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, 2019 **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:	Trading Symbol(s)	Name of Each Exchange On Which Registered:
Common Shares	**FNV**	**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: 189,381,388

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, the expected exposure for current and future assessments and available remedies, the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project, the aggregate value of the Company's common shares (the "Common Shares") which may be issued pursuant to the at-the-market equity program (the "ATM Program"), the Registrant's expected use of the net proceeds of the ATM Program, and expected succession planning. 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; access to sufficient pipeline capacity; 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. In addition, there can be no assurance as to the outcome of the ongoing audit by the Canada Revenue Agency or the Registrant's exposure as a result thereof. 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 2019 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 2019 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 2019 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 being replaced following the adoption of new legislation under sub-part 1300 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 2019 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, 2019 (the “2019 AIF”);
- the Management’s Discussion and Analysis of the Registrant for the fiscal year ended December 31, 2019 (the “2019 MD&A”); and
- the audited consolidated financial statements of the Registrant, as at and for the fiscal years ended December 31, 2019 and 2018, 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 2019 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, Chartered Professional Accountants, 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 2019 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, 2019 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 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 Chair, 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 Chair 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 independent directors, as determined under the NYSE Manual. The Compensation and Corporate Governance Committee's name was changed to the Compensation and ESG Committee effective March 9, 2020.

The mandate of the Board, the Audit and Risk Committee charter and the Compensation and ESG Committee charter are located on the Registrant's website at www.franco-nevada.com, under the heading "Corporate—Policies & Mandates." Copies of the Board mandate and committee charters may be obtained upon request from Investor Relations at 416-306-6323, 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 Tom Albanese, Derek Evans, Jennifer Maki and committee chair Randall Oliphant, each of whom is independent under the NYSE Manual and Rule 10A-3 under the Exchange Act. In addition, the Board has determined that Mr. Oliphant and Ms. Maki are each 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 2019 AIF and the Audit and Risk Committee Charter attached as Appendix A to the 2019 AIF is 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—Policies & Mandates," or may be obtained upon request from Investor Relations at 416-306-6323, 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—FNV Practices & NYSE Rules," or may be obtained upon request from Investor Relations at 416-306-6323, 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—Policies & Mandates," or may be obtained, without charge, upon request from Investor Relations at 416-306-6323, 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 2019 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 2019 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, 2019, 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	$ 80,000,000	$ —	$ 80,000,000	$	$ —
Lease Obligations	2,764,000	589,000	1,179,000	996,000	—
Purchase Obligations	143,800,000	100,000,000	43,800,000	—	—
Other Long-Term Liabilities	—	—	—	—	—
Total	$226,564,000	$ 100,589,000	$124,979,000	$ 996,000	$ —

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); or (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. This summary does not address any tax consequences to U.S. expatriates or former long-term residents of the United States. Persons 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, 2019, 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 they remain subject to recently proposed Treasury Regulations that have yet to be made final. 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 18, 2020

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, 2019
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2019
99.3	Audited Consolidated Financial Statements of the Registrant, as at and for the fiscal years ended December 31, 2019 and 2018, 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
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

Exhibit 99.1

2020

Annual Information Form

For the year ended December 31, 2019
Dated as of March 18, 2020

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, 2019, 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 most recent Asset Handbook and 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**”), the expected exposure for current and future assessments and available remedies, the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project, the aggregate value of common shares which may be issued pursuant to its at-the-market equity program (the “**ATM Program**”), the Corporation’s expected use of the net proceeds of the ATM Program, and expected succession planning. 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; access to sufficient pipeline capacity; 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. In addition, there can be no assurance as to the outcome of the ongoing audit by the CRA or the Company's exposure as a result thereof. 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 being replaced following the adoption of new legislation under sub-part 1300 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,		
	2019[1]	2018[1]	2017[2]
High	$1.3600	$1.3642	$1.3743
Low	$1.2988	$1.2288	$1.2128
Average for the Period	$1.3269	$1.2957	$1.2986
End of Period	$1.2988	$1.3642	$1.2545

(1) Based on the 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 rate for that currency against the Canadian dollar. The Bank of Canada ceased to publish the noon rate as of April 28, 2017.

On March 17, 2020 the daily exchange rate was US$1.00 = C$1.4175 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)	Oil/$ bbl (WTI)	Gas/$ mcf (Henry Hub)
Average for 2017	$ 1,257	$ 17.05	$ 948	$ 870	$ 63	$ 2.09	$ 51	$ 2.96
Average for 2018	$ 1,268	$ 15.71	$ 881	$ 1,028	$ 69	$ 1.46	$ 65	$ 3.07
Average for 2019	$ 1,392	$ 16.20	$ 863	$ 1,539	$ 69	$ 1.70	$ 57	$ 2.53

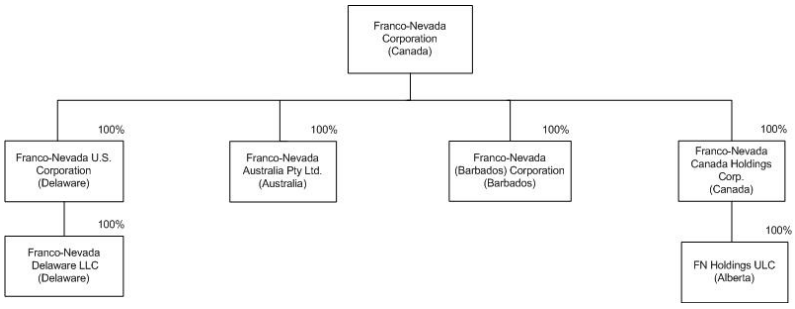
THE CORPORATION

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.



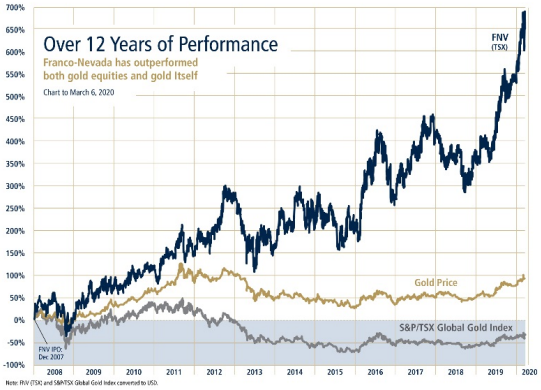
GENERAL DEVELOPMENT OF FRANCO-NEVADA'S BUSINESS

Overview

Franco-Nevada is the leading gold-focused royalty and streaming company with 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% of revenue 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 twelve 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 commodity 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
- Management that focuses on forward-looking 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 18, 2020, Franco-Nevada has 38 full-time employees and 4 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 most recent 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 human rights policy, a discrimination, harassment and equal opportunity policy, a diversity and inclusion policy, an investment principles (environmental, social and governance) policy, a supplier code of conduct, 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 most recent Environmental, Social and Governance (ESG) Report and its management information circular dated March 20, 2020 for its annual and special meeting of shareholders scheduled to be held on May 6, 2020 (the "**2020 Annual Meeting**"). See "Statement of Governance Practices" in such circular.

Three-Year History

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 Revolver**"). The FNBC Revolver provides for the availability over a one-year period of up to $100.0 million in borrowings. On March 10, 2020, FN Barbados extended the FNBC Revolver to March 20, 2021.

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 package of mineral title in the core of the Sooner Trend, Anadarko Basin, Canadian and Kingfisher counties ("**STACK**") shale play in Oklahoma from a private company. The transaction closed on November 1, 2017. The mineral title provides a perpetual ownership interest in assets which have a significant inventory of undeveloped well locations which will support production for many years.

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 and, as at year-end 2019, have achieved a production capacity of ~19,000 barrels per day of bitumen. Future expansion of up to 25,000 barrels per day is being contemplated by Osum as they pursue further facility debottlenecking, cost reduction and staged growth opportunities.

2018

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 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 reported that Cobre Panama had achieved commercial production effective September 1, 2019, one month earlier than previously expected, and that copper production in 2019 was 147,480 tonnes of copper, within its guidance of 140,000 – 170,000 tonnes. First Quantum expects the mill to be running at an annualized throughput rate of 100 million tonnes per annum ("**mtpa**") by 2023, resulting in copper production of over 350,000 tonnes per year. The final mill (8th mill), came on line in mid-December 2019, providing additional capacity on the third milling train, and First Quantum expects that mill throughput can now ramp-up to annualized production of 85 million tonnes.

Franco-Nevada received its first gold and silver ounces from Cobre Panama in July 2019. Total GEOs sold in 2019 were 43,554 GEOs, exceeding our guidance of 20,000 – 40,000 GEOs.

In September 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 while First Quantum seeks to clarify the legal position.

The newly elected Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. 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 reported that discussions with the commission have been productive.

Acquisition of U.S. Oil & Gas Royalties in 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.

Acquisition of U.S. Oil & Gas Royalty Rights and Strategic Relationship with Continental Resources, Inc. in 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 2019-2021 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 contributions to the Royalty Acquisition Venture.

Revenue distribution from the Royalty Acquisition Venture varies 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. The assets subject to the initial investment have an anticipated life of 30+ years from current wells and future development.

Given a favourable acquisition pace in 2019, Franco-Nevada advanced the capital funding spending schedule and increased its 2019 capital commitment to the Royalty Acquisition Venture to $120.0 million, up from $100.0 million. Contributions recorded by Franco-Nevada in 2019 were $114.4 million. Since the inception of the Royalty Acquisition Venture, Franco-Nevada has contributed a cumulative amount of $376.2 million, with up to $143.8 million in remaining commitments.

2019 & 2020 Recent Developments

Acquisition of Salares Norte Royalty Interest

On January 31, 2019, Franco-Nevada, through a wholly-owned 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 the commencement 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.

ATM Program

On July 19, 2019, Franco-Nevada established the ATM Program whereby the Company is permitted to issue up to an aggregate of $200 million worth of common shares from treasury at prevailing market prices to the public through the Toronto Stock Exchange, the New York Stock Exchange or any other marketplace on which the common shares are listed, quoted or otherwise trade. The volume and timing of distributions under the ATM Program is determined at the Company's sole discretion, subject to applicable regulatory limitations and blackout periods. The ATM Program is effective until July 18, 2020, unless terminated prior to such date by the Company.

In 2019, the Company issued 1,433,400 common shares under the ATM Program at an average price per common share of $96.56. The gross proceeds to the Company from these issuances were $138.4 million, and the net proceeds were $136.0 million after deducting agent commission costs of $1.4 million and other share issuance costs of $1.0 million.

Acquisition of Marcellus Royalty Interest

On July 22, 2019, Franco-Nevada acquired from Range Resources Corporation (" **Range**") an overriding royalty interest on acreage in the Marcellus shale play in Pennsylvania for a gross purchase price of $300.0 million. The royalty is calculated as 1% of gross production, less allowed deductions from approximately 350,000 net acres of Range's working interest position in Washington, Western Allegheny and Southern Beaver Counties in Pennsylvania. The royalty applies to existing production and future development from the Marcellus formation as well as future potential development from the Utica and Upper Devonian formations. The royalty provides exposure to a significant inventory of undeveloped drilling locations that is expected to be capable of supporting cash flow for several decades. The royalty is registered on title and is a direct interest in real property.

Acquisition of Premier Gold Royalty Interests

On September 25, 2019, Franco-Nevada acquired two royalties from Premier Gold Mines Limited for $6.0 million, including a 2% NSR on property owned by Newmont Corporation adjoining its Musselwhite Mine in Northwestern Ontario and a 1.5% NSR on Nevada Gold Mines LLC's Rain/Emigrant and Saddle properties located at the south end of the Carlin Trend in Nevada.

Acquisition of Project 81 Royalty Interest and Noble Common Shares

On November 22, 2019, Franco-Nevada acquired a 2% NSR on Noble Mineral Exploration's (" **Noble**") 55,000 hectare patented land package known as Project 81 in the Timmins-Cochrane area of Ontario, Canada, in exchange for Franco-Nevada agreeing to waive its pre-emptive and buy-back rights in respect of a historical third party royalty on Project 81, which was subsequently terminated. Franco-Nevada's 2% NSR covers the Crawford Nickel-Sulphide Project, which was recently spun out by Noble to Canada Nickel Company Inc. As part of the arrangement, Noble issued C$500,000 of Noble common shares to Franco-Nevada.

Acquisition of Eagle's Nest Royalty Interest and Extension of Noront Loan

On December 23, 2019, Franco-Nevada acquired a 1% gross royalty on Noront Resources Ltd.'s (" **Noront**") Eagle's Nest nickel, copper and PGM deposit in the Ring of Fire mining district of Ontario, Canada, for C$5.0 million ($3.8 million).

Franco-Nevada also extended the term of its $25 million loan to Noront to September 30, 2022, from its original maturity of April 28, 2020, under substantially the same terms and conditions. The loan bears annual interest at 7%, and amounted to $34.6 million including accrued interest as at December 31, 2019.

Credit Facilities

During 2019, the Company drew down $275.0 million from its $1.0 billion revolving credit facility (the " **Corporate Revolver**") to finance the acquisition of the Marcellus royalty. This amount was fully repaid by December 31, 2019. The Corporate Revolver has a maturity date of March 22, 2024, which the Company expects to extend by an additional year.

The Company also drew down $160.0 million from its unsecured, non-revolving credit facility (the " **Corporate Term Loan**") in 2019, and used the proceeds to pay down borrowings previously drawn against the Corporate Revolver. The amount outstanding under the Corporate Loan was reduced to $80.0 million by December 31, 2019. Subsequent to year-end, on February 14, 2020, the Corporate Term Loan was fully repaid.

The FNBC Revolver was undrawn during the year. The FNBC Revolver has a maturity date of March 20, 2021.

As of the date of this AIF, the Company has repaid all amounts borrowed against its credit facilities.

CRA Review

The CRA is conducting an audit of Franco-Nevada's 2012-2015 taxation years and has issued a series of reassessments to the Company. A description of the matters and amounts at issue is included in the notes to Franco-Nevada's financial statements for the year ended December 31, 2019.

2020 Guidance

The following contains forward looking statements about our guidance for 2020. 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. 2020 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 2020, the Company is pleased to provide the following guidance for its mining and energy segments, respectively:

	2020 guidance	2019 Actual	2018 Actual
Gold & Gold Equivalent sales[1],[2]	550,000 - 580,000 GEOs	516,438 GEOs sold	447,902 GEOs sold
Energy revenue[3]	$80.0 - $95.0 million	$115.9 million	$86.1 million

(1) Of the 550,000 to 580,000 GEOs, Franco-Nevada expects to receive 375,000 to 405,000 GEOs under its various streams. For the year ended December 31, 2019, the Company earned 345,466 GEOs from its streams.
(2) In forecasting GEOs for 2020, gold, silver, platinum and palladium metals have been converted to GEOs using commodity prices of $1,500 Au, $17.00 Ag, $900 Pt and $2,000 Pd.
(3) In forecasting revenue from Energy assets for 2020, the Company assumed a WTI oil price of $45 per barrel and a Henry Hub natural gas price of $2.00 per mcf.

Gold equivalent sales: GEO sales in 2019 exceeded our guidance, with strong production from our Cobre Panama, Candelaria, and Guadalupe-Palmarejo streams, as well as higher than anticipated royalties from our Hemlo NPI. For 2020, we continue to expect significant growth in GEO sales based on the following:

- **Latin America**: We expect sales from Cobre Panama to range between 90,000 and 110,000 GEOs as the mine continues to ramp up in 2020. Sales in 2020 for Candelaria are expected to range between 70,000 and 80,000 GEOs, as production from the mine is expected to increase with improving copper head grades, the Candelaria South Sector underground mine now operational and the mill optimization project on-track to be completed in Q1/2020. Antamina silver ounces sold are expected to increase compared to 2019, as we anticipate the mid-point of our long-term expected annual range of 2.8 million to 3.2 million silver ounces. Increases from these assets are expected to be partly offset by a decrease from Antapaccay based upon lower head grades as per the life of mine plan, where we expect between 60,000 and 70,000 GEOs in sales.
- **U.S.**: We expect higher production from South Arturo, where commercial production at the El Nino underground mine was ahead of schedule in Q3/2019, and from Stillwater, where production continues to benefit from the Blitz project and high palladium prices. Bald Mountain experienced delays with the construction and commissioning of the heap leach pad at the Vantage Complex and production at Marigold is transitioning away from higher royalty grounds. Royalties from the Goldstrike NPI are also expected to decrease.
- **Canada**: We expect a first full year of production from Dublin Gulch (Eagle) where first gold was poured in September 2019 and higher royalties from our Hemlo NPI. Production from Sudbury is expected to decrease, with Levack-Morrison mine being placed on care and maintenance in March 2019, and we expect no revenue from Musselwhite as the mine continues to recover from a fire early in April 2019.

- **Rest of World**: Production from Sabodala is expected to decrease, having fulfilled its fixed deliveries requirements in 2019, with future stream deliveries now being based on a trailing 6% of gold production. Royalties from Subika are also expected to decrease based on mine sequencing in the Subika open pit and a change in mining method at Subika Underground.

Energy revenue: Revenue from our Energy assets also exceeded our 2019 guidance, reflecting the addition of the Marcellus royalty as well as strong performances from our existing U.S. and Canadian assets. In 2020, based on a more conservative outlook, we expect revenue from Energy to decrease year-over-year based on weaker prices and the following additional factors:

- **U.S.**: We expect revenue from the SCOOP/STACK to be flat compared to 2019, reflecting additional royalty rights acquired through the Royalty Acquisition Venture with Continental, partly offset by the impact of a downturn in gas and NGL prices and a decrease in rig activity in the basin. Royalties from the Marcellus asset, acquired effective March 1, 2019, are expected to increase modestly year-over-year, reflecting a first full year of production, partly offset by lower prices for gas and NGLs which are at historic lows at the beginning of 2020. Revenue from the Permian Basin is expected to decrease compared to 2019, reflecting the decline of some high-royalty interest wells which came online in 2019. We also have not included lease bonus revenue in our 2020 guidance, which amounted to $2.0 million in 2019.
- **Canada**: We expect revenue for the Weyburn NRI to be lower than last year due to an increase in capital spending budgeted by the operator as they bring new wells online, which will help bolster future production levels. For Orion, in 2020, we assumed a higher differential for the Western Canada Select benchmark price (versus WTI) than what was realized in 2019. The differential in 2019 benefited from government-imposed production curtailments in Alberta which have since been reduced.

Depletion: The Company has estimated depletion and depreciation expense to be between $260.0 million to $290.0 million for 2020.

Capital commitments: With respect to the Royalty Acquisition Venture held with Continental, the Company is expected to contribute, subject to satisfaction of agreed upon development thresholds, up to $100.0 million in 2020.

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

The example below compares the value per ounce to Franco-Nevada of a 4% NSR, a 4% stream or a 4% NPI or WI. Assume for one ounce of gold, a sales price of $1,500, a "stream cost" of $400 per ounce and that the "all-in sustaining cost"[(1)] of the mine is $894 per ounce.

	NSR	Stream	Developed NPI or WI
One ounce sold at	$ 1,500	$ 1,500	$ 1,500
Applicable cost	—	$ 400	$ 894 [(1)]
Margin for calculation	$ 1,500	$ 1,100	$ 606
NSR, Stream or NPI %	4 %	4 %	4 %
Revenue per ounce to FNV	$ 60	$ 44	$ 24

(1) For applicable costs for a developed NPI or WI, Franco-Nevada is, for illustrative purposes, assuming Barrick Gold Corporation's (" **Barrick**") 2019 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 almost 2.5 times more valuable than an equivalent Developed NPI or WI and almost 1.4 times more valuable than a stream interest. The NSR provides the highest margins and most downside protection to changes in the commodity price. The stream provides commodity price leverage similar to a low cost operating company with certainty as to future costs. The NPI or WI provides the most leverage to commodity price.

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 6, 2020 (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, 2019. 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. During 2020, Franco-Nevada intends to evaluate whether the inclusion of the Summary of Mineral Reserves and Mineral Resources contained in this AIF should be continued to be included going forward. For additional information, please refer to Franco-Nevada's most recent 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 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; (ii) the news release dated February 4, 2020 of Glencore containing the Glencore 2019 Production Report, available on Glencore's website, and which reports silver production for the Antamina project; and (iii) the information disclosed in the annual information form of Teck Resources Limited ("**Teck**") dated February 26, 2020 and filed under Teck's SEDAR profile on February 26, 2020.

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, 2019; and (iii) the news release dated February 4, 2020 of Glencore containing the Glencore 2019 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 Mining Limited ("**Lundin**") and filed under Lundin's SEDAR profile on November 28, 2018 (the "**Candelaria Technical Report**"); (ii) the information disclosed in the annual information form of Lundin dated March 29, 2019 and filed under Lundin's SEDAR profile on March 29, 2019; (iii) Lundin's press release dated September 5, 2019 announcing Mineral Reserves and Mineral Resources as of June 30, 2019; and (iv) the management's discussion and analysis of Lundin for the year ended December 31, 2019, dated as of February 20, 2020 and filed under Lundin's SEDAR profile on February 20, 2020.

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 March 2019, which was prepared for First Quantum and filed under First Quantum's SEDAR profile on March 29, 2019 ("**Cobre Panama Technical Report** ") and (ii) the management's discussion and analysis of First Quantum for the year ended December 31, 2019 and filed under First Quantum's SEDAR profile on February 14, 2020.

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, Pennsylvania 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 18, 2020, Franco-Nevada estimates that it holds 295 mining assets and 79 energy assets for a total of 374 assets.

Franco-Nevada Asset Tabulation at March 18, 2020			
	Mining	Energy	TOTAL
Producing	55	56	111
Advanced	34	—	34
Exploration	206	23	229
TOTAL	295	79	374

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									Est. % 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	323,200	0.11	1,106	2,823,800	0.07	6,014	**3,147,000**	**0.07**	**7,120**	100 %
Candelaria	1,5	550,685	0.12	2,200	113,013	0.17	600	**663,696**	**0.13**	**2,700**	80 %
Antapaccay	6	244,000	0.09	693	422,000	0.09	1,199	**666,000**	**0.09**	**1,892**	100 %
Guadalupe-Palmarejo	1,3,7	992	3.20	102	9,594	1.92	591	**10,586**	**2.04**	**693**	81 %
Cerro Moro	8	12	5.99	2	1,518	10.79	526	**1,530**	**10.75**	**529**	100 %
Salares Norte	9	—	—	—	21,079	5.13	3,476	**21,079**	**5.13**	**3,476**	100 %
Taca Taca	10	—	—	—	—	—	—	**—**	**—**	**—**	100 %
CentroGold (Gurupi)	11	—	—	—	19,800	1.68	1,070	**19,800**	**1.68**	**1,070**	100 %
Calcatreu	12	—	—	—	—	—	—	**—**	**—**	**—**	100 %
San Jorge	13	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Volcan	1,14	—	—	—	—	—	—	**—**	**—**	**—**	25 %
GOLD - UNITED STATES											
Carlin Trend	1,15	91,057	4.37	12,846	105,691	2.42	8,293	**195,122**	**3.32**	**21,138**	32 %
Marigold	1,16	—	—	—	228,763	0.53	3,887	**228,763**	**0.53**	**3,887**	98 %
Bald Mountain	1,17	—	—	—	63,999	0.60	1,277	**63,999**	**0.60**	**1,277**	92 %
Mesquite	18	1,167	0.62	23	53,468	0.57	981	**54,635**	**0.57**	**1,004**	100 %
Castle Mountain	19	136,611	0.58	2,559	60,977	0.51	1,004	**197,589**	**0.56**	**3,563**	100 %
Midas/Fire Creek	3,20	20	51.43	33	34	19.46	21	**54**	**31.38**	**54**	100 %
Hollister	3,21	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Stibnite Gold	3,22	—	—	—	88,964	1.60	4,578	**88,964**	**1.60**	**4,578**	100 %
Sandman	23	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Pinson	1,3,24	5,717	0.91	168	1,056	5.19	176	**6,856**	**1.56**	**344**	—
Robinson	25	110,513	0.15	533	8,860	0.12	34	**119,374**	**0.15**	**576**	100 %
GOLD - CANADA											
Sudbury	1,26		not available			not available			**not available**		not available
Detour Lake	27	81,050	1.24	3,240	396,400	0.91	11,606	**477,450**	**0.97**	**14,846**	100 %
Hemlo	1,28	910	4.94	150	9,700	3.81	1,200	**11,000**	**3.90**	**1,300**	20 %
Golden Highway - Holt Complex	29	2,507	3.70	296	2,925	4.30	406	**5,432**	**4.00**	**702**	100 %
Golden Highway - Hislop	30	—	—	—	176	5.80	33	**176**	**5.80**	**33**	100 %
Brucejack	31	3,400	9.50	1,000	12,600	13.40	5,400	**16,000**	**12.60**	**6,400**	100 %
Kirkland Lake	32	383	20.30	250	2,930	22.40	2,110	**3,320**	**22.11**	**2,360**	100 %
Dublin Gulch (Eagle Deposit)	33	30,000	0.71	694	118,000	0.63	2,366	**148,000**	**0.64**	**3,061**	100 %
Musselwhite	34	4,900	6.48	1,020	5,000	6.57	1,070	**9,900**	**6.52**	**2,090**	100 %
Timmins West	35	407	3.59	47	6,055	3.11	606	**6,462**	**3.14**	**653**	100 %
Canadian Malartic	1,36	47,694	0.83	1,270	86,114	1.27	3,508	**133,808**	**1.11**	**4,778**	12 %
Hardrock	37	—	—	—	141,700	1.02	4,648	**141,700**	**1.02**	**4,648**	100 %
Valentine Lake	38	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Red Lake (Phoenix)	39	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Courageous Lake	40	12,000	2.41	1,000	79,000	2.17	5,500	**91,000**	**2.20**	**6,500**	100 %
Goldfields	41	1,228	1.90	75	21,105	1.39	945	**22,333**	**1.42**	**1,020**	100 %
Monument Bay	42	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Red Mountain	43	—	—	—	—	—	—	**—**	**—**	**—**	100 %
GOLD - AUSTRALIA											
Duketon	1,44	9,800	0.90	285	38,700	1.29	1,606	**48,600**	**1.21**	**1,892**	93 %
Henty	45	55	4.90	8	10	5.20	2	**65**	**5.40**	**10**	100 %
Aphrodite	46	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Yandal (Bronzewing)	47	5,200	2.00	332	10,800	1.40	487	**16,000**	**1.59**	**820**	100 %
Bullabulling	1,48	—	—	—	—	—	—	**—**	**—**	**—**	50 %
Edna May	1,49	1,700	0.46	25	420	4.67	63	**2,120**	**1.29**	**88**	2 %
Glenburgh	50	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Red October	51	—	—	—	—	—	—	**—**	**—**	**—**	100 %
South Kalgoorlie	1,52	599	3.32	64	2,701	2.92	254	**3,300**	**2.99**	**317**	82 %
Matilda (Wiluna)	53	550	0.80	15	24,100	1.80	1,366	**24,600**	**1.70**	**1,381**	100 %
GOLD - REST OF WORLD											
MWS	54	106,230	0.21	730	172,790	0.26	1,440	**279,020**	**0.24**	**2,180**	fixed interest
Sabodala	55	13,590	1.06	460	37,550	1.43	1,730	**51,140**	**1.33**	**2,190**	100 %
Karma	56	1,300	0.63	24	26,200	0.88	740	**27,500**	**0.86**	**764**	100 %
Tasiast	57	46,561	1.40	2,103	69,280	2.10	4,680	**115,841**	**1.80**	**6,783**	100 %
Subika	1,58	51,900	1.37	2,290	58,100	2.08	3,880	**110,000**	**1.74**	**6,170**	66 %
Edikan	59	18,300	1.02	601	27,400	1.14	1,007	**45,700**	**1.10**	**1,608**	100 %
Ity	1,60	—	2.90	2	60,700	1.56	3,036	**60,800**	**1.55**	**3,039**	fixed interest
Perama Hill	61	3,120	4.02	403	6,590	2.63	557	**9,710**	**3.08**	**960**	100 %
Kiziltepe	62	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Agi Dagi	63	1,450	0.76	36	52,911	0.66	1,130	**54,361**	**0.67**	**1,166**	100 %
Sissingue	64	3,430	2.15	237	100	3.11	10	**3,630**	**2.12**	**247**	100 %
TOTAL GOLD MINERAL RESERVES				**36,922**			**95,114**			**131,907**	

