tax expense	**11.7**	16.9	**50.1**	41.3
Finance expenses	**2.2**	1.0	**4.6**	3.4
Finance income	**(0.7)**	(1.8)	**(3.1)**	(5.4)
Depletion and depreciation	**61.5**	63.8	**247.7**	273.0
Non-cash costs of sales	**1.4**	3.0	**7.1**	7.7
Impairment of royalty, stream and working interests	**76.0**	—	**76.0**	—
Impairment of investments	**—**	4.5	**—**	4.5
Gain on investments	**—**	(2.0)	**—**	(2.0)
Foreign exchange (gains)/losses and other (income)/expenses	**(2.1)**	(0.9)	**(1.8)**	(1.1)
Adjusted EBITDA	**$ 118.7**	$ 128.0	**$ 519.6**	$ 516.1
Revenue	**148.2**	167.2	**653.2**	675.0
Margin	**80.1 %**	76.6 %	**79.5 %**	76.5 %

Adjusted Net Income and Adjusted Net Income per share

Adjusted Net Income and Adjusted Net Income per share are non-IFRS financial measures, which exclude the following from net income and EPS:

- Foreign exchange gains/losses and other income/expenses;
- Impairment charges related to royalty, stream and working interests;
- Impairment of investments;
- Gains/losses on sale of royalty, stream and working interests;
- Gains/losses on investments;
- Unusual non-recurring items; and
- Impact of income taxes on these items.

Management uses Adjusted Net Income and Adjusted Net Income per share to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Management believes that in addition to measures prepared in accordance with IFRS such as Net Income and EPS, our investors and analysts use Adjusted Net Income and Adjusted Net Income per share to evaluate the results of the underlying business of the Company, particularly since the excluded items are typically not included in our guidance. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted Net Income and Adjusted Net Income per share are useful measures of the Company's performance because they adjust for items which may not relate to or have a disproportionate effect on the period in which they are recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted Net Income and Adjusted Net Income per share are intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS, and may not be comparable to similar measures presented by other issuers.

Reconciliation of Net Income to Adjusted Net Income:

(expressed in millions, except per share amounts)	For the three months ended December 31, 2018	2017	For the year ended December 31, 2018	2017
Net Income	**$ (31.3)**	$ 43.5	**$ 139.0**	$ 194.7
Foreign exchange (gains)/losses and other (income)/expenses	**(2.1)**	(2.7)	**(1.8)**	(2.9)
Impairment of royalty, stream and working interests	**76.0**	—	**76.0**	—
Impairment of investments	**—**	4.5	**—**	4.5
Tax effect of adjustments	**(0.3)**	1.0	**(0.6)**	(0.1)
Other tax related adjustments:				
Valuation allowance	**—**	—	**—**	0.1
Utilization of tax attributes for which no deferred tax asset was previously recognized	**—**	(1.3)	**—**	(5.1)
Barbados Tax Reform impact	**2.4**	—	**2.4**	—
U.S. Tax Reform impact	**—**	7.1	**2.0**	7.1
Adjusted Net Income	**$ 44.7**	$ 52.1	**$ 217.0**	$ 198.3
Basic weighted average shares outstanding	**186.4**	185.5	**186.1**	182.9
Basic EPS	**$ (0.17)**	$ 0.23	**$ 0.75**	$ 1.06
Foreign exchange (gains)/losses and other (income)/expenses	**(0.01)**	(0.01)	**(0.01)**	(0.01)
Impairment of royalty, stream and working interests	**0.41**	—	**0.41**	—
Impairment of investments	**—**	0.02	**—**	0.02
Tax effect of adjustments	**—**	0.01	**—**	—
Other tax related adjustments:				
Valuation allowance	**—**	—	**—**	—
Utilization of tax attributes for which no deferred tax asset was previously recognized	**—**	(0.01)	**—**	(0.03)
Barbados Tax Reform impact	**0.01**	—	**0.01**	—
U.S. Tax Reform impact	**—**	0.04	**0.01**	0.04
Adjusted Net Income per share	**$ 0.24**	$ 0.28	**$ 1.17**	$ 1.08

Cautionary Statement on Forward-Looking Information

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively, which may include, but are not limited to, statements with respect to future events or future performance, management’s expectations regarding Franco-Nevada’s growth, results of operations, estimated future revenues, carrying value of assets, future dividends and requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities, audits being conducted by the CRA and available remedies, and the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources and GEOs will be realized. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “predicts”, “projects”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Franco-Nevada to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual events or results to differ materially from any forward-looking statement, including, without limitation: fluctuations in the prices of the primary commodities that drive royalty and stream revenue (gold, platinum group metals, copper, nickel, uranium, silver, iron-ore and Energy); fluctuations in the value of the Canadian and Australian dollar, Mexican Peso and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in any of the countries where properties in which Franco-Nevada holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which Franco-Nevada holds a royalty, stream or other interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by Franco-Nevada; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; whether or not the Company is determined to have “passive foreign investment company” (“PFIC”) status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; potential changes in Canadian tax treatment of offshore streams; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; actual mineral content may differ from the reserves and resources contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks and hazards associated with the business of development and mining on any of the properties in which Franco-Nevada holds a royalty, stream or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious disease; and the integration of acquired assets. The forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Franco-Nevada holds a royalty, stream or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; the Company’s ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; the expected application of tax laws and regulations by taxation authorities; the expected assessment and outcome of any audit by any taxation authority; no adverse development in respect of any significant property in which Franco-Nevada holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance. Franco-Nevada cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to Franco-Nevada’s most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com and Franco-Nevada’s most recent Annual Report filed on Form 40-F filed with the SEC on www.sec.gov. The forward-looking statements herein are made as of the date of this MD&A only and Franco-Nevada does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

Exhibit 99.3

Financial Statements

For the year ended December 31, 2018

Franco Nevada
The GOLD Investment that WORKS



Management's Report On Internal Control Over Financial Reporting

Franco-Nevada's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in rules 13a-15(f) and 15d-15(f) under the United States *Securities Exchange Act of 1934*, as amended.

Franco-Nevada's management assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2018. Franco-Nevada's management conducted an evaluation of the Company's internal control over financial reporting based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on Franco-Nevada's management's assessment, Franco-Nevada's internal control over financial reporting is effective as at December 31, 2018.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2018 has been audited by PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, as stated in their report appearing herein.

/s/ David Harquail	/s/ Sandip Rana
David Harquail	**Sandip Rana**
Chief Executive officer	Chief Financial officer

March 19, 2019

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
Franco-Nevada Corporation

Opinions on the financial statements and internal control over financial reporting

We have audited the accompanying consolidated statements of financial position of Franco-Nevada Corporation and its subsidiaries, (the Company) as of December 31, 2018 and 2017, and the related consolidated statements of income and comprehensive income, cash flows and changes in shareholders' equity for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS). Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

Change in Accounting Principle
As discussed in Note 2 to the consolidated financial statements, the Company changed the manner in which it accounts for financial instruments in 2018.

Basis for opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report On Internal Control Over Financial Reporting. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
March 19, 2019

We have served as the Company's auditor since 2007.

Consolidated Statements of Financial Position

(in millions of U.S. dollars)

	At December 31, 2018	At December 31, 2017
ASSETS		
Cash and cash equivalents *(Note 5)*	**$ 69.7**	$ 511.1
Receivables	**75.5**	65.9
Prepaid expenses and other *(Note 7)*	**33.3**	39.4
Current assets	**178.5**	616.4
Royalty, stream and working interests, net *(Note 8)*	**4,555.6**	3,939.2
Investments *(Note 6)*	**169.7**	203.1
Deferred income tax assets	**17.3**	14.5
Other assets *(Note 9)*	**10.7**	15.2
Total assets	**$ 4,931.8**	$ 4,788.4
LIABILITIES		
Accounts payable and accrued liabilities *(Note 10)*	**$ 23.6**	$ 21.5
Current income tax liabilities	**1.4**	1.1
Current liabilities	**25.0**	22.6
Debt *(Note 13)*	**207.6**	—
Deferred income tax liabilities	**67.3**	60.3
Total liabilities	**299.9**	82.9
SHAREHOLDERS' EQUITY *(Note 18)*		
Share capital	**5,158.3**	5,107.8
Contributed surplus	**15.6**	14.2
Deficit	**(321.7)**	(310.0)
Accumulated other comprehensive loss	**(220.3)**	(106.5)
Total shareholders' equity	**4,631.9**	4,705.5
Total liabilities and shareholders' equity	**$ 4,931.8**	$ 4,788.4

Commitments and Contingencies *(Notes 20 and 21)*

Subsequent events *(Note 23)*

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

Approved by the Board of Directors and authorized for issue on March 19, 2019.

/s/ Pierre Lassonde
Pierre Lassonde
Director

/s/ Randall Oliphant
Randall Oliphant
Director

Consolidated Statements of Income and Comprehensive Income

(in millions of U.S. dollars)

	2018	2017
Revenue *(Note 14)*	**$ 653.2**	$ 675.0
Cost of sales		
Costs of sales *(Note 15)*	**118.2**	142.0
Depletion and depreciation	**247.7**	273.0
Total costs of sales	**365.9**	415.0
Gross profit	**287.3**	260.0
Other operating expenses (income)		
General and administrative expenses	**22.6**	24.9
Impairment of royalty, streams and working interests *(Note 8)*	**76.0**	—
Gain on sale of gold bullion	**(0.1)**	(0.3)
Total other operating expenses (income)	**98.5**	24.6
Operating income	**188.8**	235.4
Foreign exchange gain and other income (expenses)	**1.8**	1.1
Realized gain on investments	**—**	2.0
Impairment of investments	**—**	(4.5)
Income before finance items and income taxes	**190.6**	234.0
Finance items		
Finance income	**3.1**	5.4
Finance expenses	**(4.6)**	(3.4)
Net income before income taxes	**189.1**	236.0
Income tax expense *(Note 17)*	**50.1**	41.3
Net income	**$ 139.0**	$ 194.7
Other comprehensive (loss) income		
Items that may be reclassified subsequently to profit and loss:		
Changes in the fair value of available-for-sale investments, net of income tax *(Note 6)*	**—**	38.4
	—	2.4
Reclassification for realized loss in fair value of available-for-sale investments *(Note 6)*		
Currency translation adjustment	**(68.3)**	77.2
Items that will not be reclassified subsequently to profit and loss:		
Changes in the fair value of equity investments at fair value through other comprehensive income, net of income tax *(Note 6)*	**(18.4)**	—
Other comprehensive (loss) income	**(86.7)**	118.0
Comprehensive income	**$ 52.3**	$ 312.7
Basic earnings per share *(Note 19)*	**$ 0.75**	$ 1.06
Diluted earnings per share *(Note 19)*	**$ 0.75**	$ 1.06

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

Consolidated Statements of Cash Flows

(in millions of U.S. dollars)

	2018	2017
Cash flows from operating activities		
Net income	**$ 139.0**	$ 194.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion and depreciation	**247.7**	273.0
Non-cash costs of sales	**7.1**	7.7
Share-based payments	**5.2**	4.6
Impairment of royalty, stream and working interests	**76.0**	—
Unrealized foreign exchange gain	**(0.4)**	(1.7)
Gain on investments	**—**	(2.0)
Impairment of investments	**—**	4.5
Deferred income tax expense	**10.0**	21.8
Other non-cash items	**(1.1)**	(1.9)
Acquisition of gold bullion	**(25.6)**	(24.1)
Proceeds from sale of gold bullion	**12.5**	19.0
Operating cash flows before changes in non-cash working capital	**470.4**	495.6
Changes in non-cash working capital:		
(Increase) decrease in receivables	**(9.6)**	5.2
Decrease in prepaid expenses and other	**11.6**	3.3
Increase (decrease) in current liabilities	**2.4**	(15.5)
Net cash provided by operating activities	**474.8**	488.6
Cash flows from investing activities		
Acquisition of royalty, stream and working interests	**(988.0)**	(499.5)
Acquisition of energy well equipment	**(1.6)**	(1.7)
Proceeds from sale of investments	**0.9**	12.6
Acquisition of investments	**—**	(12.3)
Net cash used in investing activities	**(988.7)**	(500.9)
Cash flows from financing activities		
Proceeds from draw of credit facilities	**237.0**	—
Repayment of credit facility	**(27.0)**	—
Credit facility amendment costs	**(0.5)**	(1.0)
Payment of dividends	**(136.1)**	(125.8)
Proceeds from exercise of warrants	**—**	356.4
Proceeds from exercise of stock options	**4.2**	10.1
Net cash provided by financing activities	**77.6**	239.7
Effect of exchange rate changes on cash and cash equivalents	**(5.1)**	30.7
Net change in cash and cash equivalents	**(441.4)**	258.1
Cash and cash equivalents at beginning of period	**511.1**	253.0
Cash and cash equivalents at end of period	**$ 69.7**	$ 511.1
Supplemental cash flow information:		
Cash paid for interest expense and loan standby fees	**$ 3.7**	$ 2.4
Income taxes paid	**$ 28.5**	$ 38.2

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

Consolidated Statements of Changes in Shareholders' Equity

(in millions of U.S. dollars)

