UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

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

or

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

For the fiscal year ended December 31, 2013 **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 to be registered pursuant to Section 12(b) of the Act:

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

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

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

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

x Annual Information Form x 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: 147,164,468

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. x Yes o No

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

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 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, 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. In addition, statements (including data in tables) relating to reserves and resources are forward looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates 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," "budget," "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 and oil & 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, regulations and political or economic developments in any of the countries where properties in which the Registrant holds a royalty, stream or other interest are located, 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 or any of the properties in which the Registrant holds a royalty, stream or other interest, the Registrant's PFIC status, 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, rate and timing of production differences from resource estimates, 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 or civil unrest, and the integration of acquired assets. The forward looking statements contained in 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 adverse development in respect of any significant property in which the Registrant holds a royalty, stream or other interest, 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 readers are cautioned that forward-looking statements are not guarantees of future performance. The Registrant cannot assure investors that actual results will be consistent with these forward looking statements. Accordingly, readers 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 2013 AIF (as defined below) filed as Exhibit 99.1 to this Annual Report, as well as the 2013 MD&A (as defined below) filed as Exhibit 99.2 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 2013 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 2013 AIF have

been prepared in accordance with Canadian National Instrument 43-101 ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. NI 43-101 permits an 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 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 United States Securities and Exchange Commission (the "SEC"), 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 U.S. standards, 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. 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" by SEC standards 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. In addition to NI 43-101, a number of resource and reserve estimates have been prepared in accordance with JORC or SAMREC, which differ from the requirements of NI 43-101 or U.S. securities laws. See "Reconciliation to CIM Definitions" in the 2013 AIF. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with United States standards.

Similarly, the requirements of NI 51-101 for disclosure of oil and gas activities differ significantly from those of the SEC, and disclosure concerning the oil and gas properties in which the Company has interests may not be comparable with information made public by companies that report in accordance with United States standards.

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, 2013 (the "2013 AIF");
- the Management's Discussion and Analysis of the Registrant for the fiscal year ended December 31, 2013 (the "2013 MD&A"); and
- the audited consolidated financial statements of the Registrant, as at and for the fiscal years ended December 31, 2013 and 2012, including the notes thereto, together with the report of the independent auditor thereon and the management report on internal control over financial reporting (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"). These consolidated financial statements are subject to Canadian generally accepted auditing standards and Canadian auditor independence standards, as well as the Standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and independence standards of the Securities and Exchange Commission ("SEC"). IFRS differs in some significant respects from generally accepted accounting principles in the United States of America, 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 2013 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 AUDITORS

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

CHANGES IN INTERNAL CONTROLS 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 2013 MD&A, which is filed as Exhibit 99.2 hereto and

incorporated by reference herein.

BOARD OF DIRECTORS

The Board is comprised of a majority of unrelated, independent directors in accordance with the requirements of Sections 303A.01 and 303A.02 of the New York Stock Exchange Listed Company Manual (the

"NYSE Manual"). The composition of the Board, including the independence of the Chairman, ensures that the Board has in place appropriate structures and procedures to ensure that the Board can function independently of management.

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

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

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

AUDIT AND RISK COMMITTEE

The Board has a separately designated standing Audit and Risk Committee established for the purpose of overseeing the accounting and financial reporting processes of the Registrant and audits of the financial statements of the Registrant in accordance with Section 3(a)(58)(A) of the Exchange Act. As of the date of this Annual Report, the Audit and Risk Committee is comprised of Derek Evans, Tom Albanese and committee chairman Randall Oliphant, each of whom is independent under the NYSE Manual and Rule 10A-3 under the Exchange Act. In addition, the Registrant has determined that Mr. Oliphant is an "audit committee financial expert" within the meaning of the rules of the SEC. The information provided under the heading "Audit and Risk Committee Information" in the 2013 AIF and the Audit and Risk Committee Charter attached as Appendix C to the 2013 AIF are hereby incorporated by reference herein.

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

NYSE CORPORATE GOVERNANCE

The Registrant operates under corporate governance practices that are consistent with the requirements of Section 303A.09 of the NYSE Manual.

In accordance with Section 303A.11 of the NYSE Manual, a summary of the Registrant's corporate governance practices and a description of the significant ways in which the Registrant's corporate governance practices differ from those applicable to U.S. domestic companies under New York Stock Exchange listing standards is located on the Registrant's website at www.franco-nevada.com, under the heading "Corporate—Governance," or may be obtained upon request from Investor Relations at 416-306-6328, or by email to info@franco-nevada.com.

CODE OF ETHICS

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

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

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information relating to the Registrant's principal account fees and services that is included under the heading "Audit and Risk Committee Information—Fees" in the 2013 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 2013 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, 2013, the Registrant's known contractual obligations, aggregated by type of contractual obligation as set forth below:

Contractual Obligations (in U.S. dollars)	Payments Due by Period				
	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Long Term Debt Obligations	$ —	$ —	$ —	$ —	$ —
Capital (Finance) Lease Obligations	—	—	—	—	—
Operating Lease Obligations	7,416,000	670,000	1,340,000	1,366,000	4,040,000
Purchase Obligations	1,135,000,000	335,000,000	800,000,000	—	—
Other Long-Term Liabilities	300,000	100,000	200,000	—	—
Total	$ 1,142,716,000	$ 335,770,000	$ 801,540,000	$ 1,366,000	$ 4,040,000

MINE SAFETY DISCLOSURE

None.

CERTAIN 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, and foreign 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 foreign 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 taxable 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 (1) 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 (2) 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 foreign 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 of the outstanding shares of the Company. This summary also does not address the U.S. federal income tax considerations applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the United States; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the Income Tax Act (Canada) (the "Tax Act"); (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Common Shares in connection with carrying on a business in Canada; (d) persons whose Common Shares constitute "taxable Canadian property" under the Tax Act; or (e) persons that have a permanent

establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including, but not limited to, U.S. Holders described immediately above, should consult their own tax advisor regarding the U.S. federal, U.S. federal alternative minimum, U.S. federal estate and gift, U.S. state and local, and foreign 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 (without reduction for any Canadian income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of the Company, as computed 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 maintain the calculations of 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 constitute ordinary dividend income. Dividends received on Common Shares generally will not be eligible for the "dividends received deduction."

Subject to applicable limitations, dividends paid by the Company to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends, provided certain holding period and other conditions are satisfied, including that the Company not be classified as a PFIC (as defined below) in the tax year of distribution or in the preceding tax year. 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" under the meaning of Section 1297 of the Code (a "PFIC," as defined below) for any year during a U.S. Holder's holding period, then certain

different and potentially adverse U.S. federal income tax rules will 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 (a company that derives a substantial part of its operating revenue from the sale of gold and other precious metals that it has agreed to purchase from mining companies) will be treated under the PFIC rules.

Although the matter is not free from doubt, the Company believes, on a more likely than not basis, that it presently 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 (both as defined below). Accordingly, the Company believes, on a more-likely-than-not basis, that it was not a PFIC for its tax year ended December 31, 2013, 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 tax year and for the foreseeable future. The Company, however, also believes that it was a PFIC for its tax year ended December 31, 2011, and prior tax years. The determination as to whether any corporation was, or will be, a PFIC for a particular tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year, and, as a result, the Company's PFIC status for its current tax year and any future tax year cannot be predicted with certainty. Accordingly, there can be no assurance that the IRS will not challenge the views of the Company (or a Subsidiary PFIC, as defined below) concerning its PFIC status. Each U.S. Holder should consult its own tax advisor regarding the PFIC status of the Company and any Subsidiary PFIC (as defined below).

The Company generally will be a PFIC if, for a tax year, (a) 75 percent or more of the gross income of the Company is passive income (the "income test") or (b) 50 percent or more of the value of the Company's assets either produce passive income or are held for the production of passive income, based on the quarterly average of the fair market value 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, and "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.

Active business gains arising from the sale of commodities generally are excluded from passive income if substantially all (85 percent or more) 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.

For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25 percent or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. In addition, for purposes of the PFIC income test and asset test described above, and assuming certain other requirements are met, "passive income" does not include certain interest, dividends, rents, or royalties that are received or accrued by the Company from certain "related persons" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to the income of such related person that is not passive income.

Under certain attribution rules, if the Company is a PFIC, U.S. Holders will 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 will 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 shares of the Company, and their proportionate share of (a) any excess distributions on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition of the 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. Accordingly, U.S. Holders should be aware that they could be subject to tax even if no distributions from the Company are received and no redemptions or other dispositions of shares are made.

Default PFIC Rules under Section 1291 of the Code

If the Company is a PFIC for any tax year during which a U.S. Holder owns Common Shares, the U.S. federal income tax consequences to such U.S. Holder of the acquisition, ownership and disposition of Common

Shares will depend on whether and when such U.S. Holder makes an election to treat the Company and each Subsidiary PFIC, if any, as a "qualified electing fund" or "QEF" under Section 1295 of the Code (a "QEF Election") or a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A U.S. Holder that does not make either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing U.S. Holder."

A Non-Electing U.S. Holder will be subject to the rules of Section 1291 of the Code (described below) with respect to (a) any gain recognized on the sale or other taxable disposition of Common Shares and (b) any excess distribution received on the Common Shares. A distribution generally will be an "excess distribution" to the extent that such distribution (together with all other distributions received in the current

tax year) exceeds 125 percent of the average distributions received during the three preceding tax years (or during a U.S. Holder's holding period for the Common Shares, if shorter).

Under Section 1291 of the Code, any gain recognized on the sale or other taxable disposition of Common Shares (including an indirect disposition of the stock of any Subsidiary PFIC), and any "excess distribution" received on Common Shares, must be ratably allocated to each day in a Non-Electing U.S. Holder's holding period for the respective Common Shares. The amount of any such gain or excess distribution allocated to the tax year of disposition or distribution of the excess distribution and to years before the entity became a PFIC, if any, would be taxed as ordinary income. The amounts allocated to any other tax year would be subject to U.S. federal income tax at the highest tax rate applicable to ordinary income in each such year, and an interest charge would be imposed on the tax liability for each such year, calculated as if such tax liability had been due in each such year. A Non-Electing U.S. Holder that is not a corporation must treat any such interest paid as "personal interest," which is not deductible.

If the Company is a PFIC for any tax year during which a Non-Electing U.S. Holder holds Common Shares, the Company will continue to be treated as a PFIC with respect to such Non-Electing U.S. Holder, regardless of whether the Company ceases to be a PFIC in one or more subsequent tax years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above), but not loss, as if such Common Shares were sold on the last day of the last tax year for which the Company was a PFIC.

QEF Election

A U.S. Holder that makes a timely and effective QEF Election for the first tax year in which its holding period of its Common Shares begins generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to its Common Shares. A U.S. Holder that makes a timely and effective QEF Election will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (a) the net capital gain of the Company, which will be taxed as long-term capital gain to such U.S. Holder, and (b) the ordinary earnings of the Company, which will be taxed as ordinary income to such U.S. Holder. Generally, "net capital gain" is the excess of (a) net long-term capital gain over (b) net short-term capital loss, and "ordinary earnings" are the excess of (a) "earnings and profits" over (b) net capital gain. A U.S. Holder that makes a QEF Election will be subject to U.S. federal income tax on such amounts for each tax year in which the Company is a PFIC, regardless of whether such amounts are actually distributed to such U.S. Holder by the Company. However, for any tax year in which the Company is a PFIC and has no net income or gain, U.S. Holders that have made a QEF Election would not have any income inclusions as a result of the QEF Election. If a U.S. Holder that made a QEF Election has an income inclusion, such a U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A U.S. Holder that makes a timely and effective QEF Election with respect to the Company generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents "earnings and profits" of the Company that were previously included in income by the U.S. Holder because of such QEF Election and (b) will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF Election. In addition, a U.S. Holder that makes a QEF Election generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF Election, and the U.S. federal income tax consequences of making a QEF Election, will depend on whether such QEF Election is timely. A QEF Election will be treated as "timely" if such QEF Election is made for the first year in the U.S. Holder's holding period for the Common Shares in which the Company was a PFIC. A U.S. Holder may make a timely QEF Election by filing the appropriate QEF Election documents at the time such U.S. Holder files a U.S. federal income tax return for such year. If a U.S. Holder does not make a timely and effective QEF Election for the first year in the U.S. Holder's holding period for the Common Shares, the U.S. Holder may still be able to make a timely and effective QEF Election in a subsequent year if such U.S. Holder also makes a "purging" election to recognize gain (which will be taxed under the rules of Section 1291 of the Code discussed above) as if such Common Shares were sold for their fair market value on the day the QEF Election is effective.

If a U.S. Holder owns PFIC stock indirectly through another PFIC, separate QEF Elections must be made for the PFIC in which the U.S. Holder is a direct shareholder and the Subsidiary PFIC for the QEF rules to apply to both PFICs.

A QEF Election will apply to the tax year for which such QEF Election is timely made and to all subsequent tax years, unless such QEF Election is invalidated or terminated or the IRS consents to revocation of such QEF Election. If a U.S. Holder makes a QEF Election and, in a subsequent tax year, the Company ceases to be a PFIC, the QEF Election will remain in effect (although it will not be applicable) during those tax years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent tax year, the QEF Election will be effective and the U.S. Holder will be subject to the QEF rules described above during any subsequent tax year in which the Company qualifies as a PFIC.

For each tax year that the Company qualifies as a PFIC, the Company: (a) intends to make available to U.S. Holders, upon their written request, a "PFIC Annual Information Statement" as described in Treasury Regulation Section 1.1295-1(g) (or any successor Treasury Regulation) 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 elect to provide such information on its website (www.franco-nevada.com).

A U.S. Holder makes a QEF Election by attaching a completed IRS Form 8621, including a PFIC Annual Information Statement, to a timely filed United States federal income tax return. However, if the Company cannot provide the required information with regard to the Company or any of its Subsidiary PFICs, U.S. Holders will not be able to make a QEF Election for such entity and will continue to be subject to the rules discussed above that apply to Non-Electing U.S. Holders with respect to the taxation of gains and excess distributions.

Mark-to-Market Election

A U.S. Holder may make a Mark-to-Market Election only if the Common Shares are marketable stock. The Common Shares generally will be "marketable stock" if the Common Shares are regularly traded on (a) a national securities exchange that is registered with the SEC, (b) the national market system established pursuant to section 11A of the Exchange Act, or (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and meets other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange ensure active trading of listed stocks. If such stock is traded on such a qualified exchange or other market, such stock generally will be "regularly traded" for any calendar year during which such stock is traded, other than in de minimus quantities, on at least 15 days during each calendar quarter. Provided that the Common Shares are "regularly traded" as described in the preceding sentence, the Common Shares are expected to be marketable stock.

A U.S. Holder that makes a Mark-to-Market Election with respect to its Common Shares generally will not be subject to the rules of Section 1291 of the Code discussed above with respect to such Common Shares. However, if a U.S. Holder does not make a Mark-to-Market Election beginning in the first tax year of such U.S. Holder's holding period for the Common Shares or such U.S. Holder has not made a timely QEF Election, the rules of

Section 1291 of the Code discussed above will apply to certain dispositions of, and distributions on, the Common Shares.

A U.S. Holder that makes a Mark-to-Market Election will include in ordinary income, for each tax year in which the Company is 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 tax year over (b) such U.S. Holder's tax basis in such Common Shares. A U.S. Holder that makes a Mark-to-Market Election will be allowed a deduction in an amount equal to the excess, if any, of (a) such U.S. Holder's adjusted tax basis in the Common Shares, over (b) the fair market value of such Common Shares (but only to the extent of the net amount of previously included income as a result of the Mark-to-Market Election for prior tax years).

A U.S. Holder that makes a Mark-to-Market Election generally also will adjust such U.S. Holder's tax basis in the Common Shares to reflect the amount included in gross income or allowed as a deduction because of such Mark-to-Market Election. In addition, upon a sale or other taxable disposition of Common Shares, a U.S. Holder that makes a Mark-to-Market Election will recognize ordinary income or ordinary loss (not to exceed the excess, if any, of (a) the amount included in ordinary income because of such Mark-to-Market Election for prior tax years over (b) the amount allowed as a deduction because of such Mark-to-Market Election for prior tax years).

A Mark-to-Market Election applies to the tax year in which such Mark-to-Market Election is made and to each subsequent tax year, unless the Common Shares cease to be "marketable stock" or the IRS consents to revocation of such election. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

Although a U.S. Holder may be eligible to make a Mark-to-Market Election with respect to the Common Shares, no such election may be made with respect to the stock of any Subsidiary PFIC that a U.S. Holder is treated as owning, because such stock is not marketable. Hence, the Mark-to-Market Election will not be effective to eliminate the application of the default rules of Section 1291 of the Code described above with respect to deemed dispositions of Subsidiary PFIC stock or distributions from a Subsidiary PFIC.

Other PFIC Rules

Under Section 1291(f) of the Code, the IRS has issued proposed Treasury Regulations that, subject to certain exceptions, would cause a U.S. Holder that had not made a timely QEF Election to recognize gain (but not loss) upon certain transfers of Common Shares that would otherwise be tax-deferred (e.g., gifts and exchanges pursuant to corporate reorganizations). However, the specific U.S. federal income tax consequences to a U.S. Holder may vary based on the manner in which Common Shares are transferred.

Certain additional adverse rules will apply with respect to a U.S. Holder if the Company is a PFIC, regardless of whether such U.S. Holder makes a QEF Election. For example under Section 1298(b)(6) of the Code, a U.S. Holder that uses Common Shares as security for a loan will, except as may be provided in Treasury Regulations, be treated as having made a taxable disposition of such Common Shares.

Special rules also apply to the amount of foreign tax credit that a U.S. Holder may claim on a distribution from a PFIC. Subject to such special rules, foreign taxes paid with respect to any distribution in respect of stock in a PFIC are generally eligible for the foreign tax credit. The rules relating to distributions by a PFIC and their eligibility for the foreign tax credit are complicated, and each U.S. Holder should consult with its own tax advisor regarding the availability of the foreign tax credit with respect to distributions by a PFIC.

In any year in which the Company is classified as a PFIC, a U.S. Holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. A failure to satisfy such reporting requirements may result in an extension of the time period during which the IRS can assess a tax. U.S. Holders should consult their own tax advisors regarding the requirements of filing such information returns under these rules, including the requirement to file a IRS Form 8621.

The PFIC rules are complex, and each U.S. Holder should consult its own tax advisor regarding the PFIC rules and how the PFIC rules may affect the U.S. federal income tax consequences of the acquisition, ownership and disposition of Common Shares.

Additional Considerations

Additional Tax on Passive Income

Certain individuals, estates and trusts whose income exceeds certain thresholds will be required to pay a 3.8 percent Medicare surtax 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). U.S. Holders are urged to consult with their own tax advisors regarding the effect, if any, of this tax on their ownership and disposition of Common Shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or 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 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 U.S. 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 each U.S. Holder should consult its own U.S. tax advisor regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law and Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, recently enacted legislation generally imposes new U.S. return disclosure obligations (and related penalties) on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or

security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Common Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

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 and backup withholding tax, at the rate of 28 percent, 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 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.

DISCLOSURE OF IRANIAN ACTIVITIES UNDER SECTION 13(r) OF THE SECURITIES EXCHANGE ACT OF 1934

Tom Albanese joined Franco-Nevada as a director in August 2013. Mr. Albanese was previously the Chief Executive Officer of Rio Tinto plc from 2007 to January 2013. As disclosed by Rio Tinto plc in its annual report on Form 20-F filed with the Securities and Exchange Commission on March 14, 2014 (page 33), Rio Tinto has an interest in the Rössing Uranium Mine located near Arandis in Namibia's Erongo region and the Iranian Foreign Investments Company (IFIC) is a minority shareholder in Rössing. Rio Tinto has indicated that it has provided such disclosure to ensure transparency but that it does not view itself as actively transacting or entering into business with an instrumentality of the Government of Iran. Given Mr. Albanese's previous relationship with Rio Tinto, Franco-Nevada is also providing this information to ensure transparency.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC 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 SEC a written irrevocable consent and power of attorney on Form F-X. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the SEC 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 19, 2014

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, 2013
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2013
99.3	Audited Consolidated Financial Statements of the Registrant, as at and for the fiscal years ended December 31, 2013 and 2012, including the notes thereto, together with the report of the independent auditor thereon and the management report on internal control over financial reporting
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	Certificate 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 Donald J. Birak
99.10	Consent of Keith Blair
99.11	Consent of GLJ Petroleum Consultants Ltd.
99.12	Consent of Klaus Triebel

AIF

Franco Nevada

ANNUAL INFORMATION FORM

For the year ended December 31, 2013
Dated as of March 19, 2014



THE GOLD INVESTMENT THAT WORKS

199 Bay Street, Suite 2000, P.O. Box 285
Commerce Court Postal Station, Toronto, Canada M5L 1G9

TABLE OF CONTENTS

	Page
GENERAL MATTERS	1
FORWARD LOOKING STATEMENTS	1
NON-IFRS MEASURES	4
EXCHANGE RATE INFORMATION	4
COMMODITY PRICE INFORMATION	4
THE CORPORATION	5
GENERAL DEVELOPMENT OF FRANCO-NEVADA'S BUSINESS	6
EXPLANATION OF ROYALTIES, STREAMS AND OTHER INTERESTS	13
TECHNICAL AND THIRD PARTY INFORMATION	15
FRANCO-NEVADA'S ASSETS	16
Asset Revenue and Descriptions	17
Summary of Mineral Reserves and Mineral Resources	21
Gold Assets	28

United States 28
Canada 33
Australia 37
Rest of World 40
PGM Assets 47
Other Minerals Assets 48
Exploration Assets 49
Oil & Gas Assets 52
TECHNICAL REPORTS 56
Palmarejo Mining and Technical Information 56
RESERVES DATA AND OTHER OIL & GAS INFORMATION 69
RISK FACTORS 80
DIVIDENDS 93
CAPITAL STRUCTURE 94
MARKET FOR SECURITIES 94
DIRECTORS AND OFFICERS 96
LEGAL PROCEEDINGS AND REGULATORY ACTIONS 99
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 100
REGISTRAR AND TRANSFER AGENT 100
MATERIAL CONTRACTS 100
EXPERTS 101
ADDITIONAL INFORMATION 101
AUDIT AND RISK COMMITTEE INFORMATION 101
APPENDIX A FORM 51-101F2 A-1
APPENDIX B FORM 51-101F3 B-1
APPENDIX C FRANCO-NEVADA CORPORATION AUDIT AND RISK COMMITTEE CHARTER C-1

GENERAL MATTERS

Unless otherwise noted or the context otherwise indicates, the terms “Franco-Nevada”, “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 “$” or “dollars” are to United States dollars, references to “C$” are to Canadian dollars, references to “A$” are to Australian dollars and references to “ZAR” are to South African rand.

The information contained in this AIF is as of December 31, 2013, 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 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 U.S. 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, 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. 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 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; regulations and 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 PFIC status; 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; rate and timing of production differences from resource estimates; 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 or civil unrest; 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 adverse development in respect of any significant property in which Franco-Nevada holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward looking statements are not guarantees of future performance. Franco-Nevada cannot assure investors that actual results will be consistent with these forward looking statements. Accordingly, investors should not place undue reliance on forward looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to the "Risk Factors" section of this AIF as well as Franco-Nevada's most recent Management's Discussion and Analysis filed with the Canadian securities regulatory authorities on www.sedar.com and 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 AND OIL AND GAS 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 in accordance with 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 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, 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 U.S. standards, 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. 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" by SEC standards 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.

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".

Similarly, the requirements of NI 51-101 for disclosure of oil and gas activities differ significantly from those of the SEC, and disclosure concerning the oil and gas properties in which the Corporation has interests may not be comparable with information made public by companies that report in accordance with U.S. standards. The primary differences between the Canadian requirements and the U.S. standards for oil and gas related disclosure are that:

- NI 51-101 requires disclosure of gross and net reserves using forecast prices, whereas the SEC rules require the disclosure of net reserves estimated using a historical 12-month average price;
- NI 51-101 requires the disclosure of the net present value of future net revenue attributable to all of the disclosed reserves categories, estimated using forecast prices and costs, before and after deducting future income tax expenses, calculated without discount and using discount rates of 5%, 10%, 15% and 20%, whereas the SEC rules require disclosure of the present value of future net cash flows attributable to proved reserves only, estimated using a constant price (the historical 12-month average price) and a 10% discount rate;
- NI 51-101 requires a one-year reconciliation of gross proved reserves, gross probable reserves and gross proved plus probable reserves, based on forecast prices and costs, for various product types, whereas the SEC rules require a three-year reconciliation of net proved reserves, based on constant prices and costs, for less specific product types; and
- NI 51-101 requires reserves to show a hurdle rate of return, whereas the SEC rules require reserves to be cash flow positive on an undiscounted basis.

NON-IFRS MEASURES

Franco-Nevada included in its 2011, 2012 and 2013 years, the following Non-IFRS Measures:

"**EBITDA**" is defined by the Corporation as net income (loss) excluding income tax expense/recovery, finance income and costs, and depletion and depreciation.

"**Adjusted EBITDA**" is defined by the Corporation as net income (loss) excluding income tax expense/recovery, finance income and costs, foreign exchange gains/losses and other income/expenses, gains/losses on sale of investments, losses from equity investees, and depletion and depreciation and impairment

charges related to royalties, streams, working interests and investments.

"**Adjusted Net Income**" is defined by the Corporation as net income (loss) excluding foreign exchange gains/losses, gains/losses on sale of investments, impairment charges related to royalties, streams, working interests and investments, unusual non-recurring items, and the impact of taxes on these items. "**EBITDA**" is defined by the Corporation as net income (loss) excluding income tax expense/recovery, finance income, finance expenses and depletion and depreciation.

Franco-Nevada plans to continue using these methods.

Please see the notes to the table on page 19 for additional information regarding Adjusted EBITDA. See also the Corporation's most recently filed MD&A for further information regarding Non-IFRS Measures and reconciliations to Adjusted EBITDA and Adjusted Net Income.

EXCHANGE RATE INFORMATION

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars in effect at the end of 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 noon rate published by the Bank of Canada.

	Years ended December 31,		
	2013	2012	2011
High	$ 1.0697	$ 1.0418	$ 1.0604
Low	$ 0.9839	$ 0.9710	$ 0.9449
Average for the Period	$ 1.0299	$ 0.9996	$ 0.9891
End of Period	$ 1.0636	$ 0.9949	$ 0.9833

On March 18, 2014 the noon rate was U.S.$1.00 = C$1.1086 as published by the Bank of Canada.

COMMODITY PRICE INFORMATION

	Spot Commodity Prices				
	Gold /oz (London PM Fix)	Platinum /oz (London PM Fix)	Palladium /oz (London PM Fix)	Oil / C$ bbl (Edmonton Light)	Gas / C$ mcf (AECO-C)
Average for 2011	$ 1,569	$ 1,720	$ 733	$ 95	$ 3.44
Average for 2012	$ 1,669	$ 1,552	$ 645	$ 86	$ 2.28
Average for 2013	$ 1,411	$ 1,487	$ 725	$ 93	$ 3.01

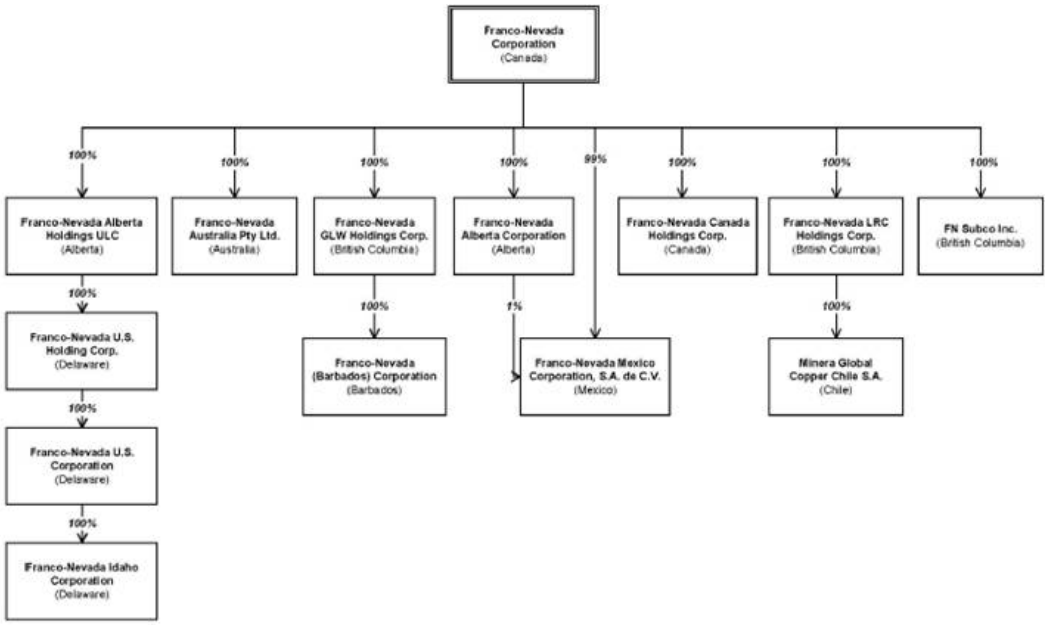
THE CORPORATION

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 Denver, Colorado, Perth, Australia and Hastings, Christ Church, Barbados, all of which are used to manage its asset portfolio and pursue new investment opportunities.

Intercorporate Relationships

Franco-Nevada has thirteen wholly-owned subsidiaries: Franco-Nevada Alberta Holdings ULC, Franco-Nevada U.S. Holding Corp., Franco-Nevada U.S. Corporation ("**FN U.S.**"), Franco-Nevada Idaho Corporation, Franco-Nevada Australia Pty Ltd., Franco-Nevada GLW Holdings Corp. (" **FN GLW**"), Franco-Nevada (Barbados) Corporation ("**FN Barbados**"), Franco-Nevada Alberta Corporation, Franco-Nevada Mexico Corporation, S.A. de C.V., Franco-Nevada Canada Holdings Corp., Franco-Nevada LRC Holdings Corp., Minera Global Copper Chile S.A. and FN Subco Inc. All subsidiaries are wholly-owned by Franco-Nevada either directly or indirectly and are incorporated under the laws of the jurisdictions set out below.



GENERAL DEVELOPMENT OF FRANCO-NEVADA'S BUSINESS

Overview

Franco-Nevada is a gold-focused royalty and stream company with additional interests in platinum group metals (" **PGM**"), oil & gas and other resource assets. Franco-Nevada is the leading gold royalty and stream company by both gold revenues and number of gold assets. The majority of revenues are generated from a diversified portfolio of properties in the United States, Canada, Mexico, Australia and Africa. The portfolio includes over 370 assets covering properties at various stages from production to early stage exploration. Royalties and streams are mostly revenue or production based. The portfolio also includes profit-based royalties and other forms of periodic future payments. Streams differ from royalties and are generally contracts for the forward purchase of a portion of future precious metal from a mining property.

Franco-Nevada's assets are mostly mineral and oil & gas royalties or streams but also include some working and equity interests, undeveloped properties, options to acquire royalties and streams and other assets. The mineral royalties and streams are further characterized by commodity as being in the gold, PGM or base metals categories and these in turn are further subdivided by their project status as being either producing, advanced or exploration assets. A majority of the mineral royalties and streams are characterized as being gold and the majority of revenues are from gold assets. Franco-Nevada considers its stream interest in the Palmarejo project to be its only material mineral project for the purposes of NI 43-101. Previously, Franco-Nevada's royalty interests in the Goldstrike complex were considered to be a material mineral project for the purposes of NI 43-101 but in light of additions to Franco-Nevada's asset portfolio, the contributions from the Goldstrike complex in 2013, and the expected contribution from the Goldstrike complex in the future compared to the entire portfolio, the Goldstrike complex is no longer considered to be a material mineral project to Franco-Nevada. Franco-Nevada will continue to assess the materiality of its assets as new assets are acquired or move into production. Franco-Nevada's oil & gas assets are located primarily in the Western Canadian sedimentary basin with a larger amount of revenue generated from conventional oil than from natural gas properties in 2013. The oil & gas assets also include mineral rights to approximately 100,000 gross acres of unproved land in Canada primarily related to oil & natural gas rights as well as working interests in Arctic gas resources.

Mineral royalties and streams are an alternative to other more conventional forms of financing, including equity, convertible securities and debt financings which can be used to finance mineral projects. Franco-Nevada competes directly against these other sources of capital to provide financing for mining and oil & gas projects.

Franco-Nevada currently operates a small organization. As of March 19, 2014, Franco-Nevada has 26 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".

Franco-Nevada has several foreign subsidiaries and holds royalties, streams and other interests in numerous jurisdictions around the world. For additional information on risks related to these interests in foreign jurisdictions, see "Risk Factors".

Corporate Policies

Franco-Nevada currently does not operate any of the mineral or oil & gas assets in which it has royalty/stream 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.

Franco-Nevada has adopted policies relating to its business conduct, including a code of business conduct and ethics, an environmental and corporate social responsibility policy and a health and safety policy. Franco-Nevada was also a leader and founding signatory of the World Gold Council's Conflict-Free Gold Standard which was published in October 2012. The Corporation also occasionally makes corporate social investments in cooperation with the operators of its assets. In 2012, the Corporation committed to fund $500,000 over

five years to support the new School of Mines at Laurentian University in Sudbury, Ontario. In 2013, the Corporation made its annual contribution of $100,000 under this commitment. Additional information relating to these and other policies are contained in Franco-Nevada's information circular for its annual and special meeting of shareholders held on May 8, 2013 and will also be contained in Franco-Nevada's information circular for its annual and special meeting of shareholders scheduled to be held on May 7, 2014. See "Statement of Governance Practices" in such circulars.

Background of Franco-Nevada

Many of Franco-Nevada's assets were originally acquired and developed by Franco-Nevada Mining Corporation Limited (" **Old Franco-Nevada**"), Normandy Mining Limited ("**Normandy**") and Newmont Mining Corporation (" **Newmont**"). Old Franco-Nevada was a publicly-listed company on the Toronto Stock Exchange (the "**TSX**") from 1983 to 2002 and had originally acquired royalties at the Goldstrike complex along with many other royalties. In February 2002, Newmont acquired Old Franco-Nevada along with Normandy. Old Franco-Nevada's assets and part of its management team were incorporated into a new division of Newmont called Newmont Capital Limited ("**Newmont Capital**"). Newmont Capital's activities included the management of royalty, investment and project portfolios as well as corporate development. Pursuant to an acquisition agreement, Franco-Nevada acquired its initial royalty portfolio from Newmont effective December 20, 2007 and also agreed to assume certain liabilities related to such portfolio. Franco-Nevada then acquired more assets of which the more significant included the Gold Quarry royalty in 2008, the Palmarejo gold stream and Subika royalty in 2009 and the Prosperity gold stream in 2010.

Three-Year History

2011

Material Transactions and Developments

Acquisition of Gold Wheaton

On March 14, 2011, pursuant to an arrangement agreement dated as of January 5, 2011 (the " **Arrangement Agreement**") between Franco-Nevada and Gold Wheaton Gold Corp. ("**Gold Wheaton**"), Franco-Nevada acquired all of the outstanding common shares of Gold Wheaton that it did not already own and amalgamated Gold Wheaton with a wholly-owned subsidiary of Franco-Nevada to form FN GLW. Franco-Nevada had previously acquired on January 5, 2011, a 34.5% interest in Gold Wheaton from Quadra FNX Mining Ltd. ("**Quadra FNX**") for C$4.65 per share in cash (C$262,558,186 million). Following the acquisition of Gold Wheaton, the Corporation topped up Quadra FNX's total consideration to C$5.20 per share in cash (an additional C$31,055,269) on March 21, 2011, which was the same consideration received by Gold Wheaton shareholders. The total aggregate purchase price was C$293,613,455 for the 34.5% interest.

The Arrangement Agreement provided Gold Wheaton shareholders (other than Franco-Nevada) with the option to elect to receive either (i) 0.1556 of a Common Share or (ii) C$5.20 in cash (the "**Arrangement Consideration**"), for each Gold Wheaton common share, subject to applicable caps and pro-ration. In accordance with the Arrangement Agreement, Gold Wheaton shareholders (other than Franco-Nevada) received in the aggregate cash consideration of approximately C$259.5 million and approximately 11.65 million common shares of Franco-Nevada ("**Common Shares**" and each a "**Common Share**"). In accordance with the maximum cash and share caps and pro-rationing mechanism under the Arrangement Agreement and as a result of Gold Wheaton shareholder elections, Gold Wheaton shareholders who elected or were deemed to have elected all cash received C$5.20 in cash, for each Gold Wheaton common share. Gold Wheaton shareholders who elected all shares received approximately 0.1262 of a Common Share and approximately C$0.99, for each Gold Wheaton common share.

Gold Wheaton warrants that were outstanding as of 12:01 a.m. (Vancouver time) on March 14, 2011 (the " **Effective Time"**) became warrants of FN GLW that upon exercise would entitle each holder thereof, at its election, to receive the Arrangement Consideration. Based on the original C$10 per share exercise price of the original Gold Wheaton warrants, the effective exercise price of these FN GLW warrants was C$64.27 per Common Share. The FN GLW warrants expired on July 8, 2013 (the "**2013 GLW Warrants**").

Gold Wheaton options that were outstanding at the Effective Time became options of FN GLW that upon exercise will entitle each holder thereof to receive 0.1556 of a Franco-Nevada Common Share.

Prior to the above transaction, on December 31, 2010, Franco-Nevada acquired 10% secured notes of Gold Wheaton from third parties having an aggregate face value of C$100 million. Franco-Nevada purchased the

notes for approximately C$111 million plus accrued interest. The purchase price was equal to the price at which the holder had the right to call the notes in the event of a change of control of Gold Wheaton. Notes with a face value of C$7 million remained outstanding following the closing of the acquisition and were repaid on March 20, 2011.

A business acquisition report dated March 22, 2011 in respect of the acquisition of Gold Wheaton was filed by Franco-Nevada on SEDAR at www.sedar.com. For a description of the assets acquired as a result of the acquisition of Gold Wheaton, see "Gold Assets — Canada — Sudbury (Gold), Ontario" and "PGM Assets — Sudbury (PGM), Ontario" and "Gold Assets — Rest of World — MWS, South Africa and Cooke 4, South Africa".

New York Stock Exchange ("NYSE") Listing

On September 8, 2011, the Common Shares began trading on the NYSE under the symbol "FNV".

2011 Public Offering

On September 15, 2011, Franco-Nevada filed a short form base shelf prospectus (the " **Base Shelf Prospectus**") in Canada and the U.S. which allowed the Corporation to offer and issue from time to time Common Shares, preferred shares, debt securities, warrants to purchase Common Shares, preferred shares or debt securities and subscription receipts or any combination thereof for an aggregate initial offering price of up to C$1 billion (or the equivalent thereof in other currencies) during the 25-month period that the Base Shelf Prospectus, including any amendments thereto, remained effective.

On November 30, 2011, Franco-Nevada issued 9,200,000 Common Shares (including the full exercise of an over-allotment option) at a price of C$42.50 per share for aggregate gross proceeds of C$391 million. This public offering was made by way of a prospectus supplement to the Base Shelf Prospectus. The Common Shares were sold on a bought-deal basis pursuant to an underwriting agreement dated November 23, 2011 (the "**2011 Underwriting Agreement**") between Franco-Nevada and a syndicate of investment dealers led by BMO Capital Markets.

Other Transactions and Developments

Acquisition of the Edikan Royalty Interest

On June 30, 2011, Franco-Nevada acquired for $35 million an effective 1.5% net smelter return (" **NSR**") royalty on gold production from the Ayanfuri concession in Ghana. Perseus Mining Limited ("**Perseus**") is the operator of this property.

Acquisition of the Canadian Malartic Royalty Interest

On July 12, 2011, Franco-Nevada acquired a 1.5% gross overriding metal royalty encompassing seven mining claims which comprise a portion of Osisko Mining Corporation's ("**Osisko**") Malartic project in Canada. The purchase price was C$9.7 million payable by the issuance of 267,000 Common Shares.

Acquisition of the Phoenix Royalty Interest

On August 31, 2011, Franco-Nevada acquired a 2% NSR royalty payable on part of Rubicon Minerals Corporation's (" **Rubicon**") Phoenix gold project in Red Lake, Ontario lying primarily beneath the waters of Red Lake. Rubicon has an option to repurchase a 0.5% NSR royalty from Franco-Nevada. The purchase price was approximately $23.7 million payable by the issuance of 550,000 Common Shares.

Acquisition of Lumina Royalty Corp.

On September 21, 2011, Franco-Nevada and Lumina Royalty Corp. (" **Lumina**") entered into an arrangement agreement pursuant to which Franco-Nevada agreed to acquire all of the outstanding common shares of Lumina by way of a statutory plan of arrangement for consideration payable in Common Shares and 2017 Warrants (as defined below). The transaction closed on December 1, 2011 and Lumina shareholders received an aggregate of 1,383,850 Common Shares and 2017 Warrants (aggregate of 760,769 warrants issued).

With this acquisition, Franco-Nevada acquired the following royalty interests:

- a 1.5% NSR royalty on Teck Resources Ltd.'s Relincho copper/molybdenum project located in Region III, Chile;
- a 1.08% NSR royalty on Lumina Copper Corp.'s Taca Taca copper/gold/molybdenum project located in Salta Province, Argentina;

- certain royalties on Coro Mining Corp.'s San Jorge copper/gold/molybdenum project located in Mendoza Province, Argentina (which royalties have been restructured such that Franco-Nevada receives, among other things, a 7.5% NSR royalty on gold produced from the property); and
- a 2% NSR royalty on open pit mining and a 1% NSR royalty on underground mining on a portion of Los Andes Copper Limited's Vizcachitas copper/molybdenum project located in Region V, Chile.

2012

Material Transactions and Developments

Acquisition of Cobre Panama Precious Metals Stream

On August 20, 2012, Franco-Nevada announced the acquisition of a precious metals stream on Inmet Mining Corporation's (" **Inmet**") Cobre Panama copper project in Panama ("**Cobre Panama**") which is currently owned 80% by a successor to Inmet and 20% by Korea Panama Mining Corp. (" **KPMC**").

Under the terms of the agreement (the "**Cobre Panama Agreement**") between FN Barbados, Minera Panama, S.A. (" **MPSA**"), the owner and developer of Cobre Panama, and other Inmet subsidiaries, Franco-Nevada will provide a $1 billion deposit, secured by a pledge of Inmet's interest in MPSA, to fund a portion of Cobre Panama's capital costs. In 2013, Inmet was acquired by First Quantum Minerals Ltd. ("**First Quantum**") which plans to advance the development of Cobre Panama. Franco-Nevada's deposit will become available after First Quantum's funding reaches $1 billion and funding of the deposit will be pro-rata on a 1:3 ratio of First Quantum's share of the capital costs (First Quantum owns 80% of the project), up to a maximum of $1 billion. First Quantum has requested changes under the security and reporting requirements of the Cobre Panama Agreement. Franco-Nevada is considering changes to achieve a mutually beneficial outcome. Franco-Nevada expects to fund approximately $200 million in 2014 under the Cobre Panama Agreement.

The amount of gold and silver deliverable under the Cobre Panama Agreement is indexed to copper in concentrate produced from Cobre Panama and approximates 86% of the payable precious metals attributable to First Quantum's 80% ownership. Beyond the initial contemplated mine life, the precious metals deliverable under the stream will be based on a fixed percentage of the precious metals in concentrate. Under the terms of the Cobre Panama Agreement, Franco-Nevada will pay $400 per ounce ("**ounce**" or "**oz**") for gold and $6 per ounce for silver (subject to an annual adjustment for inflation) for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver, respectively, delivered to Franco-Nevada under the agreement. Thereafter Franco-Nevada will pay the greater of $400 per ounce for gold and $6 per ounce for silver (subject to an annual adjustment for inflation), respectively, and one half of the then prevailing market price (collectively, the "**Fixed Price**") based on a fixed percentage of the precious metals in concentrate.

KPMC did not participate in the transaction. An amended and restated shareholders' agreement between Inmet and KPMC provides that the precious metals stream will not adversely impact KPMC's economic interest in or funding requirements for Cobre Panama.

Following an extensive review of the project, First Quantum provided an update in January 2014. The revised project will have an initial installed capacity of 70 million tonnes per annum ("**Mtpa**") which is higher than anticipated in the Inmet plan although first concentrate production is now only expected in fourth quarter of 2017. The increased capacity is expected to deliver metal to Franco-Nevada at an increased rate which would be partially offset by the construction delay. The new plan envisions a 34 year mine life with potential further expansion from 70 Mtpa to 100 Mtpa after 10 years of operation.

Acquisition of Weyburn Net Royalty Interest

On November 13, 2012, the Company acquired an 11.71% net royalty interest in the Weyburn Unit for C$400 million in cash from Penn West Petroleum Ltd. and Penn West Petroleum. The acquisition increased the Company's exposure to the Weyburn Unit, a long-life oil project located in Saskatchewan, and had an effective date of October 1, 2012.

Other Transactions and Developments

Acquisition of Additional Royalty in Bronzewing

On January 11, 2012, Franco-Nevada increased its NSR royalty on Navigator Resources Limited's (" **Navigator**") Bronzewing mine in Western Australia from 1% to 2% for A$4.5 million.

Acquisition of Working Interest in Weyburn Unit

On February 23, 2012, Franco-Nevada acquired an additional 1.15% working interest in the Weyburn Unit in southeast Saskatchewan for approximately C$55 million, increasing its total working interest in the Weyburn Unit to 2.26% at that time,

Acquisition of Timmins West Royalty Interest

On February 29, 2012, Franco-Nevada acquired a 2.25% NSR royalty from Lake Shore Gold Corp. (" **Lake Shore**") on the Timmins West Complex located in Ontario for $35 million. In addition to the royalty, Franco-Nevada acquired 10,050,591 common shares of Lake Shore for C$15 million.

2013

Material Transactions and Developments

Credit Facility

On January 23, 2013, the Company replaced its $175.0 million credit facility with a $500.0 million unsecured revolving term credit facility with Canadian Imperial Bank of Commerce, as Administrative Agent. See "Material Contracts" for the other parties to the credit agreement. The facility has a four year term and may be used for general corporate purposes, including working capital requirements and funding acquisitions. On March 19, 2014, the Company extended its credit facility for an additional two years with the amended expiry being March 19, 2019.

Base Shelf Prospectus

Franco-Nevada's Base Shelf Prospectus filed on September 15, 2011 expired on October 15, 2013. On October 29, 2013, Franco-Nevada filed a new short form base shelf prospectus (the "**2013 Base Shelf Prospectus**") in Canada and the U.S. which allows the Corporation to offer and issue from time to time Common Shares, preferred shares, debt securities, warrants to purchase Common Shares, preferred shares or debt securities and subscription receipts or any combination thereof for an aggregate initial offering price of up to C$1 billion (or the equivalent thereof in other currencies) during the 25-month period that the 2013 Base Shelf Prospectus, including any amendments thereto, remains effective.

Other Transactions and Developments

Acquisition of Brucejack Royalty Interest

On May 13, 2013, Franco-Nevada acquired an existing 1.2% NSR royalty covering Pretium Resources Inc.'s Brucejack gold project in northwestern British Columbia for $45.0 million in cash. The NSR royalty becomes payable after approximately 500,000 ounces of gold and 17.9 million ounces of silver have been produced. The project includes two principal deposits, the Valley of the Kings and the West Zone.

Acquisition of Golden Meadows Royalty Interest

On May 9, 2013, Franco-Nevada acquired a newly created 1.7% NSR royalty covering Midas Gold Corp.'s (" **Midas Gold**") project in Idaho for $15.0 million in cash subject to an option by Midas Gold to re-acquire one-third of the royalty for $9.0 million for a period of three years. As part of the transaction, Franco-Nevada also subscribed for 2,000,000 Midas Gold common share purchase warrants having an exercise price of C$1.23 per common share and a ten year term.

Acquisition of Sissingue Royalty Interest

On May 29, 2013, Franco-Nevada acquired a 0.5% NSR royalty on certain tenements that comprise the Sissingue gold project located in Côte d'Ivoire and operated by Perseus. The purchase price was A$2.0 million in cash.

Dividend Reinvestment Plan

On July 9, 2013, Franco-Nevada adopted a Dividend Reinvestment Plan (the " **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.

Acquisition of Kirkland Lake Royalty Interest

On October 31, 2013, Franco-Nevada acquired a 2.5% NSR royalty on Kirkland Lake Gold Inc.'s (" **Kirkland Lake**") properties in Kirkland Lake, Ontario for $50.0 million in cash. Kirkland Lake has a three-year option to buy back 1% of the NSR for $36.0 million (less the royalty proceeds attributable to the buy-back portion of the NSR that have been paid to Franco-Nevada prior to the date of the buy back).

Acquisition of Barrick Royalty Portfolio Interests

On November 4, 2013, Franco-Nevada completed its acquisition of a portfolio of approximately 20 royalties from Barrick Gold Corporation (" **Barrick**") for $20.9 million in cash. Producing royalties have been added to the Company's portfolio from the Osborne copper/gold mine and Henty gold mine, both in Australia, as well as a 3% NSR royalty on Premier Gold Mines Ltd.'s Hardrock project, located in Ontario, which has been classified as an advanced royalty.

The majority of the remaining royalties are classified as exploration covering over 2,000 square kilometres of prospective geology.

2014

Other Transactions and Developments

Acquisition of Sabodala Gold Stream

On January 15, 2014, Franco-Nevada acquired a 6% gold stream on Teranga Gold Corporation's (" **Teranga**") Sabodala gold project located in Senegal, Africa. Under the terms of the gold stream agreement, Franco-Nevada funded a $135.0 million deposit in exchange for 22,500 ounces of gold per year, payable monthly, for the first six years of the agreement, after which the Company will purchase 6% of the gold produced from Sabodala. Franco-Nevada will pay 20% of the market price of gold for each ounce delivered under the agreement.

Acquisition of Cerro Moro Royalty Interest

On January 31, 2014, Franco-Nevada entered into an agreement with AngloGold Ashanti Limited (" **AngloGold Ashanti**") to acquire an existing 2% NSR royalty on Yamana Gold Inc.'s ("**Yamana**") Cerro Moro project in Argentina for the Argentine peso equivalent of $23.5 million (at the official Argentine peso exchange rate) in cash. Cerro Moro is an advanced high grade gold-silver exploration deposit which is Yamana's priority development asset. The transaction is expected to close during the first half of 2014.

Acquisition of Fire Creek/Midas Portfolio Interests

On February 11, 2014, Franco-Nevada entered into a gold purchase agreement with Klondex Mines Ltd. (" **Klondex**") and acquired a 2.5% NSR royalty on Klondex's Fire Creek and Midas properties, both of which are located in Nevada, U.S., for a total consideration of $35.0 million in cash. Under the terms of the gold purchase agreement, Klondex will deliver 38,250 ounces of gold, payable monthly, by December 31, 2018 following which the NSR royalty will become payable on gold produced from the Fire Creek and Midas properties.

New Prosperity Permitting

On February 27, 2014 the Government of Canada announced that it will not issue the federal authorizations necessary for Taseko Mines Limited's (" **Taseko**") New Prosperity project to proceed. Franco-Nevada has committed to provide a $350 million deposit and certain warrant consideration for the construction of New Prosperity when the project is fully permitted and financed. Franco-Nevada's financing commitment remains available to Taseko but can be terminated at the option of Franco-Nevada.

2014 Guidance

The following contains forward looking statements about Franco-Nevada's guidance for 2014. 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 in the following, please see the "Forward Looking Statements" and the "Risk Factors" sections of this AIF.

In 2013, Franco-Nevada realized 241,402 Gold Equivalent Ounces (" **GEOs**") from its mineral assets and $67.0 million in revenue from its oil & gas assets. This compares to Franco-Nevada's original 2013 guidance made in March 2013 of 215,000 to 235,000 GEOs and $55-$65 million for oil & gas revenue. GEO production benefited from the strength of the rest-of-world gold and the PGM assets more than offsetting weakness from

the U.S. and Canada gold assets especially the net profit royalties. Oil & gas revenues benefited from stronger than expected prices and a narrowing in differentials.

For 2014, Franco-Nevada is expecting to receive between 245,000 to 265,000 GEOs from its mineral assets and $60.0 to $70.0 million in revenue from its oil & gas assets. Of the 245,000 to 265,000 GEOs, Franco-Nevada expects to receive 130,000 to 140,000 GEOs under its various stream agreements compared with 123,387 ounces in 2013.

GEOs include our gold, platinum, palladium and other mineral 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. Platinum, palladium and other minerals were converted to GEOs by dividing associated revenue by the average gold price for the period. For the 2014 guidance, platinum and palladium metals have been converted to GEOs using assumed commodity prices of $1,300/oz Au, $1,400/oz Pt and $725/oz Pd. The WTI oil price is assumed to average $95 per barrel with higher discounts for Canadian oil than experienced in 2013. 2014 guidance assumes the continued steady state of operations from our assets and is also based on the assumptions set out below.

In addition, we expect to fund approximately $200.0 million in 2014 in connection with our precious metals stream agreement on Cobre Panama.

More specifically, we expect the following with respect to key producing assets for 2014:

- **Gold — U.S.**: Overall GEOs from U.S. gold assets are expected to be higher in 2014. Goldstrike royalty ounces for 2014 are expected to be slightly higher than 2013 due to higher production on grounds covered by our NSR and net profit interests ("**NPI**") claims. At Gold Quarry, we expect 11,250 royalty ounces in 2014 as payments will be based on the minimum royalty provision. In addition, GEOs are expected from the Fire Creek/Midas transaction which will start delivering ounces in mid-2014. Hollister is expected to remain on care and maintenance throughout 2014.

- **Gold — Canada**: GEOs earned from Canadian assets in 2014 are expected to be in-line with 2013 levels with projected increases from Detour Lake, as it reaches production capacity, and a full year of production from the new Kirkland Lake royalty. These increases are expected to be partially offset by lower production from the Sudbury and Golden Highway assets and NPI royalties.