		Mineral Resources - Inclusive of Reserves							Mineral Resources			Est. % 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	310,000	0.11	1,096	3,346,000	0.06	6,562	**7,658**	1,097,000	0.04	1,307	100 %
Candelaria	1,5	765,552	0.15	3,600	233,082	0.17	1,300	**4,900**	67,355	0.14	300	80 %
Antapaccay	6	263,000	0.10	852	682,000	0.10	2,229	**3,082**	132,000	0.06	265	100 %
Guadalupe-Palmarejo	1,2,3,7	1,781	2.62	150	16,756	1.80	968	**1,118**	5,869	1.95	367	96 %
Cerro Moro	1,2,8	30	7.26	7	2,752	7.89	698	**706**	2,175	3.90	273	95 %
Salares Norte	9	—	—	—	23,700	4.99	3,800	**3,800**	1,800	1.84	110	100 %
Taca Taca	10	—	—	—	2,165,000	0.08	5,560	**5,560**	921,000	0.05	1,570	100 %
CentroGold (Gurupi)	11	—	—	—	29,200	1.84	1,732	**1,732**	10,400	1.66	555	100 %
Calcatreu	2,12	—	—	—	9,841	2.11	669	**669**	8,078	1.34	348	100 %
San Jorge	13	79,518	0.22	584	104,091	0.19	626	**1,211**	11,235	0.16	59	100 %
Volcan	1,14	—	—	—	—	—	—	**—**	18,600	0.85	510	25 %
GOLD - UNITED STATES												
Carlin Trend	1,15	110,569	4.35	15,447	227,642	1.93	14,472	**29,268**	24,390	2.60	1,951	32 %
Marigold	1,16	—	—	—	301,760	0.51	4,942	**4,942**	16,194	0.35	182	98 %
Bald Mountain	1,2,17	8,556	0.84	232	253,547	0.60	4,907	**5,139**	47,936	0.50	808	98 %
Mesquite	18	6,567	0.45	96	175,968	0.49	2,793	**2,902**	15,000	0.38	184	100 %
Castle Mountain	19	160,711	0.58	2,989	81,377	0.51	1,344	**4,333**	171,395	0.40	2,210	100 %
Midas/Fire Creek	2,3,20	184	22.80	135	784	15.48	390	**524**	68,654	1.20	2,639	100 %
Hollister	2,3,21	93	19.64	59	165	19.78	105	**164**	423	13.61	185	100 %
Stibnite Gold	3,22	4,623	2.54	377	100,289	1.62	5,234	**5,610**	23,174	1.29	959	100 %
Sandman	2,23	—	—	—	1,200	1.23	50	**50**	1,100	1.85	60	100 %
Pinson	1,3,24	19,223	1.21	746	4,130	2.54	338	**1,085**	1,080	4.88	169	—
Robinson	25	317,942	0.18	1,840	40,173	0.15	194	**2,072**	11,942	0.18	69	100 %
GOLD - CANADA												
Sudbury	1,26		not available			not available		**—**		not available		not available
Detour Lake	2,27	97,750	1.26	3,962	494,900	0.96	15,300	**19,261**	43,900	0.90	1,273	100 %
Hemlo	1,28	1,800	4.25	250	41,000	2.18	2,900	**3,150**	9,100	3.50	1,000	20 %
Golden Highway - Holt Complex	2,29	6,826	3.91	859	6,358	4.35	890	**1,749**	9,097	4.42	1,294	100 %
Golden Highway - Hislop	2,30	—	—	—	1,323	3.88	165	**165**	800	3.89	100	100 %
Brucejack	31	4,200	11.11	1,500	14,400	15.34	7,100	**8,500**	7,800	11.96	3,000	100 %
Kirkland Lake	2,32	694	18.38	410	17,021	7.21	3,947	**4,356**	23,009	4.21	3,114	100 %
Dublin Gulch (Eagle Deposit)	33	37,400	0.71	850	180,000	0.61	3,547	**4,397**	21,500	0.52	361	100 %
Musselwhite	2,34	6,700	5.80	1,250	9,600	5.41	1,670	**2,920**	3,200	4.28	440	100 %
Timmins West	35	247	4.91	39	7,814	3.99	1,001	**1,040**	6,391	5.65	1,161	100 %
Canadian Malartic	1,2,36	51,734	0.87	1,454	99,554	1.31	4,186	**5,640**	30,228	3.01	2,922	12 %
Hardrock	37	5,700	1.30	237	141,800	1.51	6,868	**7,105**	25,500	3.78	3,095	100 %
Valentine Lake	38	31,690	1.86	1,900	23,170	1.60	1,190	**3,090**	16,770	1.78	960	100 %
Red Lake (Phoenix)	39	665	6.53	140	3,243	6.44	671	**811**	2,073	6.97	464	100 %
Courageous Lake	40	13,401	2.53	1,090	93,914	2.28	6,884	**7,974**	53,227	2.29	3,914	100 %
Goldfields	41	858	2.04	56	20,002	1.51	971	**1,027**	4,564	1.54	226	100 %
Monument Bay	2,42	—	—	—	36,581	1.52	1,787	**1,787**	41,946	1.32	1,781	100 %
Red Mountain	43	1,920	8.81	544	1,271	5.85	239	**783**	405	5.32	69	100 %
GOLD - AUSTRALIA												
Duketon	1,44	16,000	0.84	434	126,200	0.97	3,939	**4,373**	24,500	0.95	749	91 %
Henty	45	846	4.60	125	423	4.30	58	**183**	297	5.00	48	100 %
Aphrodite	46	—	—	—	15,080	2.18	1,055	**1,055**	9,067	2.15	628	100 %
Yandal (Bronzewing)	47	4,600	2.42	358	16,500	1.91	1,015	**1,373**	3,930	1.80	228	100 %
Bullabulling	1,48	—	—	—	68,805	0.99	2,190	**2,190**	26,595	1.19	1,020	50 %
Edna May	1,49	1,700	0.46	25	21,310	0.95	650	**675**	5,112	0.81	133	2 %
Glenburgh	50	2,900	1.94	181	4,600	1.56	231	**412**	13,900	1.32	591	100 %
Red October	51	—	—	—	1,299	2.49	104	**104**	6,718	3.20	691	100 %
South Kalgoorlie	1,52	1,758	3.26	184	8,522	2.97	813	**997**	11,719	2.86	1,076	75 %
Matilda (Wiluna)	53	620	0.95	19	66,300	1.70	3,633	**3,652**	26,300	3.23	2,728	100 %
GOLD - REST OF WORLD												
MWS	54	105,960	0.21	730	172,570	0.26	1,440	**2,180**	—	—	—	fixed interest
Sabodala	55	16,367	1.23	645	59,919	1.60	3,085	**3,729**	16,742	1.81	976	100 %
Karma	56	1,300	0.63	28	74,000	1.10	2,627	**2,655**	17,900	1.34	772	100 %
Tasiast	2,57	51,026	1.35	2,207	134,134	1.67	7,210	**9,417**	5,478	2.00	353	100 %
Subika	1,2,58	52,900	1.36	2,310	99,100	2.16	6,880	**9,190**	19,700	2.56	1,620	77 %
Edikan	59	28,400	0.93	852	54,800	1.05	1,848	**2,699**	7,300	1.48	348	100 %
Ity	1,60	1,400	0.97	44	72,200	1.55	3,602	**3,646**	19,100	1.34	823	fixed interest
Perama Hill	61	3,126	4.10	412	10,164	3.00	980	**1,392**	28,698	1.42	1,312	100 %
Kiziltepe	62	922	3.34	99	1,342	1.89	82	**181**	1,549	1.53	76	100 %
Agi Dagi	1,2,63	2,516	0.74	60	104,453	0.63	2,132	**2,192**	19,551	0.52	330	98 %
Sissingue	64	6,430	1.68	347	500	1.37	22	**369**	100	0.93	3	100 %
TOTAL GOLD MINERAL RESOURCES*				**51,811**			**161,823**	**212,943**			**54,759**	

*Total excludes New Prosperity

		Silver Mineral Reserves									Est. % 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	65	323,200	1.43	14,887	2,823,900	1.37	124,101	**3,147,100**	**1.37**	**138,932**	100 %
Candelaria	1,66	550,685	1.69	30,000	113,013	1.93	7,000	**663,696**	**1.78**	**38,000**	80 %
Antapaccay	67	244,000	1.53	12,032	422,000	1.94	26,254	**666,000**	**1.79**	**38,286**	100 %
Antamina	1,68	224,200	9.10	65,166	205,400	10.59	69,925	**429,700**	**9.78**	**135,073**	22.5 %
Cerro Moro	69	12	1,158.50	456	1,518	614.80	30,005	**1,530**	**619.20**	**30,461**	100 %
Salares Norte	70	—	—	—	21,079	57.94	39,263	**21,079**	**57.94**	**39,263**	100 %
Calcatreu	71	—	—	—	—	—	—	**—**	**—**	**—**	100 %
Fire Creek	3,72	20	43.64	28	34	21.31	23	**54**	**29.64**	**51**	100 %
TOTAL SILVER MINERAL RESERVES				**122,569**			**296,570**			**420,066**	

		Silver Mineral Resources - Inclusive of Reserves										Est. % 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	65	310,000	1.44	14,352	3,346,000	1.33	142,706	**157,059**	1,097,000	1.08	38,176	100 %
Candelaria	1,66	765,552	2.03	50,000	233,082	2.14	16,000	**66,000**	67,355	1.85	4,000	80 %
Antapaccay	67	263,000	1.75	14,788	682,000	2.37	51,886	**66,674**	132,000	0.88	3,718	100 %
Antamina	1,2,68	343,600	9.42	104,111	650,100	10.98	229,582	**333,675**	1,325,591	10.88	463,623	22.5 %
Cerro Moro	1,2,69	30	1,081.37	1,043	2,752	488.56	43,227	**44,270**	2,175	222.26	15,542	95 %
Salares Norte	70	—	—	—	23,700	56.29	42,910	**42,910**	1,800	12.62	750	100 %
Calcatreu	2,71	—	—	—	9,841	19.83	6,275	**6,275**	8,078	13.09	3,399	100 %
Fire Creek	2,3,72	184	167.04	989	784	128.13	3,229	**4,217**	68,654	3.18	7,016	100 %
TOTAL SILVER MINERAL RESOURCES				**185,283**			**535,815**	**721,079**			**536,224**	

		PGM Mineral Reserves									Est. % 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	1,73	not available			not available			**not available**			not available
Stillwater	1,74	6,300	17.11	3,465	40,200	17.14	22,149	**46,400**	**17.17**	**25,614**	97 %
Pandora	1,75	2,195	4.25	244	19,756	4.08	2,683	**21,951**	**4.09**	**2,927**	80 %
Eagle's Nest	76	5,264	4.65	787	5,867	3.72	702	**11,131**	**4.16**	**1,489**	100 %
TOTAL PGM MINERAL RESERVES				**4,496**			**25,534**			**30,030**	

		PGM Mineral Resources - Inclusive of Reserves										Est. % 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	1,73	not available			not available				not available			not available
Stillwater	1,74	9,000	17.50	5,063	55,400	16.22	28,887	**33,950**	87,300	16.36	45,910	97 %
Pandora	1,75	22,195	4.81	3,415	147,317	4.60	21,707	**25,122**	21,220	4.72	3,171	80 %
Eagle's Nest	76	5,346	4.79	823	5,643	4.41	800	**1,627**	10,581	4.29	1,459	100 %
TOTAL PGM MINERAL RESOURCES				**9,301**			**51,394**	**60,699**			**50,539**	

		Copper Mineral Reserves									Est. % 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	77	426,100	0.48 %	4,509	111,000	0.31 %	759	**537,100**	**0.45** %	**5,328**	100 %
NuevaUnion (Relincho)	78	576,400	0.34 %	4,320	977,400	0.35 %	7,542	**1,553,800**	**0.35** %	**11,862**	100 %
Taca Taca	79	—	—	—	—	—	—	—	—	—	100 %
Robinson	80	110,513	0.42 %	1,023	8,860	0.28 %	55	**119,373**	**0.41** %	**1,078**	100 %
Vizcachitas	81	—	—	—	—	—	—	—	—	—	100 %
TOTAL COPPER MINERAL RESERVES				**9,853**			**8,355**			**18,269**	

		Copper Mineral Reserves - Inclusive of Reserves										Est. % 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	2,77	587,400	0.45 %	5,860	485,900	0.26 %	2,825	**8,757**	62,300	0.30 %	412	100 %
NuevaUnion (Relincho)	2,78	895,400	0.29 %	5,657	1,440,400	0.32 %	10,196	**15,852**	724,700	0.36 %	5,752	100 %
Taca Taca	79	—	—	—	2,165,000	0.44 %	21,150	**21,150**	921,000	0.37 %	7,550	100 %
Robinson	80	317,943	0.47 %	3,294	40,173	0.34 %	301	**3,596**	11,942	0.38 %	100	100 %
Vizcachitas	81	254,400	0.44 %	2,462	1,029,670	0.39 %	8,740	**11,202**	788,820	0.34 %	5,861	100 %
TOTAL COPPER MINERAL RESOURCES				**17,273**			**43,212**	**60,556**			**19,675**	

		Nickel Mineral Reserves									Est. % 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	82	73,700	0.57 %	920	22,700	0.53 %	267	**96,400**	**0.56** %	**1,187**	100 %
Falcondo	83	44,900	1.28 %	1,267	26,300	1.36 %	789	**71,200**	**1.31** %	**2,056**	100 %
Eagle's Nest	84	5,264	2.02 %	234	5,867	1.38 %	178	**11,131**	**1.68** %	**413**	100 %
TOTAL NICKEL MINERAL RESERVES				**2,421**			**1,234**			**3,656**	

		Nickel Mineral Resources - Inclusive of Reserves										Est. % 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	82	142,400	0.54 %	1,684	67,000	0.52 %	768	**2,452**	24,000	0.52 %	275	100 %
Falcondo	83	40,500	1.42 %	1,268	31,100	1.53 %	1,049	**2,320**	4,900	1.40 %	151	100 %
Eagle's Nest	84	5,346	2.08 %	245	5,643	1.50 %	187	**432**	8,966	1.16 %	228	100 %
TOTAL NICKEL MINERAL RESOURCES				**3,197**			**2,004**	**5,204**			**655**	

		Chromite Mineral Reserves									Est. % 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	85	—	—	—	—	—	—	—	—	—	100 %
TOTAL CHROMITE MINERAL RESERVES				—			—			—	

		Chromite Mineral Resources - Inclusive of Reserves										Est. % 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	85	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 6, 2020
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 March 2019
5 Lundin Mining Corp.; Company Press Release, September 5, 2019
6 Glencore; Resources & Reserves as at 31 December 2019
7 Coeur Mining Inc.; News Release, February 18, 2020
8 Yamana Gold; Summary of Mineral Reserves and Mineral Resources as of December 31, 2019
9 Goldfields Ltd; Corporate Presentation, April 10, 2019
10 First Quantum Minerals Ltd.; Annual Information Form March 29, 2019
11 Oz Minerals Ltd.; Mineral Resource Estimate and Ore Reserve Statement as at 6 May 2019 and 24 June 2019 & Investor Presentation, March 27, 2018
12 Patagonia Gold Plc; NI 43-101 Technical Report, Mineral Resource Estimate as at 31 December 2018
13 Coro Mining Corp.; NI 43-101 Technical Report, Preliminary Feasibility Study, San Jorge 25kt/y Copper Leach Project, March 2012
14 Hochchild Mining Plc; Corporate Website, February 2019
15 Barrick Gold Corporation; Reserves and Resources Year End 2019. Carlin Trend includes Goldstrike, Gold Quarry and South Arturo as well as other properties where Franco-Nevada has no royalties or stream interests
16 SSR Mining Inc.; Statement of Mineral Reserves and Resources December 31, 2019
17 Kinross Gold Corporation; News Release, February 12, 2020
18 Equinox Gold Corp.; Corporate Presentation, January 2020
19 Equinox Gold Corp.; Corporate Presentation, January 2020
20 Hecla Mining Company; Company Press Release, February 5, 2020
21 Hecla Mining Company; Company Press Release, February 5, 2020
22 Midas Gold Corp.; News Releases December 15, 2014 and February 15, 2018
23 Newmont Mining Corporation; News Release February 13, 2020
24 Atna Resources; NI 43-101 Technical Report, Pinson Project, Preliminary Feasibility Study, June 30, 2014
25 KGHM; Mineral Resources and Reserves Report, December 31, 2014
26 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
27 Kirkland Lake Gold; News Release February 19, 2020
28 Barrick Gold Corporation; Reserves and Resources Year End 2019
29 Kirkland Lake Gold Inc.; News Release February 19, 2020
30 Kirkland Lake Gold Inc.; News Release February 19, 2020
31 Pretium Resources Inc.; News Release, April 04, 2019
32 Kirkland Lake Gold Inc. - News Release February 19, 2020; Agnico Eagle Mines Limited, Mineral Reserves and Resources as of December 31, 2019
33 Victoria Gold Corp.; Technical Report for the Eagle Gold Mine, December 6, 2019
34 Newmont Corporation; Press Release, February 13, 2020
35 Tahoe Resources Inc.; News Release February 15, 2018
36 Yamana Gold; Summary Mineral Reserves and Mineral Resources, December 31, 2019
37 Premier Gold Mines Ltd.; Mineral Reserve - Press Release, February 25, 2019 and Mineral Resource - Press Release, October 3, 2019
38 Marathon Gold Corp.; News Release, January 20, 2020
39 Rubicon Minerals Corp.; NI 43-101 Technical Report, December 6, 2019
40 Seabridge Gold Inc.; Mineral Reserves and Resources updated March 11, 2014
41 Fortune Bay Corp.; 43-101 Technical Report Pre-feasibility Study, Re-issue March 13, 2014
42 Yamana Gold Inc.; Summary Mineral Reserves and Mineral Resources, December 31, 2019
43 Ascot Resources Ltd.; 2019 Mineral Resource Update for the Red Mountain Gold Project, November 22, 2019
44 Regis Resources Limited; Mineral Resource and Ore Reserve Statement Announcement dated July 19, 2019
45 Unity Mining Limited; Annual Reserves and Resources Update, September 11, 2015
46 Bardoc Gold Ltd.; Company Press Release, September 30, 2019
47 Echo Resources Limited; ASX Announcement, June 25, 2019
48 Norton Gold Fields Ltd.; Corporate Website, January 8, 2020
49 Ramelius Resources Ltd.; Company Press Release, September 10, 2019
50 Gascoyne Resources Ltd.; Company Press Release, August 28, 2019
51 Matsa Resources Ltd.; Corporate Website, February 11, 2020 & Saracen Mineral Holdings Ltd.; Company Press Release, August 1, 2019
52 Northern Star Resources Ltd.; ASX Announcement, August 1, 2019
53 Blackham Resources Ltd.; Company Press Release, September 27, 2019
54 AngloGold Ashanti Ltd.; Mineral Resource and Ore Reserve Report 2018
55 Teranga Gold Corporation; MD&A for the years ending 31 December 2019 and 2018
56 Endeavour Mining Corp.; News Release March 5, 2019
57 Kinross Gold Corporation; News Release, February 12, 2020
58 Newmont Corporation; Press Release, February 13, 2020
59 Perseus Mining Ltd.; Company Press Release, February 20, 2020
60 Endeavour Mining Corp.; News Release March 5, 2019
61 Eldorado Gold Corp.; News Release November 15, 2019
62 Ariana Resources plc; Press Release May 3, 2017
63 Alamos Gold Inc.; Press Release February 18, 2020
64 Perseus Mining Ltd.; Company Press Release, August 28, 2019
65 First Quantum Minerals Ltd.; NI 43-101 Technical Report, Cobre Panama Project March 2019
66 Lundin Mining Corp.; Company Press Release, September 5, 2019
67 Glencore; Resources & Reserves as at December 31, 2019
68 Teck Resources Limited; Annual Information Form February 26, 2020
69 Yamana Gold; Summary of Mineral Reserves and Mineral Resources as of December 31, 2019
70 Goldfields Ltd; Corporate Presentation, April 10, 2019
71 Patagonia Gold Plc; NI 43-101 Technical Report, Mineral Resource Estimate as at 31 December 2018
72 Hecla Mining Company; Company Press Release, February 5, 2020
73 KGHM; Mineral Resources and Reserves Report, December 31, 2014
74 Sibanye-Stillwater; Mineral Resources and Mineral Reserves Report 2018
75 Lonmin Plc; Mineral Resource and Mineral Reserve Statement 2017
76 Noront Resources Ltd.; NI 43-101 Technical Report Feasibility Study, October 19, 2012
77 Hudbay Minerals Inc.; Investor Presentation, February 2020
78 Teck Resources Limited; Annual Information Form, February 26, 2020
79 First Quantum Minerals Ltd.; Annual Information Form March 29, 2019
80 KGHM; Mineral Resources and Reserves Report, December 31, 2014
81 Los Andes Copper Ltd.; PEA of the Vizcachitas Project, June 13, 2019
82 BHP Billiton Ltd.; Annual Report 2019
83 Glencore; Resources & Reserves Report as at December 31, 2014
84 Noront Resources Ltd.; NI 43-101 Technical Report Feasibility Study, October 19, 2012
85 Noront Resources Ltd.; Corporate Presentation 4Q2019

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.

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 and is in material compliance with those permits. 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 2019, a total of 95 drillholes were completed within the Antamina pit, for a total of approximately 41,334 metres. This included 44 conventional infill holes totalling approximately 15,328 metres, 16 primary infill holes totalling approximately 5,512 metres, 32 branch infill holes totalling approximately 17,674 metres and three conventional deep holes totalling approximately 2,820 metres. Quick logs and assay results of these holes indicate no material impacts on the quantity or grade of reserves and resources. 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 20% of quality-control samples, comprising reference materials, duplicates and blanks as well as samples for external control at a secondary laboratory. 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, 2019 are as follows:

Mineral Reserves as at December 31, 2019 (100% basis)

	Proven		Probable		Total	
Copper	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**
Copper Only Ores OP	148,300	0.94	107,100	0.99	255,400	0.96
Copper Zinc Ores OP	75,900	0.88	98,300	0.82	174,300	0.85
Total	**224,200**	**0.92**	**205,500**	**0.91**	**429,700**	**0.91**

	Proven		Probable		Total	
Zinc	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**
Total	**75,900**	**2.1**	**98,300**	**2.2**	**174,300**	**2.2**

	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	148,300	6.4	107,100	8.1	255,400	7.1
Copper Zinc Ores OP	75,900	14.2	98,300	13.3	174,300	13.7
Total	**224,200**	**9.1**	**205,500**	**10.6**	**429,700**	**9.8**

	Proven		Probable		Total	
Molybdenum	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**
Total	**148,300**	**0.037**	**107,100**	**0.033**	**255,400**	**0.035**

Mineral Resources (Exclusive of Mineral Reserves) as at December 31, 2019 (100% basis)

	Measured		Indicated		Inferred	
Copper	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**	**Tonnes '000**	**Grade Cu %**
Copper Only Ore OP	90,800	0.68	311,900	0.77	588,300	0.81
Copper Zinc Ore OP	28,600	0.79	132,800	1.00	234,800	1.00
Copper Only Ore UG	—	—	—	—	300,700	1.31
Copper Zinc Ore UG	—	—	—	—	171,400	1.28
Total	**119,400**	**0.70**	**444,800**	**0.84**	**1,295,200**	**1.02**

	Measured		Indicated		Inferred	
Zinc	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**	**Tonnes '000**	**Grade Zn %**
Copper Zinc Ore OP	28,600	**1.4**	132,800	1.7	234,800	1.5
Copper Zinc Ore UG	—	**—**	—	—	171,400	1.5
Total	**28,600**	**1.4**	**132,800**	**1.7**	**406,200**	**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	90,800	6.6	311,900	8.3	588,300	7.6
Copper Zinc Ore OP	28,600	21.4	132,800	17.9	234,800	15.2
Copper Only Ore UG	—	—	—	—	300,700	11.3
Copper Zinc Ore UG	—	—	—	—	171,400	17.4
Total	**119,400**	**10.1**	**444,800**	**11.2**	**1,295,200**	**11.2**

	Measured		Indicated		Inferred	
Molybdenum	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**	**Tonnes '000**	**Grade Mo %**
Copper Only OP	90,800	0.018	311,900	0.024	588,300	0.029
Copper Only UG	—	—	—	—	300,700	0.021
Total	**90,800**	**0.018**	**311,900**	**0.024**	**889,000**	**0.026**

Notes:
(1)
Source: Teck AIF dated February 26, 2020.
(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: $3.084/lb copper, $1.08/lb zinc, $8.70/lb molybdenum and $17.39/oz silver. Open pit and underground resource estimates were prepared assuming long-term metal prices of: $3.30/lb copper, $1.23/lb zinc, $10.00/lb molybdenum and $19.95/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 by 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.

Processing and Recovery

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.

The last five years of production of metal in concentrates on a 100% basis, from Antamina is shown in the table below:

	Metal Produced in Concentrates			
	Cu (kt)	Zn (kt)	Mo (Mlbs)	Ag (Moz)*
2015	391	235	4.4	17.7
2016	431	198	10.3	20.1
2017	422	372	8.7	19.5
2018	446	409	10.2	16.5
2019	449	303	7.8	16.3

* Calculated from Glencore's 33.75% interest in Antamina.

On a 100% basis, Antamina's 2020 production is expected to be in the range of approximately 390,000-410,000 tonnes of copper, 445,000-465,000 tonnes of zinc and approximately 9 million pounds of molybdenum in concentrate.

Between 2021 and 2023, Antamina is expected to produce an average of 400,000 tonnes of copper, 400,000–445,000 tonnes of zinc and 9–13 million pounds of molybdenum in concentrate on a 100% basis, although annual production will fluctuate due to feed grades and the amount of copper-zinc ore processed.

Infrastructure, Permitting and Compliance

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.

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.

Based on current designed tailings storage capacity, the mine life is expected to continue until 2028. CM Antamina is currently conducting engineering studies for additional tailings storage options and alternative mine plans that could result in significant mine life extensions. Any mine life extension will require a modification of Antamina's current Environmental Impact Assessment certificate, a process which began in October 2019 with the submission of the study area and common terms of reference to Peruvian regulators for a mine life extension to 2036. A decision in respect of the requested modification is anticipated in 2022.

In June 2019, CM Antamina signed a new three-year collective agreement which will expire on July 31, 2021.

Operating and Capital Costs

Total 2020 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	365
Supplies	404
Energy	218
Other (including general & administrative, inventory changes)	71
Less amounts associated with projected capitalized stripping	(253)
Total	**805**

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 CM Antamina. 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. A total of 15.2 million ounces of silver have been delivered under the agreement from the effective date in 2015 to December 31, 2019.

Total 2020 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	347
Major Enhancement	89
Total	**436**

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 orebody model and Mineral Resource estimate for 2019 was updated using a drill hole database that now includes over 329,494m and 982 drill holes.

The 2019 infill drilling programme completed 40,254m in 115 holes and mainly focussed on increasing the density of drilling. This resulted in an increase in Indicated Resources and confirmed continuity of the orebody at depth.

Coroccohuayco

The orebody model and Mineral Resource estimate for Coroccohuayco was updated in 2018 using a database that now includes over 245,849m of total drilling data.

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:

Mineral Reserve Statement as of December 31, 2019

		Proved Ore Reserves	Probable Ore Reserves	Total Ore Reserves
Antapaccay OC	Ore (Mt)	210	267	477
	Copper (%)	0.49	0.41	0.45
	Gold (g/t)	0.09	0.08	0.08
	Silver (g/t)	1.29	1.14	1.21
Tintaya Expansion OC	Ore (Mt)	3	2	5
	Copper (%)	0.89	0.86	0.88
	Gold (g/t)	0.03	0.02	0.03
	Silver (g/t)	5.22	3.84	4.78
Coroccohuayco OC	Ore (Mt)	22	41	63
	Copper (%)	0.75	0.56	0.63
	Gold (g/t)	0.08	0.06	0.07
	Silver (g/t)	2.75	1.57	1.98
Coroccohuayco UG	Ore (Mt)	9	112	121
	Copper (%)	0.82	1.25	1.22
	Gold (g/t)	0.09	0.12	0.12
	Silver (g/t)	3.02	3.93	3.86

Mineral Resource Statement as of December 31, 2019

		Measured Mineral Resources	Indicated Mineral Resources	Measured and Indicated Mineral Resources	Inferred Mineral Resources
Antapaccay OC	Ore (Mt)	218	432	650	119
	Copper (%)	0.49	0.39	0.42	0.30
	Gold (g/t)	0.10	0.08	0.09	0.05
	Silver (g/t)	1.30	1.10	1.17	0.67
Tintaya Expansion OC	Ore (Mt)	3	2	5	1
	Copper (%)	0.89	0.86	0.88	0.20
	Gold (g/t)	0.03	0.02	0.03	—
	Silver (g/t)	5.23	3.88	4.80	0.02
Coroccohuayco OC/UG	Ore (Mt)	42	248	290	12
	Copper (%)	0.97	1.25	1.21	1.13
	Gold (g/t)	0.11	0.14	0.14	0.19
	Silver (g/t)	3.83	4.56	4.45	2.99

Notes:
(1) Source: Glencore Statement of Resources & Reserves as at December 31, 2019. Mineral Resources and Mineral Reserves are reported in accordance with the 2012 edition of the 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 and Mineral Reserves for Antapaccay were estimated using the economic best destination concept and consider 0.1% Cu as minimum recoverable head grade to plant which considers the valuation of Cu, Au and Ag. Mineral Reserves are then derived from Measured and Indicated Resources after applying economical and technical modifying factors. Mineral Resources and Mineral Reserves for the Coroccohuayco deposit are reported on an economic cut off grade of 0.40% Cu for underground Mineral Resources and 0.49% Cu for underground Mineral Reserves, and cut off grade for open pit Mineral Resources and Mineral Reserves is 0.2% Cu.