	Share Capital *(Note 18)*	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
Balance at January 1, 2018	$ 5,107.8	$ 14.2	$ (106.5)	$ (310.0)	**$ 4,705.5**
Impact on adoption of IFRS 9 *(Note 2)*	—	—	(27.1)	27.1	**—**
Restated balance at January 1, 2018	5,107.8	14.2	(133.6)	(282.9)	**4,705.5**
Net income	—	—	—	139.0	**139.0**
Other comprehensive loss	—	—	(86.7)	—	**(86.7)**
Total comprehensive income	—	—	—	—	**52.3**
Exercise of stock options	5.5	(1.3)	—	—	**4.2**
Share-based payments	—	6.0	—	—	**6.0**
Vesting of restricted share units	3.3	(3.3)	—	—	**—**
Dividend reinvestment plan	41.7	—	—	—	**41.7**
Dividends declared	—	—	—	(177.8)	**(177.8)**
Balance at December 31, 2018	**$ 5,158.3**	**$ 15.6**	**$ (220.3)**	**$ (321.7)**	**$ 4,631.9**
Balance at January 1, 2017	$ 4,666.2	$ 41.6	$ (224.5)	$ (336.8)	$ 4,146.5
Net income	—	—	—	194.7	194.7
Other comprehensive income	—	—	118.0	—	118.0
Total comprehensive income	—	—	—	—	312.7
Exercise of stock options	14.1	(4.0)	—	—	10.1
Exercise of warrants	382.9	(26.5)	—	—	356.4
Share-based payments	—	5.6	—	—	5.6
Vesting of restricted share units	2.5	(2.5)	—	—	—
Dividend reinvestment plan	42.1	—	—	—	42.1
Dividends declared	—	—	—	(167.9)	(167.9)
Balance at December 31, 2017	$ 5,107.8	$ 14.2	$ (106.5)	$ (310.0)	$ 4,705.5

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

Notes to the Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in millions of U.S. dollars except share and per share amounts)

Note 1 – Corporate Information

Franco-Nevada Corporation ("Franco-Nevada" or the "Company") is incorporated under the *Canada Business Corporations Act*. The Company is a royalty and stream company focused on precious metals (gold, silver, and platinum group metals) and a diversity of revenue sources with a target of no more than 20% from energy (oil, gas and natural gas liquids). The Company owns a portfolio of royalty, stream and working interests, covering properties at various stages, from production to early exploration, in Latin America, United States, Canada, Australia and Africa.

The Company's shares are listed on the Toronto Stock Exchange and the New York Stock Exchange and the Company is domiciled in Canada. The Company's head and registered office is located at 199 Bay Street, Suite 2000, Toronto, Ontario, Canada.

Note 2 – Significant accounting policies

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") under the historical cost convention, except for equity investments, warrants and receivables from provisionally priced concentrate sales which are measured at fair value. These consolidated financial statements were authorized for issuance by the Board of Directors on March 19, 2019.

(b) Principles of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries (its "subsidiaries") (together the "Company").

(i) Subsidiaries

These consolidated financial statements include the accounts of Franco-Nevada and its subsidiaries. All intercompany accounts, transactions, income and expenses, and profits or losses have been eliminated on consolidation. The Company consolidates subsidiaries where it has the ability to exercise control. Control of an investee is defined to exist when the Company is exposed to variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, it has all of the following: power over the investee (i.e. existing rights that give the Company the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns. Control is presumed to exist where the Company owns more than one half of the voting rights unless it can be demonstrated that ownership does not constitute control. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating intercompany transactions.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in millions of U.S. dollars except share and per share amounts)

All subsidiaries of the Company and their geographic locations at December 31, 2018 were as follows:

Entity	Jurisdiction	Economic Interest
Franco-Nevada U.S. Corporation	Delaware	100%
Franco-Nevada GLW Holdings Corp.	British Columbia	100%
Franco-Nevada Mexico Corporation, S.A. de C.V.	Mexico	100%
Franco-Nevada Canada Holdings Corp.	Canada	100%
Franco-Nevada (Barbados) Corporation	Barbados	100%
Franco-Nevada Australia Pty Ltd.	Australia	100%
FN LGA Pty Ltd.[1]	Australia	100%
Franco-Nevada LRC Holdings Corp.	British Columbia	100%
Franco-Nevada Alberta Holdings ULC	Alberta	100%
Franco-Nevada U.S. Holding Corp.	Delaware	100%
Franco-Nevada Delaware LLC	Delaware	100%
Franco-Nevada Texas LP	Texas	100%
Minera Global Copper Chile S.A.	Chile	100%
Franco-Nevada Alberta Corporation	Alberta	100%
FN Subco Inc.	British Columbia	100%
Franco-Nevada Idaho Corporation	Delaware	100%
FN Holdings ULC	Alberta	100%

1 Added during the year.

All the above entities are classified as subsidiaries of the Company. There are no significant restrictions on the Company's ability to access or use assets or settle liabilities of its subsidiaries.

(ii) Joint arrangements

A joint arrangement is defined as an arrangement over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about relevant activities (being those that significantly affect the returns of the arrangement) require unanimous consent of the parties sharing control. There are two types of joint arrangement, joint operations ("JO") and joint ventures ("JV").

A JO is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. In relation to the Company's interest in any JO, the Company would recognize its share of any assets, liabilities, revenues and expenses of the JO.

The Company participates in a strategic relationship with Continental Resources, Inc. ("Continental"), to jointly acquire mineral rights in the South Central Oklahoma Oil Province ("SCOOP") and Sooner Trend Anadarko Basin Canadian and Kingfisher Counties ("STACK") plays of Oklahoma. The mineral interests are acquired through a royalty acquisition entity, The Mineral Resource Company II, LLC ("TMRC II"), in which the Company holds an economic interest of 49.9%. Contributions from the Company to TMRC II are funded on a 80% basis. The Company determined that it has joint control over TMRC II given that decisions about relevant activities require unanimous consent of the parties to the joint arrangement. The Company further determined that the joint arrangement is a JO, based on the terms of the contractual agreement which specify how revenues and expenses are shared between the parties.

The Company also participates in joint operations with respect to energy working interests but does not have joint control. A working interest is an ownership position in the energy property and related operating assets, whereby the Company is liable for its proportionate share of gross costs of capital and operations based on information received from the operator. The Company's share of the assets, liabilities, revenues and expenses of the joint operation are recognized in the statements of financial position and statements of income and comprehensive income.

(c) Business combinations

On the acquisition of a business, the acquisition method of accounting is used whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) of the business on the basis of the fair value at the date of acquisition. Provisional fair values allocated at a reporting date are finalized as soon as the relevant information is available, which period shall not exceed twelve months from the acquisition date and are adjusted to reflect the transaction as of the acquisition date.

The results of businesses acquired during the period are consolidated into the consolidated financial statements from the date on which control commences at the date of acquisition and taken out of the consolidated financial statements from the date on which control ceases.

When all or part of the purchase consideration is contingent on future events, the cost of the acquisition initially recorded includes an estimate of the fair value of the contingent liability amounts expected to be payable in the future. The cost of acquisition is adjusted when revised estimates are made, with corresponding adjustments made to the consolidated statement of income and comprehensive income.

When a business is acquired in a number of stages, the cost of each stage is compared with the fair value of the identifiable net assets at the date of that purchase. When the cost of the acquisition exceeds the fair values of the identifiable net assets acquired, the difference is recorded as goodwill. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is recognized as a gain in the consolidated statement of income and comprehensive income. Acquisition costs are expensed.

(d) Currency translation

(i) Functional and presentation currency

The functional currency for each entity within the Franco-Nevada group is the currency of the primary economic environment in which it operates.

These consolidated financial statements are expressed in United States dollars, which is the functional currency of some of the subsidiaries. The parent Company's functional currency is the Canadian dollar. The U.S. dollar is used as the presentation currency of the Company to ensure comparability with the Company's peers. References herein to C$ are to Canadian dollars.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective subsidiary, using the exchange rate prevailing at the dates of the transaction (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items and available-for-sale securities at the date of the consolidated statements of financial position are recognized in net income. Non-monetary items measured at historical cost are translated into the functional currency using the exchange rate at the date of the transaction.

The results and financial position of the subsidiaries that have a functional currency different from the presentation currency are translated into U.S. dollars, the group's presentation currency, as follows:

- assets and liabilities for each subsidiary are translated at the closing exchange rate at the date of the balance sheet;
- income and expenses for each subsidiary are translated at the average exchange rates during the period; and
- all resulting exchange differences are charged/credited to the currency translation adjustment in other comprehensive income.

(e) Royalty, stream and working interests

Royalty, stream and working interests consist of acquired royalty interests, stream metal purchase agreements, and working interests in producing, advanced/development and exploration stage properties. Royalty, stream and working interests are recorded at cost and capitalized as tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and accumulated impairment losses. The cost of royalty, stream and working interests is determined by reference to the cost model under IAS 16. The major categories of the Company's interests are producing, advanced and exploration. Producing assets are those that have generated revenue from steady-state operations for the Company or are expected to in the next year. Advanced assets are interests on projects which are not yet producing, but where in management's view, the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Exploration assets represent interests on projects where technical feasibility and commercial viability of extracting a mineral resource are not demonstrable. Royalty, stream and working interests for producing and advanced assets are recorded at cost and capitalized in accordance with IAS 16, while exploration assets are recorded and capitalized in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*("IFRS 6").

Management uses the following criteria in its assessment of technical feasibility and commercial viability:

(i) Geology: there is a known mineral deposit which contains mineral reserves or resources; or the project is adjacent to a mineral deposit that is already being mined or developed and there is sufficient geologic certainty of converting the deposit into mineral reserves or resources.

(ii) Accessibility and authorization: there are no significant unresolved issues impacting the accessibility and authorization to develop or mine the mineral deposit, and social, environmental and governmental permits and approvals to develop or mine the mineral deposit appear obtainable.

Producing mineral royalty and stream interests are depleted using the units-of-production method over the life of the property to which the interest relates. The life of the property is estimated using life of mine models specifically associated with the mineral royalty or stream properties which include proven and probable reserves and may include a portion of resources expected to be converted into reserves. Where life of mine models are not available, the Company uses publicly available statements of reserves and resources for the mineral royalty or stream properties to estimate the life of the property and portion of resources that the Company expects to be converted into reserves. Where life of mine models and publicly available reserve and resource statements are not available, depletion is based on the Company's best estimate of the volumes to be produced and delivered under the contract. The Company relies on information available to it under contracts with operators and/or public disclosures for information on reserves and resources from the operators of the producing mineral and stream interests.

Producing energy interests are depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available estimated proved and probable reserves specifically associated with the energy properties. For energy interests, management uses reserve reports prepared by independent petroleum consultants or other qualified parties engaged by the Company.

On acquisition of a producing royalty, stream or working interest, an allocation of its fair value is attributed to the exploration potential of the interest. The estimated fair value of this acquired exploration potential is recorded as an asset (non-depletable interest) on the acquisition date. Updated reserve and resource information obtained from the operators of the royalty, stream or working interest properties is used to determine the amount to be converted from non-depletable interest to depletable interest. If the cost of a royalty, stream or working interest includes contingent consideration, the contingent consideration is measured at fair value on the date of acquisition and included in the cost of the interest. Any changes in the fair value of the contingent consideration subsequent to the acquisition date are recorded against the cost of the interest acquired.

Royalty, stream and working interests for advanced and exploration assets are recorded at cost and capitalized in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources*. Acquisition costs of advanced and exploration stage royalty, stream and working interests are capitalized and are not depleted until such time as revenue-generating activities begin. The Company may receive advance minimum payments prior to the commencement of production on some of its interests. In these circumstances, the Company would record depletion expense as described above, up to a maximum of the total of the advance minimum payment received.

(f) Working interests in energy properties

Acquired energy working interests are accounted for at cost and capitalized as tangible assets of developing or operating properties, or in accordance with IFRS 6 for exploration properties. For each energy property on which the Company has a working interest, the Company bears its proportionate share of the gross costs of capital and operations based on information received from the operator. Such capital costs are capitalized to energy well equipment which is a component of other assets on the statement of financial position.

Capitalized costs, other than those related to energy well equipment, are depreciated when the asset is available for its intended use on a units-of-production basis, whereby the denominator is the proved and probable reserves associated with the energy properties. For energy well equipment, capitalized costs are depreciated by application of a 25% declining balance method.

(g) Impairment of non-financial assets

Producing and advanced mineral, stream and working interests are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Impairment is assessed at the level of cash-generating units ("CGUs") which, in accordance with IAS 36 *Impairment of Assets* ("IAS 36") are identified as the smallest identifiable group of assets that generates cash inflows, which are largely independent of the cash inflows from other assets. This is usually at the individual royalty, stream, or working interest level for each property from which cash inflows are generated.

An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU"). The future cash flow expected is derived using estimates of proven and probable reserves, a portion of resources that is expected to be converted into reserves and information regarding the mineral, stream and energy properties, respectively, that could affect the future recoverability of the Company's interests. Discount factors are determined individually for each asset and reflect their respective risk profiles. In certain circumstances, the Company may use a market approach in determining the recoverable amount which may include an estimate of (i) net present value of estimated future cash flows; (ii) dollar value per ounce or pound of reserve/resource; (iii) cash-flow multiples; and/or (iv) market capitalization of comparable assets. Impairment losses are charged to the mineral, stream or working interest and any associated energy well equipment in the case of working interests. Assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the conditions that gave rise to the recognition of an impairment loss are subsequently reversed and the asset's recoverable amount exceeds its carrying amount. Impairment losses can be reversed only to the extent that the recoverable amount does not exceed the carrying value that would have been determined had no impairment been recognized previously.