- **Gold — Australia**: We expect Australian GEOs to be slightly higher in 2014 than 2013. Duketon gold production is expected to increase as the operator, Regis Resources Ltd. ("**Regis**"), has reported that Rosemont, the third operation on the Duketon property, has completed construction and commissioning commenced in October 2013. In addition, Regis reported that construction on the plant expansion started in the fourth quarter of 2013 which is expected to increase long-term gold production from both Garden Well and Rosemont.

- **Gold — Rest of World**: 2014 Rest of World gold assets are expected to generate higher GEOs in 2014 than 2013. Our 50% gold stream over Palmarejo includes an annual minimum provision of 50,000 ounces, payable monthly. At Mine Waste Solutions ("**MWS**"), we expect to earn higher

stream ounces. We expect to receive 22,500 ounces under the newly acquired Sabodala gold stream. At Tasiast, where we hold a 2% NSR, we anticipate 2014 to be consistent with what was earned in 2013. At Subika, royalty ounces are expected to be lower than in 2013 as mining moves off of ground covered by our royalty. At Edikan, where we have an effective 1.5% NSR, we expect slightly higher production in 2014.

- **PGM**: Sudbury stream ounces for 2014 are expected to be lower as mining at Podolsky ceased in 2013. At Stillwater, 2014 royalty ounces are expected to be consistent with 2013 levels.

- **Other minerals**: Overall, GEOs from other minerals are expected to be higher in 2014 than 2013 with Peculiar Knob, an iron-ore project in South Australia, and Osborne, a recent addition to the portfolio, being significant contributors.

- **Oil & Gas**: For 2014, oil & gas revenues are expected to be $60.0 million to $70.0 million with slightly lower volumes and price discounts offset by reduced capital spending.

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 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** ("**GOR**") 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 for gold with a small inflationary adjustment) payable in cash and the balance paid by applying the upfront deposit. Once the upfront deposit is fully applied, the purchase price is typically the lesser of the fixed price per ounce payable in cash (with a small inflationary adjustment) and the spot price at the time of delivery. Gold streams are well suited to co-product production providing incentive to the operator to produce the gold. Because streams can also be used as a form of financing a gold project, the stream structure may also help maintain the borrowing capacity for the project. Streams can provide higher leverage to commodity price changes as a result of the fixed purchase price per ounce.

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

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

Assume for one ounce of gold, a sales price of $1,300, a "stream cost" of $400 per ounce and an "all-in sustaining cost"(1) of $873 per ounce. Also assume that Franco-Nevada has a 4% NSR, a 4% NPI or WI or a 4% stream.

	NSR	Stream	Developed NPI or WI
One ounce sold at	$ 1,300	$ 1,300	$ 1,300
Applicable cost	—	$ 400	$ 873[1]
Margin for calculation	$ 1,300	$ 900	$ 427
NSR, Stream or NPI %	4%	4%	4%
Revenue per ounce to FNV	$ 52	$ 36	$ 17

(1) For applicable costs for a developed NPI or WI, Franco-Nevada is, for illustrative purposes, assuming Barrick's 2013 all-in sustaining cash cost measure, as Barrick represents the largest gold company by production and reserves, as well as being the operator at five of Franco-Nevada's assets. Excluded from the all-in sustaining measure are general and administrative costs as Franco-Nevada also has such costs which have not been reflected in the applicable cost for NSRs or streams.

Based on the above economics, a comparable percentage NSR is more than three times more valuable than an equivalent Developed NPI or WI and 44% more valuable than a stream interest. With changes to the gold price, the NPI or WI would demonstrate the most leverage while the NSR would provide the most down side protection. The stream provides commodity price leverage similar to a low cost operating company with more certainty as to future costs.

TECHNICAL AND THIRD PARTY INFORMATION

Except where otherwise stated, the disclosure in this AIF relating to properties and operations on the properties in which Franco-Nevada holds royalty or stream 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 10, 2014 (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 (such as the Palmarejo Report (as defined below)) or on publicly available information to prepare required disclosure pertaining to properties and operations on the properties on which Franco-Nevada holds royalty or stream 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 or stream interest. Franco-Nevada's royalty or stream interests often cover less than 100% and sometimes only a portion of the publicly reported mineral reserves, mineral resources and production of the 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, 2013. 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 within this AIF with respect to significant digits presented.

The disclosure in this AIF of a scientific or technical nature for the Palmarejo project is based on a technical report dated January 1, 2013 prepared for Coeur d'Alene Mines Corporation (now known as Coeur Mining, Inc. ("**Coeur**")) and Franco-Nevada in accordance with NI 43-101 (as was in force at such time), except for information dated subsequent to the Palmarejo Report which is based on Coeur's public disclosure. The technical report for the Palmarejo project (the "**Palmarejo Report**") is entitled "Palmarejo Project SW Chihuahua State, Mexico YE 2012 — Technical Report" and was prepared by or under the supervision of Donald J. Birak, Senior Vice President — Exploration, Coeur at the time of the Palmarejo Report, Keith Blair, Manager, Applied Geoscience LLC at the time of the Palmarejo Report, and Klaus Triebel, Senior Corporate Resource Geologist, Coeur at the time of the Palmarejo Report, each of whom is a "qualified person" for the purposes of NI 43-101 and who also reviewed the disclosure of scientific and technical information in this AIF regarding the Palmarejo project. The Palmarejo Report has been filed on SEDAR under Franco-Nevada's profile at www.sedar.com and is available on the SEC's website at www.sec.gov.

The disclosure in this AIF for the reserve assessment and evaluation of the oil & gas reserves including the Weyburn Unit, Midale Unit and Edson Property (each as defined below), was prepared by GLJ Petroleum Consultants Ltd. ("**GLJ**") for Franco-Nevada and was dated February 18, 2014, with a preparation date of February 11, 2014 and an effective date of December 31, 2013, in accordance with NI 51-101.

Reconciliation to CIM Definitions

In this AIF, Franco-Nevada has disclosed a number of resource and reserve estimates covering properties related to the mineral 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.

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 and Oil and Gas 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 either “ **Gold**”, “**PGM**”, “**Other Minerals**” or “**Oil & Gas**”. The categories of Gold and PGM are together referred to as “ **Precious Metals**”. The categories other than Oil & Gas are collectively referred to as “**Mineral Assets**”. For presentation purposes, “**Gold**” encompasses some silver assets and polymetallic exploration prospects. “ **PGM**” encompasses the platinum group metals including palladium. “**Other Minerals**” includes base metals, iron ore, coal, industrial and miscellaneous minerals. “ **Producing**” assets are those that have generated revenue from steady-state operations to Franco-Nevada or are expected to in the next year. “**Advanced**” are assets on projects that in management’s view have a reasonable possibility of generating steady-state revenue to Franco-Nevada in the next five years or includes properties under development, permitting, feasibility or advanced exploration. “**Exploration**” represents assets on early stage exploration properties that are speculative and are expected to require more than five years to generate revenue, if ever, or are currently not active.

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 wholly-owned undeveloped oil & gas land positions and its working interests in Arctic gas resources are additional assets of the Corporation. However, for the purposes of tabulating an indicative number of assets, the undeveloped oil & gas land positions and certain working interests are not counted. More detail on Franco-Nevada’s oil & gas land positions can be found in the section entitled “Oil & Gas Assets”.

As of March 19, 2014, Franco-Nevada estimates that it holds 235 Mineral Assets and 137 Oil & Gas Assets for a total of 372 assets and another 160 undeveloped Oil & Gas agreements.

Franco-Nevada Asset Tabulation at March 19, 2014

	Gold	PGM	Other Minerals	Total Mineral	Oil & Gas	TOTAL
Producing	38	3	6	47	137	184
Advanced	29	0	6	35	—	35
Exploration	130	2	21	153	#(1)	153
TOTAL	197	5	33	**235**	**137**	372

(1) 160 undeveloped Oil & Gas agreements not included in asset counts.

Asset Revenue and Descriptions

The following table sets forth Franco-Nevada’s principal assets and revenue related to each. The table and following asset descriptions should be read with the following considerations:

- For presentation purposes, the table has simplified the details of some royalties and streams and should be read in conjunction with the more detailed descriptions of the assets that follow.
- The terminology and ranges of some of our interests have also been simplified for presentation purposes.
- Except where otherwise stated, information of a technical nature in the asset descriptions, including all of the mine information, is based solely on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as of March 10, 2014. None of this information has been independently verified by Franco-Nevada or its consultants. See “Technical and Third Party Information”.
- Each asset is described in a comparable manner as reported by the property owner or operator, unless otherwise noted. As a result, units of measurement and numbers of significant digits may not be consistent between asset descriptions.
- Except where otherwise stated, reserve and resource figures are for the calendar year ends.

- Some information publicly reported by owners or operators may relate to a larger property than the area covered by Franco-Nevada's royalty or stream interest.

- Schematic representations of the properties are meant to be indicative of Franco-Nevada's understanding of what it is permitted to publicly disclose of the positioning of its royalty or stream interests relative to current operations and should not be treated as fully scaled or complete representations from the operators of those projects.

The subsequent tables characterize the Revenue and Adjusted EBITDA from the Company's assets by commodity, geography and type. The Company uses Revenue and Adjusted EBITDA as core financial metrics when evaluating performance. These tables set forth how the Company performed against these measures.

	Asset	Operator	Interest and %	Revenue ($ millions) 2013	2012	2011	Notes
GOLD							
UNITED STATES	Goldstrike	Barrick Gold Corporation	NSR 2-4%, NPI 2.4-6%	$ 21.2	$ 55.7	$ 45.0	1, 2, P
	Gold Quarry	Newmont Mining	NSR 7.29%	20.7	18.6	17.9	1, 3, P
	Marigold	Silver Standard Resources	NSR 1.75-5%, GR 0.5-4%	8.8	10.9	10.3	1, 2, 3, 5, P
	Fire Creek/Midas	Klondex Mines Ltd.	NSR 2.5%, Fixed to 2018	—	—	—	3, Px2
	Bald Mountain	Barrick Gold Corporation	NSR/GR 0.875-5%	3.8	8.8	3.9	1, 2, 3, 5, P
	Mesquite	New Gold Inc.	NSR 0.5-2%	2.3	3.9	4.8	2, P
	Other (8 assets)			2.3	3.8	5.5	8, Px3, Ax4
CANADA	Sudbury	KGHM International Ltd.	Stream 50%	11.6	15.4	14.3	1, 7, P
	Golden Highway	St Andrew Goldfields Ltd.	NSR 2-15%	12.5	14.3	10.8	3, 5, Px3
	Detour Lake	Detour Gold Corporation	NSR 2%	5.9	—	—	P
	Musselwhite	Goldcorp Inc.	NPI 5%	3.7	6.3	5.1	6, P
	Hemlo	Barrick Gold Corporation	NSR 3%, NPI 50%	3.1	7.5	1.4	1, 6, P
	Kirkland Lake	Kirkland Lake Gold Inc.	NSR 2.5-5.5%, NPI 20%	0.6	0.1	0.2	2, 3, P
	Timmins West	Lake Shore Gold Corp.	NSR 2.25%	3.2	2.0	—	P
	Other (9 assets)			3.0	0.4	0.6	Px2, Ax6
AUSTRALIA	Duketon	Regis Resources Ltd.	NSR 2%	7.9	5.3	3.1	1, P
	Henty	Unity Mining Limited	GR 1%/10%, Ounce-based	1.1	2.7	4.5	2, P
	Other (13 assets)			0.7	3.6	1.9	Px5, Ax8
REST OF WORLD	Palmarejo	Coeur Mining, Inc.	Stream 50%	83.5	96.0	101.9	3, 7, P
	MWS	AngloGold Ashanti Limited	Stream 25%	35.7	33.0	32.3	7, P
	Sabodala	Teranga Gold Corporation	Stream 6%, Fixed to 2019	—	—	—	3, P
	Subika	Newmont Mining	NSR 2%	14.4	3.2	—	1, P
	Tasiast	Kinross Gold Corporation	NSR 2%	6.6	6.4	2.8	P
	Edikan	Perseus Mining Limited	NSR 1.5%	4.1	5.1	1.5	P
	Cerro San Pedro	New Gold Inc.	GR 1.95%	3.3	5.5	5.9	1, P
	Cooke 4	Sibanye Gold Limited	Stream 7%	3.5	3.3	27.3	7, P
	Cobre Panama	First Quantum Minerals	Streams (indexed)	—	—	—	A
	Other (10 assets)			6.4	8.8	5.8	Px2; Ax8
	130 Exploration Assets			—	—	—	E
				$ 269.9	$ 320.6	$ 306.8	
PGM							
	Sudbury	KGHM International Ltd.	Stream 50%	$ 33.1	$ 43.1	$ 40.4	1, 7, P
	Stillwater	Stillwater Mining Company	NSR 5%	18.0	17.3	23.1	1, P
	Pandora	Angloplat/Lonmin Plc	NPI 5%	0.5	0.3	0.4	1, 3, P
	2 Exploration Assets			—	—	—	E
				$ 51.6	$ 60.7	$ 63.9	
OTHER MINERALS							
	Peculiar Knob (Fe)	Arrium Limited	Production Payment	$ 8.0	$ 0.6	$ —	P
	Osborne (Cu,Au)	Shanxi Donghui	NSR 2%	0.8	—	—	9, P
	Mt Keith (Ni)	BHP Billiton Limited	NPI 0.25%, GR 0.375%	1.7	2.2	3.8	P
	Rosemont (Cu,Mo,Ag)	Augusta Resource	NSR 1.5%	—	—	—	A
	Relincho (Cu,Mo)	Teck Resources Limited	NSR 1.5%	—	—	—	4, A
	Taca Taca (Cu,Au,Mo)	Lumina Copper Corp.	NSR 1.08%	—	—	—	A
	Other (6 assets)			1.9	2.0	1.8	Px3, Ax3
	21 Exploration Assets			—	—	—	E
				$ 12.4	$ 4.8	$ 5.6	
OIL & GAS							
	Weyburn Unit	Cenovus Energy Inc.	NRI 11.71%, ORR 0.44%, WI 2.26%	$ 50.7	$ 25.0	$ 12.3	P
	Midale Unit	Apache Canada Ltd.	ORR 1.14%, WI 1.59%	3.6	4.0	4.1	P
	Edson	Canadian Natural Resources	ORR 15%	4.3	3.9	7.7	P
	Other (134 assets)			8.4	8.0	10.8	Px134
	160 Agreements			—	—	—	E
				$ 67.0	$ 40.9	$ 34.9	
REVENUE				**$ 400.9**	**$ 427.0**	**$ 411.2**	

"NSR" Net Smelter Return Royalty
"GR" Gross Royalty
"ORR" Overriding Royalty
"FH" Freehold or Lessor Royalty
"NPI" Net Profits Interest
"NRI" Net Royalty Interest
"WI" Working Interest
"P" "Producing" assets are those that have generated revenue from steady-state operations to Franco-Nevada or are expected to in the next year.
"A" "Advanced" are assets on projects that in management's view have a reasonable possibility of generating steady-state revenue to Franco-Nevada in the next five years or includes properties under development, permitting, feasibility or advanced exploration.
"E" "Exploration" represents assets on early stage exploration properties that are speculative and are expected to require more than five years to generate revenue, if ever, or are currently not active.

1 Does not cover all the reserves or resources reported for the property by the operator.
2 Percentage varies depending on the claim block of the property.
3 Provides for minimum or advance payments.
4 Payments pending achievement of a minimum production hurdle or time threshold.
5 Percentage varies depending on the commodity price or value of ore.
6 Payable after operator recovers defined exploration and development expenses.
7 These revenue numbers are before the deduction of the purchase cost per ounce.
8 Includes dividends in the amounts of $0.1, $0.1, and $0.1 for 2013, 2012 and 2011.
9 Capped at a payout level.

REVENUE[1]

	2013		2012		2011	
	$ millions	%	$ millions	%	$ millions	%
Commodity						
Gold	$ 269.9	67%	$ 320.6	75%	$ 306.8	75%
PGM	51.6	13%	60.7	14%	63.9	16%
Other Minerals	12.4	3%	4.8	1%	5.6	1%
Oil & Gas	67.0	17%	40.9	10%	34.9	8%
	$ 400.9	100%	$ 427.0	100%	$ 411.2	100%
Geography						
United States	$ 77.9	19%	$ 120.0	28%	$ 111.6	28%
Canada	143.9	36%	130.2	30%	107.7	26%
Mexico	86.9	22%	101.6	24%	107.8	26%
Australia	21.1	5%	15.1	4%	13.9	3%
Rest of World	71.1	18%	60.1	14%	70.2	17%
	$ 400.9	100%	$ 427.0	100%	$ 411.2	100%
Type						
Revenue-based royalties	$ 169.0	42%	$ 179.0	42%	$ 152.3	37%
Stream-based	167.3	42%	190.9	45%	216.1	53%
Profit-based royalties	42.7	11%	41.8	10%	30.8	7%
Working interests and other	21.9	5%	15.3	3%	12.0	3%
	$ 400.9	100%	$ 427.0	100%	$ 411.2	100%

ADJUSTED EBITDA[1][2]

	2013		2012		2011	
	$ millions	%	$ millions	%	$ millions	%
Commodity						
Gold	$ 216.2	67%	$ 265.3	76%	$ 243.0	74%
PGM	38.1	12%	46.6	14%	50.1	15%
Other Minerals	11.7	4%	4.5	1%	5.3	2%
Oil & Gas	56.5	17%	31.4	9%	28.9	9%
	$ 322.5	100%	$ 347.8	100%	$ 327.3	100%
Geography						
United States	$ 71.6	22%	$ 108.1	31%	$ 100.4	31%
Canada	115.5	36%	102.6	30%	85.4	26%
Mexico	58.9	18%	74.1	21%	76.4	23%
Australia	20.0	6%	14.3	4%	13.2	4%
Rest of World	56.5	18%	48.7	14%	51.9	16%
	$ 322.5	100%	$ 347.8	100%	$ 327.3	100%
Type						
Revenue-based royalties	$ 150.4	47%	$ 160.9	46%	$ 137.5	42%
Stream-based	109.7	34%	137.2	39%	151.9	46%
Profit-based royalties	36.7	11%	37.8	11%	27.9	9%
Working interests and other	25.7	8%	11.9	4%	10.0	3%
	$ 322.5	100%	$ 347.8	100%	$ 327.3	100%

(1) Dividends have been included in “Gold”, “United States” and “Working interests and other” categories.

(2) As defined on page 4 of this AIF. Adjusted EBITDA is a non-IFRS financial measure, which excludes the following from net income: income tax expense/recovery; finance income and costs; foreign exchange gains/losses; gains/losses on the sale of investments; income/losses from equity investees; impairment charges related to royalty, stream and working interests and investments; and depletion and depreciation. Management believes that Adjusted EBITDA is a valuable indicator of the Company’s ability to generate liquidity from operating cash flow to (i) fund working capital needs; (ii) service working interest capital requirements; (iii) fund acquisitions and commitments; and (iv) fund dividend payments. Management uses Adjusted EBITDA for this purpose and other internal purposes. Management’s internal budgets and forecasts do not reflect potential impairment charges, fair value changes or foreign currency translation gains or losses. Consequently, the presentation of this non-IFRS financial measure enables investors and analysts to better understand the underlying operating performance of our business through the eyes of management. Adjusted EBITDA may be used by investors and analysts for valuation purposes whereby Adjusted EBITDA is multiplied by a factor of an “EBITDA multiple” that is based on observed or an inferred relationship between Adjusted EBITDA and market valuations to determine the approximate total enterprise value of a company. Management periodically evaluates the components of this non-IFRS financial measure based on an internal assessment of performance metrics that it believes is useful for evaluating the operating performance of our business and a review of the non-IFRS measures used by analysts and other royalty/stream companies. Adjusted EBITDA is intended to provide additional information to investors and analysts, does not have any standardized meaning under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Adjusted EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances, and therefore is not necessarily indicative of operating profit or cash flow from operations as determined under IFRS. Other companies may calculate Adjusted EBITDA differently. See “Non-IFRS Financial Measures - Reconciliation” in our Annual MD&A for additional information.

The following table outlines GEOs attributable to Franco-Nevada for the twelve months ended December 31, 2013 and 2012 by commodity (excluding oil & gas), geographical location and type of interest. GEOs include our gold, platinum, palladium and other mineral 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. Platinum, palladium and other minerals were converted to GEOs by dividing associated revenue by

the average gold price for the period.

GOLD EQUIVALENT OUNCES[1][2][3][4][5]

	For the twelve months ended December 31,			
	2013		2012	
	#	%	#	%
Commodity				
Gold	192,297	80%	191,610	83%
PGM	40,007	16%	35,826	16%
Other Minerals	9,098	4%	2,816	1%
	241,402	100%	230,252	100%
Geography				
United States	54,436	23%	71,719	31%
Canada	58,955	24%	52,697	23%
Mexico	62,232	26%	60,912	26%
Australia	15,205	6%	8,894	4%
Rest of World	50,574	21%	36,030	16%
	241,402	100%	230,252	100%
Type				
Revenue-based	102,558	43%	89,845	39%
Streams	123,387	51%	113,837	49%
Profit-based	8,060	3%	25,042	11%
Other	7,397	3%	1,528	1%
	241,402	100%	230,252	100%

(1) For 2013, platinum and palladium metals have been converted to GEOs using average commodity prices of $1,411/oz gold (2012 - $1,669/oz), $1,487/oz platinum (2012 - $1,552/oz) and $725/oz palladium (2012 - $645/oz).
(2) The calculation of GEOs earned from the Sudbury assets was amended which resulted in a change to the GEOs previously calculated. The effect of the amendment was an increase of approximately 3,800 GEOs in 2013 and decrease of 600 GEOs in 2012.
(3) The cost of sales associated with stream sales were $50.1 million and $45.8 million for 2013 and 2012 respectively.
(4) The Corporation began providing GEO guidance in 2013 and prepared comparative information for 2012. Comparative information for 2011 has not been prepared.
(5) Average gold price realized on Franco-Nevada's stream ounces approximates average gold price for the period (2013 - $1,411/oz and 2012 - $1,669/oz).

Oil & gas revenues are not included in the reported GEO numbers above.

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.

		Mineral Reserves									Percentage Covered by royalty or stream interest[236]
		Proven			Probable			Proven & Probable			
	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	
GOLD — UNITED STATES											
Goldstrike	1,2,3,4	59,824	3.52	6,762	26,112	4.70	3,945	**85,936**	**3.88**	**10,707**	74%
Gold Quarry	1,5		not available			not available			**not available**		—
Marigold	1,6,7	32,681	0.65	684	207,369	0.52	3,483	**240,050**	**0.54**	**4,167**	100%
Midas/Fire Creek	3,8	45	6.86	10	181	3.43	20	**227**	**4.11**	**30**	100%
Bald Mountain	1,3,9	37,613	0.71	857	84,902	0.59	1,603	**122,516**	**0.62**	**2,460**	74%
Mesquite	10,11	3,809	0.70	86	112,094	0.60	2,152	**115,903**	**0.60**	**2,238**	100%
Hollister	12,13	101	20.62	67	161	19.97	104	**262**	**20.29**	**171**	100%
Robinson	14,15	105,490	0.18	620	4,530	0.15	20	**110,020**	**0.18**	**640**	100%
Golden Meadows		—	—	—	—	—	—	**—**	**—**	**—**	—
Castle Mountain		—	—	—	—	—	—	**—**	**—**	**—**	—
Pinson	1,16,17	917	12.56	370	668	12.79	275	**1,584**	**12.65**	**645**	1%
Sandman	1,3	—	—	—	—	—	—	**—**	**—**	**—**	—
Dee (South Arturo)	1,3,18,19	11	4.90	2	31,023	1.68	1,677	**31,033**	**1.68**	**1,678**	90%
GOLD — CANADA											
Sudbury	1,20,21,22	—	—	—	1,670	0.74	40	**1,670**	**0.74**	**40**	100%
Hislop	23	7	1.07	0	381	4.36	53	**388**	**4.30**	**54**	100%
Holloway	24	37	4.47	5	22	4.53	3	**60**	**4.49**	**9**	100%
Holt	25	1,479	4.17	198	1,623	5.26	275	**3,101**	**4.74**	**473**	100%
Taylor, Aquarius, Clavos	26	—	—	—	736	5.63	133	**736**	**5.63**	**133**	100%
Detour Lake	27	96,800	1.27	3,964	379,700	0.95	11,585	**476,500**	**1.02**	**15,549**	100%
Musselwhite	28	3,630	7.08	830	5,360	5.97	1,030	**8,990**	**6.42**	**1,850**	100%
Hemlo	1,3,29	1,542	2.68	133	11,260	2.45	886	**12,802**	**2.48**	**1,019**	15%
Kirkland Lake	30,31	1,235	13.35	530	1,696	16.95	924	**2,931**	**15.43**	**1,454**	100%
Timmins West	32,33	—	—	—	4,922	5.21	824	**4,922**	**5.21**	**824**	100%
Canadian Malartic	1,34,35	48,800	0.89	1,400	261,800	1.04	8,720	**310,600**	**1.01**	**10,120**	10%

Mouska	36	20	15.60	10	—	—	—	**20**	**15.60**	**10**	100%
Brucejack	37,38	2,000	6.22	400	16,900	12.70	6,900	**18,900**	**12.01**	**7,300**	100%
Courageous Lake	39,40	12,000	2.41	1,000	79,000	2.17	5,500	**91,000**	**2.20**	**6,500**	100%
Goldfields (Box/Athona)	41,42	1,228	1.90	75	21,105	1.39	945	**22,333**	**1.42**	**1,020**	100%
Hardrock/Geraldton		—	—	—	—	—	—	**—**	**—**	**—**	—
Phoenix		—	—	—	—	—	—	**—**	**—**	**—**	—
Monument Bay		—	—	—	—	—	—	**—**	**—**	**—**	—
GOLD - AUSTRALIA											
Duketon	1,43,44	8,300	1.50	400	59,100	1.39	2,643	**67,400**	**1.40**	**3,043**	99%
Henty	45,46	607	4.70	93	85	10.20	28	**692**	**5.40**	**121**	100%
Admiral Hill		—	—	0	—	—	—	**—**	**—**	**—**	—
Bronzewing	47,48	—	—	0	6,924	1.49	331	**6,924**	**1.49**	**331**	100%
South Kalgoorlie	1,49,50,51	1,000	0.93	30	12,400	1.48	590	**13,400**	**1.44**	**620**	73%
White Dam		—	—	0	—	—	—	**—**	**—**	**—**	—
Aphrodite		—	—	0	—	—	—	**—**	**—**	**—**	—
Bullabulling		—	—	0	—	—	—	**—**	**—**	**—**	—
Edna May	1,52,53	13,400	0.93	402	9,140	1.04	306	**22,540**	**0.98**	**708**	2%
Glenburgh		—	—	0	—	—	—	**—**	**—**	**—**	—
Moyagee	54,55	—	—	0	343	2.24	25	**343**	**2.24**	**25**	100%
Red October	1,56,57	—	—	0	287	5.64	52	**287**	**5.64**	**52**	100%
Wiluna		—	—	0	—	—	—	**—**	**—**	**—**	—
GOLD — REST OF WORLD											
Palmarejo	3,58	4,627	1.72	256	5,566	1.75	313	**10,192**	**1.74**	**569**	100%
MWS	59,60	141,700	0.23	1,050	158,600	0.25	1,300	**300,300**	**0.24**	**2,350**	fixed interest
Sabodala	61,62	12,780	1.24	510	47,090	1.53	2,310	**59,870**	**1.47**	**2,820**	100%
Subika	1,3,63	41,095	1.30	1,720	119,476	2.19	8,400	**160,571**	**1.96**	**10,120**	50%
Tasiast	64	20,567	1.98	1,308	69,148	2.35	5,235	**89,715**	**2.27**	**6,543**	100%
Edikan	65,66	59,600	1.14	2,177	23,100	1.13	836	**82,700**	**1.10**	**2,925**	100%
Cerro San Pedro	1,67	12,982	0.47	197	13,714	0.44	195	**26,696**	**0.46**	**392**	100%
Cooke 4	68,69	470	3.58	50	2,710	3.63	320	**3,180**	**3.63**	**370**	100%
Cerro Moro	70	—	—	—	1,954	11.38	715	**1,954**	**11.38**	**715**	100%
Cobre Panama	71,72	258,000	0.14	1,118	2,800,000	0.07	6,170	**3,058,000**	**0.07**	**7,288**	80%
Ity	73,74,75	—	—	—	1,167	4.85	182	**1,167**	**4.85**	**182**	fixed interest
North Lanut	76	1,079	1.29	45	220	1.15	8	**1,299**	**1.27**	**53**	fixed interest
Agi Dagi		—	—	—	—	—	—	**—**	**—**	**—**	—
Calcatreu		—	—	—	—	—	—	**—**	**—**	**—**	—
Gurupi	77,78	—	—	—	63,757	1.14	2,328	**63,757**	**1.14**	**2,328**	100%
Kiziltepe	79,80	924	3.32	99	225	2.33	17	**1,149**	**3.13**	**115**	100%
Perama Hill	81	2,477	4.44	354	7,220	2.68	621	**9,697**	**3.13**	**975**	100%
San Jorge		—	—	—	—	—	—	**—**	**—**	**—**	—
Sissingue	82,83	—	—	—	9,700	2.11	657	**9,700**	**2.11**	**657**	100%
Taca Taca		—	—	—	—	—	—	**—**	**—**	**—**	—
Volcan		—	—	—	—	—	—	**—**	**—**	**—**	—
TOTAL GOLD MINERAL RESERVES				**27,811**			**84,677**			**112,392**	

		Mineral Resources - Inclusive of Reserves							Mineral Resources			Percentage Covered by royalty or stream interest[236]
		Measured (M)			Indicated (I)			(M)+(I)	Inferred			
	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	
GOLD — UNITED STATES												
Goldstrike	1,2,3,100	61,597	3.69	7,312	35,130	4.97	5,618	**12,930**	2,162	6.93	482	74%
Gold Quarry	1,101		not available			not available				not available		—
Marigold	1,2,102,103	35,166	0.64	723	238,453	0.51	3,918	**4,641**	22,694	0.44	324	100%
Midas/Fire Creek	3,104,105	53	39.72	67	471	17.35	263	**330**	1,045	13.14	441	100%
Bald Mountain	1,2,3,106	82,153	0.69	1,824	227,637	0.58	4,215	**6,039**	52,176	0.45	758	65%
Mesquite	107,108	9,070	0.65	191	304,081	0.48	4,713	**4,904**	17,550	0.42	238	100%
Hollister	109,110	166	38.37	205	280	31.33	282	**487**	433	16.76	233	100%
Robinson	111,112	510,270	0.15	2,460	139,380	0.14	620	**3,080**	139,610	0.14	620	100%
Golden Meadows	113,114	—	—	—	80,752	1.67	4,326	**4,326**	56,294	1.60	2,897	100%
Castle Mountain	115,116,117	—	—	—	165,100	0.59	3,150	**3,150**	57,800	0.57	1,060	100%
Pinson	1,118,119	20,664	1.97	1,307	5,088	4.57	748	**2,055**	2,776	9.79	874	1%
Sandman	1,2,3,120	—	—	—	1,179	1.32	50	**50**	998	1.85	59	100%
Dee (South Arturo)	1,2,3,121,122	21	4.90	3	80,343	1.58	4,075	**4,078**	23,407	0.49	367	90%
GOLD — CANADA												
Sudbury	1,123,124	420	0.74	10	2,230	0.98	70	**80**	750	0.83	20	100%

Hislop	2,125	7	1.07	0	1,351	4.10	178	**179**	690	4.15	92	100%
Holloway	2,126	318	3.91	40	3,201	4.10	422	**462**	3,279	4.59	484	100%
Holt	2,127	5,106	3.94	646	3,768	4.66	565	**1,211**	1,101	5.11	181	100%
Taylor, Aquarius, Clavos	2,128,129,130	—	—	—	27,174	1.99	1,736	**1,736**	3,233	3.88	403	100%
Detour Lake	2,131	114,700	1.29	4,746	498,100	0.98	15,669	**20,415**	21,700	0.81	564	100%
Musselwhite	2,132	3,740	7.07	850	6,050	5.96	1,160	**1,990**	4,730	5.66	860	100%
Hemlo	1,2,3,133	1,847	2.86	170	63,801	1.34	2,752	**2,922**	1,524	4.92	241	15%
Kirkland Lake	134,135,136	2,227	13.41	960	8,703	10.30	2,883	**3,843**	10,013	6.94	2,234	100%
Timmins West	137,138	—	—	—	6,516	5.92	1,240	**1,240**	9,545	5.93	1,819	100%
Canadian Malartic	1,139,140	45,800	0.98	1,440	301,500	1.06	10,250	**11,690**	49,600	0.75	1,200	10%
Mouska	141	29	14.70	14	—	—	—	**14**	255	15.10	124	100%
Brucejack	142,143	4,400	12.02	1,700	15,900	15.65	8,000	**9,600**	9,900	17.91	5,700	100%
Courageous Lake	144,145	13,401	2.53	1,090	93,914	2.28	6,884	**7,974**	48,963	2.18	3,432	100%
Goldfields (Box/Athona)	146,147	858	2.04	56	20,002	1.51	971	**1,027**	4,564	1.54	226	100%
Hardrock/Geraldton	148,149	—	—	—	55,750	1.81	3,241	**3,241**	34,712	3.39	3,784	100%
Phoenix	150,151	—	—	—	4,120	8.52	1,129	**1,129**	7,452	9.26	2,219	100%
Monument Bay	152,153,154	15,543	1.47	736	51,603	1.30	2,164	**2,900**	26,460	0.82	697	100%
GOLD - AUSTRALIA												
Duketon	1,155,156	12,900	1.24	515	132,400	1.09	4,640	**5,155**	104,200	0.88	2,936	99%
Henty	157,158	1,613	4.78	248	143	8.70	40	**288**	31	8.03	8	100%
Admiral Hill	159,160,161	—	—	—	907	1.46	43	**43**	1,338	1.11	48	fixed interest
Bronzewing	162,163	—	—	—	12,380	1.69	674	**674**	5,120	1.86	307	100%
South Kalgoorlie	1,164,165	2,000	1.71	110	46,600	1.98	2,960	**3,070**	35,600	1.93	2,210	76%
White Dam	166,167	—	—	—	1,915	1.10	68	**68**	3,255	0.89	93	fixed interest
Aphrodite	168,169	—	—	—	16,390	1.71	899	**899**	12,350	1.25	498	100%
Bullabulling	1,170,171	—	—	—	72,400	0.98	2,279	**2,279**	36,700	1.11	1,305	50%
Edna May	1,172,173	21,100	0.93	629	17,130	1.20	660	**1,289**	8,760	1.26	354	2%
Glenburgh	174,175	—	—	—	6,900	1.72	382	**382**	14,200	1.34	614	100%
Moyagee	176,177	—	—	—	1,034	2.22	74	**74**	3,039	3.17	310	100%
Red October	1,178,179	105	10.66	36	4,103	1.94	256	**292**	3,291	1.67	177	100%
Wiluna	180,181,182	100	2.80	9	16,255	3.78	1,975	**1,984**	24,554	2.91	2,294	100%
GOLD — REST OF WORLD												
Palmarejo	3,183	8,715	2.44	685	25,338	1.26	1,024	**1,709**	10,533	1.83	621	100%
MWS	184	161,320	0.23	1,170	161,550	0.24	1,260	**2,430**	15,510	0.30	150	fixed interest
Sabodala	185	25,070	1.40	1,130	112,180	1.40	5,050	**6,180**	77,150	1.05	2,600	100%
Subika	1,2,3,186	45,631	1.29	1,890	168,373	1.97	10,640	**12,530**	32,568	2.60	2,720	50%
Tasiast	2,187	87,918	0.90	2,556	262,226	1.40	11,794	**14,350**	14,146	1.46	664	100%
Edikan	188,189	82,204	1.12	2,956	80,310	1.06	2,739	**5,695**	77,447	0.98	2,430	100%
Cerro San Pedro	1,190	13,387	0.46	199	14,311	0.43	198	**397**	1,174	0.34	13	100%
Cooke 4	191,192	2,980	5.08	490	22,110	3.89	2,760	**3,250**	54,330	3.11	5,430	100%
Cerro Moro	2,193	—	—	—	3,731	6.98	837	**837**	3,559	1.92	220	100%
Cobre Panama	194,195	262,000	0.13	1,118	3,941,000	0.06	7,888	**9,006**	3,686,000	0.04	4,396	80%
Ity	196,197	2,500	4.46	359	3,312	2.69	286	**645**	8,832	1.60	455	fixed interest
North Lanut	198	5,874	1.06	200	1,657	1.05	56	**256**	1,695	2.08	113	fixed interest
Agi Dagi	1,199,200,201	—	—	—	93,944	0.56	1,699	**1,699**	43,501	0.64	891	95-100%
Calcatreu	202	—	—	—	8,000	2.63	676	**676**	3,400	2.07	226	100%
Gurupi	203,204	46,027	0.73	1,076	95,979	0.79	2,444	**3,520**	7,719	0.67	165	100%
Kiziltepe	205,206	783	4.10	103	972	2.08	65	**168**	357	1.64	19	100%
Perama Hill	207	3,064	4.30	424	9,375	3.18	958	**1,382**	8,766	1.96	554	100%
San Jorge	208,209	79,518	0.22	584	104,091	0.19	626	**1,211**	11,235	0.16	59	100%
Sissingue	210,211	4,225	2.24	304	14,750	1.31	621	**925**	7,000	1.29	291	100%
Taca Taca	212,213,214	—	—	—	2,408,000	0.10	7,630	**7,630**	938,000	0.06	1,700	100%
Volcan	215,216	—	—	—	—	—	—	**—**	18,600	0.85	510	25%
TOTAL GOLD MINERAL RESOURCES				**43,342**			**165,492**	**208,716**			**68,014**	

		PGM Mineral Reserves									Percentage Covered by royalty or stream interest[236]
		Proven			Probable			Proven & Probable			
	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	
PGM											
Sudbury	1,84,85,86	—	—	—	1,670	5.4	290	**1,670**	**5.4**	**290**	100%
Stillwater	1	5,532	17.1	3,037	38,474	15.4	19,027	**44,006**	**15.6**	**22,064**	94%
Pandora	1,87,88	1,435	3.8	176	16,069	4.1	2,139	**17,504**	**4.1**	**2,313**	80%
TOTAL PGM MINERAL RESERVES				**3,213**			**21,456**			**24,667**	

Percentage

		PGM Mineral Resources - Inclusive of Reserves										Covered by
		Measured (M)			Indicated (I)			(M)+(I)	Inferred			royalty or
	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	stream interest[236]
PGM												
Sudbury	1,217,218	420	3.4	50	2,230	6.0	430	**480**	750	2.5	60	100%
Stillwater	1,2	5,532	17.1	3,037	38,474	15.4	19,027	**22,064**	—	—	—	94%
Pandora	1,219,220	25,825	4.8	3,985	140,603	4.6	20,840	**24,825**	22,669	4.7	3,455	80%
TOTAL PGM MINERAL RESOURCES				**7,072**			**40,297**	**47,369**			**3,515**	

		Copper Mineral Reserves									Percentage Covered by
		Proven			Probable			Proven & Probable			royalty or
	Notes	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	stream interest[236]
Copper											
Osborne	89,90	2,660	0.94%	55	2,590	1.47%	84	**5,250**	**1.21%**	**139**	fixed interest
Rosemont	91,92	279,479	0.46%	2,834	325,796	0.42%	3,017	**605,276**	**0.44%**	**5,851**	100%
Relincho	93	435,300	0.38%	3,647	803,800	0.37%	6,557	**1,239,100**	**0.37%**	**10,203**	100%
Taca Taca		—	—	—	—	—	—	—	—	—	100%
Robinson	94,95	105,490	0.51%	1,181	4,530	0.40%	40	**110,020**	**0.50%**	**1,222**	100%
Vizcachitas		—	—	—	—	—	—	—	—	—	100%
TOTAL COPPER MINERAL RESERVES				**7,662**			**9,614**			**17,276**	

		Copper Mineral Resources - Inclusive of Reserves										Percentage Covered by
		Measured (M)			Indicated (I)			(M)+(I)	Inferred			royalty or
	Notes	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	Contained Mlbs	Tonnage 000s	Grade %	Contained Mlbs	stream interest[236]
Copper												
Osborne	221,222	6,500	1.31%	187	5,470	1.43%	172	**359**	5,840	1.37%	177	fixed interest
Rosemont	223,224	342,914	0.42%	3,202	548,481	0.37%	4,438	**7,640**	126,733	0.40%	1,110	100%
Relincho	2	515,200	0.36%	4,122	1,120,900	0.36%	8,933	**13,056**	610,800	0.38%	5,117	100%
Taca Taca	225,226,227	—	—	—	2,165,000	0.44%	21,150	**21,150**	921,000	0.37%	7,550	100%
Robinson	228,229	510,270	0.35%	3,882	139,980	0.27%	846	**4,728**	139,610	0.29%	882	100%
Vizcachitas	230,231	—	—	—	1,038,000	0.37%	8,539	**8,539**	318,000	0.34%	2,415	100%
TOTAL COPPER MINERAL RESOURCES				**11,206**			**43,907**	**55,113**			**17,074**	

		Nickel Mineral Reserves									Percentage Covered by
		Proven			Probable			Proven & Probable			royalty or
	Notes	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	stream interest[236]
Nickel											
Mt Keith	96,97	98,000	0.59%	1,272	15,000	0.50%	165	**113,000**	**0.58%**	**1,437**	100%
Falcondo	98,99	44,900	1.28%	1,267	26,300	1.36%	789	**71,200**	**1.31%**	**2,056**	100%
TOTAL NICKEL MINERAL RESERVES				**2,539**			**954**			**3,493**	

		Nickel Mineral Resources - Inclusive of Reserves										Percentage Covered by
		Measured (M)			Indicated (I)			(M)+(I)	Inferred			royalty or
	Notes	Tonnes 000s	Grade %	Contained Mlbs	Tonnes 000s	Grade %	Contained Mlbs	Contained Mlbs	Tonnage 000s	Grade %	Contained Mlbs	stream interest[236]
Nickel												
Mt Keith	232, 233	199,000	0.50%	2,194	107,000	0.50%	1,179	**3,373**	35,000	0.50%	386	100%
Falcondo	234, 235	36,700	1.48%	1,197	31,100	1.53%	1,049	**2,246**	4,900	1.40%	151	100%
TOTAL NICKEL MINERAL RESOURCES				**3,391**			**2,228**	**5,620**			**537**	

Notes

All Mineral Reserves and Mineral 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 Reserves and Mineral Resources are reported as of December 31, 2013
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 Mineral Resources based on publicly disclosed information as of March 10, 2014
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 to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates”.

(1) Royalty does not cover entire property or cover all known Mineral Reserves and Mineral Resources
(2) Mineral Resources shown by operator as exclusive of Mineral Reserves. The Company’s qualified person determined the Inclusive Mineral Resources by adding the exclusive Measured and Indicated Mineral Resources to the Proven and Probable Reserves
(3) Mineral Reserves and Mineral Resources are reported by the operator in non-metric units. The Company’s qualified person calculated the metric conversion using 1opt=34.286 g/tonne, 1 short ton = 0.9018 metric tonnes, 1 oz = 31.1035 g
(4) Mineral Reserves are calculated using a long term average gold price of $1,100 per ounce
(5) In accordance with certain provisions of the royalty agreement, Franco-Nevada is not able to disclose Mineral Reserves and Mineral Resources for Gold Quarry
(6) Mineral Reserves are calculated using a long term average gold price of $1,300 per ounce
(7) Mineral Reserves and Mineral Resources converted to 100% basis from Barrick’s 33.33% interest
(8) Mineral Reserves for Midas are calculated using a gold price of $1,300 per ounce
(9) Mineral Reserves are calculated using a long term average gold price of $1,100 per ounce
(10) Mineral Reserves calculated using $1,300 Au

(11) Mineral Reserves reported at a cut-off 0.21 g/t Au for oxide & transition, 0.41 g/t Au non-oxide
(12) As of June 2012, depleted to September 30, 2012
(13) Mineral Reserves assumes $1,400/oz Au and a cut-off of 0.25 oz/ton
(14) As of December 31, 2010
(15) Mineral Reserves reported above a cut-off of 2.93 recoverable lbs Cu per ton assuming $1,000/oz Au and $2.50/lb Cu
(16) As of May 18, 2012
(17) Underground Mineral Reserve based on a 0.2 opt cut-off and $1,300/oz Au
(18) Mineral Reserves are calculated using a long term average gold price of $1,100 per ounce
(19) Mineral Reserves converted to 100% basis from Barricks' 60% attributable share
(20) As of December 31, 2010
(21) Mineral Reserves estimated using $2.50/lb Cu, $7.00/lb Ni, $1,500/oz Pt, $400/oz Pd and $1,000/oz Au
(22) Mineral Reserves cut-off is based on direct cost, indirect cost, sustaining capital and impact of Gold Wheaton agreement
(23) Mineral Reserves estimated using an average long-term gold price of $1,300/oz and a cut-off grade of 1.64 g/t Au at the West Pit and 3.00 g/t Au for Thor
(24) Mineral Reserves estimated using an average long-term gold price of $1,300/oz and a cut-off grade of 3.93 g/t
(25) Mineral Reserves estimated using an average long-term gold price of $1,300/oz and a cut-off grade of 3.01 g/t Au
(26) Mineral Reserves assume $1,300/ oz Au and a stope by stope cut-off grade
(27) Mineral Reserves reported using $1000/oz Au at a 0.5 g/t cut-off
(28) Mineral Reserves are calculated using $1,300/oz Au
(29) Mineral Reserves are calculated using a long term average gold price of $1,100 per ounce & exchange rate of 1.05 $Can/$US
(30) As of December 31, 2012
(31) Estimated at a 0.18 oz/ton cut-off and $1,400.56/oz Au
(32) Based on May 2012 Technical Report
(33) Mineral Reserves reported at a cut-off grade of 3.0 g/t Au
(34) As of January 01, 2013
(35) Mineral Reserves and Mineral Resources estimate using base case $1475 engineered pit shell and cut-off grade of 0.31 to 0.34 g/t Au
(36) Mineral Reserves estimated using $1,300 Au
(37) As of June 21, 2013
(38) Calculated at a C$180/tonne cut-off assuming $1350/oz Au
(39) As of July 24, 2012
(40) Waste to ore cut-offs determined using $1,244/oz Au and pit limit based on a Cdn$20.10 per tonne cut-off
(41) As of December 31, 2011
(42) Mineral Reserves assumes a gold price of CAD$1,250/oz and a cut-off grade of 0.72 g/t with a marginal cut-off grade of 0.33 g/t
(43) As of June 30, 2012 except for Rosemont (January 2013) and Garden Well (net of mining to May 2013)
(44) Assumes a cut-off of 0.6 g/t for Garden Well, 0.4-0.5 g/t for Moolart Well, 0.7 g/t for Erlistoun, and 0.5 g/t for Rosemont
(45) As of June 30, 2013
(46) Estimated at a 3.8 g/t gold cut-off using a gold price of A$1450
(47) As of June 30, 2012
(48) Cockburn Mineral Reserve 2012: A$1350/oz & 0.50 g/t Au cut-off; Corboys Mineral Reserve 2010: A$1300/oz & 0.91 g/t Au cut-off; Challenger Mineral Reserve 2012: A$1250/oz & 0.84 g/t Au cut-off
(49) As of December 31, 2012
(50) Mineral Reserves Gold Price: HBJ - A$1,250/oz; HBJ Underground - A$1,642/oz; Mt Martin - A$1,350/oz; Pernatty - A$1,400/oz;
(51) Mineral Reserves Au cut-off: HBJ - 0.49 g/t; HBJ Underground - 1.64 g/t; Mt Martin - 0.44 g/t; Pernatty - 0.6 g/t
(52) As of December 31, 2012
(53) Mineral Reserves are calculated at a 0.4 g/t Au cut-off using A$1500/oz Au
(54) As of June 30, 2013
(55) No gold price or cut-off assumptions disclosed
(56) As of June 30, 2013
(57) Assumes a cut-off of 3.0 g/t using A$1,400/oz Au
(58) Mineral Reserves assumes a $1,450 /oz Au & $25.00/oz Ag
(59) As of December 31, 2012
(60) Mineral Reserves estimated using $1,300/oz Au; 0.24 g/t Au cut-off; and US$/ZAR 6.94

(61) cut-off Au grades: Sabodala 0.4 g/t oxide & 0.5 g/t fresh; Niakifiri 0.35 g/t oxide & 0.5 g/t fresh; Gora 0.76 g/t; Masato, Golouma & Kerekounda — 0.45 g/t oxide & 0.50 g/t fresh
(62) Gold Price assumptions: Sabodala $1,250/oz; Niakifiri $1,350/oz; Gora $1,200 oz, others $1250/oz
(63) Mineral Reserves assumes $1300/oz Au
(64) Mineral Reserves assume $1,200/oz Au
(65) As of July 01, 2013
(66) Mineral Reserves estimated using $1200/oz Au; 0.6 g/t Au cut-off oxides; 0.5 g/t Au cut-off transitional; and 0.4 g/t Au cut-off sulphide
(67) Mineral Reserves assumes $1,300/oz gold and $22.00/oz silver and a cut-off of $3.00/tonne NSR
(68) As of August 2013
(69) Mineral Reserves are estimated using a pay limit that is based on ZAR 450,000 /kg ($1750/oz and ZAR/USD 8:1)
(70) Mineral Reserves are estimated using $950 Au and $18.00 Ag; open pit cut-off at 3.4 g/t AuEq & underground cut-off at 6.2 g/t AuEq
(71) As of December 31, 2012
(72) Mineral Reserves estimated using a $2.25 copper price, $1,000/oz gold price and $16/oz silver price
(73) As of December 31, 2011
(74) Mineral Reserves converted to 100% basis from La Mancha's 45.9% attributable share
(75) Mineral Reserves estimated at cut-offs between 0.8 and 2.0 g/t Au at US$650/oz Au
(76) As of December 31, 2011
(77) As of January 31, 2011
(78) Mineral Reserves assumes a gold price of $1,066/oz
(79) As of October 2012
(80) Mineral Reserves based on cut-off grade of 1 g/t AuEq and $1,058/oz Au & $16.60/oz Ag
(81) Mineral Reserves assume a gold price of $1,250/oz and cut-off grade of 0.8g/t
(82) Mineral Reserves as of December 22, 2010

(83) Mineral Reserves calculated at a cut-off of 0.55 g/t Au based on $950/oz Au

(84) As of December 31, 2010
(85) Mineral Reserves estimated using $2.50/lb Cu, $7.00/lb Ni, $1,500/oz Pt, $400/oz Pd and $1,000/oz Au
(86) Mineral Reserve cut-off is based on direct cost, indirect cost, sustaining capital and impact of Gold Wheaton agreement
(87) As of September 30, 2013 based on Lonmin Plc disclosure
(88) Mineral Reserves calculated from Lonmin Plc 34.85% attributable interest
(89) As of December 31, 2012
(90) Mineral Reserves reported at a cut-off of 0.35% CuEq for Osborne open pit extension and 1.5% CuEq for Osborne underground and 1.4% CuEq for Kulthor underground where CuEq = Cu(%) + Au(g/t) *0.6
(91) As of July 17, 2012
(92) Mineral Reserves assumes $2.50/lb Cu, $15.00/lb Mo and $20/oz Ag
(93) Mineral Reserves assumes $2.80/lb copper, $13.70/lb molybdenum
(94) As of December 31, 2010
(95) Mineral Reserves reported above a cut-off of 2.93 recoverable lbs Cu per ton assuming $1,000/oz Au and $2.50/lb Cu
(96) As of June 30, 2012
(97) Mineral Reserves calculated at a cut-off grade 0.35% Ni
(98) As of December 31, 2012
(99) Mineral Reserves assumes a cut-off grade of 1.2% Ni
(100) Resources estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property
(101) In accordance with certain provisions of the royalty agreement, Franco-Nevada is not able to disclose Mineral Reserves and Mineral Resources for Gold Quarry
(102) Resources estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property
(103) Mineral Reserves and Mineral Resources converted to 100% basis from Barrick's 33.33% interest
(104) Mineral Resources are reported exclusive of Mineral Reserves using a gold price of $1400/oz for Midas
(105) Mineral Resources are reported using a gold price of $1250/oz for Fire Creek at 6.9 g/t cut-off
(106) Resources estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property
(107) Mineral Resources calculated using $1,400 Au
(108) Mineral Resources reported at a cut-off 0.11 g/t Au for oxide & transition, 0.22 g/t Au non-oxide
(109) As of June 2012 depleted to September 30, 2012
(110) Mineral Resources reported based on a 0.15 oz/ton cut-off
(111) As of December 31, 2010
(112) Mineral Resources reported above a cut-off of 1.24 recoverable lbs Cu per ton assuming $1,000/oz Au and $2.50/lb Cu
(113) As of December 31, 2012 (Open Pit oxide and sulphide); As of October 22, 2013 (tailings)
(114) Mineral Resource cut-off: 0.42 g/t Au for oxides, 0.75 g/t Au for sulphides & 0.75 g/t Au for tailings
(115) As of November 21, 2013
(116) Mineral Resources are estimated at a cut-off grade of 0.14 g/t Au.
(117) Mineral Resources are contained within a Whittle pit shell, generated using a gold price of US$1300/oz Au.
(118) As of Feb 6, 2012
(119) Mineral Resources assume a cut-off 6.34 g/t Au underground and 0.34 g/t Au open pit
(120) Mineral Resources reported at gold price of $1400/oz Au
(121) Mineral Resources converted to 100% basis from Barricks' 60% attributable share
(122) Resources estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property
(123) As of December 31, 2010
(124) Mineral Resources estimated using $2.50/lb Cu, $7.00/lb Ni, $1,500/oz Pt, $400/oz Pd and $1,000/oz Au
(125) Mineral Resources estimated using an average long-term gold price of $1,400 and a cut-off grade of 2.5 g/t
(126) Mineral Resources estimated using an average long-term gold price of $1,400 and a cut-off grade of 2.5 g/t
(127) Mineral Resources estimated using an average long-term gold price of $1,400 and a cut-off grade of 2.5 g/t
(128) Mineral Resources for Taylor as at December 31, 2013
(129) Mineral Resources for Aquarius as at October 2, 2006 assuming $500/oz Au No cut-off grade was applied
(130) Mineral Resources for Clavos as at October, 2012 assuming $1,600/oz Au, a cut-off grade of ranging from 2.75 g/t and converted to 100% basis from SAS 40% interest
(131) Mineral Resources reported using US$1200/oz Au at a 0.5 g/t cut-off; 0.6 g/t for Block A
(132) Mineral Resources are calculated using $1,500 /oz Au
(133) Resources estimated using varying cut-off grades, depending on both the type of mine or project, its maturity and ore types at each property