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.

The last five years of production (metal in concentrates) from Antapaccay is shown in the table below:

	Metal Produced in Concentrates		
	Cu (kt)	Au (koz)	Ag (koz)
2015	202	122	1,315
2016	220	115	1,536
2017	207	139	1,455
2018	205	132	1,523
2019	197	85	1,576

The current life of mine plan contemplates that the Antapaccay mine will operate for 11 years ending in 2030, with ore processed through the Tintaya and Antapaccay plants, and includes the Tintaya pit expansion. There is the potential to extend the mine life beyond 2030 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 2020 is sustaining capital costs.

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** ") (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 either a domestic smelter in Chile or to Candelaria's 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.

As of March 2019, the Minera Candelaria property comprised 210 mining exploitation concessions (approximately 5,991 ha) and 32 mining exploration concessions (approximately 6,680 ha) and the Minera Ojos del Salado property comprised 195 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 study 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 potential. All existing exploration information is 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 in proximity to 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 an extended mine life for the Candelaria Copper Mining Complex.

Drilling

Mineral Resources are estimated from information obtained from surface and underground boreholes. In 2018, 21 diamond drill holes were drilled in and around the Candelaria open pit mine. In the Santos and Alcaparrosa mines, 87 and 86 diamond

drill holes were drilled respectively, and 176 holes were drilled in Candelaria Underground (North and South Sectors). There were also 85 brownfield exploration holes drilled in the district during 2018 with 77 of those in the Espanola project area. Up to 15 drill rigs were employed during 2018 and a total of 127,794 m was drilled. Drilling information for the 2019 calendar year was not publicly available as of the effective date of this AIF.

The drilling and sampling procedures used are consistent with generally recognized industry best practices.

Sampling, Analysis and Data Verification

Analytical samples informing the Candelaria open pit Mineral Resources were prepared and assayed at the Candelaria mine site. Analytical samples informing the Ojos del Salado Mineral Resource estimates were prepared and assayed by Intertek (formerly Vigalab) in Paipote, Chile, an independent laboratory. Minera Candelaria uses Intertek in Paipote as an umpire laboratory. Assays are conducted for copper, silver, gold, zinc and iron. Specific gravity is measured systematically over the full sample intervals. The results of the drill program are described in the Candelaria Technical report.

All drilling assay samples are collected by a contractor under the direct supervision of a mine geologist. Samples from Candelaria are processed and analyzed entirely at the mine site. Samples from Ojos del Salado are shipped directly from the property to the Intertek laboratory in Paipote. In each case, established procedures were used to ensure the security of samples during transportation between the drill rig and the laboratories. Quality assurance procedures, data verification and assay protocols used in connection with drilling and sampling conform to industry accepted quality control methods.

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. Separate 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 and South Sectors), 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, 2019 Mineral Resource and Mineral Reserve estimate for the Candelaria Copper Mining Complex are set forth below:

Consolidated Mineral Resource Statement as of June 30, 2019 (100% Basis)*

	Classification	Quantity '000 t	Cu %	Au g/t	Ag g/t	Cu '000 t	Au Moz	Ag Moz
Candelaria Open Pit	Measured	444,447	0.5	0.1	2	2,091	1.6	23
	Measured Stockpile	72,888	0.3	0.1	1	234	0.2	3
	Indicated	35,722	0.3	0.1	1	121	0.1	2
	Inferred	5,274	0.2	0.1	1	13	—	—
Candelaria La Espanola	Measured	35,474	0.4	0.1	—	147	0.1	—
	Indicated	37,598	0.4	0.1	—	148	0.1	—
	Inferred	15,985	0.4	0.1	—	63	—	—
Underground	Measured	212,709	1.1	0.2	3	2,236	1.7	24
	Measured Stockpile	34	1.0	0.2	2	—	—	—
	Indicated	159,762	1.0	0.2	3	1,519	1.1	14
	Inferred	46,096	1.0	0.2	2	458	0.3	4

* 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.

Consolidated Mineral Reserve Statement as of June 30, 2019 (100% Basis)*

	Classification	Quantity '000 t	Cu %	Au g/t	Ag g/t	Cu '000 t	Au Moz	Ag Moz
Candelaria Open Pit	Proven	365,434	0.5	0.1	2	1,816	1.4	19
	Proven Stockpile	72,888	0.3	0.1	1	234	0.2	3
	Probable	21,318	0.3	0.1	1	67	0.1	1
	Total	**459,639**	**0.5**	**0.1**	**2**	**2,116**	**1.6**	**23**
Candelaria La Espanola	Proven	32,308	0.4	0.1	—	135	0.1	—
	Probable	23,511	0.4	0.1	—	95	0.1	—
	Total	**55,818**	**0.4**	**0.1**	—	**230**	**0.2**	**1**
Underground	Proven	80,021	0.9	0.2	3	713	0.5	8
	Proven Stockpile	34	1.0	0.2	2	—	—	—
	Probable	68,184	0.8	0.2	3	545	0.4	6
	Total	**148,239**	**0.8**	**0.2**	**3**	**1,257**	**0.9**	**14**

* Mineral Reserves included in Mineral Resources. Mineral Reserves have been prepared using metal prices of US$2.75 per pound of copper, US$900 per ounce of gold. All figures have been rounded to reflect the relative accuracy of the estimates. Mineral Reserves for the Candelaria Open Pit, Espanola Open Pit and underground for the Candelaria property are estimated at cut-off grades of 0.17 percent copper, 0.20 percent copper and 0.57 percent copper respectively. Underground Mineral Reserves for Santos and Alcaparrosa mines are both estimated at cut-off grades of 0.63 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 five electric shovels, approximately forty haulage trucks, eight production drills, and a fleet of support equipment. A major mine equipment re-capitalization programme is substantially complete and has seen 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 have been completed to the mine's service and ancillary vehicle fleet.

The Candelaria open pit was designed to be mined in several phases of development. 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.

Pre-production development of the Candelaria Underground South Sector was completed in the third quarter of 2019. Combined production from the Candelaria North and South Sector underground mines increased to 13,500 tonnes per day in the fourth quarter, approaching the 14,000 tonnes per day permitted. Studies completed to date show potential to add value in further expansion of the Candelaria underground mines and a feasibility study on expanding the underground mine has commenced. Baseline environmental data has been collected in support of an updated Environmental Impact Assessment which is to be submitted to the Chilean authorities in early 2020.

The Candelaria Underground (North and South Sectors) is planned to ramp up 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 produces 4,300 tonnes per day of ore and the average life of mine grade is 0.79 percent copper. The Santos mine produces 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 Los Diques tailings storage facility. Typical metallurgical recoveries average 94% for copper, 75% for gold and 83% for silver.

The Candelaria Mill Optimization Project designed to increase throughput capacity, improve metal recoveries and reduce maintenance costs for the mill is progressing and now expected to be completed in the first quarter of 2020, corresponding with the expected timing of mill maintenance down-time to minimize disruption to production. Primary crusher re-powering is complete; three of the four ball mill motor replacements have been installed and installation of new cyclones is on-going. All remaining equipment to be installed is on site.

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. Plans are in place to extend the PAC tailings pipeline to Los Diques. 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 original 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 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 preparing the next major environmental permitting exercise, which may 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 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**").

The approved closure cost estimates are $153.3 million for Minera Candelaria and $7.9 million for Minera Ojos del Salado. The closure cost estimate for Minera Candelaria reflects the developments recently permitted under the Candelaria 2030 EIA, including the Los Diques tailings facility, and was approved in September 2018. 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 was expected to be approved in 2019. The financial guarantees for both MCPs were updated.

Social and Community

The social performance team engages with stakeholders in the communities nearest the mine and port facilities, namely Tierra Amarilla, Caldera and Copiapó. Outreach offices are located in each of these municipalities; engagement occurs throughout the year and is focused on managing social impacts, risks and opportunities specific to each community. The team bases its activities on a 5-year social performance strategic plan and systems which reflect best practice and international standards in stakeholder engagement, grievance procedures, risk management and community investment.

In 2018, Minera Candelaria dedicated over $8.3 million to strategic community investments focused on education, health services, housing, economic development and cultural heritage.

Capital and Operating Costs

For 2019, the combined Candelaria Copper Mining Complex cash operating cost were US$1.54/lb and for 2020 the cash operating cost is forecast to be $1.45/lb.

Capital expenditure during 2019 was $367 million. Delivery of new open pit mine fleet equipment under the Mine Fleet Investment program is substantially complete, with 99% of the equipment received and placed into service. The final two pieces of equipment will be delivered in 2021 and 2022. Forecast capital costs for Candelaria for 2020 is estimated at $265 million. Expenditure will continue on the new replacement open pit equipment fleet and on the mill optimisation project. 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.

Exploration, Development, and Production

During 2019, exploration drilling was undertaken within the underground mines, on surface at La Española and strategically throughout the district. Total exploration expenditure for 2020 is estimated at $20 million.

The last five years of production of metal contained in concentrate from the Candelaria Complex is shown in the table below:

	Metal Produced in Concentrates		
	Cu (kt)	Au (Koz)	Ag (Moz)
2015	181	102	1.9
2016	166	97	1.7
2017	183	104	1.8
2018	134	78	1.2
2019	146	88	1.3

For 2020, forecast production is 165 - 175 thousand tonnes copper, and 100 – 105 thousand ounces of gold.

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 Santos, have LOM to 2037, 2027 and 2028, respectively.

COBRE PANAMA MINING AND TECHNICAL INFORMATION

Project Description, Location and Access

The Cobre Panama property is 120 kilometres west of Panama City and 25 kilometres from the Caribbean Sea coast, in the Donoso and Omar Torrijos Herrera Districts of Colon Province, in the Republic of Panama. Previously the Cobre Panama Project was located completely within the Donoso District however, following district realignment, the Project now lies partly within each of the amended Districts.

The Cobre Panama property consists of four concessions covering an area of 12,955.1 hectares. There is no other industrial development in the area of the concessions 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 plant site. The city of Penonomé, which has a population of 25,000, is 49 kilometres southeast of Coclecito.

Access to the Cobre Panama property is via the southern Pan-American Highway from Panama City to Penonomé, all-weather roads to La Pintad and then sealed roads from Coclecito to the mine site. Helicopter pads have been retained for occasional use and there is a runway at Coclecito however frequent thick cloud cover impedes aircraft visibility and therefore limits its availability.

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"**). 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.

In respect of the Supreme Court ruling on Law 9, which remains subject to various procedural processes, First Quantum has noted that the ruling is not yet in effect and that the Supreme Court did not make a declaration as to the annulment of the MPSA mining concession contract. The Supreme Court decision was in respect of ongoing legal filings made since 2009 with regard to specific environmental petitions.

Subsequently, MPSA has submitted filings to the Supreme Court for a 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 Cobre Panama. The release confirmed that Ministry of Commerce and Industries, (the mining regulator in Panama), considers that the MPSA mining concession contract, and its extension, remains in effect in all its parts while the Company seeks to clarify the legal position.

The newly elected Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. 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 expressed confidence in resolving the Law 9 matter in the near-medium term.

History

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 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.

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 (collectively "BABR") and Medio.

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. Mineralisation at Balboa is dominantly hosted by a feldspar-quartz-hornblende porphyry that intrudes the adjacent andesite. Medio is a low to moderate grade porphyry associated with silicified and sereticised porphyrytic intrusive rocks and brecciated andesite volcanics, and at Brazo and Botija Abajo mineralisation is primarily located within 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.

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 1,813 diamond drill holes totalling 348,775 metres have been drilled from discovery to February 2018.

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. Residual pulps were discarded after 3 years due to oxidation and a reduced ability to repeat the original assays. All MPSA drill core is however safely and securely stored in warehouses located on the Cobre Panama site.

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. Regular reviews of the QA/QC data have been undertaken by MPSA personnel and corrections made to the database when an error was identified. 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.

Metallurgical Testing

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.

During 2018, a confirmatory geometallurgical testwork programme was commenced using grade control samples to validate the processing recovery relationships especially in regard to ore from initial mining horizons. At that time an update to the processing recovery relationships was not warranted.

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.

Mineral Resource Statement - as at December 31, 2018, and reported using a 0.15% Cu cut-off grade

Deposit	Category	Tonnes (Mt)	TCu %	Mo %	Au g/t	Ag g/t
Botija	Measured	310	0.47	0.008	0.11	1.44
Botija	Indicated	660	0.36	0.007	0.07	1.13
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		**3,657**	**0.37**	**0.006**	**0.07**	**1.34**
Botija	Inferred	198	0.23	0.004	0.05	0.87
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		**1,097**	**0.26**	**0.005**	**0.04**	**1.09**

Stockpile Mineral Resource Statement - as at December 31, 2018

Deposit	Category	Tonnes (Mt)	TCu %	Mo %	Au g/t	Ag g/t
Botija	Indicated	3.3	0.22	0.004	0.04	1.18

Mineral Reserves

The Mineral Reserve estimate for Cobre Panama is disclosed entirely within the Measured and Indicated Mineral Resource estimate in the table above. 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.

Mineral Reserve at December 31, 2018 – In situ

		In Situ Mining Inventory								
Pit	Class	Tonnes (Mt)	TCu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)	TCu metal (kt)	Mo metal (kt)	Au metal (koz)	Ag metal (koz)
Botija	Proved	323.2	0.45	75.98	0.11	1.43	1,467.0	24.6	1,106.3	14,886.7
	Probable	641.4	0.35	68.28	0.08	1.13	2,220.2	43.8	1,512.4	23,357.7
	Total P+P	**964.6**	**0.38**	**70.86**	**0.09**	**1.23**	**3,687.2**	**68.4**	**2,669.6**	**38,188.5**
Colina & Medio	Proved	—	—	—	—	—	—	—	—	—
	Probable	981.3	0.39	66.98	0.06	1.61	3,870.5	65.7	1,986.8	50,646.8
	Total P+P	**981.3**	**0.39**	**66.98**	**0.06**	**1.61**	**3,870.5**	**65.7**	**1,986.8**	**50,646.8**
Valle Grande	Proved	—	—	—	—	—	—	—	—	—
	Probable	541.1	0.37	67.43	0.05	1.42	2,016.0	36.5	805.2	24,637.3
	Total P+P	**541.1**	**0.37**	**67.43**	**0.05**	**1.42**	**2,016.0**	**36.5**	**805.2**	**24,637.3**
Balboa	Proved	—	—	—	—	—	—	—	—	—
	Probable	437.1	0.35	16.10	0.08	1.36	1,509.0	7.0	1,126.9	19,168.2
	Total P+P	**437.1**	**0.35**	**16.10**	**0.08**	**1.36**	**1,509.0**	**7.0**	**1,126.9**	**19,168.2**
BABR	Proved	—	—	—	—	—	—	—	—	—
	Probable	219.7	0.40	41.31	0.07	0.87	882.1	9.1	527.5	6,163.9
	Total P+P	**219.7**	**0.40**	**41.31**	**0.07**	**0.87**	**882.1**	**9.1**	**527.5**	**6,163.9**
TOTAL	Proved	323.2	0.45	75.98	0.11	1.43	1,467.0	24.6	1,106.3	14,886.7
	Probable	2,820.5	0.37	57.48	0.07	1.37	10,497.7	162.1	6,009.6	123,918.1
	Total P+P	**3,143.7**	**0.38**	**59.38**	**0.07**	**1.37**	**11,964.7**	**186.7**	**7,116.0**	**138,804.8**

Mineral Reserve at December 31, 2018 – Stockpiles

		Stockpile Inventory								
Pit	Class	Tonnes (Mt)	TCu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)	TCu metal (kt)	Mo metal (kt)	Au metal (koz)	Ag metal (koz)
Botija	Proved	—	—	—	—	—	—	—	—	—
	Probable	3.3	0.22	43.12	0.04	1.18	7.4	0.1	4.5	126.9
	Total P+P	**3.3**	**0.22**	**43.12**	**0.04**	**1.18**	**7.4**	**0.1**	**4.5**	**126.9**

An economic analysis, in the form of a simple cash-flow model to support the Mineral Reserve estimate is included in the current Cobre Panama Technical Report. The cashflow model forms part of 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.

Mining Operations

Mining at Cobre Panama will involve large scale and conventional open pit methods at up to approximately 83 Mbcm of ore and waste mined per annum.

The mine development approach for the open pits now follows a terracing strategy rather than using phased pit designs which would have the unintended consequence of creating deep sumps which could, when inundated, cut curtail all production until the water was cleared. The terracing strategy, where a low terrace can be maintained towards one side of the pit with wide, ascending terraces providing multiple mining horizons is considered more suitable for the high rainfall environment as in the event of excessive rainfall the low terrace can act as a sump and be pumped clear over a duration not impacting production from the upper benches.

The multiple pits will be mined in an optimized sequence with ore crushed in-pit and conveyed overland to the nearby processing plant. The Botija pit will be mined first, followed by the Colina and Media pits. Mining in the Valle Grande and BABR pits will commence towards the end of mining of the Colina pit, with the Balboa pit being mined last.

The crusher feed ramps up to 85 Mtpa in 2021 and ultimately to 100Mtpa in 2023 at which rate it remains until 2041 before dropping to 75Mtpa between 2042 and 2054. The overall life of mine strip ratio (tonnes) is 1:1.

From the pre-strip phase which commenced in July 2015, the project life extends for 39 years to 2054.

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.

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.

While design recoveries vary for each deposit the average recoveries are expected to be as follows:

- Copper: 90.2%
- Molybdenum: 53.4%
- Gold: 55.9%
- Silver: 45.0%

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 port and power plant site comprises a deep water berth for concentrate, and coal shipments, a conventional ship landing site and a 300 megawatt coal fired power plant. An access corridor has been constructed between the mine and each of the power plant site and the port which also incorporates the concentrate pipeline. 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.

The project tailings management facility will eventually cover an area of approximately 20 km^2 and required the construction of retaining walls on the northern and eastern sides to enclose a storage basin.

Water for the project, including the port site, is obtained from local rivers and treated prior to distribution.

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. Since then the Project definition and development scope has changed to include additional open pits and aspects that will need to be addressed in a new Environmental & Social Impact Assessment ("**ESIA**"). The expected timeframe for submitting the new ESIA is in mid-2024.

Cobre Panama continues to implement its environmental management plans to meet commitments made in the Project 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.

The mine closure plan and costs were reviewed in 2018. The closure cost estimate as at December 31, 2018 was $73 million.

Capital and Operating Expenses

Project spending to completion amounted to $6.77 billion. The total project capital expenditure for the year ended December 31, 2019 was $697 million. The 2019 capital expenditure included commencement of the expansion to 100Mtpa capacity along with initial development and engineering work allowing mining to proceed at the Colina pit, completion of Botija pre-strip, mine dewatering expenses trolley assist haulage infrastructure.

The future capital development costs for the project, including the estimated capital costs for the ultimate expansion to 100Mtpa in 2023 and associated mine infrastructure and development are shown in the table below.

Capital Item		2020	2021	2022	2023	2024	2025	2026
100Mtpa plant upgrade	$M	87	110	40	—	—	—	—
Colina pioneering access, engineering, IPC and OVC	$M	6	—	45	16	—	—	—
River diversion works for Colina	$M	—	—	—	—	33	33	34
Site and other capital	$M	7	12	4	2	—	—	—
Total Capital Development	**$M**	**100**	**122**	**89**	**18**	**33**	**33**	**34**

Future capital expenditure relates to completion of construction and commissioning of the Molybdenum plant, continuation of construction work for the tailings management facility and ongoing developmental work associated with the expansion to 100Mtpa capacity.

For 2019 copper C1 cash costs at Cobre panama were $1.29/lb, and copper AISC was $1.78/lb.

The overall average unit operating costs for the project are shown in the table below.

Item		
Mining Waste	$/t waste	1.76
Mining Ore	$/t ore	1.94
Processing	$/t ore	3.84
G&A	$/t ore	0.62
Fixed Costs for Port Operations	$M per year	10.3
Stockpile Reclaim Costs	$/t reclaimed	1.19

Project Development and Production

Commercial production was achieved at Cobre Panama on September 1, 2019. Following the first ore to the Cobre Panama processing plant in the first quarter of 2019, operations ramped up with the commissioning of three milling trains, comprising seven mills, and an eighth mill introduced in December. In June 2019, the first shipment of concentrate was dispatched from the operation's port. For the full year, Cobre Panama produced 147,480 tonnes of copper and 60,074 ounces of gold. The eighth (and final mill) came on-line in December 2019 completing the third train and annual milling capacity can now ramp up to 85 Mtpa.

Flotation capacity to support 100Mtpa is in place and the tailings management facility and mine trolley assist are operational.

Project construction and commissioning is essentially complete. The molybdenum plant is expected to be commissioned in 2020 and associated capital expenditure of approximately $12 million is included in total capital expenditure guidance. There was significant demobilization of the construction workforce during the year.

The operational workforce is in place, of which approximately 82% has been contracted as permanent employees with the remainder providing supplementary skills and labour from construction and commissioning assisting with initial operations. Approximately 88% of the current workforce is Panamanian.

The Company's precious metals streams are linked to copper production from the Cobre Panama project. Contained copper production is estimated at between 285,000 tonnes and 310,000 tonnes in 2020, between 310,000 and 330,000 tonnes in 2021, and between 310,000 and 340,000 tonnes in 2022. At the 100 Mtpa throughput rate Cobre Panama is expected to reach estimated copper production of over 350,000 tonnes per year.

Gold production in 2020 is estimated to be between 120,000 – 130,000 oz, between 125,000 – 135,000 ounces in 2021 and between 135,000 and 145,000 ounces in 2022.

On the basis of the current Mineral Reserves estimate and the planned processing capacity, the life of operations is approximately 39 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.

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 is 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.

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 resolution of issues with 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, we 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 or working interest, (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 by or to Franco-Nevada, or (iii) claw back rights pursuant to which the seller of a royalty/stream or working interest to Franco-Nevada has the right to re-acquire the royalty/stream or working interest. 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.

The Impact of the current COVID-19 pandemic may significantly impact Franco Nevada

The current COVID-19 (corona virus) global health pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including gold, silver, palladium and oil and gas) and has raised the prospect of an extended global recession. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects may be impacted. To date, a number of mining projects have been suspended as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the properties in which Franco-Nevada holds a royalty, stream or other interest and from which it receives or expects to receive significant revenue is suspended, it may have a material adverse impact on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada's securities. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on Franco-Nevada's profitability, results of operations, financial conditions and the trading price of Franco-Nevada's securities.

The impact of the Saudi-Russia oil price dispute will affect the revenue generated from Franco-Nevada's oil and gas royalties and working interests

The current Saudi Arabia-Russia oil price dispute and its impact on global energy markets has resulted in a significant drop in the price of oil and gas (WTI, WCS and NYMEX). If this price impact continues (and if it is exacerbated by the impact of the COVID-19 pandemic), the oil and gas operations over which Franco-Nevada holds oil and gas royalties and working interests could be materially adversely affected. The lower oil and gas prices (WTI, WCS and NYMEX) may adversely impact production and potential future development as well as operators' cashflows and ability to access additional capital. If this situation continues or worsens and results in low oil and gas prices (WTI, WCS and NYMEX) for a prolonged period, it may have a material adverse impact on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada's securities.

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.

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 and has issued a series of reassessments to the Company. A description of the matters and amounts at issue is included in the notes to Franco-Nevada's financial statements for the year ended December 31, 2019.

Tax authorities in jurisdictions applicable to Franco-Nevada may periodically conduct reviews of Franco-Nevada's tax filings and compliance. Those reviews could result in adverse tax consequences and unexpected financial costs and exposure.

Management believes that the Company has filed its tax returns and paid all applicable taxes in compliance with Canadian and applicable foreign tax laws. The Company does not believe that the reassessments are supported by Canadian tax law and jurisprudence and intends to vigorously defend its tax filing positions.

The CRA audit is ongoing and there can be no assurance that the CRA will not further challenge the manner in which the Company or any of its 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 or a subsidiary 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 other 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 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 through 2020 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.

Franco-Nevada's assets may be subject to risks relating to environment, social and governance (ESG) matters

Mining, processing and development activities are subject to ESG risks which could have a significant impact on project development, operational performance, reputation and social license to operate. ESG issues at the properties underlying Franco-Nevada's assets could have a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition, the trading price of Franco-Nevada securities and Franco-Nevada's reputation. Franco-Nevada's corporate policies including Investment Principles Policy (Environmental, Social and Governance) set out the principles regarding ESG matters which guide our investment decisions and the ongoing management of our assets in an effort to mitigate these risks.

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, 2019, 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, 2019 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)	2019	2018	2017
Per Common Share (in dollars)	$ 0.99	$ 0.95	$ 0.91
Cash payments	$138.2	$136.1	$125.8
DRIP payments[1]	$ 48.8	$ 41.7	$ 42.1
In aggregate[1]	$187.0	$177.8	$167.9

(1) For 2019, 2018 and 2017, includes DRIP payments which were satisfied by the issuance of 558,770, 615,250, and 575,553 Common Shares respectively.

Dividends Paid in C$ (in millions)	2019	2018	2017
Per Common Share (in dollars) [1]	$ 1.31	$ 1.25	$ 1.17
Cash payments[1]	$183.2	$178.5	$162.9
DRIP payments[1][2]	$ 64.5	$ 55.4	$ 54.4
In aggregate[1][2]	$247.7	$233.9	$217.3

(1) The exchange rate used to convert the dividends to C$ is the daily exchange rate posted by the Bank of Canada on the record date.
(2) For 2019, 2018 and 2017, includes DRIP payments which were satisfied by the issuance of 558,770, 615,250, and 575,553 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 17, 2020, 189,406,718 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**
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	105.04	94.64	12,408,857	78.82	70.95	13,619,589
April	101.82	93.24	10,260,040	76.34	69.16	10,317,154
May	105.10	93.68	11,294,210	77.75	69.58	11,805,316
June	114.36	100.74	12,205,582	86.81	75.93	11,240,804
July	119.50	107.36	10,152,629	90.78	81.79	10,781,946
August	131.65	113.18	12,261,735	99.14	85.44	14,842,620
September	133.92	118.73	14,247,194	101.19	89.46	13,897,773
October	128.60	119.63	10,347,005	97.73	90.09	11,615,157
November	133.15	124.57	11,730,116	100.70	94.58	10,446,193
December	135.26	126.90	10,044,158	104.07	96.26	11,317,277
2020						
January	151.56	130.28	8,268,380	114.50	99.66	12,641,417
February	163.20	139.64	10,102,163	122.65	104.00	14,599,492
March (1-17)	163.80	105.93	17,439,991	122.31	77.18	20,834,377

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(4) Toronto, Ontario, Canada	Director and Chair	Chair, Franco-Nevada
David Harquail(5) 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	Chair, G Mining Services Inc.
Jennifer Maki(3) Toronto, Ontario, Canada	Director	Corporate Director
Randall Oliphant(3) Toronto, Ontario, Canada	Director	Corporate Director
Hon. David R. Peterson(2) Toronto, Ontario, Canada	Director	Chairman Emeritus, Cassels Brock & Blackwell LLP
Elliott Pew(2) Boerne, Texas, U.S.A.	Director	Chair, Enerplus Corporation
Paul Brink(6) Toronto, Ontario, Canada	President & Chief Operating Officer	President & Chief Operating Officer, Franco-Nevada
Sandip Rana Oakville, 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, Catharine Farrow, Jennifer Maki and Elliott Pew who were appointed in August 2008, August 2013, May 2015, May 2019 and September 2019 respectively.

(2) Member of the Compensation and Corporate Governance Committee. Effective March 9, 2020, the committee's name has been changed to the Compensation and ESG Committee.

(3) Member of the Audit and Risk Committee.

(4) Pierre Lassonde is not standing for re-election at the 2020 Annual Meeting. The Board intends to appoint Mr. Lassonde as Chair Emeritus at that time.

(5) Effective as of the 2020 Annual Meeting, the Board intends to appoint David Harquail as the non-executive Chair of its Board.

(6) Effective as of the 2020 Annual Meeting, the Board intends to appoint Paul Brink as President & Chief Executive Officer and nominate him for election as a director of Franco-Nevada at that time.

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 3,215,330 Common Shares, representing approximately 1.7% of the Common Shares outstanding.

Biographical information regarding the current 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 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. Mr. Lassonde is not standing for re-election at the 2020 Annual Meeting. The Board intends to appoint Mr. Lassonde as Chair Emeritus at that time.