Gold bullion, prepaid gold and prepaid expenses are similarly assessed for impairment whenever indicators of impairment exist in accordance with IAS 36. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of FVLCD and VIU.

Interests classified as exploration are assessed for impairment whenever indicators of impairment exist in accordance with IFRS 6. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount, which is the higher of FVLCD and VIU. An interest that has previously been classified as exploration is also assessed for impairment before reclassification to either advanced or producing, and the impairment loss, if any, is recognized in net income.

(h) Financial instruments

Effective January 1, 2018, the Company has adopted IFRS 9*Financial Instruments* ("IFRS 9"). The accounting policies applied in accounting for its financial instruments in 2018 are described in *Note (2) – Significant accounting policies, New and amended standards adopted by the Company*.

The following accounting policies applied in accounting for financial instruments for the year ended December 31, 2017.

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payables, accrued liabilities, debt, and investments, including equity investments, loans receivable, warrants and term deposits. Financial instruments are recognized initially at fair value.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are classified as available-for-sale and measured at fair value.

(ii) Receivables

Receivables, other than those related to agreements with provisional pricing mechanisms, are classified as loans and receivables and are initially recorded at fair value of the amount expected to be received and subsequently measured at amortized cost less any provision for impairment.

Individual receivables are considered for recoverability when they are past due or when other objective evidence is received that a specific counterparty will default. Impairments for receivables are presented in the consolidated statement of income and comprehensive income (loss).

(iii) Investments

Investments comprise equity interests in publicly-traded and privately-held entities, marketable securities with original maturities at the date of the purchase of more than three months and a loan receivable.

Available-for-sale investments are recognized initially at fair value plus transaction costs. Subsequent to initial recognition, available-for-sale investments are measured at fair value and changes in the fair value are recognized directly in other comprehensive income (loss), except for impairment losses, which are recognized in net income in the consolidated

statement of income and comprehensive income (loss). When an available-for-sale investment is sold or impaired, the accumulated gains or losses are reversed from accumulated other comprehensive income (loss) and included in other income (expense) or impairment of investments in the statement of income and comprehensive income (loss).

Where the Company holds an investment in a privately-held entity for which there is no active market and for which there is no reliable estimate of fair value, the investment is carried at cost less any provision for impairment.

Translation differences on equity securities classified as available-for-sale, are included in other comprehensive income (loss).

Derivative investments, such as warrants and receivables related to agreements with provisional pricing mechanisms, are classified as fair value through profit and loss and are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value. Changes in the fair value of receivables related to agreements with provisional pricing mechanisms are recognized in revenue in the statement of income and other comprehensive income (loss). Changes in fair value of warrants are recognized as other income (expenses) in the statement of income and comprehensive income (loss).

Loans receivable are classified as loans and receivables because they have fixed or determinable payments and are not quoted in an active market. Loans are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate method and presented as finance income in the statement of income and comprehensive income (loss).

(iv) Financial liabilities

Financial liabilities, including accounts payable, accrued liabilities and debt, are classified as other financial liabilities at amortized cost using the effective interest method.

(v) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. For equity securities classified as available-for-sale, a significant or prolonged decline in fair value of the security below its cost is also evidence that the assets may be impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, is removed from accumulated other comprehensive income (loss) and recognized as an impairment on investments in net income in the statement of income and other comprehensive income (loss). An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Impairment losses are recognized in net income. For financial assets measured at amortized cost, any reversal of impairment is recognized in net income in subsequent periods if the fair value of the financial assets increase and the increase can be objectively related to an event occurring after the impairment loss was recognized in net income. If the value of the previously impaired available-for-sale equity investment subsequently recovers, additional unrealized gains are recorded in other comprehensive income (loss) and the previously recorded impairment losses are not reversed.

(i) Revenue recognition

Effective January 1, 2018, the Company has adopted IFRS 15*Revenue from Contracts with Customers* ("IFRS 15"). The accounting policies applied in accounting for revenue in 2018 are described in *Note (2) – Significant accounting policies, New and amended standards adopted by the Company*.

The following accounting policies applied in accounting for revenue for the year ended December 31, 2017.

Revenue comprises revenue earned in the period from royalty, stream and working interests and dividend income. Revenue is measured at fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty, stream and/or working interest agreements. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Differences between estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

(i) Royalty arrangements

For royalty interests, revenue recognition generally occurs in the month of production from the royalty property. For stream and working interests, relevant commodities received from the stream or working interest operators are sold to the Company's third party customers. Revenue from these sales is recognized when title and risks of the delivered commodity are passed on to the Company's third party customers.

Under the terms of certain revenue stream agreements and concentrate sales contracts with independent smelting companies, sales prices are provisionally set on a specified future date after shipment based on market prices. Revenue is recorded under these contracts at the time of shipment, which is also when the risk and rewards of ownership pass to the smelting companies, using forward commodity prices on the expected date that final sales prices will be fixed. Variations between the price recorded at the shipment date and the actual final price set under the smelting contracts are caused by changes in market commodity prices, and result in an embedded derivative in the receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of stream revenue.

(ii) Gold and silver sales

Gold and silver, including gold and silver received under stream agreements, is sold primarily in the spot market. The sales price is fixed at the delivery date based on the gold or silver spot prices. The Company records the sales when title and risks of the delivered commodity are passed on to the Company's third party customers.

(iii) Oil and gas sales

Revenue from the sale of crude oil, natural gas and natural gas liquids is recorded at the time it enters the pipeline system, which is also when risks and rewards of ownership are transferred. At the time of delivery of oil and gas, revenues are determined based upon contracts by reference to monthly market commodity prices plus certain price adjustments. Price adjustments include product quality and transportation adjustments and market differentials.

(j) Costs of sales

Costs of sales includes various production taxes that are recognized with the related revenues and the Company's share of the gross operating costs for the working interests in the energy properties.

For stream agreements, the Company purchases gold, silver or platinum group metals for a cash payment of the lesser of a set contractual price, subject to annual inflationary adjustments, and the prevailing market price per ounce of gold and/or silver when purchased. Under certain stream agreements, the Company purchases gold and/or silver for a cash payment that is a fixed percentage of the prevailing market price per ounce of gold and/or silver when purchased.

In certain instances, the Company purchases a fixed amount of gold by providing an initial deposit. The initial deposit is recorded as a prepaid gold asset and classified within current prepaid expenses and other assets or non-current other assets dependent on whether delivery will occur within 12 months of the reporting date. When gold is delivered to the Company it is recorded as inventory until such time as it is sold and the cost of the gold is recorded as a cost of sale.

(k) Income taxes

The income tax expense or recovery represents the sum of current and deferred income taxes.

Current income tax payable is based on taxable profit for the year. Taxable profit differs from net income as reported in the consolidated statement of income and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated by using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary differences arise from initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are enacted or substantively enacted at the statement of financial position date and are expected to apply to the period when the deferred tax asset is realized or the liability is settled. Deferred tax is charged or credited in the consolidated statement of income and other comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also accounted for within equity.

(l) Stock options

The Company may issue equity-settled share-based payments to directors, officers, employees and consultants under the terms of its share compensation plan. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the date of grant of equity-settled share-based payments is expensed over the expected service period with a corresponding change to contributed surplus and is based on the Company's estimate of shares that will ultimately vest.

Fair value is measured by use of the Black-Scholes option pricing valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is estimated by considering historic average share price volatility. Any consideration paid or received upon the exercise of the stock options or purchase of shares is credited to share capital.

(m) Restricted share units

The Company may grant performance-based or time-based restricted share units ("RSUs") to officers and employees under the terms of its share compensation plan. When each RSU vests, the Company plans to settle every RSU with one common share of the parent company. The Company recognizes the fair value of the RSUs as share-based compensation expense which is determined with reference to the weighted average trading price of the Company's common shares over the five trading days immediately preceding the date of issuance. The amount recognized reflects the number of awards for which the related service and non-market performance conditions associated with these awards are expected to be met. The Company expenses the fair value of the RSUs over the applicable service period, with a corresponding change in contributed surplus. Time-based RSUs vest over a three year period on the anniversary of the date of grant. For performance vesting conditions, the grant date fair value of the restricted share unit is measured to reflect such conditions and this estimate is not updated between expected and actual outcomes. Performance-based RSUs vest at the end of a three year period following the achievement of certain performance criteria and target settlement will range from 0% to 100% of the value.

(n) Deferred share units

Non-executive directors may choose to convert their directors' fees into deferred share units ("DSUs") under the terms of the Company's deferred share unit plan (the "DSU Plan"). Directors must elect to convert their fees prior to January 1 in each year. The Company may also award DSUs to non-executive directors under the DSU Plan as compensation. When dividends are declared by the Company, directors are also credited with dividend equivalents in the form of additional DSUs based on the number of vested DSUs each director holds on the record date for the payment of a dividend. Retainer, conversion and dividend equivalent DSUs vest immediately. The fair value of DSUs at the time of conversion or award, as applicable, is determined with reference to the weighted average trading price of the Company's common shares over the five trading days immediately preceding the date of conversion or award, as applicable. The fair value of the DSUs, which are settled in cash, is recognized as a share-based compensation expense with a corresponding increase in liabilities, over the service period. The fair value of the DSUs is marked to the quoted market price of the Company's common shares at each reporting date with a corresponding change in the consolidated statement of income and comprehensive income. Participants are not allowed to redeem their DSUs until retirement or termination of directorship. The cash value of the DSUs at the time of redemption is equivalent to the market value of the Company's common shares when redemption takes place.

(o) Segment reporting

The Company is engaged in the management and acquisition of royalties, streams and working interests in the mining and energy sectors. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Executive Officer ("CEO") who fulfills the role of the chief operating decision-maker. The CEO is responsible for allocating resources and assessing performance of the Company's operating segments.

(p) Earnings per share

Basic earnings per share is computed by dividing the net income or loss by the weighted average number of common shares outstanding during each period. Diluted earnings per share reflects the effect of all potentially dilutive common share

equivalents, which includes dilutive share options and restricted share units granted to employees and warrants computed using the treasury stock method.

New and Amended Standards Adopted by the Company

The following standard was effective and implemented for the annual period as of January 1, 2018.

IFRS 9 *Financial Instruments*

IFRS 9 replaces the provisions of IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 on January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The Company has applied the changes in accounting policies retrospectively; however in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The reclassifications and adjustments are recognized in the opening balance sheet as at January 1, 2018 as summarized below.

- The Company has made an irrevocable election available under IFRS 9 to classify its long-term investments in equity securities at fair value through other comprehensive income ("FVTOCI") because these investments are held as long-term strategic investments that are not expected to be sold in the short term. This election is available on an instrument-by-instrument basis. Previously these investments were classified as available-for-sale under IAS 39. Changes in the fair value of these investments are recognized in other comprehensive income (loss). On adoption of IFRS 9, the Company recorded an adjustment of $27.1 million to reduce opening deficit with a corresponding adjustment to increase accumulated other comprehensive loss to reclassify the accumulated impairment losses on these investments to accumulated other comprehensive loss.
- Under IAS 39, investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured can be measured at cost. This cost exemption is not available under IFRS 9. At the date of adoption, the Company held one equity investment at cost, which had a carrying value of $4.0 million as at January 1, 2018. The Company assessed the fair value of the instrument based on valuation techniques that include inputs that are not based on observable market data and determined that the fair value approximates the carrying value of the instrument as of the date of adoption and as such the Company concluded no adjustment is required.
- IFRS 9 applies an expected credit loss model to evaluate financial assets for impairment, rather than an incurred loss model previously applied under IAS 39. The Company's financial assets which are subject to credit risk include cash and cash equivalents, receivables and loan receivable. The Company holds one loan receivable from Noront Resources Ltd. The loan receivable is carried at amortized cost and had a carrying value of $30.1 million as at January 1, 2018. Application of the expected credit loss model under the general approach at the date of adoption did not have a significant impact on the Company's financial assets because the Company determined that the expected credit losses on its financial assets were nominal.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in millions of U.S. dollars except share and per share amounts)

On the date of the initial application, January 1, 2018, the financial instruments of the Company were as follows, with any reclassifications noted:

	Measurement category		Carrying amount		
	Original (IAS 39)	New (IFRS 9)	Original (IAS 39)	New (IFRS 9)	Difference
Current financial assets					
Cash and cash equivalents	Available-for-sale	Amortized cost	$ 511.1	$ 511.1	$ —
Receivables	Amortized cost	Amortized cost	54.6	54.6	—
Receivables from provisional concentrate sales	FVTPL[1]	FVTPL	11.3	11.3	—
Non-current financial assets					
Equity investments	Available-for-sale	FVTOCI[2]	$ 172.2	$ 172.2	$ —
Warrants	FVTPL	FVTPL	0.8	0.8	—
Loan receivable	Amortized cost	Amortized cost	30.1	30.1	—
Financial liabilities					
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	$ 21.5	$ 21.5	$ —
Debt	Amortized cost	Amortized cost	—	—	—

1 Fair value through profit or loss ("FVTPL").
2 Fair value through other comprehensive income or loss ("FVTOCI").

Except as noted above, the adoption of IFRS 9 did not result in changes in the carrying values of the Company's financial instruments on January 1, 2018.

The following policies applied in accounting for financial instruments for the year ended December 31, 2018.

Financial assets and financial liabilities are recognized on the Company's statement of financial position when the Company has become a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. The Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable, accrued liabilities, debt, and investments, including equity investments, loans receivable, and warrants. Financial instruments are recognized initially at fair value.