(134) As of June 17, 2011 (Upper Canada and McBean); As of October 2011 (Amalgamated Kirkland)
(135) As of December 31, 2012 (Macassa Mineral Resource); estimated at cut-off grades between 0.15-0.18 oz/ton and do not include Mineral Reserves
(136) Price & cut-offs: Upper Canada $1,200/oz (Pit 0.44 g/t; UG 2.4 g/t); McBean $900/oz (2.5 g/t); Amalgamated Kirkland $1,200/oz (2.0 g/t)
(137) Based on May 2012 Technical Report
(138) Mineral Resources assumes a cut-off of 2.0 g/t Au for Thunder Creek, a cut-off of 1.5 g/t Au for Timmins West Mine and $1,200/oz Au
(139) As of January 01, 2013
(140) Mineral Reserves and Mineral Resources estimate using base case US$1,475 engineered pit shell and cut-off grade of 0.31 to 0.34 g/t Au
(141) Mineral Resources estimated using $1,300 Au
(142) Valley of the Kings as of December 19, 2013; West Zone as of November 20, 2012
(143) Mineral Resources estimated at a 5.0 g/t Aueq cut-off & 53:1 Ag:Au value ratio
(144) As of January 9, 2012
(145) Mineral Resources assumes a cut-off of 0.83 g/t Au
(146) As of December 31, 2011
(147) Mineral Resources assumes a gold price of CAD$1,250/oz and a cut-off grade of 0.50 g/t with a marginal cut-off grade of 0.33 g/t
(148) As of September 23, 2013
(149) Assumes: 0.5 g/t Au cut-off grade for open pit; 3.0 g/t Au cut-off grade for underground; $1300/oz Au
(150) As per Press Release June 25, 2013
(151) Assumes a cut-off grade of 4.0 g/t based on US$1500/oz Au
(152) As of June 17, 2013
(153) Pit Constrained Twin Lakes Deposit cut-off: open pit 0.7 g/t Au; underground 4.0 g/t Au; Mid East and AZ Deposits: 0.4 g/t Au

(154) Cut-off grades are based on a price of $1,372/oz Au
(155) As of June 30, 2012 other than Rosemont (January 2013) and Garden Well (net of mining to May 2013)

(156) Assumes a cut-off of 0.5 g/t for Garden Well, 0.3-1.0 g/t for Moolart Well, 0.5 g/t for Erlistoun, 0.5 g/t for Rosemont and 0.5-2.0 g/t for Satellite
(157) As of June 30, 2013
(158) Estimated at a 2.0 g/t gold cut-off using a gold price of A$1450
(159) As of June 30, 2012
(160) Admiral Hill Mineral Resources calculated at a 0.3 g/t Au cut-off
(161) Castaway Mineral Resources calculated at a 0.5 g/t Au cut-off
(162) As of June 30, 2012
(163) Cockburn Mineral Resource as of 2011: A$2000/oz pit shell; Corboys Mineral Resource as of 2010; Challenger Mineral Resource estimate as of 2012; Cockburn UG Mineral Resource as of 2011 beneath A$2000/oz pit shell
(164) As of December 31, 2012
(165) Mineral Reserves Au cut-off: HBJ - 0.5/0.9/1.0 g/t; HBJ Underground - 1g/t; Mt Martin - 0.5g/t; Pernatty - 0.5/1.0 g/t; Mt Marion - 1.0 g/t
(166) Mineral Resource for White Dam (which is depleted to Jan 2012) was re-estimated Oct 2010 at cut-off of 0.3 g/t
(167) Vertigo Mineral Resource depleted to end of mining in May 2012
(168) As of June 12, 2013
(169) cut-off of 0.5 g/t Au for potential open pit and 3.0 g/t Au for underground mineable Mineral Resources
(170) As of October 2013
(171) Mineral Resources reported at an 0.5 g/t Au cut-off
(172) As of December 31, 2012
(173) Assumes a 0.4 g/t Au cut-off for open pit, 3.0 g/t Au cut-off for underground using A$1350/oz Au gold price
(174) As of April 2013
(175) Mineral Resources assumes a 0.5 g/t Au cut-off grade
(176) As of June 30, 2013
(177) No gold price or cut-off assumptions disclosed
(178) As of June 30, 2013
(179) Mineral Resources assumes an open pit cut-off of 0.8 g/t Au and underground cut-off of 2.0 g/t Au
(180) Wiluna Mineral Resource as of June 30, 2012, Matilda Mineral Resource as of January 20, 2014
(181) Wiluna Au Mineral Resource cut-off grades vary from 0.5 g/t for Indicated & Inferred oxide material and 2g/t for Indicated transition and fresh material
(182) Matilda Mineral Resource has been reported at a 0.75 g/t cut-off above 200m depth and at a 2 g/t cut-off below 200m depth
(183) Mineral Resources are the addition of Palmarejo, Guadalupe and La Patria and assume $1600/oz Au and $29/oz Ag
(184) As of December 31, 2012
(185) Au cut-off grades: Sabodala, Masato, Goluma, Kerekounda & Somigol: 0.2 g/t oxide & 0.35 g/t fresh; Niakifiri 0.3 g/t oxide & 0.5 g/t fresh; Gora 0.5 g/t; Niakifiri West & Soukhoto 0.3 g/t; Diadiako is 0.2 g/t
(186) Mineral Resources assume a gold price of $1400/oz Au
(187) Mineral Resources assume $1,400/oz Au
(188) As of April 30, 2013
(189) Mineral Resource assumes a cut-off of 0.4 g/t
(190) Mineral Resources assumes $1,400/oz gold and $24.00/oz silver and a cut-off of 0.1 g/t AuEq for open pit oxide and 0.3 g/t AuEq open pit sulphide resources
(191) As of August 2013
(192) Gold Mineral Resources are declared at a cut-off grade of 3.0 g/t Au; Mineral Resources for the E9EC contain Uranium and are therefore estimated at a gold equivalent cut-off of 3.4 g/t
(193) Mineral Resources are estimated using a 1.0 g/t AuEq cut-off
(194) As of December 31, 2012
(195) Mineral Resource inside a pit shell defined by $2.60/lbs copper and cut-off grade of 0.15% copper
(196) As of December 31, 2011
(197) Mineral Resources converted to 100% basis from La Mancha's 45.9% attributable share
(198) As of December 31, 2011
(199) As of December 31, 2012
(200) Mineral Resource for Agi Dagi are estimated using: US$1500/oz Au; US$28.00/oz Ag; and 0.20 g/t Au cut-off
(201) Mineral Resource for Camyurt are estimated using: US$1250/oz Au; 60:1 Ag:Au ratio and a 0.20 g/t Au cut-off
(202) Metal prices used were $12.50/oz Ag & $650/oz Au
(203) As of January 31, 2011
(204) Mineral Resources assumes a cut-off of 0.33 g/t
(205) As of October 2011

(206) Mineral Resources assumes a cut-off grade of 1 g/t Au
(207) Mineral Resources assumes a cut-off grade of 0.5 g/t
(208) As of March 1, 2012
(209) Mineral Resource assumes $1.50/lb Cu and a 0.30% Cu cut-off
(210) As of April 18, 2013
(211) Mineral Resources calculated at a cut-off of 0.6 g/t Au
(212) As of October 30, 2012
(213) Assumes a 0.3% CuEq cut-off for sulphides; 0.2 g/t gold cut-off for oxides
(214) CuEq calculated using $2.00/lb Cu, $800/oz Au, $12.00/lb Mo
(215) As of October 2008
(216) Mineral Resource assumes 0.5 g/t Au cut-off on the Ojo de Agua deposit only
(217) As of December 31, 2010
(218) Mineral Resources estimated using $2.50/lb Cu, $7.00/lb Ni, $1,500/oz Pt, $400/oz Pd and $1,000/oz Au
(219) As of September 30, 2013 based on Lonmin Plc disclosure
(220) Mineral Resources calculated from Lonmin Plc 34.85% attributable interest
(221) As of December 31, 2012
(222) Mineral Resources reported at a cut-off of 0.5% CuEq for Osborne open pit and 1.2% CuEq for Osborne and Kulthor underground where CuEq = Cu(%) + Au(g/t) *0.6
(223) As of July 17, 2012
(224) Mineral Resource cut-off: Oxides 0.10% CuEq; Sulfide 0.15% CuEq; and mixed 0.3% CuEq (CuEq based on $2.50/lb Cu, $15/lb Mo & $20/oz Ag)
(225) As of October 30, 2012

(226) Assumes a 0.3% CuEq cut-off for sulphides; 0.2 g/t gold cut-off for oxides
(227) CuEq calculated using $2.00/lb Cu, $800/oz Au, $12.00/lb Mo
(228) As of December 31, 2010
(229) Mineral Resources reported above a cut-off of 1.24 recoverable lbs Cu per ton assuming $1,000/oz Au and $2.50/lb Cu
(230) As of December 13, 2013
(231) Mineral Resource estimated using a cut-off of 0.3% CuEq where CuEq (%) = CuT (%) + 4.95 x Mo (%) where 4.95 represents the Mo/Cu price ratio
(232) As of June 30, 2013
(233) Mineral Resources calculated at a cut-off grade 0.35% Ni
(234) As of December 31, 2012
(235) Mineral Resource assumes a cut-off grade of 1.2% Ni
(236) Franco-Nevada's royalties may not cover the entire property or cover all known Mineral Reserves and Mineral Resources over the assets in its portfolio. Management has used its best judgment based on information available to it to estimate the percentage covered by the royalty or stream interest, where applicable. The percentages have not been reviewed or endorsed by the operators of the projects.

Gold Assets

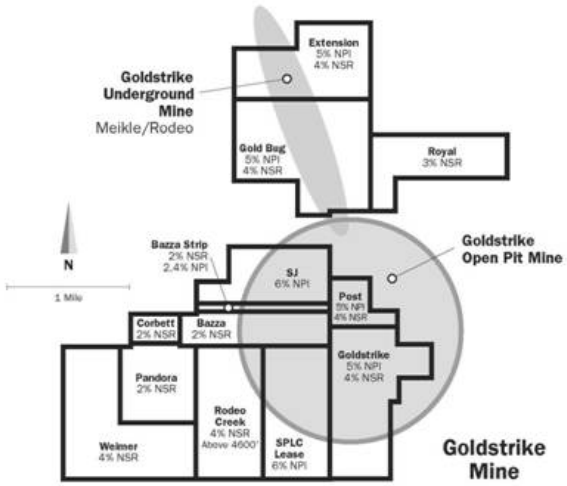
Gold — United States

Goldstrike, Nevada

Franco-Nevada holds royalties covering the majority of the Goldstrike complex operated by Barrick. The Goldstrike complex is located on the Carlin Trend, about 60 km northwest of the town of Elko, Nevada. The Goldstrike complex includes the open-pit Betze-Post mine, as well as the underground operations of Meikle and Rodeo immediately to the north. Mining activity commenced on the property in 1976 and, since 1986, has been operated by Barrick. Barrick reported that the Goldstrike complex produced 892,000 ounces of gold in 2013, down from 1,174,000 ounces in 2012.

Franco-Nevada holds NSR (2-4%) and NPI (2.4-6%) royalties at Goldstrike covering the majority, but not all of the reported Mineral Reserves and Mineral Resources. Included is low grade ore that has been stockpiled for later processing. The royalties vary depending on the claim blocks, as shown in the figure. As a result, royalty payments can vary substantially on a quarterly basis, depending on mine sequencing and waste stripping. The timing of capital investments can also impact the timing of the payment of profit royalties.

Goldstrike is a mature mining operation but remains one of Barrick's five core mines. Overall production rates declined in 2013 impacting Franco-Nevada's NSR and Barrick expects Goldstrike to produce 865-915,000 ounces in 2014 at an all-in sustaining cost of $920-$950 per ounce, slightly higher than 2013 levels. At the same time, increased capital spending has also reduced Franco-Nevada's NPI in recent periods. The autoclave facility is undergoing modifications that will enable Goldstrike to bring forward about 4,000,000 ounces of production. Barrick expects the modified autoclaves to contribute about 350-450,000 ounces of annual production in their first full five years of operation. Production is anticipated by Barrick to increase to above 1,000,000 ounces in 2015 with a full year of operation from the modified autoclaves.

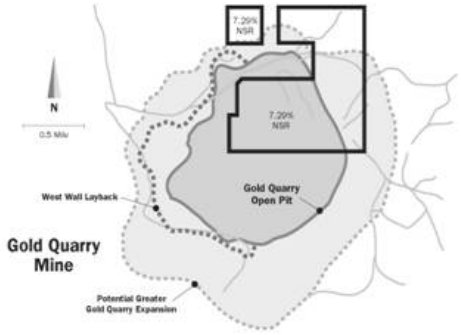


Gold Quarry, Nevada

The Gold Quarry operation is part of Newmont's Carlin operations in north-central Nevada. It is a large open pit mine that has been in production since 1985 supplying ore as part of an integrated mining complex with different mines supplying variable ore types and grades to a variety of processing facilities situated throughout the complex. Newmont has significant milling and roasting processing infrastructure immediately east of the Gold Quarry pit. Newmont currently reports Mineral Reserves and production numbers by area and does not publicly quote separate Gold Quarry numbers.

Franco-Nevada's royalty interest covers only a portion of the Gold Quarry property as shown in the schematic. The Gold Quarry royalty is a 7.29% NSR based on production or on different annual minimum royalty payment obligations tied to MineralReserves and stockpiles attributed to the Gold Quarry royalty property. Based on reserve related minimum royalty provisions, Franco-Nevada expects to receive on average at least 11,250 gold royalty ounces per annum. Newmont has reported that Gold Quarry produces an average of 500,000 ounces per year. In 2013, Franco-Nevada received 14,334 ounces based on the minimum royalty provisions.

Gold Quarry completed mining in the Phase 4 layback in 2013 and began mining the Phase 7 layback in 2013. Phase 7 is expected to be mined for six to seven years. Mine life is now estimated, by Newmont, to extend to 2028.

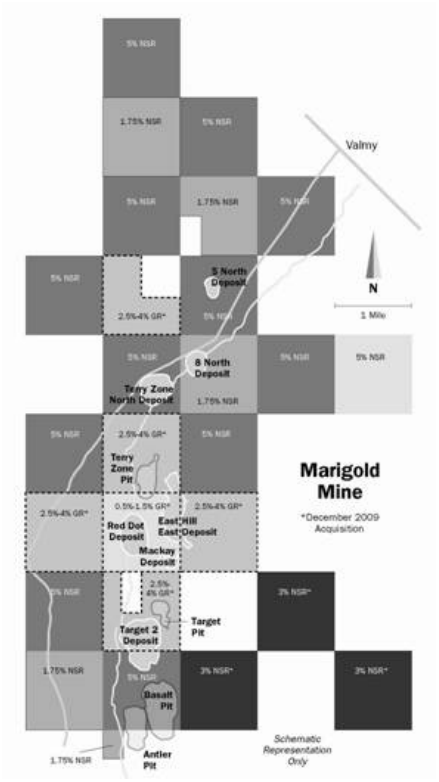


Marigold, Nevada

The Marigold mine is located approximately 64 km southeast of Winnemucca, Nevada. The mine has been in continuous production since 1988. Ore is mined by conventional truck and shovel equipment and processed via a large run-of-mine heap leach operation with 40,000 tonnes per day ("**tpd**") capacity. Franco-Nevada has various royalties on the operation (1.75-5% NSR and 0.5-4% GR), as shown in the schematic, together covering almost all of the current mineral reserve base. Franco-Nevada's original royalties were acquired in connection with its IPO and, in December 2009, additional royalties covering alternate sections were added. Each full section covers one square mile.

The operators reported production of 162,000 ounces in 2013 compared to 144,000 ounces produced in 2012. Mining focused on the Target 2 Phase 1 pit and mining into the top of the ore body in the Mackay Phase 1 pit. It is expected that the Mackay pit is where ore will be primarily sourced in 2014.

Marigold is currently operated by a joint venture between Goldcorp Inc. (" **Goldcorp**") (66.7%) and Barrick (33.3%). On February 4, 2014, Goldcorp and Barrick announced an agreement to sell Marigold to Silver Standard Resources Inc. for $275 million. The sale of Marigold is expected to close in April 2014.



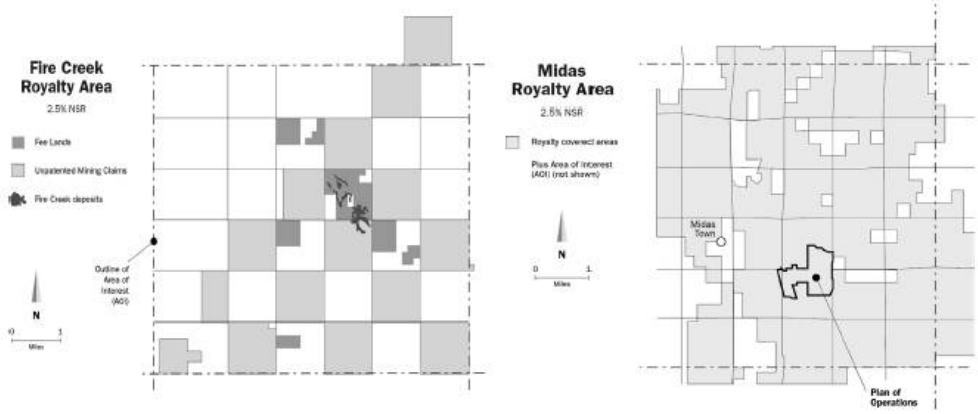
Fire Creek/Midas, Nevada

In February 2014, Franco-Nevada assisted Klondex in the acquisition of the Midas mine and milling facility located in Nevada from Newmont. Franco-Nevada paid $35 million for a prepaid gold purchase arrangement for 38,250 ounces of gold to be delivered by December 31, 2018 and a 2.5% NSR royalty on the Fire Creek and Midas properties commencing in 2019. Under the terms of the agreement, prepaid gold purchase deliveries will be made at the end of each month with the first delivery due on June 30, 2014. The annualized delivery schedule is: 6,750 ounces in 2014; 7,500 ounces in 2015; 8,000 ounces in each of 2016, 2017 and 2018.

Klondex purchased the Midas mill to provide it with processing capacity for its Fire Creek ores, which are located 112 miles south (via highway and roadways) of Midas, while providing the option to potentially extend mine life at Midas. The Fire Creek property is located in north central Nevada, situated at the cross-

section of the Northern Nevada Rift and the Battle Mountain Trend and is a high-grade epithermal gold deposit. The property consists of a combination of private fee land and U.S. Bureau of Land Management (“**BLM**”) land for a total area of approximately 11,208 acres.

Midas was found and constructed by Franco-Nevada’s predecessor company prior to its combination with Newmont, and has produced 2,200,000 ounces of gold and 27,000,000 ounces of silver over its 14 year mine life. Midas has remaining mineral resources with numerous targets for mineral resource expansion.



Bald Mountain, Nevada

The Bald Mountain mine lies within the Southern Ruby Mountains of northeastern Nevada, approximately 110 km southeast of Elko. Bald Mountain is operated by Barrick and ore is sourced from multiple open pits over an estimated 150,000 acre property. Processing is done at multiple conventional heap leaching facilities. Bald Mountain is the largest mine site by area in the U.S. It stretches 40 km north to south and 16 km east to west with the north and south areas being 19 km apart. Bald Mountain is working with the BLM to consolidate the site into two plans of operation, so that the site can expand. The expansion plans were submitted to the BLM in October 2011, with the final Environmental Impact Study not expected until 2015.

Franco-Nevada’s Bald Mountain royalties cover a significant portion, but not all, of the Bald Mountain property. Franco-Nevada holds various revenue royalties on the property depending on the claim groups, ranging from 0.875% to 5% NSR/GR. A detailed map of our royalties is shown in the schematic.

After the 2013 third quarter, Barrick announced changes to its mine plan, to reduce the number of pits and focus on the most profitable ounces, while retaining the option to access other ore in the future. Barrick reported that production at Bald Mountain decreased by 42% from 2012 to 94,000 ounces of gold in 2013, mainly due to a decline in ore tons placed on the leach pads as the mine went through a significant development phase in 2013. Bald Mountain is expected to be a long-term, stable producer for Franco-Nevada.

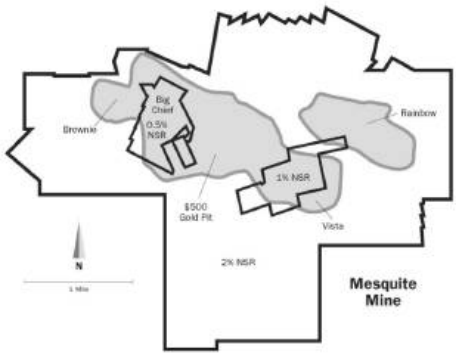


Mesquite, California

Mesquite is a gold operation located in south-east California approximately 70 km northwest of Yuma, Arizona and 230 km east of San Diego, California. The mine is an open pit, run-of-mine, heap leach operation. It was originally started in 1986 and then re-started in January 2008 by Western Goldfields Inc., a

predecessor company of New Gold Inc. ("**New Gold**"). Franco-Nevada holds royalties on the entire Mesquite mine property that range from a 0.5% to 2% NSR, depending on the claim block, as shown by the schematic.

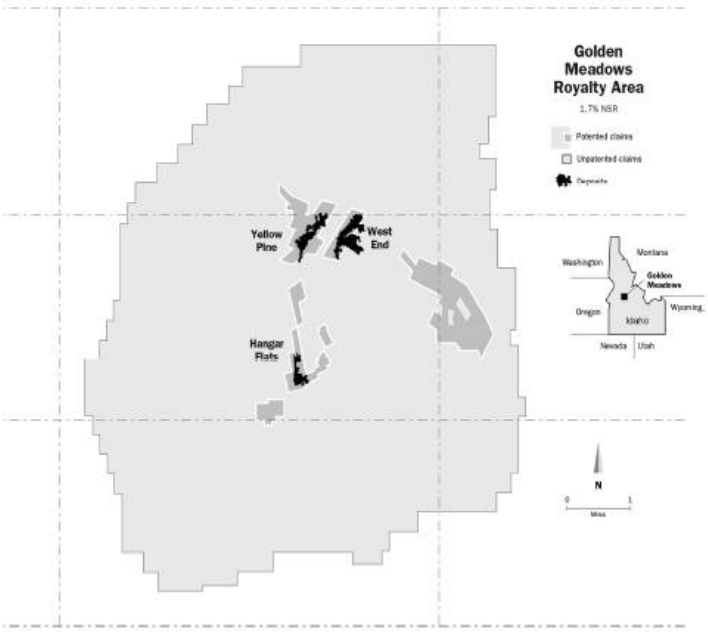
New Gold reported 2013 production of 107,000 ounces of gold, which was down from 142,000 ounces in 2012. Mesquite's 2013 operational results were impacted by lower than anticipated grades being mined and processed. With average gold grades scheduled to increase compared to 2013, gold production is expected to be approximately 10% higher in 2014 to 113-123,000 ounces. The higher grades will be partially offset by lower ore tonnes placed on the pad as mining moves into a new area of the pit in 2014, resulting in a higher stripping ratio for this year.



Golden Meadows, Idaho

In May 2013, Midas Gold agreed to sell to Franco-Nevada a newly created 1.7% NSR on the future gold production from Midas Gold's Golden Meadows project in Idaho for $15.0 million. The agreement is subject to an option by Midas Gold to re-acquire one-third of the royalty for $9.0 million which expires on May 9, 2016. As part of the transaction, Franco-Nevada also subscribed for 2,000,000 Midas Gold common share purchase warrants having an exercise price of C$1.23 per warrant and a ten year term.

The Golden Meadows project covers a district that has been mined intermittently for gold, antimony and tungsten from 1925 to 1997. The property lies about 153 km northeast of Boise, Idaho. Midas Gold has consolidated 10,698 hectares of unpatented and patented claims. The project comprises three open pit deposits including Hangar Flats, Yellow Pine and West End. Midas Gold is currently in the permitting stage for its Golden Meadows project.



Gold — Canada

Sudbury (Gold), Ontario

Please refer to "PGM Assets — Sudbury (PGM), Ontario" for an asset description.

Golden Highway, Ontario

Franco-Nevada has multiple NSR royalties ranging from 0.25-15% over the Destor-Porcupine mineral trend just east of Timmins, Ontario spread over more than 120 km. Highway 101 that parallels this trend is referred to as the "Golden Highway" therefore Franco-Nevada has grouped together several producing

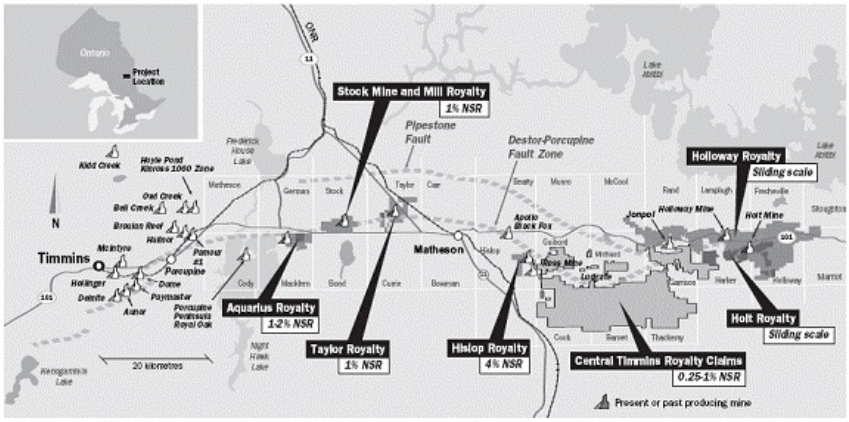
royalties and development projects under this one title. Most of the properties are owned and operated by St Andrew Goldfields Ltd. ("**St Andrew**") and ore is processed through a central milling complex. Production in 2013 of 99,548 ounces was slightly higher than production of 95,600 ounces in 2012. For 2014, St Andrew expects to produce between 75,000-85,000 ounces, however it anticipates production increasing to approximately 100,000 ounces in 2015 with exploration and technical work conducted in 2014.

Holt: The Holt property is immediately south of the Holloway mine and consists of the Holt mill complex and the Holt mine. Franco-Nevada has a sliding scale NSR royalty beginning at 2% when the gold price is less than or equal to $500/ounce and increasing in 1% increments for each $100/ounce increase in the gold price, to a maximum of 10%. St Andrew re-started operations at the Holt mine in 2011. Holt produced 58,898 ounces or approximately 59% of total St Andrew production in 2013.

Holloway: Franco-Nevada has a sliding scale NSR royalty of 2% if the price of gold is less than $800/ounce, increasing by 1% for every $100/ounce increase in the price of gold, up to a maximum of 15%. St Andrew re-started production at the Holloway mine in 2009. Holloway produced 21,147 ounces or approximately 21% of total St Andrew production in 2013.

Hislop: The Hislop property is located approximately 50 km to the west of the Holt mill where ore is trucked for processing. Franco-Nevada has a 4% NSR royalty on the Hislop property which includes minimum royalty payment commitments. St Andrew brought the Hislop open pit mine into production in the third quarter of 2010. Hislop produced 19,321 ounces or approximately 19% of total St Andrew production in 2013.

In addition, Franco-Nevada has royalties on St Andrew's Taylor project (1% NSR) and the Aquarius deposit (1-2% NSR). St Andrew believes that the best strategy moving forward is focusing on the advanced exploration at Taylor, which includes ramp development and extraction of a second bulk sample located at depth.



Detour Lake, Ontario

Franco-Nevada has a 2% NSR royalty that covers all reported mineral resources at the Detour Lake mine which is located 185 km northeast from the town of Cochrane, Ontario. Detour Gold Corporation ("**Detour**") is the operator. Placer Dome Inc. operated a mine on the property from 1983 through 1999 and has reported that it produced approximately 1,800,000 ounces of gold.

The new mine poured its first gold in February 2013 and declared commercial production on August 12, 2013. Detour produced 232,287 ounces in 2013 which is expected to increase to a range of 450,000 to 500,000 ounces in 2014. Longer term production is expected to increase to a life of mine average of approximately 660,000 ounces over a mine life of over 21 years based on an update provided by Detour in February 2014.

Longer term, the Block A project (consolidated with the purchase by Detour of Trade Winds Ventures Inc.) could add additional growth given the current resources on that portion of the property. In addition, two main gold structures cover the combined property with a total strike length of over 80 km. Franco-Nevada added to its interest in the area in 2013 with the purchase of the Gowest royalty, a 1% royalty on a parcel of land located to the west of the current operation.

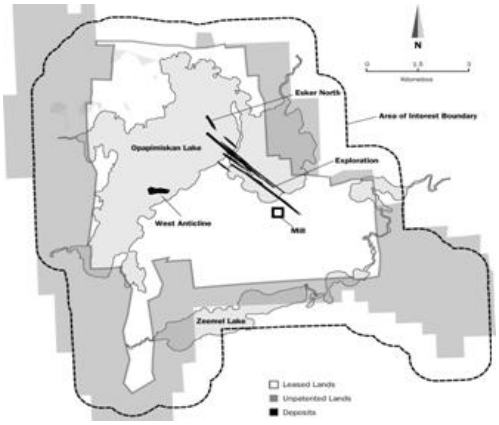


Musselwhite, Ontario

Franco-Nevada has a 5% NPI royalty that covers all of the original leased lands at Goldcorp's Musselwhite operation located in northwestern Ontario, 480 km north of Thunder Bay. The royalty also covers an area of interest surrounding the property as shown in the schematic. The mine is a fly-in/fly-out underground operation which began operating in April 1997 and has produced in excess of 3,000,000 ounces of gold.

Franco-Nevada received its first payment under the NPI royalty in 2011 as the mine had then recovered all historical capital and operational costs. The operation produced 256,300 ounces in 2013 compared to 239,200 ounces in 2012. Goldcorp is forecasting production between 230-240,000 ounces in 2014. While production is down slightly year over year, Goldcorp has stated that forecasted all-in costs should be lower which should positively impact the NPI payment.

In 2013, drilling continued to explore the Upper Lynx, PQ Deeps and West Limb targets with encouraging results from both the Upper Lynx and West Limb drilling. The C-Block of the PQ Deeps was extended to the north by 150 meters.

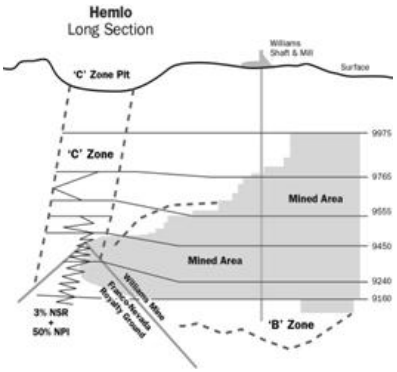


Hemlo, Ontario

The Hemlo gold camp has been producing gold for over 25 years and is located just off the Trans-Canada highway near Marathon, Ontario. Barrick is the operator and manages both the open-pit and underground operations. Franco-Nevada has both a 3% NSR royalty and a 50% NPI royalty on a portion of the western down-dip underground extension of the Hemlo ore-body as shown in the longitudinal schematic.

Initial mining on the royalty property began in late 2008, but revenues were limited to the 3% NSR royalty. The 50% NPI portion of the royalty began paying in third quarter 2012 once the upfront capital costs had been recovered by the operator. Franco-Nevada received a significant payment from the NPI in 2012. However, NPI payments are highly dependent on the timing of capital spending as well as the prevailing gold price and thus declined in 2013 with the fall in the gold price.

Barrick reported that production in 2013 was 204,000 ounces of gold from the entire Hemlo operation, a similar production rate to the 206,000 ounces the mine produced in 2012. Barrick does not break-out production guidance for Hemlo.

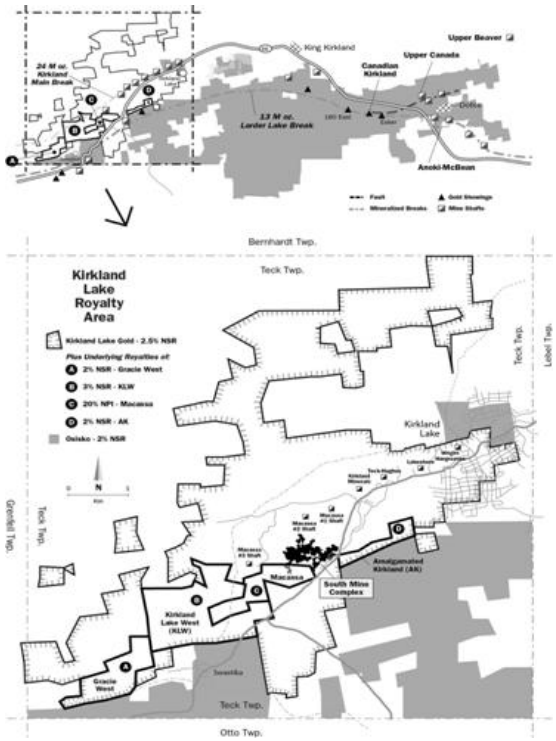


Kirkland Lake, Ontario

Franco-Nevada has various royalties covering over 25 km of the Larder Lake and Main Breaks in the historic Kirkland Lake gold camp of Ontario. Kirkland Lake operates the Macassa mine and has recently discovered and started mining the high grade South Mine Complex ("**SMC**").

In 2013, Franco-Nevada added an overlying 2.5% NSR on Kirkland Lake's properties including the Macassa mine for $50 million. In addition to the new royalty, which covers all of Kirkland Lake's land, immediately to the south-west of the SMC, Franco-Nevada has a 20% profit-based royalty as shown in the inset of the schematic. Franco-Nevada also has a 2-3% NSR royalty on claims that Kirkland Lake purchased from Queenston Mining Inc. ("**Queenston**") in July 2012, as well as a 2% NSR royalty on a number of other claims held by Osisko Mining Corporation ("**Osisko**") which acquired Queenston in December 2012.

Kirkland Lake has recently completed a multi-year capital program and expects continued production growth in the following years. All of this production is covered by the 2.5% NSR. In addition, Kirkland Lake has developed the SMC onto the 20% NPI royalty claims and is processing some of this material. The first profit royalty payments were made to Franco-Nevada in late 2011. Kirkland Lake has reported additional high grade intercepts on the royalty claims as far as 600 metres west of initial mining. Franco-Nevada expects that more intermittent mining will be undertaken on the NPI royalty claims as Kirkland Lake expands production. Given the land position and historic mining in the area, Franco-Nevada believes that there will be continued exploration success from both Kirkland Lake and Osisko.

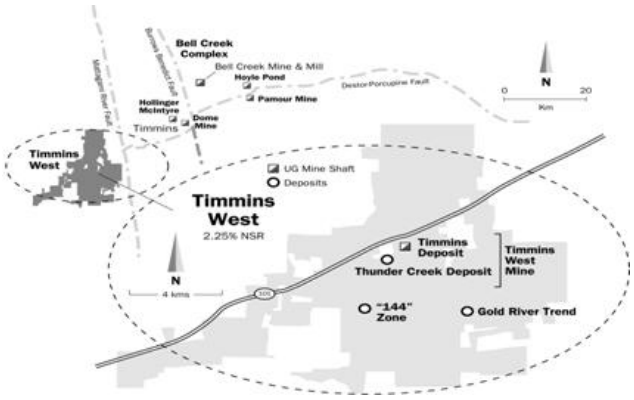


Timmins West, Ontario

Franco-Nevada acquired a 2.25% NSR royalty on Lake Shore's Timmins West property in February 2012. The royalty covers a large land package to the west of the City of Timmins, Ontario which hosts the Timmins and Thunder Creek deposits as well as the Gold River Trend and 144 exploration zones to the south.

In the third quarter 2013, Lake Shore completed its mill expansion which increased capacity to 3,000 tpd from 2,000 tpd. With the increased milling capacity, Lake Shore reported that, for 2014, production from the Timmins West Mine is targeted at greater than 130,000 ounces versus 107,100 ounces produced in 2013. Lake Shore is exploring the potential for a future expansion which could include increasing the crushing and grinding circuit to handle 5,500 tpd.

Lake Shore continues to explore at its most advanced exploration targets, the Gold River Trend and the 144 Zone. The Gold River deposit has a small Indicated Resource and an Inferred Resource over 1,000,000 ounces (5.3 Mt @ 6.06 g/t) and Lake Shore has released several positive drill results from the 144 Zone. Given the significant land package, Franco-Nevada expects that Lake Shore will be able to add to existing Mineral Reserves and Mineral Resources.



Gold — Australia

Duketon, Western Australia

Franco-Nevada has a 2% NSR royalty that covers 267,819 hectares of the Duketon gold project in Western Australia. The project is operated by Regis and includes ten deposits at various stages of development. The royalty covers all known Mineral Reserves and Mineral Resources, except for a portion of the

Erlistoun Deposit.

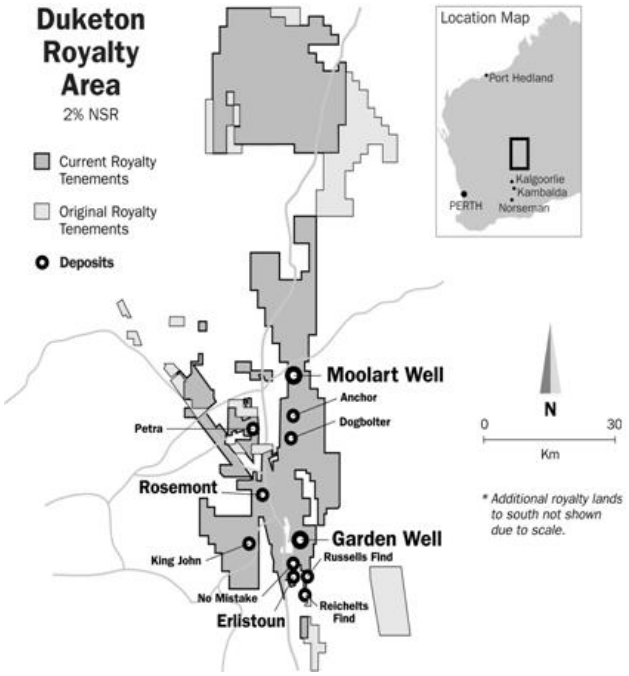
Moolart Well: This deposit has been in production since August 2010. Moolart Well has a 2.6 Mtpa plant and Regis has forecasted average annual production of approximately 90,000 ounces of gold over its remaining 4 year mine life. Regis reported 2013 production of 104,000 ounces of gold.

Garden Well: This deposit has been in production since September 2012. Garden Well has a 4 Mtpa plant, 7 year remaining mine life, with forecast average annual gold production of 200-220,000 ounces. In 2013, Regis reported gold production of 176,000 ounces.

Rosemont: Regis completed Stage 1 construction of a 1.5 Mtpa crushing, grinding and pumping operation at the Rosemont project site in October 2013. Milled ore product is piped 10 km in a slurry form for leaching in the Garden Well carbon-in-leach ("**CIL**") circuit. Regis has commenced Stage 2 construction and expects to expand capacity to 2 Mtpa with production ramping up to 100,000 ounces per year in second quarter 2014. Rosemont has an 8 year mine life, with forecast average annual gold production of 80-100,000 ounces. Regis reported 2013 production of 8,000 ounces of gold.

Erlistoun: Regis has announced that it was able to re-optimize the reserve study at Erlistoun to reflect the shorter haulage distance to Garden Well which is 7 km away, rather than trucking the ore to Moolart Well which is 45 km away. Regis has estimated that 89% of Erlistoun Mineral Reserves are covered by Franco-Nevada's royalty.

On February 20, 2014, Regis announced that a major rainfall resulted in extensive flooding at Duketon. Open pit mining at Garden Well and Rosemont will be suspended for 4-6 weeks, and the processing plants will be fed from stockpiles. Interim mining operations in available pit areas will then commence, with full normal mining operations expected to resume in May 2014 at Rosemont and July 2014 at Garden Well. Operations continue uninterrupted at Moolart Well.

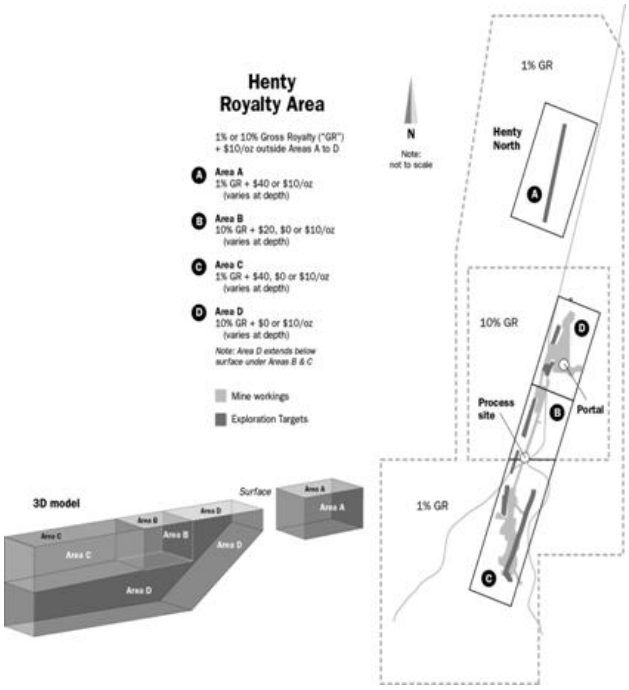


Henty, Tasmania

Franco-Nevada holds a 10% gross royalty on certain claims and a 1% gross royalty on the balance of the claims at the Henty Gold Mine located in northwest Tasmania operated by Unity Mining Limited ("**Unity**"). All current production, Mineral Reserves and Mineral Resources are on property subject to Franco-Nevada's royalties which cover 1,458 hectares.

Henty is an underground gold mine that has been in continuous production since 1996. Unity has reported that the mine has historically produced 1,300,000 ounces of gold. Ownership has changed multiple times during this period. Revenues to Franco-Nevada have decreased in recent years due to the decreased share of production from the 10% royalty ground. Unity reported that in 2013, Henty produced 44,000 ounces of gold. While Unity has reported that it expects to maintain the current production rate in the future, Franco-Nevada expects its revenue to decline as a higher share of production is sourced from the 1% royalty area. The largest contributor to mineral resource additions in recent years has been from the 1% royalty area.

As part of its acquisition of a portfolio of approximately 20 royalties from Barrick and effective July 1, 2013, Franco-Nevada acquired a production payment royalty of A$10-40/ounce of gold, covering the Henty Gold Mine tenements, but excluding the core areas of underground development. The production payment royalty is capped at A$22 million and expires on July 10, 2019. Historic royalty payments to July 1, 2013 total A$200,000. During the six months ended December 31, 2013, there was no production at Henty subject to this production payment royalty.



Gold — Rest of World

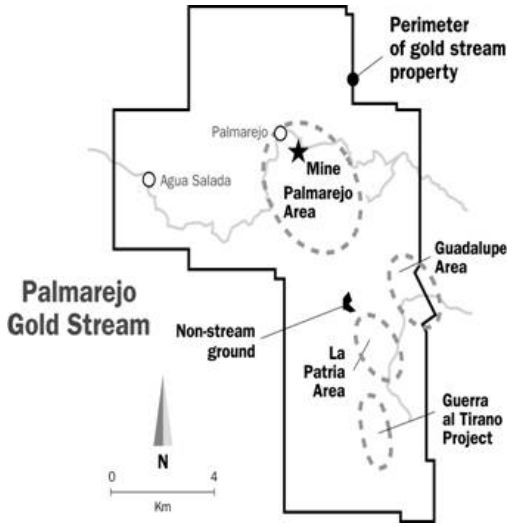
Palmarejo, Mexico

In January 2009, Franco-Nevada acquired a 50% gold stream on the Palmarejo gold and silver mine located in Chihuahua Province, Mexico. Palmarejo is owned and operated by Coeur. The project includes open pits, an underground mine and processing facilities. Production began in 2009 and to date has been limited to the Palmarejo deposits.

Franco-Nevada receives 50% of the gold produced from the Palmarejo mine and makes ongoing payments equal to the lesser of $400/ounce of payable gold (subject to a 1% inflation adjustment starting after 4 years) and the then prevailing spot price for gold. The attributable ounces are the greater of actual production and a minimum amount of 50,000 ounces per year until payments have been made on 400,000 ounces. By the end of 2013, Coeur had paid Franco-Nevada just over 266,600 ounces of gold of the 400,000 ounce minimum. For 2014, Coeur expects to produce 87,000-95,000 ounces of gold at Palmarejo.

Coeur holds an extensive land position with multiple prospects. Coeur has previously reported on development efforts at the nearby Guadalupe deposit as a possible underground mine, however, with lower precious metals prices, Coeur announced that development was suspended in the third quarter 2013.

Please see the section headed “Technical Reports — Palmarejo Mining and Technical Information” for further information in respect of the Palmarejo project.



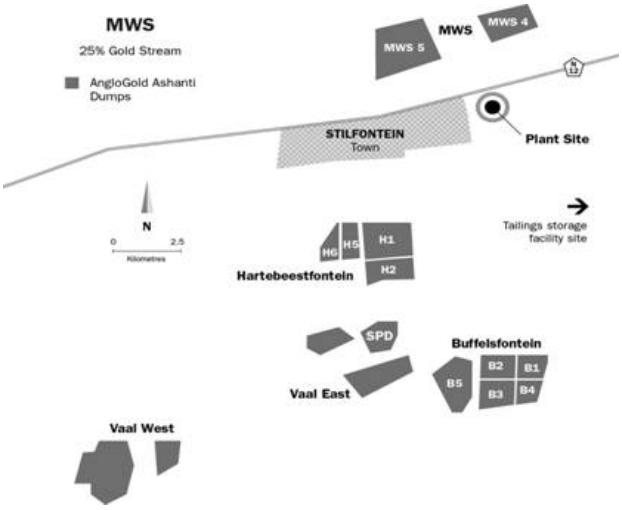
MWS, South Africa

MWS is a gold and uranium tailings recovery operation located near Stilfontein, approximately 160 km west of Johannesburg, South Africa. The operation processes multiple tailings dumps in the area through three production modules, the last of which was commissioned in 2011. It also includes a modern tailings storage facility approximately 15 km from the gold plant.

Franco-Nevada receives 25% of the gold produced from the MWS dumps and makes ongoing payments equal to the lesser of $400/ounce of payable gold (subject to a 1% inflation adjustment starting after 4 years) and the then prevailing spot price for gold. Franco-Nevada acquired its interest in MWS as a result of its acquisition of Gold Wheaton in March 2011.

AngloGold Ashanti purchased the operation from First Uranium Corporation in July 2012. As part of the AngloGold Ashanti purchase, Franco-Nevada amended the agreement and is now entitled to receive 25% of all the gold produced through the MWS plant including treatment of AngloGold Ashanti's tailings until Franco-Nevada has received 312,500 ounces of gold, starting on January 1, 2012 (the prior agreement had no production cap). In 2013, Franco-Nevada received 25,496 ounces of gold and 45,314 of the 312,500 ounce cap since the amendment of the agreement.

In the first quarter 2014, AngloGold Ashanti anticipates that MWS will produce uranium after commissioning of the uranium plant. This is expected to increase gold recoveries.

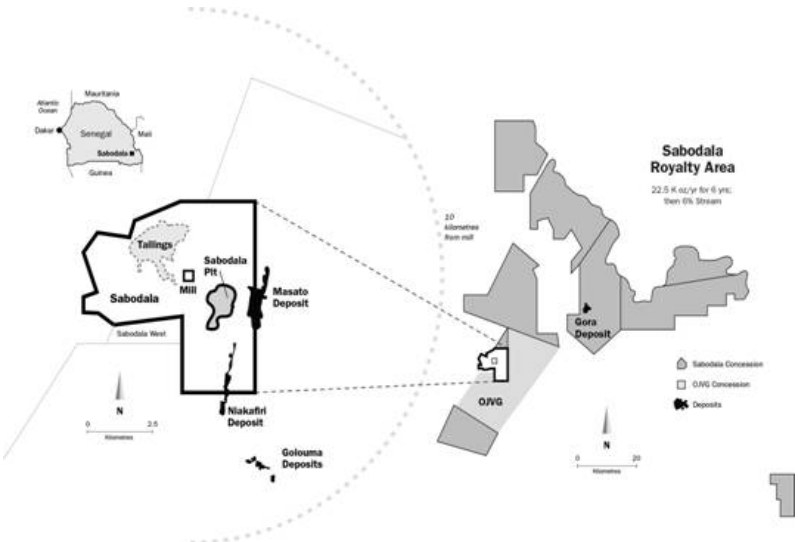


Sabodala, Senegal

In December 2013, Franco-Nevada provided Teranga with $135 million to fund the acquisition by Teranga of the remaining interests of the Oromin Joint Venture ("**OJVG**"). The OJVG owned the adjacent property which hosts several deposits representing future ore sources for Teranga's neighbouring Sabodala mill.

Under terms of the agreement between Franco-Nevada and Teranga, Teranga will deliver 22,500 ounces of gold annually over the first six years of the agreement. Following delivery of 135,000 ounces of gold, Franco-Nevada will receive 6% of gold production that is sourced from either the Sabodala or OJVG properties. Franco-Nevada will make ongoing payments for each ounce of gold delivered equal to 20% of the spot gold price.

The combination of Sabodala and the OJVG satellite deposits is expected to allow Teranga to reach its phase 1 growth objective of 250-350,000 ounces of annual gold production leveraging off of its existing mill and infrastructure. In addition to existing mine and mill facilities, Teranga now controls a sizable land package of 1,055 km^2 which includes much of a 70 km strike length along a prospective greenstone belt.

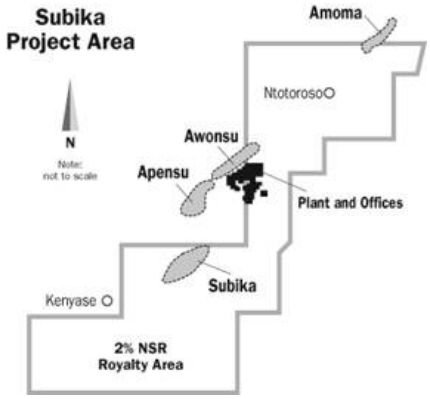


Subika, Ghana

Franco-Nevada has a 2% NSR royalty which covers a 78 km ^{2} area over the Subika deposit at the southern end of Newmont's Ahafo project in Ghana (shown in the schematic). Franco-Nevada's royalty is believed to cover most, if not all, of the Subika open pit as well as a majority of the Subika underground mineralization identified to date. The royalty first became payable to Franco-Nevada in third quarter 2012.

Ahafo produced 570,000 ounces of gold in 2013 compared to 561,000 ounces in 2012. Newmont is forecasting 2014 production of 365-400,000 ounces of gold. According to Newmont, the lower anticipated production in 2014 is due to lower grades and a higher strip ratio which is anticipated to last the next two years. In September, as part of Newmont's effort to improve business efficiency and cost cutting, Newmont announced that Ahafo would cut 300 jobs at the mine.

Newmont is currently studying expansion opportunities for the Ahafo project which may ultimately offset the decline in production. These include increasing the milling facility (potential to increase capacity from 8 Mtpa to 13 Mtpa) or further developing the Subika Underground deposit. Newmont may consider authorizing full funding for the mill expansion during 2014 subject to permit approval and attractive economic returns.

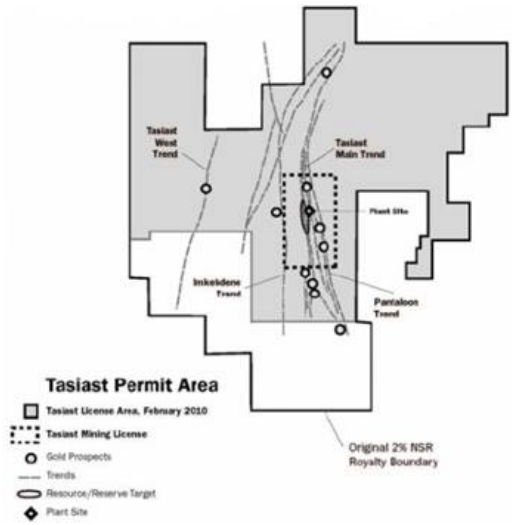


Tasiast, Mauritania

Franco-Nevada has a 2% NSR royalty on the Tasiast project operated by Kinross Gold Corporation (" **Kinross**"). Franco-Nevada's royalty first became payable in third quarter 2011. Kinross acquired control of Tasiast in September 2010 pursuant to its acquisition of Red Back Mining Inc. The royalty originally covered three large permit areas in Mauritania, West Africa of which the most prominent is Tasiast with a currently reported mining license area of 312 km^2 and a total exploration license area of 3,118 km ^{2}.

Kinross released an updated pre-feasibility study for Tasiast in April 2013 which concluded that a new 38,000 tpd mill would be expected to provide the optimum economics for an expanded project. This would replace the existing 8,000 tpd mill. A full feasibility study for the 38,000 tpd mill is expected to be presented in 2014. However, higher gold prices would likely be required to proceed.

In 2013, Tasiast produced 248,000 ounces of gold compared to 185,000 ounces of gold produced in 2012. The increased production was due to increased tonnes processed, higher grade and better recoveries. Kinross provides regional guidance and not individual asset guidance but did state that Tasiast should benefit from improved grades in 2014.