David Harquail, Chief Executive Officer and Director — David Harquail is Chair Designate and is currently the Chief Executive Officer and a director of Franco-Nevada. The Board of Franco-Nevada intends to appoint David Harquail as Chair of its Board of Directors following the 2020 Annual Meeting. He serves as a director of the Bank of Montreal and is the former Chair of the World Gold Council (2017-2020). He has also held senior executive roles and served as a director of numerous public mining companies and has been actively involved in industry organizations. 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. Mr. Evans has over 30 years of experience in a variety of operational and senior executive 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 — Catharine Farrow is a director of Franco-Nevada. She is a Professional Geoscientist (APGO) with more than 25 years of mining industry experience. She also serves as a Director of Centamin plc and is active in the mining industry in both private companies and academia. From 2012 to 2017 she was Founding CEO, Director and Co-Founder of TMAC Resources Inc. Catharine has served on the Board of a number of not-for-profit and government Advisory Boards. 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. She also holds the ICD.D designation.

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 1986 to 2006 and previously held management positions with Falconbridge Copper Company and Exxon Minerals Company and has served as a director of several public companies. 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.

Jennifer Maki, Director — Jennifer Maki is a director of Franco-Nevada. She is also a director of Baytex Energy Corp. She previously served as Chief Executive Officer of Vale Canada and Executive Director of Vale Base Metals (2014 to 2017) and previously held several other positions with Vale Base Metals, including Chief Financial Officer & Executive Vice-President and Vice-President & Treasurer. She has also served on the boards of not-for-profit organizations. Ms. Maki has a Bachelor of Commerce degree from Queen's University and a postgraduate diploma from the Institute of Chartered Accountants, both in Ontario, Canada. She also holds the ICD.D designation.

Randall Oliphant, Director — Randall Oliphant is a director of Franco-Nevada. He 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. He served as Executive Chairman of New Gold from 2009 to 2017. Mr. Oliphant presently serves on the advisory board of Metalmark Capital LLC, a leading private equity firm. Mr. Oliphant also 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.

Elliott Pew, Director — Elliott Pew is a director of Franco-Nevada. He has over 38 years of diverse experience in the oil and gas industry and currently serves as Chair of Enerplus Corporation. Previously, Mr. Pew served as a director of Southwestern Energy Company and as co-founder, executive and member of the board of managers of Common Resources I, II and III (private E&P). Prior to that, Mr. Pew held senior executive positions with Newfield Exploration Company in Houston and was Senior Vice President, Exploration of American Exploration Company. He holds an M.A. in Geology from the University of Texas at Austin and an A.B. in Geology from Franklin and Marshall College.

Paul Brink, President & Chief Operating Officer — Paul Brink is CEO Designate and is currently the President & Chief Operating Officer of Franco-Nevada. The Board intends to nominate Mr. Brink for election as a director of Franco-Nevada at the 2020 Annual Meeting and also intends to appoint him as President & Chief Executive Officer following the 2020 Annual Meeting. He has been with Franco-Nevada since its IPO in 2007 and successfully led its business development activities as SVP Business Development from 2008 until his promotion to President & Chief Operating Officer in 2018. 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.

Sandip Rana, Chief Financial Officer — Sandip Rana, Chief Financial Officer, joined 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. 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 2019 or that any of its properties or assets is subject or was subject to, during fiscal 2019, 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 2019 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 2019.

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.

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 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.

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 9, 2020 in respect of Franco-Nevada's consolidated financial statements as at December 31, 2019 and 2018 and for each of the years then ended and on the effectiveness of Franco-Nevada's internal control over financial reporting as at December 31, 2019. 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 6, 2020. 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 9, 2020 to remove oversight over oil and gas reserves disclosure as the Corporation ceased providing such disclosure in 2018 as it was no longer material.

With respect to risk management, the Charter provides that the Audit and Risk Committee (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, 2019, the ARC was composed of the following four directors: Tom Albanese, Derek Evans, Jennifer Maki 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	Lead Independent Director 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
Jennifer Maki	Director, Baytex Energy Corp. Previous CEO, Vale Canada and Executive Director of Vale Base Metals ICD.D, Institute of Corporate Directors (2019) Chartered Professional Accountant, CA (1996) Bachelor of Commerce, Queen's University
Randall Oliphant	Previous Executive Chair and Director of New Gold Inc. Previous President, CEO and Chief Financial Officer of Barrick Gold Corporation Previous Director and Chair of the audit committee of WesternZagros Resources Ltd. 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, 2019 and 2018, PricewaterhouseCoopers LLP was paid fees from the Corporation as detailed below:

	December 31, 2019		**December 31, 2018**	
Audit Fees	C$	1,066,098 (1)	C$	979,600 (1)
Audit-Related Fees	C$	133,350	C$	51,450
Tax Fees	C$	68,372	C$	52,497
Other Fees	C$	NIL	C$	NIL
Total Fees	C$	1,267,820	C$	1,083,547

(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, 2019, "Audit-Related Fees" noted above are total fees incurred for the French translation of documents. For the year ended December 31, 2018, "Audit-Related Fees" noted above consisted of $43,575 and $7,875 for services related to: (i) the French translation of documents and (ii) accounting assistance, respectively.

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, and

risk management oversight, including climate change risks.

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.

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 9, 2020

FNV TSX/NYSE

WORLD GOLD COUNCIL MEMBER

Franco Nevada

The GOLD Investment that WORKS

www.franco-nevada.com

Exhibit 99.2

2019

Management's Discussion and Analysis

For the year ended December 31, 2019

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 9, 2020 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, 2019 and 2018. The audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The audited consolidated financial statements and MD&A are presented in U.S. dollars.

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, 2019 and 2018 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 and Form 40-F, are available on SEDAR at www.sedar.com, and on EDGAR at www.sec.gov, respectively. 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.

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Abbreviations used in this report

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

Abbreviated Definitions

Periods under review

"Q4/2019"	The three-month period ended December 31, 2019
"Q3/2019"	The three-month period ended September 30, 2019
"Q2/2019"	The three-month period ended June 30, 2019
"Q1/2019"	The three-month period ended March 31, 2019
"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

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
"mcf"	Thousand cubic feet

Places and currencies

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

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.

Overview

Franco-Nevada is the leading gold-focused royalty and streaming company with 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% of revenue from Energy (oil, gas and NGLs).

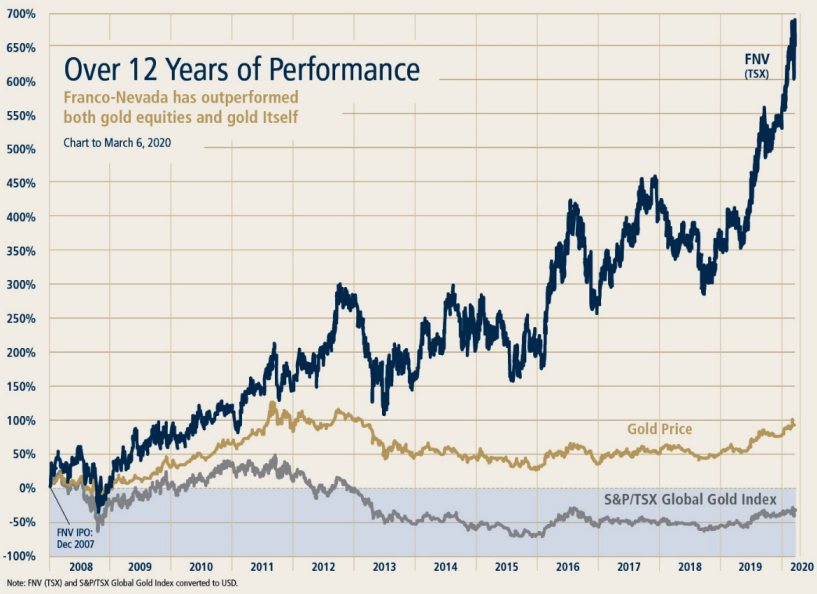
Franco-Nevada Asset Count at March 9, 2020

	Mining	Energy	TOTAL
Producing	55	56	**111**
Advanced	34	—	**34**
Exploration	206	23	**229**
TOTAL	**295**	**79**	**374**

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 twelve years ago, Franco-Nevada has increased its dividend annually and its share price has outperformed the gold price and all relevant gold equity benchmarks.

Our aspiration is to make Franco-Nevada the "go to" gold stock for the generalist investor. We believe that our emphasis on minimizing risk, paying dividends and maintaining a strong balance sheet along with high governance standards is attractive to generalist investors. In a world confronted by political volatility and financial market instability, we believe making Franco-Nevada a lower risk gold investment that pays dividends and has leverage to gold is the right strategy.

Franco-Nevada's Relative Share Price Performance



Strategy

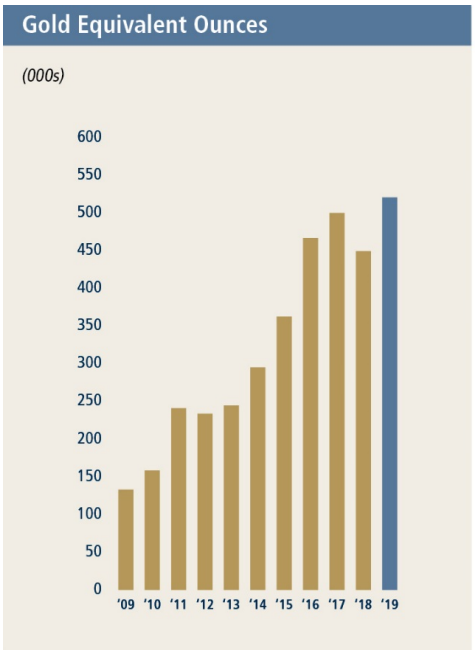
Franco-Nevada's revenue is generated from various forms of agreements, ranging from net smelter return royalties, streams, net profits interests, net royalty interests, working interests and other types of arrangements.

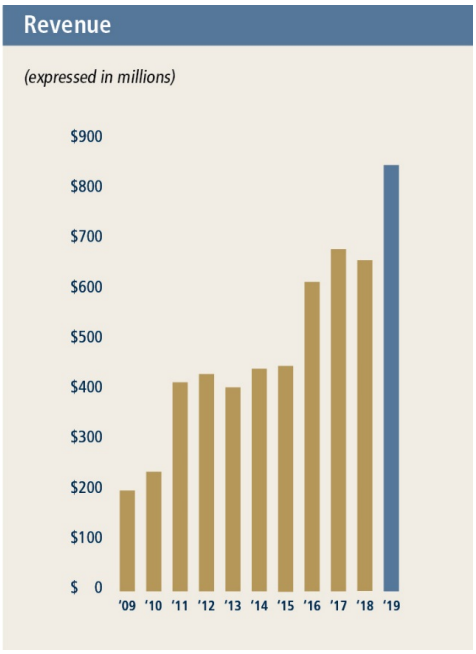
The Company does not operate mines, develop projects or conduct exploration. Franco-Nevada's business model is focused on managing and growing its portfolio of royalties and streams. The advantages of this business model are:

- Exposure to commodity 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
- Management that focuses on forward looking 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 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% of revenue from Energy (oil, gas and NGLs). In the short term, we may temporarily diverge from the long-term target based on opportunities available. In 2019, 86.3% of revenue was earned from gold and gold equivalents and 13.7% from Energy assets.

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 the underlying asset. 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 5.9% of total revenue in 2019.

Highlights

Financial Update – Q4/2019

- **153,396 GEOs**[1] sold in Q4/2019, an increase of 46.3% from 104,877 GEOs in Q4/2018;
- **$258.1 million in revenue**, an increase of 74.2% compared to $148.2 million in Q4/2018;
- **$44.1 million, or $287 per GEO sold, in Cash Costs**[2] attributable to GEO production, compared to $21.5 million, or $208 per GEO, in Q4/2018;
- **$201.7 million, or $1.07 per share, of Adjusted EBITDA**[2], an increase of 69.9% and 67.2%, respectively, compared to $118.7 million, or $0.64 per share, in Q4/2018;
- **78.1% in Margin**[2], compared to 80.1% in Q4/2018;
- **$113.3 million, or $0.60 per share, in net income**, compared to a net loss of $31.3 million, or $0.17 per share, in Q4/2018;
- **$110.8 million, or $0.59 per share in Adjusted Net Income**[2], an increase of 147.9% and 145.8%, respectively, compared to $44.7 million, or $0.24 per share, in Q4/2018;
- **$184.6 million in net cash provided by operating activities**, an increase of 88.8% compared to $97.8 million in Q4/2018;
- **$1.4 billion in available capital** as at December 31, 2019.

Financial Update – 2019

- **516,438 GEOs** sold, an increase of 15.3% from 447,902 GEOs in 2018;
- **$844.1 million in revenue**, an increase of 29.2% compared to $653.2 million in 2018;
- **$137.5 million, or $266 per GEO sold, in Cash Costs** attributable to GEO production, compared to $105.2 million, or $239 per GEO, in 2018;
- **$673.4 million, or $3.59 per share, in Adjusted EBITDA**, an increase of 29.6% and 28.7%, respectively, compared to $519.6 million, or $2.79 per share, in 2018;
- **79.8% in Margin**, compared to 79.5% in 2018;
- **$344.1 million, or $1.83 per share, in net income**, an increase of 147.6% and 144.0%, respectively, compared to $139.0 million, or $0.75 per share, in 2018;
- **$341.5 million, or $1.82 per share**, in Adjusted Net Income, an increase of 57.4% and 55.6%, respectively, compared to $217.0 million, or $1.17 per share, in 2018;
- **$617.7 million in net cash provided by operating activities**, an increase of 30.1% compared to $474.8 million in 2018.

Corporate Developments

Acquisition of Eagle's Nest Royalty Interest and Extension of Noront Loan – Ontario, Canada

On December 23, 2019, Franco-Nevada acquired a 1% GR on Noront Resources Ltd.'s ("Noront") Eagle's Nest nickel, copper and PGM deposit in the Ring of Fire mining district of Ontario, Canada, for C$5.0 million ($3.8 million).

Franco-Nevada also extended the term of its $25 million loan to Noront to September 30, 2022, from its original maturity of April 28, 2020, under substantially the same terms and conditions. The loan bears annual interest at 7%, and amounted to $34.6 million including accrued interest as at December 31, 2019.

Acquisition of Project 81 Royalty Interest and Noble Common Shares – Ontario, Canada

On November 22, 2019, Franco-Nevada acquired a 2% NSR on Noble Mineral Exploration's ("Noble") 55,000 hectare patented land package known as Project 81 in the Timmins-Cochrane area of Ontario, Canada, in exchange for Franco-Nevada agreeing to waive its pre-emptive and buy-back rights in respect of a historical third party royalty, which was subsequently terminated. Franco-Nevada's 2% NSR covers the Crawford Nickel-Sulphide Project, which was recently spun out by Noble to Canada Nickel Company Inc. As part of the arrangement, Noble issued C$500,000 of Noble common shares to Franco-Nevada.

Acquisition of Premier Gold Royalty Interests

On September 25, 2019, Franco-Nevada acquired two royalties from Premier Gold Mines Limited ("Premier") for $6.0 million, including a 2% NSR on property owned by Newmont Corporation adjoining its Musselwhite Mine in Northwestern Ontario and a 1.5% NSR on Nevada Gold Mines LLC's Rain/Emigrant and Saddle properties located at the south end of the Carlin Trend in Nevada.

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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 11 and 15 of this MD&A for indicative prices which may be used in the calculation of GEOs for the year ended December 31, 2019 and 2018, 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.

Acquisition of U.S. Oil & Gas Royalty Interest – Marcellus, Pennsylvania, U.S.A.

On July 22, 2019, Franco-Nevada acquired from Range Resources Corporation ("Range") an overriding royalty interest on acreage in the Marcellus for a gross purchase price of $300.0 million. The royalty is calculated as 1% of gross production, less allowed deductions from approximately 350,000 net acres of Range's working interest position in Washington, Western Allegheny and Southern Beaver Counties in Pennsylvania. The royalty applies to existing production and future development from the Marcellus formation as well as future potential development from the Utica and Upper Devonian formations. The royalty provides exposure to a significant inventory of undeveloped drilling locations that is expected to be capable of supporting cash flow for several decades. The royalty is registered on title and is a direct interest in real property.

The acquisition had an effective date of March 1, 2019. Between the effective date and the closing date, the asset generated approximately $9.4 million in royalties. Total revenue earned in 2019 from these royalties was $18.0 million. Approximately half of the revenue earned was from natural gas liquids and condensate.

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

The Company, through a wholly-owned subsidiary, has a strategic relationship with Continental Resources, Inc. ("Continental") to acquire, through a jointly-owned 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.

Under the agreement, Franco-Nevada had committed to spend up to $100 million per year over the three-year period ending December 31, 2021 to acquire royalty rights, subject to satisfaction of agreed upon development thresholds. Given a favourable acquisition pace in 2019, Franco-Nevada advanced the capital funding schedule and increased its 2019 capital commitment to the Royalty Acquisition Venture to $120.0 million, up from $100.0 million. Contributions recorded by Franco-Nevada in 2019 were $114.4 million (2018 – $261.8 million). Since the inception of the Royalty Acquisition Venture, Franco-Nevada has contributed a cumulative amount of $376.2 million, with up to $143.8 million in remaining commitments.

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 ($13.7 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 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 the commencement of commercial production.

Significant Portfolio Updates

Additional updates related to our portfolio of assets are available in our News Release issued on March 9, 2020, available on SEDAR at www.sedar.com, and EDGAR at www.sec.gov.

Cobre Panama

First Quantum Minerals Ltd. ("First Quantum") reported that Cobre Panama had achieved commercial production on September 1, 2019, and that project construction and commissioning was essentially complete during Q4/2019. The final mill (8th mill), came on-line in mid-December 2019, providing additional capacity on the third milling train, and First Quantum expects that mill throughput can now ramp-up to production of 85 million tonnes per annum (mtpa). First Quantum expects throughput to reach 100 mtpa by 2023, resulting in copper production of over 350,000 tonnes per year.

First Quantum reported that copper production in 2019 was 147,480 tonnes of copper, within its guidance of 140,000 – 170,000 tonnes. Franco-Nevada received its first gold and silver ounces from Cobre Panama in July 2019, for a total of 43,554 GEOs sold in 2019, exceeding our guidance of 20,000 – 40,000 GEOs.

In relation to the ongoing constitutional proceedings in connection with Minera Panama SA's ("MPSA") mining concession contract, First Quantum reported that the newly elected Government of Panama, inaugurated on July 1, 2019, has established a multidisciplinary high-level commission including the Minister of Commerce and Industries (mining regulator), Minister of Environment, and Minister of Employment to discuss the Law 9 matter and seek resolution. First Quantum reported that discussions with the commission have been productive.

Financing

Credit Facilities

During the year, the Company drew down $275.0 million from its $1.0 billion revolving credit facility (the "Corporate Revolver") to finance the acquisition of the Marcellus royalty. This amount was fully repaid by December 31, 2019. The Corporate Revolver has a maturity date of March 22, 2024, which the Company expects to extend by an additional year.

The Company also drew down $160.0 million from its unsecured, non-revolving credit facility (the "Corporate Term Loan"), and used the proceeds to pay down borrowings previously drawn against the Corporate Revolver. The amount outstanding under the Corporate Term Loan was reduced to $80.0 million by December 31, 2019. Subsequent to year-end, on February 14, 2020, the Corporate Term Loan was fully repaid.

As of the date of this MD&A, the Company has repaid all amounts borrowed against its credit facilities.

The $100.0 million, revolving Franco-Nevada (Barbados) Corporation credit facility (the "FNBC Revolver") was undrawn during the year. The FNBC Revolver has a maturity date of March 20, 2020, which the Company expects to extend by an additional year.

At-the-Market Equity Program

On July 19, 2019, the Company established an at-the-market equity program (the "ATM Program") whereby the Company is permitted to issue up to an aggregate of $200 million worth of common shares from treasury at prevailing market prices to the public through the Toronto Stock Exchange, the New York Stock Exchange or any other marketplace on which the common shares are listed, quoted or otherwise trade. The volume and timing of distributions under the ATM Program is determined at the Company's sole discretion, subject to applicable regulatory limitations and blackout periods. The ATM Program is effective until July 18, 2020, unless terminated prior to such date by the Company.

In 2019, the Company issued 1,433,400 common shares under the ATM Program at an average price per common share of $96.56. The gross proceeds to the Company from these issuances were $138.4 million, and the net proceeds were $136.0 million after deducting agent commission costs of $1.4 million and other share issuance costs of $1.0 million.

Dividend Declaration

For the year ended December 31, 2019, dividends declared totaled $0.99 per share, or $187.0 million, of which $138.2 million was paid in cash and $48.8 million was paid in common shares under the Company's Dividend Reinvestment Plan (the "DRIP"). For Q4/2019, the dividend declared was $0.25 per share, for a total of $47.6 million, of which $35.3 million was paid in cash and $12.3 million was paid in common shares issued under the DRIP.

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. 2020 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 2020, the Company is pleased to provide the following guidance for its mining and energy segments, respectively.

	2020 guidance	2019 Actual	2018 Actual
Gold & Gold Equivalent sales[1),(2)]	**550,000 - 580,000 GEOs**	516,438 GEOs sold	447,902 GEOs sold
Energy revenue[(3)]	**$80.0 - $95.0 million**	$115.9 million	$86.1 million

1 Of the 550,000 to 580,000 GEOs, Franco-Nevada expects to receive 375,000 to 405,000 GEOs under its various streams. For the year ended December 31, 2019, the Company earned 345,466 GEOs from its streams.
2 In forecasting GEOs for 2020, gold, silver, platinum and palladium metals have been converted to GEOs using commodity prices of $1,500 Au, $17.00 Ag, $900 Pt and $2,000 Pd.
3 In forecasting revenue from Energy assets for 2020, the Company assumed a WTI oil price of $45 per barrel and a Henry Hub natural gas price of $2.00 per mcf.

Gold equivalent sales: GEO sales in 2019 exceeded our guidance, with strong production from our Cobre Panama, Candelaria, and Guadalupe-Palmarejo streams, as well as higher than anticipated royalties from our Hemlo NPI. For 2020, we continue to expect significant growth in GEO sales based on the following:

- **Latin America**: We expect sales from Cobre Panama to range between 90,000 and 110,000 GEOs as the mine continues to ramp up in 2020. Sales in 2020 for Candelaria are expected to range between 70,000 and 80,000 GEOs, as production from the mine is expected to increase with improving copper head grades, the Candelaria South Sector underground mine now operational and the mill optimization project on-track to be completed in Q1/2020. Antamina silver ounces sold are expected to increase compared to 2019, as we anticipate the mid-point of our long-term expected annual range of 2.8 million to 3.2 million silver ounces. Increases from these assets are expected to be partly offset by a

decrease from Antapaccay based upon lower head grades as per the life of mine plan, where we expect between 60,000 and 70,000 GEOs in sales.

- **U.S.:** We expect higher production from South Arturo, where commercial production at the El Nino underground mine was ahead of schedule in Q3/2019, and from Stillwater, where production continues to benefit from the Blitz project and high palladium prices. Bald Mountain experienced delays with the construction and commissioning of the heap leach pad at the Vantage Complex and production at Marigold is transitioning away from higher royalty grounds. Royalties from the Goldstrike NPI are also expected to decrease.
- **Canada:** We expect a first full year of production from Dublin Gulch (Eagle) where first gold was poured in September 2019 and higher royalties from our Hemlo NPI. Production from Sudbury is expected to decrease, with Levack-Morrison mine being placed on care and maintenance in March 2019, and we expect no revenue from Musselwhite as the mine continues to recover from a fire early in April 2019.
- **Rest of World:** Production from Sabodala is expected to decrease, having fulfilled its fixed deliveries requirements in 2019, with future stream deliveries now being based on a trailing 6% of gold production. Royalties from Subika are also expected to decrease based on mine sequencing in the Subika open pit and a change in mining method at Subika Underground.

Energy revenue: Revenue from our Energy assets also exceeded our 2019 guidance, reflecting the addition of the Marcellus royalty as well as strong performances from our existing U.S. and Canadian assets. In 2020, based on a more conservative outlook, we expect revenue from Energy to decrease year-over-year based on weaker prices and the following additional factors:

- **U.S.:** We expect revenue from the SCOOP/STACK to be flat compared to 2019, reflecting additional royalty rights acquired through the Royalty Acquisition Venture with Continental, partly offset by the impact of a downturn in gas and NGL prices and a decrease in rig activity in the basin. Royalties from the Marcellus asset, acquired effective March 1, 2019, are expected to increase modestly year-over-year, reflecting a first full year of production, partly offset by lower prices for gas and NGLs which are at historic lows at the beginning of 2020. Revenue from the Permian Basin is expected to decrease compared to 2019, reflecting the decline of some high-royalty interest wells which came online in 2019. We also have not included lease bonus revenue in our 2020 guidance, which amounted to $2.0 million in 2019.
- **Canada:** We expect revenue for the Weyburn NRI to be lower than last year due to an increase in capital spending budgeted by the operator as they bring new wells online, which will help bolster future production levels. For Orion, in 2020, we assumed a higher differential for the Western Canada Select benchmark price (versus WTI) than what was realized in 2019. The differential in 2019 benefited from government-imposed production curtailments in Alberta which have since been reduced.

Depletion: The Company has estimated depletion and depreciation expense to be between $260.0 million to $290.0 million for 2020.

Capital commitments: With respect to the Royalty Acquisition Venture held with Continental, the Company is expected to contribute, subject to satisfaction of agreed upon development thresholds, up to $100.0 million in 2020.

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 when converting non-gold 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 2019, gold prices averaged $1,392/oz, up 9.8% compared to $1,268/oz in 2018. Silver prices averaged $16.20/oz in 2019, an increase of 3.1% compared to $15.71/oz in 2018. Platinum and palladium prices averaged $863/oz and $1,539/oz, respectively, in 2019, compared to $881/oz and $1,028/oz, respectively, in 2018, an increase of 2.0% and 49.7%, respectively. Precious metal prices rallied in the latter part of 2019, closing the year at $1,523/oz Au, $18.05/oz Ag, $971/oz Pt, and $1,920/oz Pd.

During the year, Edmonton Light prices averaged C$68.99/bbl, flat compared to 2018, while WTI averaged $57.00/bbl, a 12.0% decrease from 2018. Henry Hub natural gas prices averaged $2.53/mcf in 2019 compared to $3.07/mcf in 2018.

Selected Financial Information

(in millions, except Average Gold Price, GEOs sold, Margin, per ounce amounts and per share amounts)	For the three months ended December 31, 2019	2018	For the year ended December 31, 2019	2018
Statistical Measures				
Average Gold Price	**$ 1,480**	$ 1,228	**$ 1,392**	$ 1,268
GEOs sold[1]	**153,396**	104,877	**516,438**	447,902
Statement of Income and Comprehensive Income				
Revenue	**$ 258.1**	$ 148.2	**$ 844.1**	$ 653.2
Depletion and depreciation	**72.7**	61.5	**263.2**	247.7
Costs of sales	**46.3**	24.8	**144.8**	118.2
Operating income	**129.0**	(19.3)	**410.2**	188.8
Net income	**113.3**	(31.3)	**344.1**	139.0
Basic earnings per share	**$ 0.60**	$ (0.17)	**$ 1.83**	$ 0.75
Diluted earnings per share	**$ 0.60**	$ (0.17)	**$ 1.83**	$ 0.75
Dividends declared per share	**$ 0.25**	$ 0.24	**$ 0.99**	$ 0.95
Dividends declared (including DRIP)	**$ 47.6**	$ 44.9	**$ 187.0**	$ 177.8
Weighted average shares outstanding	**188.8**	186.4	**187.7**	186.1
Non-IFRS Measures				
Cash Costs[2] attributable to GEOs sold	**$ 44.1**	$ 21.5	**$ 137.5**	$ 105.2
Cash Costs[2] per GEO sold	**$ 287**	$ 208	**$ 266**	$ 239
Adjusted EBITDA[2]	**$ 201.7**	$ 118.7	**$ 673.4**	$ 519.6
Adjusted EBITDA[2] per share	**$ 1.07**	$ 0.64	**$ 3.59**	$ 2.79
Margin[2]	**78.1 %**	80.1 %	**79.8 %**	79.5 %
Adjusted Net Income[2]	**$ 110.8**	$ 44.7	**$ 341.5**	$ 217.0
Adjusted Net Income[2] per share	**$ 0.59**	$ 0.24	**$ 1.82**	$ 1.17
Statement of Cash Flows				
Net cash provided by operating activities	**$ 184.6**	$ 97.8	**$ 617.7**	$ 474.8
Net cash used in investing activities	**$ (1.8)**	$ (285.3)	**$ (436.1)**	$ (988.7)
Net cash (used in) provided by financing activities	**$ (142.6)**	$ 182.5	**$ (119.8)**	$ 77.6

(expressed in millions)	As at December 31, 2019	As at December 31, 2018
Statement of Financial Position		
Cash and cash equivalents	**$ 132.1**	$ 69.7
Total assets	**5,280.6**	4,931.8
Debt	**80.0**	207.6
Deferred income tax liabilities	**82.4**	67.3
Total shareholders' equity	**5,062.2**	4,631.9
Working capital[3]	**225.3**	153.5

1 Refer to Note 1 at the bottom of page 5 of this MD&A for the methodology for calculating GEOs and, f or illustrative purposes, to the average commodity price table on pages 11 and 15 of this MD&A for indicative prices which may be used in the calculations of GEOs for the year ended December 31, 2019 and 2018, respectively.