Under the IFRS 9 model for classification the Company has classified its financial assets as described below.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are recorded at amortized cost using the effective interest method.

(ii) Receivables

Receivables, other than those related to stream agreements with provisional pricing mechanisms, are classified as financial assets at amortized cost and measured using the effective interest method less any impairment loss allowance. The loss allowance for receivables is measured based on lifetime expected credit losses.

(iii) Investments

Investments comprise equity interests in publicly-traded and privately-held entities, warrants, marketable securities with original maturities at the date of the purchase of more than three months and a loan receivable.

The Company's equity investments are held for strategic purposes and not for trading. The Company made an irrevocable election to designate these investments in common shares at FVTOCI. FVTOCI investments are recognized initially at fair value plus transaction costs. Subsequent to initial recognition, FVTOCI investments are measured at fair value and changes in the fair value are recognized directly in other comprehensive income (loss). When an equity investment at FVTOCI is sold, the accumulated gains or losses are reclassified from accumulated other comprehensive income (loss) directly to deficit. Previously under IAS 39, these equity investments were classified as available-for-sale financial assets.

Translation differences on equity securities classified as FVTOCI are included in other comprehensive income (loss).

Derivative instruments, such as warrants and receivables related to stream agreements with provisional pricing mechanisms, are classified as fair value through profit and loss ("FVTPL") and are recognized initially at fair value. Subsequent to initial recognition, derivatives are measured at fair value. In the case of receivables related to stream

agreements with provisional pricing, once the final settlement price is determined the financial instrument is no longer a derivative and is classified as a financial asset at amortized cost. Changes in the fair value of receivables related to stream agreements with provisional pricing mechanisms are recognized in revenue in the statement of income and other comprehensive income. Changes in fair value of warrants are recognized as other income (expenses) in the statement of income and comprehensive income.

Loans receivable are classified as financial assets at amortized cost because these instruments are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest. Loans are measured at amortized cost using the effective interest method, less any impairment loss allowance. The impairment loss allowance for the loan receivable is measured based on expected credit losses under the general approach. Interest income is recognized by applying the effective interest rate method and presented as finance income in the statement of income and comprehensive income.

(iv) Financial liabilities

Financial liabilities, including accounts payable, accrued liabilities and debt, are classified as financial liabilities to be subsequently measured at amortized cost using the effective interest method.

IFRS 15 *Revenue from Contracts with Customers*

Effective January 1, 2018, the Company has adopted IFRS 15. This new standard was applied using a modified retrospective approach whereby the effects of the change in accounting policies for revenue as at January 1, 2018 are presented together as a single adjustment to the opening balance of deficit. Therefore, the comparative information has not been restated and continues to be reported under IAS 18 *Revenue*. The adoption of IFRS 15 did not have a significant impact on the timing or measurement of the Company's revenue and no adjustment to the opening balance of deficit as at January 1, 2018 has been recorded as result of adopting IFRS 15.

The following policies applied in accounting for revenue for the year ended December 31, 2018.

The Company generates revenue from contracts with customers under each of its royalty, stream and working interests. The Company has determined that each unit of a commodity that is delivered to a customer under a royalty, stream, or working interest arrangement is a performance obligation for the delivery of a good that is separate from each other unit of the commodity to be delivered under the same arrangement.

(i) Stream arrangements

Under its stream arrangements, the Company acquires commodities from operators of mining properties on which the Company has stream interests. The Company sells the commodities received under these arrangements to its customers under separate sales contracts.

For those stream arrangements where the Company acquires refined metal from the operator, the Company sells the refined metal to third party financial institutions or brokers. The Company transfers control over the commodity on the date the commodity is delivered to the customer's metal account, which is the date that title to the commodity and the risks and rewards of ownership transfer to the customer and the customer is able to direct the use of and obtain substantially all of the benefits from the commodity. The transaction price for these sales is fixed at the delivery date based on the spot price for the commodity and payment of the transaction price is generally due immediately when control has been transferred.

For those stream arrangements where the Company acquires the commodities in concentrate form from the operator, the Company sells the concentrate under sales contracts with independent smelting companies. The Company transfers control over the concentrate at the time of shipment, which is when the risks and rewards of ownership and title pass to the independent smelting company. The final prices for metals contained in the concentrate are determined based on the market price for the metals on a specified future date after shipment. Upon transfer of control at shipment, the Company records revenue and a corresponding receivable from these sales based on forward commodity prices at the time of shipment.

Variations between the price recorded at the transfer of control and the actual final price set under the contracts with the smelting companies are caused by changes in market commodity prices, and result in an embedded derivative in the receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of stream revenue. These provisional price adjustments associated with concentrate sales are not considered to be revenue from contracts with customers as they arise from changes in market commodity prices.

(ii) Royalty arrangements

For royalty interests, the Company sells commodities to customers under contracts that are established by the operator of each mining or energy property on which the royalty interest is held. The Company recognizes revenue from these sales when control over the commodity transfers to the customer. This transfer of control generally occurs when the operator of the mining or energy property on which the royalty interest is held physically delivers the commodity to the customer. At this point in time, the risks and rewards of ownership have transferred to the customer and the Company has an unconditional right to payment.

Revenue from royalty arrangements is measured at the transaction price agreed in the royalty arrangement with the operator of each mining or energy property. The transaction price will reflect the gross value of the commodity sold less deductions that vary based on the terms of the royalty arrangement.

(iii) Working interest arrangements

The Company sells its proportionate share of the crude oil, natural gas and natural gas liquids to third-party customers using the services of a third-party marketing agent. The Company transfers control over the oil and gas at the time it enters the pipeline system, which is when title and the risks and rewards of ownership are transferred to customers and the Company has an unconditional right to payment. Revenue is measured at the transaction price set by reference to monthly market commodity prices plus certain price adjustments. Price adjustments include product quality and transportation adjustments and market differentials.

New Accounting Standards Issued But Not Yet Effective

IFRIC 23 *Uncertainty over Income Tax Treatments*

IFRIC 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23") was developed by the IFRS Interpretation Committee, and issued by the IASB, to address how to reflect uncertainty in accounting for income taxes. IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company does not expect the application of IFRIC 23 to have a material impact on the consolidated financial statements.

IFRS 16 *Leases*

In January 2016, the IASB issued IFRS 16 *Leases* ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The Company does not anticipate early adoption of this new standard. The Company does not expect the application of IFRS 16 to have a material impact on the consolidated financial statements.

Note 3 – Significant judgments, estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience. However, actual outcomes may differ from the amounts included in the consolidated financial statements.

In particular, the areas which require management to make significant judgments, estimates and assumptions in determining carrying values are:

Reserves and Resources

Royalty, stream and working interests comprise a large component of the Company's assets and as such, the reserves and resources of the properties to which the interests relate have a significant effect on the Company's financial statements. These estimates are applied in determining the depletion of and assessing the recoverability of the carrying value of royalty, stream and working interests. For mineral royalty and stream interests, the public disclosures of reserves and resources that are released by the operators of the interests involve assessments of geological and geophysical studies and economic data and the reliance on a number of assumptions, including commodity prices and production costs. For energy interests, the estimated reserves in reserve reports prepared by independent petroleum consultants or other qualified parties engaged by the Company reflect similar assessments of geological and geophysical studies and economic data and reliance on assumptions. These assumptions are, by their very nature, subject to interpretation and uncertainty.

The estimates of reserves and resources may change based on additional knowledge gained subsequent to the initial assessment. Changes in the estimates of reserves and resources may materially affect the recorded amounts of depletion and the assessed recoverability of the carrying value of royalty, stream and working interests.

Impairment of Royalty, Stream and Working Interests

Assessment of impairment of royalty, stream, working interests and energy well equipment requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's royalty, stream and working interests, and/or energy equipment. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, foreign exchange rates, future capital expansion plans and the associated production implications. In addition, the Company may use other approaches in determining fair value which may include judgment and estimates related to (i) dollar value per ounce or pound of reserve/resource; (ii) cash-flow multiples; and (iii) market capitalization of comparable assets. Changes in any of the assumptions and estimates used in determining the fair value of the royalty, stream or working interests, or energy well equipment could impact the impairment analysis.

Asset Acquisitions and Business Combinations

The assessment of whether an acquisition meets the definition of a business, or whether assets are acquired is an area of key judgment. If deemed to be a business combination, applying the acquisition method to business combinations requires each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of royalty, stream or working interests generally requires a high degree of judgment, and include estimates of mineral reserves and resources acquired, future metal prices, discount rates and reserve/resource conversion. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets and liabilities.

Joint Arrangements

Judgment is required to determine when the Company has joint control of a contractual arrangement, which requires continuous assessment of the relevant activities and when the decisions in relation to those activities require unanimous consent. Judgment is also continually required to classify a joint arrangement as either a joint operation or a joint venture when the arrangement has been structured through a separate vehicle. Classifying the arrangement requires the Company to assess its rights and obligations arising from the arrangement. Specifically, the Company considers the legal form of the separate vehicle, the terms of the contractual arrangement and other relevant facts and circumstances. This assessment often requires significant judgment, and a different conclusion on joint control, or whether the arrangement is a joint operation or a joint venture, may have a material impact on the accounting treatment.

The Company evaluated its joint arrangement with Continental, whereby the Company acquired a 49.9% economic interest in TMRC II, in accordance with IFRS 11. The Company concluded that the arrangement qualified as a joint operation based on the terms of the contractual agreement which specify how revenues and expenses are shared. Under the agreement, revenues generated by the royalty assets of TMRC II are to be distributed based on the performance of the assets against agreed upon development thresholds and the tranche in which the assets were acquired, resulting in the Company receiving distributions ranging between 50-75% of revenue. As a result, the Company has concluded that its rights are tied to the assets of TMRC II, rather than the net results of the entity.

Income Taxes

The interpretation and application of existing tax laws, regulations or rules in Canada, Barbados, the United States, Australia or any of the countries in which the mining operations are located or to which shipments of gold, silver or platinum group metals are made requires the use of judgment. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on facts and circumstances of the relevant tax position considering all available evidence. Differing interpretation of these laws, regulations or rules could result in an increase in the Company's taxes, or other governmental charges, duties or impositions.

In assessing the probability of realizing deferred income tax assets, the Company makes estimates related to expectations of future taxable income and expected timing of reversals of existing temporary differences. Such estimates are based on forecasted cash flows from operations which require the use of estimates and assumptions such as long-term commodity prices and recoverable ounces of gold, silver and platinum group metals. Therefore, the amount of deferred income tax assets

recognized on the balance sheet could be reduced if the actual results differ significantly from forecast. The Company reassesses its deferred income tax assets at the end of each reporting period.

Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Note 4 – Acquisitions and other transactions

(a) Acquisition of U.S. Oil & Gas Mineral Rights with Continental Resources, Inc. – SCOOP and STACK, Oklahoma

On October 23, 2018, the Company, through a wholly-owned subsidiary, entered into a strategic relationship with Continental to jointly acquire, through a newly-formed entity (the "Royalty Acquisition Venture"), royalty rights in the SCOOP and STACK plays of Oklahoma.

In addition to its initial contribution of $218.5 million spent at closing, to grow the Royalty Acquisition Venture portfolio, Franco-Nevada also committed to spend up to $300 million over the following three years to acquire additional royalty rights, subject to satisfaction of agreed upon development thresholds, bringing the total commitment to $520 million. Continental committed to spend up to $75 million over the same three-year period through the Royalty Acquisition Venture.

Revenue distribution from the Royalty Acquisition Venture will vary depending on production volumes, with Franco-Nevada entitled to a minimum of 50% of revenue and up to 75% of revenue at certain production volumes.

As at December 31, 2018, Franco-Nevada has funded $261.8 million to the Royalty Acquisition Venture, which consists of $218.5 million for its initial contribution, and additional contributions of $43.3 million made after the closing date. Franco-Nevada has remaining commitments of $258.2 million, which will be funded over three years.

The initial contribution made in 2018 was funded net of $3.7 million in royalties generated by the acquired assets between March 1, 2018, the effective date of the transaction, and October 23, 2018, the date on which the Company acquired joint control of the Royalty Acquisition Venture.

The newly-formed entity was accounted for as a joint operation in accordance with IFRS 11*Joint Arrangements*.

(b) Acquisition of Additional Stream and Update on the Cobre Panama Project, Panama

On January 19, 2018, the Company, through a wholly-owned subsidiary, entered into an amended and restated stream agreement with First Quantum Minerals Ltd. ("First Quantum") and Korea Resources Corp. ("KORES"). The amended and restated stream agreement covers 100% of the Cobre Panama project ("Cobre Panama"). Cobre Panama, which is in the construction phase and is located Panama, is 90% owned by First Quantum and 10% by KORES.

The amended and restated stream agreement comprises two distinct precious metals streams: the original stream covering First Quantum's initial 80% interest in the project (the "Fixed Payment Stream") and a new stream covering (i) First Quantum's additional 10% interest in the project First Quantum acquired from LS-Nikko Copper Inc. in 2017 and (ii) KORES' 10% interest in the project (the "Floating Payment Stream").

As at December 31, 2018 , total capitalized costs for the Cobre Panama project of $1,363.5 million are included in royalty, stream and working interests on the statement of financial position.

Fixed Payment Stream

Under the terms of the Fixed Payment Stream, Franco-Nevada funded a deposit of $1.0 billion against future deliveries of gold and silver from Cobre Panama. The deposit was funded on a pro-rata basis of 1:3 to First Quantum's share of the capital costs for Cobre Panama in excess of $1.0 billion. For the year ended December 31, 2018, the Company funded $273.4 million, towards the Fixed Payment Stream, thereby fulfilling its $1.0 billion commitment in the fourth quarter of 2018.