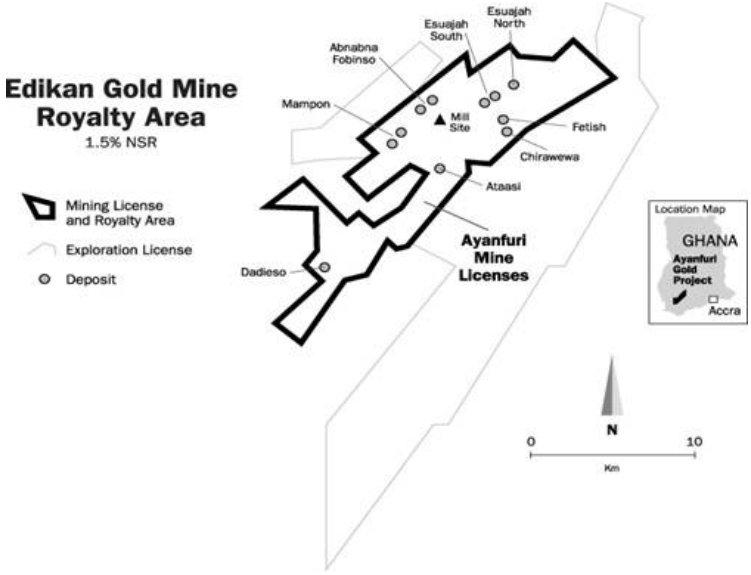
Edikan, Ghana

In 2011, Franco-Nevada acquired an effective 1.5% NSR royalty on Perseus' Edikan gold mine in Ghana. Perseus has 650 km^2 of tenements centered on the

Ashanti Gold Belt including two mining leases that are the focus of initial production. The property is located in close proximity to AngloGold Ashanti's large Obuasi mine.

First gold production was achieved on August 21, 2011 and the mine achieved commercial production on January 1, 2012. In October 2013, Perseus released a revised mine plan for Edikan which estimated average gold production of 230,000 ounces per year from 2014 through 2024 at an all-in site cash cost of $937/oz. Perseus has provided production guidance for the first 6 months of 2014 of 99,000-109,000 ounces of gold.

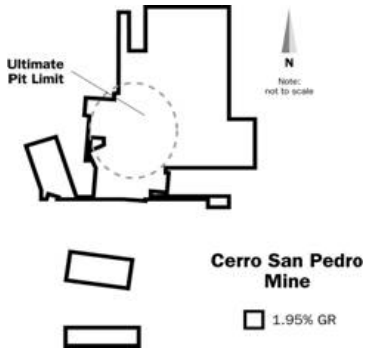
Recently, minimal amounts were spent by Perseus on exploration activities in Ghana at the Edikan gold mine and on adjoining license areas as the focus remains on operation improvements and maintaining financial flexibility.



Cerro San Pedro, Mexico

Franco-Nevada has a 1.95% GR that covers most of the known mineralization on the Cerro San Pedro project operated by New Gold. Cerro San Pedro is located near San Luis Potosi in central Mexico. The project property is a gold-silver, open pit, run-of-mine heap leach operation and consists of 36 mining and exploration concessions totaling 78 km^2 in the historic Cerro San Pedro mining district.

In 2013, the operation was impacted by a pit wall movement which reduced production to 102,800 ounces of gold in 2013 versus 137,600 ounces of gold produced in 2012. For 2014, New Gold expects further reductions to a range of 70-80,000 ounces of gold which reflects increased stripping and mining of lower grade ore. Silver production is expected to be down marginally to a range of 1.1-1.3 million ounces for 2014. The significant 2014 waste stripping campaign is expected to lower stripping requirements in 2015.



Cooke 4, South Africa

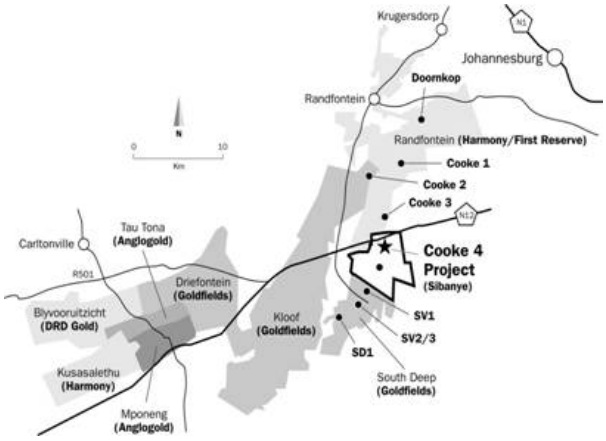
Cooke 4, which was formerly known as the Western Areas Gold Mine or Ezulwini, is an underground mine located near the town of Westonaria approximately 40 km west of Johannesburg, South Africa. The mine was re-opened in 2008. Facilities include shafts to access the Upper Elsberg and the Middle Elsberg reef horizons, ancillary infrastructure and surface gold and uranium plants with capacity of 200,000 tonnes per month ("**tpm**") and 100,000 tpm respectively.

Franco-Nevada, as a result of its acquisition of Gold Wheaton, receives 7% of the gold produced from the Cooke 4 mine and makes ongoing payments equal to the lesser of $400/ounce of payable gold (subject to a 1% inflation adjustment starting after 4 years) and the then prevailing market price of gold. In 2011, Franco-Nevada benefited from a minimum stream delivery commitment of 19,500 ounces.

Gold One International Limited ("**Gold One**") purchased the operation from First Uranium Corporation in 2012. The Cooke 4 operation is contiguous to Gold One's Cooke Underground and Randfontein Surface operations and allows for the sharing of services between Cooke 4 and Cooke 1-3 facilities. In August 2013, Gold One announced that its West Rand assets, including Cooke 4, would be acquired by Sibanye Gold Limited ("**Sibanye**"). The transaction has not yet closed.

Franco-Nevada has been advised that Sibanye is exploring the potential to process ore from the other Cooke shafts at the Cooke 4 mill and while this ore will

not be subject to the Franco-Nevada gold stream, it could improve the overall economics of the Cooke 4 operation. The Cooke 4 mill has ample capacity to treat additional ore. In 2013, 2,500 ounces of gold was delivered to Franco-Nevada's account under the Cooke 4 stream agreement.



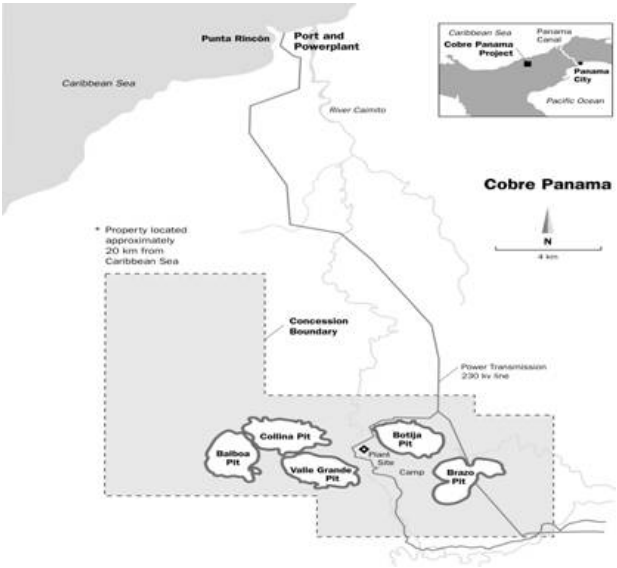
Cobre Panama, Panama

Franco-Nevada entered into an agreement with Inmet in August 2012 for a precious metals stream on the Cobre Panama copper project in Panama, one of the world's largest copper-gold-silver-molybdenum porphyry deposits currently being constructed. Under the terms of the precious metals purchase agreement, Franco-Nevada will provide a $1 billion deposit to fund a portion of the Cobre Panama project capital costs. In 2013, Inmet was acquired by First Quantum which plans to advance the development of the Cobre Panama project. Franco-Nevada's deposit will become available after First Quantum's funding reaches $1 billion and funding of the deposit will be pro-rata on a 1:3 ratio of First Quantum's share of the capital costs (First Quantum owns 80% of the project), up to a maximum of $1 billion. First Quantum has requested changes under the security and reporting requirements of the agreement. Franco-Nevada is considering changes to achieve a mutually beneficial outcome.

The amount of precious metals deliverable under the precious metals purchase agreement is indexed to the copper in concentrate produced from the entire project and approximates 86% of the expected payable precious metals attributable to First Quantum. Beyond the initially contemplated mine life, the precious metals deliverable under the agreement will be based on a fixed percentage of the precious metals in concentrate.

Following an extensive review of the project, First Quantum provided an update in January 2014. The revised project will have an initial installed capacity of 70 Mtpa which is higher than anticipated in the Inmet plan although first concentrate production is now only expected in fourth quarter 2017. The increased capacity is expected to deliver metal to Franco-Nevada at an increased rate which would be partially offset by the construction delay. The new plan envisions a 34 year mine life with potential further expansion from 70 Mtpa to 100 Mtpa after 10 years of operation.

Please see the section headed "Three-Year History — 2012 — Material Transaction Developments — Acquisition of Cobre Panama Precious Metals Stream" for further information in respect of Cobre Panama.



PGM Assets

Sudbury (PGM), Ontario

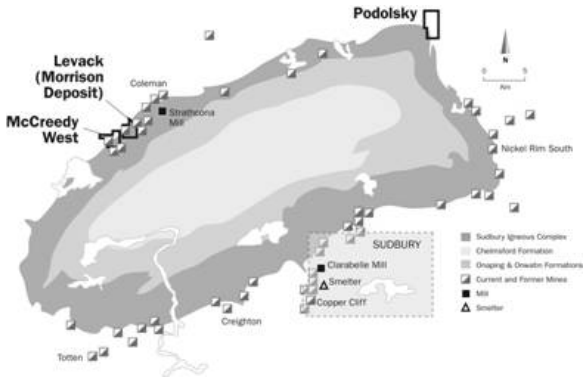
Franco-Nevada acquired three precious metals streams in the Sudbury basin of Ontario with its acquisition of Gold Wheaton on March 14, 2011. Franco-Nevada is entitled to purchase 50% of the precious metals contained in ore produced from the footwall portions of three separate mines in the Sudbury basin of Ontario and makes ongoing payments equal to the lesser of $400/ounce of payable gold (subject to a 1% inflation adjustment starting after 4 years) and the then prevailing spot price for gold. At the time of acquisition by Franco-Nevada, the mines were operated by Quadra FNX which was acquired by KGHM International Ltd. ("**KGHM**") in March 2012.

The three mines are the Levack (Morrison deposit), Podolsky and McCreedy West mines. The footwall deposits are primarily rich in palladium followed by platinum and gold. The PGM revenues are reported separately from the gold revenues. KGHM does not have processing facilities in Sudbury and sells the ore to third parties for processing. The stream is calculated based on contained precious metals in the delivered ore rather than payable metals as is common in many royalty and stream arrangements.

Levack (Morrison deposit): The stream agreement applies to the Levack (Morrison deposit) which has been in production since 2007. In late 2011, Quadra FNX and Xstrata Nickel ("**Xstrata**") entered into an agreement which allowed Quadra FNX to utilize the underground infrastructure of Xstrata's Craig Mine. Rehabilitation of the shaft was completed in second quarter 2013 which led to higher production rates for the balance of the year. Drift access from the Craig shaft is expected to be completed in third quarter 2014 which should help improve the knowledge of the orebody and the deeper high grade portions of the Morrison deposit.

McCreedy West Mine: The stream agreement applies to the PM and 700 deposits at the McCreedy West mine which has been in production since 2003. In third quarter 2011, McCreedy West changed from mining copper and precious metal-rich ores in the PM deposit to mining contact nickel ores that are not applicable to the stream. In early 2014, KGHM announced it will cease production of contact nickel ores at McCreedy as Glencore had cancelled its off-take contract. Limited mining continues at the 700 deposit subject to the stream.

Podolsky Mine: The stream agreement applies to the 2000 and North deposits at the Podolsky mine which has been in operation since 2008. Podolsky was put on care and maintenance at the end of third quarter 2013.



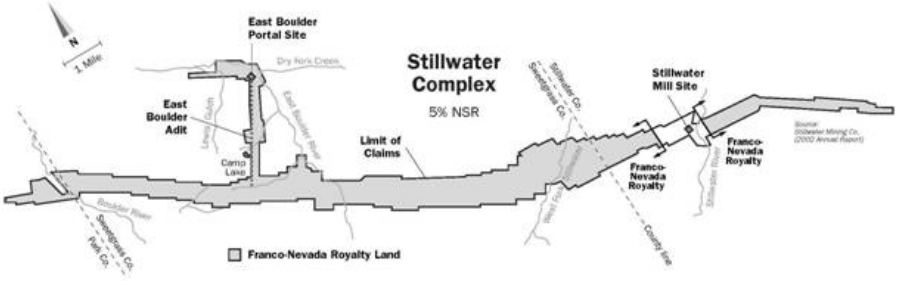
Stillwater, Montana

Stillwater Mining Company ("**Stillwater**") owns and operates the Stillwater mine and the East Boulder mine in Montana (together, the "Stillwater Complex"). Production began in 1986 at the Stillwater mine and in 2002 at the East Boulder mine. Franco-Nevada has a 5% NSR royalty on all commercially recoverable metals produced from 813 of the 995 claims that cover the Stillwater Complex. The amount of the royalty is reduced by

permissible "onward processing" deductions, which have averaged 10-12% of revenue over the last several years.

Based on Franco-Nevada's estimates, NSR royalty currently covers 80-85% of the Stillwater Mineral Reserves and Mineral Resources and 100% of the East Boulder Mineral Reserves and Mineral Resources. Historically, because of reliance on near-shaft stopes in the Stillwater mine, production has been sourced disproportionately from non-Franco-Nevada royalty ground however, in recent years, the percentage of Stillwater Complex production subject to Franco-Nevada's royalty has increased, averaging approximately 85% since 2005.

Stillwater has reported 2013 mine production of 524,000 ounces of PGM, which exceeded Stillwater's guidance for production of 505-515,000 ounces of PGM. For 2014, Stillwater anticipates production of approximately 520,000-535,000 ounces of PGM from the Stillwater Complex. Projecting beyond 2014, Stillwater expects first production from its Graham Creek project at the East Boulder Mine in third or fourth quarter 2014. In addition, Stillwater is initiating development of the Far West project, a new undeveloped mining area with attractive ore grades situated within the Stillwater Mine with production scheduled for 2017.



Other Minerals Assets

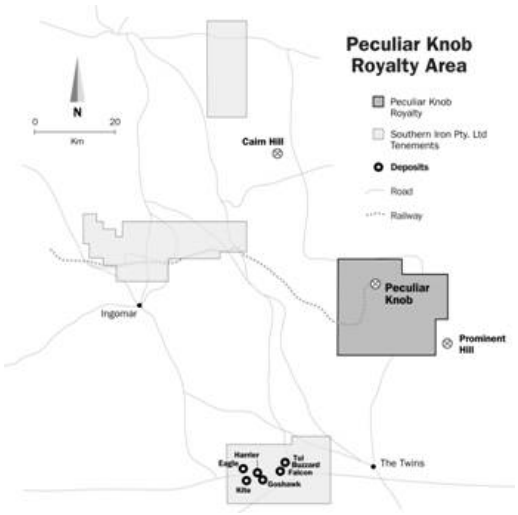
Peculiar Knob, South Australia

Franco-Nevada has a variable dollar per tonne royalty on the Peculiar Knob iron ore deposit located northwest of Prominent Hill in South Australia. The royalty rate is A$0.5985 multiplied by the percentage of iron ore content in ore shipped and also adjusted for movements in the iron ore index price from a base date of December 4, 2003. Franco-Nevada estimates this royalty to be comparable to a 2% gross royalty at current prices. Franco-Nevada's royalty interest covers 251 hectares and includes all known Mineral Reserves and Mineral Resources of the Peculiar Knob iron ore deposit.

On October 10, 2012, Arrium Limited ("**Arrium**") announced its first ore sale from Peculiar Knob and, on December 24, 2012, Arrium announced first ore shipped through Whyalla Port. On February 18, 2014, Arrium reported production from Peculiar Knob for 2013 of 3,232,000 tonnes iron ore processed (including 1,961,000 tonnes for the second half of 2013).

Royalties are paid quarterly on iron ore processed.

During July 2013, Arrium completed the Whyalla Port expansion from 6 Mtpa to 13 Mtpa, allowing Arrium to increase Peculiar Knob production rate to 3.6 Mtpa.



Exploration Assets

Franco-Nevada has interests in 153 exploration stage mineral properties as at March 19, 2014. By commodity, these include 130 gold exploration assets, 2 PGM exploration assets and 21 other minerals exploration assets. Exploration assets are speculative and unlikely to generate revenue to Franco-Nevada in the next five years, if ever. While some of these assets are associated with properties that have production, mineral reserves or mineral resources, Franco-Nevada's exploration stage property interests are estimated to be outside known mineral resources or require mineral reserves or mineral resource additions to become economic. A good portion of the properties are inactive and may not see activity again. Some of the properties are in proximity to producing or advanced projects discussed above. Franco-Nevada has not visited or audited its full list of exploration assets and has relied on operator reports, public disclosures and title searches to determine which properties are in good standing. It is possible some properties may have lapsed. In early 2014, the following exploration assets were reclassified as advanced assets: Castle Mountain, in California and Monument Bay, in Manitoba.

The following table is a list of exploration assets of Franco-Nevada as at March 19, 2014. Assets that have had their terms or leases expire and have been written off are not listed. In 2013, Franco-Nevada wrote off 2 exploration royalty assets and removed them from its asset counts.

Exploration Assets as at March 19, 2014

Asset		Operator	Interest and %[1]
UNITED STATES	Zeolites, Arizona	Zeox Corporation	$1.50/ton plus escalator (Clay)
	Darwin, California	Project Darwin LLC	5% NSR plus other (Au, etc.)
	Santa Rosa, California	Sungro Minerals Inc.	2% NSR; capped at $2M (Au, Ag, Zn, Cu, Pb)
	Shoshone, California	Kenneth Henry, Tom Ver Hoef, Amargosa	2% NSR (Au, Ag, Zn)
	Cripple Creek, Colorado	Hondo Minerals, Inc.	3% NSR (Au, Ag)
	Golden Meadows, Idaho	Midas Gold Corp.	1.7% NSR (Au)
	Corbin Wickes, Montana	Elkhorn Goldfields LLC	5% NSR (Au)
	Elkhorn, Montana	Elkhorn Goldfields LLC	1.1875% NSR (Au)
	Forest Products (Tuxedo Mine), Montana	Beartooth Platinum Corp	2% NSR (All Minerals)
	Bald Mountain (White Pine), Nevada	Barrick Gold Corporation	1-5% GR (Au)
	Chukar Claims, Nevada	Tesoro Gold Company	1.67% NSR (All Minerals)
	Currant Creek, Nevada	Carlin Gold Corp.	3% NSR (All Minerals)
	Curtiss-Wright, Nevada	South Meadows Property Ltd.	2% NSR (Au)
	EaglePicher Diatomite II, Nevada	EP Minerals, LLC	$0.25/short ton plus other
	Getchell, Nevada	Barrick Gold Corporation	2% NSR (Au)
	Goldstrike (Rodeo Creek), Nevada	Barrick Gold Corporation	4% NSR; capped at $500K (Au, Ag)
	Limousine Butte, Nevada	McEwen Mining Inc.	1.5-2.5% NSR (Au)
	Marigold (SAR), Nevada	Silver Standard Resources Inc.	5% NSR (Au)
	Marigold (Trout Creek), Nevada	Newmont Mining Corporation	3% NSR (Au)
	Mountain View, Nevada	Allied Nevada Gold Corp.	1% NSR (All Minerals)
	NMC/NGC Deeds Barium, Nevada	Barium, Inc.	3% GP (All Precious Metals)
	NMC/NGC Deeds Pacific Spar, Nevada	Pacific Spar Corp.	3% GP (Au)

	Preble, Nevada	Barrick Gold Corporation	10% NP (Au)
	Preble (Pinson Fee), Nevada	Barrick Gold Corporation	1.5-7.5% NSR (Au, Ag)
	Tonkin Springs, Nevada	McEwen Mining Inc.	1-2% NSR (Au)
	Willow Creek, Nevada	Carlin Gold Corp.	1% NSR (All Minerals)
	Boling Dome, Texas	Total E&P USA/H&L Newgulf	$0.0028225 per long ton (Sulfur)
	Hobson Pearson, Texas	Bridge Oil	20% OR (Uranium)
	Texas Sulfur, Texas	Pacific Coast Mines, Inc.	4% GR (Sulfur)
	Kings Canyon, Utah	Geomark Exploration Ltd.	4% NSR (Au)
	Silver Bell, Utah	Unico, Inc.	5% NSR plus other (Au, Cu, Pb, Zn)
	Tintic, Utah	Keystone Surveys	1% NSR (All Minerals)
	Davy Crockett, Wyoming	Pathfinder Mines Corp.	4% on FMV (Uranium)
CANADA	Eskay Creek, British Columbia	Barrick Gold Corporation	1% NSR (Au, Ag, Pb)
	Myrtle Proserpine, British Columbia	Barkerville Gold Mines Ltd.	3% NSR (All Minerals)
	Red Mountain, British Columbia	Seabridge Gold Inc.	1% NSR and Production Payments (All Minerals)
	Tide, British Columbia	0945473 B.C. Ltd.	1.5% NSR (All Minerals)
	Trout Lake (MAX Moly Mine), British Columbia	Roca Mines Inc. (Forty Two Metals Inc.)	2.5% NSR (All Minerals)
	Maverick 1 (Puffy Lake), Manitoba	Auriga Gold Corp.	2-3% NSR (All Minerals)
	Maverick 2 (Nokomis), Manitoba	Auriga Gold Corp.	2-3% NSR (All Minerals)
	Oxford Lake, Manitoba	Alto Ventures Ltd.	1.5-2.5% NSR (All Minerals)
	Clan Lake (Sito Lake), NWT	Tyhee Gold Corp.	2-3% NSR (All Minerals)

Asset		Operator	Interest and %[1]
	Redstone (Coates Lake), NWT	Copper North Mining Corp.	3-4% NSR (Cu, Ag)
	Butler and Sanderson (Diagnos), Ontario	MacDonald Mines Exploration Ltd.	ROFR on Diagnos Royalty (Diamonds/Base Metals)
	Catharine 1, Ontario	Canadian Exploration Services Limited	1/3 of a 2-3% NSR (All Minerals)
	Catharine 4, Ontario	Canadian Exploration Services Limited	2-3% NSR (All Minerals)
	Detour (Gowest), Ontario	Detour Gold Corporation	1% NSR (All Minerals)
	Detour (Mikwam), Ontario & Quebec	Alpha Minerals Inc.	0.4824% NSR (All Minerals)
	Golden Highway (Aquarius), Ontario	St Andrew Goldfields Ltd.	1-2% NSR (All Minerals)
	Golden Highway (Central Timmins), Ontario	St Andrew Goldfields Ltd.	0-1% NSR (All Minerals)
	Golden Highway (Stock), Ontario	Primero Mining Corp.	1% NSR (All Minerals)
	Golden Highway (Stoughton), Ontario	Harte Gold Corp.	0.5-2.5% NSR (Au)
	Golden Highway (Taylor), Ontario	St Andrew Goldfields Ltd.	1% NSR (All Minerals)
	Hemlo (JOA), Ontario	Beaufield Resources Inc. (Jiminex option)	0.5-1% NSR (Au)
	Kerrs Leases, Ontario	Sheltered Oak Resources Corp.	1-2% NSR (Au)
	Kirkland Lake (KLG 2% NSR), Ontario	Kirkland Lake Gold Inc.	2% NSR (Au)
	Kirkland Lake (KLG 2-3% NSR), Ontario	Kirkland Lake Gold Inc.	2-3% NSR (Au)
	Kirkland Lake (Osisko 2% NSR), Ontario	Osisko Mining Corporation	2% NSR (Au)
	Marathon PGM (Par Lake), Ontario	Stillwater Canada Inc.	2% NSR (Pt, Pd)
	Newman-Heyson (Madsen), Ontario	Sabina Gold & Silver Corp.	1.5-2% NSR (All Minerals)
	Newman-Todd, Ontario	Redstar Gold Corp.	1.5-2% NSR (Au)
	Red Lake (Skinner), Ontario	Sabina Gold & Silver Corp.	1% NSR (All Minerals)
	Shining Tree (Creso), Ontario	Creso Exploration Inc.	Option to acquire 2% NSR (All Minerals)
	Shining Tree (Knight), Ontario	Bear Paw Resources Inc.	2-3% NSR (Au)
	Timmins (Cripple Creek), Ontario	Richmont Mines Inc.	1.05-1.75% NSR (Au)
	Timmins (Project 81), Ontario	Noble Mineral Exploration Inc.	Option to purchase 2.25% NSR (Au, Other Minerals)
	Timmins (Sewell), Ontario	Richmont Mines Inc.	1.5-2.5% NSR (Au)
	Timmins (West Porcupine), Ontario	Trillium North Minerals Ltd.	2% NSR (All Minerals)
	Timmins (Whitney 1), Ontario	John Prochnau	2.5% NSR (All Minerals)
	Timmins (Whitney 2), Ontario	Goldcorp Inc.	2.5% NSR (All Minerals)
	Windarra (East Property), Ontario	Wesdome Gold Mines/Windarra Minerals	0.5% NSR (All Minerals)
	Cadillac-Sphinx, Quebec	Agnico-Eagle Mines Limited	1.5% NSR (All Minerals)
	Casa Berardi (Caribou-Estrees), Quebec	IAMGOLD/Cogitore Resources	1.275-2.125% NSR (Au)
	Casa Berardi (Dieppe), Quebec	Agnico-Eagle Mines Limited	2-3% NSR (Au)
	Destiny (Rochebaucourt), Quebec	Alto Ventures Ltd.	3% NSR (All Minerals)
	Eastmain, Quebec	Eastmain Mines Inc.	1-1.15% NSR on initial 250 koz (Au)
	Galinee, Quebec	Nyrstar NV	1.5-2% NSR (Au)
	Norlartic-Camflo, Quebec	Richmont Mines Inc.	25% NPI (All Minerals)
	Radisson, Quebec	Eastmain Resources Inc.	2% NSR (All Minerals)
	Brewery Creek, Yukon	Americas Bullion Royalty Corp.	$10-40/oz; capped at $300K (Au)
	Wernecke, Yukon	Newmont Mining Corporation	1.2% NSR (All Minerals)
AUSTRALIA	Blayney, New South Wales	Straits Resources Limited	2.25% NSR (All Minerals)
	Brown's Creek, New South Wales	Australian Native Landscapes/Hargraves	2.25% NSR (All Minerals)
	Chariot Gold/Giants Reef, Northern Territory	Emmerson Resources Limited	A$17.10 or A$30/oz (Au)
	Legend, Northern Territory	Legend International Holdings, Inc	1% GR (All Minerals)

	Reynolds Range, Northern Territory	ABM Resources NL	1-2.5% NSR (Au)
	Rover, Northern Territory	Adelaide Resources Limited	1.5-2.5% NSR (All Minerals)
	Tennant Creek, Northern Territory	Emmerson Resources Limited	1.29% NSR (Au)
	Yambarra, Northern Territory	North Australian Diamonds Ltd et al	1.25% NPI (All Minerals)
	Agate Creek, Queensland	Laneway Resources Limited	1% NSR (All Minerals)
	Crush Creek, Queensland	Basin Gold Pty Ltd	2.75% GR (All Minerals)
	Mt Carlton, Queensland	Evolution Mining Limited	2.75% GR (All Minerals)
	Power Station, Queensland	Millmerran Power Partnership	8.3% of cashflow; NPV threshold (Coal)
	Tate River, Queensland	Sovereign Metals/Paladin Energy	2% NSR (All Minerals)
	Top Camp, Queensland	Orion Metals Limited	0.5% GR (Au)/NPI (Other Minerals)
	Twin Hills, Queensland	Evolution Mining Limited	2.5% NSR (Au)
	Third Plain, S. Australia	Perilya/Minotaur Exploration	0.5% NSR (Zn)
	Agnew, W. Australia	Gold Fields Limited	2.5% GR (All Minerals)
	Agnew-Cox, W. Australia	Gold Fields Limited	5% GR (Au)
	Breakaway Dam (12 Mile), W. Australia	Norton Gold Fields Limited	$1/ton (All Minerals)
	Carbine North (Chadwin's Dam), W. Australia	Blackham Resources/Phoenix Gold	3% NPI (All Minerals)
	Day Dawn (Big Bell Gold), W. Australia	Westgold Resources Limited	1% GR (Au)
	Duketon Southwest, W. Australia	South Boulder Mines/Independence Group	2% NSR (All Minerals)
	Duketon West, W. Australia	South Boulder Mines/Independence Group	2% NSR (All Minerals)
	Flushing Meadow, W. Australia	Orex Mining/Maximus Resources	1% NSR (Au, Other Minerals)
	Gidgee (Wyooda Thangoo), W. Australia	Panoramic Resources Limited	A$0.60/tonne (Au)
	Hampton, W. Australia	BHP Billiton Limited	1.75% NSR (Au, Ag); 1% NSR (Other Minerals)

Asset		Operator	Interest and %[1]
	Heather Bore/Mount Clifford, W. Australia	Independence Group NL	1-2% NSR (Cu, Zn, Other Metals)
	Ironstone Well, W. Australia	Orex Mining/Maximus Resources	1% NSR (All Minerals)
	Jeffreys Gold, W. Australia	Mincor Resources NL	2% GP (Au)
	Karonie (Aldiss), W. Australia	Integra Mining Ltd	$10-20/oz (Au)
	Lady Jane, W. Australia	Phoenix Gold Limited	4.5% GR (Au)
	Lake Maitland, W. Australia	Mega Uranium Mining /Jaurd/Itochu	1% NSR (All Minerals)
	Lake Percy, W. Australia	Norilsk Nickel	2% NPI (All Minerals)
	Langford's Find, W. Australia	Enterprise Metals Limited	2% NSR (All Minerals)
	Marvel Loch (May Queen), W. Australia	St Barbara Limited	$0.50-1.00/cubic metre (Au)
	Matilda, W. Australia	Blackham Resources Ltd	3-5% NSR (Au); 2% NSR (Ni)
	Matt Dam, W. Australia	Norton Gold Fields Limited	A$0.60/tonne (A$1.00/t x 60%) (Au)
	Miranda (Ni), W. Australia	Gold Fields Limited	0.5% of Production (Ni)
	Miranda Gold, W. Australia	Gold Fields Limited	3% GR (Au)
	Munni Munni (Elizabeth Hill), W. Australia	Platina Resources Limited	One-time payment on production (Au and/or Pt)
	Murrin Murrin, W. Australia	Zeta Resources Limited	3.5% NSR (Au and Sulfides)
	Polar Bear, W. Australia	Sirius Resources NL	2% NSR (All Minerals)
	Randwick Gold Hill, W. Australia	E Bouverie, Trindal P/L, Lucas Gold P/L et al	1-1.5% GR (Au)
	Red Lake, W. Australia	Echo Resources Limited	0.5 or 1.5% NSR (All Minerals)
	Red October District, W. Australia	Saracen Mineral Holdings Limited	0.68-1% NSR (Au)
	Sandstone II, W. Australia	Panoramic Resources Limited	$0.35/dry tonne (All Minerals)
	Tanami, W. Australia	Astro Resources NL	1% GR (All Minerals)
	Western Lease, W. Australia	KCGM Pty Ltd (Newmont/Barrick)	1.25% GR (Au)
	Windich South, W. Australia	Barrick Gold Corporation	1% NSR (All Minerals)
	Yerilla, W. Australia	Wild Acre Metals Limited	2% NSR (All Minerals)
REST OF WORLD	Mara Rosa, Brazil	Amarillo Gold Corporation	1% NSR (Au, Ag)
	Para South, Brazil	Talon Metals Corp.	0.5-1% NSR (All Metals)
	Terra Escura, Brazil	Talon Metals Corp.	1-2% NSR (All Metals); 4% Cash Dividends
	Trairao, Brazil	Talon Metals Corp.	$0.2995 per tonne (Fe)
	La Coipa, Chile	Kinross Gold Corporation	3% NSR (Au)
	Vizcachitas, Chile	Los Andes Copper Limited	1-2% NSR (All Minerals)
	Hispaniola, Dominican Republic	Energold Drilling Corp.	0.6% NSR (All Minerals)
	Camporo (Cacamuya), Honduras	First Point Minerals Corp.	0.6% NSR (Au, Ag)
	Charaltyn, Kazakhstan	Kazakhymys PLC	$10.41/oz plus escalator (Au)
	Ayahuanca, Peru	Geoandina Exploraciones SAC	1% NSR (Au)
	Choreveco, Peru	Minera del Norte S.A./Aruntani S.A.C.	0.1-0.3% NSR (Au)
	Cristiana, Peru	Fresnillo Peru S.A.C.	1.5% NSR (All Metals)
	Dorato, Peru	Xiana Mining Inc.	2% NSR (All Minerals)
	Invicta (Victoria), Peru	Lupaka Gold Corp.	1% NSR (All Minerals)
	Los Pinos, Peru	Tamerlane Ventures Inc.	0.5% NSR (All Metals)
	Minasnioc, Peru	Duran Ventures Inc.	2% NSR (All Metals)
	Nangali, Peru	Compass Resources/Indo Mines	1.5% NSR (Au)
	Parinacochas (Urbaque), Peru	Minera Suyamarca S.A.C.	2% NSR (All Minerals)
	Pukaqaqa (Antoro Sur), Peru	Compania Minera Milpo S.A.A.	1-2% NSR (All Minerals)

Yanamina, Peru	Coronet Metals Inc.	5% NSR (All Minerals)
NPI, Philippines	Nickel Asia Corporation	Production Payment
Demirci, Turkey	Ariana Resources PLC	2% NSR (Au)
Hasandagi-Dikmen, Turkey	Teck/Koza Altin	2% NSR (Au)
Karadag, Turkey	Koza Altin	2.5% NSR (Au)
Torul, Turkey	Koza Altin	1.5% NSR (Au)
Kasese, Uganda	Blue Earth Refineries Inc.	10% of free cash flow (Co)

(1) Royalty terms have been simplified for presentation purposes. Different terms may apply to certain portions of properties or by commodity. Some royalties may have sliding scales tied to commodity price. Others may include participation in sale proceeds of property or gross sales.

Oil & Gas Assets

Franco-Nevada's Oil & Gas Assets include producing and non-producing lands located in British Columbia, Alberta, Saskatchewan, Manitoba and the Canadian Arctic. Producing lands include Crown, freehold, unitized and non-unitized oil & natural gas production. The properties contain long-life, low-decline reserves, include interests in frontier areas and are operated by experienced operators, including, among others, Cenovus Energy Inc. ("**Cenovus**"), Apache Canada Ltd. ("**Apache**") and Canadian Natural Resources Limited (" **CNRL**").

Please see "Reserves Data and Other Oil & Gas Information" for additional information regarding Franco-Nevada's Oil & Gas Assets presented in accordance with the requirements of NI 51-101. **In addition, Oil & Gas abbreviations, conversions, information advisories and cautionary statements can be found under the heading "Reserves Data and Other Oil & Gas Information". See also "Cautionary Note Regarding Mineral and Oil and Gas Reserve and Resource Estimates". The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties due to the effects of aggregation.**

The following table sets forth certain financial and operating information concerning Franco-Nevada's Oil & Gas Assets for the periods indicated.

	2013	2012	2011
Revenue to Franco-Nevada ($000)[1]	$	$	$
Significant Producing Assets	58,606	32,878	24,145
Other Producing Assets	8,436	8,058	10,778
Total	$ 67,042	$ 40,936	$ 34,923
Operating Costs ($000)	$ 3,928	$ 3,214	1,771
Operating Statistics			
Production (Boe/d)[2]	2,844	2,460	1,850
Production Split Ratio (oil:gas)[3]	75:25	66:34	51:49
Revenue Split Ratio (oil:gas)	95:05	95:05	83:17

(1) Revenue refers only to payments made to Franco-Nevada.
(2) Net to Franco-Nevada.
(3) Natural gas volumes converted to Boe (conversion rate of six Mcf to one bbl).

Significant Producing Assets

The following describes the significant producing assets, the production from those assets net to Franco-Nevada and the proved reserves of those assets net to Franco-Nevada. The significant producing assets are the Weyburn Unit, Midale Unit and Edson Property which accounted for approximately 87% of Franco-Nevada's Oil & Gas production revenue for the year ended December 31, 2013 and 95% of proved reserves for the year ended December 31, 2013. As of December 31, 2013 proved reserves for the significant producing assets was 22,602 Mboe using forecast costs and prices.



Weyburn Unit, Saskatchewan

The "**Weyburn Unit**" is located approximately 129 km southeast of Regina, Saskatchewan and encompasses approximately 53,360 gross (net 7,689) acres in which the Mississippian Midale beds are unitized. As of December 31, 2013, Franco-Nevada held an 11.71% NRI, a 0.44% ORR and a 2.26% WI in the Weyburn Unit. Production commenced from the Midale zone within the unitized area in 1955 under primary depletion (solution gas expansion). Formation of the Weyburn Unit occurred in 1963 for the purpose of implementing an inverted nine-spot waterflood pressure maintenance scheme on 80 acre well spacing.

Cenovus is the operator.

Current gross production capability of the Weyburn Unit is approximately 30,000 Bbls/d at an average water cut of 88.5%. Current production is from 614 gross (net 88.5) wells. Produced oil within the Weyburn Unit averages 31 degrees API and contains approximately 2.2% sulphur.

For 2013, revenue received by Franco-Nevada from the Weyburn Unit was $50.7 million and light/medium oil production net to Franco-Nevada was 1,655 Bbls/d. Franco-Nevada takes product-in-kind for the WI and NRI shares of this production and markets it through a third party marketer. As of December 31, 2013, Franco-Nevada's proved reserves for the Weyburn Unit were 21,036 Mboe.

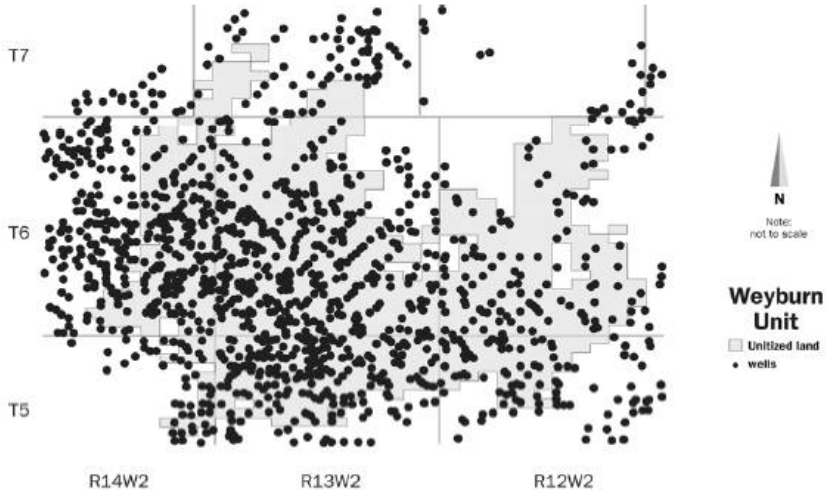
On February 23, 2012, Franco-Nevada purchased an additional 1.15% WI in the Weyburn Unit. The effective date of this acquisition was January 1, 2012.

On November 13, 2012, Franco-Nevada purchased an 11.71% NRI in the Weyburn Unit. The effective date of this acquisition was October 1, 2012.

The following table sets forth the revenue and production from the Weyburn Unit for the periods indicated:

	2013	2012	2011
Revenue to Franco-Nevada ($000)[1]	$ 50,668	$ 24,950	$ 12,314
Production (Mbbl)[2]	604	325	146

(1) Revenue refers only to payments made to Franco-Nevada.
(2) Net to the Oil & Gas Interests.



Midale Unit, Saskatchewan

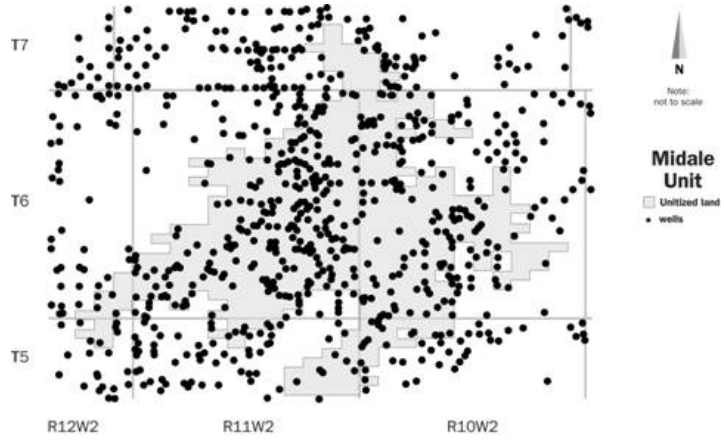
The "**Midale Unit**" was discovered in 1953 and the Midale Unit was formed in 1964 for the purpose of implementing a pressure maintenance scheme by water injection. The Midale Unit is located in southeast Saskatchewan approximately 40 km southeast of the city of Weyburn and encompasses 13,760 gross (net 376) acres with 253 gross (net 6.9) producing wells. Franco-Nevada holds a 1.59% working interest and a 1.14% gross override royalty interest in the Midale Unit. Apache is the operator.

For 2013, revenue received by Franco-Nevada from the Midale Unit was $3.6 million and light/medium oil production net to Franco-Nevada was 120 Boe/d. Franco-Nevada takes product-in-kind for the working interest portion of this production and markets it through a third party marketer. As of December 31, 2013, Franco-Nevada's proved reserves for the Midale Unit were 608 Mboe.

The following table sets forth the revenue and production from the Midale Unit for the periods indicated:

	2013	2012	2011
Revenue to Franco-Nevada ($000)[1]	$ 3,618	$ 4,025	$ 4,099
Production (MBoe)[2]	44	48	48

(1) Revenue refers only to payments made to Franco-Nevada.
(2) Net to Franco-Nevada.

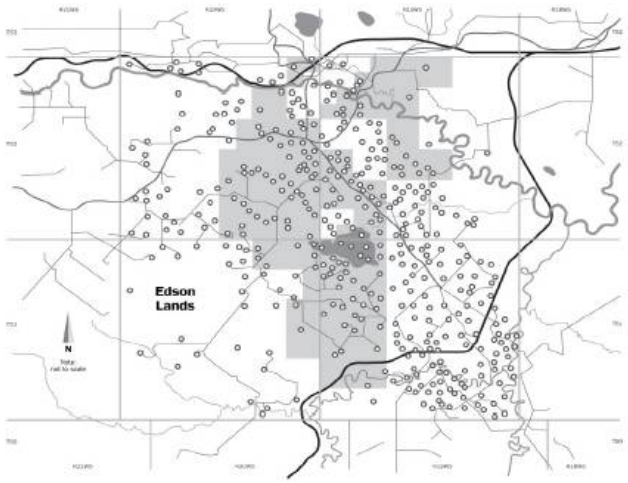


Edson Property, Alberta

The "**Edson Property**" is located approximately 209 km west of Edmonton, Alberta and encompasses over 25,920 gross (net 3,888) acres, of which 4,480 gross (net 672) acres are currently undeveloped. Franco-Nevada has a 15% overriding royalty in this property. The wells are operated by CNRL. For 2013, revenue received by Franco-Nevada from the Edson Property was $4.3 million. For the same period, the property produced approximately 2.6 MMcf/d of natural gas and 105 Bbls/d of natural gas liquids totalling 544 Boe/d of production net to Franco-Nevada from 137 gross (net 20.5) producing gas wells mainly from the Upper Cretaceous Cardium Formation, with lesser amounts from the Viking, Gething, Cadomin and Bluesky Formations. As of December 31, 2013, Franco-Nevada's proved reserves for the Edson Property were 959 Mboe.

Gas is processed at the CNRL operated Galloway, Edson West and Ansell gas plants which extract natural gas liquids. These plants have a combined processing capacity of 146 MMcf/d. The main reserves bearing formation in the Edson Property area is the Upper Cretaceous Cardium Formation. The Edson Property lies in an area of northwest southeast trending fault traces where the faults ramp up through the Cardium Formation. The faults dip to the west. The best Cardium wells, both vertical and especially horizontal, have targeted the

hanging wall of the updip leading edge of Cardium sand cycles. This potentially helps the wells take advantage of the better productivity associated with narrow areas of higher fracture density induced by the higher stresses related to deformation along the leading edges of the faults.



The following table sets forth the revenue and production from the Edson Property for the periods indicated:

	2013	2012	2011
Revenue to Franco-Nevada ($000)[1]	$ 4,320	$ 3,902	$ 7,732
Production (MBoe)[2]	199	207	256

(1) Revenue refers only to payments made to Franco-Nevada.
(2) Net to Franco-Nevada.

Other Producing Assets, Western Canada

The significant producing assets account for approximately 87% of total oil & natural gas revenue in 2013, while the other producing assets account for approximately 13% of total oil & natural gas revenue. The other producing assets are comprised of over 50 areas which include approximately 604 gross producing wells and 56 unitized oil & gas fields, and encompass a wide variety of royalty agreements and operators and are primarily located in Alberta and Saskatchewan.

The following table sets forth the revenue and production from Franco-Nevada's other producing Oil & Gas Assets for the periods indicated:

	2013	2012	2011

Revenue to Franco-Nevada ($000)[1]	$ 8,436	$ 8,058	$ 10,778
Production (MBoe)[2]	192	205	225

(1) Revenue refers only to payments made to Franco-Nevada.
(2) Net to Franco-Nevada.

Undeveloped Oil & Gas Interests, Western Canada

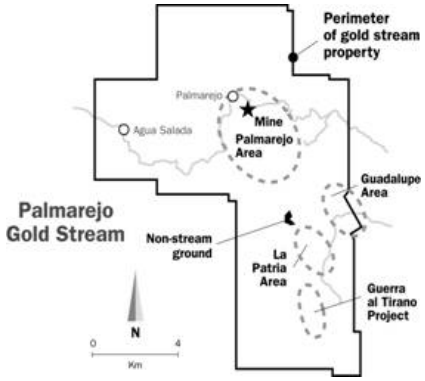
Franco-Nevada does not include in its asset tabulations undeveloped oil & gas interests without reportable resources. There are 160 agreements that cover these interests which include over 100,000 acres of undeveloped mineral title, non-producing lands within producing areas and approximately 80,000 gross (net 12,000) acres of unproved non-producing lands under lease. These undeveloped interests are located in Alberta, Saskatchewan and Manitoba.

TECHNICAL REPORTS

Palmarejo Mining and Technical Information

Except where noted otherwise, the information set out below is based on the Palmarejo Report dated January 1, 2013, prepared for Franco-Nevada in compliance with NI 43-101. The Palmarejo Report was prepared by or under the supervision of Donald J. Birak, Senior Vice President Exploration, Coeur at the time of the Palmarejo Report, Keith Blair, Manager, Applied Geoscience LLC at the time of the Palmarejo Report, and Klaus Triebel, Senior Corporate Resource Geologist, Coeur at the time of the Palmarejo Report, each a “qualified person” under NI 43-101.

Property Description and Location



The Palmarejo District is located about 420 km by road southwest of the city of Chihuahua in the state of Chihuahua in northern Mexico and on the western edge of the Sierra Madre Occidental in the Temoris mining district. The Guadalupe deposit is located about 7 km southeast of the Palmarejo mine as shown in the Figure. The La Patria deposit is located southwest of Guadalupe.

The Palmarejo project consists of mining concessions covering approximately 12,253 ha and include the Palmarejo surface and underground mine and mill complex, the Guadalupe and the La Patria deposits. Coeur Mexicana S.A. de C.V. (“**Coeur Mexicana**”), a subsidiary of Coeur and formerly Planet Gold S.A. de C.V. (“**Planet Gold**”), owns a 100% interest in 32 mining concessions covering 12,204.1118 ha, a 50% interest in one concession covering 43.771 ha and a 60% interest in two concessions totalling 5.000 additional hectares. The Guadalupe project area is located entirely within this area of mining concessions and is contained within the San Carlos concession which consists of 160ha and is 100% owned by Coeur Mexicana. The mining concessions wholly and partially owned by Coeur currently expire on various dates between 2029 and 2055.

Permits have been granted authorizing mining within the area depicted in the Environmental Impact Assessment (“ **EIA**”) and necessary permits and authorizations required for construction and operation of the Palmarejo mine have been obtained.

Guadalupe is permitted for land disturbance related to underground mine activities and related disturbances. This project received its authorization for environmental disturbance in 2010, and its initial authorization for change of land use in November, 2010. Both authorizations are required by the Mexican Government to operate a mine. The mine is currently open and development of the underground structures is ongoing. A right of way agreement for the construction of the Guadalupe-Palmarejo haul corridor was signed with the Guazapares ejido on February 27, 2011. Environmental disturbance and change of land use authorizations were awarded by SEMARNAT (as defined below) on May 30, 2011 and July 11, 2011, respectively. Additional approvals will be required for the final sections of the revised roadway which were scheduled for evaluation in 2013. A new road location was chosen which impacts the surface rights of Guazapares ejido (surface owner). Negotiations with the Guazapares ejido have been completed and resulted in a new agreement. The permitting process with the environmental authorities is still in progress and is envisioned to be concluded shortly. Additional permitting and revised right of way agreements will include a full sized access road to provide for large truck traffic to and from the Guadalupe mine.

Franco-Nevada holds an interest in 50% of the gold produced from the Palmarejo project (the “ **Palmarejo Stream**”). The Palmarejo Stream agreement provides for a minimum obligation to be paid in monthly payments over a total of 400,000 oz of gold. Each monthly payment is an amount equal to the greater of the minimum of 4,167 oz of gold and 50% of actual gold production per month multiplied by the excess of the monthly average market price of gold above $400/oz (which $400 floor is subject to a 1% annual inflation compounding adjustment beginning on January 21, 2013). After payments have been made on a total of 400,000 oz of gold, the obligation is payable in the amount of 50% of actual gold production per month

multiplied by the excess of the monthly average market price of gold above $400/oz, adjusted as described above. Payments under the Palmarejo Stream are to be made in cash or gold bullion.

The Palmarejo Stream applies to the majority of the Palmarejo project and includes the Palmarejo, Guadalupe and La Patria deposits.

Coeur Mexicana has executed agreements with the Palmarejo, Agua Salada, and Guazapares ejidos (or surface owners) covering surface activities involved with the exploration, exploitation, and processing of mineral deposits, the construction of all necessary mining and processing facilities, and the undertaking of mining operations, in return for annual rental payments. The agreements are effective for 15 years with an option for Coeur Mexicana to extend the terms for an additional 15 years.

These agreements have already been registered with the Mexican Agrarian National Registry, and there are no known title concerns that would affect the development or operation of the mine.

In October 2008, Planet Gold entered into an agreement with the Guazaparez ejido for land use in the Guadalupe/Los Bancos area. In 2009, a mining agreement with the Guazapares ejido was finalized, assuring Coeur Mexicana the surface and land rights sufficient for the planned mining activities at Guadalupe. This mining agreement has a six year term and is renewable. In 2013, Coeur Mexicana negotiated an advanced mining agreement with Guazapares ejido which allows for exploitation and exploration on their property of approximately 1,900 hectares. Coeur Mexicana has also obtained complete control of part of the rented area by paying compensation to some land-holding ejidatarios.

On August 16, 2010, Coeur Mexicana signed with the Guerra al Tirano ejido a 4 year exploration agreement on 69.7 ha covering the La Patria deposit.

In October 2011, Coeur Mexicana acquired the Guerra al Tirano Project from Azteca de Oro y Plata. The agreement transferred 100% of the mining rights in exchange for a cash payment of $1,200,000 on signing plus a 2% NSR royalty. Coeur Mexicana can acquire up to 1.5% of the NSR royalty at a fixed price of $750,000. The acquisition also included a separate agreement in which Azteca de Ora y Plata transferred to Coeur Mexicana an agreement with the ejido originally executed in 2007 for the use of the surface land with the Guerra al Tirano ejido for an annual rent payable to the ejido. There is no expiration date.

The EIA was approved on May 23, 2006. The EIA has a term of 13 years and can be extended by application to the Ministry of Environment and Natural Resources ("**SEMARNAT**"). The required authorizations from SEMARNAT have also been obtained for Change in Land Use and the Environmental Authorization. The Environmental Authorization for the Palmarejo project requires a restoration program for mining areas that will recover the soil for landscape restitution and restore ecosystem conditions that allow for the area to be inhabitable again for vegetation and animal species that previously lived there. Coeur conducts an annual review of its potential reclamation responsibilities. The year end 2012 preliminary assessment for the life of mine disturbance for final reclamation at the Palmarejo mine is estimated to be $16.8 million which includes the Guadalupe project.

Coeur has adopted a Corporate Environmental Policy, which underpins its commitment to protecting the environment and will adhere to the broad reclamation requirements presented in the SEMARNAT Environmental Authorization and NOM-141-SEMARNAT-2003 (which deals with tailings matters) in developing and implementing the necessary reclamation objectives. Coeur is not aware of any existing environmental liabilities to which the Palmarejo project is subject, other than as stated above.

All mineral and surface rights required to operate the Palmarejo mine have been secured and include rights to property that encompass all Mineral Resources and Mineral Reserves and all present and planned mine workings and related facilities, including mine workings, tailings storage facility, water impoundments, mined rock storage facilities, ore processing and tailings storage facilities, and ancillary site facilities for the Palmarejo mine site within the area depicted in the figure above.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Palmarejo and Guadalupe are about 1,150m and 1,300m above sea level, respectively. The area is hilly to mountainous with densely vegetated, steep-sided slopes with local stands of cacti. Local ranchers and farmers graze cattle and grow corn and other vegetables on small-scale plots.

The climate of the area is moderate and has little impact on operations. Average maximum temperature is about 34°C, and average minimum temperature is about 5°C. Rainfall occurs mainly in the summer months,

with an average annual precipitation of about 800mm. The climate imposes no significant impediments to work and operations can be conducted year round.

The Palmarejo District has moderately well developed infrastructure and a local work force familiar with mining operations. Chinipas and Temoris are the two nearest towns, both with an estimated population of approximately 1,600 inhabitants. The small village of Palmarejo lies immediately northwest of the Palmarejo District area and has a population of about 430. Many of the workers are employees at the mine and live in these three, nearby communities.