2 Cash costs, 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 55 Mining assets and 56 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, 2019 and 2018:

(expressed in millions)		For the three months ended December 31,		For the year ended December 31,	
Property	**Interest and %**	**2019**	2018	**2019**	2018
GOLD & GOLD EQUIVALENTS					
Latin America					
Cobre Panama	Stream (indexed) Gold & Silver	**$ 32.8**	$ —	**$ 64.7**	$ —
Candelaria	Stream 68% Gold & Silver	**30.9**	11.3	**103.1**	70.5
Antapaccay	Stream (indexed) Gold & Silver	**29.1**	21.9	**100.4**	97.5
Antamina	Stream 22.5% Silver	**10.2**	10.9	**44.9**	51.1
Guadalupe-Palmarejo	Stream 50% Gold	**17.3**	6.8	**49.7**	45.3
Other		**1.3**	1.8	**6.4**	3.9
United States					
Goldstrike	NSR 2-4%, NPI 2.4-6%	**$ 4.1**	$ 6.3	**$ 21.2**	$ 19.0
Stillwater	NSR 5% PGM	**13.1**	6.6	**39.8**	21.3
Gold Quarry	NSR 7.29%	**5.9**	3.3	**15.6**	14.4
Marigold	NSR 1.75-5%, GR 0.5-4%	**1.7**	2.5	**8.7**	10.2
Bald Mountain	NSR/GR 0.875-5%	**3.8**	4.1	**8.9**	14.5
South Arturo	GR 4-9%	**1.1**	0.1	**1.8**	4.1
Other		**3.0**	2.9	**6.4**	14.9
Canada					
Sudbury	Stream 50% PGM & Gold	**$ 13.1**	$ 6.3	**$ 41.2**	$ 23.3
Detour Lake	NSR 2%	**4.7**	4.4	**16.8**	15.8
Hemlo	NSR 3%, NPI 50%	**5.6**	1.6	**18.2**	7.1
Golden Highway	NSR 2-10%	**1.8**	1.3	**7.0**	8.0
Brucejack	NSR 1.2%	**1.6**	0.3	**5.6**	0.3
Kirkland Lake	NSR 1.5-5.5%, NPI 20%	**1.4**	1.3	**5.2**	4.6
Other		**6.7**	5.2	**20.5**	16.2
Rest of World					
MWS	Stream 25%	**$ 12.1**	$ 8.2	**$ 37.1**	$ 32.9
Sabodala	Stream 6%	**6.3**	6.9	**29.5**	28.5
Karma	Stream 4.875%, Fixed to 80,625 oz	**5.6**	5.6	**20.2**	22.5
Tasiast	NSR 2%	**3.1**	2.1	**10.9**	6.3
Subika	NSR 2%	**5.3**	2.9	**17.4**	9.4
Duketon	NSR 2%	**1.5**	0.8	**7.7**	6.0
Edikan	NSR 1.5%	**0.9**	0.9	**3.6**	4.3
Other		**4.1**	3.7	**15.7**	15.2
		$ 228.1	$ 130.0	**$ 728.2**	$ 567.1
ENERGY					
United States					
SCOOP/STACK	Various Royalty Rates	**$ 7.0**	$ 4.9	**$ 26.2**	$ 15.7
Permian Basin	Various Royalty Rates	**5.3**	6.3	**20.0**	23.1
Marcellus	GORR 1%	**4.9**	—	**18.0**	—
Canada					
Weyburn	NRI 11.71%, ORR 0.44%, WI 2.56%	**$ 8.1**	$ 4.6	**$ 33.8**	$ 35.5
Orion	GORR 4%	**2.6**	0.6	**10.2**	3.7
Other		**2.1**	1.8	**7.7**	8.1
		$ 30.0	$ 18.2	**$ 115.9**	$ 86.1
Revenue		**$ 258.1**	$ 148.2	**$ 844.1**	$ 653.2

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		Q4/2019	Q3/2019	Q4/2018	QOQ (Q4/2019-Q3/2019)	YOY (Q4/2019-Q4/2018)
Gold[1]	($/oz)	**$ 1,480**	$ 1,474	$ 1,228	0.4 %	20.5 %
Silver[2]	($/oz)	**17.31**	17.02	14.55	1.7 %	19.0 %
Platinum[3]	($/oz)	**907**	883	822	2.7 %	10.3 %
Palladium[3]	($/oz)	**1,800**	1,533	1,157	17.4 %	55.6 %
Edmonton Light	(C$/bbl)	**66.87**	69.09	47.95	(3.2) %	39.5 %
West Texas Intermediate	($/bbl)	**56.94**	56.41	58.70	0.9 %	(3.0)%
Henry Hub	($/mcf)	**2.42**	2.33	3.76	3.9 %	(35.6)%
CAD/USD exchange rate[4]		**0.7576**	0.7574	0.7575	0.0 %	0.0 %

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 rates.

Revenue

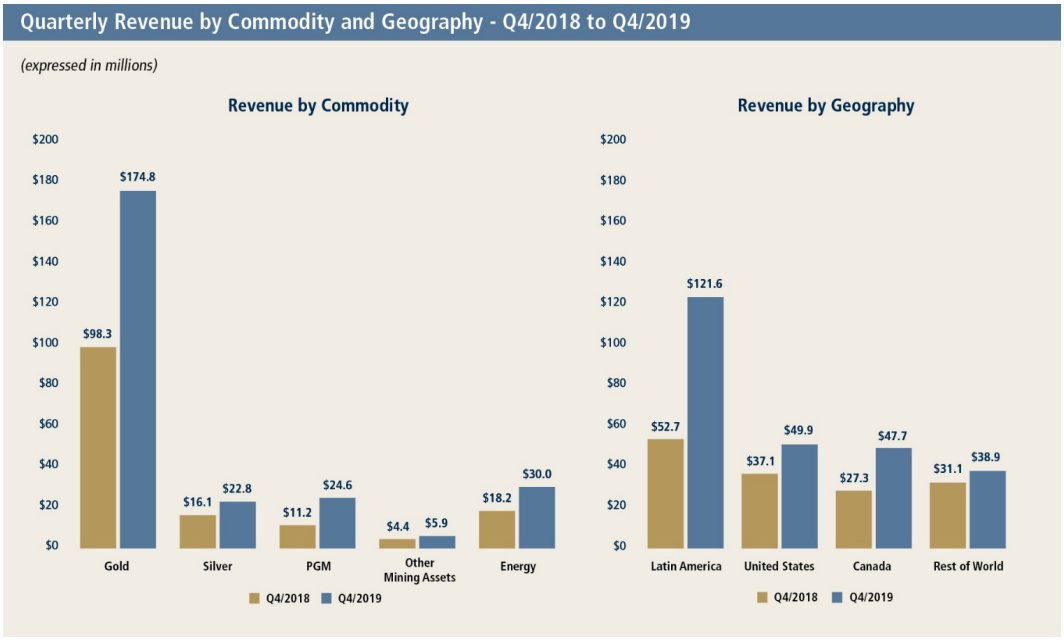
Revenue and GEO sales by commodity, geographical location and type of interest for the three months ended December 31, 2019 and 2018 is as follows:

For the three months ended December 31,	Gold Equivalent Ounces[1] 2019	2018	Variance	Revenue *(in millions)* 2019	2018	Variance
Commodity						
Gold	**117,698**	79,623	38,075	**$ 174.8**	$ 98.3	$ 76.5
Silver	**15,427**	12,895	2,532	**22.8**	16.1	6.7
PGM	**16,271**	8,830	7,441	**24.6**	11.2	13.4
Other Mining assets	**4,000**	3,529	471	**5.9**	4.4	1.5
Mining	**153,396**	104,877	48,519	**$ 228.1**	$ 130.0	$ 98.1
Energy	-	-	-	**30.0**	18.2	11.8
	153,396	104,877	48,519	**$ 258.1**	$ 148.2	$109.9
Geography						
Latin America	**81,697**	42,435	39,262	**$ 121.6**	$ 52.7	$ 68.9
United States	**22,235**	21,244	991	**49.9**	37.1	12.8
Canada	**23,247**	16,066	7,181	**47.7**	27.3	20.4
Rest of World	**26,217**	25,132	1,085	**38.9**	31.1	7.8
	153,396	104,877	48,519	**$ 258.1**	$ 148.2	$109.9
Type						
Revenue-based royalties	**38,765**	31,900	6,865	**$ 78.0**	$ 51.5	$ 26.5
Streams	**105,434**	62,378	43,056	**157.4**	78.0	79.4
Profit-based royalties	**5,008**	5,521	(513)	**12.5**	8.9	3.6
Other	**4,189**	5,078	(889)	**10.2**	9.8	0.4
	153,396	104,877	48,519	**$ 258.1**	$ 148.2	$109.9

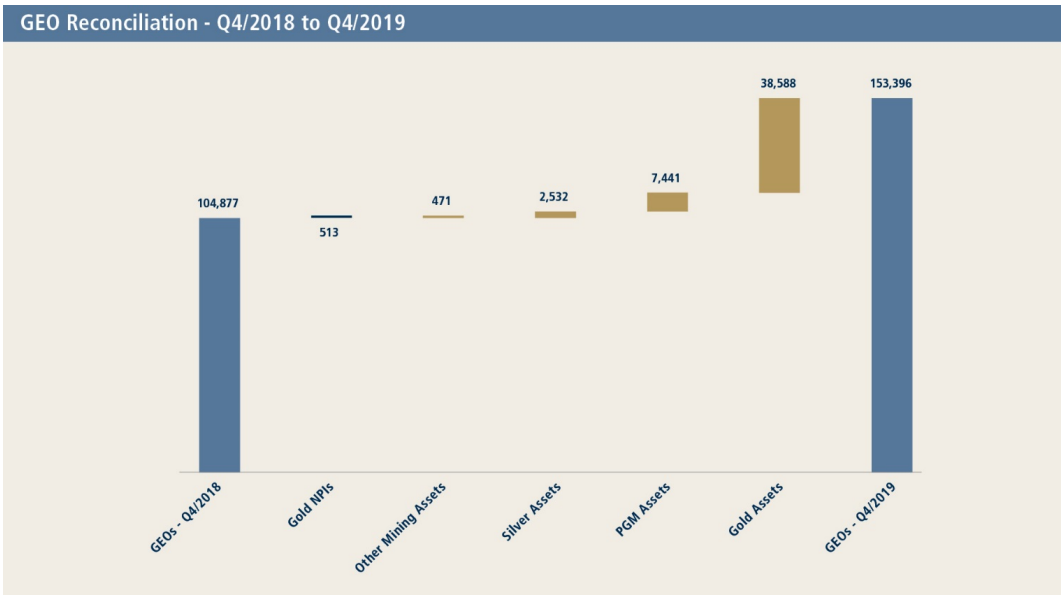
1 Refer to Note 1 at the bottom of page 5 of this MD&A for the methodology for calculating GEOs and, f or illustrative purposes, to the average commodity price table above for indicative prices which may be used in the calculations of GEOs.

Revenue for Q4/2019 was $258.1 million, up 74.2% from Q4/2018, and comprised $228.1 million from Mining assets and $30.0 million from Energy assets. Several of our Mining assets performed strongly during the quarter, aided by rallying metal prices towards the end of the year, resulting in an increase in Mining revenue of 75.5% quarter-over-quarter. Energy revenue in Q4/2019 increased 64.8% compared to the same period in 2018, primarily reflecting the addition of the Marcellus royalty and higher royalties from the Weyburn NRI.

Mining assets contributed 88.4% of the Company's total revenue in Q4/2019, compared to 87.7% in Q4/2018. Geographically, the Company remains heavily invested in the Americas, representing 84.9% of revenue in Q4/2019, compared to 79.0% in Q4/2018.


Quarterly Revenue by Commodity and Geography - Q4/2018 to Q4/2019
(expressed in millions)
Revenue by Commodity
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$0
$98.3
$174.8
$16.1
$22.8
$11.2
$24.6
$4.4
$5.9
$18.2
$30.0
Gold
Silver
PGM
Other Mining Assets
Energy
Q4/2018
Q4/2019
Revenue by Geography
$52.7
$121.6
$37.1
$49.9
$27.3
$47.7
$31.1
$38.9
Latin America
United States
Canada
Rest of World
Q4/2018
Q4/2019

GEO Sales


GEO Reconciliation - Q4/2018 to Q4/2019
104,877
513
471
2,532
7,441
38,588
153,396
GEOs - Q4/2018
Gold NPIs
Other Mining Assets
Silver Assets
PGM Assets
Gold Assets
GEOs - Q4/2019

GEOs sold in Q4/2019 totaled 153,396 ounces, compared to 104,877 GEOs in Q4/2018. The quarter-over-quarter increase was primarily due to the following assets:

- **Cobre Panama** – Cobre Panama had a strong quarter of production as ramp-up continues. Franco-Nevada sold 22,028 GEOs in Q4/2019.
- **Candelaria** – GEOs sold from the Candelaria stream more than doubled quarter-over-quarter, with 20,728 GEOs in Q4/2019 compared to 9,152 in Q4/2018, as ore was sourced directly from the open pit and less from low grade stockpiles and production benefited from the development of the Candelaria Underground South Sector.
- **Guadalupe-Palmarejo** – Production at the La Nación deposit, located between the Independencia and Guadalupe mines and predominantly on stream lands, ramped up through the end of 2019, resulting in 11,644 GEOs being sold in Q4/2019 compared to 5,457 GEOs in Q4/2018. Sales in Q4/2019 included 2,390 ounces which had been received in Q3/2019.
- **Sudbury –** 8,420 GEOs were sold in Q4/2019, compared to 4,712 GEOs in Q4/2018, primarily from the McCreedy mine.
- **Stillwater** – Royalties from Stillwater benefited from an increase in production as the Blitz project continues to ramp-up and higher palladium prices resulting in a higher conversion to GEOs.8,846 GEOs were sold in Q4/2019, compared to 5,412 GEOs in Q4/2018.

The above increases were partly offset by the following:

- **Antamina –** Antamina delivered fewer silver ounces, with 6,892 GEOs sold in Q4/2019 compared to 8,710 in Q4/2018, as expected based on the 2019 life of mine plan. Due to higher gold prices relative to silver, the number of silver ounces received also converted to fewer GEOs in the 2019 period than in the same period in 2018.
- **Sabodala** – 4,265 GEOs were sold from the Sabodala stream in Q4/2019, with 1,695 ounces remaining in inventory at the end of the period, compared to 5,625 GEOs sold in Q4/2018.

Energy Revenue

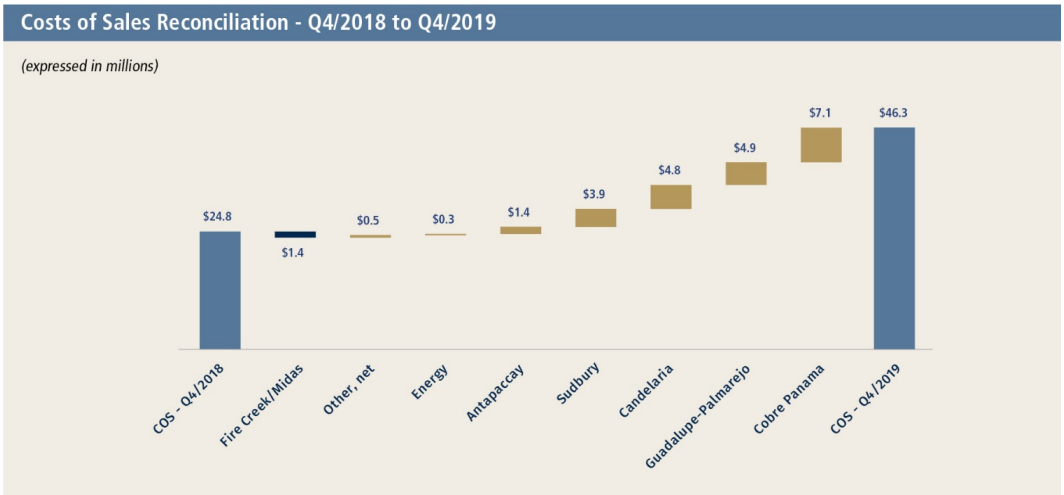
Energy assets earned revenue of $30.0 million (87% oil and 13% gas) for the quarter, an increase of 64.8% compared to $18.2 million (97% oil and 3% gas) in Q4/2018. U.S. assets represented 57.3% of Franco-Nevada's Energy revenue. The increase in Energy revenue was primarily due to the following assets:

- **Marcellus** – The royalty from the Marcellus, which was acquired in July 2019, contributed $4.9 million in Q4/2019.
- **SCOOP/STACK –** Royalties from the SCOOP/STACK contributed $7.0 million in Q4/2019 compared to $4.9 million in Q4/2018, due to additional contribution from the Royalty Acquisition Venture with Continental.
- **Weyburn** – Revenue from the Weyburn Unit during the quarter was $8.1 million, compared to $4.6 million in Q4/2018, due higher realized prices and lower capital and operating costs compared to Q4/2018. The actual realized price from the NRI was C$63.35/boe, compared to C$52.30/boe for Q4/2018.

The above increases were partly offset by the following:

- **Permian Basin** – Revenue from the Permian Basin decreased from $6.3 million in Q4/2018 to $5.3 million in Q4/2019, primarily due to lower realized prices.

Costs of Sales



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

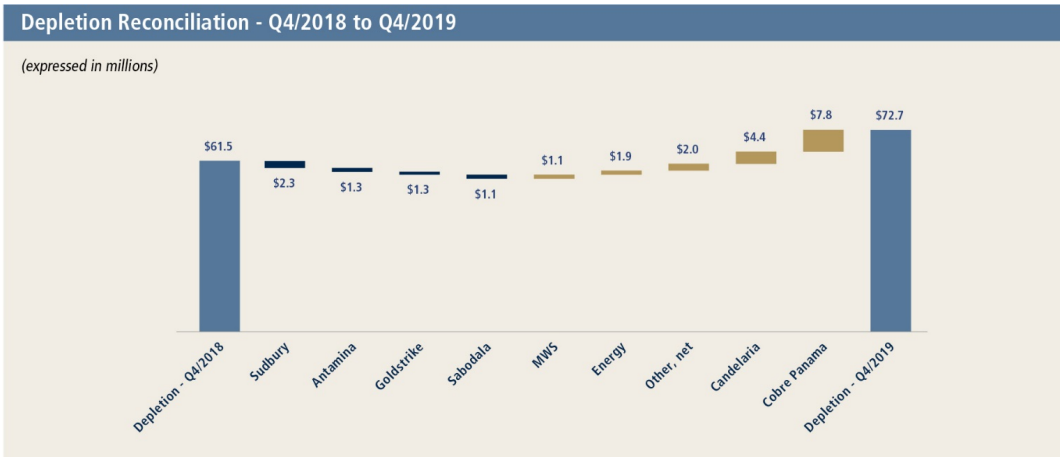
(expressed in millions)	For the three months ended December 31, 2019	2018	Variance
Costs of stream sales	**$ 43.5**	$ 20.9	$ 22.6
Costs of prepaid ounces	**—**	1.4	(1.4)
Mineral production taxes	**0.6**	0.6	—
Mining costs of sales	**$ 44.1**	$ 22.9	$ 21.2
Energy costs of sales	**2.2**	1.9	0.3
	$ 46.3	$ 24.8	$ 21.5

Costs of stream sales almost doubled quarter-over-quarter, reflecting a 69.0% increase in stream GEOs sold, from 105,434 GEOs in Q4/2019 compared to 62,378 GEOs in Q4/2018. Costs of sales per ounce also increased as a result of higher metal prices, as certain streams carry a cost per ounce which varies based on spot prices. The Company also received more ounces from the McCreedy West stream, which currently carries a higher cash payment per ounce relative to other streams.

Costs of prepaid ounces was nil in Q4/2019, as Fire Creek/Midas met its fixed delivery requirements in 2018.

Depletion and Depreciation

Depletion and depreciation expense totaled $72.7 million in Q4/2019, compared to $61.5 million in Q4/2018. While GEOs sold increased quarter-over-quarter, depletion expense increased to a lesser extent as the incremental GEOs were earned from assets carrying lower depletion rates.



Impairment Charges

There were no impairment charges recorded in Q4/2019. In Q4/2018, the Company recorded impairments of $54.4 million and $21.0 million with respect to the Levack-Morrison and Podolsky mines, respectively, and wrote-off $0.6 million for abandoned tenements, concessions or grounds which were subject to royalty rights held by the Company.

Income Taxes

Income tax expense for the quarter was $17.2 million in Q4/2019 (Q4/2018 – $11.7 million), comprised of a current income tax expense of $13.9 million (Q4/2018 – $9.2 million) and a deferred income tax expense of $3.3 million (Q4/2018 – $2.5 million). The increase in total tax expense was due to higher income earned in Q4/2019, partially offset by a reduction as a result of a change in the apportionment of income by jurisdiction. Income tax expense in proportion to income was also higher in Q4/2018 as a result of an increase in unrecognized deductible temporary differences.

The Company is undergoing an audit by the Canada Revenue Agency of its 2012-2015 taxation years. Refer to the "Liquidity and Capital Resources – Contingencies" section of this MD&A for further details.

Net Income

Net income for Q4/2019 was $113.3 million, or $0.60 per share, compared to net loss of $31.3 million, or $0.17 per share, for the same period in 2018. The increase in net income reflects higher revenue earned from the Company's Mining and Energy assets, coupled with lower depletion rates per ounce for certain assets. The Company also did not record impairment charges in the current quarter. Adjusted Net Income, which adjusts for foreign exchange gains and losses and other income and expenses, among other items, was $110.8 million, or $0.59 per share, compared to $44.7 million, or $0.24 per share, earned in Q4/2018.

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.

Annual average prices and rates		2019	2018	Variance
Gold[1]	($/oz)	**$ 1,392**	$ 1,268	9.8 %
Silver[2]	($/oz)	**16.20**	15.71	3.1 %
Platinum[3]	($/oz)	**863**	881	(2.0)%
Palladium[3]	($/oz)	**1,539**	1,028	49.7 %
Edmonton Light	(C$/bbl)	**68.99**	68.99	— %
West Texas Intermediate	($/bbl)	**57.00**	64.78	(12.0)%
Henry Hub	($/mcf)	**2.53**	3.07	(17.6)%
CAD/USD exchange rate[4]		**0.7536**	0.7721	(2.4)%

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 rates.

Revenue

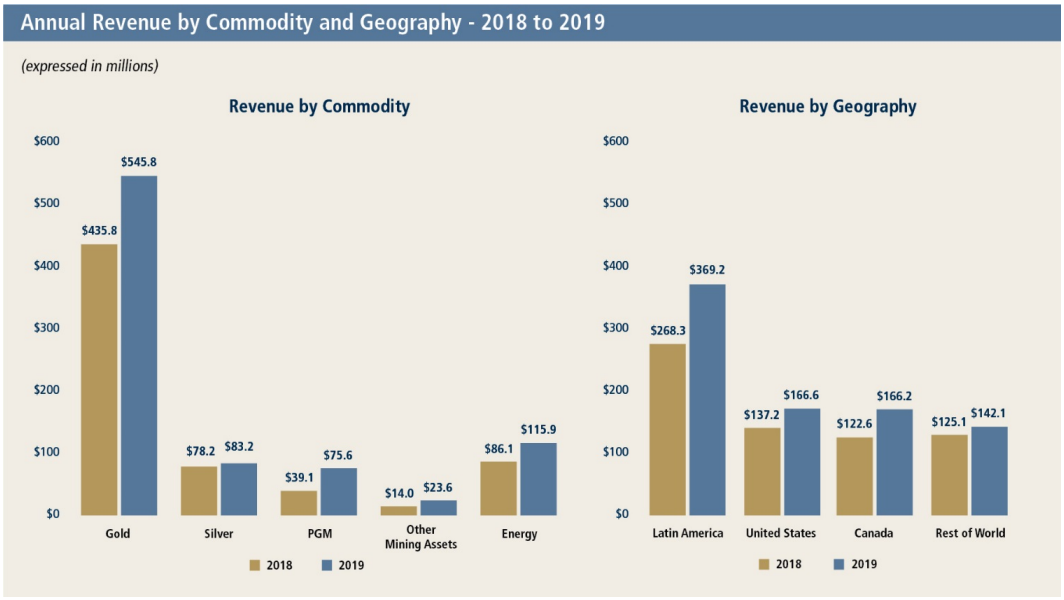
Revenue and GEO sales by commodity, geographical location and type of interest for the year ended December 31, 2019 and 2018 by commodity, geographical location is as follows:

	Gold Equivalent Ounces[1]			Revenue *(in millions)*		
For the year ended December 31,	2019	2018	Variance	2019	2018	Variance
Commodity						
Gold	**387,663**	344,107	43,556	**$ 545.8**	$ 435.8	$ 110.0
Silver	**58,906**	61,737	(2,831)	**83.2**	78.2	5.0
PGM	**52,813**	30,946	21,867	**75.6**	39.1	36.5
Other Mining assets	**17,056**	11,112	5,944	**23.6**	14.0	9.6
Mining	**516,438**	447,902	68,536	**$ 728.2**	$ 567.1	$ 161.1
Energy	-	-	-	**115.9**	86.1	29.8
	516,438	447,902	68,536	**$ 844.1**	$ 653.2	$ 190.9
Geography						
Latin America	**260,389**	211,862	48,527	**$ 369.2**	$ 268.3	$ 100.9
United States	**73,820**	77,776	(3,956)	**166.6**	137.2	29.4
Canada	**80,570**	59,513	21,057	**166.2**	122.6	43.6
Rest of World	**101,659**	98,751	2,908	**142.1**	125.1	17.0
	516,438	447,902	68,536	**$ 844.1**	$ 653.2	$ 190.9
Type						
Revenue-based royalties	**134,611**	119,964	14,647	**$ 266.7**	$ 197.9	$ 68.8
Streams	**345,466**	293,476	51,990	**490.8**	371.7	119.1
Profit-based royalties	**20,466**	17,091	3,375	**49.7**	44.0	5.7
Other	**15,895**	17,371	(1,476)	**36.9**	39.6	(2.7)
	516,438	447,902	68,536	**$ 844.1**	$ 653.2	$ 190.9

1 Refer to Note 1 at the bottom of page 5 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.

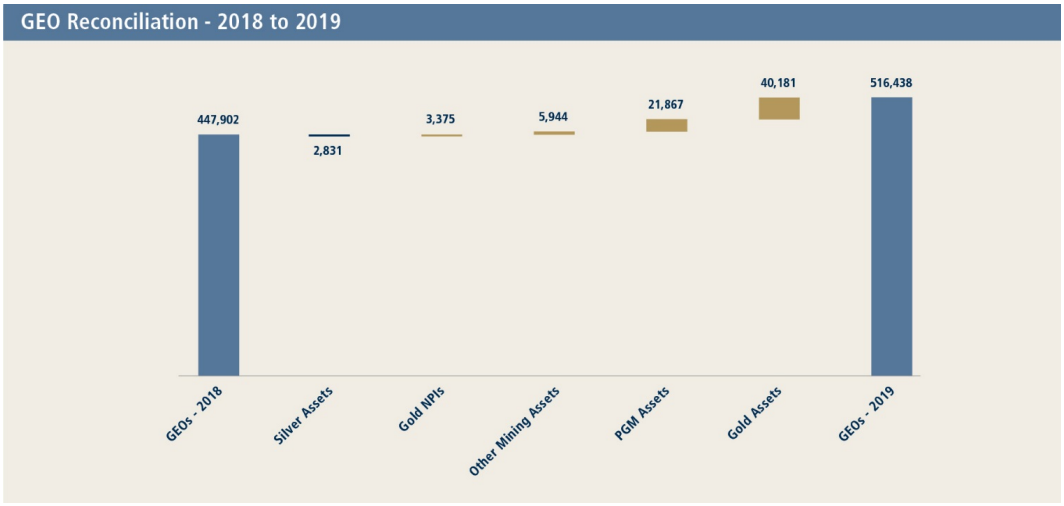
Revenue in 2019 was $844.1 million, up 29.2% from 2018 due to an increase in GEOs sold of 15.3%, higher metal prices, and revenue from recently acquired Energy assets.