Under the terms of the amended and restated stream agreement, the fixed price for the Fixed Payment Stream is $418 per ounce of gold and $6.27 per ounce of silver (each increased by a 1.5% annual inflation factor), until 1,341,000 ounces of gold

and 21,500,000 ounces of silver have been delivered. Thereafter, the ongoing payment will be the greater of 50% of the fixed price and 50% of the spot price.

Floating Payment Stream

The purchase price of the Floating Payment Stream was $356.0 million and was funded upfront upon closing on March 16, 2018. The terms of the Floating Payment Stream, other than the ongoing price, are similar to the Fixed Payment Stream, including initially linking precious metals deliveries to copper in concentrate shipped. Under the Floating Payment Stream, the ongoing price per ounce for deliveries is 20% of the spot price until 604,000 ounces of gold and 9,618,000 ounces of silver have been delivered. Thereafter, the ongoing payment will be 50% of the spot price.

The acquisition of the Floating Payment Stream for $356.0 million has been accounted for as an asset acquisition. The amended and restated stream agreement had no impact on the original accounting of the Fixed Payment Stream.

(c) Acquisition of Bowen Basin Coal Royalties, Australia

On February 28, 2018, Franco-Nevada, through a wholly-owned subsidiary, acquired a portfolio of metallurgical coal royalties located in the Bowen Basin of Queensland, Australia for cash consideration of A$4.2 million. The portfolio includes certain claims that comprise the producing Moorvale mine, the Olive Downs project which had permitting applications, and another 33 exploration tenements. The Bowen Basin Coal royalties are production payments of A$0.10 per tonne, adjusted for consumer price index changes since December 31, 1997.

The acquisition of the Bowen Basin Coal royalties has been accounted for as an asset acquisition.

(d) Acquisition of U.S. Oil & Gas Royalties – Delaware, Texas

On February 20, 2018, the Company, through a wholly-owned subsidiary, closed the acquisition of a royalty portfolio in the Delaware Basin, which represents the western portion of the Permian Basin, for $101.3 million. The royalties are derived principally from mineral title which provides a perpetual interest in royalty lands. The transaction entitles the Company to royalties, effective October 1, 2017. Prior to the December 31, 2017 year-end, the Company had advanced $11.0 million into escrow in respect to this transaction and this amount was included in royalty, stream and working interests, net in the statement of financial position as at December 31, 2017.

The acquisition of the Delaware Basin royalties has been accounted for as an asset acquisition.

(e) Acquisition of Additional of U.S. Oil & Gas Royalties – STACK, Oklahoma

On November 1, 2017, the Company purchased a package of mineral titles in the core of the STACK shale play in Oklahoma for $27.6 million from a private company. Franco-Nevada has the right to royalties on production beginning from June 1, 2017.

The acquisition of the STACK royalties has been accounted for as an asset acquisition.

(f) Acquisition of Canadian Oil & Gas Royalties – Orion Thermal Project, Alberta

On September 29, 2017, Franco-Nevada acquired a 4% Gross Overriding Royalty (“GORR”) on the Clearwater formation within the Orion oil sands project (“Orion”) in the Cold Lake region of Alberta from Osum Oil Sands Corp. (“Osum”) for a cash consideration of $74.1 million (C$92.5 million).

The acquisition of the Orion royalties has been accounted for as an asset acquisition.

(g) Acquisition of Railroad Royalty – Carlin Trend, Nevada

On May 26, 2017, Franco-Nevada, through a wholly-owned U.S. subsidiary, acquired an existing 1% NSR on certain claims that comprise the Railroad deposit located on the Carlin Trend in north-central Nevada for a cash consideration of $0.9 million.

The acquisition of the Railroad royalty has been accounted for as an asset acquisition.

(h) Acquisition of U.S. Oil & Gas Royalties – Midland Basin, Texas

On May 24, 2017, Franco-Nevada, through a wholly-owned U.S. subsidiary, acquired a royalty portfolio in the Midland Basin of West Texas for $114.6 million. The royalties are derived principally from mineral title rights, along with some GORRs.

The acquisition of the Midland royalties has been accounted for as an asset acquisition.

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Note 5 – Cash and Cash Equivalents

As at December 31, 2018 and 2017, cash and cash equivalents were primarily held in interest-bearing deposits.

	At December 31, 2018	At December 31, 2017
Cash deposits	$ 60.3	$ 469.5
Term deposits	9.4	41.6
	$ 69.7	$ 511.1

Note 6 – Investments

Investments comprise the following: (i) equity interests in various public and non-public entities which the Company acquired through the open market or through transactions; (ii) warrants in various publicly-listed companies; and (iii) a loan receivable extended to Noront Resources Ltd. as part of the Company's acquisition of royalty rights in the Ring of Fire mining district of Ontario, Canada, in April 2015.

	At December 31, 2018	At December 31, 2017
Equity investments	$ 136.7	$ 172.2
Warrants	0.7	0.8
Loan receivable	32.3	30.1
Total investments	$ 169.7	$ 203.1

The change in the fair value of equity investments recognized in other comprehensive income (loss) for the year ended December 31, 2018 and 2017 were as follows:

	2018	2017
Change in the fair value of equity investments	$ (21.4)	$ 44.5
Deferred tax recovery (expense) in other comprehensive income	3.0	(6.1)
Change in the fair value of equity investments, net of tax	$ (18.4)	$ 38.4
Reclassification for realized change in market value recognized in net income, net of tax	—	2.4
	$ (18.4)	$ 40.8

Note 7 – Prepaid expenses and other

Prepaid expenses and other current assets comprise the following:

	At December 31, 2018	At December 31, 2017
Gold bullion	$ 27.8	$ 14.6
Inventory	—	7.1
Prepaid expenses	5.4	17.0
Debt issue costs	0.1	0.7
	$ 33.3	$ 39.4

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Note 8 – Royalty, Stream and Working Interests, Net

a) Royalties, Streams and Working Interests

	2018			
	Cost	Accumulated Depletion[1]	Impairment	Carrying Value
Mineral Royalties	$ 1,021.4	$ (571.3)	$ —	**$ 450.1**
Streams	4,346.3	(1,303.3)	(75.4)	**2,967.6**
Energy	1,303.8	(337.2)	—	**966.6**
Advanced	159.9	(30.1)	—	**129.8**
Exploration	54.7	(12.6)	(0.6)	**41.5**
	$ 6,886.1	**$ (2,254.5)**	**$ (76.0)**	**$ 4,555.6**

	2017			
	Cost	Accumulated Depletion[1]	Impairment	Carrying Value
Mineral Royalties	$ 1,017.0	$ (530.9)	$ —	**$ 486.1**
Streams	3,715.9	(1,140.5)	—	**2,575.4**
Energy	1,009.5	(326.8)	—	**682.7**
Advanced	188.1	(36.2)	—	**151.9**
Exploration	58.7	(15.6)	—	**43.1**
	$ 5,989.2	$ **(2,050.0)**	**$ —**	**$ 3,939.2**

1 Accumulated depletion includes previously recognized impairment charges.

	Mineral Royalties	Streams	Energy	Advanced	Exploration	Total
Balance at January 1, 2017	$ 488.0	$ 2,502.2	$ 448.9	$ 188.8	$ 40.4	$ 3,668.3
Acquisitions	—	265.8	232.7	—	1.0	499.5
Transfers	42.1	—	—	(43.2)	1.1	-
Depletion	(52.3)	(192.6)	(23.0)	(1.0)	—	(268.9)
Impact of foreign exchange	8.3	—	24.1	7.3	0.6	40.3
Balance at December 31, 2017	**$ 486.1**	**$ 2,575.4**	**$ 682.7**	**$ 151.9**	**$ 43.1**	**$ 3,939.2**
Acquisitions (Note 4)	0.5	630.4	354.5	1.8	1.4	988.6
Transfers	16.4	—	—	(16.4)	—	—
Impairments	—	(75.4)	—	—	(0.6)	(76.0)
Depletion	(42.5)	(162.8)	(37.3)	(1.1)	(0.2)	(243.9)
Impact of foreign exchange	(10.4)	—	(33.3)	(6.4)	(2.2)	(52.3)
Balance at December 31, 2018	**$ 450.1**	**$ 2,967.6**	**$ 966.6**	**$ 129.8**	**$ 41.5**	**$ 4,555.6**

Of the total net book value as at December 31, 2018, $2,233.0 million (2017 - $2,410.6 million) is depletable and $2,322.6 million (2017 - $1,528.6 million) is non-depletable.

b) Impairments of Royalties, Streams and Working Interests

The Company recorded impairment charges for the year ended December 31, 2018, as summarized in the following table:

	2018	2017
Royalty, stream and working interests, net:		
Sudbury assets		
Levack-Morrison	**$ 54.4**	$ —
Podolsky	**21.0**	—
McCreedy	**—**	—
Exploration assets	**0.6**	—
Total impairment losses	**$ 76.0**	$ —

Sudbury assets

The Company's Sudbury assets comprise the Levack-Morrison, Podolsky and McCreedy streams. The mines are operated by KGHM International Ltd. ("KGHM"). As a result of KGHM's ongoing optimization of the multi-year plan of operating activities in the Sudbury Basin, KGHM decided to halt the extraction of ore from the Levack-Morrison deposit, and recommence production at the McCreedy mine. The Company was notified of KGHM's intentions in December 2018. As KGHM's optimization plan encompasses all of the Sudbury assets, management considered the announcement to be an indicator of impairment for all three assets, and performed an impairment assessment for each affected asset. Each asset is considered a separate CGU for impairment purposes.

The FVLCD for the Sudbury assets was determined by calculating the net present value ("NPV") of the estimated future cash flows generated by the expected remaining mining of gold and platinum group metals at each of the stream assets. The estimates of future cash flows were derived from the life of mine plans prepared by the operator. Based on observable market or publicly available data, the Company's management made assumptions of future commodity prices to estimate future revenues. The future cash flows were discounted using an after-tax discount rate which reflects specific market risk factors associated with the Sudbury assets. The Company estimated the recoverable amount of its Levack-Morrison, Podolsky and McCreedy interests to be $3.6 million, nil, and $11.0 million, respectively.

The key assumptions in the impairment assessment consisted of the estimated number of remaining ounces to be mined at each asset, with no value assigned to resources beyond proven and probable reserves. For 2019, the Company used prices averaging $1,284, $864 and $1,184, per ounce of gold, platinum and palladium, respectively. For 2020, the Company used prices averaging $1,318, $931 and $1,137, per ounce of gold, platinum and palladium, respectively. The Company also used a discount rate of 5%. The Company also performed sensitivity analyses on these key assumptions that impact the impairment calculations, by applying a change of 10% on the estimated number of ounces to be mined, 10% on the gold price assumption and a change of 300 basis points for the discount rate assumption. These sensitivity analyses did not result in a significant change in the estimated recoverable amount and impairment charge.

Exploration assets

The Company was notified, pursuant to various royalty agreements, that the explorer/developer had abandoned tenements, concessions or ground which was subject to royalty rights held by the Company. In these circumstances, the Company wrote-off the carrying value of the associated exploration assets to nil. For the year ended December 31, 2018, the total amount written off was $0.6 million.

Note 9 – Other assets

Other assets comprise the following:

	At December 31, 2018	At December 31, 2017
Energy well equipment, net	**$ 10.2**	$ 12.7
Furniture and fixtures, net	**0.5**	0.6
Debt issue costs	**—**	1.9
	$ 10.7	$ 15.2

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Note 10 – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	At December 31, 2018	At December 31, 2017
Accounts payable	**$ 7.3**	$ 6.2
Accrued liabilities	**16.3**	15.3
	$ 23.6	$ 21.5

Note 11 - Fair value measurements

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same — to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

There were no transfers between the levels of the fair value hierarchy during the year ended December 31, 2018.

Assets and Liabilities Measured at Fair Value on a Recurring Basis:

As at December 31, 2018	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Aggregate Fair Value**
Receivables from provisional concentrate sales	$ —	$ 8.5	$ —	**$ 8.5**
Equity investments	132.8	—	3.9	**136.7**
Warrants	—	0.7	—	**0.7**
	$ 132.8	**$ 9.2**	**$ 3.9**	**$ 145.9**

As at December 31, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Cash and cash equivalents	$ 511.1	$ —	$ —	$ 511.1
Receivables from provisional concentrate sales	—	11.3	—	11.3
Available-for-sale equity investments	168.1	—	—	168.1
Warrants	—	0.8	—	0.8
	$ 679.2	$ 12.1	$ —	$ 691.3

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Assets Measured at Fair Value on a Non-Recurring Basis:

As at December 31, 2018	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Royalty, stream and working interests	$ —	$ —	$ 14.6	**$ 14.6**
	$ —	$ —	$ 14.6	**$ 14.6**

Fair Values of Financial Assets and Liabilities

The valuation techniques that are used to measure fair value are as follows:

a) *Receivables*
The fair values of receivables arising from gold and platinum group metal concentrate sales contracts that contain provisional pricing mechanisms are determined using the appropriate quoted forward prices from the exchange that is the principal active market for the particular metal. As such, these receivables are classified within Level 2 of the fair value hierarchy.

b) *Investments*
The fair values of publicly-traded investments are determined based on a market approach reflecting the closing prices of each particular security at the statement of financial position date. The closing prices are quoted market prices obtained from the exchange that is the principal active market for the particular security, and therefore are classified within Level 1 of the fair value hierarchy.