Access to Palmarejo from Chihuahua is via paved highways to the town of San Rafael. From San Rafael travel is by gravel road to Temoris, and finally to Palmarejo. The Chihuahua-Pacifico railway passes through Temoris and access from the rail station at the town of Temoris to Palmarejo is along 45km of gravel road. Light aircraft airstrips are located in both Temoris and Chinipas, and in 2011 an airstrip was built in Palmarejo to service the mine.

The figure below shows the location of the key deposits, Mineral Reserves and Mineral Resources within the Palmarejo Mine property.



The Palmarejo Mine site was serviced with a 33,000-volt power line supplied by the Comisión Federal Electricidad (" **CFE**"), the Mexican federal power authority. An additional 115-kV high voltage line was constructed from the Divisadero substation to the Palmarejo Mine site during 2009, and the Palmarejo mine, plant and all other electrical load is now connected to this grid. The same 115-kV high voltage line is within 7 km of the Guadalupe project and excess capacity exists on this line to supply the estimated 2.5 MW of power needed for Guadalupe.

Water for the Palmarejo mine is obtained from a variety of sources. As of 2011 the primary water for milling is recycled from the tailings dam and from the Fresh Water Diversion Dam ("**FWDD**"). When needed, additional make-up water, is either pumped from the Chinipas river infiltration gallery, from a shallow water well located in Agua Salada, or from the FWDD and piped to site via a 17 km pipeline. Water for domestic use is also obtained from the FWDD and hauled to the camps by truck load (10,000 L tanks on flatbed trucks). Water from the FWDD is also pumped to the underground mine for drilling and dust suppression, or to the plant for make-up water.

Fresh water for the Guadalupe Mine is planned to come from a combination of sources which includes surface water in nearby arroyos and the FWDD. Water will also be collected in sumps constructed in the underground mines and clarified for recycling in the underground system.

Waste rock from the open pit mine is placed beyond the edges of the open pit boundary, with provision to backfill mined out areas of the pit in future years.

Tailings are deposited in an impoundment near the process plant. The first phase of the Palmarejo Final Tailings Dam (" **FTD**") was completed in 2010 to the 790 meter elevation and started accepting tailings in the fourth quarter of 2010. The second phase of the Final Tailings Dam was completed in August of 2011 to an 800 meter elevation. The third phase build-up to 810 meters elevation was completed in 2012. Phase four of the tailings dam expansion (raising the crest of the dam from 810 meters to 825 meters) was put on hold in 2013 as a diversion solution of excessive rainwater entering the tailings facility had to be addressed first. Rainwater is now diverted around the tailings area directly into the river in accordance with environmental regulations. This solution helped to keep the current freeboard below 12 meters from the impoundment crest. Construction of phase four is planned to start in late 2014 or early 2015 and the tender process has been initiated. The construction of the Environmental Control Dam ("**ECD**") which is directly below the FTD and the construction of the FWDD were completed in 2009 and are currently in use.

History and Production

The Palmarejo District area lies within the Temoris Mining District. Silver and gold production from the district, though poorly documented, has a long, intermittent history dating from Spanish colonial exploitation in the 1620s. Small-scale local miners subsequently developed many small adits and superficial workings along the district's main mineralized structural trends.

The Palmarejo mine was purchased by the British company Palmarejo Mining Co. in 1886 (subsequently re-named Palmarejo and Mexican GoldFields, Ltd.) ("**PMG**"). PMG operated the Palmarejo mine through 1910. Production was resumed by Minas Huruapa, S.A. de C.V. during the period from 1979 to 1992 and high-grade gold-silver shoots were being mined intermittently by local miners until quite recently. On December 21, 2007, Coeur acquired all of the outstanding shares of Bolnisi Gold NL ("**BSG**"), an Australian company listed on the Australian Stock Exchange, and Palmarejo Silver and Gold Corporation ("**PJO**"), a Canadian company listed on the TSX Venture Exchange. The principal asset of BSG was its ownership of 72.8% of the outstanding common shares of PJO. PJO, through its operating company Planet Gold, was engaged in the exploration and development of silver and gold properties located in Mexico. Among those was the Palmarejo project.

Open pit mining operations began in 2008 and milling operations and metal recovery commenced in 2009, ramping up to full capacity in 2010. Production from open pit and underground sources since operations commenced in 2008 at Palmarejo through to December 31, 2013 is summarized below.

Total Palmarejo Ore Production — Inception to December 31, 2013

Production	2013	2012	2011	2010	2009
Ore Tonnes Milled	2,107,071(1)	1,962,958	1,563,156	1,665,082	966,629
Ore grade Ag (g/t)	146.0(1)	157.3	235.5	157.6	147.9
Ore grade Au (g/t)	2.1(1)	1.78	2.70	2.10	2.00
Recovery Ag (%)	77.7	82.96	76.4	69.8	66.3
Recovery Au (%)	84.2	94.41	92.2	91.1	88.2
Silver produced (oz.)	7,603,144	8,236,013	9,041,488	5,887,576	3,047,843
Gold produced (oz.)	116,536	106,038	125,071	102,440	54,740

(1) Converted to metric from Coeur full-year 2013 results. Coeur reported in Imperial units.

Geology and Mineralization

The Palmarejo District lies near the western edge of the Sierra Madre Occidental. Basement rocks in the Sierra Madre Occidental are obscured by Cenozoic-aged volcanic flows, tuffs, and related intrusions but are inferred to include Proterozoic basement rocks, overlying Paleozoic shelf and eugeosynclinal sedimentary rocks, possibly scattered Triassic-Jurassic clastic rocks, and Mesozoic intrusions.

A gold-silver metallogenic province that hosts low-sulfidation epithermal polymetallic gold silver deposits lies along the western margin of the Sierra Madre Occidental; this province appears to exhibit a regional zonation of silver-rich deposits to the west and gold-rich deposits to the east. Palmarejo, a silver-rich deposit, lies in the western part of this province.

The Palmarejo area ore bodies are hosted in northwest striking and west dipping structures that cut through a volcano-sedimentary sequence of re-sedimented volcaniclastic, coherent and pyroclastic deposits. The

volcaniclastic rocks include ash-rich mudstones and sandstones. The coherent rocks include microcrystalline massive basalt, fine grained massive andesite and plagioclase crystal rich massive andesite. The pyroclastic unit includes tuffaceous sandstone, lapillistone tuff and breccias.

At the Palmarejo mine, gold-silver veins and vein/breccias occur within, and at the intersection of, the west-northwest-striking “La Prieta” structure and the north-northwest-striking “La Blanca” structure.

The La Prieta structure extends for at least 2km, has a variable strike that averages about 115°, and dips to the southwest at 35° to 85°. The La Blanca structure strikes about 160°, has an average dip of about 50° to the southwest, and is thought to be a listric normal fault that parallels the trend of the regional faults in the Sierra Madre Occidental.

Steeply plunging, high-grade clavos have been identified in each of the vein structures. Drilling by Planet Gold along the La Prieta vein structure has tested approximately 3.5km of strike length and has penetrated the structure over an elevation range of about 900 to 1,250m. Approximately 2.5km of strike length of the La Blanca vein has been tested, through an elevation range of about 750 to 1,250m.

The Guadalupe project is located along a northeast-plunging structure which can be traced for approximately 3,000m along strike and has an average dip of approximately 55° to the northeast.

The Guadalupe zone, which includes the Guadalupe Norte, Guadalupe, El Salto and Las Animas prospects, comprises silver and gold-bearing quartz-carbonate veins hosted in a volcanic-sedimentary package that is intruded by shallow andesitic porphyries and a felsic dome complex.

Old mines and prospects occur over a 4 km strike length of the Guadalupe structure. The silver-gold mineralization at Guadalupe occurs predominantly within northwest-trending quartz-carbonate breccia veins enveloped by variably developed quartz hydrothermal breccias and quartz-stockwork zones.

Prospects at the La Patria zone include the La Patria, La Virginia and Maclovia prospects and are located within the northwest-trending La Patria-Todos Santos structure that can be traced for over 4,000m along strike. Prospects at the La Patria zone have a combined strike length of 1,800m and the mineralization is hosted in a quartz-vein breccia unit with enriched proximal dense stockwork. Typically the structures are characterized by intensely silicified and brecciated colloform banded quartz veins hosted in silicified andesite.

During 2012 the Palmarejo Exploration Group began systematic mapping, sampling, interpretation and evaluation of several objectives in and near current active mine areas. The work generated several drill targets including but not limited to the La Blanca Norte, Victoria-Santo Domingo Vein system, Chapotillio East and Cerro de Los Hilos. Exploring this area for new targets or for the extension of known Mineral Resources will continue through 2014.

Drilling and surface trenching continue at Guadalupe to evaluate the feasibility of surface mining. Similarly, La Patria is under review for additional drilling in 2014 to evaluate the potential for surface mining. Geological mapping combined with aeromagnetic data interpretation and spectral analysis has generated several conceptual objectives. These objectives were investigated during the 2013 field season.

Exploration and Drilling

As of December 2007, Planet Gold had completed 180 trenches, for a total of 3,960m, and 1,135 drillholes, for a total of 246,830.9m, within the Palmarejo-Trogan property. A total of 1,429 samples were collected from the trenches, and 800m of underground channel sampling was completed (365 samples). Drilling includes 27 geotechnical holes (494m) drilled at Palmarejo.

Planet Gold collected almost 2,200 shortwave infrared (“**SWIR**”) spectral measurements from drill samples from holes on a series of sections across the La Blanca and La Prieta structures using an ASD Terraspec instrument. An additional 500 SWIR spectra were measured as part of a regional alteration-mapping program on the Trogan project.

Four hundred forty drill samples from Guadalupe were analyzed for a 50-element suite by combination inductively coupled plasma mass spectrometry (“ **ICP-MS**”) and inductively coupled plasma atomic emission spectrometry (“ **ICP-AES**”). One hundred and eighty-six Palmarejo drill samples and 282 trench-sample pulps were analyzed for a 50-element suite by combination ICP-MS and ICP-AES. A further 440 drill samples from Guadalupe were similarly analyzed.

To define and expand mineral resources at Palmarejo, drilling done by Coeur’s exploration group has been conducted since 2008. Coeur has also continued channel sampling at Palmarejo. RC drilling is conducted as part of the open pit ore control programme and condemnation drilling.

During 2012, 45,610 meters of diamond core drilling was conducted. A total of 24,307 core samples were analyzed. A summary of the sampling conducted is shown in the table below.

Drilling Report Activity, 2012

Drilling Report

Category	Drilled (m)	Hole Count	Primary Samples

DDH3	Diamond Core Drilling	45,610	138	16,382
UGDDH		12,137	157	7,925
RC	RC Open Pit Drilling	27,454	1,209	13,447
	Total	85,201	1,504	37,754

Coeur has also relied on the drilling, interpretations, and results conducted by other experts. The authors of the Palmarejo Report state that they have reviewed this information and believe that the methods employed by these experts are sound and that the results and interpretations are accurate and within industry standards.

Palmarejo Drill Data

Planet Gold undertook drilling continuously at Palmarejo from November 2003 until September 2007, which has been continued by Coeur. The only drilling known by Coeur to have been completed at Palmarejo prior to Planet Gold, consists of five holes drilled underground by PMG in the early 1900s. Beyond their reported existence, no further documentation of the holes is known to Coeur.

Drilling conducted by Planet Gold through to September 2007 is shown in the table below.

Palmarejo Drilling Summary-Planet Gold

	RC		Core		RC Precollared		Total Drill	
Year	No.	Meters	No.	Meters	No.	Meters	holes	Total (m)
2003-2007	545	92,689	117	25,549	88	11,089	750	129,327

Guadalupe Drill Data

Planet Gold initiated drilling at Guadalupe in early 2005 and drilling through to early 2007 is shown in the table below.

Guadalupe Drilling Summary-Planet Gold

		RC		Core			
Company	Year	No.	Meters	No.	Meters	Total Drill holes	Total (m)
Planet Gold	2005-2007	96	21,349	139*	46,489	229	67,838

*Includes 4 core continuations of RC holes & 2 core (wedge) continuations of core holes.

La Patria Drill Data

Planet Gold drilling at La Patria is shown in the table below:

Planet Gold Drilling at La Patria, 2005-2007

		RC		Core			
Company	Year	No.	Meters	No.	Meters	Total Drill holes	Total (m)
Planet Gold	2005-2007	79	14,014	42	11,852	121	25,866

Coeur Mexicana has relied on the drilling, interpretations, and results conducted by other experts (including AMEC Mining and Metals (" **AMEC**") and Mine Development Associates ("**MDA**")). Coeur's Qualified Persons

have reviewed this information and believe that the methods employed are sound and that the results and interpretations are accurate and within industry standards.

Drilling Procedures

Diamond core drilling in the Palmarejo District has been conducted by drilling companies under contract to BSG/PJO and, since 2008, Coeur Mexicana. Under Coeur Mexicana, G4 Forage Drilling, headquartered in Val-d'Or, Quebec, Canada, Landdrill International Mexico from Hermosillo, Mexico, and GDA Servicios Mineros SA de CV, a Chilean drilling company, have been used to perform the core drilling at the Palmarejo District. In 2011 and 2012, all contract drilling, from both underground and surface positions, was conducted by G4. Coeur Mexicana reviews its drilling requirements and awards contracts annually for its exploration and resource definition drilling.

Diamond-core holes were logged for geotechnical data and geology, including rock type, alteration, mineralization assemblages, vein-quartz percentage, and oxidation. Graphic logs were also created for stratigraphy, vein orientation, and visual identification of mineralized zones. Digital photographs of wetted core were taken and initially archived at the field offices. Holes were re-logged by a second geologist following receipt of assay results to validate data.

The core in the Palmarejo district is being sampled only in the intervals suspected to contain precious metal mineralization. Where the rock displays minor alteration and/or quartz-carbonate veinlets, the standard sample interval is one meter. In a section where the core has intersected a strongly mineralized structure, sampling may be reduced to a nominal 0.5 meter interval but can vary depending on the mineralogical changes. When structure is clearly broken into different veins or domains, it is sampled separately at contacts and sample intervals may be less than 0.5 meters.

RC drilling was a major part of the initial drilling method by the prior owners of the Palmarejo District. However, since 2008 through 2012, very little to no RC drilling was performed for exploration purposes. Previous RC drilling on the project used center-return hammer bits. If dictated by the geologic or groundwater conditions, an interchange hammer, full-bore tricone, or button bit was used. The water table in the project area is variable due to the topographic relief. RC holes were terminated if the sample exiting the cyclone became wet due to ground water, and the holes were completed with a core tail where applicable or twinned by a diamond core rig.

The RC holes used for the Palmarejo mineral resource model were sampled every five feet (1.52 m) down the hole. Holes that were drilled in a new area were sampled along the entire length of the hole. In-fill or close-spaced holes were sampled at 5 foot intervals through zones of suspected mineralization. As

a standard procedure, only material from dry drilling was being sampled and once the water table was intersected the RC hole was stopped and usually continued with core.

The RC drill chips were logged for stratigraphy, alteration, weathering degree, quartz percent, and metallic minerals to aid in geological and sectional interpretation. Representative RC drill chips were collected in chip trays and stored at Palmarejo office or the Arroyo Blanco storage for geologic logging. Holes were re-logged by a second geologist following receipt of assay results to validate the original logged data.

Sampling and Analysis and Security of Samples

Sample preparation and analytical methods use standard methods in the industry.

Prior to December 2007, the primary analytical laboratory for the Palmarejo project area and outlying exploration projects was ALS-Chemex with sample preparation in Chihuahua, Chihuahua and Hermosillo, Sonora. The current analytical lab for the exploration projects outside the Palmarejo Mine area is ALS-Chemex with sample preparation in Chihuahua, Chihuahua. A split of the prepared pulp is sent to Vancouver, B.C. for fire assay with gravimetric finish for both gold and silver. ALS-Chemex complies with the international standards ISO 9001:2000 and ISO 17025:1999. ALS-Chemex sample preparation requires that the entire sample is dried and crushed to > 70% passing a 2mm (10 mesh) screen. A split of up to 250g is pulverized to > 85% passing a 75µm (200 mesh) screen. All assays techniques at La Patria and Guadalupe utilize an initial 30 gram charge that is digested by the fire assay method. Then the metal content is determined by different finish techniques. The GRA21 technique uses a gravimetric finish or a physical weighing of the gold and or silver bead, detection limits for gold by this finish method is 0.05 to 1,000 parts per million ("**ppm**") and 5 to 10,000ppm for silver. QA/QC analysis over the past year has shown that commercial labs have difficulty reproducing gold values below 1ppm with the gravimetric finish method due to the difficulty of physically weighing the small bead; therefore, a fire digestion followed by an Induction Coupled Plasma ("**ICP**") finish is

being used for initial gold analyses and when the gold exceeds 2.0ppm the sample is reassayed by a fire digestion and gravimetric finish.

Since 2008, samples collected during infill and definition exploration core drilling and underground development drilling at the Palmarejo Mine site have been sent to SGS Mineral Services Laboratory ("**SGS**"), Durango, Mexico for preparation and analysis using industry standard methods. SGS Durango is an accredited laboratory conforming with the requirements of CAN-P-1579, CAN-P-4E (ISO/IEC 17025:2005).

Coeur has adopted a specific QA/QC protocol that standardizes the procedures for collecting samples and obtaining related information with a goal of providing confidence that the assay results reported by laboratories can be verified and their integrity validated and which includes the use of standards, blanks, duplicates and check assays.

Coeur's Qualified Persons have reviewed the assay data and the third party reviews of the Palmarejo and Guadalupe databases and QA/QC programs done by AMEC (2008), MDA (Gustin, 2004, 2006) and Keith Blair (2005, 2006, 2007) and are in agreement with the conclusion of these reports that the data collected by BSG/PJO is suitable for resource modeling and that there are no known factors that could materially affect the sample results.

Coeur's Qualified Persons have reviewed the summary reports of the assay QC data for the 2008 to 2010 Palmarejo QA/QC program. The transition from exploration to development and production at the Palmarejo project saw a drop in the rigor of the assay QC program and monitoring for 2008 and most of 2009. Although not ideal, many of the drill holes and all of the channel samples from this period were not used in the resource model update described in this report. Coeur's Qualified Persons consider that the remaining data is suitable for resource modeling. The QC program at Palmarejo has been modified to include more regular reporting and check assaying for a larger proportion of the samples.

Coeur's Qualified Persons' review of the 2012 QA/QC data did not encounter significant problems or biases for the period studied, and the Qualified Persons believe the assay data to be of acceptable quality for resource modeling.

Mineral Resources and Reserves

The Proven and Probable Mineral Reserves, as of January 1, 2013, for the Palmarejo Area are based on Measured and Indicated Mineral Resources only and do not take into account mining depletion during 2013. The drill hole database used in the Palmarejo resource model update was current to July 23, 2012. Open pit Mineral Reserves are based on an updated year-end 2012 block model as well as current surface mine designs. Underground Mineral Reserves are based on the same year-end 2012 block model as well as updated underground mine designs. Production schedules and economic analyses have been performed which show the economic viability of the Mineral Reserves reported herein.

Open pit Mineral Reserves at Palmarejo have been defined by first generating a detailed pit design based on an optimized shell produced in Gemcom Whittle™ software, determining ore and waste by applying a cutoff grade, and then creating a production schedule that supplies ore to the mill. Before generating the optimized shell, the resource model was block diluted to 5m x 5m x 7.5m to incorporate dilution along the edges of the mineralized structures. Ore control practices at Palmarejo allow for reasonable selectivity with relationship to the block size. The block dilution described above is appropriate for a statement of reserves without additional factors. Thus, no additional dilution factors have been used.

For the open pit reserve at Guadalupe, before generating the optimized shell, the resource model was block diluted to 6m x 6m x 6m to incorporate dilution along the edges of the mineralized structures. Ore control practices at Guadalupe will allow for reasonable selectivity with relationship to the block size. The block dilution described above is appropriate for a statement of reserves without additional factors. Thus, no additional dilution factors have been used.

The final pit shape used for reporting mineral reserves was limited by a surface boundary corresponding to the currently permitted 5 ha area. Without the 5 ha limit the economic open pit reserves would be much larger.

Underground stopes were designed in detail to create mineable shapes which may have included internal dilution in the form of unclassified or inferred tonnes. Any unclassified or inferred tonnes were treated as internal waste at 0 grams per tonne ("**g/t**") Au and Ag grade. External dilution from overbreak and ore loss were also taken into account. Depending on the type of mining method to be used in a given stope, previously

calculated external dilution factors and grades were applied. A flat rate ore loss factor was applied to all designed stopes at the Palmarejo deposit.

After stope design was complete, and external dilution and ore loss factors were applied, any stope that was sub-economic with an average grade of less

than 2.45 g/t AuEq was eliminated from the Palmarejo mine underground reserve. For the Guadalupe deposit, underground reserve estimates were obtained by applying a 2.51 g/t AuEq cut-off against fully diluted underground stopes. The nature of eliminating stopes created a loss of potential ore associated with waste on the outer edge of the deposit.

The Mineral Resources and Mineral Reserves for the Palmarejo District shown in the table below are as of January 1, 2013, and include the Palmarejo mine, Guadalupe, and La Patria silver and gold deposits and do not take into account mining depletion during 2013. Due to rounding, there may be some minor variations in tonnes, grades or contained ounces.

Mineral Resources have been estimated using varying cut-off grades depending on the type of mining. Cost and recovery estimates used for gold equivalency calculation and cut-off grade determination for open pit and underground mining have been determined by taking into account metal prices, operating costs and metallurgical recoveries based on operating experience gained at Palmarejo.

The gold equivalent factor used for cut-off grade determination is obtained using the following formula:

[(($Price Au) - ($Refining Au))/(($Price Ag) - ($Refining Ag))] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)]

Total Palmarejo District Mineral Resources Inclusive of Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	8,103,000	2.55	190.3	663,000	49,578,000
Indicated	25,067,000	1.20	61.1	966,000	49,272,000
Measured and Indicated	**33,170.000**	**1.53**	**92.7**	**1,629,000**	**98,851,000**
Inferred	10,798,000	1.32	63.7	457,000	22,104,000

The Total Mineral Resource includes Proven and Probable Mineral Reserves. Mineral Resources do not have demonstrated economic viability.
Coeur reported production of 116,536 oz gold and 7,603 Koz silver during 2013 from the Palmarejo District.
Cut-off grade for Palmarejo deposit: open pit 0.98g/tAuEq, underground 2.09g/tAuEq.
Cut-off grade for Guadalupe deposit: open pit 1.03g/tAuEq,underground 2.14g/tAuEq.
Cut-off grade for La Patria deposit 0.47g/tAuEq.

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

Mineral Reserves were calculated using metal prices of $1,450/oz Au and $27.50/oz Ag in conjunction with cost and recovery assumptions. All resource cut-off grades were calculated using metal prices of $1,700/oz gold and $33.00/oz silver.

The Proven and Probable Mineral Reserves, as of January 1, 2013, are based on Measured and Indicated Mineral Resources only and are summarized in the table below below and do not take into account mining depletion during 2013. Mineral Resources that are not classified as Mineral Reserves do not have demonstrated economic viability.

There are no known environmental, permitting, legal, title, socio-economic, marketing, or political issues that could materially affect the Palmarejo Mineral Reserves and Resources.

Total Palmarejo District Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Proven	5,213,000	2.08	160.2	348,000	26,858,000
Probable	6,446.000	1.53	126.7	317,000	26,251,000
Total	**11,659,000**	**1.77**	**141.7**	**665,000**	**53,110,000**

Metal prices used were $1,450/oz Au, $27.50/oz Ag.
Coeur reported production of 116,536 oz gold and 7,603 Koz silver during 2013 from the Palmarejo District.
Includes Mineral Reserves for Palmarejo and Guadalupe deposits.

The table below shows the remaining Mineral Resource for the Palmarejo District (including the Palmarejo, Guadalupe and La Patria deposits) exclusive of the Mineral Reserves and mining depletion during 2013, and although stated with consideration given to economics, Coeur emphasizes that the following Mineral Resources do not have demonstrated economic viability.

Total Palmarejo District Mineral Resources Exclusive of Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	2,890,000	3.39	244.5	315,000	22,720,000
Indicated	18,621,000	1.08	38.5	649,000	23,021,000
Measured and Indicated	**21,511,000**	**1.39**	**66.1**	**964,000**	**45,741,000**
Inferred	10,798,000	1.32	63.7	457,000	22,104,000

Mineral Resources are in addition to Mineral Reserves and do not have demonstrated economic viability.
Coeur reported production of 116,536 oz gold and 7,603 Koz silver during 2013 from the Palmarejo District.
Cut-off grade for Palmarejo deposit: open pit 0.98 g/tAuEq, underground 2.09 g/tAuEq.
Cut-off grade for Guadalupe deposit: open pit 1.03 g/t AuEq, underground 2.14 g/tAuEq.
Cut-off grade for La Patria deposit 0.47 g/tAuEq.

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve

and Resource Estimates".

The Mineral Reserve and Resource for the Palmarejo deposit, as of January 1, 2013, are summarized in metric tonne units in the tables below and do not take into account mining depletion during 2013. Mineral Resources do not have demonstrated economic viability.

Palmarejo Deposit Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Proven	3,682,000	2.29	172.1	271,000	20,377,000
Probable	836,000	1.81	156.0	49,000	4,195,000
Proven and Probable	**4,518,000**	**2.20**	**169.1**	**319,000**	**24,572,000**

Metals prices used were $1,450/oz Au and $27.50/oz Ag.
Coeur reported production of 116,536 oz gold and 7,603 Koz silver during 2013 from the Palmarejo District.
Cutoff grade for reserve: open pit 1.15 g/t AuEq, underground 2.45 g/t AuEq [(AuEq = Au g/t + (A g/t / 60.37)]].
AuEq factor based on [(($Price Au)-($Refining Au)) / (($Price Ag)-($RefiningAg)] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].

Palmarejo Deposit Mineral Resource Inclusive of Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	6,425,000	2.78	202.5	574,000	41,824,000
Indicated	1,448,000	1.80	144.6	84,000	6,733,000
Measured and Indicated	**7,874,000**	**2.60**	**191.8**	**658,000**	**48,558,000**
Inferred	170,000	3.89	149.0	21,000	815,000

Total Mineral Resource includes Proven and Probable Reserves. Mineral Resources do not have demonstrated economic viability.
Coeur reported production of 116,536 oz gold and 7,603 Koz silver during 2013 from the Palmarejo District.
Metals prices used were $1,700/oz Au and $33.00/oz Ag.
Cut-off grade for resource: open pit 0.98 g/t AuEq, underground 2.09 g/t AuEq [(Au Eq = Au g/t + (Ag g/t / 58.96)].
AuEq factor based on [(($Price Au)-($RefiningAu)) / (($Price Ag)-($refiningAg))] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

Palmarejo Deposit Remaining Mineral Resource Exclusive of Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	2,743,000	3.44	243.20	304,000	21,447,000
Indicated	612,000	1.80	128.97	35,000	2,538,000
Measured and Indicated	**3,355,000**	**3.14**	**222.36**	**339,000**	**23,986,000**
Inferred	124,000	5.34	201.55	21,000	802,000

Mineral Resources are in addition to Mineral Reserves and do not have demonstrated economic viability.
Coeur reported production of 116,536 oz gold and 7,603 Koz silver during 2013 from the Palmarejo District.
Metals prices used were $1,700/oz Au and $33.00/oz Ag.
Cut-off grade for resource: open pit 0.98 g/t AuEq, underground 2.09 g/t AuEq [(Au Eq = Au g/t + (Ag g/t / 58.96)].
AuEq factor based on [(($Price Au)-($RefiningAu)) / (($Price Ag)-($refiningAg))] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].
Some Inferred material was included in the Mineral Reserve at 0 g/t Au and Ag as internal dilution.

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

The Mineral Reserve and Resource for Guadalupe as of January 1, 2013 are summarized in metric tonne units in the tables below and do not take into account any mining depletion during 2013. Mineral Resources do not have demonstrated economic viability.

Guadalupe Deposit Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Proven	1,531,000	1.57	131.7	77,000	6,481,000
Probable	5,610,000	1.49	122.3	268,000	22,057,000
Proven and Probable	**7,141,000**	**1.50**	**124.3**	**345,000**	**28,538,000**

Metals prices used were $1,450/oz Au and $27.50/oz Ag.
Cutoff grade for reserve: open pit 1.21 g/t AuEq, underground 2.51 g/t AuEq [(AuEq = Au g/t + (A g/t / 60.37)]].
AuEq factor based on [(($Price Au)-($Refining Au)) / (($Price Ag)-($RefiningAg)] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].

Guadalupe Deposit Mineral Resource Inclusive of Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	1,678,000	1.64	143.7	89,000	7,754,000
Indicated	7,716,000	1.58	131.9	391,000	32,711,000

Measured and Indicated	**9,395,000**	**1.59**	**134.0**	**480,000**	**40,465,000**
Inferred	4,102,000	1.95	142.8	258,000	18,841,000

Total Mineral Resource includes Proven and Probable Reserves. Mineral Resources do not have demonstrated economic viability.
Metals prices used were $1,700/oz Au and $33.00/oz Ag.
Cut-off grade for resource: Open pit 1.03 g/t AuEq, underground 2.14 g/t AuEq [(Au Eq = Au g/t + (Ag g/t / 58.96)].
AuEq factor based on [(($Price Au)-($RefiningAu)) / (($Price Ag)-($RefiningAg)] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

Guadalupe Deposit Remaining Mineral Resource Exclusive of Mineral Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	147,000	2.39	269.1	11,000	1,273,000
Indicated	2,107,000	1.82	157.3	123,000	10,654,000
Measured and Indicated	**2,254,000**	**1.85**	**164.6**	**134,000**	**11,927,000**
Inferred	3,954,000	2.03	148.2	258,000	18,841,000

Mineral Resources are in addition to Mineral Reserves and do not have demonstrated economic viability.
Metals prices used were $1,700/oz Au and $33.00/oz Ag.
Cut-off grade for resource: open pit 1.03 g/t AuEq, underground 2.14 g/t AuEq [(Au Eq = Au g/t + (Ag g/t / 58.96)].
AuEq factor based on [(($Price Au)-($RefiningAu)) / (($Price Ag)-($refiningAg))] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].
Some Inferred material was included in the Mineral Reserve at 0 g/t Au and Ag as internal dilution.

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

La Patria has no Mineral Reserve at this time and the Mineral Resources for the La Patria deposit, as at January 1, 2013, are summarized in metric tonne units in the table below. Mineral Resources do not have demonstrated economic viability.

La Patria Deposit Mineral Resources

No Reserves

		Average Grade (g/t)		Contained Ounces	
Category	**Tonnes**	**Au**	**Ag**	**Au**	**Ag**
Measured	—	—	—	—	—
Indicated	15,902,000	0.96	19.2	491,000	9,828,000
Measured and Indicated	**15,902,000**	**0.96**	**19.2**	**491,000**	**9,828,000**
Inferred	6,720,000	0.83	11.4	178,000	2,461,000

Mineral Resources do not have demonstrated economic viability.
Metals prices used were $1,700/oz Au and $33.00/oz Ag.
Cut-off grade for resource was 0.47 g/t Au Equivalent [(Au Eq = Au g/t + (Ag g/t / 56.49)].
AuEq factor based on [(($Price Au)-($RefiningAu)) / (($Price Ag)-($RefiningAg)] x [(%Recovery Au)/(%Recovery Ag)] x [(%Payable Au)/(%Payable Ag)].

Inferred Resources have a great amount of uncertainty as to 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 Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

Mining Operations

Palmarejo mine

The Palmarejo mine, process plant, diesel power generating station, and ancillary facilities is operational, with the first doré produced on schedule in late March 2009. Production commenced using an interim tailings storage facility while the final tailings dam was being constructed.

Ore is mined by both conventional open pit techniques and by longhole underground techniques. Open pit mining operations are at full capacity.

Cristian Caceres, a professional geotechnical consultant, completed a geotechnical study of the Palmarejo open pit (for both existing highwalls and future designs) for Coeur in 2012. The study reaffirmed the previous Golder Associates ("**Golder**") recommendations for geotechnical design parameters in the existing highwalls and Coeur will continue to maintain those highwall design criteria going forward.

In 2012, the Palmarejo underground mining encountered significant and unexpected geotechnical issues which forced temporary closure of crosscuts and alteration of the short range mine plan for 2012. Coeur has formulated and started implementation of a mitigation plan allowing safe extraction of the ore in these areas of low rock quality. This is achieved by timely backfilling of stopes thereby preventing excessive weakening of material not mined yet.

Ore from both underground and open pit operations is hauled to the run of mine stockpile immediately adjacent to the north portal. A loader feeds the primary jaw crusher, blending ores from various sources in the process. A small crushed ore stockpile downstream of the primary crusher is reclaimed by apron feeder to feed the semi autogenous grind and ball mills, with cyclone overflow reporting to rougher-scavenger and cleaner flotation cells. Flotation concentrate is thickened and cyanide leached, and all float tails report to a carbon-in-leach ("**CIL**") circuit. The pregnant eluate from the concentrate leach and stripped CIL carbon is treated by electro-winning to produce a powder that is filtered, dried and smelted on site into 150kg ingots. Doré bullion is shipped

by contract armored truck to a refinery.

Tailings slurry undergoes thickening for water recovery, cyanide detoxification, and is ultimately discharged to the tailings impoundment located in the east watershed outlet downstream of the open pit waste rock storage area.

The 2012 year end results show a feed grade of 1.70 g/t Au and 165 g/t Ag with an overall recovery of 83.1% Ag and 93.3% Au.

The final product shipped from Palmarejo consists of doré ingots. The relatively pure precious metals are then sold by the refinery on the open market.

Metallurgical tests indicate recoveries of silver and gold by flotation and leaching from Guadalupe ores is similar to the recoveries experienced at Palmarejo in the full scale process plant with a flotation and leaching circuit. Mineralogical test work shows that the ore minerals at both deposits are also similar.

At La Patria, a total of forty-two drill holes were selected from the current geological data base to obtain representative test samples for a series of cyanide solubility tests meant to determine gold and silver extraction rates. Two sets of samples were submitted for testing in late 2012 and results for both sets of samples indicate that both gold and silver are amenable to be extracted into a cyanide solution. These initial metallurgical results are preliminary in nature; however, they strongly support a continued and more extensive metallurgical test work program. This work was planned for 2013, and was expected to include bottle roll and column tests on different feed sizes for representative composites along the La Patria ore deposit.

Coeur has numerous business contracts in place to allow day-to-day mining, crushing and processing functions to operate smoothly. The terms of these contracts, with regard to charges, etc. are all within industry norms.

The stated Mineral Reserves, as of January 1, 2013, yield an estimated mine life of approximately 8 years and are estimated to generate a pre-tax net cashflow of $575.3 million based on future capital expenditure of $171.3 million.

Guadalupe

The Guadalupe deposit is located approximately 7 km southeast of the Palmarejo mine site and processing plant and will be operated as a satellite of Palmarejo, which will provide processing, tailings and administrative support for the Guadalupe Mine. Guadalupe ore will be mined by open pit and conventional and transverse longhole underground stoping techniques and trucked to the Palmarejo mill via surface roads.

The open pit production schedule provides for mining the pit in multiple designed phases to facilitate timely waste stripping and ensure consistent ore feed. It is currently assumed that the open pit production equipment at Palmarejo will transfer to Guadalupe when necessary to maintain the schedule.

Underground mining is designed and scheduled based on detailed economic stope designs, dilution and loss assumptions. The vein structure is most amenable to mechanized conventional longhole stoping in the vein sections narrower than 15 meters and transverse longhole stoping in the areas where the vein exceeds 15 meters. The mining will be accomplished using jumbo drills, jackleg drills, bolters, longhole drills, Load-Haul-Dump ("**LHD**") loaders and 30-45 tonne trucks. The underground longhole mining will utilize cemented rock fill ("**CRF**") from a CRF plant located on the surface for backfilling of primary stopes.

Ventilation is planned according to industry standards for the mining method and planned equipment.

Coeur contracted Golder to complete a geotechnical study for Guadalupe in 2011. The results indicate Guadalupe geotechnical stability to be better overall than at Palmarejo, with some variable conditions encountered in the development areas. Coeur has implemented Golder's recommendations into the Guadalupe designs, which include mining dimensions and analyzing operational applications such as bolting types, spacing and patterns.

Necessary infrastructure for Guadalupe not supported by the Palmarejo complex is either planned or in place. This includes electrical power via a spur line from the Palmarejo feed, compressed air, office and other buildings, etc. Underground water will be collected in sumps and recycled for use. Excess water will be clarified and sent to the Palmarejo fresh water dam.

On November 6, 2013, Coeur announced that it had decided to temporarily delay completing the underground mine development of the Guadalupe deposit stating that the expected returns on this production do not meet its threshold in the current market environment and that it expects to replace anticipated 2014 production from Guadalupe with lower cost ounces from existing areas in the mine.

Reclamation

Coeur conducts an annual review of its potential reclamation responsibilities company-wide. Its year end 2012 preliminary assessment for the life of mine disturbance for final reclamation at the Palmarejo Mine is estimated in the Palmarejo Report to be $16.8 million which includes the Guadalupe project.

Taxes

The Palmarejo Stream is subject to 16% Value Added Tax (" **VAT**") in Mexico. The monthly payment received from the operator is grossed up for the VAT which Franco-Nevada submits to the tax authorities.

Capital Costs

The capital cost estimate for the Palmarejo project in the Palmarejo Report is based on development and construction of a combined open pit and underground mine operation with a supporting plant and infrastructure.

Capital expenditures for Palmarejo and Guadalupe from January 1, 2013 through the end of the mine life are estimated to be an additional $171.3 million in the Palmarejo Report. Major budgeted expenditures in 2013 at Palmarejo were expected to include $6.0 million for the final tailings dam construction and $9.1 million for capitalized development and mine equipment as estimated by Coeur in the Palmarejo Report. Expenditures for Guadalupe in 2013 were budgeted at $20.0 million for development and mine equipment as estimated by Coeur in the Palmarejo Report. Coeur reported total capital expenditure at Palmarejo of $33.7 million during 2013.

RESERVES DATA AND OTHER OIL & GAS INFORMATION

GLJ was engaged by Franco-Nevada to evaluate the crude oil & natural gas reserves of its producing Oil & Gas properties and the value of future net revenue attributable to such reserves. GLJ has prepared a report in accordance with the requirements of NI 51-101. The GLJ Report was dated February 18, 2014 with a preparation date of February 11, 2014 and an effective date of December 31, 2013. The GLJ Report was prepared using assumptions and methodology guidelines outlined in the Canadian Oil and Gas Evaluation Handbook (the "**COGE Handbook**").

All evaluations of future revenue contained in the GLJ Report are after the deduction of royalties, development costs, production costs and well abandonment costs of all wells to which reserves have been attributed, but before consideration of indirect costs such as general and administrative, overhead recovery and other miscellaneous expenses. The estimated future net revenues contained in the following tables do not necessarily represent the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions contained in the GLJ Report will be attained and variances could be material. Other assumptions and qualifications relating to costs and other matters are included in the notes to the tables. The recovery and reserves estimates described herein are estimates only. The actual reserves may be greater or less than those calculated.

Oil & Gas Abbreviations and Conversions

Oil & Natural Gas Liquids	
bbl	barrel
bbls/d	barrels per day
Mbbls/d	thousand barrels per day
MMbbls	million barrels
NGLs	natural gas liquids
Boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 Boe for 6 Mcf of natural gas or 1bbl of oil
Boe/d	barrels of oil equivalent per day
Mboe	thousand barrels of oil equivalent
Mboe/d	thousand barrels of oil equivalent per day
MMboe	million barrels of oil equivalent
WTI	West Texas Intermediate
API	American Petroleum Institute

Natural Gas	
Bcf	billion cubic feet
Mcf	thousand cubic feet
MMcf	million cubic feet
MMcf/d	million cubic feet per day
MMBtu	million British thermal units
Mcfe	thousand cubic feet of gas equivalent

Oil & Gas Information Advisory

In this AIF, certain natural gas volumes have been converted to barrels of oil equivalent on the basis of six Mcf to one bbl. Boe, Mboe, MMboe and related terms may be misleading, particularly if used in isolation. A conversion ratio of six Mcf to one bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent value equivalency at the wellhead. The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. Estimates of future net revenue presented below do not represent fair market value.

Reserves Data (Forecast Prices and Costs)

The following table sets forth a summary of the crude oil & natural gas reserves and the value of future net revenue of Franco-Nevada as at December 31, 2013 as evaluated by GLJ in the GLJ Report using forecast prices and costs. The pricing used in the forecast price evaluation is set forth below under the heading "Forecast Prices and Costs". Some of the tables may not add due to rounding. All reserves are in Canada. See "Cautionary Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

	Light & Medium Oil		Heavy Oil		Natural Gas		NGLs		Total Oil Equivalent	
RESERVES CATEGORY	Gross (Mbbl)	Net (Mbbl)	Gross (Mbbl)	Net (Mbbl)	Gross (MMcf)	Net (MMcf)	Gross (Mbbl)	Net (Mbbl)	Gross (Mboe)	Net (Mboe)
Proved										
Producing	15,322	14,395	—	81	—	7,783	193	383	15,515	16,156
Developed Non-Producing	2,012	1,742	—	—	—	—	—	—	2,012	1,742
Undeveloped	3,216	2,868	—	—	—	—	—	—	3,216	2,868
Total Proved	20,550	19,005	—	81	—	7,783	193	383	20,742	20,767
Total Probable	8,997	8,367	—	19	—	2,586	64	133	9,061	8,951
Total Proved Plus Probable	**29,547**	**27,373**	**—**	**100**	**—**	**10,369**	**257**	**517**	**29,804**	**29,718**

The following tables set forth the net present value of future net revenue attributable to the reserves categories referred to above, before and after deducting future income tax expenses, calculated without discount and using a discount rate of 5%, 10%, 15% and 20%:

	Net Present Values of Future Net Revenue Before Income Taxes Discounted At (%/year)				
Reserves Category	0%	5%	10%	15%	20%
			(C$000)		
Proved Producing	$ 831,556	$ 586,201	$ 449,181	$ 363,364	$ 305,244
Developed Non-Producing	137,423	74,358	46,028	30,967	22,139
Undeveloped	132,106	67,978	35,594	18,096	8,088
Total Proved	1,101,085	728,537	530,802	412,426	335,471
Total Probable	615,588	286,406	154,103	91,954	59,208
Total Proved Plus Probable	$ 1,716,673	$ 1,014,943	$ 684,905	$ 504,380	$ 394,679

Reserves Category	Net Present Values of Future Net Revenue After Income Taxes Discounted At (%/year) 0%	5%	10%	15%	20%
			(C$000)		
Proved Producing	$ 736,267	$ 518,261	$ 397,665	$ 322,433	$ 271,538
Developed Non-Producing	103,493	55,104	33,915	22,771	16,267
Undeveloped	96,986	49,579	25,705	12,803	5,422
Total Proved	936,746	622,944	457,285	358,007	293,227
Total Probable	452,219	210,161	112,833	67,126	43,059
Total Proved Plus Probable	$ 1,388,966	$ 833,104	$ 570,118	$ 425,134	$ 336,286

The following table sets forth the undiscounted future net revenue attributable to proved and proved plus probable reserves (in total) as of December 31, 2013 is set forth below:

Reserves Category	Revenue	Royalties	Operating Costs	Development Costs	Well Abandonment Costs	Future Net Revenue Before Income Taxes	Future Income Taxes	Future Net Revenue After Income Taxes
Total Proved (C$000)	$ 2,106,219	$ 401,802	$ 524,357	$ 32,183	$ 46,791	$ 1,101,085	$ 164,339	$ 936,746
Total Proved Plus Probable (C$000)	$ 3,140,714	$ 571,384	$ 758,891	$ 42,401	$ 51,365	$ 1,716,673	$ 327,707	$ 1,388,966

The following table sets forth the net present value of future net revenue (before deducting future income tax expenses), by production group, estimated using forecast prices and costs and calculated using a discount rate of 10%:

Reserves Category	Production group	Net present value of future net revenue before income taxes (discounted at 10% per year)[1] (C$000)	$/boe	$/Mcfe
Total Proved				
	Light & Medium Oil[2]	502,665	26.13	4.36
	Heavy Oil[2]	3,550	43.73	7.29
	Natural Gas[3]	24,588	16.96	2.83
	Total	530,802	25.56	4.26
Total Proved Plus Probable				
	Light & Medium Oil[2]	650,661	23.51	3.92
	Heavy Oil[2]	3,887	38.74	6.46
	Natural Gas[3]	30,358	15.65	2.61
	Total	684,905	23.05	3.84

(1) Other company revenue and costs not related to a specific production group have been allocated proportionately to production groups. Unit values are based on the Company's net reserves.
(2) Including solution gas and other by-products.
(3) Including by-products but excluding solution gas.

Forecast Prices and Costs

The following table sets forth forecast prices and costs pricing assumptions used in the GLJ Report with respect to net present values of future net revenue as well as the inflation rates used for operating and capital

costs. GLJ is an independent qualified reserves evaluator appointed pursuant to NI 51-101. The crude oil & natural gas forecast prices are based on the January 1, 2014 posted price as determined by GLJ. The forecast price assumptions assume the continuance of current laws, regulations and operating costs in effect on the date of the GLJ Report.

Year	WTI @ Cushing Oklahoma ($US/bbl)	Light, Sweet Crude Oil (40 API at Edmonton) ($C/bbl)	WCS Stream Quality at Hardisty ($C/bbl)	Canadian Natural Gas Price (AECO-C/NIT) ($C/MMbtu)	NGL Edmonton Propane ($C/bbl)	NGL Edmonton Butane ($C/bbl)	NGL Edmonton Pentanes Plus ($C/bbl)	Inflation %/year	Exchange Rate $US/$C
2014	97.50	92.76	75.60	4.03	57.83	73.22	105.20	2.0	0.950
2015	97.50	97.37	79.36	4.26	58.42	75.95	107.11	2.0	0.950
2016	97.50	100.00	81.50	4.50	60.00	78.00	107.00	2.0	0.950
2017	97.50	100.00	81.50	4.74	60.00	78.00	107.00	2.0	0.950
2018	97.50	100.00	81.50	4.97	60.00	78.00	107.00	2.0	0.950
2019	97.50	100.00	81.50	5.21	60.00	78.00	107.00	2.0	0.950
2020	98.54	100.77	82.13	5.33	60.46	78.60	107.82	2.0	0.950
2021	100.51	102.78	83.76	5.44	61.67	80.17	109.97	2.0	0.950
2022	102.52	104.83	85.44	5.55	62.90	81.77	112.17	2.0	0.950
2023	104.57	106.93	87.14	5.66	64.16	83.40	114.41	2.0	0.950

2024+	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	+2.0%/yr	2.0	0.950

Reconciliation of Changes in Reserves

The table below is a reconciliation of gross reserves and is provided to satisfy the requirement of NI 51-101. Under NI 51-101, gross reserves include only working interests before the deduction of royalties payable and do not include any royalties receivable. As a significant percentage of Franco-Nevada's assets are royalty interests, they are excluded from this table. This hinders an investor's ability to compare its reserves to others in the industry. Therefore, in addition to presenting the reconciliation using gross reserves, a reconciliation using the Company's net interest reserves is also presented. The Company's net interest reserves are gross working interest reserves plus net royalty interest reserves.

December 31, 2013
Reconciliation of Company Gross Reserves
by Principal Product Type

Forecast Prices and Costs

	Total Oil			Residue & Solution Gas			Natural Gas Liquids			Oil Equivalent		
FACTORS	**Proved (Mbbl)**	**Probable (Mbbl)**	**Proved + Probable (Mbbl)**	**Proved (MMcf)**	**Probable (MMcf)**	**Proved + Probable (Mmcf)**	**Proved (Mbbl)**	**Probable (Mbbl)**	**Proved + Probable (Mbbl)**	**Proved (Mboe)**	**Probable (Mboe)**	**Proved + Probable (Mboe)**
December 31, 2012	20,726	10,049	30,775	1	0	2	171	92	263	20,897	10,141	31,038
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Extensions*	0	0	0	0	0	0	0	0	0	0	0	0
Infill Drilling*	77	(63)	14	0	0	0	0	0	0	77	(63)	14
Improved Recovery*	635	(607)	29	0	0	0	28	(28)	0	635	(607)	29
Technical Revisions	419	(382)	37	(0)	(0)	(0)	0	0	0	447	(410)	37
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0
Production	(1,308)	0	(1,308)	(1)	0	(1)	(7)	0	(7)	(1,315)	0	(1,315)
December 31, 2013	20,550	8,997	29,547	0	0	0	193	64	257	20,742	9,061	29,804

* *The above change categories correspond to standards set out in the COGE Handbook. For reporting under NI 51-101, reserves additions under Infill Drilling, Improved Recovery and Extensions should be combined and reported as "Extensions and Improved Recovery".*

December 31, 2013
Reconciliation of Company Net Interest Reserves
by Principal Product Type

Forecast Prices and Costs

	Total Oil			Residue & Solution Gas			Natural Gas Liquids			Oil Equivalent		
FACTORS	**Proved (Mbbl)**	**Probable (Mbbl)**	**Proved + Probable (Mbbl)**	**Proved (MMcf)**	**Probable (MMcf)**	**Proved + Probable (Mmcf)**	**Proved (Mbbl)**	**Probable (Mbbl)**	**Proved + Probable (Mbbl)**	**Proved (Mboe)**	**Probable (Mboe)**	**Proved + Probable (Mboe)**
December 31, 2012	22.365	10,627	32.992	8,555	2,762	11,317	408	177	585	24,198	11,266	35,464
Discoveries	0	0	0	0	0	0	0	0	0	0	0	0
Extensions*	20	5	25	13	3	16	0	0	0	22	5	27
Infill Drilling*	79	(65)	14	0	0	0	0	0	0	79	(65)	14
Improved Recovery*	655	(626)	29	0	0	0	0	0	0	655	(626)	29
Technical Revisions	453	(414)	39	736	(179)	557	28	(42)	(14)	604	(486)	118
Acquisitions	0	0	0	0	0	0	0	0	0	0	0	0
Dispositions	0	0	0	0	0	0	0	0	0	0	0	0
Economic Factors	0	0	0	0	0	0	0	0	0	0	0	0
Production	(1.460)	0	(1.460)	(1,520)	0	(1,520)	(46)	0	(46)	(1,759)	0	(1,759)
December 31, 2013	22,113	9,527	31,640	7,783	2,586	10,369	390	135	525	23,800	10,093	33,893

* *The above change categories correspond to standards set out in the COGE Handbook. For reporting under NI 51-101, reserves additions under Infill Drilling, Improved Recovery and Extensions should be combined and reported as "Extensions and Improved Recovery".*

Additional Information Relating to Reserves Data

Undeveloped Reserves

Proved and probable undeveloped reserves on a forecast price and cost basis have been estimated in accordance with procedures and standards contained in the COGE Handbook. Franco-Nevada holds both non-operating working interests and royalty interests in its oil & gas assets and, therefore, does not principally determine the development schedule of these oil & gas assets. The operators of these assets determine the development of these assets and Franco-Nevada's role, as a working interest holder, will be limited to paying its working interest share of the expenses associated therewith. For proved undeveloped properties, see the preceding charts under "Reserves Data (Forecast Prices and Costs)", "Net Present Values of Future Net Revenue (Before Income Taxes)" and "Net Present Values of Future Net Revenue (After Income Taxes)".

Company Gross Reserves First Attributed by Year

Proved Undeveloped Reserves

	Light & Medium Oil (Mbbl)		Heavy Oil (Mbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbl)		Oil Equivalent (Mbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2010	180	481	—	—	—	—	—	171	180	652
2011	35	429	—	—	—	—	—	171	35	600
2012	437	4,639	—	—	—	—	—	171	437	4,810
2013	85	3,216	—	—	—	—	—	—	85	3,216

* *"First Attributed" refers to reserves first attributed at year-end of the corresponding fiscal year.*

Probable Undeveloped Reserves

	Light & Medium Oil (Mbbl)		Heavy Oil (Mbbl)		Natural Gas (MMcf)		Natural Gas Liquids (Mbbl)		Oil Equivalent (Mbbl)	
	* First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end	First Attributed	Total at Year-end
2010	58	385	—	—	—	—	—	42	58	427
2011	15	340	—	—	—	—	—	42	15	382
2012	556	5,020	—	—	—	—	—	42	556	5,062
2013	33	3,678	—	—	—	—	—	—	33	3,678

* *"First Attributed" refers to reserves first attributed at year-end of the corresponding fiscal year.*

Significant Factors or Uncertainties

The process of evaluating reserves is inherently complex. It requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. As circumstances change and additional data becomes available, reserve estimates also change. Estimates are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions. Revisions to reserve estimates can arise from changes in year-end prices, reservoir performance and geologic conditions or production. These revisions can be either positive or negative.

The reserve estimates contained herein are based on current production forecasts, prices and economic conditions. These factors and assumptions include among others: (i) historical production in the area compared with production rates from analogous producing areas; (ii) initial production rates; (iii) production decline rates; (iv) ultimate recovery of reserves; (v) success of future development activities; (vi) marketability of production; (vii) effects of government regulations; and (viii) other government levies imposed over the life of the reserves.

The evaluated oil & natural gas assets have no material extraordinary risks or uncertainties beyond those which are inherent in an oil & natural gas producing company. See "Risk Factors — Risks Related to Mining Operations and Oil & Natural Gas Operations".

Future Development Costs

The table below sets out the development costs deducted in the estimation of future net revenue attributable to Franco-Nevada's proved reserves reported in the GLJ Report using forecast prices and costs.

	Annual Capital Expenditure (C$000)														
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Remainder	Total	Total 10% Discounted
Total Proved	5,277	3,943	3,616	2,984	2,032	1,584	1,470	1,346	1,257	1,134	854	621	6,064	32,183	19,790
Total Proved Plus Probable	5,453	5,262	5,883	4,563	3,443	1,956	1,626	1,502	1,426	1,322	1,095	880	7,990	42,401	25,990

Franco-Nevada expects to fund its estimated future development costs from working capital. Franco-Nevada does not anticipate that such costs will make development of any asset uneconomic or will have any material impact on disclosed reserves or future net revenue. All costs are to be incurred in Canada.