Mining revenue comprised 86.3% of total revenue in 2019, compared to 86.8% in 2018. We continue to earn the majority of our revenue from the Americas, at 83.2% compared to 80.8% in 2018.



GEO Sales

GEOs sold in 2019 totaled 516,438 ounces, compared to 447,902 GEOs in 2018.



The year-over-year increase in GEOs sold was primarily due to the following assets:

- **Cobre Panama** – The Company received its first gold and silver ounces from Cobre Panama during the year, and sold 43,554 GEOs in 2019, above our guidance of 20,000 to 40,000 GEOs as ramp-up is progressing well.
- **Candelaria** –73,638 GEOs were sold from the Company's Candelaria stream, an increase from 55,671 GEOs sold in 2018, as the mine resumed normal operations following the pitwall slide that occurred in late 2017 and benefits from several reinvestment initiatives from the last few years.
- **Stillwater** –28,600 GEOs were sold from Stillwater, up compared to 16,794 GEOs in the same period in 2018. Royalties from Stillwater benefited from both an increase in volumes as the Blitz project continues to ramp-up and higher palladium prices.

- **Sudbury –** 27,956 GEOs were sold from Sudbury, up from the 18,508 GEOs in 2018. The Sudbury assets comprise the McCreedy West and Levack-Morrison mines. Although the Levack-Morrison mine was placed on care and maintenance at the end of March, the impact for 2019 was offset by the production from McCreedy West which restarted operations in the second half of 2018. Sudbury also benefited from higher palladium prices, resulting in a higher conversion to GEOs.

The above increases were partly offset by the following assets:

- **Antapaccay –** 71,521 GEOs were sold from the Antapaccay stream, down from 76,877 GEOs in 2018. The year-over-year decrease was expected as part of Antapaccay's 2019 life of mine plan.
- **Antamina –** 31,850 GEOs were sold from the Antamina stream, down from 40,384 GEOs in 2018. Revenue was lower year-over-year as expected based on the 2019 life of mine plan. Further, due to higher gold prices relative to silver, the number of silver ounces received converted to fewer GEOs in 2019 period than in 2018.

Energy Revenue

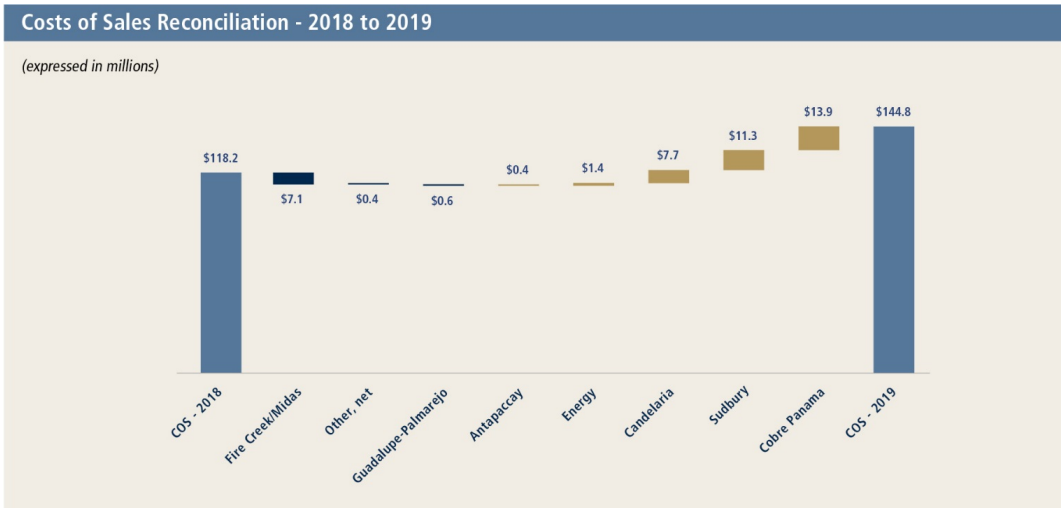
The Company's Energy assets contributed revenue of $115.9 million in 2019 (84% oil and 16% gas), an increase of 34.6% compared to $86.1 million in 2018 (97% oil and 3% gas). The Company's U.S. Energy assets contributed 55.4% of the Company's Energy revenue. The year-over-year increase in Energy revenue was primarily due to the following assets:

- **Marcellus** – The royalty from the Marcellus, which was acquired in July 2019, contributed $18.0 million in 2019.
- **SCOOP/STACK** – Royalties from the SCOOP/STACK generated $26.2 million in revenue in 2019, compared to $15.7 million in 2018, due to additional contribution from the Royalty Acquisition Venture with Continental.
- **Orion** – Revenue more than doubled, with Orion generating $10.2 million in 2019 (2018 – $3.7 million). Revenue was positively impacted by lower differentials for heavy oil prices compared to the 2018 period, as well as increased production due to expanded capacity.

The above increases were partly offset by the following:

- **Permian Basin** – Revenue from the Permian Basin decreased from $23.1 million in 2018 to $20.0 million in 2019, primarily due to a decrease of $1.1 million in lease bonus revenue, a decline in some high-royalty interest wells, and lower realized prices.
- **Weyburn** – Revenue from the Weyburn Unit in 2019 decreased to $33.8 million from $35.5 million in 2018. This was primarily a reflection of weaker oil prices during the year. The actual realized price from the Weyburn NRI was C$65.18/boe compared to C$66.42/boe in 2018.

Costs of Sales



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

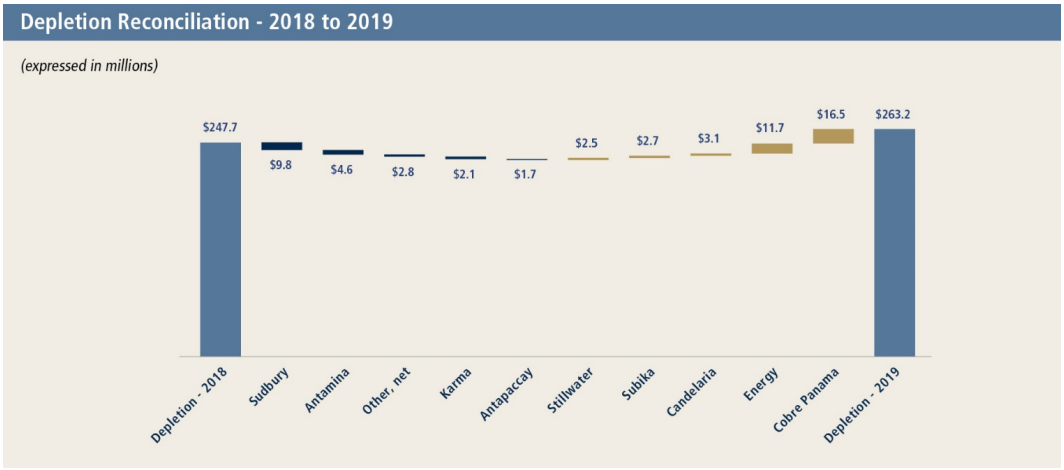
(expressed in millions)	For the year ended December 31, 2019	2018	Variance
Costs of stream sales	**$ 135.1**	$ 102.9	$ 32.2
Costs of prepaid ounces	**—**	7.1	(7.1)
Mineral production taxes	**2.4**	2.3	0.1
Mining costs of sales	**$ 137.5**	$ 112.3	$ 25.2
Energy costs of sales	**7.3**	5.9	1.4
	$ 144.8	$ 118.2	$ 26.6

Costs of stream ounces in 2019 increased 31.3% relative to 2018, reflecting an increase in stream GEOs sold of 17.8% as well as higher gold prices. The Company also received more ounces from the McCreedy West stream, which currently carries a higher cash payment per ounce relative to other streams.

Costs of prepaid ounces was nil in 2019, as Fire Creek/Midas met its fixed delivery requirement in 2018.

Depletion and Depreciation

Depletion and depreciation expense totaled $263.2 million in 2019, compared to $247.7 million in 2018. While GEOs sold increased quarter-over-quarter, depletion expense increased to a lesser extent as the incremental GEOs were earned from assets carrying lower depletion rates. Depletion on a per ounce basis also decreased for certain of the Company's assets where reserves increased year-over-year.



Impairment Charges

There were no impairment charges recorded in 2019. In 2018, the Company recorded impairments of $54.4 million and $21.0 million with respect to the Levack-Morrison and Podolsky mines, respectively, and wrote-off $0.6 million for abandoned tenements, concessions or grounds which were subject to royalty rights held by the Company.

Income Taxes

Income tax expense in 2019 totaled $61.8 million (2018 – $50.1 million), comprised of a current income tax expense of $39.1 million (2018 – $40.1 million) and a deferred income tax expense of $22.7 million (2018 – $10.0 million). The increase in total tax expense was due to higher income earned in 2019, partially offset by a reduction as a result of a change in the apportionment of income by jurisdiction. Income tax expense in proportion to income was also higher in 2018 as a result of an increase in unrecognized deductible temporary differences.

The Company is undergoing an audit by the Canada Revenue Agency of its 2012-2015 taxation years. Refer to the "Liquidity and Capital Resources – Contingencies" section of this MD&A for further details.

Net Income

Net income in 2019 was $344.1 million, or $1.83 per share, compared to $139.0 million, or $0.75 per share, for 2018. The increase in net income reflects higher revenue earned from the Company's Mining and Energy assets, coupled with lower depletion rates per ounce for certain assets. The Company also did not record impairment charges in 2019. Adjusted Net Income was $341.5 million, or $1.82 per share, compared to $217.0 million, or $1.17 per share, earned in 2018.

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)	**2019**	2018	Variance	**2019**	2018	Variance
Salaries and benefits	**$ 4.3**	$ 2.0	$ 2.3	**$ 10.1**	$ 6.6	$ 3.5
Professional fees	**1.2**	0.4	0.8	**2.5**	2.8	(0.3)
Office costs	**0.1**	0.3	(0.2)	**0.4**	0.9	(0.5)
Board of Directors' costs	**1.9**	1.1	0.8	**5.1**	0.7	4.4
Share-based compensation	**1.3**	1.1	0.2	**5.5**	5.2	0.3
Other	**1.9**	0.3	1.6	**5.2**	6.4	(1.2)
	$ 10.7	$ 5.2	$ 5.5	**$ 28.8**	$ 22.6	$ 6.2

General and administrative expenses represented 4.1% of revenue for Q4/2019 (Q4/2018 –3.5%) and 3.4% of revenue in 2019 (2018 – 3.5%). 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.

Board of Directors' fees vary according to the mark-to-market of the value of deferred share units ("DSUs") that are granted to the directors of the Company. The Company's closing share price at the end of 2019 was significantly higher than at the end of 2018, resulting in an increase in the DSU liability and the recognition of a mark-to-market expense in 2019.

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)	**2019**	2018	Variance	**2019**	2018	Variance
Foreign exchange gain (loss)	**$ 0.2**	$ 0.3	$ (0.1)	**$ (0.1)**	$ 0.4	$ (0.5)
Other income	**0.6**	0.9	(0.3)	**0.9**	1.4	(0.5)
Mark-to-market gain on warrants	**2.0**	—	2.0	**2.0**	—	2.0
	$ 2.8	$ 1.2	$ 1.6	**$ 2.8**	$ 1.8	$ 1.0

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.

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)	**2019**	2018	Variance	**2019**	2018	Variance
Finance income						
Interest	**$ 0.8**	$ 0.7	$ 0.1	**$ 3.5**	$ 3.1	$ 0.4
	$ 0.8	$ 0.7	$ 0.1	**$ 3.5**	$ 3.1	$ 0.4
Finance expenses						
Interest	**$ 1.2**	$ 1.5	$ (0.3)	**$ 7.4**	$ 1.5	$ 5.9
Standby charges	**0.5**	0.4	0.1	**2.1**	2.1	—
Amortization of debt issue costs	**0.3**	0.3	—	**0.9**	1.0	(0.1)
Accretion of lease liabilities	**0.1**	—	0.1	**0.2**	—	0.2
	$ 2.1	$ 2.2	$ (0.1)	**$ 10.6**	$ 4.6	$ 6.0

Finance income is earned on our cash and cash equivalents. Finance income also includes interest income in the amount of $0.6 million accrued on the Noront loan during Q4/2019 (Q4/2018 – $0.5 million), and $2.3 million in 2019 (2018 – $2.2 million). Finance expenses consist of interest expense incurred on our Corporate Revolver and Corporate Term Loan. 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. Finance expenses also includes the accretion expense on lease liabilities, as required under IFRS 16 *Leases*, effective January 1, 2019.

Summary of Quarterly Information

Selected quarterly financial and statistical information for the most recent eight quarters[1] is set out below:

(in millions, except Average Gold Price, Margin, GEOs, per GEO amounts and per share amounts)	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	**$ 258.1**	$ 235.7	$ 170.5	$ 179.8	$ 148.2	$ 170.6	$ 161.3	$ 173.1
Costs and expenses[2]	**129.1**	113.5	91.5	99.8	167.5	104.8	96.4	95.7
Operating income (loss)	**129.0**	122.2	79.0	80.0	(19.3)	65.8	64.9	77.4
Other income (expenses)	**1.5**	(2.7)	(1.3)	(1.8)	(0.3)	0.1	(0.2)	0.7
Income tax expense	**17.2**	17.9	13.7	13.0	11.7	13.8	11.1	13.5
Net income (loss)	**113.3**	101.6	64.0	65.2	(31.3)	52.1	53.6	64.6
Basic earnings (loss) per share	**$ 0.60**	$ 0.54	$ 0.34	$ 0.35	$ (0.17)	$ 0.28	$ 0.29	$ 0.35
Diluted earnings (loss) per share	**$ 0.60**	$ 0.54	$ 0.34	$ 0.35	$ (0.17)	$ 0.28	$ 0.29	$ 0.35
Net cash provided by operating activities	**$ 184.6**	$ 170.4	$ 119.1	$ 143.6	$ 97.8	$ 128.2	$ 111.3	$ 137.5
Net cash used in investing activities	**(1.8)**	(344.5)	(33.5)	(56.3)	(285.3)	(89.4)	(90.8)	(523.2)
Net cash (used in) provided by financing activities	**(142.6)**	(133.9)	241.4	(84.7)	182.5	(33.8)	(35.0)	(36.1)
Average Gold Price[3]	**$ 1,480**	$ 1,474	$ 1,310	$ 1,304	$ 1,228	$ 1,213	$ 1,306	$ 1,329
GEOs sold[4]	**153,396**	133,219	107,774	122,049	104,877	120,021	107,333	115,671
Cash Costs[5] attributable to GEOs sold	**$ 44.1**	$ 36.8	$ 25.6	$ 31.0	$ 21.5	$ 29.9	$ 26.5	$ 27.3
Cash Costs[5] per GEO sold	**$ 287**	$ 276	$ 238	$ 254	$ 208	$ 254	$ 252	$ 241
Adjusted EBITDA[5]	**$ 201.7**	$ 192.9	$ 137.9	$ 140.9	$ 118.7	$ 134.7	$ 126.3	$ 139.9
Adjusted EBITDA[5] per share	**$ 1.07**	$ 1.03	$ 0.74	$ 0.75	$ 0.64	$ 0.72	$ 0.68	$ 0.75
Margin[5]	**78.1 %**	81.8 %	80.9 %	78.4 %	80.1 %	79.0 %	78.3 %	80.8 %
Adjusted Net Income[5]	**$ 110.8**	$ 101.6	$ 64.0	$ 65.2	$ 44.7	$ 54.6	$ 53.7	$ 63.9
Adjusted Net Income[5] per share	**$ 0.59**	$ 0.54	$ 0.34	$ 0.35	$ 0.24	$ 0.29	$ 0.29	$ 0.34

1 Sum of the quarters may not add up to yearly total due to rounding.
2 Includes impairment charges on royalty, stream and working interests of $76.0 million recorded in Q4/2018.
3 Based on LBMA Gold Price PM Fix.
4 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 11 and 15 of this MD&A for indicative prices which may be used in the calculation of GEOs for the year ended December 31, 2019 and 2018, respectively.
5 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, 2019	At December 31, 2018
Cash and cash equivalents	**$ 132.1**	$ 69.7
Current assets	**278.7**	178.5
Non-current assets	**5,001.9**	4,753.3
Total assets	**$ 5,280.6**	$ 4,931.8
Current liabilities	**53.4**	25.0
Non-current liabilities	**165.0**	274.9
Total liabilities	**$ 218.4**	$ 299.9
Total shareholders' equity	**$ 5,062.2**	$ 4,631.9
Debt	**$ 80.0**	$ 207.6
Total common shares outstanding	**189.4**	186.7
Key Financial Metrics		
Working Capital	**$ 225.3**	$ 153.5
Debt to equity	**0.02:1**	0.04:1

Assets

Total assets were $5,280.6 million at December 31, 2019 compared to $4,931.8 million at December 31, 2018. Our asset base is primarily comprised of non-current assets such as our royalty, stream and working interests, equity investments and loan receivable, while our current assets primarily comprise cash and cash equivalents, and accounts receivable. The increase in non-current assets reflects our investments in the Royalty Acquisition Venture with Continental, and the acquisitions of the Marcellus, Salares Norte, Valentine Lake, Eagle's Nest, and Premier royalties, partly offset by depletion and depreciation expense, as well as an increase in the fair value of our equity investments. Non-current assets also include the Noront Loan receivable, which was classified as a non-current asset based on its maturity date having been extended to September 30, 2022, from April 28, 2020 previously.

Liabilities

Total liabilities as at December 31, 2019 primarily comprise $80.0 million then outstanding under the Corporate Term Loan. The Corporate Term Loan is a two-year, unsecured, non-revolving credit facility with a maturity date of April 17, 2021. The Corporate Term Loan was initially drawn by $160 million to pay down amounts that were borrowed under the Corporate Revolver for the funding of the Royalty Acquisition Venture with Continental in 2018 and the acquisition of the Marcellus royalty in 2019. As of the date of this MD&A, all amounts borrowed under the Company's Corporate Term Loan and Corporate Revolver have been repaid.

Shareholders' Equity

Shareholders' equity increased by $430.3 million as at December 31, 2019 compared to December 31, 2018, reflecting net income of $344.1 million and proceeds of $136.0 million from issuances under the ATM Program, net of agent commission costs of $1.4 million and other share issuance costs of $1.0 million. Shareholders' equity also increased by $27.0 million and $13.2 million as a result of common shares issued as partial consideration for the acquisition of the Salares Norte royalty and the exercise of stock options, respectively. Declared dividends reduced shareholders' equity by $187.0 million, but were partly settled through the issuance of $48.8 million in common shares pursuant to the DRIP. Shareholders' equity also includes a gain on the fair value of investments of $9.9 million, and a gain of $32.3 million in currency translation adjustment in 2019.

Liquidity and Capital Resources

Cash flow for the year ended December 31, 2019 and 2018 was as follows:

(expressed in millions)	For the three months ended December 31, 2019	2018	For the year ended December 31, 2019	2018
Net cash provided by operating activities	**$ 184.6**	$ 97.8	**$ 617.7**	$ 474.8
Net cash used in investing activities	**(1.8)**	(285.3)	**(436.1)**	(988.7)
Net cash (used in) provided by financing activities	**(142.6)**	182.5	**(119.8)**	77.6
Effect of exchange rate changes on cash and cash equivalents	**0.2**	(2.2)	**0.6**	(5.1)
Net change in cash and cash equivalents	**$ 40.4**	$ (7.2)	**$ 62.4**	$ (441.4)

Operating Cash Flow

Net cash provided by operating activities was $617.7 million in 2019 (2018 – $474.8 million). Operating cash flow increased due to higher revenue from our growth in GEO production and Energy assets, coupled with higher metal prices than in the corresponding 2018 period. Also reflected in operating cash flow are proceeds from the sale of gold bullion the Company receives as settlement for certain of its royalties.

Investing Activities

Net cash used in investing activities was $436.1 million in 2019 (2018 – $988.7 million), which primarily consisted of the acquisition of the Marcellus royalty for a gross purchase price of $300.0 million, the funding of Franco-Nevada's share in the Royalty Acquisition Venture with Continental of $108.8 million, and the purchase of the Salares Norte, Valentine Lake, Eagle's Nest and Premier royalties. Comparatively, investing activities in the prior year period included the ongoing funding of the Cobre Panama Fixed Payment Stream deposit, the acquisition of the Cobre Panama Floating Payment Stream, the funding of $257.4 million for the Royalty Acquisition Venture with Continental, and the acquisition of the Delaware portfolio of oil and gas royalties.

Financing Activities

Net cash used in financing activities of $119.8 million in 2019 (2018 – cash provided of $77.6 million) included the full repayment of amounts borrowed against the Corporate Revolver, which had been drawn to fund contributions into the Royalty Acquisition Venture with Continental in 2018 and the acquisition of the royalty interest in the Marcellus in 2019. The repayment of the Corporate Revolver was funded in part with proceeds from the Corporate Term Loan of $160 million, of which $80 million was repaid before year-end. Financing activities also reflect net proceeds of $136.0 million from the ATM program, and dividends paid in cash of $138.2 million.

Capital Resources

Our cash and cash equivalents totaled $132.1 million as at December 31, 2019 (December 31, 2018 – $69.7 million). In addition, we held investments of $183.2 million as at December 31, 2019 (December 31, 2018 – $169.7 million), of which $141.7 million was held in publicly-traded equity instruments (December 31, 2018 – $132.8 million).

As at March 9, 2020, the Company also has a total of approximately $1.1 billion available under its two revolving credit facilities.

The Corporate Revolver is a $1.0 billion unsecured, revolving credit facility with a five-year term maturing March 22, 2024. Advances under the Corporate Revolver 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 100 basis points. As at December 31, 2019, the available balance under the Corporate Revolver was approximately $1.0 billion, with all borrowed amounts having been repaid before year-end.

The FNBC Revolver is a $0.1 billion unsecured, revolving credit facility with a one-year term maturing March 20, 2020. Funds are generally drawn using LIBOR 30-day rates plus 135 basis points. As of the date of this MD&A, the available balance was $0.1 billion.

The Company also has the Corporate Term Loan, a $160.0 million unsecured, non-revolving credit facility. At December 31, 2019, there remained $80.0 million in borrowings outstanding. Borrowings under the Corporate Term Loan bear interest at a rate of LIBOR 30-day rates plus 85 basis points. The Corporate Term Loan was amended on September 25, 2019 to extend the initial one-year term by an additional year, such that the maturity date is currently April 17, 2021. Subsequent to year-end, on February 14, 2020, funds borrowed under the Corporate Term Loan were repaid in full. The Corporate Term Loan is a non-revolving facility, and is therefore no longer available to draw.

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, 2019, 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 within 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 general and administrative expenses and depletion of Mining and Energy interests incurred in our Canadian and Australian entities due to their respective functional currencies. During Q4/2019, the Canadian dollar traded in a range of $0.7502 to $0.7699, closing the quarter at $0.7699, and the Australian dollar traded between $0.6702 and $0.7014, closing the quarter at $0.7029.

Our near-term cash requirements include funding of our commitments towards the Royalty Acquisition Venture with Continental, corporate administration costs, certain costs of operations, payment of dividends and income taxes directly related to the

recognition of royalty, stream and working interest 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 until 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 until 29,731,000 ounces of silver delivered. Thereafter, 62.1% of the silver in concentrate.
13 After 1,341,000 ounces of gold delivered, purchase price is the greater of 50% of spot and $418.27 per ounce. As the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum was not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return until such mill throughput was achieved, through a reduction of the applicable fixed gold price of $100 per ounce or a delivery of additional ounces for no consideration.
14 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 until 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 until 7,432,750 ounces of silver delivered. Thereafter 15.53% of the silver in concentrate.
17 After 604,000 ounces of gold delivered, purchase price is 50% of the spot price of gold. As the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum was not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return until such mill throughput was achieved, through a reduction of the applicable fixed gold price of $100 per ounce or a delivery of additional ounces for no consideration.
18 After 9,618,000 ounces of silver delivered, 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. 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 has 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 contribute to the Royalty Acquisition Venture with Continental, subject to satisfaction of agreed upon development thresholds, $100 million per year over the three-year period ended December 31, 2021. Given the favourable pace of acquisitions since the inception of the venture, the Company increased its capital contributions in 2018 and 2019. These accelerated contributions will reduce Franco-Nevada's commitment in 2021. As at December 31, 2019, the total remaining commitment was $100.0 million in 2020 and $43.8 million in 2021.

Contingencies

Canada Revenue Agency Audit

The Canada Revenue Agency ("CRA") is conducting an audit of Franco-Nevada's 2012-2015 taxation years.

a) *Canadian Domestic Tax Matters (2014-2015):*

In October 2019, certain wholly-owned Canadian subsidiaries of the Company received Notices of Reassessment for the 2014 and 2015 taxation years (the "Domestic Reassessments") in which the CRA is seeking to increase income by adjusting the timing of the deduction of the upfront payments which were made in connection with precious metal stream agreements. The CRA's position is that the upfront payment should be deducted for income tax purposes in a similar manner to how such upfront payment is expensed for financial statement purposes. Consequently, the CRA's position results in a slower deduction of the upfront payment and an acceleration of the payment of Canadian taxes. This results in the Company being subject to an incremental payment of Federal and provincial income taxes for these years of C$1.4 million ($1.1 million) plus interest and applicable penalties (after applying available non-capital losses and other deductions). The Company has filed formal Notices of Objection with the CRA against the Domestic Reassessments.

If the CRA were to audit and reassess the particular Canadian subsidiaries of the Company for taxation years 2016 through 2019 on the same basis, the Company estimates that it would be subject to an incremental payment of Canadian tax for these years of approximately C$31.4 million ($24.2 million) plus interest and applicable penalties (after applying available non-capital losses and other deductions).

b) *Mexico (2013-2015):*

In December 2018, the Company received a Notice of Reassessment from the CRA for the 2013 taxation year (the "2013 Reassessment") in relation to its Mexican subsidiary. The reassessment was made on the basis of the transfer pricing provisions in the Income Tax Act (Canada) (the "Act") and asserts that a majority of the income earned by the Mexican subsidiary should have been included in the income of the Company and subject to tax in Canada. The 2013 Reassessment results in additional Federal and provincial income taxes of C$10.8 million ($8.3 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty.

In December 2019, the Company received Notices of Reassessment for the 2014 and 2015 taxation years (the "2014 and 2015 Reassessments", and collectively with the Domestic Reassessments and the 2013 Reassessment, the "Reassessments") on the same basis as the 2013 Reassessment, resulting in additional Federal and provincial income taxes of C$13.9 million ($10.7 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty. The Company has filed a formal Notice of Objection with the CRA against the 2013 Reassessment and is in the process of filing Notices of Objection against the 2014 and 2015 Reassessments.

For taxation years 2013 through 2015, the Company's Mexican subsidiary paid a total of 419.4 million Pesos ($30.3 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico. If required, the Company intends to seek relief from double taxation under the Canada-Mexico tax treaty.

If the CRA were to audit and reassess the Company for taxation years 2016 through 2019 on the same basis, the Company estimates that it would be subject to additional Canadian tax for these years of approximately C$4.6 million ($3.5 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty. During the years 2016 through 2019, the Company's Mexican subsidiary paid 71.0 million Pesos ($3.8 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico.

c) *Barbados (2014-2015):*

The 2014 and 2015 Reassessments also reassess the Company in relation to its Barbadian subsidiary. The reassessments were made on the basis of the transfer pricing provisions in the Act and assert that a majority of the income relating to certain precious metal streams earned by the Barbadian subsidiary should have been included in the income of the Company and subject to tax in Canada, resulting in additional Federal and provincial income taxes of C$6.5 million ($5.0 million) plus interest and applicable penalties. The Company is in the process of filing formal Notices of Objection with the CRA against the 2014 and 2015 Reassessments.

If the CRA were to audit and reassess the Company for taxation years 2016 through 2019 on the same basis, the Company estimates that it would be subject to additional Canadian tax for 2016 through 2018 of approximately C$62.2 million ($47.9 million) as previously announced, and for 2019 of approximately C$41.8 million ($32.2 million), plus interest and applicable penalties.

Management believes that the Company and its subsidiaries have filed their tax returns and paid all applicable taxes in compliance with Canadian and applicable foreign tax laws and, as a result, no amounts have been recorded in the financial statements of the Company for the Reassessments, or for any potential tax liability that may arise in respect of these matters. The Company does not believe that the Reassessments are supported by Canadian tax law and jurisprudence and intends to vigorously defend its tax filing positions.

The CRA audit is ongoing and there can be no assurance that the CRA will not further challenge the manner in which the Company or any of its 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 or a subsidiary 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 judgements, 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 at the end of each reporting period requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that give rise to the requirement to conduct a formal impairment test on the Company's royalty, stream and working interests, and/or energy equipment. Indicators which could trigger an impairment test include, but are not limited to, a significant change in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices, and other relevant operator information. 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 whether the Company has joint control of a contractual arrangement, which requires continuous assessment of the relevant activities and whether 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 *Joint Arrangements*. 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.