The Company holds one equity investment that does not have a quoted market price in an active market. The Company has assessed the fair value of the instrument based on a valuation technique using unobservable discounted future cash flows. As a result, the fair value is classified within Level 3 of the fair value hierarchy.

The fair values of warrants are estimated using the Black-Scholes pricing model which requires the use of inputs that are observable in the market. As such, these investments are classified within Level 2 of the fair value hierarchy.

c) *Royalty, stream, and working interests and oil well equipment*
The fair values of royalty, stream, and working interests are determined primarily using a market approach using unobservable discounted future cash-flows. As a result, the fair values are classified within Level 3 of the fair value hierarchy.

The fair values of the Company's remaining financial assets and liabilities, which include cash and cash equivalents, receivables, loan receivables, accounts payable and accrued liabilities, and debt approximate their carrying values due to their short-term nature, historically negligible credit losses, fair value of collateral, and/or floating interest rate on the debt.

The Company has not offset financial assets with financial liabilities.

Note 12 – Financial Risk Management

The Company's financial instruments are comprised of financial assets and liabilities. The Company's principal financial liabilities comprise accounts payable, accrued liabilities and debt. The Company's principal financial assets are cash and cash equivalents, receivables, loan receivables, and investments. The main purpose of these financial instruments is to manage short-term cash flow and working capital requirements and fund future acquisitions.

The Company is engaged in the business of acquiring, managing and creating resource royalties and streams. Royalties and streams are interests that provide the right to revenue or production from the various properties, after deducting specified costs, if any. These activities expose the Company to a variety of financial risks, which include direct exposure to market risks (which includes commodity price risk, foreign exchange risk and interest rate risk), credit risk, liquidity risk and capital risk management.

Management designs strategies for managing some of these risks, which are summarized below. The Company's executive management oversees the management of financial risks. The Company's executive management ensures that financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk appetite.

The Company's overall objective from a risk management perspective is to safeguard its assets and mitigate risk exposure by focusing on security rather than yield.

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a) Market Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates or interest rates, will affect the value of the Company's financial instruments. The Company manages market risk by either accepting it or mitigating it through the use of economic strategies.

Commodity Price Risk

The Company's royalties, working interests and streams are subject to fluctuations from changes in market prices of the underlying commodities. The market prices of gold, silver, platinum, palladium, oil and gas are the primary drivers of the Company's profitability and ability to generate free cash flow. All of the Company's future revenue is not hedged in order to provide shareholders with full exposure to changes in the market prices of these commodities.

Foreign Exchange Risk

The functional currencies of the Company's entities include the Canadian, U.S. and Australian dollars with the reporting currency of the Company being the U.S. dollar. The Company is primarily exposed to currency fluctuations relative to the U.S. dollar on balances and transactions that are denominated and settled in Canadian dollars and Australian dollars. The Company has exposure to the Canadian dollar through its Canadian energy activities and corporate administration costs. Consequently, fluctuations in the U.S. dollar exchange rate against these currencies increase the volatility of depletion, corporate administration costs and overall net earnings, when translated into U.S. dollars.

The Company invests its cash and cash equivalents in U.S. and Canadian dollar denominated interest-bearing deposits on a ratio of 69% to 13%, respectively, and 18% in other currencies, as at December 31, 2018.

The Company records currency translation adjustment gains or losses primarily due to the fluctuation of the U.S. dollar in relation to its Canadian assets and liabilities. During the year ended December 31, 2018, the U.S. dollar strengthened in relation to the Canadian dollar. As a result, the Company recorded a currency translation adjustment loss of $68.3 million in other comprehensive income (2017 – gain of $77.2 million).

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. As at December 31, 2018, the Company's interest rate exposure arises mainly from the interest receipts on cash and cash equivalents and interest payment on our variable-rate debt of $207.6 million (2017 – nil).

The following table shows the approximate interest rate sensitivities of our financial assets and liabilities as at December 31, 2018 and 2017:

	Effect on Net Income		Effect on Equity	
	2018	**2017**	**2018**	**2017**
0.5% increase	**$ 0.1**	$ 2.2	**$ 0.1**	$ 2.2
0.5% decrease	**(0.1)**	(2.2)	**(0.1)**	(2.2)

b) Credit Risk

Credit risk is the risk that a third party might fail to fulfill its performance obligations under the terms of a financial instrument. Credit risk arises from cash and cash equivalents, receivables and loan receivables. The Company closely monitors its financial assets and maintains its cash deposits in several high-quality financial institutions and as such does not have any significant concentration of credit risk.

As at December 31, 2018, the Company is unaware of any information which would cause it to believe that these financial assets are not fully recoverable.

c) Liquidity Risk

Liquidity risk is the risk of loss from not having access to sufficient funds to meet both expected and unexpected cash demands. The Company manages its exposure to liquidity risk through prudent management of its statement of financial position, including maintaining sufficient cash balances and access to credit facilities. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Management continuously monitors and reviews both actual and forecasted cash flows, including acquisition activities.

As at December 31, 2018, the Company held $69.7 million in either cash, cash equivalents or highly-liquid investments (2017 – $511.1 million). All of the Company's financial liabilities are due within one year, with the exception of Debt from the Company's Credit Facility, which has a maturity date of March 22, 2023 (refer to Note 13). The Company's near-term cash requirements include corporate administration costs, certain costs of sales, including the ore purchase commitments described in Note 20, dividends and income taxes directly related to the recognition of royalty, stream and working interest revenues. In addition, the Company is committed to fund the acquisition of mineral rights through the Royalty Acquisition Venture pursuant to its agreement with Continental as described in Note 4(a).

d) Capital Risk Management

The Company's primary objective when managing capital is to provide a sustainable return to shareholders through managing and growing the Company's resource asset portfolio while ensuring capital protection. The Company defines capital as its cash, cash equivalents, short-term investments and long-term investments which is managed by the Company's management subject to approved policies and limits by the Board of Directors.

There were no changes in the Company's approach to capital management during the year ended December 31, 2018 compared to the prior year. The Company is not subject to material externally imposed capital requirements or significant financial covenants or capital requirements with our lenders. The Company is in compliance with all its covenants under its credit facility as at December 31, 2018.

As at December 31, 2018, the Company has cash and cash equivalents totaling $69.7 million (2017 – $511.1 million), long-term investments totaling $169.7 million (2017 – $203.1 million), of which $132.8 million (2017 – $168.1 million) are held in liquid securities. The Company also has $890.0 million (2017 – $1.1 billion) available under its unsecured revolving term credit facilities. All of these sources of capital are available for growing the Company's asset portfolio and paying dividends.

Note 13 – Revolving term credit facilities

(a) Credit Facility - $1.0 billion

The Company has a five year $1.0 billion unsecured revolving term credit facility (the "Credit Facility"). On March 7, 2018, the Company amended its Credit Facility by extending the term from March 22, 2022 to March 22, 2023 and reducing the applicable margins and standby fee, depending on the Company's leverage ratio.

Changes in obligations related to the Credit Facility during the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
Balance, beginning of year	$ —	$ —
Drawdowns	210.0	—
Repayment	—	—
Other	$ 210.0	$ —
Less: Debt issue costs	(2.4)	—
	$ 207.6	$ —

Advances under the Credit Facility can be drawn as follows:

U.S. dollars

- Base rate advances with interest payable monthly at the Canadian Imperial Bank of Commerce ("CIBC") base rate, plus between 0.10% and 1.20% per annum depending upon the Company's leverage ratio; or
- LIBOR loans for periods of 1, 2, 3 or 6 months with interest payable at a rate of LIBOR, plus between 1.10% and 2.20% per annum, depending on the Company's leverage ratio.

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Canadian dollars

- Prime rate advances with interest payable monthly at the CIBC prime rate, plus between 0.10% and 1.20% per annum, depending on the Company's leverage ratio; or
- Bankers' acceptances for a period of 30 to 180 days with a stamping fee calculated on the face amount between 1.10% and 2.20%, depending on the Company's leverage ratio.

All loans are readily convertible into loans of other types, described above, on customary terms and upon provision of appropriate notice. Borrowings under the Credit Facility are guaranteed by certain of the Company's subsidiaries and are unsecured.

The Credit Facility is subject to a standby fee of 0.22% to 0.44% per annum, depending on the Company's leverage ratio, even if no amounts are outstanding under the Credit Facility.

As at December 31, 2018, there was $210.0 million outstanding under the Credit Facility with an interest rate of LIBOR plus 1.10% (2017 – nil). The balance is presented net of $2.4 million in unamortized capitalized debt issue costs on the statement of financial position as at December 31, 2018. (2017 - $2.5 million). For the year ended December 31, 2018, the Company recognized $1.5 million (2017 – nil) of interest expense, $2.2 million (2017 – $2.5 million) of standby and administrative fees, and debt issuance cost amortization expense of $0.8 million (2017 – $0.9 million) in the consolidated statement of income and comprehensive income.

(b) FNBC Credit Facility - $100.0 million

The Company's subsidiary, Franco-Nevada (Barbados) Corporation ("FNBC"), has an unsecured revolving term credit facility (the "FNBC Credit Facility"). The FNBC Credit Facility provides for the availability over a one-year period of up to $100.0 million in borrowings. Subsequent to year-end, the maturity date of the FNBC Credit Facility was extended by an additional year, to March 20, 2020.

Changes in obligations related to the FNBC Credit Facility during the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
Balance, beginning of year	$ —	$ —
Drawdowns	27.0	—
Repayment	(27.0)	—
Other	$ —	$ —
Less: Debt issue costs	—	—
	$ —	$ —

Advances under the FNBC Credit Facility can be drawn as follows:

- Base rate advances with interest payable monthly at the CIBC base rate, plus 0.35% per annum; or
- LIBOR loans for periods of 1, 2, 3 or 6 months with interest payable at a rate of LIBOR plus 1.35% per annum.

All loans are readily convertible into loans of other types on customary terms and upon provision of appropriate notice.

The FNBC Credit Facility is subject to a standby fee of 0.27% per annum, even if no amounts are outstanding.

During the year ended December 31, 2018, FNBC drew down and repaid $27.0 million on the FNBC Credit Facility. As at December 31, 2018, there was no balance outstanding under the FNBC Credit Facility.

As at December 31, 2018, $0.1 million related to debt issue costs were capitalized and will be amortised over the remaining term of the FNBC Credit Facility (2017 – $0.1 million) and is included in prepaid expenses and other current assets *(Note 7 – Prepaid expenses and other)*.

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(Expressed in millions of U.S. dollars except share and per share amounts)

Note 14 – Revenue

Revenue classified by commodity, geography and type is comprised of the following:

	2018	2017
Commodity		
Gold[1]	$ 435.8	$ 467.2
Silver	78.2	98.1
Platinum-group metals[1]	39.1	44.5
Other mining commodities	14.0	18.2
Energy	86.1	47.0
	$ 653.2	$ 675.0
Geography		
Latin America	$ 268.3	$ 326.0
United States	137.2	100.2
Canada[1]	122.6	125.5
Rest of World	125.1	123.3
	$ 653.2	$ 675.0
Type		
Revenue-based royalties	$ 197.9	$ 155.8
Streams[1]	371.7	443.3
Profit-based royalties	44.0	37.0
Other	39.6	38.9
	$ 653.2	$ 675.0

1. Includes $1.3 million and $2.4 million of provisional price adjustments for gold and platinum-group metals, respectively, for the year ended December 31, 2018.

Note 15 – Costs of sales

Costs of sales are comprised of the following:

	2018	2017
Costs of stream sales	$ 102.9	$ 127.4
Costs of prepaid ounces	7.1	7.7
Mineral production taxes	2.3	2.3
Energy operating costs	5.9	4.6
	$ 118.2	$ 142.0

Note 16 – Related party disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the Board of Directors and the executive management team. Compensation for key management personnel of the Company was as follows:

	2018	2017
Short-term benefits[1]	$ 3.0	$ 4.5
Share-based payments[2]	4.9	6.4
	$ 7.9	$ 10.9

1 Includes salary, benefits and short-term accrued incentives/other bonuses earned in the period.

2 Represents the expense of stock options, restricted share units earned and mark-to-market charges on deferred share units during the year .