Other Oil & Gas Information

Forward Contracts

Franco-Nevada does not have any forward contracts for oil or natural gas.

Additional Information Concerning Abandonment and Reclamation Costs

Franco-Nevada is liable for ongoing environmental obligations and for the ultimate abandonment and reclamation costs for its oil, gas and NGL assets (including surface leases, wells, facilities and pipelines) upon abandonment only in respect of its working interests including its net royalty interest in the Weyburn Unit. There are no ongoing obligations of Franco-Nevada on its royalty interests in oil & natural gas assets. Franco-Nevada identifies obligations related to its oil, gas and NGL assets by estimating the present value of expected future costs to reclaim and abandon these properties and the timing of costs to be incurred in future periods.

The estimates for abandonment are currently based on 92.7 net wells of which Franco-Nevada expects to incur such costs. Franco-Nevada anticipates the total amount of such costs to be approximately C$46,791,000 on an undiscounted basis (approximately C$8,622,000 discounted at 10 percent). Of this amount, Franco-Nevada anticipates that approximately C$794,000 (undiscounted) will be incurred in the next three financial years.

Tax Horizon

Franco-Nevada is taxable at an expected rate of approximately 26.56% on the revenue from the oil & natural gas royalty and working interests.

Costs Incurred

The following table sets out Franco-Nevada's property acquisition, exploration and development costs for the fiscal year ended December 31, 2013.

	Proved			Unproved	
Location	Property Acquisition	Exploration	Development	Property Acquisition	Total
Canada (C$000)	$ 824	$ —	$ 6,361	$ —	$ 7,185

Exploration and Development Activities

The following table summarizes the number and type of wells that Franco-Nevada drilled or participated in drilling for the fiscal year ended December 31, 2013. All of Franco-Nevada's current exploration and development activities are in Canada.

			Net Wells Drilled				
	Gross	Net	Oil Wells	Gas Wells	Service Wells	Dry Wells	Stratigraphic Test Wells
Exploratory Wells	—	—	—	—	—	—	—
Development Wells	18.0	0.4	0.2	—	0.2	—	—
Total (Canada)	18.0	0.4	0.2	—	0.2	—	—

Production Estimates

The following tables present GLJ's forecasted case for proved and proved plus probable average daily production by product type for 2014. All production is from Canada. The production of oil and natural gas liquids from the Weyburn Unit NRI will account for 63% of Franco-Nevada's production of natural gas, natural gas liquids and oil for the 12 months ended December 31, 2014. The Weyburn Unit NRI is expected to account for 74% of all oil production and 18% of all natural gas liquids production.

2014 Average Daily Production from Total Proved Reserves (Forecast Case)

	Light and Medium Oil		Heavy Oil Liquids		Natural Gas		Natural Gas Liquids	
	Gross (bbl/d)	Net (bbl/d)	Gross (bbl/d)	Net (bbl/d)	Gross (Mcf/d)	Net (Mcf/d)	Gross (bbl/d)	Net (bbl/d)
Total Proved								
Weyburn Unit NRI	3,118	2,724	0	0	0	0	21	21
Other Properties	674	945	0	17	0	3,532	4	97
Total: Total Proved	**3,792**	**3,669**	**0**	**17**	**0**	**3,532**	**26**	**118**

2014 Average Daily Production from Total Proved Plus Probable Reserves (Forecast Case)

	Light and Medium Oil		Heavy Oil		Natural Gas		Natural Gas Liquids	
	Gross (bbl/d)	Net (bbl/d)	Gross (bbl/d)	Net (bbl/d)	Gross (Mcf/d)	Net (Mcf/d)	Gross (bbl/d)	Net (bbl/d)
Total Proved Plus Probable								
Weyburn Unit NRI	3,214	2,810	0	0	0	0	29	28
Other Properties	696	973	0	17	0	3,600	6	100
Total: Total Proved Plus Probable	**3,910**	**3,782**	**0**	**17**	**0**	**3,600**	**34**	**128**

Production History

The following table sets forth Franco-Nevada's Oil & Gas Assets' average daily production volumes for oil, natural gas and natural gas liquids, before deduction of royalties, for each fiscal quarter in 2013.

	Average Daily Production (boe/d)*			
2013	Oil	Natural Gas	Natural Gas Liquids	Total
First Quarter	1,803	812	93	2,707
Second Quarter	2,327	621	104	3,052
Third Quarter	2,302	758	114	3,173
Fourth Quarter	1,686	648	110	2,443

* *Reflects net production from Weyburn NRI.*

The following table sets forth Franco-Nevada's Oil & Gas Assets' average prices received, royalties paid, production costs and resulting netback for oil, natural gas and natural gas liquids for each fiscal quarter in 2013.

Oil ($C/bbl)	Q1	Q2	Q3	Q4
Price received	$ 78.66	$ 82.08	$ 104.14	$ 81.76
Royalties Paid	5.23	4.22	4.99	5.07
Production costs	4.95	3.44	4.29	5.01
Netback	$ 68.47	$ 74.42	$ 94.86	$ 71.68

Natural Gas ($C/Mcf)	Q1	Q2	Q3	Q4
Price received	$ 2.61	$ 3.20	$ 3.05	$ 3.64
Royalties Paid	—	—	—	—
Production costs	—	—	—	—
Netback	$ 2.61	$ 3.20	$ 3.05	$ 3.64

NGL($C/bbl)	Q1	Q2	Q3	Q4
Price received	$ 70.81	$ 67.20	$ 60.67	$ 69.40
Royalties Paid	—	—	—	—
Production costs	—	—	—	—
Netback	$ 70.81	$ 67.20	$ 60.67	$ 69.40

The following table sets forth Franco-Nevada's Oil & Gas Assets' production volumes for oil, natural gas and natural gas liquids, for the twelve months ended December 31, 2013.

Production (Mboe)	Oil	Natural Gas	Natural Gas Liquids	Total
Weyburn Unit	604.2	—	—	604.2
Midale Unit	43.7	—	—	43.7
Edson	—	160.3	38.4	198.6
Other	93.0	98.6	—	191.5
Total	741.0	258.7	38.4	1,038.1

Definitions, Notes and Other Cautionary Statements

In the tables set forth above under the subheading "Statement of Reserves Data and Other Oil & Natural Gas Information" and elsewhere in this AIF, unless otherwise indicated, the following definitions and other notes are applicable.

"**Gross**" means:

(a) in relation to the Corporation's interest in production or reserves, its "company gross reserves", which are its working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation;

(b) in relation to wells, the total number of wells in which the Corporation has an interest; and

(c) in relation to properties, the total area of properties in which the Corporation has an interest.

"**Net**" means:

(a) in relation to the Corporation's interest in production or reserves its working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in production or reserves;

(b) in relation to the Corporation's interest in wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross wells; and

(c) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

Definitions of Reserves:

Reserves Categories

Reserves are estimated remaining quantities of oil & natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

(a) analysis of drilling, geological, geophysical and engineering data;

(b) the use of established technology; and

(c) specified economic conditions, which are generally accepted as being reasonable, and shall be disclosed.

Reserves are classified according to the degree of certainty associated with the estimates.

(a) **Proved reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

(b) **Probable reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the

actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

(c) **Possible reserves** are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

Development and Production Status

Each of the reserves categories (proved, probable and possible) may be divided into developed and undeveloped categories:

(a) **Developed reserves** are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.

(i) **Developed producing reserves** are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.

(ii) **Developed non-producing reserves** are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

(b) **Undeveloped reserves** are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable, possible) to which they are assigned.

In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

Levels of Certainty for Reported Reserves

The qualitative certainty levels referred to in the definitions above are applicable to "individual reserve entities" (which refers to the lowest level at which reserves calculations are performed) and to "reported reserves" (which refers to the highest level sum of individual entity estimates for which reserves are presented). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

(a) at least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves;

(b) at least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves;

(c) at least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves.

A quantitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Future Income Tax Expense

Future income tax expenses are estimated:

(a) making appropriate allocations of estimated unclaimed costs and losses carried forward for tax purposes between oil & gas activities and other business activities;

(b) without deducting estimated future costs that are not deductible in computing taxable income;

(c) taking into account estimated tax credits and allowances; and

(d) applying to the future pre-tax net cash flows relating to the Corporation's oil & gas activities the appropriate year-end statutory tax rates, taking into account future tax rates already legislated.

"**Development costs**" means costs incurred to obtain access to reserves and to provide facilities for extracting, treating, gathering and storing the oil & gas from reserves. More specifically, development costs, including applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

(a) gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines and power lines to the extent necessary in developing the reserves;

(b) drill and equip development wells, development type stratigraphic test wells and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment and wellhead assembly;

(c) acquire, construct and install production facilities such as flow lines, separators, treaters, heaters, manifolds, measuring devices and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems; and

(d) provide improved recovery systems.

"**Development well**" means a well drilled inside the established limits of an oil & gas reservoir, or in close proximity to the edge of the reservoir, to the depth

of a stratigraphic horizon known to be productive.

"**Exploration costs**" means costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects that may contain oil & gas reserves, including costs of drilling exploratory wells and exploratory type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property and after acquiring the property. Exploration costs, which include applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

(a) costs of topographical, geochemical, geological and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews and others conducting those studies;

(b) costs of carrying and retaining unproved properties, such as delay rentals, taxes (other than income and capital taxes) on properties, legal costs for title defence, and the maintenance of land and lease records;

(c) dry hole contributions and bottom hole contributions;

(d) costs of drilling and equipping exploratory wells; and

(e) costs of drilling exploratory type stratigraphic test wells.

"**Exploration well**" means a well that is not a development well, a service well or a stratigraphic test well.

"**Service well**" means a well drilled or completed for the purpose of supporting production in an existing field. Wells in this class are drilled for the following specific purposes: gas injection (natural gas, propane, butane or flue gas), water injection, steam injection, air injection, salt water disposal, water supply for injection, observation or injection for combustion.

Numbers may not add due to rounding.

The estimates of future net revenue presented do not represent fair market value.

The forecast price and cost assumptions assume the continuance of current laws and regulations.

See "Cautionary Note Regarding Mineral and Oil and Gas Reserve and Resource Estimates".

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, working interests and investments will be significantly affected by changes in the market price of the commodities underlying the royalties, streams, working interests and investments. Franco-Nevada's revenue will be particularly sensitive to changes in the price of gold, oil, natural gas, PGM and copper, as the revenue from these commodities represents the majority 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 and 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 Palmarejo project, Sudbury project, MWS project, Cooke 4 project and Cobre Panama, 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 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 project.

For Mineral Assets that are subject to stream agreements, in the event that the price of gold 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 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 will generally have the power to determine the manner in which the relevant properties subject to the asset portfolio 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. 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 a third party's ability to perform its obligations under the third party arrangements.

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. In the event 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 will have 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 varying 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 delays 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 us 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 Palmarejo stream is 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 stream on the Palmarejo project is currently significant to Franco-Nevada, although as new assets are acquired or move into production, the materiality of this asset will be reconsidered. Any adverse development affecting the operation of, production from or recoverability of mineral reserves from the Palmarejo project 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, 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. In addition, Franco-Nevada has no control over operational decisions made by the third party owners and operators of these projects. Any adverse decision made by the owners and operators, including for example, alterations to mine plans or production schedules, may impact the timing and amount of revenue that Franco-Nevada receives and may have a material and adverse effect on Franco-Nevada's profitability, financial condition and results of operations. As mines on which Franco-Nevada has royalties/streams mature, it can expect overall declines in production over the years unless operators are able to replace reserves that are mined through mine expansion or successful new exploration.

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

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

relevant properties may result in a material and adverse effect on Franco-Nevada's profitability, results of operations and financial condition.

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

Some royalty/stream interests and working interests are subject to: (i) buy-down right provisions pursuant to which an operator may buy-back all or a portion of the royalty/stream, (ii) pre-emptive rights pursuant to which parties to operating and royalty/stream agreements have the right of first refusal or first offer with respect to a proposed sale or assignment of a royalty/stream to Franco-Nevada, or (iii) claw back rights pursuant to which the seller of a royalty/stream to Franco-Nevada has the right to re-acquire the royalty/stream. Holders may exercise these rights such that certain royalty/stream interests and working interests would not be available to 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 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 interests in these natural resource properties, 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 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 increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by government authorities. 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 and other credit facilities in the future or to obtain them on terms favourable to Franco-Nevada. If increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, Franco-Nevada's operations could be adversely impacted and the trading price of Franco-Nevada securities could be adversely affected.

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

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

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

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

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

Changes to, or differing interpretation of, taxation laws or regulations in any of Canada, the United States, Mexico, Barbados, Australia 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 effect Franco-Nevada's ability to acquire new assets or make future investments.

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 and development and, to the extent that such other companies may participate in the same ventures in which Franco-Nevada participates, or in 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 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, 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.

Risks Related to Mining Operations and Oil & Natural Gas Operations

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

To the extent that they relate to the production of minerals or oil & natural gas from, or the continued operation of, the properties in which Franco-Nevada holds a royalty, stream or interest, Franco-Nevada will be subject to the risk factors applicable to the 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 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. Such reserves are continually being depleted through extraction and the long-term viability of the 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 assumption 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 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.

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. 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. Any of these 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, fires, 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, 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 interests or necessary for the anticipated development or operation of a particular project to which a royalty/stream 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 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 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 interest in a particular property. Further, even in those jurisdictions where there is a right to record or register royalties/streams in land registries or mining recorders offices, such registrations may not necessarily provide any protection to the royalty/stream holder. Accordingly, the royalty/stream holder 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 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 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 it holds a royalty, stream or other interest

Many of the projects or properties in which Franco-Nevada holds an interest in are in the permitting, construction, development and/or expansion stage and such projects are subject to numerous risks, including, but not limited to delays in obtaining equipment, materials and services essential to the construction and development of such projects in a timely manner, delays or inability to obtain required permits, changes in environmental or other regulations, currency exchange rates, labour shortages, cost escalations and fluctuations in metal prices. There can be no assurance that the 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 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. 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. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, 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.

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 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 western Canadian provinces' royalty framework may have an adverse effect on the revenue generated by Oil & Gas Assets

In addition to federal regulation, each Canadian province has legislation and regulations that govern royalties, production rates and other matters. The royalty regime in a given province 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 lands are determined by negotiation between the mineral freehold owner and the lessee, although production from such lands is subject to certain provincial taxes and royalties. Royalties from production on Crown 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 Oil & Gas 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 disposal 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. The U.S. President's proposed budgets for fiscal years 2014 and 2015 include the proposal to amend the U.S. mining law to impose a royalty on the production of metallic minerals from U.S. federal lands, and a reclamation fee on production from federal and other lands. In addition, legislation has been introduced in the U.S. Congress to implement the President's proposal to amend the mining law. Such legislation, if enacted by the U.S. Congress, could substantially increase the cost of holding mining claims and could reduce the revenue Franco-Nevada receives from royalties on unpatented mining claims, and to a lesser extent, on other lands in the United States. Moreover, such legislation could significantly impair the ability of owners of properties subject to Franco-Nevada's royalties to develop mineral resources on unpatented mining claims. Although it is impossible at this time to predict what royalties and fees may be imposed in the future, the imposition of such royalties and fees could adversely affect the potential for development of such mining claims and the economics of existing operating mines on federal

lands. Passage of such legislation may result in a material and adverse effect on Franco-Nevada's profitability, results of operations, financial condition and the trading price of Franco-Nevada securities.

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

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

North American crude oil price differentials are expected to continue to be volatile throughout 2014 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 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 intense competition for geologists and persons with mining 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 South Africa

Certain operators are subject to risks normally associated with the conduct of business in South Africa. 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, Black Economic Empowerment participation 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.

Indigenous Peoples

Various international and national, state and provincial laws, codes, resolutions, conventions, guidelines, treaties, and other materials 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 that government consult with indigenous people regarding government 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 materials 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 or stream. 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 may be impacted by regulatory requirements under the U.S. public land and endangered species laws that limit or restrict access to federal lands for mineral exploration and development

Recent proposed rulemaking by the U.S. Department of the Interior would create a framework for the Secretary of the Interior to exercise authority under the *Federal Land Policy and Management Act* ("**FLPMA**") to withdraw from mineral entry federal lands found to be critical habitat for Sage grouse. In addition, on March 23, 2010, the U.S. Fish & Wildlife Service published a rangewide "warranted but precluded" finding (75 FR 13909) that Sage grouse are entitled to protections under the federal *Endangered Species Act* ("**ESA**"), but are presently precluded by the need to focus federal resources on other, higher priority listing candidate species. If such proposed FLPMA rules are promulgated, or the Sage grouse are listed under the ESA, withdrawal of lands or use restrictions on Sage grouse habitat could impact explorers and developers of mineral deposits in the western U.S., including the operators of projects subject to Franco-Nevada's royalties, by constraining or prohibiting exploration or development of new deposits or the development or expansion of existing mining projects impacted by such regulations.

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

Certain of the experts named elsewhere in this AIF are residents of countries other than Canada. A substantial portion of the assets of Franco-Nevada are located outside of Canada. As a result, it may be difficult for investors in Franco-Nevada's securities to commence legal proceedings in Canada against these non-Canadian residents. In addition, it may not be possible for investors in Franco-Nevada's securities to collect from Franco-Nevada or these non-Canadian residents 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 "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 potentially adverse U.S. federal income tax rules may 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 (a company that derives a substantial part of its operating revenue from the sale of gold and other precious metals that it has agreed to purchase from mining companies) will be treated under the PFIC rules. Although the matter is not free from doubt, Franco-Nevada believes, on a more likely than not basis, that it was not a PFIC for the tax year ended December 31, 2013, and that it will not be a PFIC for its current tax year ending on December 31, 2014, and for the foreseeable future. Franco-Nevada, however, believes that it was a PFIC for its tax year ended December 31, 2011, and prior tax years.

The determination as to whether a corporation is, or will be, a PFIC for a particular tax year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any tax year depends on its assets and income over the course of such tax year, and, as a result, Franco-Nevada's PFIC status for its current tax year and any future tax year cannot be predicted with certainty. Accordingly, there can be no assurance that the Internal Revenue Service will not challenge the views of Franco-Nevada concerning its PFIC status. 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, "Certain United States Federal Income Tax Considerations" contained in the 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 New York Stock Exchange, the Toronto Stock Exchange, and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by the United States Congress, making compliance more difficult and uncertain. For example, in July 2010, the *Dodd-Frank Wall Street Reform and Consumer Protection Act* (the "**Dodd-Frank Act**") was enacted, which directs the SEC to adopt rules 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 the U.S. government and foreign governments, including sub-national governments. Previously adopted rules have been vacated by court ruling and have not yet been re-proposed. Further, Franco-Nevada's efforts to comply with the Dodd-Frank Act, the rules and regulations promulgated thereunder, and other new 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 beginning with the fiscal year ended December 31, 2012. While Franco-Nevada's internal control over financial reporting for the year ended December 31, 2013 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

The following table sets forth the dividends paid by Franco-Nevada for each of the three most recently completed financial years:

Dividends Paid	2013	2012	2011[1]
Per Common Share[2][3]	$ 0.72	$ 0.54	$ 0.32
In aggregate[2][4]	$ 101,812,960	$ 77,900,202	$ 49,220,260

(1) Beginning July 2011, the Corporation began declaring its dividend in US dollars.

(2) The exchange rate used to convert the dividends to C$ is the noon rate posted by the Bank of Canada on the day before the dividend declaration date.

(3) The C$ equivalents for 2013, 2012 and 2011 are $0.75, $0.54, and $0.38 respectively.

(4) The C$ equivalents for 2013, 2012 and 2011 are $105,478,407, $77,930,332, and $48,912,349 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 has determined 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.

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 19 2014, 147,253,398 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.

Warrants

Franco-Nevada and its wholly-owned subsidiary FN GLW have outstanding certain warrants to purchase Common Shares, of which the following two classes are or have recently been listed and posted for trading.

2017 Warrants

The Corporation has outstanding as of the date hereof 6,510,769 warrants (including those issued in connection with the Lumina acquisition), each warrant entitling the holder to purchase one Common Share upon payment of C$75.00 until June 16, 2017 (the "**2017 Warrants**"). In addition, the Corporation has issued one special warrant which is exchangeable into 2,000,000 2017 Warrants upon the holder achieving certain permitting, development and financing criteria. The 2017 Warrants are listed and posted for trading on the TSX under the symbol "FNV.WT.A".

2013 GLW Warrants

FN GLW recently had warrants outstanding, each warrant entitling the holder to acquire, at the holder's election at the time of exercise, either 0.1556 of one Common Share or C$5.20 in cash, upon payment of C$10.00 (the "**2013 GLW Warrants**"). The 2013 GLW Warrants expired on July 8, 2013. The 2013 GLW Warrants were listed and posted for trading on the TSX under the symbol "FNV.WT.B".

MARKET FOR SECURITIES

The Common Shares of Franco-Nevada are listed and posted for trading on the TSX and the NYSE in each case under the symbol "FNV".

The 2017 Warrants are listed and posted for trading on the TSX under the symbol "FNV.WT.A".

The 2013 GLW Warrants were listed and posted for trading on the TSX under the symbol "FNV.WT.B" until July 8, 2013 when they expired.

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
2013						
January	58.09	51.51	7,848,176	59.03	51.08	4,549,721
February	55.08	48.16	9,580,897	55.20	47.01	5,303,366
March	49.88	44.36	15,085,754	48.27	43.20	7,964,966
April	46.46	35.48	16,317,588	45.69	34.53	13,694,325
May	45.07	39.56	9,634,792	44.98	38.11	9,846,324
June	44.89	33.05	11,329,120	43.67	31.54	10,007,833
July	46.55	35.45	9,841,144	45.30	33.53	10,114,719
August	50.93	39.69	13,017,380	48.46	38.09	11,921,521
September	48.94	41.99	13,247,195	47.70	40.60	23,111,098
October	48.82	41.49	9,431,728	46.77	40.02	13,511,668
November	47.68	40.95	8,984,966	45.74	38.84	10,789,785
December	44.20	39.41	10,073,710	41.75	36.92	15,514,276
2014						
January	55.10	43.38	10,830,167	49.41	40.67	14,821,362
February	59.84	52.24	9,733,927	53.70	47.16	14,066,046
March (1-18)	59.20	54.78	4,603,590	53.39	49.33	8,360,653

The following table sets forth the high and low prices and volumes for the 2017 Warrants and 2013 GLW Warrants traded on the TSX for the most recently completed financial year.

	2017 Warrants			2013 GLW Warrants		
	High C$	Low C$	Volume	High C$	Low C$	Volume
2013						
January	9.25	7.00	113,727	0.37	0.09	1,733,162
February	7.84	6.30	238,796	0.135	0.035	1,615,032
March	7.10	6.05	124,352	0.07	0.015	2,828,496
April	7.10	3.74	299,471	0.07	0.005	1,134,800
May	5.25	4.11	66,807	0.015	0.005	844,189
June	5.00	3.10	132,535	0.005	0.005	376,000
July	5.20	3.00	76,560	—(1)	—(1)	—(1)
August	8.20	4.02	148,037	—	—	—
September	7.65	5.50	98,866	—	—	—
October	6.50	5.25	46,881	—	—	—
November	5.85	4.35	51,758	—	—	—
December	5.25	4.25	33,991	—	—	—
2014						
January	8.15	5.00	523,196	—	—	—
February	9.33	7.01	165,733	—	—	—
March (1-18)	9.20	7.52	69,100	—	—	—

(1) July (1-8) as these warrants expired on July 8, 2013.

DIRECTORS AND OFFICERS

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

Name and Municipality of Residence	Position with Franco-Nevada(1)	Principal Occupation
Pierre Lassonde Toronto, Ontario, Canada	Director and Chairman	Chair, Franco-Nevada

David Harquail Toronto, Ontario, Canada	Director, President and Chief Executive Officer	President and Chief Executive Officer, Franco-Nevada
Tom Albanese[3] Oxshott, Surrey, United Kingdom	Director	Chief Executive Officer, Vedanta Resources plc[4]
Derek W. Evans[3] Calgary, Alberta, Canada	Director	President and CEO, Pengrowth Energy Corporation
Graham Farquharson[2] Toronto, Ontario, Canada	Director	President, Strathcona Mineral Services Limited
Louis Gignac[2][3] Brossard, Quebec, Canada	Director	President, G Mining Services Inc.
Randall Oliphant[3] Toronto, Ontario, Canada	Director	Executive Chairman, New Gold Inc.
Hon. David R. Peterson[2] Toronto, Ontario, Canada	Director	Chairman, Cassels Brock & Blackwell LLP
Sandip Rana Brampton, Ontario, Canada	Chief Financial Officer	Chief Financial Officer, Franco-Nevada
Lloyd Hong Toronto, Ontario, Canada	Chief Legal Officer & Corporate Secretary	Chief Legal Officer & Corporate Secretary, Franco-Nevada
Geoff Waterman Toronto, Ontario, Canada	Chief Operating Officer	Chief Operating Officer, Franco-Nevada
Paul Brink Toronto, Ontario, Canada	Senior Vice President, Business Development	Senior Vice President, Business Development, Franco-Nevada

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

(2) Member of the Compensation and Corporate Governance Committee. Louis Gignac will become a member effective March 20, 2014.

(3) Member of the Audit and Risk Committee. Louis Gignac will cease to be a member effective March 20, 2014 and Tom Albanese will become a member on March 20, 2014.

(4) Effective April 1, 2014.

Each director's term of office expires at the next annual meeting of shareholders of Franco-Nevada or when his successor is duly elected or appointed, unless his term ends earlier in accordance with the articles or by-laws of Franco-Nevada, he resigns from office or he 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 4,509,660 Common Shares, representing approximately 3.1% of the Common Shares outstanding.

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

Pierre Lassonde, Director and Chair — Pierre Lassonde is Chair of the Board of Directors. Mr. Lassonde formerly served as President of Newmont from 2002 to 2006 and as a director and Vice-Chair of Newmont until November 30, 2007. Previously, Mr. Lassonde served as a director and President (1982 to 2002) and Co-Chief Executive Officer (1999 to 2002) of Old Franco-Nevada. Mr. Lassonde also served as President and Chief Executive Officer of Euro-Nevada Mining Corporation Limited from 1985 to 1999, prior to its amalgamation with Old Franco-Nevada. Mr. Lassonde served as a director of Normandy Mining Limited from 2001 to 2002. Mr. Lassonde is past Chair and a director of the World Gold Council, Chair of the Quebec National Art Museum and a director of New Gold Inc. and 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 and was inducted into the Canadian Mining Hall of Fame in 2013.

David Harquail, President, Chief Executive Officer and Director — David Harquail is President and Chief Executive Officer of the Corporation and is a director of the Corporation. Mr. Harquail served as Executive Vice President of Newmont (2006 to 2007) and previously served as President and Managing Director of Newmont Capital, the merchant banking division of Newmont (2002 to 2006). Prior to the acquisition by Newmont of Old Franco-Nevada in 2002, Mr. Harquail was with Old Franco-Nevada for a period of 15 years with the final position of Senior Vice President responsible for the metals royalty division and corporate development. Mr. Harquail has also held roles as President and Chief Executive Officer of Redstone Resources Inc., as a director of Inco Limited, Echo Bay Mines Limited, Kinross Gold Corporation and the Prospectors and Developers Association of Canada and as a task force advisor to the Toronto Stock Exchange. Mr. Harquail holds a B.A.Sc. in Geological Engineering from the University of Toronto, a Master's degree in Business Administration from McGill University and is a registered Professional Engineer in Ontario.

Tom Albanese, Director — Tom Albanese will be, effective April 1, 2014, Chief Executive Officer and a director of Vedanta Resources plc and is a director of Franco-Nevada. From 2007 to January 2013, Mr. Albanese was Chief Executive Officer of Rio Tinto plc. Mr. Albanese previously served on the boards of Ivanhoe Mines Limited, Palabora Mining Company and Turquoise Hill Resources Limited. In addition, Mr. Albanese is a member of the Board of Visitors, Duke University, Fuqua School of Business. 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 and Chief Executive Officer of Pengrowth Energy Corporation (an oil and natural gas company), and is a director of Franco-Nevada. From May to September 2009, Mr. Evans was President and Chief Operating Officer of Pengrowth Energy Trust. Mr. Evans served as President and Chief Executive Officer of Focus Energy Trust from May 2002 until March 2008. Mr. Evans has over 30 years of experience in a variety of operational and senior management positions in the oil and gas business in Western Canada. Mr. Evans holds a Bachelor of Science degree in Mining Engineering from Queen's University and is a registered Professional Engineer in Alberta. Mr. Evans is also a member of the Institute of Corporate Directors.

Graham Farquharson, Director — Graham Farquharson is President of Strathcona Mineral Services Limited (a mining consulting firm) and is a director of Franco-Nevada as well as a director of St Andrew Goldfields Ltd. Mr. Farquharson previously served on the boards of Placer Dome Inc., Cambior Inc. and several other mining companies. In addition, Mr. Farquharson is the Chair of the Canadian Mineral Industry Education Foundation. Mr. Farquharson holds a Bachelor of Science degree in Mining Engineering from the University of Alberta, a Master's degree in Business Administration from Queen's University and is a registered Professional Engineer in Ontario. Mr. Farquharson was inducted into the Canadian Mining Hall of Fame in 2010.

Louis Gignac, Director — Louis Gignac is President of G Mining Services Inc. (a private consultancy) and is a director of Franco-Nevada. Mr. Gignac previously served as President, Chief Executive Officer and a director of Cambior Inc. from its creation in 1986 until its acquisition by IAMGOLD Corporation in 2006. Mr. Gignac previously held management positions with Falconbridge Copper Company and Exxon Minerals Company and was a director of St Andrew Goldfields Ltd. and Marengo Mining Limited. Mr. Gignac also served as a professor in mining engineering at Laval University from 1979 to 1981. Mr. Gignac serves as a director of Domtar Corporation and 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.

Randall Oliphant, Director — Randall Oliphant is Executive Chairman of New Gold Inc. (a gold mining company) and is a director of Franco-Nevada. Mr. Oliphant is a member of the advisory board for Metalmark Capital LLC and serves as a director of WesternZagros Resources Ltd. and Newmarket Gold Inc. Mr. Oliphant is the current Chairman of the World Gold Council and has also served on the boards and advisory boards of a number of companies and not-for-profit organizations. Mr. Oliphant held positions with Barrick Gold Corporation from 1987 to 2003 and served as Barrick's President and Chief Executive Officer from 1999 to 2003. Mr. Oliphant received his Bachelor of Commerce degree in 1984 from the University of Toronto and his Certified Professional Accountant, CA designation in 1986.

Hon. David R. Peterson, Director — David Peterson is Chair of 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 Chair of the successful Toronto Bid for the 2015 Pan Am Games and is now the Chair of the 2015 Pan American and Parapan American Games Organizing Committee. Mr. Peterson serves as a director of a number of companies, including Rogers Communications Inc., Industrial-Alliance Insurance and Financial Services Inc., MBAC Fertilizer Corp. and Versapay Corporation. Mr. Peterson is Chancellor Emeritus of the University of Toronto and a director of St. Michael's Hospital. 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.

Sandip Rana, Chief Financial Officer — Sandip Rana joined Franco-Nevada on April 22, 2010. He was previously with Four Seasons Hotels and Resorts as Vice President, Corporate Finance. Prior to joining Four Seasons in 2003, Mr. Rana was International Controller and Treasurer of Old Franco-Nevada. Prior to that, Mr. Rana had experience at IMAX Corporation and Coopers & Lybrand. Mr. Rana is a Chartered Accountant and has a Bachelor of Business Administration from the Schulich School of Business at York University.

Lloyd Hong, Chief Legal Officer & Corporate Secretary — Lloyd Hong joined Franco-Nevada in December 2012. He was previously 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 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 Upper Canada and The Law Society of British Columbia.

Geoff Waterman, Chief Operating Officer — Geoff Waterman has more than 21 years of association with Franco-Nevada's asset portfolio and served as Vice President, Oil & Gas, of Newmont Capital from 2002 to 2007. Prior to that, he held increasingly senior roles at Old Franco-Nevada which he joined in 1992. Mr. Waterman was an auditor with Coopers & Lybrand and holds a Bachelor's degree in economics from Trent University.

Paul Brink, Senior Vice President, Business Development — Paul Brink joined Newmont Capital in 2006 as Director of Corporate Development. Mr. Brink has experience in mining investment banking, working at BMO Nesbitt Burns and in project financing, working 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.

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.

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.

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 Franco-Nevada may hold senior positions with entities involved in the resource industry or otherwise be involved in transactions within the resource industry and may develop other interests outside Franco-Nevada. In the event that any such conflict of interest arises, a director who has such a conflict will be required to disclose the conflict to a meeting of the directors of Franco-Nevada and abstain from voting for or against the approval of such participation or such terms. In appropriate cases, Franco-Nevada 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 Franco-Nevada 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 Franco-Nevada.

Pierre Lassonde is currently a director and Randall Oliphant is currently Executive Chairman of New Gold Inc., a payor of two of Franco-Nevada's royalty interests. Graham Farquharson is currently a director of St Andrew Goldfields Ltd., a payor of Franco-Nevada's royalty interests. Conflicts of interest of these directors could arise from time to time in their capacities as directors or officers of these third parties.

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 2013 or to which the royalty and stream interests comprising the asset portfolio is subject or was subject during fiscal 2013, and no proceedings are known to be contemplated against Franco-Nevada, any of its subsidiaries or any of the royalty or stream interests comprising the asset portfolio.

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 2013 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 2013.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

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

REGISTRAR AND TRANSFER AGENT

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

The warrant agent for the 2017 Warrants is Computershare Trust Company of Canada Limited at its principal office in Toronto, Ontario.

MATERIAL CONTRACTS

The following are the material contracts entered into by Franco-Nevada since October 17, 2007 (date of incorporation) and still in effect or entered into since the beginning of Franco-Nevada's most recently completed financial year, other than material contracts entered into in the ordinary course of business (unless otherwise required to be disclosed):

1. a warrant indenture dated June 16, 2009 and supplemented June 15, 2010 between Franco-Nevada and Computershare Trust Company of Canada, as warrant agent, pursuant to which the 2017 Warrants were created and issued and by which they are governed;

2. a warrant indenture dated May 26, 2009 and supplemented February 4, 2010 and March 14, 2011 between FN GLW, Franco-Nevada and Computershare Trust Company of Canada pursuant to which two other classes of FN GLW warrants expiring in 2014 were created and issued and by which they are governed;

3. the 2011 Underwriting Agreement relating to the public offering in November 2011 described under "General Development of Franco-Nevada's Business — 2011 Public Offering";

4. the Cobre Panama Agreement described under "General Development of Franco-Nevada's Business — Acquisition of Cobre Panama Precious Metals Stream";

5. an Agreement of Purchase and Sale regarding Weyburn dated November 6, 2012 and amendment dated November 8, 2012 described under "General Development of Franco-Nevada's Business — Acquisition of Weyburn Net Royalty Interest"; and

6. the Credit Agreement dated January 23, 2013 between Franco-Nevada, FN U.S. and Canadian Imperial Bank of Commerce, as Administrative Agent, and Canadian Imperial Bank of Commerce, RBC Capital Markets, BMO Capital Markets, as Co-Lead Arrangers and Joint Bookrunners, and Royal Bank of Canada, as Syndication Agent, and Bank of Montreal, as Documentation Agent, and the financial institutions and other persons from time to time party thereto as Lenders described under "General Development of Franco-Nevada's Business — Credit Facility".

A copy of each material contract is available on SEDAR under Franco-Nevada's profile or FN GLW's profile, as applicable, at www.sedar.com.

EXPERTS

The following is the technical report prepared in accordance with NI 43-101 from which certain technical and scientific information contained in this AIF was derived:

- *Palmarejo Report* — "Palmarejo Project SW Chihuahua State, Mexico, YE 2012 — Technical Report" dated January 1, 2013 prepared for Franco-Nevada by or under the supervision of Donald J. Birak, Senior Vice President — Exploration, Coeur at the time of the Palmarejo Report, Keith Blair, Manager, Applied Geoscience LLC at the time of the Palmarejo Report, and Klaus Triebel, Senior Corporate Resource Geologist, Coeur at the time of the Palmarejo Report, each of whom is a "qualified person" for the purposes of NI 43-101.

In addition, disclosure in this AIF for the reserves assessment and evaluation of the oil & gas reserves including the Weyburn Unit, Midale Unit and Edson Property was prepared by GLJ for Franco-Nevada and was dated February 18, 2014, with an effective date of December 31, 2013, in accordance with NI 51-101.

To the knowledge of Franco-Nevada, each of these experts held less than 1% of the outstanding Common Shares at the time of the preparation of the reports and/or at the time of the preparation of the technical information contained in this AIF. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of Franco-Nevada, or of any associate or affiliate of Franco-Nevada.

Franco-Nevada's auditors are PricewaterhouseCoopers LLP. They have advised Franco-Nevada that they are independent with respect to Franco-Nevada within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

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, will be contained in Franco-Nevada's management information circular for its annual and special meeting of shareholders scheduled to be held on May 7, 2014. 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 C to this AIF. The Charter was last updated effective March 24, 2011 with minor revisions.

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 C to this AIF.

Composition of the Audit and Risk Committee

As of December 31, 2013, the ARC was composed of the following three directors: Derek Evans, Louis Gignac and Randall Oliphant, Chair. Effective March 20, 2014, the ARC will be composed of Derek Evans, Tom Albanese 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	· CEO of Vedanta Resources plc (effective April 1, 2014)

	· Previous Chief Executive Officer of Rio Tinto plc · Previous Chair of Rio Tinto plc Risk Committee
Derek Evans	· President, CEO and Director, Pengrowth Energy Corporation (2009-present) · Chairman of Endurance Energy (2008-present) · President, CEO and Director of Focus Energy Trust (2002-2008) · Senior Executive of Renaissance Energy (16 years) · Member, Institute of Corporate Directors
Louis Gignac	· President and Chief Executive Officer of Cambior Inc. (1986-2006) Has served on several audit committees including Sceptre Resources Ltd., Domtar Inc., · Domtar Corp. and St Andrew Goldfields Ltd. · Minor in Business, University of Minnesota
Randall Oliphant	· Executive Chairman and Director, New Gold Inc. (2009-present) · Chief Financial Officer of Barrick Gold Corporation (1994-1999) · Currently serving as Chair of the audit committee of WesternZagros Resources Ltd. · Certified 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 periods ended December 31, 2013 and 2012, PricewaterhouseCoopers LLP billed fees from the Corporation as detailed below:

	December 31, 2013		December 31, 2012	
Audit Fees	C$	546,465	C$	547,744
Audit-Related Fees	C$	117,900	C$	22,700
Tax Fees	C$	NIL	C$	28,000
Other Fees	C$	19,920	C$	55,382

Total Fees	C$	684,285	C$	653,826

For the year ended December 31, 2013, “Audit-Related Fees” noted above included C$20,000, C$14,500 and C$83,400 for services related to the Corporation’s shelf prospectus; issuance of a consent included with the registration statement on Form F-3; and French translation, respectively. For the year ended December 31, 2012, “Audit-Related Fees” noted above included C$22,000 for services related to the Corporation’s shelf prospectus.

For the years ended December 31, 2013 and 2012, “Tax Fees” noted above included C$NIL and C$28,000, respectively, for tax advice.

For the year ended December 31, 2013, “Other Fees” noted above included C$7,420 and C$12,500 for CPAB fees and Mexican labour laws advice, respectively. For the year ended December 31, 2012, “Other Fees” noted above included C$50,000 related to Sarbanes-Oxley controls and C$5,382 for CPAB fees.

APPENDIX A
FORM 51-101F2

Reports on Reserves Data
by
Independent Qualified Reserves Evaluator or Auditor

FORM 51-101F2
REPORT ON RESERVES DATA
BY
INDEPENDENT QUALIFIED RESERVES
EVALUATOR OR AUDITOR

To the board of directors of Franco-Nevada Corporation (the "Company"):

1. We have evaluated the Company's reserves data as at December 31, 2013. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013, estimated using forecast prices and costs.

2. The reserves data are the responsibility of the Company's management. Our responsibility is to express an opinion on the reserves data based on our evaluation.

   We carried out our evaluation in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook (the "COGE Handbook") prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum (Petroleum Society).

3. Those standards require that we plan and perform an evaluation to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An evaluation also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.

4. The following table sets forth the estimated future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Company evaluated by us for the year ended December 31, 2013, and identifies the respective portions thereof that we have audited, evaluated and reviewed and reported on to the Company's board of directors:

Independent Qualified Reserves Evaluator	Description and Preparation Date of Evaluation Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate - M$)			
			Audited	Evaluated	Reviewed	Total
GLJ Petroleum Consultants	Corporate Summary February 11, 2014	CANADA	-	684,905	-	**684,905**

5. In our opinion, the reserves data respectively evaluated by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.

6. We have no responsibility to update our reports referred to in paragraph 4 for events and circumstances occurring after their respective preparation dates.
7. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

EXECUTED as to our report referred to above:

GLJ Petroleum Consultants Ltd., Calgary, Alberta, Canada, February 18, 2014

"Originally Signed by"
John E. Keith, P. Eng.
Vice President

APPENDIX B
FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON OIL AND GAS DISCLOSURE

Management of Franco-Nevada Corporation ("Franco-Nevada") is responsible for the preparation and disclosure of information with respect to Franco-Nevada's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data, which are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2013 estimated using forecast prices and costs.

An independent qualified reserves evaluator has evaluated Franco-Nevada's reserves data. The report of the independent qualified reserves evaluator is presented in Appendix A of this Annual Information Form.

The Audit and Risk Committee of the Board of Directors of Franco-Nevada has:

(a) reviewed Franco-Nevada's procedures for providing information to the independent qualified reserves evaluator;

(b) met with the independent qualified reserves evaluator to determine whether any restrictions affected the ability of the independent qualified reserves evaluator to report without reservation; and

(c) reviewed the reserves data with management and independent qualified reserves evaluator.

The Audit and Risk Committee of the Board of Directors of Franco-Nevada has reviewed the procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The Board of Directors on the recommendation of the Audit and Risk Committee has approved:

(d) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;

(e) the filing of Form 51-101F2 which is the report of the independent qualified reserves evaluator on the reserves data; and

(f) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

DATED as of this 19th day of March, 2014.

(signed) "David Harquail"	(signed) " Geoffrey Waterman"
David Harquail President, Chief Executive Officer and Director	Geoffrey Waterman Chief Operating Officer
(signed) "Randall Oliphant"	(signed) "Derek Evans"
Randall Oliphant Director	Derek Evans Director

APPENDIX C
FRANCO-NEVADA CORPORATION
AUDIT AND RISK COMMITTEE CHARTER

PURPOSE

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

- the quality and integrity of the financial statements of the Company,
- the compliance by the Company with legal and regulatory requirements in respect of financial disclosure,
- the qualification, independence and performance of the Company's independent auditors,
- the performance of the Company's Chief Financial Officer,
- risk management oversight,
- the compliance by the Company with legal and regulatory requirements in respect of its oil and gas disclosure, and
- the qualification, independence and performance of the Company's qualified oil and gas reserves evaluator or auditor.

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,
  - reviewing management’s policies, plans, processes and programs to manage and control significant risks and exposures, including the Company’s loss prevention policies, disaster response and recovery programs, corporate liability protection programs for directors and officer and any other insurance programs, as applicable,
  - receiving regular reports from management regarding the development and implementation of its policies, plans, processes and programs to manage, monitor and control significant risks and exposures, and
  - if the Audit and Risk Committee deems it appropriate, requesting the independent auditor’s opinion of management’s assessment of significant risks facing the Company and how effectively they are managed, monitored and controlled.

Oil and Gas Reserves

The Audit and Risk Committee shall:

- Recommend to the Board of Directors the appointment of the qualified oil and gas reserves evaluators or auditors, who must be independent of the Company and who will report to the Board of Directors and the Committee on the Company’s oil and gas reserves data.
- Review, with reasonable frequency, the Company’s procedures relating to the disclosure of information with respect to oil and gas activities, including its procedures for complying with applicable disclosure requirements and restrictions.
- Review each appointment of the Company’s qualified oil and gas reserves evaluators or auditors, and in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been disputes between the appointed qualified oil and gas reserves evaluator or auditor and management of the Company.
- Review, with reasonable frequency, the Company’s procedures for providing information to the qualified oil and gas reserves evaluators or auditors who report on oil and gas reserves data.
- Prior to approving the filing of oil and gas reserves data and the report of the qualified oil and gas reserves evaluators or auditors meet with management and each qualified oil and gas reserves evaluator or auditor to:
  - determine whether any restrictions affect the ability of the qualified oil and gas reserves evaluator or auditor to report on the oil and gas reserves data without reservation; and
  - review the oil and gas reserves data and the report of the qualified oil and gas reserves evaluator or auditor thereon.

- Recommend to the Board of Directors whether to approve:
  - the content and filing of the statement of oil and gas reserves data and other required information,
  - the filing of the report of the independent qualified oil and gas reserves evaluator or auditor, and
  - the content and filing of the required report of management and the directors.

Compliance

The Audit and Risk Committee shall:

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

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

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

Delegation

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

MEETINGS

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

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

INDEPENDENT ADVICE

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

ANNUAL EVALUATION

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

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

SCHEDULE "A"

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 24, 2011

www.franco-nevada.com

WORLD GOLD COUNCIL MEMBER

Exhibit 99.2

MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of financial position and results of operations of Franco-Nevada Corporation ("Franco-Nevada", the "Company", "we" or "our") has been prepared based upon information available to Franco-Nevada as at March 19, 2014 and should be read in conjunction with Franco-Nevada's audited consolidated financial statements and related notes as at and for the years ended December 31, 2013 and 2012. The audited consolidated financial statements and MD&A are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Statement on Forward-Looking Information at the end of this MD&A and to consult Franco-Nevada's audited consolidated financial statements for the years ended December 31, 2013 and 2012 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 Securities and Exchange Commission on EDGAR at www.sec.gov.

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

Table of Contents

Overview	3
2013 Highlights	4
2014 Guidance	5
Portfolio Additions	7
Overview of Financial Performance – Q4 2013	11
Overview of Financial Performance – 2013	21
Quarterly Financial Information	27
Non-IFRS Financial Measures	27
Financial Position, Liquidity and Capital Resources	31
Capital Resources	34
Critical Accounting Estimates	34
Outstanding Share Data	38
Risk Factors	39
Internal Control Over Financial Reporting and Disclosure Controls and Procedures	39
Cautionary Statement on Forward Looking Information	41

Overview

Franco-Nevada is a gold focused royalty and stream company. Franco-Nevada has a diversified portfolio of cash-flow producing assets and interests in some of the largest gold development and exploration projects in the world. Franco-Nevada is the leading company in its category by both gold revenues and number of gold assets. Franco-Nevada's shares are listed on the Toronto and New York Stock Exchanges under the symbol FNV.

Franco-Nevada's strategy is to provide its shareholders with superior returns through a diversified portfolio of assets with high margins and geological upside. As a royalty and stream company, Franco-Nevada's initial investment in a project is its last while Franco-Nevada continues to benefit from future expansions and exploration discoveries made by the operators or developers.

Franco-Nevada continues to earn 80% of its revenue from precious metals from assets located in lower risk jurisdictions with 82% of its

revenues earned from North America and Australia during 2013. At March 19, 2014, we had over 370 royalty and stream assets, with 47 generating revenue from mineral assets, and 137 from oil & gas interests.

The following table outlines Franco-Nevada's revenue for the three and twelve months ended December 31, 2013 and 2012 by commodity, geographical location and type of interest and highlights the diversification of the portfolio:

For the three months ended December 31, (expressed in millions)	Revenue			
	2013		2012	
	$	%	$	%
Commodity				
Gold	**$ 69.2**	***69%***	$ 84.4	*74%*
PGM	**13.8**	***14%***	15.3	*14%*
Other Minerals	**4.4**	***4%***	1.4	*1%*
Oil & Gas	**12.6**	***13%***	13.0	*11%*
	$ 100.0	***100%***	$ 114.1	*100%*
Geography				
Canada	**38.4**	***39%***	38.4	*34%*
United States	**$ 14.3**	***14%***	$ 34.1	*30%*
Mexico	**24.1**	***24%***	22.7	*20%*
Australia	**6.2**	***6%***	4.2	*3%*
Rest of World	**17.0**	***17%***	14.7	*13%*
	$ 100.0	***100%***	$ 114.1	*100%*
Type				
Revenue-based	**$ 37.3**	***37%***	$ 50.7	*44%*
Streams	**47.1**	***47%***	43.0	*38%*
Profit-based	**9.4**	***10%***	15.2	*13%*
Working interests and other	**6.2**	***6%***	5.2	*5%*
	$ 100.0	***100%***	$ 114.1	*100%*

For the twelve months ended December 31, (expressed in millions)	Revenue			
	2013		2012	
	$	%	$	%
Commodity				
Gold	**$ 269.9**	***67%***	$ 320.6	*75%*
PGM	**51.6**	***13%***	60.7	*14%*
Other Minerals	**12.4**	***3%***	4.8	*1%*
Oil & Gas	**67.0**	***17%***	40.9	*10%*
	$ 400.9	***100%***	$ 427.0	*100%*
Geography				
Canada	**$ 143.9**	***36%***	$ 130.2	*31%*
United States	**77.9**	***19%***	120.0	*28%*
Mexico	**86.9**	***22%***	101.6	*24%*
Australia	**21.1**	***5%***	15.1	*3%*
Rest of World	**71.1**	***18%***	60.1	*14%*
	$ 400.9	***100%***	$ 427.0	*100%*
Type				
Revenue-based	**$ 169.0**	***42%***	$ 179.0	*42%*
Streams	**167.3**	***42%***	190.9	*45%*
Profit-based	**42.7**	***11%***	41.8	*10%*
Working interests and other	**21.9**	***5%***	15.3	*3%*
	$ 400.9	***100%***	$ 427.0	*100%*

Franco-Nevada has a robust balance sheet with assets generating high margins from projects in stable jurisdictions. As at December 31, 2013, Franco-Nevada had $861.2 million in working capital[4] and an undrawn $500.0 million credit facility from which to fund current commitments and future acquisitions.

Q4 2013 Highlights

- 69,741 Gold Equivalent Ounces[1][2] earned (2012 — 59,369[2]), an increase of 17.5%;
- Revenue of $100.0 million (2012 - $114.1 million);
- Net loss of $80.6 million, or $0.55 per share (2012 — net loss of $33.1 million or $0.23 per share);
- Adjusted Net Income[3] of $30.5 million, or $0.21 per share (2012 - $47.0 million or $0.32 per share); and
- Adjusted EBITDA[3] of $77.3 million, or $0.53 per share (2012 - $93.7 million or $0.65 per share).

2013 Highlights

- 241,402 Gold Equivalent Ounces[(1)(2)] earned (2012 — 230,252[(2)]), an increase of 4.8%;
- Revenue of $400.9 million (2012 - $427.0 million);
- Net income of $11.7 million, or $0.08 per share (2012 - $102.6 million or $0.72 per share);
- Adjusted Net Income[(3)] of $138.3 million, or $0.94 per share (2012 - $171.0 million, or $1.19 per share);
- Adjusted EBITDA[(3)] of $322.5 million, or $2.20 per share (2012 - $347.8 million, or $2.43 per share);
- Robust Margin[(3)] of 80.4% (2012 — 81.5%); and
- Transactions and commitments totaling $267.9 million (2012 - $1.5 billion).

(1) For Q4 2013, certain platinum and palladium assets have been converted to Gold Equivalent Ounces ("GEOs") using commodity prices of $1,272/ounce ("oz") gold (2012 - $1,719/oz), $1,397/oz platinum (2012 - $1,603/oz) and $726/oz palladium (2012 - $654/oz). For 2013, certain platinum and palladium assets have been converted to GEOs using average commodity prices of $1,411/oz gold (2012 - $1,669/oz), $1,487/oz platinum (2012 - $1,552/oz) and $725/oz palladium (2012 - $645/oz).
(2) In Q4 2013, the calculation of GEOs earned from the Sudbury assets was amended which resulted in a change to the GEOs previously calculated. The effect of the amendment was an increase of approximately 3,800 GEOs in 2013 and a decrease of 600 GEOs in 2012.
(3) 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 pages 27-31 of this MD&A.
(4) Working capital is a non-IFRS financial measure. Working capital is defined by the Company as current assets less current liabilities.

2014 Guidance

The following contains forward looking statements about our guidance for 2014. 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 in the following, please see the Cautionary Statement, the "Risk Factors" section of this MD&A 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 Securities and Exchange Commission on www.sec.gov.

In 2013, Franco-Nevada realized 241,402 Gold Equivalent Ounces [(2)] ("GEOs") from its mineral assets and $67.0 million in revenue from its oil & gas assets. This compares to Franco-Nevada's original 2013 guidance made in March 2013 of 215,000 to 235,000 GEOs and $55-$65 million for oil & gas revenue. GEO production benefited from the strength of the rest-of-world gold and the platinum group metal ("PGM") assets more than offsetting weakness from the U.S. and Canada gold assets especially the net profit royalties. Oil & gas revenues benefited from stronger than expected prices and a narrowing in differentials.

For 2014, Franco-Nevada is expecting to receive between 245,000 to 265,000 GEOs from its mineral assets and $60.0 to $70.0 million in revenue from its oil & gas assets. Of the 245,000 to 265,000 GEOs, Franco-Nevada expects to receive 130,000 to 140,000 GEOs under its various stream agreements compared with 123,387 ounces in 2013.

GEOs include our gold, platinum, palladium and other mineral 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 Franco-Nevada. For NPI royalties, GEOs are calculated taking into account the NPI economics. Platinum, palladium and other minerals were converted to GEOs by dividing associated revenue by the average gold price for the period. For the 2014 guidance, platinum and palladium metals have been converted to GEOs using assumed commodity prices of $1,300/oz Au, $1,400/oz Pt and $725/oz Pd. The WTI oil price is assumed to average $95 per barrel with higher discounts for Canadian oil than experienced in 2013. 2014 guidance assumes the continued steady state of operations from our assets and is also based on the assumptions set out below.

In addition, we expect to fund approximately $200.0 million in 2014 in connection with our precious metals stream agreement on Cobre Panama.