New and Amended Standards Adopted by the Company

The following standard was effective and implemented for the annual period as of January 1, 2019.

IFRS 16 *Leases*

Effective January 1, 2019, the Company has adopted IFRS 16*Leases* ("IFRS 16"). IFRS 16 requires lessees to recognize assets and liabilities for most leases. The new standard was applied using a modified retrospective approach whereby the effects of the change in accounting policies for leases as at January 1, 2019 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 17 *Leases*.

As permitted under transitional provisions, the Company has elected to use the following practical expedients:

- Not to separate non-lease from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.
- Not to recognize right-of-use assets and associated liabilities for low value assets or lease terms of 12 months or less.
- Measure its right-of-use assets at amounts equal to the associated lease liabilities; as such, the adjustment to deficit on transition is nil.

The Company's significant lease arrangements relate to its office premises. Adoption of the new standard resulted in the recognition of right-of-use assets of $2.8 million within other assets on the statement of financial position, measured at an amount equal to the related lease liability.

IFRIC 23 *Uncertainty over Income Tax Treatments*

Effective January 1, 2019, the Company has adopted IFRIC 23*Uncertainty over Income Tax Treatments* ("IFRIC 23"). IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The application of IFRIC 23 did not have a significant impact on the Company's consolidated financial statements.

New Accounting Standards Issued But Not Yet Effective

Amendments to IFRS 3 *Business Combinations*

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3*Business Combinations* ("IFRS 3"). The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments to IFRS 3 are effective for annual reporting periods beginning on or after January 1, 2020 and apply prospectively. Earlier application is permitted. While it is generally expected that the application of the amendments will result in more acquisitions being accounted for as asset acquisitions, the Company will evaluate the impact of the amendments based on the nature and terms of acquisitions the Company may complete in future periods.

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 9, 2020, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	189,391,718
Issuable upon exercise of Franco-Nevada options[1]	824,520
Issuable upon vesting of Franco-Nevada RSUs	107,971
Diluted common shares	190,324,209

1 There were 824,520 stock options under our share compensation plan outstanding to directors, officers, employees and others with exercise prices ranging from C$33.12 to C$129.32 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.

An evaluation was carried out under the supervision of the CEO and CFO and with the participation of management, of the effectiveness of the design and operation of Franco-Nevada's internal control over financial reporting as of the end of the period covered by this report based on the framework and criteria established in Internal Control – Integrated Framework (2013) as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Based on that evaluation, the CEO and CFO have concluded that Franco-Nevada's internal control over financial reporting was effective as of December 31, 2019.

An evaluation was also carried out under the supervision of the CEO and CFO and with the participation of management, of the effectiveness of the design and operation of Franco-Nevada's disclosure controls and procedures (as defined under applicable Canadian securities laws and in Rule 13a – 15(e) and Rule 15d – 15(e) under the U.S. Securities Exchange Act of 1934), and based on that evaluation the CEO and the CFO have concluded that, as of December 31, 2019, Franco-Nevada's disclosure controls and procedures were effective.

For the year ended December 31, 2019, 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.

Franco-Nevada's report of management's assessment regarding internal control over financial reporting (as defined in Rule 13a-15(f) or 15d-15(f) under the U.S. Securities Exchange Act of 1934) is included in the Management's Report on Internal Control over Financial Reporting that accompanies Franco-Nevada's Annual Consolidated Financial Statements for the fiscal year ended December 31, 2019.

Non-IFRS Financial Measures

Cash Costs attributable to GEOs sold and Cash Costs per GEO

Cash Costs attributable to GEOs sold and Cash Costs per GEO sold 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 GEOs sold 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 sold 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 sold 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 sold:

	For the three months ended December 31,		For the year ended December 31,	
(expressed in millions, except per GEO amounts)	**2019**	2018	**2019**	2018
Total costs of sales	**$ 119.0**	$ 86.3	**$ 408.0**	$ 365.9
Depletion and depreciation	**(72.7)**	(61.5)	**(263.2)**	(247.7)
Energy operating costs	**(2.2)**	(1.9)	**(7.3)**	(5.9)
Non-cash costs of sales	**—**	(1.4)	**—**	(7.1)
Cash Costs attributable to GEOs sold	**$ 44.1**	$ 21.5	**$ 137.5**	$ 105.2
GEOs, excluding prepaid ounces	**153,396**	103,344	**516,438**	439,902
Cash Costs per GEO sold	**$ 287**	$ 208	**$ 266**	$ 239

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, 2019	2018	For the year ended December 31, 2019	2018
Net Income	**$ 113.3**	$ (31.3)	**$ 344.1**	$ 139.0
Income tax expense	**17.2**	11.7	**61.8**	50.1
Finance expenses	**2.1**	2.2	**10.6**	4.6
Finance income	**(0.8)**	(0.7)	**(3.5)**	(3.1)
Depletion and depreciation	**72.7**	61.5	**263.2**	247.7
Non-cash costs of sales	**—**	1.4	**—**	7.1
Impairment of royalty, stream and working interests	**—**	76.0	**—**	76.0
Foreign exchange (gains)/losses and other (income)/expenses	**(2.8)**	(2.1)	**(2.8)**	(1.8)
Adjusted EBITDA	**$ 201.7**	$ 118.7	**$ 673.4**	$ 519.6
Basic weighted average shares outstanding	**188.8**	186.4	**187.7**	186.1
Basic EPS	**$ 0.60**	$ (0.17)	**$ 1.83**	$ 0.75
Income tax expense	**0.09**	0.06	**0.33**	0.27
Finance expenses	**—**	0.01	**0.06**	0.02
Finance income	**—**	—	**(0.02)**	(0.02)
Depletion and depreciation	**0.39**	0.33	**1.40**	1.33
Non-cash costs of sales	**—**	0.01	**—**	0.04
Impairment of royalty, stream and working interests	**—**	0.41	**—**	0.41
Foreign exchange (gains)/losses and other (income)/expenses	**(0.01)**	(0.01)	**(0.01)**	(0.01)
Adjusted EBITDA per share	**$ 1.07**	$ 0.64	**$ 3.59**	$ 2.79

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, 2019	2018	For the year ended December 31, 2019	2018
Net Income	**$ 113.3**	$ (31.3)	**$ 344.1**	$ 139.0
Income tax expense	**17.2**	11.7	**61.8**	50.1
Finance expenses	**2.1**	2.2	**10.6**	4.6
Finance income	**(0.8)**	(0.7)	**(3.5)**	(3.1)
Depletion and depreciation	**72.7**	61.5	**263.2**	247.7
Non-cash costs of sales	**—**	1.4	**—**	7.1
Impairment of royalty, stream and working interests	**—**	76.0	**—**	76.0
Foreign exchange (gains)/losses and other (income)/expenses	**(2.8)**	(2.1)	**(2.8)**	(1.8)
Adjusted EBITDA	**$ 201.7**	$ 118.7	**$ 673.4**	$ 519.6
Revenue	**258.1**	148.2	**844.1**	653.2
Margin	**78.1 %**	80.1 %	**79.8 %**	79.5 %

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:

	For the three months ended December 31,		For the year ended December 31,	
(expressed in millions, except per share amounts)	**2019**	2018	**2019**	2018
Net Income	**$ 113.3**	$ (31.3)	**$ 344.1**	$ 139.0
Foreign exchange (gains)/losses and other (income)/expenses	**(2.8)**	(2.1)	**(2.8)**	(1.8)
Impairment of royalty, stream and working interests	**—**	76.0	**—**	76.0
Tax effect of adjustments	**0.3**	(0.3)	**0.2**	(0.6)
Other tax related adjustments:				
Barbados Tax Reform impact	**—**	2.4	**—**	2.4
U.S. Tax Reform impact	**—**	—	**—**	2.0
Adjusted Net Income	**$ 110.8**	$ 44.7	**$ 341.5**	$ 217.0
Basic weighted average shares outstanding	**188.8**	186.4	**187.7**	186.1
Basic EPS	**$ 0.60**	$ (0.17)	**$ 1.83**	$ 0.75
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
Tax effect of adjustments	**—**	—	**—**	—
Other tax related adjustments:				
Barbados Tax Reform impact	**—**	0.01	**—**	0.01
U.S. Tax Reform impact	**—**	—	**—**	0.01
Adjusted Net Income per share	**$ 0.59**	$ 0.24	**$ 1.82**	$ 1.17

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, the expected exposure for current and future assessments and available remedies, the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project, the aggregate value of Common Shares which may be issued pursuant to the ATM Program, the Company's expected use of the net proceeds of the ATM Program, and expected succession planning. 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; access to sufficient pipeline capacity; 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. In addition, there can be no assurance as to the outcome of the ongoing audit by the CRA or the Company's exposure as a result thereof. 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.

FNV TSX/NYSE

WORLD GOLD COUNCIL MEMBER

Franco Nevada

The GOLD Investment that WORKS

www.franco-nevada.com

Exhibit 99.3

2019

Financial Statements

For the year ended December 31, 2019

Franco Nevada
The GOLD Investment that WORKS



Management's Report On Internal Control Over Financial Reporting

Franco-Nevada Corporation's ("Franco-Nevada") 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, 2019. 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, 2019.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2019 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 9, 2020

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 (together, the Company) as of December 31, 2019 and 2018, 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, 2019, 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, 2019 and 2018, 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. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2019, based on criteria established in *Internal Control – Integrated Framework* (2013) issued by the COSO.

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.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Assessment of indicators of impairment of royalty, stream and working interests

As described in notes 2, 3 and 8 to the consolidated financial statements, the Company's royalty, stream and working interests carrying value was $4,797.8 million as of December 31, 2019. Management assesses at the end of each reporting period whether there are any indicators that the carrying value may not be recoverable or that an impairment loss previously recognized may no longer exist (together, indicators of impairment) that give rise to the requirement to conduct a formal impairment test. Impairment is assessed at the cash-generating unit (CGU) level, which is usually at the individual royalty, stream and working interest level for each property from which cash inflows are generated. Management uses significant judgment when assessing whether there are indicators of impairment, including significant changes in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices and other relevant operator information. For energy interests, management uses reserve reports prepared by independent petroleum consultants or other qualified parties engaged by the Company (management's specialists).

The principal considerations for our determination that performing procedures relating to the assessment of indicators of impairment of royalty, stream and working interests is a critical audit matter are (i) there was significant judgment by management when assessing whether there were indicators of impairment which would require a formal impairment test to be performed; which in turn led to (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to management's assessment of indicators of impairment, including significant changes in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices and other relevant operator information.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's assessment of indicators of impairment of royalty, stream and working interests. These procedures also included, among others, evaluating the reasonableness of management's assessment of indicators of impairment for a sample of royalty, stream and working interests, including significant changes in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices and other relevant operator information by considering (i) the current and past performance of royalty, stream and working interests; (ii) the consistency with external market and industry data; (iii) the publicly disclosed information by operators of royalty, stream and working interests; and (iv) whether management's assessment of indicators of impairment was consistent with evidence obtained in other areas of the audit. The work of management's specialists was used in performing the procedures to evaluate the reasonableness of management's assessment of indicators of impairment related to significant changes in reserve estimates for energy interests. As a basis for using this work, the specialists' qualifications and objectivity were understood, as well as their methods and assumptions. The procedures performed also included an evaluation of their findings.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada
March 9, 2020

We have served as the Company's auditor since 2007.

Consolidated Statements of Financial Position

(in millions of U.S. dollars)

	At December 31, 2019	At December 31, 2018
ASSETS		
Cash and cash equivalents *(Note 5)*	**$ 132.1**	$ 69.7
Receivables	**97.8**	75.5
Prepaid expenses and other *(Note 7)*	**48.8**	33.3
Current assets	**$ 278.7**	$ 178.5
Royalty, stream and working interests, net *(Note 8)*	**$ 4,797.8**	$ 4,555.6
Investments and loan receivable *(Note 6)*	**183.2**	169.7
Deferred income tax assets	**6.8**	17.3
Other assets *(Note 9)*	**14.1**	10.7
Total assets	**$ 5,280.6**	$ 4,931.8
LIABILITIES		
Accounts payable and accrued liabilities *(Note 10)*	**$ 41.8**	$ 23.6
Current income tax liabilities	**11.6**	1.4
Current liabilities	**$ 53.4**	$ 25.0
Lease liabilities	**$ 2.6**	$ —
Debt *(Note 11)*	**80.0**	207.6
Deferred income tax liabilities	**82.4**	67.3
Total liabilities	**$ 218.4**	$ 299.9
SHAREHOLDERS' EQUITY *(Note 19)*		
Share capital	**$ 5,390.7**	$ 5,158.3
Contributed surplus	**14.2**	15.6
Deficit	**(164.4)**	(321.7)
Accumulated other comprehensive loss	**(178.3)**	(220.3)
Total shareholders' equity	**$ 5,062.2**	$ 4,631.9
Total liabilities and shareholders' equity	**$ 5,280.6**	$ 4,931.8

Commitments and contingencies *(Notes 22 and 23)*

Subsequent events *(Note 24)*

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

Approved by the Board of Directors and authorized for issue on March 9, 2020.

/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 and shares, except per share amounts)

	For the year ended December 31, 2019	2018
Revenue *(Note 14)*	**$ 844.1**	$ 653.2
Costs of sales		
Costs of sales *(Note 15)*	**$ 144.8**	$ 118.2
Depletion and depreciation	**263.2**	247.7
Total costs of sales	**$ 408.0**	$ 365.9
Gross profit	**$ 436.1**	$ 287.3
Other operating expenses (income)		
General and administrative expenses	**$ 28.8**	$ 22.6
Impairment of royalty, streams and working interests *(Note 8)*	**—**	76.0
Gain on sale of gold bullion	**(2.9)**	(0.1)
Total other operating expenses (income)	**$ 25.9**	$ 98.5
Operating income	**$ 410.2**	$ 188.8
Foreign exchange gain and other income (expenses)	**$ 2.8**	$ 1.8
Income before finance items and income taxes	**$ 413.0**	$ 190.6
Finance items *(Note 17)*		
Finance income	**$ 3.5**	$ 3.1
Finance expenses	**(10.6)**	(4.6)
Net income before income taxes	**$ 405.9**	$ 189.1
Income tax expense *(Note 18)*	**61.8**	50.1
Net income	**$ 344.1**	$ 139.0
Other comprehensive income (loss)		
Items that may be reclassified subsequently to profit and loss:		
Currency translation adjustment	**$ 32.3**	$ (68.3)
Items that will not be reclassified subsequently to profit and loss:		
Gain (loss) on changes in the fair value of equity investments at fair value through other comprehensive income (loss) ("FVTOCI"), net of income tax *(Note 6)*	**9.9**	(18.4)
Other comprehensive income (loss)	**$ 42.2**	$ (86.7)
Comprehensive income	**$ 386.3**	$ 52.3
Earnings per share *(Note 20)*		
Basic	**$ 1.83**	$ 0.75
Diluted	**$ 1.83**	$ 0.75
Weighted average number of shares outstanding *(Note 20)*		
Basic	**187.7**	186.1
Diluted	**188.0**	186.4

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

Consolidated Statements of Cash Flows

(in millions of U.S. dollars)

	For the year ended December 31, 2019	2018
Cash flows from operating activities		
Net income	**$ 344.1**	$ 139.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depletion and depreciation	**263.2**	247.7
Share-based payments	**4.9**	5.2
Impairment of royalty, stream and working interests	**—**	76.0
Non-cash costs of sales	**—**	7.1
Unrealized foreign exchange gain	**—**	(0.4)
Deferred income tax expense	**22.7**	10.0
Other non-cash items	**(7.8)**	(1.1)
Acquisition of gold bullion	**(31.8)**	(25.6)
Proceeds from sale of gold bullion	**36.2**	12.5
Operating cash flows before changes in non-cash working capital	**$ 631.5**	$ 470.4
Changes in non-cash working capital:		
Increase in receivables	**$ (22.3)**	$ (9.6)
(Increase) decrease in prepaid expenses and other	**(14.3)**	11.6
Increase in current liabilities	**22.8**	2.4
Net cash provided by operating activities	**$ 617.7**	$ 474.8
Cash flows from investing activities		
Acquisition of royalty, stream and working interests	**$ (443.9)**	$ (988.0)
Acquisition of energy well equipment	**(1.3)**	(1.6)
Acquisition of investments	**(3.9)**	—
Proceeds from sale of investments	**13.0**	0.9
Net cash used in investing activities	**$ (436.1)**	$ (988.7)
Cash flows from financing activities		
Proceeds from draw of revolving credit facilities	**$ 275.0**	$ 237.0
Repayment of revolving credit facilities	**(485.0)**	(27.0)
Proceeds from draw of term loan	**160.0**	—
Repayment of term loan	**(80.0)**	—
Proceeds from at-the-market equity offering	**136.0**	—
Credit facility amendment costs	**(0.8)**	(0.5)
Payment of dividends	**(138.2)**	(136.1)
Proceeds from exercise of stock options	**13.2**	4.2
Net cash (used in) provided by financing activities	**$ (119.8)**	$ 77.6
Effect of exchange rate changes on cash and cash equivalents	**$ 0.6**	$ (5.1)
Net change in cash and cash equivalents	**$ 62.4**	$ (441.4)
Cash and cash equivalents at beginning of period	**$ 69.7**	$ 511.1
Cash and cash equivalents at end of period	**$ 132.1**	$ 69.7
Supplemental cash flow information:		
Cash paid for interest expense and loan standby fees	**$ 9.5**	$ 3.7
Income taxes paid	**$ 38.6**	$ 28.5

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 19)*	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
Balance at January 1, 2019	$ 5,158.3	$ 15.6	$ (220.3)	$ (321.7)	**$ 4,631.9**
Net income	—	—	—	344.1	**344.1**
Other comprehensive income	—	—	42.2	—	**42.2**
Total comprehensive income					**$ 386.3**
At-the-market equity offering	$ 136.0	$ —	$ —	$ —	**$ 136.0**
Acquisition of Salares Norte	27.0	—	—	—	**27.0**
Exercise of stock options	17.3	(4.1)	—	—	**13.2**
Share-based payments	—	6.0	—	—	**6.0**
Vesting of restricted share units	3.3	(3.3)	—	—	**—**
Transfer of gain on disposal of equity investments at FVTOCI	—	—	(0.2)	0.2	**—**
Dividend reinvestment plan	48.8	—	—	—	**48.8**
Dividends declared	—	—	—	(187.0)	**(187.0)**
Balance at December 31, 2019	**$ 5,390.7**	**$ 14.2**	**$ (178.3)**	**$ (164.4)**	**$ 5,062.2**
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**

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

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(expressed in millions of U.S. dollars, except per share amounts, unless otherwise noted)

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 has a diversity of revenue sources with a target of no more than 20% of revenue 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 located in Latin America, United States, Canada, Australia, Europe 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 9, 2020.

(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.

Material subsidiaries of the Company and their geographic locations at December 31, 2019 were as follows:

Entity	Jurisdiction	Economic Interest
Franco-Nevada U.S. Corporation	Delaware	100%
Franco-Nevada GLW Holdings Corp.	British Columbia	100%
Franco-Nevada Canada Holdings Corp.	Canada	100%
Franco-Nevada (Barbados) Corporation	Barbados	100%
Franco-Nevada Australia Pty Ltd.	Australia	100%
Franco-Nevada Delaware LLC	Delaware	100%
Franco-Nevada Texas LP	Texas	100%
Minera Global Copper Chile S.A.	Chile	100%
FN Subco Inc.	British Columbia	100%
FN Holdings ULC	Alberta	100%

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%. The Company funds 80% of the contributions to TMRC II, with the remainder funded by Continental. 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 each 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 the majority 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.

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 royalty, 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 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

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.

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.

(i) *Revenue recognition*

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.

(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, 2019.

IFRS 16 *Leases*

Effective January 1, 2019, the Company has adopted IFRS 16*Leases* ("IFRS 16"). IFRS 16 requires lessees to recognize assets and liabilities for most leases. The new standard was applied using a modified retrospective approach whereby the effects of the change in accounting policies for leases as at January 1, 2019 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 17 *Leases.*

As permitted under transitional provisions, the Company has elected to use the following practical expedients:

- Not to separate non-lease from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.
- Not to recognize right-of-use assets and associated liabilities for low value assets or lease terms of 12 months or less.
- Measure its right-of-use assets at amounts equal to the associated lease liabilities; as such, the adjustment to deficit on transition is nil.

The Company's significant lease arrangements relate to its office premises. Adoption of the new standard resulted in the recognition of right-of-use assets of $2.8 million within other assets on the statement of financial position, measured at an amount equal to the related lease liability.

IFRIC 23 *Uncertainty over Income Tax Treatments*

Effective January 1, 2019, the Company has adopted IFRIC 23*Uncertainty over Income Tax Treatments* ("IFRIC 23").

IFRIC 23 clarifies how to apply the recognition and measurement requirements of IAS 12 *Income Taxes* when there is uncertainty over income tax treatments. The application of IFRIC 23 did not have a significant impact on the Company's consolidated financial statements.

New Accounting Standards Issued But Not Yet Effective

Amendments to IFRS 3 *Business Combinations*

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3*Business Combinations* ("IFRS 3"). The amendments are intended to assist entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. The amendments to IFRS 3 are effective for annual reporting periods beginning on or after January 1, 2020 and apply prospectively. Earlier application is permitted. While it is generally expected that the application of the amendments will result in more acquisitions being accounted for as asset acquisitions, the Company will evaluate the impact of the amendments based on the nature and terms of acquisitions the Company may complete in future periods.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

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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 judgements, 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 at the end of each reporting period requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that give rise to the requirement to conduct a formal impairment test on the Company's royalty, stream and working interests, and/or energy equipment. Indicators which could trigger an impairment test include, but are not limited to, a significant change in operator reserve and resource estimates, industry or economic trends, current or forecast commodity prices, and other relevant operator information. 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 whether the Company has joint control of a contractual arrangement, which requires continuous assessment of the relevant activities and whether 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 Eagle's Nest Royalty Interest – Ontario, Canada

On December 23, 2019, Franco-Nevada acquired a 1% gross revenue royalty on Noront Resources Ltd.'s ("Noront") Eagle's Nest nickel, copper and platinum group metals deposit in the Ring of Fire mining district of Ontario, Canada, for C$5.0 million ($3.8 million).

The acquisition of the Eagle's Nest royalty has been accounted for as an asset acquisition.

(b) Acquisition of Project 81 Royalty Interest and Noble Common Shares – Ontario, Canada

On November 22, 2019, Franco-Nevada acquired a 2% NSR on Noble Mineral Exploration's ("Noble") 55,000 hectare patented land package known as Project 81 in the Timmins-Cochrane area of Ontario, Canada, in exchange for Franco-Nevada agreeing to waive its pre-emptive and buy-back rights in respect of a historical third party royalty, which was subsequently terminated. Franco-Nevada's 2% NSR covers the Crawford Nickel-Sulphide Project, which was recently spun out by Noble to Canada Nickel Company Inc. As part of the arrangement, Noble issued C$500,000 of Noble common shares to Franco-Nevada.

The acquisition of the Project 81 royalty has been accounted for as an asset acquisition.

(c) Acquisition of Premier Gold Royalty Interests

On September 25, 2019, Franco-Nevada acquired two royalties from Premier Gold Mines Limited ("Premier") for $6.0 million, including a 2% net smelter royalty ("NSR") on property owned by Newmont Corporation adjoining its Musselwhite Mine in Northwestern Ontario and a 1.5% NSR on Nevada Gold Mines LLC's Rain/Emigrant and Saddle properties located at the south end of the Carlin Trend in Nevada.

The acquisitions of the Premier royalties have been accounted for as asset acquisitions.

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(d) Acquisition of U.S. Oil & Gas Royalty Interest – Marcellus, Pennsylvania, USA

On July 22, 2019, Franco-Nevada acquired from Range Resources Corporation ("Range") an overriding royalty interest on acreage in the Marcellus for a gross purchase price of $300.0 million. The royalty is calculated as 1% of gross production, less allowed deductions from approximately 350,000 net acres of Range's working interest position in Washington, Western Allegheny and Southern Beaver Counties in Pennsylvania. The royalty applies to existing production and future development from the Marcellus formation as well as future potential development from the Utica and Upper Devonian formations.

The acquisition has an effective date of March 1, 2019. Between the effective date and the closing date, the asset has generated approximately $9.4 million in royalties.

The acquisition of the Marcellus royalty has been accounted for as an asset acquisition.

(e) Acquisition of U.S. Oil & Gas Mineral Rights with Continental Resources, Inc. – SCOOP and STACK, Oklahoma, USA

The Company, through a wholly-owned subsidiary, has a strategic relationship with Continental to acquire, through a jointly-owned entity (the "Royalty Acquisition Venture"), royalty rights in the SCOOP and STACK plays of Oklahoma.

In the year ended December 31, 2019, the Company recorded contributions to the Royalty Acquisition Venture of $114.4 million (2018 – 261.8 million). As at December 31, 2019, $5.6 million included in accrued liabilities relates to contributions to the Royalty Acquisition Venture funded after year-end. As at December 31, 2019, the total cumulative investment in the Royalty Acquisition Venture totalled $376.2 million and Franco-Nevada has remaining commitments of up to $143.8 million to be funded by December 31, 2021.

The Royalty Acquisition Venture is accounted for as a joint operation in accordance with IFRS 11*Joint Arrangements*.

(f) 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 ($13.7 million). Marathon has an option to buy back 0.5% of the NSR for $7.0 million until December 31, 2022.

The acquisition of the Valentine Lake royalty has been accounted for as an asset acquisition.

(g) Acquisition of Salares Norte Royalty Interest – Chile

On January 31, 2019, Franco-Nevada, through a wholly-owned 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 the commencement of commercial production.

The acquisition of the Salares Norte royalty has been accounted for as an asset acquisition.

(h) 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 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 First Quantum acquired from LS-Nikko Copper Inc. in 2017 and (ii) KORES' 10% interest in the project (the "Floating Payment Stream").

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.

(i) 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.

(j) Acquisition of U.S. Oil & Gas Royalties – Delaware, Texas, USA

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 acquisition of the Delaware Basin royalties has been accounted for as an asset acquisition.

Note 5 – Cash and cash equivalents

As at December 31, 2019 and 2018, cash and cash equivalents were primarily held in interest-bearing deposits.

Cash and cash equivalents comprised the following:

	At December 31, 2019	At December 31, 2018
Cash deposits	$ 118.7	$ 60.3
Term deposits	13.4	9.4
	$ 132.1	$ 69.7

Note 6 – Investments and loan receivable

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. The loan, which initially had a maturity date of April 28, 2020, was extended to September 30, 2022 under substantially the same terms and conditions.