Notes to the Consolidated Financial Statements

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(Expressed in millions of U.S. dollars except share and per share amounts)

Note 17 - Income taxes

Income tax expense for the years ended December 31, 2018 and 2017 was as follows:

	For the year ended December 31, 2018	2017
Current income tax expense		
Expense for the year	**$ 34.1**	$ 25.1
Adjustment in respect of prior years	**6.0**	(5.6)
Current income tax expense (recovery)	**$ 40.1**	$ 19.5
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences in the current year	**(7.7)**	15.7
U.S. Tax Reform impact	**2.0**	7.1
Impact of changes in tax rate	**2.9**	(0.9)
Change in unrecognized deductible temporary differences	**19.0**	0.1
Adjustments in respect of prior years	**(6.2)**	0.6
Other	**—**	(0.8)
Deferred income tax (recovery) expense	**$ 10.0**	$ 21.8
	$ 50.1	$ 41.3

A reconciliation of the provision for income taxes computed at the combined Canadian federal and provincial statutory rate to the provision for income taxes as shown in the consolidated statement of income and comprehensive income for the years ended December 31, 2018 and 2017, is as follows:

	2018	2017
Net income before income taxes	**$ 189.1**	$ 236.0
Statutory tax rate	**26.6%**	26.6%
Tax expense at statutory rate	**$ 50.4**	$ 62.8
Reconciling items:		
Change in unrecognized deductible temporary differences	**19.0**	0.1
Income/expenses not (taxed) deductible	**(1.0)**	(3.0)
Differences in foreign statutory tax rates	**(24.7)**	(20.9)
Differences due to changing future tax rates	**2.9**	(0.9)
U.S. Tax Reform impact	**2.0**	7.1
Foreign withholding tax	**0.6**	1.4
Temporary differences subject to initial recognition exemption	**1.0**	(5.2)
Other	**(0.1)**	(0.1)
Net income tax expense	**$ 50.1**	$ 41.3

On December 22, 2017, the United States enacted Tax Reform legislation. Among the significant changes include a reduction in the U.S. corporate income tax rate from 35% to 21% effective January 1, 2018, which resulted in a deferred tax expense of $2.0 million for the year ended December 31, 2018 (December 31, 2017 – $7.1 million) on the re-measurement of the Company's deferred tax asset in the U.S. The impact of the U.S. Tax Reform on the Company may differ from the expense recorded due to changes as a result of additional information and guidance that will be issued by the Department of Treasury.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

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Income tax expense (recovery) recognized in other comprehensive income is as follows:

	2018			2017		
	Before Tax Loss	Tax Recovery	After Tax Loss	Before Tax Gain	Tax Expense	After Tax Gain
Change in market value of available-for-sale investments	$ (21.4)	$ 3.0	$ (18.4)	$ 47.1	$ (6.3)	$ 40.8
Cumulative translation adjustment	(68.3)	—	(68.3)	77.2	—	77.2
Other comprehensive loss	$ (89.7)	$ 3.0	$ (86.7)	$ 124.3	$ (6.3)	$ 118.0
Deferred tax	$ —	$ 3.0	$ —	$ —	$ (6.3)	$ —

The significant components of deferred income tax assets and liabilities as at December 31, 2018 and 2017, respectively, are as follows:

	2018	2017
Deferred income tax assets:		
Deductible temporary differences relating to:		
Royalty, stream and working interests	$ 16.2	$ 5.6
Non-capital loss carry-forwards	1.9	9.5
Other	(0.8)	(0.6)
	$ 17.3	$ 14.5
Deferred income tax liabilities:		
Taxable temporary differences relating to:		
Share issue and debt issue costs	$ (3.7)	$ (7.1)
Royalty, stream and working interests	74.8	71.1
Non-capital loss carry-forwards	(2.6)	(5.6)
Investments	2.5	5.8
Other	(3.7)	(3.9)
	$ 67.3	$ 60.3
Deferred income tax liabilities, net	$ 50.0	$ 45.8

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2018	2017
Deferred income tax assets:		
Deferred income tax asset to be recovered within 12 months	$ 0.1	$ 0.1
Deferred income tax asset to be recovered after more than 12 months	17.2	14.4
	$ 17.3	$ 14.5
Deferred income tax liabilities:		
Deferred income tax liability to be settled within 12 months	1.0	0.9
Deferred income tax liability to be settled after more than 12 months	66.3	59.4
	$ 67.3	$ 60.3
Deferred income tax liabilities, net	$ 50.0	$ 45.8

Notes to the Consolidated Financial Statements

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The movement in net deferred taxes during the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Balance, beginning of year	$ 45.8	$ 16.2
Recognized in profit/loss	10.0	21.8
Recognized in other comprehensive income (loss)	(3.0)	6.3
Other	(2.8)	1.5
Deferred income tax liabilities, net	$ 50.0	$ 45.8

The following table summarizes the Company's non-capital losses at December 31, 2018 that can be applied against future taxable profit:

Country	Type	Amount	Expiry Date
Canada	Non-Capital Losses	$ 17.0	2028-2038

Unrecognized deferred tax assets and liabilities

The aggregate amount of taxable temporary differences associated with investments in subsidiaries, for which deferred tax liabilities have not been recognized as at December 31, 2018 is $347.7 million (2017 – $336.8 million). No deferred tax liabilities are recognized on the temporary differences associated with investment in subsidiaries because the company controls the timing of reversal and it is not probable that they will reverse in the foreseeable future.

The aggregate amount of deductible temporary differences associated with other items, for which deferred tax assets have not been recognized as at December 31, 2018 is $75.7 million (2017 - $4.0 million). No deferred tax asset is recognized in respect of these items because it is not probable that future taxable profits will be available against which the company can utilize the benefit.

Deductible temporary differences and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2018	2017
Mineral Interests	$ 50.9	$ —
Tax loss	24.8	4.0
	$ 75.7	$ 4.0

Note 18 - Shareholders' equity

a) Share capital

The Company's authorized capital stock includes an unlimited number of common shares (186,692,481 common shares issued and outstanding) having no par value and preferred shares issuable in series (issued - nil).

During the year ended December 31, 2018, 94,018 common shares (2017 – 433,718 common shares) were issued on the exercise of stock options, for cash proceeds of $4.2 million (2017 – $10.1 million) and 52,882 common shares (2017 – 50,393 common shares) were issued upon vesting of RSUs. In addition, 615,250 common shares (2017 – 575,553 common shares) were issued pursuant to the terms of the Company's Dividend Reinvestment Plan ("DRIP") for the year ended December 31, 2018.

b) Dividends

The Company declared dividends in the amount of $177.8 million (2017 – $167.9 million), or $0.95 per share (2017 - $0.91 per share), in the year ended December 31, 2018. The Company paid cash dividends in the amount $136.1 million (2017 – $125.8 million) and issued common shares pursuant to its DRIP valued at $41.7 million (2017 – $42.1 million), in the year ended December 31, 2018.

c) Stock-based payments

On March 7, 2018, the Company's Board of Directors adopted an amended and restated share compensation plan covering both stock options and RSUs effective May 9, 2018 (the "Plan"). Pursuant to the Plan, the Company may grant incentive stock options to directors, officers, employees and consultants at the discretion of the Board of Directors. The exercise price and vesting period of any option is fixed by the Board of Directors on the date of grant. The term of options is at the sole discretion of the Board of Directors but may not exceed ten years from the date of grant. Options expire on the earlier of the expiry date or the date of termination and are non-transferable. The options granted will be adjusted in the event of an amalgamation, rights offering, share consolidation or subdivision or other similar adjustments of the share capital of the Company. The aggregate number of common shares that may be issued under the Plan is limited to 9,700,876 common shares. Within any one-year period, the number of common shares issued to any single insider participant under the Plan shall not exceed 5% of the common shares then issued and outstanding.

Options to purchase common shares of the Company that have been granted in accordance with the Plan and pursuant to other agreements are as follows:

	2018			2017		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Stock options outstanding, beginning of year	**955,603**	**C$**	**64.48**	1,304,328	C$	50.64
Granted	**153,824**	**C$**	**92.77**	97,789	C$	100.10
Exercised	**(94,018)**	**C$**	**60.49**	(433,718)	C$	30.79
Forfeited	**—**	**C$**	**—**	(12,796)	C$	67.81
Stock options outstanding, end of the year	**1,015,409**	**C$**	**69.13**	955,603	C$	64.48
Exercisable stock options, end of the year	**710,064**	**C$**	**60.40**	617,539	C$	55.88

Options granted during the year ended December 31, 2018 and 2017 have a ten-year term and vest over three years in equal portions on the anniversary of the grant date. The fair value of stock options was calculated using the Black-Scholes option pricing model based on the following weighted average assumptions, resulting in a fair value of $3.0 million, or a weighted average fair value of C$25.77 per stock option, (2017 — $3.0 million, or C$30.30 per stock option).

	2018	2017
Risk-free interest rate	**2.05 %**	1.65 %
Expected dividend yield	**1.38 %**	1.19 %
Expected price volatility of the Company's common shares	**32.7 %**	36.1 %
Expected life of the option	**5 years**	5 years
Forfeiture rate	**0 %**	0 %

During the year ended December 31, 2018, an expense of $2.6 million (2017 - $3.1 million) related to stock options has been included in the consolidated statement of income and other comprehensive income (loss) and $0.4 million was capitalized to royalty, stream and working interest, net (2017 - $0.5 million). As at December 31, 2018, there is $3.9 million (2017 - $4.2 million) of total unrecognized non-cash stock-based compensation expense relating to stock options granted under the Plan, which is expected to be recognized over a weighted average period of 1.7 years (2017 - 1.4 years).

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Options to purchase common shares outstanding at December 31, 2018, exercise prices and weighted average lives to maturity as follows:

Exercise price	Options outstanding	Options exercisable	Weighted average life *(years)*
C$31.39	10,000	10,000	1.39
C$31.45	38,000	38,000	1.71
C$33.12	1,500	1,500	1.90
C$33.20	1,000	1,000	1.98
C$40.87	52,786	52,786	4.94
C$42.43	3,000	3,000	3.25
C$42.67	2,500	2,500	2.92
C$46.17	100,000	100,000	4.63
C$55.58	27,397	27,397	3.95
C$58.67	65,000	65,000	6.64
C$59.52	113,914	113,914	5.95
C$65.76	91,635	91,635	6.95
C$75.45	257,064	170,736	7.95
C$88.76	47,732	—	9.64
C$94.57	106,092	—	9.95
C$100.10	97,789	32,596	8.94
	1,015,409	710,064	7.00

d) Restricted Share Units

During the year ended December 31, 2018, 24,724 performance-based RSUs (2017 - 21,095) and 24,341 time-based RSUs (2017 - 20,745) were awarded to management of the Company. The fair value of the RSUs, which is determined with reference to the weighted average trading price of the Company's common shares over the five trading days immediately preceding the date of issuance, was determined to be $3.4 million in 2018 (2017 - $3.3 million). Included in the Company's stock-based compensation expense is an amount of $2.6 million (2017 – $1.5 million) relating to RSUs. In addition, $0.5 million related to the RSUs was capitalized to royalty, stream and working interest, net (2017 – $0.3 million). As at December 31, 2018, there is $5.4 million (2017 – $5.3 million) of total unrecognized non-cash stock-based compensation expense relating to non-vested restricted share units granted under the Plan, which is expected to be recognized over a weighted average period of 2.1 years (2017 - 1.5 years).

e) Deferred Share Unit Plan

During the year ended December 31, 2018, 18,420 DSUs and dividend equivalent DSUs were granted to directors under the DSU Plan (2017 - 19,632), and 15,298 DSUs and dividend equivalent DSUs were redeemed. The value of the DSU liability as at December 31, 2018 was $6.1 million (2017 - $6.7 million). The mark-to-market adjustment recorded for the year ended December 31, 2018 in respect of the DSU Plan, resulted in a gain of $0.3 million (2017 – loss of $1.6 million).

f) Outstanding Stock Options, Restricted Share Units and Share Purchase Warrants

The following table sets out the maximum shares that would be outstanding if all of the stock options, RSUs at December 31, 2018 and 2017 were exercised:

	2018	2017
Common shares outstanding	**186,692,481**	185,930,331
Stock options	**1,015,409**	955,603
Restricted Share Units	**115,337**	119,796
	187,823,227	187,005,730

Notes to the Consolidated Financial Statements

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Note 19 – Earnings per share ("EPS")

	For the year ended December 31, 2018		
	Earnings *(Numerator)*	**Shares** *(Denominator)*	**Per Share Amount**
Basic EPS	**$ 139.0**	**186.1**	**$ 0.75**
Effect of dilutive securities	**—**	**0.3**	**—**
Diluted EPS	**$ 139.0**	**186.4**	**$ 0.75**

	For the year ended December 31, 2017		
	Earnings *(Numerator)*	Shares *(Denominator)*	Per Share Amount
Basic EPS	$ 194.7	182.9	$ 1.06
Effect of dilutive securities	—	0.4	—
Diluted EPS	$ 194.7	183.3	$ 1.06

For the year ended December 31, 2018, 103,893 stock options (2017 – nil) were excluded in the computation of diluted EPS due to the strike price exceeding the weighted average share price during the year. Further, 17,524 stock options (2017 – 5,626) and 1,400 time-based RSUs (2017 – 1,194) were excluded due to being anti-dilutive. RSUs totaling 69,442 (2017 –73,947) were excluded from the computation of diluted EPS due to the performance criteria for the vesting of the RSUs not being measurable as at December 31, 2018.