More specifically, we expect the following with respect to key producing assets for 2014:

- **Gold — U.S.**: Overall GEOs from U.S. gold assets are expected to be higher in 2014. Goldstrike royalty ounces for 2014 are expected to be slightly higher than 2013 due to higher production on grounds covered by our net smelter returns ("NSR") and net profit interests ("NPI") claims. At Gold Quarry, we expect 11,250 royalty ounces in 2014 as payments will be based on the minimum royalty provision. In addition, GEOs are expected from the Fire Creek/Midas transaction *(See Portfolio Additions below)* which will start delivering ounces in mid-2014. Hollister is expected to remain on care and maintenance throughout 2014.

- **Gold — Canada**: GEOs earned from Canadian assets in 2014 are expected to be in-line with 2013 levels with projected increases from Detour Lake, as it reaches production capacity, and a full year of production from the new Kirkland Lake royalty *(See Portfolio Additions below)*. These increases are expected to be partially offset by lower production from the Sudbury and Golden Highway assets and NPI royalties.

- **Gold — Australia**: We expect Australian GEOs to be slightly higher in 2014 than 2013. Duketon gold production is expected to increase as the operator, Regis Resources Ltd. ("Regis"), has reported that Rosemont, the third operation on the Duketon property, has completed construction and commissioning commenced in October 2013. In addition, Regis reported that construction on the plant expansion started in the fourth quarter of 2013 which is expected to increase long-term gold production from both Garden Well and Rosemont.

- **Gold — Rest of World**: 2014 Rest of World gold assets are expected to generate higher GEOs in 2014 than 2013. Our 50% gold stream over Palmarejo includes an annual minimum provision of 50,000 ounces, payable monthly. At Mine Waste Solutions ("MWS"), we expect to earn higher stream ounces. We expect to receive 22,500 ounces under the newly acquired Sabodala gold stream *(See Portfolio Additions below).* At Tasiast, where we hold a 2% NSR, we anticipate 2014 to be consistent with what was earned in 2013. At Subika, royalty ounces are expected to be lower than in 2013 as mining moves off of ground covered by our royalty. At Edikan, where we have an effective 1.5% NSR, we expect slightly higher production in 2014.

- **PGM**: Sudbury stream ounces for 2014 are expected to be lower as mining at Podolsky ceased in 2013. At Stillwater, 2014 royalty ounces are expected to be consistent with 2013 levels.

- **Other minerals**: Overall, GEOs from other minerals are expected to be higher in 2014 than 2013 with Peculiar Knob, an iron-ore project in South Australia, and Osborne, a recent addition to the portfolio, being significant contributors.

- **Oil & Gas**: For 2014, oil & gas revenues are expected to be $60.0 million to $70.0 million with slightly lower volumes and price discounts offset by reduced capital spending.

Portfolio Additions

Cerro Moro

In January 2014, Franco-Nevada entered into an agreement to acquire an existing 2% NSR on Yamana Gold Inc.'s Cerro Moro project located in Argentina for the Argentina peso equivalent of $23.5 million (at the official Argentine peso exchange rate) in cash. The transaction is expected to close during the first half of 2014.

Fire Creek/Midas

On February 11, 2014, Franco-Nevada signed a gold purchase agreement with Klondex Mines Ltd. ("Klondex") and acquired a 2.5% NSR on Klondex's Fire Creek and Midas properties, both of which are located in Nevada, U.S., for a total consideration of $35.0 million in cash. Under the terms of the gold purchase agreement, Klondex will deliver 38,250 ounces of gold, payable monthly, by December 31, 2018, following which the NSR will become payable on gold produced from the Fire Creek and Midas properties.

Sabodala Gold Stream

On January 15, 2014, Franco-Nevada acquired a 6% gold stream on Teranga Gold Corporation's Sabodala gold project located in Senegal, Africa. Under the terms of the gold stream agreement, Franco-Nevada funded a $135.0 million deposit in exchange for 22,500 ounces of gold per year, payable monthly, for the first six years of the agreement, after which Franco-Nevada will purchase 6% of the gold produced from Sabodala. Franco-Nevada will pay 20% of the market price of gold for each ounce delivered under the agreement.

Barrick Portfolio

On November 4, 2013, Franco-Nevada completed its acquisition of a portfolio of approximately 20 royalties from Barrick Gold Corporation for $20.9 million in cash. Producing royalties have been added to Franco-Nevada's portfolio from the Osborne copper/gold mine and Henty gold mine, both in Australia, as well as a 3% NSR on Premier Gold Mines Ltd.'s Hardrock project, located in Ontario, which has been classified as an advanced royalty. The majority of the remaining royalties are classified as exploration covering over 2,000 square kilometres of prospective geology.

Kirkland Lake

On October 31, 2013, Franco-Nevada acquired a 2.5% NSR on Kirkland Lake Gold Inc.'s ("Kirkland Lake") properties in Kirkland Lake, Ontario, for $50.0 million in cash. Kirkland Lake has a 3 year option to buy back 1% of the NSR for $36.0 million (less the royalty proceeds attributable to the buy-back portion of the NSR that have been paid to Franco-Nevada prior to the date of the buy back).

Sissingue Royalty

On May 29, 2013, Franco-Nevada acquired a 0.5% NSR on certain tenements that comprise the Sissingue gold project located in Cote d'Ivoire and operated by Perseus Mining Limited, for Australian $2.0 million in cash.

Brucejack Royalty

On May 13, 2013, Franco-Nevada acquired an existing 1.2% NSR on Pretium Resources Inc.'s Brucejack gold project located in British Columbia for $45.0 million in cash. The NSR becomes payable following the production of approximately 0.5 million ounces of gold and 17.9 million ounces of silver from the project.

Golden Meadows Royalty

On May 9, 2013, Franco-Nevada acquired a new 1.7% NSR on Midas Gold Corp.'s ("Midas") Golden Meadows gold project located in Idaho for $15.0 million in cash subject to an option by Midas to re-acquire one-third of the royalty for $9.0 million. Under the terms of the acquisition, Franco-Nevada also subscribed for 2.0 million Midas warrants which are exerciseable into Midas common shares with each warrant having an exercise price of C$1.23 and a ten-year term.

All of the above transactions have been, or will be, accounted for as asset acquisitions under IFRS.

Selected Financial Information

(in millions of U.S. dollars, except per share amounts)	For the Year Ended December 31, 2013	For the Year Ended December 31, 2012	For the Year Ended December 31, 2011
Statement of Income and Other Comprehensive Income (Loss)			
Revenue	**$ 400.9**	$ 427.0	$ 411.2
Depletion and depreciation	**129.3**	126.7	130.6
Impairments[1]	**143.6**	82.7	168.7
Operating income	**49.6**	138.4	28.0
Net income (loss)	**11.7**	102.6	(6.8)
Basic earnings (loss) per share	**$ 0.08**	$ 0.72	$ (0.05)
Diluted earnings (loss) per share	**$ 0.08**	$ 0.71	$ (0.05)
Dividends declared per share	**$ 0.72**	$ 0.60	$ 0.44
Non-IFRS Measures			
Adjusted Net Income[2]	**$ 138.3**	$ 171.0	$ 136.0
Adjusted Net Income[2] per share	**$ 0.94**	$ 1.19	$ 1.08
Adjusted EBITDA[2]	**$ 322.5**	$ 347.8	$ 327.3
Adjusted EBITDA[2] per share	**$ 2.20**	$ 2.43	$ 2.61
Weighted Average Shares Outstanding	**146.8**	143.1	125.4
Statement of Cash Flows			
Net cash provided by operating activities, before changes in non-cash assets and liabilities	**$ 292.8**	$ 321.0	$ 271.1
Net cash used in investing activities	**$ 1.4**	$ 659.3	$ 225.3
Net cash provided by/(used in) financing activities	**$ (94.0)**	$ 180.0	$ 323.7

	As at December 31, 2013	As at December 31, 2012	As at December 31, 2011
Statement of Financial Position			
Cash and cash equivalents	**$ 770.0**	$ 631.7	$ 794.1
Short-term investments	**18.0**	148.2	16.7
Total assets	**3,044.9**	3,243.9	2,901.0
Deferred income tax liabilities	**30.0**	38.0	23.5
Total shareholders' equity	**2,963.8**	3,149.1	2,834.2
Working capital[3]	**$ 861.2**	$ 822.4	$ 851.1
Debt	**Nil**	Nil	Nil

(1) Impairments include impairment charges on investments, royalties, streams and working interests.
(2) Adjusted Net Income and Adjusted EBITDA are non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see pages 27-31 of this MD&A.
(3) Working capital is defined by the Company as current assets less current liabilities.

The following table outlines GEOs attributable to Franco-Nevada for the three and twelve months ended December 31, 2013 and 2012 by commodity (excluding oil & gas), geographical location and type of interest:

	Gold Equivalent Ounces[1][2]			
	2013		2012	
For the three months ended December 31,	#	%	#	%
Commodity				
Gold	**54,453**	***78%***	49,026	*83%*
PGM	**11,776**	***17%***	9,507	*16%*
Other Minerals	**3,512**	***5%***	836	*1%*

	69,741	***100%***	59,369	*100%*
Geography				
Canada	**21,260**	***31%***	15,290	*26%*
United States	**11,278**	***16%***	19,915	*34%*
Mexico	**19,017**	***27%***	13,231	*22%*
Australia	**4,828**	***7%***	2,400	*4%*
Rest of World	**13,358**	***19%***	8,533	*14%*
	69,741	***100%***	59,369	*100%*
Type				
Revenue-based	**25,979**	***37%***	24,264	*41%*
Streams	**38,150**	***55%***	25,652	*43%*
Profit-based	**2,973**	***4%***	8,831	*15%*
Other	**2,639**	***4%***	622	*1%*
	69,741	***100%***	59,369	*100%*

	Gold Equivalent Ounces[1][2]			
	2013		2012	
For the twelve months ended December 31,	**#**	**%**	**#**	**%**
Commodity				
Gold	**192,297**	***80%***	191,610	*83%*
PGM	**40,007**	***16%***	35,826	*16%*
Other Minerals	**9,098**	***4%***	2,816	*1%*
	241,402	***100%***	230,252	*100%*
Geography				
Canada	**58,955**	***24%***	52,697	*23%*
United States	**54,436**	***23%***	71,719	*31%*
Mexico	**62,232**	***26%***	60,912	*26%*
Australia	**15,205**	***6%***	8,894	*4%*
Rest of World	**50,574**	***21%***	36,030	*16%*
	241,402	***100%***	230,252	*100%*
Type				
Revenue-based	**102,558**	***43%***	89,845	*39%*
Streams	**123,387**	***51%***	113,837	*49%*
Profit-based	**8,060**	***3%***	25,042	*11%*
Other	**7,397**	***3%***	1,528	*1%*
	241,402	***100%***	230,252	*100%*

(1) For Q4 2013, certain platinum and palladium assets have been converted to GEOs using average commodity prices of $1,272/oz gold (2012 - $1,719/oz), $1,397/oz platinum (2012 - $1,603/oz) and $726/oz palladium (2012 - $654/oz). For 2013, certain platinum and palladium assets have been converted to GEOs using average commodity prices of $1,411/oz gold (2012 - $1,669/oz), $1,487/oz platinum (2012 - $1,552/oz) and $725/oz palladium (2012 - $645/oz).

(2) In Q4 2013, the calculation of GEOs earned from the Sudbury assets was amended which resulted in a change to the GEOs previously calculated. The effect of the amendment was an increase of approximately 3,800 GEOs in 2013 and decrease of 600 GEOs in 2012.

Oil & gas revenues are not included in the reported GEO numbers above.

GEOs were earned from the following asset classes:

	Gold Equivalent Ounces[1][2]			
	2013		2012	
For the three months ended December 31,	**#**	**%**	**#**	**%**
Gold — United States	**8,833**	***13%***	17,536	*30%*
Gold — Canada	**12,116**	***17%***	8,153	*14%*
Gold — Australia	**1,457**	***2%***	1,801	*3%*
Gold — Rest of World	**32,047**	***46%***	21,536	*36%*
Gold — Total	**54,453**	***78%***	49,026	*83%*
PGM	**11,776**	***17%***	9,507	*16%*
Other minerals	**3,512**	***5%***	836	*1%*
	69,741	***100%***	59,369	*100%*

	Gold Equivalent Ounces[1][2]			
	2013		2012	
For the twelve months ended December 31,	**#**	**%**	**#**	**%**

Gold — United States	**41,040**	***17%***	60,562	*26%*
Gold — Canada	**31,966**	***13%***	27,468	*12%*
Gold — Australia	**6,809**	***3%***	6,886	*3%*
Gold — Rest of World	**112,482**	***47%***	96,694	*42%*
Gold — Total	**192,297**	***80%***	191,610	*83%*
PGM	**40,007**	***16%***	35,826	*16%*
Other minerals	**9,098**	***4%***	2,816	*1%*
	241,402	***100%***	230,252	*100%*

Our portfolio is well-diversified with revenue and GEOs being earned from approximately 47 different mineral interests in various jurisdictions.

Overview of Financial Performance - ***Three Months Ended December 31, 2013 to Three Months Ended December 31, 2012***

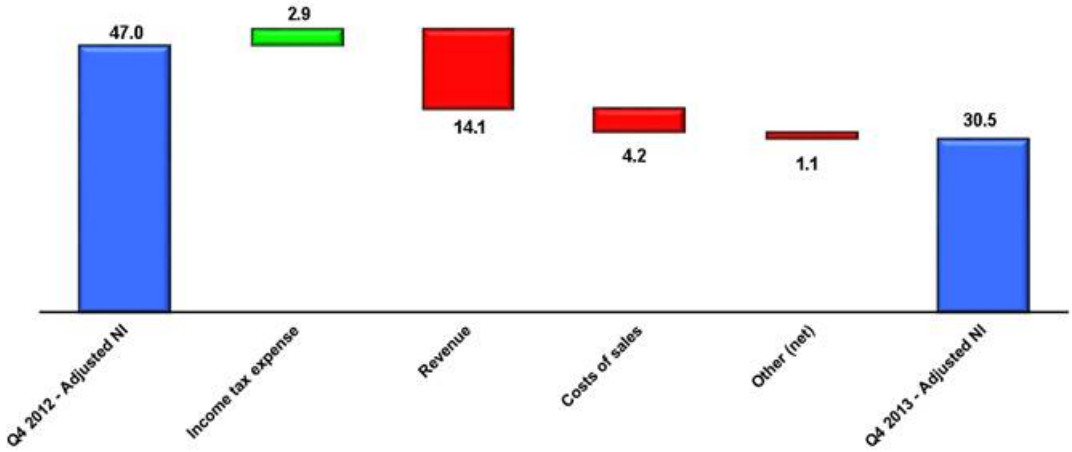
Net Loss

Net loss for the quarter was $80.6 million, or $0.55 per share, compared with a net loss of $33.1 million, or $0.23 per share, for the same period in 2012. The increase in the net loss was driven primarily by (i) higher impairment charges of $54.9 million; and (ii) lower revenue of $14.1 million due to weaker commodity prices; with both partially offset by an income tax recovery.

Adjusted Net Income was $30.5 million, or $0.21 per share, compared with $47.0 million, or $0.32 per share, for Q4 2012. The decrease in Adjusted Net Income was driven primarily by lower revenue and higher costs of sales, partially offset by lower income tax expense.

Adjusted Net Income Reconciliation – Q4 2012 to Q4 2013

(expressed in millions)



Revenue

Franco-Nevada's revenue is generated from various forms of agreements, ranging from NSR royalties, streams, NPI royalties, net royalty interests ("NRI"), working interests and other. *For definitions of the various types of agreements, please refer to our Annual Information Form filed on SEDAR at www.sedar.com or our Form 40-F filed on EDGAR at www.sec.gov*. The market prices of gold, PGM, oil and natural gas are the primary drivers of our profitability and our ability to generate operating cash flow for shareholders.

Revenue for the three and twelve months ended December 31, 2013 was $100.0 million (2012 - $114.1 million) and $400.9 million (2012 - $427.0 million), respectively, and was comprised of the following:

(expressed in millions)

Property	Interest	For the Three Months Ended December 31, 2013	For the Three Months Ended December 31, 2012	For the Twelve Months Ended December 31, 2013	For the Twelve Months Ended December 31, 2012
Gold - United States					
Goldstrike	NSR/NPI 2-4%/2.4-6%	**$ 4.7**	$ 19.4	**$ 21.2**	$ 55.7
Gold Quarry	NSR 7.29%	**3.2**	4.1	**20.7**	18.6

Marigold	NSR/GR 1.75-5%/0.5-4%	**1.6**	3.2	**8.8**	10.9
Bald Mountain	NSR/GR 0.875-5%	**0.7**	1.5	**3.8**	8.8
Mesquite	NSR 0.5-2%	**0.7**	0.8	**2.3**	3.9
Other		**0.6**	1.1	**2.3**	3.8
Gold - Canada					
Sudbury	Stream 50%	**4.3**	3.9	**11.6**	15.4
Golden Highway	NSR 2-15%	**2.5**	4.3	**12.5**	14.3
Detour Lake	NSR 2%	**2.4**	—	**5.9**	—
Musselwhite	NPI 5%	**1.9**	1.7	**3.7**	6.3
Hemlo	NSR/NPI 3%/50%	**1.7**	3.3	**3.1**	7.5
Kirkland Lake	NSR 2.5-5.5%, NPI 20%	**0.6**	—	**0.6**	0.1
Timmins West	NSR 2.25%	**1.1**	0.7	**3.2**	2.0
Other		**0.8**	0.2	**3.0**	0.4
Gold - Australia					
Duketon	NSR 2%	**1.7**	1.9	**7.9**	5.3
Henty	GR 1/10%	**0.2**	0.2	**1.1**	2.7
Other		**(0.1)**	1.0	**0.7**	3.6
Gold - Rest of World					
Palmarejo	Stream 50%	**23.3**	21.5	**83.5**	96.0
MWS	Stream 25%	**7.9**	6.2	**35.7**	33.0
Subika	NSR 2%	**4.3**	2.2	**14.4**	3.2
Tasiast	NSR 2%	**1.1**	1.3	**6.6**	6.4
Edikan	NSR 1.5-3%	**0.8**	1.4	**4.1**	5.1
Cerro San Pedro	GR 1.95%	**0.7**	1.2	**3.3**	5.5
Cooke 4 (Ezulwini)	Stream 7%	**1.2**	0.2	**3.5**	3.3
Other		**1.3**	3.1	**6.4**	8.8
		69.2	84.4	**269.9**	320.6
PGM					
Sudbury	Stream 50%	**10.4**	11.3	**33.1**	43.1
Stillwater	NSR 5%	**2.9**	3.7	**18.0**	17.3
Pandora	NPI 5%	**0.5**	0.3	**0.5**	0.3
		13.8	15.3	**51.6**	60.7
Other Minerals					
Peculiar Knob	GR 2%	**2.8**	0.6	**8.0**	0.6
Osborne	NSR 2%	**0.8**	—	**0.8**	—
Mt. Keith	NPI/GR 0.25%/0.375%	**0.4**	0.4	**1.7**	2.2
Other		**0.4**	0.4	**1.9**	2.0
		4.4	1.4	**12.4**	4.8
Oil & Gas					
Weyburn Unit	ORR 0.44%, WI 2.26%, 11.7%NRI	**8.9**	8.9	**50.7**	25.0
Midale Unit	ORR 1.14%, WI 1.59%	**0.6**	0.9	**3.6**	4.0
Edson	ORR 15%	**0.8**	1.1	**4.3**	3.9
Other	Various	**2.3**	2.1	**8.4**	8.0
		12.6	13.0	**67.0**	40.9
Revenue		**$ 100.0**	$ 114.1	**$ 400.9**	$ 427.0

Gold

Average gold prices continued to experience significant volatility during the fourth quarter of 2013, trading between $1,195/oz and $1,361/oz with an average price of $1,272/oz for the quarter (based on the London PM Fixed quoted prices). This average represents a 26.0% decrease from the average for the fourth quarter of 2012 of $1,719/oz. The deterioration of the gold price is attributable to a number of factors, including concerns over reductions in monetary stimulus that has been provided by the U.S. Federal Reserve and other global central banks, changes in investor sentiment toward the macroeconomic environment and expected near term interest rate increases.

Despite a 26.0% decrease in the average gold price, GEOs earned from gold assets increased by 11.1% in the quarter to 54,453 GEOs from 49,026 GEOs. Overall gold revenue declined by 18.0% to $69.2 million from $84.4 million for the fourth quarter of 2012. The lower average gold price had the most significant impact on gold revenue and GEOs earned from NPI royalties. For the quarter, we earned 2,881 GEOs from our gold NPIs compared with 10,595 GEOs from gold NPIs in the same period in 2012, a reduction of 72.8%.

U.S. assets produced 8,833 GEOs and generated $11.5 million in revenue, representing decreases in GEOs of 8,703, or 49.6%, and revenue of $18.6 million, or 61.8%, respectively, over 2012. The largest decrease was attributable to Goldstrike (7,567 GEOs and $14.7 million in revenue) due to the impact of the lower average gold price and capital allocated to the NPI, which resulted in a $11.5 million reduction to NPI revenue. Higher production from Gold Quarry partially offset the decreases at Goldstrike, with Gold Quarry contributing 2,517 GEOs and $3.2 million in revenue.

Canadian assets produced 12,116 GEOs and generated $15.3 million in revenue in the quarter, an increase of 48.6% and 8.5%, respectively, over 2012 levels. The greatest contributions came from our Sudbury assets (3,373 GEOs and $4.3 million in revenue) operated by KGHM

International Ltd. (“KGHM”), the Golden Highway assets (1,964 GEOs and $2.5 million in revenue) operated by St Andrew Goldfields Ltd. (“St Andrew”) and Detour Lake (1,826 GEOs and $2.4 million in revenue) operated by Detour Gold Corporation (“Detour”). Our Detour NSR began generating GEOs and revenue in February 2013 with Detour announcing the achievement of commercial production in August 2013. Our newest Canadian acquisition, Kirkland Lake, contributed 490 GEOs and $0.6 million in revenue for the quarter *(See Portfolio Additions above).*

Australian assets produced 1,457 GEOs and revenue was $1.8 million for the quarter with the major contributor being the Duketon NSR. Navigator Resources Limited, the operator of Bronzewing, continued its re-structuring activities in the quarter with a Heads of Agreement signed with Cobre Mining Pty Ltd. for the acquisition of the Bronzewing operations. Our Bronzewing NSR remains in full force and effect through these re-structuring activities.

Rest of world gold assets produced 32,047 GEOs and generated $40.6 million in revenue in the period compared to 21,536 GEOs and $37.1 million in revenue in 2012. The 48.8% increase in GEOs was due to the (i) Palmarejo and MWS streams both due to higher production (8,608 GEOs); and (ii) Subika NSR which generated a full quarter of GEOs and revenue as production thresholds were surpassed in late 2012 (2,072 GEOs). These increases were partially offset by lower production at other assets (169 GEOs). Although total GEOs earned was higher than 2012, revenue was only 9.4% higher due to the 26.0% decrease in the average gold price in the quarter when compared to 2012.

PGM

The prices for platinum and palladium averaged $1,397/oz and $726/oz, respectively, representing a decrease of 12.9% for platinum and an increase of 11.0% for palladium compared with the average prices for the fourth quarter 2012. PGM price volatility remained high in 2013, similar to the volatility of gold prices.

PGM GEOs produced were 11,776 for the quarter compared to 9,507 GEOs in 2012, an increase of 23.9% with the associated revenue decreasing by 9.8% to $13.8 million for the period, down from $15.3 million in 2012. The increase in GEOs is attributable to higher production from the PGM assets, with the largest increase coming from the Sudbury assets.

Other Minerals

GEOs and revenue generated from other minerals increased due to the start of production at the Peculiar Knob iron-ore project in Australia which generated $2.8 million in revenue for the quarter and the acquisition of the Osborne royalty, part of the Barrick portfolio acquisition *(See Portfolio Additions above)*.

Oil & Gas

Oil & gas revenue was $12.6 million for the quarter (93% oil and 7% gas) compared with $13.0 million for the same period of 2012 (92% oil and 8% gas). During the quarter, oil averaged C$87 per barrel (based on the Edmonton Par (40° API)) with WTI averaging $97 per barrel and gas averaging C$3.36/mcf (based on AECO-C). The quality differential averaged C$7 per barrel for Weyburn oil in the quarter. The strengthening of the U.S. dollar relative to the Canadian dollar resulted in a lower average price for 40 API. The Weyburn Unit generated $8.9 million in the quarter which was in line with 2012.

Costs and Expenses

Costs and expenses for the quarter were $194.8 million compared to $135.9 million in 2012. The following table provides a list of the costs and expenses incurred for the three months ended December 31, 2013 and 2012.

	Three months ended December 31,		
(expressed in millions)	**2013**	**2012**	**Variance**
Costs of sales	$ 17.9	$ 13.7	$ 4.2
Depletion and depreciation	34.4	32.8	1.6
Corporate administration	3.8	5.8	(2.0)
Business development	1.0	0.9	0.1
Impairment of investments	24.8	8.6	16.2
Impairment of royalty, stream and working interests	112.9	74.1	38.8
	$ 194.8	$ 135.9	$ 58.9

Costs of sales, which comprises the cost of GEOs purchased under stream agreements, oil & gas production taxes, operating costs on oil & gas working interests and net proceeds taxes on mineral interests, were $17.9 million for the fourth quarter of 2013 compared with $13.7 million for the fourth quarter of 2012. The increase of $4.2 million is attributable to higher cost of stream sales of $5.2 million and oil and gas taxes of $0.2 million, both due to higher production levels, partially offset by lower net proceeds taxes of $1.2 million due to lower revenue being earned in jurisdictions with net proceeds tax regimes. For the quarter, we received 38,150 GEOs under our stream agreements compared to 25,652 GEOs received in 2012.

Depletion and depreciation totaled $34.4 million for the quarter compared to $32.8 million in 2012. The increase in depletion of $1.6 million is due to higher depletion on Levack/Morrison ($2.5 million), MWS ($2.2 million), Subika ($0.8 million) and other assets ($1.7 million), all due to higher production; partially offset by lower depletion on Podolsky ($3.0 million), as the operator has put Podolsky on care and maintenance, and Goldstrike ($2.6 million) due to lower production volumes.

C*orporate administration* expenses decreased to $3.8 million in the quarter from $5.8 million in 2012. The decrease is due to lower compensation expense.

Business development expenses were $1.0 million and $0.9 million for the three months ended December 31, 2013 and 2012, respectively. Timing of incurring these costs will vary depending upon the timing and level of activity of the business development team on completing transactions.

Impairment of investments was $24.8 million in the fourth quarter of 2013 due to certain investments which have experienced a significant or prolonged decline in fair value (2012 - $8.6 million). Included in the $24.8 million impairment charge was an amount of $24.2 million related to the impairment of an equity investment in a non-public entity. In the fourth quarter of 2013, it was announced that the non-public entity would cease mining activities citing the low nickel price environment which the Company determined was an indication of impairment. The Company estimated an in-situ dollar value per pound of reserve/resource using market information which resulted in a carrying value of $4.8 million following the recording of the impairment charge.

Impairment of royalty, stream and working interests were $112.9 million for the three months ended December 31, 2013. The impairment charges were the result of an impairment analysis completed at the end of 2013 due to the presence of impairment indicators on the McCreedy stream and Kasese royalty interests. In 2012, we recorded an impairment of $74.1 million on our Arctic Gas exploration assets.

The impairment charges are summarized in the following table:

	2013	2012
McCreedy platinum group metals stream	**$ 107.9**	$ —
Kasese cobalt net smelter returns royalty	**4.8**	—
Exploration assets	**0.2**	—
Arctic Gas exploration assets	**—**	74.1
Total impairment losses	**$ 112.9**	$ 74.1

Indicators of Impairment

During the year ended December 31, 2013, there has been a significant decrease in the long-term gold price assumptions used by the industry which has resulted in numerous mining operators assessing indicators of impairment. Notwithstanding the decrease in long-term commodity prices, management does not necessarily consider decreases in long-term commodity prices, in itself, an indication of impairment of its royalty, stream and working interests as the majority of the portfolio was acquired when commodity prices were substantially lower than current and longer-term forecasted prices and that some of the risks associated with our royalty or stream interests are different to those of an operator.

(i) McCreedy

The McCreedy stream comprises part of our Sudbury Basin interest where we have an agreement to purchase 50% of the gold equivalent ounces of gold, platinum and palladium contained in ore mined and shipped from the McCreedy mine. In the fourth quarter of 2013, KGHM, the operator of the McCreedy mine, announced a significant reduction in mining activities at the project following the cancellation of a processing contract which was considered an indication of impairment and, accordingly, an impairment assessment was performed. Following the impairment charge, the McCreedy stream asset has a carrying value of $19.7 million (2012 - $129.4 million).

(ii) Kasese

The Kasese royalty is a 10% free cash flow royalty capped at US$10 million. Kasese Cobalt Company Ltd. (“KCCL”) is the operator which is recovering cobalt metal from a stockpile of a cobalt-rich sulphide concentrate (pyrite). In the fourth quarter of 2013, KCCL informed the Company that it has ceased mining and is in the midst of dismantling the operation which was considered an indicator of impairment. Following the impairment charge, the Kasese royalty has a carrying value of nil (2012 - $5.2 million).

(iii) Exploration assets

During 2013, the Company was notified, pursuant to various royalty agreements, that the explorer/operator 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, 2013, the total amount written off was $0.2 million.

Key assumptions and sensitivity

The key assumptions and estimates used in determining the recoverable amounts are related to commodity prices and discount rates. In addition, assumptions related to comparable entities, market values per ounce and the inclusion of reserves and resources in the calculations are used.

McCreedy

The fair value less cost of disposal ("FVLCD") for McCreedy was determined by calculating the net present value ("NPV") of the estimated future cash-flows expected to be generated by the mining of the McCreedy deposits. The estimates of future cash-flows were derived from a life-of-mine model developed by Franco-Nevada's management using McCreedy's historical performance to predict future performance. Based on observable market or publicly available data, Franco-Nevada's management made assumptions of future commodity prices, which included gold, platinum and palladium, to estimate future revenues. These price assumptions were supported by longer-term consensus price estimates obtained from a sample of analysts. The future cash-flows were discounted using a discount rate which reflects specific market risk factors associated with McCreedy.

The key assumptions used in the impairment testing are summarized in the table below:

	2013
Consensus long-term gold price per ounce	**$ 1,300**
Consensus long-term platinum price per ounce	**$ 1,700**
Consensus long-term palladium price per ounce	**$ 884**
Discount rate	**5%**

A sensitivity analysis was performed on the gold price and discount rate, which are the key assumptions that impact the impairment calculations. We assumed a negative 10% change for the commodity price assumptions, taking the gold price from $1,300 per ounce to $1,170 per ounce, platinum from $1,700 per ounce to $1,530 per ounce and palladium from $884 per ounce to $795 per ounce, while holding all other assumptions constant. In addition, we assumed a positive 5% change for the discount rate assumption, taking it from 5% to 10%, while holding all other assumptions constant.

The table below shows the impairment amounts when key assumptions are changed, in isolation, by 10% for commodity prices and 5% for the discount rate.

As at December 31, 2013	Carrying Value	Impairment Charge
Impairment recorded in statement of income	$ 19.7	$ 107.9
Impairment recorded if, in isolation,:		
10% decrease to long-term commodity prices	17.2	110.2
5% increase to the discount rate	16.0	111.5

Arctic Gas

During the year ended December 31, 2012, we recorded impairment charges of $74.1 million on our exploration assets comprising Arctic Gas. Our Arctic Gas assets comprise natural gas contingent resources in the Drake Point, Hecla, King Christian and Roche Point gas fields located on and offshore of Melville Island. Contingent resources are those quantities of oil and gas estimated, as of a given date, to be potentially recoverable from accumulations using established technology, or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. The largest working interest holder in the Drake Point, Hecla, King Christian and Roche Point gas fields is Suncor Energy Inc. ("Suncor"). The Arctic Gas assets were acquired by us as part of our December 2007 initial public offering transaction and the value assigned to Arctic Gas was based on metrics from a comparable transaction completed in 2006.

In 2012, we engaged an independent oil & gas reserve evaluator to provide an evaluation of the Arctic Gas assets as at December 31, 2012. The impairment charge was a result of changes in production assumptions, natural gas prices and amount of contingent resources used in the evaluation of Arctic Gas and resulted in a reduction of $74.1 million in the carrying value as at December 31, 2012. Following the impairment charge, Artic Gas had a carrying value of $3.3 million.

The key assumptions used in determining the recoverable amount for the Arctic Gas assets are long-term natural gas prices and discount rates. We performed a sensitivity analysis on the key assumptions as disclosed below. No reasonable change in the other key assumptions would have a significant impact on the recoverable amount of the Arctic Gas assets. Management determined these estimates using the fair value less cost to sell approach which is deemed greater than the assets' value in use.

The table below shows the impairment amounts when certain key assumptions are changed, in isolation, by 10% for long-term natural gas prices or 5% to the discount rate.

Key assumptions	Arctic Gas
Impairment recorded in statement of income (loss)	$ 74.1
Impairment recoded if, in isolation, a 10% change in long-term natural gas price or a 5% change to the discount rate:	
Long-term natural gas prices [(a)] increase by 10%	66.5
Long-term natural gas prices [(a)] decrease by 10%	77.4
Discount rate [(b)] increased to 20%	77.4
Discount rate [(b)] decreased to 10%	42.6

(a) Natural gas prices

Projected future revenue reflects management's estimates of future natural gas prices, which are determined based on current prices, forward prices and forecasts of future prices prepared by industry analysts. These estimates often differ from current price levels, but the methodology used is consistent with how a market participant would assess future long-term metals prices.

For 2012, the impairment analysis used a long-term natural gas price of C$3.60/Mcf.

(b) Discount rates

For 2012, the impairment analysis used a 15% discount rate for Arctic Gas taking into account market view for evaluating oil & gas assets and the risk associated with the Arctic Gas assets.

Foreign Exchange and Other Income/Expenses

Foreign exchange and other income/expenses comprise foreign exchange gains and losses, mark-to-market adjustments on the fair value of warrants held as investments and gains and losses from the sale of gold where settlement of the royalty/stream obligation is taken in kind from the operators.

Other expenses for the quarter were $3.3 million compared to $1.6 million in 2012. The following table provides a list of the other income/expenses incurred for the three months ended December 31, 2013 and 2012.

	Three months ended December 31,		
(expressed in millions)	**2013**	**2012**	**Variance**
Foreign exchange gain (loss)	$ (0.8)	$ 0.2	$ (1.0)
Mark-to-market gain (loss) on warrants	(1.9)	(1.6)	(0.3)
Loss on sale of gold	(0.6)	(0.2)	(0.4)
	$ (3.3)	$ (1.6)	$ (1.7)

Foreign exchange gains and losses include foreign exchange movements related to investments in bonds and other debt securities, such as government and corporate bonds, treasury bills and intercompany loans, held in the parent company, which are denominated in either U.S. dollars or Mexican pesos. The parent company's functional currency is the Canadian dollar. Under IFRS, all foreign exchange changes related to the debt securities are recorded in net income as opposed to other comprehensive income.

Foreign exchange gains and other expenses were $3.3 million in the quarter (2012 — $1.6 million) which was comprised of $0.8 million related to foreign exchange losses on intercompany debt securities (2012 — gain of $0.2 million), $1.9 million in mark-to-market losses related to warrants of small to mid-sized publicly-listed resource companies (2012 — $1.6 million) and a $0.6 million loss on the sale of gold (2012 - $0.2 million).

Finance Costs and Finance Income

Finance income was $1.0 million (2012 - $1.4 million) for the quarter which was earned on our cash equivalents and/or short-term investments. The decrease in finance income was due to lower cash balances invested in 2013 than 2012 coupled with a larger U.S dollar balance, which earns a lower interest rate, than 2012. Finance expenses were $0.6 million (2012 - $0.2 million) and consist of the costs of maintaining our credit facility in addition to the amortization of the initial set-up costs incurred with respect to the facility. The increase in finance expenses is due to higher standby fees as we increased our credit facility from $175.0 million to $500.0 million in January 2013. For the quarter, standby fees were $0.5 million (2012 - $0.1 million) and amortization of issuance costs were $0.1 million (2012 - $0.1 million).

Income Taxes

Franco-Nevada had an income tax recovery of $17.1 million (2012 — income tax expense $10.9 million) for the quarter comprised of a current income tax expense of $3.8 million (2012 - $11.4 million) and a deferred income tax recovery of $20.9 million (2012 — income tax recovery of $0.5 million) related to our Canadian and Mexican entities. The increase in the deferred tax recovery is related to the impairment charges recorded in the fourth quarter.

Overview of Financial Performance — *2013 to 2012*

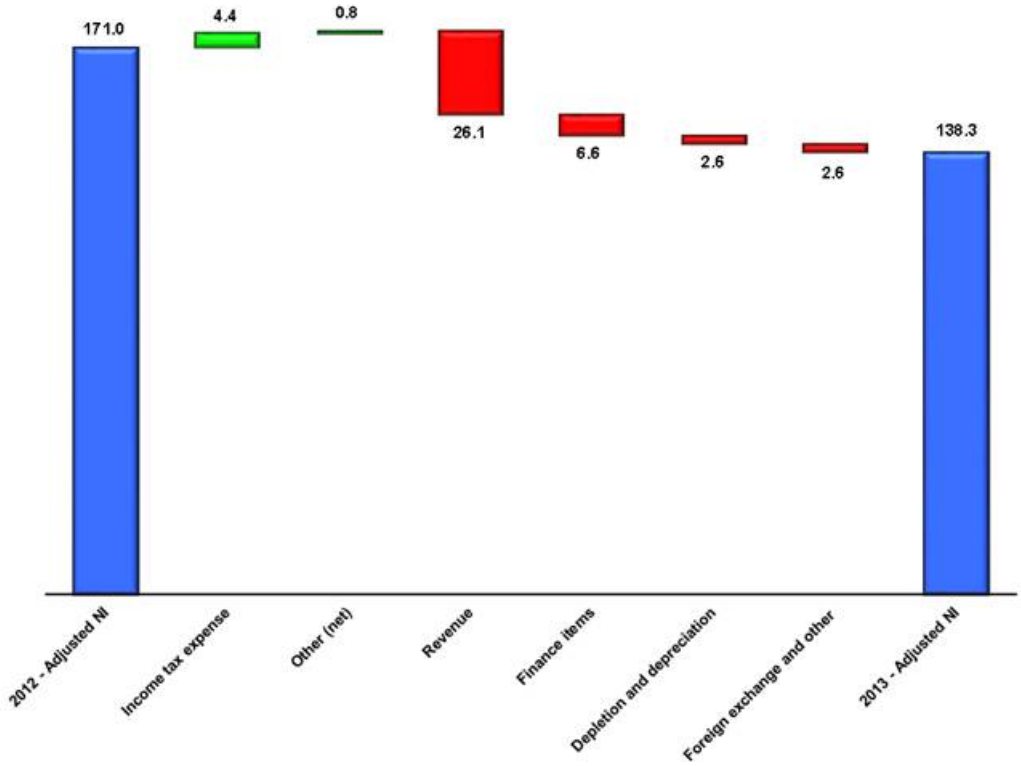
Net Income

Net income for the year was $11.7 million, or $0.08 per share, compared with net income of $102.6 million, or $0.72 per share, for 2012. The reduction in net income was driven primarily by (i) higher impairment charges recorded in 2013 than 2012; (ii) lower mineral asset revenue due to weaker average gold and platinum prices; and (iii) higher foreign exchange losses recorded in 2013.

Adjusted Net Income was $138.3 million, or $0.94 per share, compared with $171.0 million, or $1.19 per share. The decrease in Adjusted Net Income was driven primarily by lower revenue and finance items and higher depletion; partially offset by lower income tax expense and other expenses.

Adjusted Net Income Reconciliation — 2012 to 2013

(expressed in millions)



Revenue

Gold

Average gold price for 2013 was $1,411/oz compared to $1,669/oz for 2012 based on the London PM Fixed quoted prices representing a decrease of 15.5%. The deterioration and volatility surrounding the gold price is attributable to a number of factors, including concerns over U.S. monetary stimulus reductions and expected near term interest rate increases.

GEOs earned from gold assets increased to 192,297 in 2013 from 191,610 in 2012, with growth coming from international assets, such as Subika and MWS, partially offset by a reduction in GEOs earned from U.S. gold assets, such as Goldstrike. 2013 gold revenue was $269.9 million down from $320.6 in 2012 which was attributable to the lower average gold price and a reduction in GEOs from NPI royalties which are the most sensitive to gold price fluctuations compared to other types of royalties. For 2013, we earned 8,520 GEOs from NPI royalties compared with 29,227 GEOs in 2012.

U.S. assets produced 41,040 GEOs and generated $59.1 million in revenue in 2013, a decrease of 19,522 GEOs, or 32.3%, and $42.6 million in revenue, or 41.9%, respectively, over 2012. The largest decrease was attributable to Goldstrike (18,670 GEOs and $34.5 million in revenue) due to the impact of the lower gold price and capital expenditures allocated to the Goldstrike NPI along with lower production. Lower production at Bald Mountain resulted in a decrease of 2,583 GEOs and $5.0 million in revenue due to mine sequencing. These decreases were partially offset by increases at Gold Quarry of 3,171 GEOs and $2.1 million in revenue due to an increase in the minimum royalty provision.

Canadian assets produced 31,966 GEOs and generated $43.6 million in revenue in 2013, an increase of 16.4% and a decrease of 5.2%, respectively, over 2012 levels. The greatest contributions came from our Golden Highway assets (8,841 GEOs and $12.5 million in revenue) operated by St Andrew, the Sudbury assets (8,532 GEOs and $11.6 million in revenue) operated by KGHM and the Detour NSR (4,442 GEOs and $5.9 million in revenue). The lower gold price environment negatively impacted Canadian NPIs with lower GEOs and revenue being earned from Musselwhite and Hemlo. The Timmins West NSR contributed 2,404 GEOs and $3.2 million in revenue, representing increases of 89.6% and 60.0%, respectively, in 2013.

Australian assets produced 6,809 GEOs for the period compared to 6,886 GEOs in 2012 due to increased production from our Duketon NSR where production from the Garden Well deposit began generating GEOs and revenue in September 2012. Re-structuring activities at Bronzewing and Henty resulted in lower GEOs and revenue being earned from these assets in 2013 compared to 2012.

Rest of world gold assets produced 112,482 GEOs and generated $157.5 million in revenue in the year compared to 96,694 GEOs and $161.3 million in revenue in 2012. The increase in GEOs was due to (i) Subika NSR which surpassed production thresholds in late 2012 (8,478 GEOs); (ii) MWS stream due to higher production (5,624 GEOs); and (iii) Palmarejo project due to higher production (2,238 GEOs), partially offset by lower production from other assets.

PGM

The average prices for platinum and palladium for 2013 were $1,487/oz and $725/oz, respectively, which represented a decrease of 4.2% for platinum and an increase of 12.4% for palladium over 2012 average prices.

PGM GEOs produced were 40,007 for 2013 compared to 35,826 GEOs in 2012 and revenue decreased to $51.6 million for the year, down from $60.7 million in 2012. Despite 11.7% higher production levels at the various PGM operations, the lower average platinum prices caused revenue to decrease by 15.0%.

Other Minerals

GEOs and revenue generated from other minerals increased due to the start of production at the Peculiar Knob iron-ore project in Australia which generated $8.0 million in revenue for the year. The Osborne royalty, acquired in the fourth quarter of 2013, contributed $0.8 million to revenue in the year *(See Portfolio Additions above).*

Oil & Gas

Oil & gas revenue increased 63.8% to $67.0 million for 2013 (94% oil and 6% gas) compared with $40.9 million for 2012 (90% oil and 10% gas) due to the addition of the Weyburn Unit NRI in late 2012.

Oil averaged C$93 per barrel (based on the Edmonton Par (40° API)), WTI averaged $98 per barrel and gas averaged C$3.02/mcf (based on AECO-C), respectively, during the year. The WTI/Edmonton Light price differential averaged $7 per barrel for 2013 with a quality differential of C$7 per barrel for Weyburn oil. The Weyburn Unit generated $50.7 million compared with $25.0 million for 2012. We acquired an additional 1.15% working interest and 11.7% NRI in February 2012 and November 2012, respectively.

Costs and Expenses

Costs and expenses for the period were $351.3 million compared to $288.6 million in 2012. The following table provides a list of the costs and expenses incurred for the year ended December 31, 2013 and 2012.

	Twelve months ended December 31,		
(expressed in millions)	**2013**	**2012**	**Variance**
Costs of sales	$ 60.2	$ 59.2	$ 1.0
Depletion and depreciation	129.3	126.7	2.6
Corporate administration	15.2	17.4	(2.2)
Business development	3.0	2.6	0.4
Impairment of investments	30.7	8.6	22.1
Impairment of royalty, stream and working interests	112.9	74.1	38.8
	$ 351.3	$ 288.6	$ 62.7

Costs of sales, which comprises the cost of GEOs purchased under stream agreements, oil & gas production taxes, operating costs on oil & gas working interests and net proceeds taxes on mineral interests, were $60.2 million for 2013 compared with $59.2 million for 2012, of which $50.1 million (2012-$45.7 million) related to cost of stream ounces. The increase of $1.0 million is attributable to higher (i) cost of stream sales of $4.3 million due to higher production from stream assets; partially offset by lower (ii) net proceeds taxes of $3.2 million as sourced revenue was lower in the period; and (iii) oil & gas production taxes of $0.1 million due to lower production volumes. For 2013, we received 123,387 GEOs under our stream agreements compared to 113,837 GEOs received for 2012.

Depletion and depreciation totaled $129.3 million for the year compared to $126.7 million in 2012. The increase in depletion of $2.6 million is due to higher depletion on (i) oil & gas assets of $9.9 million with the acquisition of the Weyburn Unit NRI in the fourth quarter of 2012; (ii) MWS of $4.6 million and Levack/Morrison of $2.1 million, both due to higher production; and (iii) Subika of $3.2 million, a royalty that began generating revenue after surpassing production thresholds in late 2012; partially offset by lower depletion on Podolsky ($9.6 million) as the operator put the mine on care and maintenance earlier in 2013 and Goldstrike ($6.1 million) and other assets ($1.5 million), due to lower production.

C*orporate administration* expenses of $15.2 million for the year compared to $17.4 million in 2012. The decrease is attributable to lower consulting fees ($1.0 million), mark-to market adjustments of our Deferred Share Units ($0.7 million) and lower compensation expense ($0.5 million).

Business development expenses were $3.0 million and $2.6 million for the twelve months ended December 31, 2013 and 2012, respectively. Timing of incurring these costs will vary depending upon the timing and level of activity of the business development team on completing transactions.

Impairment of investments was $30.7 million (2012 — $8.6 million) for the year due to the fair value of certain investments, some of which had been impaired at December 31, 2012, continuing to decline in value over the period. *Please refer to impairment of investments included in fourth quarter section above.*

Impairment of royalty, stream and working interests were $112.9 million for the year ended December 31, 2013 (2012 - $74.1 million). The

impairment charges were the result of an impairment analysis completed at the end of 2013 due to the presence of impairment indicators on the McCreedy precious metals stream and Kasese cobalt royalty. In 2012, we recorded an impairment of $74.1 million related to Arctic Gas exploration assets. *Please refer to the impairment of royalty, stream and working interest discussion included in the fourth quarter section above.*

Foreign Exchange and Other Income/Expenses

Foreign exchange and other income/expenses comprise foreign exchange gains and losses, mark-to-market adjustments on the fair value of warrants held and gains and losses from the sale of gold where settlement of the royalty/stream obligation is taken in kind from the operators.

Other expenses for 2013 were $17.2 million compared to other income of $8.0 million for 2012. The following table provides a list of the other income/expenses incurred for the twelve months ended December 31, 2013 and 2012.

	Twelve months ended December 31,		
(expressed in millions)	**2013**	**2012**	**Variance**
Foreign exchange gain (loss)	$ (3.1)	$ 0.1	$ (3.2)
Mark-to-market gain (loss) on warrants	(11.5)	8.2	(19.7)
Loss on sale of gold	(2.6)	(0.3)	(2.3)
	$ (17.2)	$ 8.0	$ (25.2)

Foreign exchange losses and other expenses were $17.2 million in the year (2012 — gain of $8.0 million) which was comprised of $3.1 million related to foreign exchange losses on intercompany debt securities (2012 — income of $0.1 million), $11.5 million in mark-to-market losses related to warrants of small to mid-sized publicly-listed resource companies (2012 — gain of $8.2 million) and $2.6 million in losses on the sale of gold (2012 - $0.3 million). Franco-Nevada receives physical gold and silver as settlement for certain royalty obligations which was sold on the open market at spot prices within a short time period from the date of receipt. The difference between the spot price realized and the average gold/silver prices in the period the gold/silver was recognized is recorded as a gain/loss on the sale of gold/silver.

Finance Costs and Finance Income

Finance income was $3.5 million (2012 - $9.6 million) for the twelve months ended December 31, 2013 which was earned on our cash equivalents and/or short-term investments. The decrease is due to higher U.S. dollar cash balances invested in 2013 than 2012 with U.S. cash balances earning a lower interest rate than Canadian balances. Finance expenses were $1.9 million (2012 - $1.1 million) and consist of the costs of maintaining our credit facility in addition to the amortization of the initial set-up costs incurred with respect to the facility. For the year, standby fees were $1.2 million (2012 - $0.6 million) and amortization of issuance costs were $0.3 million (2012 - $0.5 million). In addition, we expensed $0.3 million related to the previous credit facility.

Income Taxes

Franco-Nevada had an income tax expense of $22.3 million (2012 — $52.3 million) for the year. This was comprised of a current income tax expense of $34.9 million (2012 - $38.3 million) and a deferred income tax recovery of $12.6 million (2012 — income tax expense of $14.0 million) related to our Canadian entities partially offset by deferred income tax expenses in the U.S.

Quarterly Financial Information

Selected quarterly financial information from our financial statements is set out below:

(expressed in millions, except per share amounts)[1][4]

	Q4 2013	Q3 2013	Q2 2013	Q1 2013	Q4 2012	Q3 2012	Q2 2012	Q1 2012
Revenue	$ **100.0**	$ **98.8**	$ **93.3**	$ 108.8	$ 114.1	$ 105.2	$ 102.7	$ 105.0
Cost and expenses	**194.8**[2]	**50.8**	**50.5**[2]	55.2[2]	135.9[2]	50.0	50.9	51.0
Operating income (loss)	**(94.8)**	**48.0**	**42.8**	53.6	(21.8)	55.2	51.8	54.0
Other income (expenses)	**(2.9)**	**0.7**	**(8.9)**	(4.5)	(0.4)	11.5	(0.3)	5.7
Income tax (recovery)/expense	**(17.1)**	**13.4**	**12.3**	13.7	10.9	14.7	14.6	12.9
Net income (loss)	**(80.6)**	**35.3**	**21.6**	35.4	(33.1)	52.0	36.9	46.8
Basic earnings (loss) per share	$ **(0.55)**	$ **0.24**	$ **0.15**	$ 0.24	$ (0.23)	$ 0.36	$ 0.26	$ 0.33
Diluted earnings (loss) per share	$ **(0.55)**	$ **0.24**	$ **0.15**	$ 0.24	$ (0.23)	$ 0.35	$ 0.25	$ 0.33
Adjusted EBITDA[3]	**77.3**	**80.3**	**75.5**	89.4	93.7	86.4	82.8	85.7
Adjusted EBITDA[3] per share	$ **0.53**	$ **0.55**	$ **0.51**	$ 0.61	$ 0.65	$ 0.59	$ 0.57	$ 0.61
Adjusted Net Income[3]	**30.5**	**35.3**	**31.9**	40.6	47.0	45.3	35.1	43.6
Adjusted Net Income[3] per share	$ **0.21**	$ **0.24**	$ **0.22**	$ 0.28	$ 0.32	$ 0.31	$ 0.24	$ 0.31

(1) Due to rounding, amounts may not calculate.
(2) Includes impairment charges on royalty, stream, working interests and investments.

(3) Adjusted EBITDA and Adjusted Net Income are non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see pages 27-31 of this MD&A.
(4) Certain comparative figures have been reallocated to conform to the current period's presentation.

Non-IFRS Financial Measures

Adjusted EBITDA was $77.3 million, or $0.53 per share, for the quarter compared to $93.7 million, or $0.65 per share, for 2012. The decrease in Adjusted EBITDA was primarily due to lower revenue as a result of decreases in average gold and platinum prices. Adjusted EBITDA for the year ended December 31, 2013 and 2012 was $322.5 million, or $2.20 per share, and $347.8 million, or $2.43 per share, respectively. The decrease is due to lower revenues from weaker average gold and platinum prices earned in the period.