Investments and loan receivable comprised the following:

	At December 31, 2019	At December 31, 2018
Equity investments	$ 145.6	$ 136.7
Loan receivable	34.6	32.3
Warrants	3.0	0.7
	$ 183.2	$ 169.7

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The change in the fair value of equity investments recognized in other comprehensive income (loss) for the periods ended December 31, 2019 and 2018 were as follows:

	2019	2018
Gain (loss) on change in the fair value of equity investments at FVTOCI	$ 11.4	$ (21.4)
Deferred tax (expense) recovery in other comprehensive income	(1.5)	3.0
Gain (loss) on change in the fair value of equity investments at FVTOCI, net of tax	$ 9.9	$ (18.4)

Note 7 – Prepaid expenses and other current assets

Prepaid expenses and other current assets comprised the following:

	At December 31, 2019	At December 31, 2018
Gold bullion	$ 26.2	$ 27.8
Prepaid expenses	17.5	5.4
Stream ounces inventory	4.4	—
Debt issue costs	0.7	0.1
	$ 48.8	$ 33.3

Note 8 – Royalty, stream and working interests

(a) Royalties, streams and working interests

Royalty, stream and working interests, net of accumulated depletion and impairment charges, comprised the following:

As at December 31, 2019	Cost	Accumulated Depletion[1]	Impairment	Carrying Value
Mining royalties	$ 1,035.7	$ (620.1)	$ —	$ 415.6
Streams	4,346.3	(1,542.3)	—	2,804.0
Energy	1,756.4	(402.8)	—	1,353.6
Advanced	203.2	(32.3)	—	170.9
Exploration	66.2	(12.5)	—	53.7
	$ 7,407.8	$ (2,610.0)	$ —	$ 4,797.8

1. Accumulated depletion includes previously recognized impairment charges.

As at December 31, 2018	Cost	Accumulated Depletion[1]	Impairment	Carrying Value
Mining 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

1. Accumulated depletion includes previously recognized impairment charges.

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Changes in royalty, stream and working interests for the periods ended December 31, 2019 and December 31, 2018 were as follows:

	Mining Royalties	Streams	Energy	Advanced	Exploration	Total
Balance at January 1, 2018	$ 486.1	$ 2,575.4	$ 682.7	$ 151.9	$ 43.1	$ 3,939.2
Acquisitions	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**
Acquisitions (Note 3)	—	—	419.0	46.0	11.9	476.9
Transfers	5.9	—	—	(5.9)	—	—
Depletion	(46.0)	(163.6)	(49.0)	(0.9)	(0.2)	(259.7)
Impact of foreign exchange	5.6	—	17.0	1.9	0.5	25.0
Balance at December 31, 2019	**$ 415.6**	**$ 2,804.0**	**$ 1,353.6**	**$ 170.9**	**$ 53.7**	**$ 4,797.8**

Of the total net book value as at December 31, 2019, $3,743.8 million (December 31, 2018 - $2,233.0 million) is depletable and $1,054.0 million (December 31, 2018 - $2,322.6 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
Royalty, stream and working interests, net:	
Sudbury assets	
Levack-Morrison	$ 54.4
Podolsky	21.0
McCreedy-West	—
Exploration assets	0.6
Total impairment losses	$ 76.0

Sudbury assets

The Company's Sudbury assets comprise the Levack-Morrison, Podolsky and McCreedy-West 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-West 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-West 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 comprised the following:

	At December 31, 2019	At December 31, 2018
Energy well equipment, net	$ 9.3	$ 10.2
Right-of-use assets, net	2.5	—
Furniture and fixtures, net	0.4	0.5
Debt issue costs	1.9	—
	$ 14.1	$ 10.7

Note 10 – Accounts payable and accrued liabilities

Accounts payable and accrued liabilities comprise the following:

	At December 31, 2019	At December 31, 2018
Accounts payable	$ 6.8	$ 7.3
Accrued liabilities	35.0	16.3
	$ 41.8	$ 23.6

Note 11 – Debt

Changes in obligations related to the Company's credit facilities were as follows:

	Corporate Revolver	Corporate Term Loan	FNBC Revolver	Total
Size of facility	$ 1,000.0	$ 160.0	$ 100.0	$ 1,260.0
Balance at January 1, 2018	$ —	$ —	$ —	$ —
Drawdowns	210.0	—	27.0	237.0
Repayment	—	—	(27.0)	(27.0)
Balance at December 31, 2018	**$ 210.0**	**$ —**	**$ —**	**$ 210.0**
Drawdowns	275.0	160.0	—	435.0
Repayment	(485.0)	(80.0)	—	(565.0)
Balance at December 31, 2019	**$ —**	**$ 80.0**	**$ —**	**$ 80.0**

(a) Corporate Revolver

The Company has a five-year $1.0 billion unsecured revolving term credit facility (the "Corporate Revolver"). During the year ended December 31, 2019, the Company drew down $275.0 million to finance the acquisition of an oil and gas royalty in the Marcellus, as referenced in *Note 4(d)*. As at December 31, 2019, the Company has fully repaid the amounts borrowed, with $325.0 million of cash on hand and $160.0 million drawn from the term loan as described in *Note 11(b)*.

The Corporate Revolver has a maturity of March 22, 2024. Advances under the Corporate Revolver 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 0.00% and 1.05% 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 1.00% and 2.05% per annum, depending on the Company's leverage ratio.

Canadian dollars

- Prime rate advances with interest payable monthly at the CIBC prime rate, plus between 0.00% and 1.05% 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 1.00% and 2.05%, 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 Corporate Revolver are guaranteed by certain of the Company's subsidiaries and are unsecured.

The Corporate Revolver is subject to a standby fee of 0.20% to 0.41% per annum, depending on the Company's leverage ratio, even if no amounts are outstanding under the Corporate Revolver.

(b) Corporate Term Loan

On April 17, 2019, the Company entered into an unsecured, one-year term credit facility (the "Corporate Term Loan") in the amount of $160.0 million to pay down amounts borrowed under the Corporate Revolver, as referenced in *Note 11(a).* On September 25, 2019, the term of the Corporate Term Loan was extended by an additional year to April 17, 2021.

Advances under the Corporate Term Loan were drawn as a one-month LIBOR loan with interest payable at a rate of LIBOR plus 0.85%.

(c) FNBC Revolver

The Company's subsidiary, Franco-Nevada (Barbados) Corporation ("FNBC"), has an unsecured revolving term credit facility (the "FNBC Revolver"). The FNBC Revolver provides for the availability over a one-year period of up to $100.0 million in borrowings.

The FNBC Revolver has a maturity date of March 20, 2020. Advances under the FNBC Revolver can be drawn in U.S. dollars 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 Revolver is subject to a standby fee of 0.27% per annum, even if no amounts are outstanding.

Note 12 - 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.

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- 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, 2019.

Assets and Liabilities Measured at Fair Value on a Recurring Basis:

As at December 31, 2019	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	$ —	$ 16.4	$ —	**$ 16.4**
Equity investments	141.7	—	3.9	**145.6**
Warrants	—	3.0	—	**3.0**
	$ 141.7	**$ 19.4**	**$ 3.9**	**$ 165.0**

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

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, or floating interest rate.

The Company has not offset financial assets with financial liabilities.

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

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*

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.

Note 13 – 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.

(a) Market risks

Market risks are the risks that change 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 risks 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 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, 2019, the U.S. dollar weakened in relation to the Canadian dollar. As a result, the Company recorded a currency translation adjustment gain of $32.3 million (2018 – loss of $68.3 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, 2019, 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 $80.0 million (2018 - $207.6 million).

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The following table shows the approximate interest rate sensitivities of our financial assets and liabilities as at December 31, 2019 and 2018:

	Effect on Net Income		Effect on Equity	
	2019	2018	**2019**	2018
0.5% increase	**$ 0.3**	$ 0.1	**$ 0.3**	$ 0.1
0.5% decrease	**(0.3)**	(0.1)	**(0.3)**	(0.1)

(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, 2019, 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, 2019, the Company held $132.1 million in either cash, cash equivalents or highly-liquid investments (2018 – $69.7 million). All of the Company's financial liabilities are due within one year, with the exception of the Corporate Term Loan which has a maturity date of April 17, 2021, as referenced in *Note 11(b)*. The Company's near-term cash requirements include corporate administration costs, certain costs of sales, including the ore purchase commitments described in *Note 22*, 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(e)*.

(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, 2019 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, 2019.

As at December 31, 2019, the Company has cash and cash equivalents totaling $132.1 million (2018 – $69.7 million), investments and a loan receivable totaling $183.2 million (2018 – $169.7 million), of which $141.7 million (2018 – $132.8 million) are held in liquid securities. The Company also has approximately $1.1 billion (2018 – $1.1 billion) available under its unsecured revolving term credit facilities. All of these sources of capital are available to the Company to meet its near-term cash requirements and grow its portfolio of assets.

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Note 14 – Revenue

Revenue classified by commodity, geography and type comprised the following:

	2019	2018
Commodity		
Gold[1]	**$ 545.8**	$ 435.8
Silver	**83.2**	78.2
Platinum-group metals[1]	**75.6**	39.1
Other mining commodities	**23.6**	14.0
Mining	**$ 728.2**	$ 567.1
Energy	**115.9**	86.1
	$ 844.1	$ 653.2
Geography		
Latin America	**$ 369.2**	$ 268.3
United States	**166.6**	137.2
Canada[1]	**166.2**	122.6
Rest of World	**142.1**	125.1
	$ 844.1	$ 653.2
Type		
Revenue-based royalties	**$ 266.7**	$ 197.9
Streams[1]	**490.8**	371.7
Profit-based royalties	**49.7**	44.0
Other	**36.9**	39.6
	$ 844.1	$ 653.2

1. Includes revenue of $0.3 million and $7.8 million of provisional pricing adjustments for gold and platinum-group metals, respectively (2018 - $1.3 million and $2.4 million, respectively).

Note 15 – Costs of sales

Costs of sales comprised the following:

	2019	2018
Costs of stream sales	**$ 135.1**	$ 102.9
Costs of prepaid ounces	**—**	7.1
Mineral production taxes	**2.4**	2.3
Mining costs of sales	**$ 137.5**	$ 112.3
Energy costs of sales	**7.3**	5.9
	$ 144.8	$ 118.2

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:

	2019	2018
Short-term benefits[1]	**$ 4.6**	$ 3.0
Share-based payments[2]	**5.9**	4.9
	$ 10.5	$ 7.9

1. Includes salary, benefits and short-term accrued incentives/other bonuses earned in the period.
2. Represents the expense of stock options and restricted share units, and mark-to-market charges on deferred share units during the year.

Notes to the Consolidated Financial Statements

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Note 17 – Finance income and expenses

Finance income and expenses for the periods ended December 31, 2019 and 2018 were as follows:

	2019	2018
Finance income		
Interest	**$ 3.5**	$ 3.1
	$ 3.5	$ 3.1
Finance expenses		
Interest	**$ 7.4**	$ 1.5
Standby charges	**2.1**	2.1
Amortization of debt issue costs	**0.9**	1.0
Accretion of lease liabilities	**0.2**	—
	$ 10.6	$ 4.6

Note 18 - Income taxes

Income tax expense for the periods ended December 31, 2019 and 2018 was as follows:

	2019	2018
Current income tax expense		
Expense for the year	**$ 42.3**	$ 34.1
Adjustment in respect of prior years	**(3.2)**	6.0
Current income tax expense	**$ 39.1**	$ 40.1
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences in the current year	**20.2**	(7.7)
U.S. Tax Reform impact	**—**	2.0
Impact of changes in tax rate	**(1.0)**	2.9
Change in unrecognized deductible temporary differences	**(0.1)**	19.0
Adjustments in respect of prior years	**3.4**	(6.2)
Other	**0.2**	—
Deferred income tax expense	**22.7**	10.0
	$ 61.8	$ 50.1

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, 2019 and 2018, is as follows:

	2019	2018
Net income before income taxes	**$ 405.9**	$ 189.1
Statutory tax rate	**26.6%**	26.6%
Tax expense at statutory rate	**$ 108.0**	$ 50.4
Reconciling items:		
Change in unrecognized deductible temporary differences	**(0.1)**	19.0
Income/expenses not taxed	**(4.3)**	(1.0)
Differences in foreign statutory tax rates	**(42.8)**	(24.7)
Differences due to changing future tax rates	**(1.0)**	2.9
U.S. Tax Reform impact	**—**	2.0
Foreign withholding tax	**0.3**	0.6
Temporary differences subject to initial recognition exemption	**1.5**	1.0
Other	**0.2**	(0.1)
Net income tax expense	**$ 61.8**	$ 50.1

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Income tax expense (recovery) recognized in other comprehensive income is as follows:

	2019			2018		
	Before Tax Gain	Tax (Expense)	After Tax Gain	Before Tax (Loss)	Tax Recovery	After Tax (Loss)
Gain (loss) on change in the fair value of equity investments at FVTOCI	$ 11.4	$ (1.5)	$ 9.9	$ (21.4)	$ 3.0	$ (18.4)
Cumulative translation adjustment	32.3	—	32.3	(68.3)	—	(68.3)
Other comprehensive income (loss)	$ 43.7	$ (1.5)	$ 42.2	$ (89.7)	$ 3.0	$ (86.7)
Deferred tax	$ —	$ (1.5)	$ —	$ —	$ 3.0	$ —

The significant components of deferred income tax assets and liabilities as at December 31, 2019 and 2018, respectively, are as follows:

	2019	2018
Deferred income tax assets:		
Deductible temporary differences relating to:		
Royalty, stream and working interests	$ 6.5	$ 16.2
Non-capital loss carry-forwards	0.3	1.9
Other	—	(0.8)
	$ 6.8	$ 17.3
Deferred income tax liabilities:		
Taxable temporary differences relating to:		
Share issue and debt issue costs	$ (1.7)	$ (3.7)
Royalty, stream and working interests	89.0	74.8
Non-capital loss carry-forwards	(4.3)	(2.6)
Investments	4.3	2.5
Other	(4.9)	(3.7)
	$ 82.4	$ 67.3
Deferred income tax liabilities, net	$ 75.6	$ 50.0

The movement in net deferred taxes during the years ended December 31, 2019 and 2018 is as follows:

	2019	2018
Balance, beginning of year	$ 50.0	$ 45.8
Recognized in profit/loss	22.5	10.0
Recognized in other comprehensive income (loss)	1.5	(3.0)
Recognized in equity	0.4	—
Other	1.2	(2.8)
Deferred income tax liabilities, net	$ 75.6	$ 50.0

The following table summarizes the Company's non-capital losses at December 31, 2019 that can be applied against future taxable profit:

Country	Type	Amount	Expiry Date
Canada	Non-Capital Losses	$ 16.3	2029-2038
Chile	Non-Capital Losses	1.0	No expiry
		$ 17.3	

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, 2019 is $393.7 million (2018 – $347.7 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, 2019 is $72.7 million (2018 - $75.7 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.

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Deductible temporary differences and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2019	2018
Royalty, stream and working interests	**$ 48.0**	$ 50.9
Tax losses (expiry dates - 2029-2038)	**24.7**	24.8
	$ 72.7	$ 75.7

The Company is undergoing an audit by the Canada Revenue Agency of its 2012-2015 taxation years, as referenced in *Note 23.*

Note 19 – Shareholders' equity

(a) *Share capital*

The Company's authorized capital stock includes an unlimited number of common shares (189,381,388 common shares issued and outstanding as at December 31, 2019) having no par value and preferred shares issuable in series (issued - nil).

Changes in share capital in the year ended December 31, 2019 and year ended December 31, 2018 were as follows:

	Number of shares	Amount
Balance at January 1, 2018	185,930,331	$ 5,107.8
Exercise of stock options	94,018	5.5
Vesting of restricted share units	52,882	3.3
Dividend reinvestment plan *(Note 15(c))*	615,250	41.7
Balance at December 31, 2018	**186,692,481**	**$ 5,158.3**
At-the-market equity offering *(Note 15(b))*	1,433,400	136.0
Acquisition of Salares Norte *(Note 3(e))*	366,499	27.0
Exercise of stock options	283,863	17.3
Vesting of restricted share units	46,375	3.3
Dividend reinvestment plan *(Note 15(c))*	558,770	48.8
Balance at December 31, 2019	**189,381,388**	**$ 5,390.7**

(b) At-the-Market Equity Program

On July 19, 2019, the Company established an at-the-market equity program (the "ATM Program") whereby the Company is permitted to issue up to an aggregate of $200 million worth of common shares from treasury at prevailing market prices to the public through the Toronto Stock Exchange, the New York Stock Exchange or any other marketplace on which the common shares are listed, quoted or otherwise trade. The volume and timing of distributions under the ATM Program is determined at the Company's sole discretion, subject to applicable regulatory limitations and blackout periods. The ATM Program is effective until July 18, 2020, unless terminated prior to such date by the Company.

During the year ended December 31, 2019, the Company issued 1,433,400 common shares at an average price per common share of $96.56. The gross proceeds to the Company from these issuances were $138.4 million, and the net proceeds were $136.0 million after deducting agent commission costs of $1.4 million and other share issuance costs of $1.0 million.

(c) *Dividends*

In 2019, the Company declared dividends of $0.99 per common share (2018 - $0.95 per common share).

Dividends paid in cash and through the Company's Dividend Reinvestment Plan ("DRIP") were as follows:

	2019	2018
Cash dividends	**$ 138.2**	$ 136.1
DRIP dividends	**48.8**	41.7
	$ 187.0	$ 177.8

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(d) *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:

	2019			2018		
	Number		Weighted average exercise price	Number		Weighted average exercise price
Stock options outstanding, beginning of year	**1,015,409**	**C$**	**69.13**	955,603	C$	64.48
Granted	**104,881**	**C$**	**129.32**	153,824	C$	92.77
Exercised	**(283,863)**	**C$**	**59**	(94,018)	C$	60.49
Stock options outstanding, end of the year	**836,427**	**C$**	**80.01**	1,015,409	C$	69.13
Exercisable stock options, end of the year	**596,402**	**C$**	**68.05**	710,064	C$	60.40

Options granted during the years ended December 31, 2019 and 2018 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 $2.2 million, or a weighted average fair value of C$28.11 per stock option, (2018 — $3.0 million, or C$25.77 per stock option).

	2019	2018
Risk-free interest rate	**1.62 %**	2.05 %
Expected dividend yield	**1.02 %**	1.38 %
Expected price volatility of the Company's common shares	**27.5 %**	32.7 %
Expected life of the option	**4 years**	5 years
Forfeiture rate	**0 %**	0 %

During the year ended December 31, 2019, an expense of $2.3 million (2018 - $2.6 million) related to stock options has been included in the consolidated statement of income and other comprehensive income, and $0.5 million (2018 - $0.4 million), was capitalized to royalty, stream and working interest, net, respectively. As at December 31, 2019, there was $3.5 million (2018 – $3.9 million) of total unrecognized non-cash stock-based compensation relating to stock options granted under the Plan, which is expected to be recognized over a weighted average period of 1.7 years (2018 – 1.7 years).

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Options to purchase common shares outstanding at December 31, 2019, exercise prices and weighted average lives to maturity as follows:

Exercise price	Options outstanding	Options exercisable	Weighted average life *(years)*
C$33.12	1,500	1,500	0.90
C$40.87	38,076	38,076	3.95
C$42.43	2,000	2,000	2.25
C$46.17	90,000	90,000	3.63
C$55.58	27,397	27,397	2.95
C$58.67	35,000	35,000	5.64
C$59.52	53,376	53,376	4.95
C$65.76	65,258	65,258	5.95
C$75.45	178,936	178,936	6.95
C$88.76	45,082	13,261	8.64
C$94.57	98,562	27,835	8.95
C$100.10	96,359	63,763	7.95
C$129.32	104,881	—	9.95
	836,427	596,402	6.86

(e) *Restricted share units*

During the year ended December 31, 2019, 20,153 performance-based RSUs (2018 – 24,724) and 19,863 time-based RSUs (2018 – 24,341) 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 $3.9 million in 2019 (2018 - $3.4 million). Included in the Company's stock-based compensation expense is an amount of $2.6 million (2018 – $2.6 million) relating to RSUs. In addition, $0.6 million related to the RSUs was capitalized to royalty, stream and working interest, net (2018 – $0.5 million). As at December 31, 2019, there is $6.4 million (2018 – $5.4 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 (2018 – 2.1 years).

(f) *Deferred Share Unit Plan*

During the year ended December 31, 2019, 18,448 DSUs and dividend equivalent DSUs were granted to directors under the DSU Plan (2018 – 18,420), and no DSUs and dividend equivalent DSUs were redeemed (2018 - 15,298). The value of the DSU liability as at December 31, 2019 was $10.8 million (2018 - $6.1 million). The mark-to-market adjustment recorded for the year ended December 31, 2019 in respect of the DSU Plan, resulted in a loss of $2.8 million (2018 – gain of $0.3 million).

(g) *Outstanding Stock Options and Restricted Share Units*

The following table sets out the maximum shares that would be outstanding if all of the stock options and RSUs at December 31, 2019 and 2018 were exercised:

	2019	2018
Common shares outstanding	**189,381,388**	186,692,481
Stock options	**836,427**	1,015,409
Restricted Share Units	**108,978**	115,337
	190,326,793	187,823,227

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(expressed in millions of U.S. dollars, except per share amounts, unless otherwise noted)

Note 20 – Earnings per share ("EPS")

	2019			2018		
	Net income	Shares (in millions)	Per Share Amount	Net income	Shares (in millions)	Per Share Amount
Basic EPS	$ 344.1	187.7	$ 1.83	$ 139.0	186.1	$ 0.75
Effect of dilutive securities	—	0.3	—	—	0.3	—
Diluted EPS	$ 344.1	188.0	$ 1.83	$ 139.0	186.4	$ 0.75

For the year ended December 31, 2019, a weighted average of 6,034 stock options (2018 – 103,893 stock options) was excluded in the computation of diluted EPS due to the strike price exceeding the average share price during the year. Further, a weighted average of 1,143 time-based RSUs (2018 – 17,523 stock options and 1,400 time-based RSUs) was excluded due to being anti-dilutive. RSUs totaling 65,972 (2018 - 69,442 RSUs) 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, 2019.

Note 21 – Segment reporting

The chief operating decision-maker organizes and manages the business under two operating segments, consisting of royalty, stream and working interests in each of the mining and energy sectors.

The Company's reportable segments for purposes of assessing performance are presented as follows:

	2019			2018		
	Mining	Energy	Total	Mining	Energy	Total
Revenue	$ 728.2	$ 115.9	$ 844.1	$ 567.1	$ 86.1	$ 653.2
Income/(expenses)						
Costs of sales	$ 137.5	$ 7.3	$ 144.8	$ 112.3	$ 5.9	$ 118.2
Depletion and depreciation	210.7	49.0	259.7	206.6	37.3	243.9
Segment gross profit	$ 380.0	$ 59.6	$ 439.6	$ 248.2	$ 42.9	$ 291.1

A reconciliation of total segment gross profit to consolidated net income before income taxes is presented below:

	2019	2018
Total segment gross profit	$ 439.6	$ 291.1
Other operating (income)/expenses		
General and administrative expenses	$ 28.8	$ 22.6
Impairment of royalty, streams and working interests	-	76.0
Gain on sale of bullion	(2.9)	(0.1)
Depreciation	3.5	3.8
Foreign exchange (gain) and other (income) expenses	(2.8)	(1.8)
Income before finance items and income taxes	$ 413.0	$ 190.6
Finance items		
Finance income	$ 3.5	$ 3.1
Finance expenses	(10.6)	(4.6)
Net income before income taxes	$ 405.9	$ 189.1

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(expressed in millions of U.S. dollars, except per share amounts, unless otherwise noted)

Revenues earned during the years ended December 31, 2019 and 2018 are presented by geographic area based on the location of the mining operations giving rise to the royalty, stream or working interest:

	2019	2018
Latin America:		
Peru	**$ 145.3**	$ 148.6
Chile	**103.1**	70.5
Panama	**64.7**	-
Other	**56.1**	49.2
United States	**166.6**	137.2
Canada	**166.2**	122.6
Rest of World	**142.1**	125.1
	$ 844.1	$ 653.2

For the year ended December 31, 2019, two interests generated revenue totaling $1031 million and $100.4 million, (2018 – two interests generated revenue totaling $97.5 million and $70.5 million), each comprising 12% (2018 – 15% and 11%, respectively) of revenue.

Royalty, stream and working interests as at December 31, 2019 and 2018 are presented by geographic area based on the location of the mining operations giving rise to the royalty, stream or working interest.

	2019	2018
Latin America:		
Panama	**$ 1,348.4**	$ 1,364.9
Peru	**825.5**	886.2
Chile	**504.2**	504.0
Other	**48.1**	52.6
United States	**1,300.2**	931.1
Canada	**504.9**	503.9
Rest of World	**266.5**	312.9
	$ 4,797.8	$ 4,555.6

Investments of $183.2 million (2018 - $169.7 million) are held in Canada. Energy well equipment, included in other non-current assets, of $9.3 million (2018 - $10.2 million) is located in Canada.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2019 and 2018

(expressed in millions of U.S. dollars, except per share amounts, unless otherwise noted)

Note 22 – Commitments

(a) Commodity 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 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 until 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 until 29,731,000 ounces of silver delivered. Thereafter, 62.1% of the silver in concentrate.
13 After 1,341,000 ounces of gold delivered, purchase price is the greater of 50% of spot and $418.27 per ounce. As the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum was not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return until such mill throughput was achieved, through a reduction of the applicable fixed gold price of $100 per ounce or a delivery of additional ounces for no consideration.
14 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 until 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 until 7,432,750 ounces of silver delivered. Thereafter 15.53% of the silver in concentrate.
17 After 604,000 ounces of gold delivered, purchase price is 50% of the spot price of gold. As the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum was not reached by January 1, 2019, Franco-Nevada will receive a 5% annual rate of return until such mill throughput was achieved, through a reduction of the applicable fixed gold price of $100 per ounce or a delivery of additional ounces for no consideration.
18 After 9,618,000 ounces of silver delivered, 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. 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.

(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(e)*.

Note 23 – Contingencies

Canada Revenue Agency Audit:

The Canada Revenue Agency ("CRA") is conducting an audit of Franco-Nevada's 2012-2015 taxation years.

(a) Canadian Domestic Tax Matters (2014-2015):

In October 2019, certain wholly-owned Canadian subsidiaries of the Company received Notices of Reassessment for the 2014 and 2015 taxation years (the "Domestic Reassessments") in which the CRA is seeking to increase income by adjusting the timing of the deduction of the upfront payments which were made in connection with precious metal stream agreements. The CRA's position is that the upfront payment should be deducted for income tax purposes in a similar manner to how such upfront payment is expensed for financial statement purposes. Consequently, the CRA's position results in a slower deduction of the upfront payment and an acceleration of the payment of Canadian taxes. This results in the Company being subject to an incremental payment of Federal and provincial income taxes for these years of C$1.4 million ($1.1 million) plus interest and applicable penalties (after applying available non-capital losses and other deductions). The Company has filed formal Notices of Objection with the CRA against the Domestic Reassessments.

If the CRA were to audit and reassess the particular Canadian subsidiaries of the Company for taxation years 2016 through 2019 on the same basis, the Company estimates that it would be subject to an incremental payment of Canadian tax for these years of approximately C$31.4 million ($24.2 million) plus interest and applicable penalties (after applying available non-capital losses and other deductions).

(b) Mexico (2013-2015):

In December 2018, the Company received a Notice of Reassessment from the CRA for the 2013 taxation year (the "2013 Reassessment") in relation to its Mexican subsidiary. The reassessment was made on the basis of the transfer pricing provisions in the Income Tax Act (Canada) (the "Act") and asserts that a majority of the income earned by the Mexican subsidiary should have been included in the income of the Company and subject to tax in Canada. The 2013 Reassessment results in additional Federal and provincial income taxes of C$10.8 million ($8.3 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty.

In December 2019, the Company received Notices of Reassessment for the 2014 and 2015 taxation years (the "2014 and 2015 Reassessments", and collectively with the Domestic Reassessments and the 2013 Reassessment, the "Reassessments") on the same basis as the 2013 Reassessment, resulting in additional Federal and provincial income taxes of C$13.9 million ($10.7 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty. The Company has filed a formal Notice of Objection with the CRA against the 2013 Reassessment and is in the process of filing Notices of Objection against the 2014 and 2015 Reassessments.

For taxation years 2013 through 2015, the Company's Mexican subsidiary paid a total of 419.4 million Pesos ($30.3 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico. If required, the Company intends to seek relief from double taxation under the Canada-Mexico tax treaty.

If the CRA were to audit and reassess the Company for taxation years 2016 through 2019 on the same basis, the Company estimates that it would be subject to additional Canadian tax for these years of approximately C$4.6 million ($3.5 million) plus interest and applicable penalties but before any relief under the Canada-Mexico tax treaty. During the years 2016 through 2019, the Company's Mexican subsidiary paid 71.0 million Pesos ($3.8 million) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico.

(c) Barbados (2014-2015):

The 2014 and 2015 Reassessments also reassess the Company in relation to its Barbadian subsidiary. The reassessments were made on the basis of the transfer pricing provisions in the Act and assert that a majority of the income relating to certain precious metal streams earned by the Barbadian subsidiary should have been included in the income of the Company and subject to tax in Canada, resulting in additional Federal and provincial income taxes of C$6.5 million ($5.0 million) plus interest and applicable penalties. The Company is in the process of filing formal Notices of Objection with the CRA against the 2014 and 2015 Reassessments.

If the CRA were to audit and reassess the Company for taxation years 2016 through 2019 on the same basis, the Company estimates that it would be subject to additional Canadian tax for 2016 through 2018 of approximately C$62.2 million ($47.9 million) as previously announced, and for 2019 of approximately C$41.8 million ($32.2 million), plus interest and applicable penalties.

Management believes that the Company and its subsidiaries have filed their tax returns and paid all applicable taxes in compliance with Canadian and applicable foreign tax laws and, as a result, no amounts have been recorded in the financial statements of the Company for the Reassessments, or for any potential tax liability that may arise in respect of these matters. The Company does not believe that the Reassessments are supported by Canadian tax law and jurisprudence and intends to vigorously defend its tax filing positions.

The CRA audit is ongoing and there can be no assurance that the CRA will not further challenge the manner in which the Company or any of its 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 or a subsidiary 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 24 – Subsequent events

Term Loan Repayment

Subsequent to December 31, 2019, on February 14, 2020, the Company paid down the outstanding balance of $80.0 million under its Corporate Term Loan.

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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 18, 2020

/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 18, 2020

/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, 2019, 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 18 2020

/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, 2019, 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 18, 2020

/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, 2019 of Franco-Nevada Corporation of our report dated March 9, 2020, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which appears in the Exhibit 99.3 to 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 9, 2020 referred to above. We also consent to reference to us under the heading "Experts," which appears in the Annual Information Form included in the Exhibit 99.1 to 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, Canada
March 18, 2020

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 18, 2020

/s/ Phil Wilson
Name: Phil Wilson, CEng