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Note 20 – Commitments

(a) Ore purchase commitments

The following table summarizes the Company's commitments pursuant to the associated precious metals agreements:

	Attributable Payable Production to be Purchased			Per Ounce Cash Payment [1],[2]				
Interest	Gold	Silver	PGM	Gold	Silver	PGM	Term of Agreement[3]	Date of Contract
Antamina	0 %	22.5 % [4]	0 %	n/a	5 % [5]	n/a	40 years	7-Oct-15
Antapaccay	— % [6]	— % [7]	0 %	20 % [8]	20 % [9]	n/a	40 years	10-Feb-16
Candelaria	68 % [10]	68 % [10]	0 %	$ 400	$4.00	n/a	40 years	6-Oct-14
Cobre Panama Fixed Payment Stream	— % [11]	— % [12]	0 %	$ 418 [13]	$6.27 [14]	n/a	40 years	19-Jan-18
Cobre Panama Floating Payment Stream	— % [15]	— % [16]	0 %	20 % [17]	20 % [18]	n/a	40 years	19-Jan-18
Karma	4.875 % [19]	0 %	0 %	20 % [20]	n/a	n/a	40 years	11-Aug-14
Guadalupe-Palmarejo	50 %	0 %	0 %	$ 800	n/a	n/a	40 years	2-Oct-14
Sabodala	6 % [21]	0 %	0 %	20 % [22]	n/a	n/a	40 years	12-Dec-13
MWS	25 %	0 %	0 %	$ 400	n/a	n/a	40 years [23]	2-Mar-12
Cooke 4	7 %	0 %	0 %	$ 400	n/a	n/a	40 years	5-Nov-09
Sudbury[24]	50 %	0 %	50 %	$ 400	n/a	$ 400	40 years	15-Jul-08

1 Subject to an annual inflationary adjustment except for Antamina, Antapaccay, Karma, Guadalupe-Palmarejo and Sabodala.
2 Should the prevailing market price for gold be lower than this amount, the per ounce cash payment will be reduced to the prevailing market price.
3 Subject to successive extensions.
4 Subject to a fixed payability of 90%. Percentage decreases to 15% after 86 million ounces of silver has been delivered under the agreement.
5 Purchase price is 5% of the average silver price at the time of delivery.
6 Gold deliveries are referenced to copper in concentrate shipped with 300 ounces of gold delivered for each 1,000 tonnes of copper in concentrate shipped, until 630,000 ounces of gold have been delivered. Thereafter, percentage is 30% of gold shipped.
7 Silver deliveries are referenced to copper in concentrate shipped with 4,700 ounces of silver delivered for each 1,000 tonnes of copper in concentrate shipped, until 10.0 million ounces of silver have been delivered. Thereafter, percentage is 30% of silver shipped.
8 Purchase price is 20% of the spot price of gold until 750,000 ounces of gold has been delivered, thereafter the purchase price is 30% of the spot price of gold.
9 Purchase price is 20% of the spot price of silver until 12.8 million ounces of silver has been delivered, thereafter the purchase price is 30% of the spot price of silver.
10 Percentage decreases to 40% after 720,000 ounces of gold and 12.0 million ounces of silver have been delivered under the agreement.
11 Gold deliveries are indexed to copper in concentrate produced from the project. 120 ounces of gold per every 1 million pounds of copper produced until 808,000 ounces of gold delivered. Thereafter, 81 ounces of gold per 1 million pounds of copper produced to 1,716,188 ounces of gold delivered, thereafter 63.4% of the gold in concentrate.
12 Silver deliveries are indexed to copper in concentrate produced from the project. 1,376 ounces of silver per every 1 million pounds of copper produced until 9,842,000 ounces of silver delivered. Thereafter, 1,776 ounces of silver per 1 million pounds of copper produced to 29,731,000 ounces of silver delivered, thereafter 62.1% of the silver in concentrate.
13 In accordance with the terms of the agreement, the purchase price was adjusted from $406 per ounce to $418.27 per ounce after November 2018 on the initial gold deliveries. After 1,341,000 ounces of gold delivered, purchase price is the greater of 50% of spot and $418.27 per ounce. In the event that the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum is not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return on its upfront payments until the above-mentioned mill throughput has been achieved, through a reduction of the applicable Fixed Gold Price of $100 per ounce or a delivery of additional ounces for no consideration.
14 In accordance with the terms of the agreement, the purchase price was adjusted from $6.09 per ounce to $6.27 per ounce after November 2018 on the initial silver deliveries. After 21,510,000 ounces of silver delivered, purchase price is the greater of 50% of spot and $6.27 per ounce.
15 Gold deliveries are indexed to copper in concentrate produced from the project. 30 ounces of gold per every 1 million pounds of copper produced until 202,000 ounces of gold delivered. Thereafter 20.25 ounces of gold per 1 million pounds of copper produced to 429,047 ounces of gold delivered, thereafter 15.85% of the gold in concentrate.
16 Silver deliveries are indexed to copper in concentrate produced from the project. 344 ounces of silver per every 1 million pounds of copper produced until 2,460,500 ounces of silver delivered. Thereafter, 444 ounces of silver per 1 million pounds of copper produced to 7,432,750 ounces of silver delivered, thereafter 15.53% of the silver in concentrate.
17 Purchase price is 20% of the spot price of gold until 604,000 ounces of gold delivered. Thereafter, purchase price is 50% of the spot price of gold. In the event that the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum is not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return on its upfront payments until the above-mentioned mill throughput has been achieved, through a reduction of the applicable Fixed Gold Price of $100 per ounce or a delivery of additional ounces for no consideration.
18 Purchase price is 20% of the spot price of silver until 9,618,000 ounce of silver delivered. Thereafter, purchase price is 50% of the spot price of silver.
19 Gold deliveries are fixed at 15,000 ounces per annum from March 31, 2016 until February 28, 2021. Thereafter, percentage is 4.875%.
20 Purchase price is 20% of the average gold price at the time of delivery.
21 Gold deliveries are fixed at 1,875 ounces per month until December 31, 2019. Thereafter, percentage is 6% of gold produced.
22 Purchase price is 20% of prevailing market price at the time of delivery.
23 Agreement is capped at 312,500 ounces of gold.
24 The Company is committed to purchase 50% of the precious metals contained in ore from the properties. Cash payment is based on gold equivalent ounces. For McCreedy, the fixed price per gold equivalent ounce was increased to $800 per ounce (with no annual inflationary adjustment), effective July 1, 2018 until December 31, 2021.

(b) Continental Royalty Acquisition Venture

The Company is committed to fund its share of the acquisition of mineral rights acquired through the Continental Royalty Acquisition Venture as described in Note 4(a).

Note 21 – Contingencies

CRA Review

The Canada Revenue Agency ("CRA") is conducting an audit of Franco-Nevada's 2012-2015 taxation years.

As previously announced on December 5, 2018, the Company received a letter from the CRA (the "CRA Letter") in which it proposed to reassess the Company's 2013 taxation year for tax, interest and penalties in relation to the Company's Mexican subsidiary. The Company has received a Notice of Reassessment (the "Reassessment") from the CRA for the 2013 taxation year in accordance with the CRA Letter. The Reassessment assesses the Company for additional Federal and provincial income taxes of C$10.7 million ($7.9 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty.

For the 2013 taxation year, the Company's Mexican subsidiary paid 154.3 million Pesos ($12.1 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico.

Management believes that the Company has filed its tax returns and paid all applicable taxes in compliance with Canadian and Mexican tax laws and as a result, no amounts have been recorded in the financial statements of the Company for the Reassessment or for any potential tax liability that may arise in respect of this matter. The Company intends to vigorously defend its position and if required, seek relief from double taxation under the Canada-Mexico tax treaty.

The CRA audit is ongoing and there can be no assurance that the CRA will not further challenge the manner in which the Company and its foreign subsidiaries has filed its income tax returns and reported its income. In the event that the CRA successfully challenges the manner in which the Company has filed its tax returns and reported its income, this could potentially result in additional income taxes, penalties and interest, which could have a material adverse effect on the Company.

Note 22 – Segment Reporting

The chief operating decision-maker organizes and manages the business under two operating segment, consisting of royalty, stream and working interests in the mining and energy sectors.

The Company's reportable segments for purposes of assessing performance are presented as follows:

As at December 31, 2018	Mining	Energy	Total segment gross profit
Revenue	$ 567.1	$ 86.1	**$ 653.2**
Income/(expenses)			
Costs of sales	$ 112.3	$ 5.9	**$ 118.2**
Depletion and depreciation	206.6	37.3	**243.9**
Segment gross profit	**$ 248.2**	**$ 42.9**	**$ 291.1**

Notes to the Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in millions of U.S. dollars except share and per share amounts)

As at December 31, 2017	Mining	Energy	Total segment gross profit
Revenue	$ 628.0	$ 47.0	$ 675.0
Income/(expenses)			
Costs of sales	$ 137.4	$ 4.6	$ 142.0
Depletion and depreciation	246.3	22.6	268.9
Segment gross profit	$ 244.3	$ 19.8	$ 264.1

A reconciliation of total segment gross profit to the consolidated net income before income taxes is presented below:

	2018	2017
Total segment gross profit	**$ 291.1**	$ 264.1
Other operating (income)/expenses		
General and administrative expenses	**$ 22.6**	$ 24.9
Impairment of royalty, streams and working interests	**76.0**	-
Gain on sale of bullion	**(0.1)**	(0.3)
Depreciation	**3.8**	4.1
Foreign exchange (gain) and other income (expenses)	**(1.8)**	(1.1)
Realized gain on investments	**-**	(2.0)
Impairment of investments	**-**	4.5
Income before finance items and income taxes	**$ 190.6**	$ 234.0
Finance items		
Finance income	**$ 3.1**	$ 5.4
Finance expenses	**(4.6)**	(3.4)
Net income before income taxes	**$ 189.1**	$ 236.0

Revenues earned during the years ended December 31, 2018 and 2017 are presented by geographic area based on the location of the mining operations giving rise to the royalty, stream or working interest:

	2018	2017
Latin America:		
Peru	**$ 148.6**	$ 153.1
Chile	**70.5**	105.2
Other	**49.2**	67.7
United States	**137.2**	100.2
Canada	**122.6**	125.5
Rest of World	**125.1**	123.3
	$ 653.2	$ 675.0

Notes to the Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

(Expressed in millions of U.S. dollars except share and per share amounts)

For the year ended December 31, 2018, two interests generated revenue totaling $97.5 million and $70.5 million, (2017 – two interests generated revenue totaling $90.2 million and $105.2 million), comprising 14.9% and 10.8%, respectively (2017 – 13.4% and 15.6%, respectively) of revenue.

Royalty, stream and working interests as at December 31, 2018 and 2017 are presented by geographic area based on the location of the mining operations giving rise to the royalty, stream or working interest.

	2018	2017
Latin America:		
Panama	**$ 1,364.9**	$ 734.4
Peru	**886.2**	953.2
Chile	**504.0**	533.4
Other	**52.6**	59.0
United States	**931.1**	622.5
Canada	**503.9**	666.7
Rest of World	**312.9**	370.0
	$ 4,555.6	$ 3,939.2

Investments of $169.7 million (2017 - $203.1 million) are held in Canada. Energy well equipment, included in other non-current assets, of $10.2 million (2017 - $12.7 million) is located in Canada.

Note 23 – Subsequent events

(a) Acquisition of Valentine Lake Royalty Interest – Newfoundland, Canada

On February 21, 2019, Franco-Nevada acquired a 2% NSR on Marathon Gold Corporation's ("Marathon") Valentine Lake Gold Camp in central Newfoundland for C$18.0 million. Marathon has an option to buy back 0.5% of the NSR for $7.0 million until December 31, 2022.

(b) Acquisition of Salares Norte Royalty Interest – Chile

On January 31, 2019, Franco-Nevada, through a wholly-owned Chilean subsidiary, acquired an existing 2% NSR on Gold Fields' Salares Norte project in the Atacama region of northern Chile for $32.0 million, comprised of $27.0 million of Franco-Nevada common shares (366,499 common shares) and $5.0 million in cash. Gold Fields has an option to buy back 1% of the NSR for $6.0 million within 24 months of commercial production.

Exhibit 99.4

CERTIFICATIONS PURSUANT TO RULE 13A-14(A) OF THE EXCHANGE ACT, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, David Harquail, certify that:

1. I have reviewed this annual report on Form 40-F of Franco-Nevada Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 27, 2019

/s/ David Harquail
David Harquail
Chief Executive Officer

Exhibit 99.5

CERTIFICATIONS PURSUANT TO RULE 13A-14(A) OF THE EXCHANGE ACT, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Sandip Rana, certify that:

1. I have reviewed this annual report on Form 40-F of Franco-Nevada Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 27, 2019

/s/ Sandip Rana
Sandip Rana
Chief Financial Officer

Exhibit 99.6

CERTIFICATION PURSUANT TO
18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Franco-Nevada Corporation (the "Company") on Form 40-F for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Harquail, the Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 27, 2019

/s/ David Harquail
David Harquail
Chief Executive Officer

Exhibit 99.7

CERTIFICATION PURSUANT TO
18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Franco-Nevada Corporation (the "Company") on Form 40-F for the year ended December 31, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Sandip Rana, the Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 27, 2019

/s/ Sandip Rana
Sandip Rana
Chief Financial Officer

Exhibit 99.8



Consent of Independent Registered Public Accounting Firm

We hereby consent to the inclusion in this Annual Report on Form 40-F for the year ended December 31, 2018 of Franco-Nevada Corporation of our report dated March 19, 2019, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-225687), on Form S-8 (No. 333-176856) and on Form F-10 (No. 333-225268) of Franco-Nevada Corporation of our report dated March 19, 2019 referred to above. We also consent to reference to us under the heading “Experts,” which appears in the Annual Information Form included in this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 27, 2019

Exhibit 99.9

CONSENT OF PHIL WILSON

In connection with Franco-Nevada Corporation's Annual Report on Form 40-F, and any amendments thereto, and any documents incorporated by reference therein, to be filed with the United States Securities and Exchange Commission (the "Annual Report"), I hereby consent to the use of and references to my name, and the inclusion and incorporation by reference in the Annual Report of the information approved by me that is of a scientific or technical nature and all other references to such information included or incorporated by reference in the Annual Report and the registration statements on Form F-3 (No. 333-225687), on Form S-8 (No. 333-176856) and on Form F-10 (No. 333-225268).

DATED: March 27, 2019

/s/ Phil Wilson
Name: Phil Wilson, CEng