Adjusted EBITDA for the three and twelve months ended December 31, 2013 and 2012 is presented by commodity, location and type of interest below:

For the three months ended December 31, (expressed in millions)	Adjusted EBITDA 2013 $	2013 %	2012 $	2012 %
Commodity				
Gold	**$ 53.7**	***70%***	$ 70.6	*75%*
PGM	**9.4**	***12%***	11.3	*12%*
Other	**4.1**	***5%***	10.5	*11%*
Oil & Gas	**10.1**	***13%***	1.3	*2%*
	$ 77.3	***100%***	$ 93.7	*100%*
Geography				
Canada	**$ 29.6**	***38%***	$ 30.6	*33%*
United States	**13.1**	***17%***	30.4	*32%*
Mexico	**15.5**	***20%***	16.4	*18%*
Australia	**5.8**	***8%***	4.0	*4%*
Rest of World	**13.3**	***17%***	12.3	*13%*
	$ 77.3	***100%***	$ 93.7	*100%*
Type				
Revenue-based	**$ 33.9**	***44%***	$ 45.5	*49%*
Streams	**29.4**	***38%***	30.2	*32%*
Profit-based	**8.9**	***11%***	13.6	*14%*
Working interests and other	**5.1**	***7%***	4.4	*5%*
	$ 77.3	***100%***	$ 93.7	*100%*

For the twelve months ended December 31, (expressed in millions)	Adjusted EBITDA 2013 $	2013 %	2012 $	2012 %
Commodity				
Gold	**$ 216.2**	***67%***	$ 265.3	*76%*
PGM	**38.1**	***12%***	46.6	*14%*
Other	**11.7**	***4%***	4.5	*1%*
Oil & Gas	**56.5**	***17%***	31.4	*9%*
	$ 322.5	***100%***	$ 347.8	*100%*
Geography				
Canada	**$ 115.5**	***36%***	$ 102.6	*30%*
United States	**71.6**	***22%***	108.1	*31%*
Mexico	**58.9**	***18%***	74.1	*21%*
Australia	**20.0**	***6%***	14.3	*4%*
Rest of World	**56.5**	***18%***	48.7	*14%*
	$ 322.5	***100%***	$ 347.8	*100%*
Type				
Revenue-based	**$ 150.4**	***47%***	$ 160.9	*46%*
Streams	**109.7**	***34%***	137.2	*39%*
Profit-based	**36.7**	***11%***	37.8	*11%*
Working interests and other	**25.7**	***8%***	11.9	*4%*
	$ 322.5	***100%***	$ 347.8	*100%*

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 EPS:

- Income tax expense/recovery;
- Finance expenses;
- Finance income;
- Foreign exchange gains/losses and other income/expenses;
- Gains/losses on the sale of investments;
- Impairment charges related to royalty, stream and working interests and investments; and
- Depletion and depreciation.

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, and to assist with the planning and forecasting of future operating results. Management believes that Adjusted EBITDA and Adjusted EBITDA per share allow investors and analysts to better evaluate the results of the underlying business of the Company. 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 foreign exchange, gains/losses on sale of investments and impairment charges do not reflect the underlying operating performance of our business and are not necessarily indicative of future operating results. Adjusted EBITDA and Adjusted EBITDA per share are intended to provide additional information to investors and analysts, do not have any standardized meaning under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Reconciliation of Net Income to Adjusted EBITDA:

(expressed in millions, except per share amounts)	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Net Income (Loss)	$ **(80.6)**	$ (33.1)	$ **11.7**	$ 102.6
Income tax (recovery) expense	**(17.1)**	10.9	**22.3**	52.3
Finance costs	**0.6**	0.2	**1.9**	1.1
Finance income	**(1.0)**	(1.4)	**(3.5)**	(9.6)
Depletion and depreciation	**34.4**	32.8	**129.3**	126.7
Impairment of investments	**24.8**	8.6	**30.7**	8.6
Impairment of royalty, stream and working interests	**112.9**	74.1	**112.9**	74.1
Foreign exchange (gains)/losses and other (income)/expenses	**3.3**	1.6	**17.2**	(8.0)
Adjusted EBITDA	$ **77.3**	$ 93.7	$ **322.5**	$ 347.8
Basic Weighted Average Shares Outstanding	**147.1**	145.3	**146.8**	143.1
Adjusted EBITDA per share	$ **0.53**	$ 0.65	$ **2.20**	$ 2.43

Margin

Margin is a non-IFRS financial measure which is defined by the Company as Adjusted EBITDA divided by revenue. Management uses Margin to evaluate the performance of the Company's portfolio and we believe Margin provides a meaningful measure for investors and analysts to evaluate our overall ability to generate cash flow from our royalty, stream and working interests. 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 per share amounts and Margin)	Three months ended December 31, 2013	Three months ended December 31, 2012	Twelve months ended December 31, 2013	Twelve months ended December 31, 2012
Net Income (Loss)	$ **(80.6)**	$ (33.1)	$ **11.7**	$ 102.6
Income tax (recovery) expense	**(17.1)**	10.9	**22.3**	52.3
Finance costs	**0.6**	0.2	**1.9**	1.1
Finance income	**(1.0)**	(1.4)	**(3.5)**	(9.6)
Depletion and depreciation	**34.4**	32.8	**129.3**	126.7
Impairment of investments	**24.8**	8.6	**30.7**	8.6
Impairment of royalty, stream and working interests	**112.9**	74.1	**112.9**	74.1
Foreign exchange (gains)/losses and other (income)/expenses	**3.3**	1.6	**17.2**	(8.0)
Adjusted EBITDA	$ **77.3**	$ 93.7	$ **322.5**	$ 347.8
Revenue	**100.0**	114.1	**400.9**	427.0
Margin	**77.3%**	82.1%	**80.4%**	81.5%

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;
- Gains/losses on the sale of investments;
- Impairment charges related to royalty, stream and working interests and 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, and to assist with the planning and forecasting of future operating results. Management believes that Adjusted Net Income and Adjusted Net Income per share allow investors and analysts to better evaluate the results of the underlying business of the Company. 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 foreign exchange, gains/losses on sale of investments and impairment charges do not reflect the underlying operating performance of our business and 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, do not have any standardized meaning under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Reconciliation of Net Income to Adjusted Net Income:

	Three months ended December 31,		Twelve months ended December 31,	
(expressed in millions, except per share amounts)	**2013**	**2012**	**2013**	**2012**
Net Income (Loss)	$ **(80.6)**	$ (33.1)	$ **11.7**	$ 102.6
Foreign exchange (gain) loss, net of income tax	**0.5**	(0.5)	**2.3**	(0.1)
Mark-to-market changes on warrants, net of income tax	**1.7**	1.4	**9.9**	(7.2)
Impairment of investments, net of income tax	**25.6**	7.6	**30.8**	7.6
Impairment of royalty, stream and working interests, net of income tax	**83.3**	74.1	**83.3**	74.1
Credit facility costs written off, net of income tax		—	**0.3**	—
Foreign withholding taxes	**—**	—	**—**	(3.5)
Withholding tax reversal	**—**	(2.5)	**—**	(2.5)
Adjusted Net Income	$ **30.5**	$ 47.0	$ **138.3**	$ 171.0
Basic Weighted Average Shares Outstanding	**147.1**	145.3	**146.8**	143.1
Basic EPS	$ **(0.55)**	$ (0.23)	$ **0.08**	$ 0.72
Foreign exchange (gain) loss, net of income tax	**0.01**	—	**0.02**	—
Mark-to-market changes on derivatives, net of income tax	**0.01**	0.01	**0.07**	(0.05)
Impairment of investments, net of income tax	**0.17**	0.05	**0.20**	0.04
Impairment of royalty, stream and working interests, net of income tax	**0.57**	0.51	**0.57**	0.52
Foreign withholding taxes	**—**	—	**—**	(0.02)
Withholding tax reversal	**—**	(0.02)	**—**	(0.02)
Adjusted Net Income per share	$ **0.21**	$ 0.32	$ **0.94**	$ 1.19

Financial Position, Liquidity and Capital Resources

Operating Cash Flow

Cash provided by operating activities before changes in non-cash assets and liabilities, relating to operating activities, was $73.4 million and $84.2 million for the three months ended December 31, 2013 and 2012, respectively. The decrease was attributable to lower revenues earned in 2013 compared to 2012.

Cash provided by operating activities before changes in non-cash assets and liabilities, relating to operating activities, was $292.8 million and $321.0 million for the twelve months ended December 31, 2013 and 2012, respectively. The decrease was attributable to lower revenues earned in 2013 compared to 2012.

Investing Activities

Cash used in investing activities was $40.4 million for the quarter compared to $381.9 in 2012. In the fourth quarter of 2012, cash was used primarily for the purchase of a NRI in the Weyburn Unit for C$400.0 million.

For the year ended December 31, 2013, cash used in investing activities was $1.4 million compared to $659.3 million for 2012. The decrease in cash used in investing activities was due to the Weyburn NRI acquisition in 2012 and fewer short-term investment purchases in 2013 when compared to 2012.

Franco-Nevada invests its excess funds in various treasury bills of the U.S. government, Canadian federal and provincial governments and high quality corporate bonds. As at December 31, 2013, the investments had various maturities upon acquisition of between 14 and 94 days. Accordingly, as at December 31, 2013, those investments with maturities of three months or less upon acquisition are classified as “cash and cash equivalents” and those with maturities greater than three months upon acquisition are classified as “short-term investments”.

Financing Activities

Net cash used in financing activities was $22.1 million for the quarter compared to $20.0 million in 2012. Cash was used primarily for the payment of dividends.

Financing activities used $94.0 million in cash in 2013 compared to cash provided by financing activities of $180.0 million in 2012 due to the higher proceeds from the exercise of warrants in 2012.

Cash Resources and Liquidity

Our performance is impacted by foreign currency fluctuations of the Canadian dollar, Mexican peso and Australian dollar relative to the U.S. dollar. The largest exposure we have is with respect to the Canada/U.S. dollar exchange rate as we hold a significant amount of our assets in Canada and report our results in U.S. dollars. The effect of this volatility in these currencies against the U.S. dollar impacts our corporate administration, business development expenses and depletion on mineral and oil & gas interests incurred in our Canadian and Australian entities due to their respective functional currencies. The Canadian dollar traded in a range of $0.9348 to $1.0164, closing the period at $0.9402. The Mexican peso traded in a range of $0.07443 to $0.08348 and the Australian dollar traded between $0.9453 and $1.1289.

Management’s objectives when managing capital are to:

(a) ensure the preservation and availability of capital by investing in low risk investments with high liquidity; and

(b) ensure that adequate levels of capital are maintained to meet requirements.

As at December 31, 2013, our cash, cash equivalents and short-term investments totaled $788.0 million (December 31, 2012 - $779.9 million). In addition, we held available-for-sale investments at December 31, 2013 with a combined value of $38.2 million (December 31, 2012 - $108.4 million), of which $29.7 million was held in publicly traded equity instruments (December 31, 2012 - $73.9 million). Working capital as at December 31, 2013 was $861.2 million (December 31, 2012 - $822.4 million). The increase is largely the result of cash generated from normal ongoing operations partially offset by the payment of dividends.

Our near-term cash requirements include funding of the Cobre Panama stream commitment, corporate administration costs, certain costs of operations, declared dividends and income taxes directly related to the recognition of royalty and stream revenues. As a royalty/stream company, there are limited requirements for capital expenditures other than for the acquisition of additional royalties/streams and working interests’ capital commitments. 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 facility. We believe that our current cash resources, our available credit facility and future cash flows will be sufficient to cover the cost of our commitments under the Cobre Panama stream agreement, administrative expenses, costs of operations and dividend payments for the foreseeable future.

Ore and refined gold purchase commitments

Franco-Nevada has certain ore and refined gold purchase commitments related to its stream agreements once the ore is produced from the mining activities.

Cobre Panama Precious Metals Stream

On August 20, 2012, Franco-Nevada announced the acquisition of a precious metals stream on Inmet’s 80% interest in the Cobre Panama copper project in Panama. Franco-Nevada has committed to fund a $1.0 billion deposit for development of the Cobre Panama project, to be drawn down on a 1:3 ratio with Inmet’s funding after Inmet’s aggregate funding for the project has exceeded $1.0 billion (Inmet, now First Quantum, owns 80% of the project). Franco-Nevada expects to fund the $1.0 billion in stages over a three year period. Under the terms of the precious metals stream agreement, Franco-Nevada will pay $400 per ounce for gold and $6 per ounce for silver (subject to an annual adjustment for inflation) for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver, respectively, delivered to Franco-Nevada under the agreement. Thereafter Franco-Nevada will pay the greater of $400 per ounce for gold and $6 per ounce for silver (subject to an annual adjustment for inflation), respectively, and one half of the then prevailing market price. The gold and silver delivered under the precious metals stream agreement is indexed to the copper-in-concentrate produced from the Cobre Panama project.

In March 2013, Inmet was acquired by First Quantum Minerals Ltd. (“First Quantum”). Following the acquisition, First Quantum undertook a complete review of the Cobre Panama project and released the results in January 2014 which included a larger project with installed capacity approximately 17% higher than the Inmet plan and a revised development timeframe with first concentrate production expected in the fourth quarter of 2017. First Quantum has requested changes under the security and reporting requirements of the agreement and Franco-Nevada is currently considering to achieve a mutually beneficial outcome. Franco-Nevada expects to fund approximately $200.0 million in 2014 under the Cobre Panama stream agreement.

New Prosperity Gold Stream

Pursuant to a purchase and sale agreement dated May 12, 2010, Franco-Nevada committed to fund a $350.0 million deposit and acquire 22% of the gold produced pursuant to a gold stream agreement with Taseko Mines Limited ("Taseko") on Taseko's New Prosperity copper-gold project located in British Columbia. Franco-Nevada will provide the $350.0 million deposit for the construction of New Prosperity advanced pro-rata with other financing for the project once the project is fully permitted and financed, and has granted Taseko one special warrant. Franco-Nevada's financing commitment remained available to Taseko provided the project was fully permitted and financed by May 2012 at which point Franco-Nevada was entitled to terminate such commitment. Franco-Nevada has not terminated this option. Once New Prosperity is fully permitted and financed, the special warrant will be exchangeable, without any additional consideration, into two million purchase share warrants. Each purchase share warrant will entitle Taseko to purchase one Franco-Nevada common share at a price of C$75.00 at any time before June 16, 2017. In addition, Franco-Nevada will pay Taseko the lower of $400 per ounce (subject to an inflation adjustment) or the prevailing market price for each ounce of gold delivered under the agreement.

In February 2014, the Government of Canada announced it would not issue the federal authorizations necessary for the New Prosperity project to proceed.

Capital Resources

As of March 19, 2014, the entire amount of $500.0 million, or its Canadian dollar equivalent, is available under our credit facility. Advances under the facility bear interest depending upon the currency of the advance and leverage ratio. On March 19, 2014, Franco-Nevada extended its credit facility for an additional two years which amended the expiry of the credit facility to March 19, 2019. As of March 19, 2014, U.S. and Canadian dollar advances under the facility would bear interest rates of 3.95% and 3.20%, respectively. We can also draw funds using LIBOR 30-day rates plus 120 basis points under our credit facility.

Standby fees of $0.6 million (2012 - $0.2 million) and $1.2 million (2012 - $0.6 million) were incurred and paid for the three and twelve months ended December 31, 2013, respectively. In addition, we expensed $0.3 million related to the previous credit facility.

Critical Accounting Estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience. However, actual outcomes may differ from the amounts included in the consolidated financial statements.

In particular, the areas which require management to make significant judgments, estimates and assumptions in determining carrying values are:

Proven and Probable Reserves

Determination of proven and probable reserves by the operators and the Company associated with the Company's royalty, stream and working interests impact the measurement of the respective assets. The use of estimated reserve and resource prices and operators' estimates of proven and probable reserves, production costs (including capital, operating and reclamation costs) related to the Company's royalty and stream interests are subject to significant risks and uncertainties. These estimates affect depletion of the Company's royalty, stream and working interests and the assessment of the recoverability of the carrying value of royalty, stream and working interests.

Impairment of Non-Current Assets

Assessment of impairment of royalty, stream, working interests and investments measured at cost requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's royalty, stream, working interests and/or investments measured at cost. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, net asset value ("NAV") multiples, 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 could impact the impairment analysis.

Purchase Price Allocation

The assessment of whether an acquisition meets the definition of a business, or where the 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 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.

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 Accounting Standards Adopted During the Year

Franco-Nevada adopted the following new standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IAS 1, Presentation of Financial Statements

IAS 1 was amended to change the disclosure of items presented in other comprehensive income ("OCI"), including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. The statement of income and other comprehensive income (loss) has been updated to reflect IAS 1.

IFRS 10, Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements* to replace IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation — Special Purpose Entities.* The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power and variable returns before control is present. We conducted our review of all our wholly-owned entities and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of our subsidiaries.

IFRS 11, Joint Arrangements

In May 2011, the IASB issued IFRS 11 *Joint Arrangements* to replace IAS 31 *Interests in Joint Ventures*. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties involved to reflect the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. We conducted a review of our working interests and determined that the adoption of IFRS 11 did not result in any change in the accounting treatment of these working interests.

IFRS 12, Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements, and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). We adopted IFRS 12 effective January 1, 2013. The adoption of IFRS 12 resulted in incremental disclosures in our annual consolidated financial statements as disclosed in Note 2b — Significant Accounting Policies.

IFRS 13, Fair Value Measurement

In May 2011, the IASB issued IFRS 13 *Fair Value Measurement* as a single source guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. Enhanced disclosures about fair value are required to enable financial statement users to understand how the fair values were derived. We adopted IFRS 13 on a prospective basis. We have added additional disclosures on fair value measurement in Note 9 — Fair Value Measurements to our annual consolidated financial statements.

New Accounting Standards Issued But Not Yet Effective

IFRS 9, Financial Instruments

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Requirements for classification and measurement of financial liabilities were added on October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to an entity's own credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the statement of income.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including adding disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. In December 2011, amendments to IFRS 7 were issued to require additional disclosures on transition from IAS 39 to IFRS 9. In November 2013, IFRS 9 was amended to include guidance on hedge accounting and to allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in entity's own credit risk, from financial liabilities designated under fair value option, in other

comprehensive income (without having to adopt the remainder of IFRS 9). In July 2013, the IASB tentatively decided to defer the mandatory effective date of IFRS 9. The IASB agreed that the mandatory effective date should no longer be annual periods beginning on or after January 1, 2015 but rather be left open pending the finalization of the impairment and classification and measurement requirements.

We are currently assessing the impact of adopting IFRS 9 on our consolidated financial statements, including the impact of early adoption.

IFRIC 21, Levies

In May 2013, the IASB issued IFRIC 21 Levies, which sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligation event is that gives rise to pay a levy and when should a liability be recognized.

This interpretation is required to be applied for accounting periods beginning on or after January 1, 2014, with earlier adoption permitted. We are currently assessing the impact of adopting IFRS 21 on our consolidated financial statements, including the impact of early adoption.

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 the authorized shares is included in our Annual Information Form for the year ended December 31, 2013, a copy of which can be found on SEDAR at www.sedar.com and in our 40-F, a copy of which can be found on EDGAR at www.sec.gov.

As of March 19, 2014, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	147,253,398
Issuable upon exercise of Franco-Nevada warrants [1]	6,510,769
Issuable upon exercise of Franco-Nevada options [2]	2,134,358
Issuable upon exercise of Gold Wheaton (now Franco-Nevada GLW Holdings Corp.) warrants [3]	62,240
Issuable upon exercise of Gold Wheaton (now Franco-Nevada GLW Holdings Corp.) options [4]	47,847
Issuable upon exercise of special warrant [5]	2,000,000
Issuable upon vesting of Franco-Nevada RSUs	128,616
Diluted common shares	158,137,228

Notes:

(1) The warrants have an exercise price of C$75.00 per share and an expiry date of June 16, 2017.

(2) There were 2,134,358 stock options under our share compensation plan outstanding to directors, officers, employees and others with exercise prices ranging from C$15.20 to C$57.57 per share.

(3) In connection with the acquisition of Gold Wheaton Gold Corp, Franco-Nevada reserved for issuance 6,126,750 common shares in connection with warrants that were outstanding upon the closing. To-date 2,018,897 Franco-Nevada common shares have been issued upon the exercise of the Gold Wheaton warrants and 25,999,998 warrants (4,045,600 equivalent Franco-Nevada common shares) have expired unexercised. With respect to the warrants, 400,000 warrants (62,240 equivalent Franco-Nevada common shares) have an expiry date of May 26, 2014 and an exercise price of C$5.00 (C$32.13 per share equivalent exercise price). Holders of these warrants, which are now warrants of Franco-Nevada's wholly-owned subsidiary Franco-Nevada GLW Holdings Corp., are entitled to receive, at each warrant holder's election at the time of exercise, either (i) 0.1556 of a Franco-Nevada common share; or (ii) C$5.20 in cash.

Expiry Dates	Exercise Price	Number of Gold Wheaton Warrants	Equivalent Franco-Nevada Exercise Price	Equivalent Franco-Nevada Common Shares
May 26, 2014	C$ 5.00	400,000	C$ 32.13	**62,240**

(4) In connection with the acquisition of Gold Wheaton, Franco-Nevada reserved for issuance 730,698 common shares in connection with options that were outstanding upon closing, with exercise prices ranging between C$2.50 and C$6.00 for 0.1556 of a Franco-Nevada common share. To date, 654,531 Gold Wheaton stock options have been exercised and 28,320 Gold Wheaton stock options have expired.

(5) In connection with the transaction with Taseko Mines Limited, one special warrant was granted to Taseko which will be exchangeable into 2,000,000 purchase share warrants once the project gets fully permitted and financed. Each warrant will entitle Taseko to purchase one Franco-Nevada common share at a price of C$75.00 per share before June 16, 2017.

Franco-Nevada has not issued any preferred shares.

Risk Factors

The following discussion pertains to the outlook and conditions currently known to management which could have a material impact on the financial condition and results of operations. This discussion, by its nature, is not all-inclusive. It is not a guarantee that other factors will or will not affect Franco-Nevada in the future. For additional information with respect to risks and uncertainties, please also refer to the "Risk Factors" section of our most recent Annual Information Form filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com and our most recent Form 40-F filed with the Securities and Exchange Commission on EDGAR at www.sec.gov.

Fluctuation in Commodity Prices

Commodity prices have fluctuated widely in recent years. The marketability and price of metals, minerals, oil & gas on properties for which we hold interests will be influenced by numerous factors beyond our control and which may have a material and adverse effect on our profitability, results of operations and financial condition.

Significance of the Palmarejo Gold Stream

The Palmarejo gold stream is currently significant to Franco-Nevada. As a result, any adverse issues associated with financial viability, production and/or the recoverability of reserves from this project and the associated portion over which we have a stream interest, could have a material and adverse effect on our profitability, results of operations and financial condition.

Foreign Currency Fluctuations

Franco-Nevada's royalty/stream interests are subject to foreign currency fluctuations and inflationary pressures, which may have a material and adverse effect on our 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 the risk of all adverse effects and, accordingly, we may suffer losses due to foreign currency rate fluctuations.

Franco-Nevada operates on an international basis and, therefore, foreign exchange risk and foreign currency translation risk exposures arise from the translation of transactions denominated in a foreign currency. During 2013, the foreign exchange risk for its Canadian, Australian and Mexican operations arose primarily with respect to the U.S. dollar.

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) 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) 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 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 (1992) 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, 2013.

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, 2013, Franco-Nevada's disclosure controls and procedures were effective.

For the three months and year ended December 31, 2013, 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, 2013.

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 U.S. 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, 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. 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 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; regulations and 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 PFIC (as defined below) status; 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; rate and timing of production differences from resource estimates; 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 or civil unrest; 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 Corporation’s ongoing income and assets relating to determination of our PFIC status; no adverse development in respect of any significant property in which Franco-Nevada holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and investors are cautioned that forward looking statements are not guarantees of future performance. Franco-Nevada cannot assure investors that actual results will be consistent with these forward looking statements. Accordingly, investors should not place undue reliance on forward looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to the “Risk Factors” section of this MD&A as well as Franco-Nevada’s most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com and contained in Franco-Nevada’s Form 40-F filed with the SEC on www.sec.gov. The forward looking statements herein are made as of the date of this MD&A only and Franco-Nevada does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

Exhibit 99.3

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Franco-Nevada's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in rules 13a-15(f) and 15d-15(f) under the United States *Securities Exchange Act of 1934*, as amended.

Franco-Nevada's management assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2013. 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 (1992)* 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, 2013.

The effectiveness of the Company's internal control over financial reporting as at December 31, 2013 has been audited by PricewaterhouseCoopers LLP, Independent Auditors, as stated in their report which is located within Exhibit 99.3 of Franco-Nevada's Form 40-F.

/s/ David Harquail	/s/ Sandip Rana
David Harquail	**Sandip Rana**
Chief Executive officer	Chief Financial officer

March 19, 2014

Independent Auditor's Report

To the Shareholders of Franco-Nevada Corporation

We have completed integrated audits of Franco-Nevada Corporation's 2013 and 2012 consolidated financial statements and its internal control over financial reporting as at December 31, 2013. Our opinions, based on our audits, are presented below.

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Franco-Nevada Corporation which comprise the consolidated statements of financial position as at December 31, 2013 and December 31, 2012 and the consolidated statements of income and comprehensive income (loss), cash flows and changes in shareholders' equity for the years then ended and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Franco-Nevada Corporation as at December 31, 2013 and December 31, 2012 and its financial performance and its cash flows for the years then ended in accordance with IFRS as issued by the IASB.

Report on internal control over financial reporting

We have also audited Franco-Nevada Corporation's internal control over financial reporting as at December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's responsibility for internal control over financial reporting

Management is responsible 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.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the Company's internal control over financial reporting.

Definition 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.

Inherent limitations

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.

Opinion

In our opinion, Franco-Nevada Corporation maintained, in all material respects, effective internal control over financial reporting as at December 31, 2013, based on criteria established in Internal Control - Integrated Framework (1992) issued by COSO.

/s/ PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 19, 2014

FRANCO-NEVADA CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in millions of U.S. dollars)

	December 31, 2013	December 31, 2012
ASSETS		
Cash and cash equivalents (Note 5)	**$ 770.0**	$ 631.7
Short-term investments (Note 6)	**18.0**	148.2
Receivables	**78.0**	83.4
Prepaid expenses and other	**46.3**	15.9
Current assets	**912.3**	879.2

Royalty, stream and working interests, net (Note 7)	**2,050.2**	2,223.6
Investments (Note 6)	**38.2**	108.4
Deferred income tax assets (Note 15)	**15.8**	8.7
Other	**28.4**	24.0
Total assets	**$ 3,044.9**	$ 3,243.9
LIABILITIES		
Accounts payable and accrued liabilities (Note 8)	**46.1**	$ 44.0
Current income tax liabilities	**5.0**	12.8
Current liabilities	**51.1**	56.8
Deferred income tax liabilities (Note 15)	**30.0**	38.0
Total liabilities	**81.1**	94.8
SHAREHOLDERS' EQUITY (Note 16)		
Common shares	**3,133.0**	3,116.7
Contributed surplus	**45.8**	47.2
Deficit	**(212.5)**	(120.6)
Accumulated other comprehensive income (loss)	**(2.5)**	105.8
Total shareholders' equity	**2,963.8**	3,149.1
Total liabilities and shareholders' equity	**$ 3,044.9**	$ 3,243.9

Commitments (Note 18)
Subsequent events (Note 20)

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

Approved by the Board of Directors and authorized for issue on March 19, 2014.

Pierre Lassonde
Director

Randall Oliphant
Director

FRANCO-NEVADA CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)
(in millions of U.S. dollars, except per share amounts)

	For the years ended December 31,	
	2013	**2012**
Revenue (Note 12)	**$ 400.9**	$ 427.0
Costs and expenses		
Costs of sales (Note 13)	**60.2**	59.2
Depletion and depreciation	**129.3**	126.7
Impairment of investments (Note 6)	**30.7**	8.6
Impairment of royalty, stream and working interests (Note 7(c))	**112.9**	74.1
Corporate administration (Note 14 and 16)	**15.2**	17.4
Business development	**3.0**	2.6
	351.3	288.6
Operating income	**49.6**	138.4
Foreign exchange gain (loss) and other income (expenses)	**(17.2)**	8.0
Income before finance items and income taxes	**32.4**	146.4
Finance items		
Finance income	**3.5**	9.6
Finance expenses (Note 11)	**(1.9)**	(1.1)
Net income before income taxes	**$ 34.0**	$ 154.9
Income tax expense (Note 15)	**22.3**	52.3
Net income	**$ 11.7**	$ 102.6
Other comprehensive income (loss):		
Items that may be classified subsequently to profit and loss:		

Unrealized change in market value of available-for-sale investments, net of an income tax recovery of $3.0 (2012 - income tax expense of $2.6) (Note 6)	**(26.0)**	7.5
Realized change in market value of available-for-sale investments (Note 6)	**6.5**	8.6
Currency translation adjustment	**(88.8)**	23.1
Other comprehensive income (loss) for the year	**(108.3)**	39.2
Total comprehensive income (loss) for the year	**$ (96.6)**	$ 141.8
Basic earnings per share (Note 17)	**$ 0.08**	$ 0.72
Diluted earnings per share (Note 17)	**$ 0.08**	$ 0.71

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

FRANCO-NEVADA CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions of U.S. dollars)

	For the years ended December 31,	
	2013	**2012**
Cash flows from operating activities		
Net income	**$ 11.7**	$ 102.6
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depletion and depreciation	**129.3**	126.7
Impairment of royalty, stream and working interests (Note 7(c))	**112.9**	74.1
Impairment of investments (Note 6)	**30.7**	8.6
Mark-to-market on warrants	**11.5**	(8.2)
Other non-cash items	**1.6**	0.2
Deferred income tax expense (Note 15)	**(12.6)**	14.0
Share-based payments (Note 16(c) and (f))	**4.6**	2.9
Unrealized foreign exchange loss	**3.1**	0.1
Changes in non-cash assets and liabilities:		
(Increase) decrease in receivables	**5.4**	(4.3)
(Increase) in prepaid expenses and other	**(43.0)**	(14.0)
Increase (decrease) in accounts payable and accrued liabilities	**(5.8)**	3.6
Net cash provided by operating activities	**249.4**	306.3
Cash flows from investing activities		
Proceeds on sale of short-term investments	**253.4**	318.4
Acquisition of investments	**(124.6)**	(468.6)
Acquisition of interests in mineral and oil & gas properties	**(134.8)**	(493.2)
Acquisition of oil & gas well equipment	**(6.1)**	(15.9)
Acquisition of property and equipment	**(1.3)**	—
Proceeds from sale of gold bullion	**12.0**	—
Net cash used in investing activities	**(1.4)**	(659.3)
Cash flows from financing activities		
Credit facility amendment costs	**(1.5)**	—
Payment of dividends	**(101.8)**	(77.9)
Proceeds from exercise of warrants	**2.3**	241.3
Proceeds from exercise of stock options	**7.0**	16.6
Net cash (used in) provided by financing activities	**(94.0)**	180.0
Effect of exchange rate changes on cash and cash equivalents	**(15.7)**	10.6
Net increase (decrease) in cash and cash equivalents	**138.3**	(162.4)
Cash and cash equivalents at beginning of year	**631.7**	794.1
Cash and cash equivalents at end of year	**$ 770.0**	$ 631.7
Supplemental cash flow information:		
Cash paid for interest expense and loan standby fees during the year	$ 1.2	$ 0.6
Income taxes paid during the year	$ 47.0	$ 46.4

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

FRANCO-NEVADA CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in millions of U.S. dollars)

	Share capital (Note 16)	Contributed Surplus	Accumulated other comprehensive income (loss)	Deficit	Total Equity
Balance at January 1, 2013	3,116.7	47.2	105.8	(120.6)	3,149.1
Net income	—	—	—	11.7	11.7
Other comprehensive loss	—	—	(108.3)	—	(108.3)
Total comprehensive loss	—	—	—	—	(96.6)
Exercise of stock options	9.0	(2.0)	—	—	7.0
Exercise of warrants	3.3	(1.0)	—	—	2.3
Share-based payments	—	4.6	—	—	4.6
Vesting of restricted share units	1.4	(1.4)	—	—	—
Expiry of warrants	—	(1.6)	—	—	(1.6)
Dividend investment plan	2.6	—	—	—	2.6
Dividends declared	—	—	—	(103.6)	(103.6)
Balance at December 31, 2013	3,133.0	45.8	(2.5)	(212.5)	2,963.8
Balance at January 1, 2012	2,803.6	99.5	66.6	(135.5)	2,834.2
Net income	—	—	—	102.6	102.6
Other comprehensive income	—	—	39.2	—	39.2
Total comprehensive income	—	—	—	—	141.8
Exercise of stock options	21.8	(5.1)	—	—	16.7
Share-based payments	—	2.9	—	—	2.9
Exercise of warrants	289.6	(48.3)	—	—	241.3
Vesting of restricted share units	1.8	(1.8)	—	—	—
Adjustment to finance costs	(0.1)	—	—	—	(0.1)
Dividends declared	—	—	—	(87.7)	(87.7)
Balance at December 31, 2012	3,116.7	47.2	105.8	(120.6)	3,149.1

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

FRANCO-NEVADA CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(in millions of U.S. dollars, except share and per share amounts)

Note 1 — Corporate Information

Franco-Nevada Corporation ("Franco-Nevada" or the "Company") is incorporated under the *Canada Business Corporations Act*. The Company is a gold-focused royalty and stream company with additional interests in platinum group metals, oil & gas and other resource assets. The majority of revenues are generated from a diversified portfolio of properties in the United States, Canada, Mexico and South Africa. The portfolio includes over 370 assets covering properties at various stages from production to early stage exploration.

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 available-for-sale financial assets and derivatives which are measured at fair value through profit and loss. IFRS comprise IFRSs, International Accounting Standards ("IAS"s) and interpretations issued by the IFRS Interpretations Committee ("IFRIC"s) and the former Standing Interpretations Committee ("SIC"s). These consolidated financial statements were approved for issuance by the Board of Directors on March 19, 2014.

(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. We consolidate subsidiaries where we have the ability to exercise control. Control of an investee is defined to exist when we are exposed to variable returns from our involvement in the investee and have the ability to affect those returns through our power over the investee. Specifically, we control an investee if, and only if, we have all of the following: power over the investee (i.e. existing rights that give us the current ability to direct the relevant activities of the investee); exposure, or rights, to variable returns from our involvement with the investee; and the ability to use our 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.

The principal subsidiaries of the Company and their geographic locations at December 31, 2013 were as follows:

Entity	Jurisdiction	Economic Interest
Franco-Nevada U.S. Corporation	Delaware	100%
Franco-Nevada GLW Holdings Corp.	British Columbia	100%
Franco-Nevada Mexico Corporation, S.A. de C.V.	Mexico	100%
Franco-Nevada Canada Holdings Corp.	Canada	100%
Franco-Nevada (Barbados) Corporation	Barbados	100%
Franco-Nevada Australia Pty Ltd.	Australia	100%
Franco-Nevada LRC Holdings Corp.	British Columbia	100%
Franco-Nevada Alberta Holdings ULC	Alberta	100%
Franco-Nevada U.S. Holding Corp.	Delaware	100%
Minera Global Copper Chile S.A.	Chile	100%
Franco-Nevada Alberta Corporation	Alberta	100%
FN Subco Inc.	British Columbia	100%
Franco-Nevada Idaho Corporation	Delaware	100%

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 our interests in any JO, we would recognize our share of any assets, liabilities, revenues and expenses of the JO.

A JV is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the JV. Any investment in a JV would be accounted for using the equity method.

The Company participates in joint operations with respect to certain of its oil & gas interests but does not have joint control. The Company's share of the assets, liabilities, revenues and expenses of the joint operation are recognized in the statements of financial position and statements of income and comprehensive income (loss).

(iii) Investment in associates

Associates are entities over which the Company has significant influence, but not control. The financial results of the Company's investments in its associates are included in the Company's results in accordance with the equity method. Subsequent to the acquisition date, the Company's share of profits or losses of associates is recognized in the consolidated statement of income (loss) and comprehensive income (loss) and its share of other comprehensive income (loss) of associates is included in the other comprehensive income account.

Unrealized gains on transactions between the Company and an associate are eliminated to the extent of the Company's interest in the associate. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in associates are recognized in the consolidated statement of income and comprehensive income (loss).

The Company assesses at each period-end whether there is any objective evidence that interests in associates are impaired. If impaired, the carrying value of the Company's share of the underlying assets of associates is written down to its estimated recoverable amount (being the higher of fair value less cost of disposal and value in use) and charged to the consolidated statement of income and comprehensive income (loss).

The Company currently has no investments in associates.

(c) Business combinations

On the acquisition of a subsidiary, 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 subsidiary 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 (loss).

When a subsidiary 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. Any excess is treated as goodwill, and any discount is immediately recognized in the consolidated statement of income. If control is obtained or lost as a result of a transaction, the identifiable net assets are recognized in the statement of financial position at fair value and the difference between the fair value recognized and the carrying value as at the date of the transaction is recognized in the consolidated statement of income and comprehensive income (loss).

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 (loss). Acquisition costs are expensed.

(d) Currency translation

(i) Functional and presentation currency

The functional currency for each entity within the Franco-Nevada group is the currency of the primary economic environment in which it operates.

These consolidated financial statements are expressed in United States dollars, which is the functional currency of some of the subsidiaries. The parent Company's functional currency is the Canadian dollar. The U.S. dollar is used as the presentation currency of the Company to ensure comparability with the Company's peers. References herein to C$ are to Canadian dollars.

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the respective subsidiary, using the exchange rate prevailing at the dates of the transaction (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and the re-measurement of monetary items and available-for-sale securities at the date of the consolidated balance sheet are recognized in net income. Non-monetary items measured at historical cost are translated 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 (loss).

(e) Mineral, stream and oil & gas interests

Mineral, stream and oil & gas interests consist of acquired royalty and stream interests in producing, advanced/development and exploration

stage properties. Mineral, stream and oil & gas interests are recorded at cost and capitalized as tangible assets with finite lives. They are subsequently measured at cost less accumulated depletion and depreciation and accumulated impairment losses. The cost of mineral, stream and oil & gas interests was determined by reference to the cost model under IAS 16 *Property, Plant and Equipment*. The major categories of the Company's interests are producing, advanced and exploration.

Producing mineral and stream 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 estimates of proven and probable reserves specifically associated with the mineral or stream properties. Producing oil & gas 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 oil & gas properties. Management relies on public disclosures for information on proven and probable reserves from the operators of the producing mineral and stream interests. For the oil & gas interests, management engages an independent petroleum consultant to prepare annual reserve reports.

On acquisition of a producing mineral or stream interest, an allocation of its fair value is attributed to the exploration potential of the interest. The estimated fair value of these acquired resources and exploration potential is recorded as an asset (non-depreciable interest) on the acquisition date. Updated reserve and resource information obtained from the operators of the mineral and stream properties is used to determine the amount to be converted from non-depreciable interest to depreciable interest.

Mineral, stream and oil & gas interests for advanced and exploration assets are recorded at cost and capitalized in accordance with IFRS 6 *Exploration for and Evaluation of Mineral Resources.* Acquisition costs of advanced and exploration stage mineral, stream and oil & gas interests are capitalized and are not depleted until such time as revenue-generating activities begin. The Company may receive advanced 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 advanced minimum payment received.

(f) Working interests in oil & gas properties

Acquired oil & gas 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 oil & gas 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 the respective asset.

Capitalized costs are depreciated when the asset is available for its intended use on a units-of-production basis, whereby the denominator is the estimated barrels of oil equivalent used in proved and probable reserves.

(g) Impairment of non-financial assets

Mineral, stream, oil & gas 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*, 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, oil & gas 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 and value-in-use. The future cash flow expected is derived using estimates of proven and probable reserves and information regarding the mineral, stream and oil & gas 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 first reduce the carrying value of any goodwill allocated to that CGU. Any remaining impairment loss is charged to the mineral, stream or oil & gas interest or working interest. With the exception of goodwill, all 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.

(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 payables and accrued liabilities and investments, including equity investments, convertible debentures, warrants, short-term treasury bills, term deposits and bonds. Financial instruments are recognized initially at fair value.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held with banks and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are classified as available-for-sale and measured at fair value.

(ii) Receivables

Receivables, other than those related to agreements with provisional pricing mechanisms, are classified as loans and receivables and are initially recorded at fair value of the amount expected to be received and subsequently measured at amortized cost less any provision for impairment.

Individual receivables are considered for recoverability when they are past due or when other objective evidence is received that a specific counterparty will default. Impairments for receivables are presented in the consolidated statement of income and comprehensive income (loss).

(iii) Investments

Investments comprise equity interests in publicly-traded and privately-held entities and marketable securities with original maturities at the date of the purchase of more than three months.

Available-for-sale investments are recognized initially at fair value plus transaction costs. Subsequent to initial recognition, available-for-sale investments are measured at fair value and changes in the fair value are recognized directly in other comprehensive income (loss), except for impairment losses, which are recognized in the consolidated statement of income and comprehensive income (loss). When an available-for-sale investment is sold or impaired, the accumulated gains or losses are reversed from accumulated other comprehensive income (loss) and included as gain (loss) on the sale of investments or impairment of investments in the statement of income and comprehensive income (loss).

Where the Company holds an investment in a privately-held entity for which there is no active market and for which there is no reliable estimate of fair value, the investment is recorded at cost.

Debt instruments denominated in a currency other than an entity's functional currency are measured at fair value with any changes from foreign exchange fluctuations being recognized in net income. Translation differences on equity securities classified as available-for-sale, are included in other comprehensive income (loss).

Derivative investments, such as warrants, are classified as fair value through profit and loss and are recognized initially at fair value plus transaction costs. Subsequent to initial recognition, derivatives are measured at fair value and changes in fair value are recognized as other income (expenses) in the statement of income and comprehensive income (loss).

Convertible debentures are classified as loans and receivables and recorded at amortized cost.

(iv) Financial liabilities

Financial liabilities, including accounts payable and accrued liabilities, are classified as loans and receivables and measured at amortized cost using the effective interest method.

(v) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Financial assets are considered to be impaired if objective evidence indicates that a change in the market, economic or legal environment in which the Company invested has had a negative effect on the estimated future cash flows of that asset. For equity securities classified as available-for-sale, a significant or prolonged decline in fair value of the security below its cost is also evidence that the assets may be impaired. If such evidence exists for available-for-sale financial assets, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, is removed from accumulated other comprehensive income (loss) and recognized as an impairment on investments in the statement of income. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and an estimate of the value of the per ounce or per pound of the remaining reserve/resource.

Impairment losses are recognized in net income. For financial assets measured at amortized cost, any reversal of impairment is recognized in net income. Impairment losses booked on debt instruments classified as available-for-sale are reversed in subsequent periods if the fair value of the debt instruments increase and the increase can be objectively related to an event occurring after the impairment loss was recognized in the statement of income. For equity instruments classified as available-for-sale financial assets, impairment losses are not reversed.

(i) Revenue recognition

Revenue comprises revenue earned in the period from royalty, stream and working interests and dividend income. Revenue is measured at fair value of the consideration received or receivable when management can reliably estimate the amount, pursuant to the terms of the royalty, stream and/or working interest agreements. In some instances, the Company will not have access to sufficient information to make a reasonable estimate of revenue and, accordingly, revenue recognition is deferred until management can make a reasonable estimate. Differences between

estimates and actual amounts are adjusted and recorded in the period that the actual amounts are known.

Under the terms of certain revenue stream agreements and concentrate sales contracts with independent smelting companies, sales prices are provisionally set on a specified future date after shipment based on market prices. Revenue is recorded under these contracts at the time of shipment, which is also when the risk and rewards of ownership pass to the smelting companies, using forward commodity prices on the expected date that final sales prices will be fixed. Variations between the price recorded at the shipment date and the actual final price set under the smelting contracts are caused by changes in market commodity prices, and result in an embedded derivative in the receivable. The embedded derivative is recorded at fair value each period until final settlement occurs, with changes in fair value classified as provisional price adjustments and included as a component of revenue.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established, which is normally when the dividends are declared.

(j) Gold bullion sales

Gold bullion is sold primarily in the spot market. The sales price is fixed at the delivery date based on the gold spot price. Generally, we record gold bullion sales at the time of physical delivery, which is also the date that title to the gold passes to the purchaser.

(k) Oil & gas sales

Revenue from the sale of crude oil, natural gas and natural gas liquids is recorded at the time it enters the pipeline system, which is also when risks and rewards of ownership are transferred. At the time of delivery of oil & gas, revenues are determined based upon contracts by reference to monthly market commodity prices plus certain price adjustments. Price adjustments include product quality and transportation adjustments and market differentials.

(l) Costs of sales

Costs of sales includes various mineral and oil & gas production taxes that are recognized with the related revenues and the Company's share of the gross costs for the working interests in the oil & gas properties.

For stream agreements, the Company purchases gold 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 when purchased.

(m) 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 profit as reported in the consolidated statement of income (loss) 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 (loss), except when it relates to items credited or charged directly to equity, in which case the deferred tax is also accounted for within equity.

(n) 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 vesting period with a corresponding entry 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.

(o) 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. 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 period from the grant date to settlement date. 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 (loss).

(p) Restricted share units

The Company may grant restricted share units to officers and employees under the terms of its share compensation plan. The Company plans to settle every restricted share unit with one common share of the parent company. The Company recognizes the fair value of the restricted share units 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 restricted share units over the applicable vesting period, with a corresponding increase in contributed surplus. 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.

(q) Segment reporting

The Company manages its business under a single operating segment, consisting of resource sector royalty/stream acquisitions and management activities. All of the Company's assets and revenues are attributable to this single operating segment.

The operating segment is 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 segment.

(r) 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 Standards Adopted During the Year

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IAS 1, Presentation of Financial Statements

IAS 1 was amended to change the disclosure of items presented in other comprehensive income ("OCI"), including a requirement to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future. The statement of income and other comprehensive income (loss) has been updated to reflect IAS 1.

IFRS 10, Consolidated Financial Statements

In May 2011, the IASB issued IFRS 10 *Consolidated Financial Statements* to replace IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation — Special Purpose Entities.* The new consolidation standard changes the definition of control so that the same criteria

apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power and variable returns before control is present. We conducted our review of all our wholly-owned entities and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of our subsidiaries.

IFRS 11, Joint Arrangements

In May 2011, the IASB issued IFRS 11 *Joint Arrangements* to replace IAS 31 *Interests in Joint Ventures*. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties involved to reflect the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. We conducted a review of our working interests and determined that the adoption of IFRS 11 did not result in any change in the accounting treatment of these working interests.

IFRS 12, Disclosure of Interests in Other Entities

In May 2011, the IASB issued IFRS 12 *Disclosure of Interests in Other Entities* to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements, and associates including the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The adoption of IFRS 12 resulted in incremental disclosures in our annual consolidated financial statements as disclosed in Note 2b — Significant Accounting Policies.

IFRS 13, Fair Value Measurement

In May 2011, the IASB issued IFRS 13 *Fair Value Measurement* as a single source guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. Enhanced disclosures about fair value are required to enable financial statement users to understand how the fair values were derived. We have added additional disclosures on fair value measurement in Note 9 — Fair Value Measurements.

New Accounting Standards Issued But Not Yet Effective

IFRS 9, Financial Instruments

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. Requirements for classification and measurement of financial liabilities were added on October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to an entity's own credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income (loss) rather than the statement of income.

IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including adding disclosures about investments in equity instruments measured at fair value in other comprehensive income, and guidance on financial liabilities and derecognition of financial instruments. In December 2011, amendments to IFRS 7 were issued to require additional disclosures on transition from IAS 39 to IFRS 9. In November 2013, IFRS 9 was amended to include guidance on hedge accounting and to allow entities to early adopt the requirement to recognize changes in fair value attributable to changes in the entity's own credit risk, from financial liabilities designated under a fair value option, in other comprehensive income (loss) (without having to adopt the remainder of IFRS 9). In July 2013, the IASB tentatively decided to defer the mandatory effective date of IFRS 9. The IASB agreed that the mandatory effective date should no longer be annual periods beginning on or after January 1, 2015 but rather be left open pending the finalization of the impairment and classification and measurement requirements.

The Company is currently assessing the impact of adopting IFRS 9 on our consolidated financial statements, including the impact of early adoption.

IFRIC 21, Levies

In May 2013, the IASB issued IFRIC 21 Levies, which sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligation event is that gives rise to pay a levy and when a liability should be recognized.

This interpretation is required to be applied for accounting periods beginning on or after January 1, 2014, with earlier adoption permitted. The Company is currently assessing the impact of adopting IFRS 21 on our consolidated financial statements, including the impact of early adoption.

Note 3 — Significant judgments, estimates and assumptions

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions

are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience. However, actual outcomes may differ from the amounts included in the consolidated financial statements.

In particular, the areas which require management to make significant judgments, estimates and assumptions in determining carrying values are:

Proven and Probable Reserves

Determination of proven and probable reserves by the operators and the Company associated with the Company's royalty, stream and working interests impact the measurement of the respective assets. The use of estimated reserve and resource prices and operators' estimates of proven and probable reserves, production costs (including capital, operating and reclamation costs) related to the Company's royalty and stream interests are subject to significant risks and uncertainties. These estimates affect depletion of the Company's royalty, stream and working interests and the assessment of the recoverability of the carrying value of royalty, stream and working interests.

Impairment of Non-Current Assets

Assessment of impairment of royalty, stream, working interests and investments measured at cost requires the use of judgments, assumptions and estimates when assessing whether there are any indicators that could give rise to the requirement to conduct a formal impairment test on the Company's royalty, stream, working interests and/or investments measured at cost. The assessment of fair values requires the use of estimates and assumptions for recoverable production, long-term commodity prices, discount rates, reserve/resource conversion, net asset value ("NAV") multiples, 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 could impact the impairment analysis.

Purchase Price Allocation

The assessment of whether an acquisition meets the definition of a business, or where the 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 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.

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 transactions

(a) Barrick Portfolio

On November 4, 2013, the Company completed its acquisition of a portfolio of approximately 20 royalties from Barrick Gold Corporation for $20.9 million in cash.

(b) Kirkland Lake

On October 31, 2013, the Company acquired a 2.5% net smelter return royalty ("NSR") on Kirkland Lake Gold Inc.'s ("Kirkland Lake") properties for $50.0 million in cash. Kirkland Lake retained an option to buy-back 1% of the NSR for $36.0 million (less the royalty proceeds attributable to the buy-back portion of the NSR that have been paid to Franco-Nevada prior to the date of the buy-back).

(c) Sissingue Royalty

On May 29, 2013, the Company acquired a 0.5% NSR on certain tenements that comprise the Sissingue gold project located in Cote d'Ivoire and operated by Perseus Mining Limited, for Australian $2.0 million in cash.

(d) Brucejack Royalty

On May 13, 2013, the Company acquired an existing 1.2% NSR on Pretium Resources Inc.'s Brucejack gold project located in British Columbia for $45.0 million in cash. The NSR becomes payable following the production of approximately 0.5 million ounces of gold and 17.9 million ounces of silver from the project.

FRANCO-NEVADA CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(in millions of U.S. dollars, except share and per share amounts)

(e) Golden Meadows Royalty

On May 9, 2013, the Company acquired a new 1.7% NSR on Midas Gold Corp.'s ("Midas") Golden Meadows gold project located in Idaho for $15.0 million in cash subject to an option by Midas to re-acquire one-third of the royalty for $9.0 million. Under the terms of the acquisition, Franco-Nevada also subscribed for 2,000,000 Midas warrants which are exerciseable into Midas common shares with each warrant having an exercise price of C$1.23 and a ten-year term. The warrants have a forced conversion provision whereby should the volume weighted average trading price of Midas' common shares be equal to or greater than C$3.23 per share for a 30-day period, Midas may force the holder to exercise the warrants.

(f) Weyburn Net Royalty Interest

On November 13, 2012, the Company acquired a 11.7% net royalty interest ("NRI") in the Weyburn Unit (the "Weyburn Unit") from Penn West Petroleum Ltd. and Penn West Petroleum. Franco-Nevada paid C$400 million in cash, prior to minor closing adjustments, for the NRI and the acquisition had an effective date of October 1, 2012.

(g) Cobre Panama Precious Metals Stream

On August 20, 2012, the Company announced the acquisition of a precious metals stream on Inmet Mining Corporation's ("Inmet") 80% interest in the Cobre Panama copper project in Panama ("Cobre Panama"). Franco-Nevada has committed to fund a $1.0 billion deposit for development of the Cobre Panama project, to be drawn down on a 1:3 ratio with Inmet's funding after Inmet's aggregate funding for the project has exceeded $1.0 billion (Inment, now First Quantum, owns 80% of the project). Inmet was acquired by First Quantum Minerals Ltd. ("First Quantum") in March 2013.

Under the terms of the precious metals stream agreement, Franco-Nevada will pay $400 per ounce for gold and $6 per ounce for silver (subject to an annual adjustment for inflation) for the first 1,341,000 ounces of gold and 21,510,000 ounces of silver, respectively, delivered to Franco-Nevada under the agreement. Thereafter Franco-Nevada will pay the greater of $400 per ounce for gold and $6 per ounce for silver (subject to an annual adjustment for inflation), respectively, and one half of the then prevailing market price. The gold and silver delivered under the precious metals stream agreement is indexed to the copper in concentrate produced from the Cobre Panama project. The Company has not funded any amounts under the stream as at December 31, 2013.

(h) Timmins West Royalty and Equity Investment

On February 29, 2012, the Company acquired a 2.25% net smelter return ("NSR") royalty from Lake Shore Gold Corp. ("Lake Shore") on the Timmins West Complex located in Ontario for $35.0 million in cash. In addition, the Company acquired 10,050,591 common shares of Lake Shore for C$15.0 million.

(i) Weyburn Unit

On February 23, 2012, the Company acquired an additional 1.15% working interest in the Weyburn Unit for C$55.5 million, increasing its total working interest in the Weyburn Unit to approximately 2.26%. The acquisition has an effective date of January 1, 2012.

(j) Bronzewing NSR

On January 11, 2012, the Company and Navigator (Bronzewing) Pty Ltd amended the terms of the Company's NSR on the Bronzewing project in Western Australia for a cash payment of Australian ("A$") $4.5 million. Under the amended terms, the royalty rate of the NSR was increased from 1% to 2% and the royalty area was expanded to include all known mineral reserves and mineral resources.

All of the above acquisitions have been classified as asset acquisitions.

FRANCO-NEVADA CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012
(in millions of U.S. dollars, except share and per share amounts)

Note 5 — Cash and Cash Equivalents

As at December 31, 2013 and 2012, cash and cash equivalents were primarily held in interest-bearing deposits, Canadian and U.S. denominated treasury bills and highly-liquid government and corporate bonds.

	2013	2012

Cash deposits	$ **603.2**	$ 95.7
Term deposits	**7.0**	331.5
Treasury bills	**42.7**	131.4
Canadian federal and provincial government bonds	**25.8**	25.1
Corporate bonds	**91.3**	48.0
	$ **770.0**	$ 631.7

Note 6 — Investments

	2013	2012
Short-term investments:		
Canadian dollar denominated treasury bills	$ —	$ 29.8
Term deposits	**7.7**	99.7
Government bonds	**10.3**	6.0
Corporate bonds	**—**	12.7
Total short-term investments	$ **18.0**	$ 148.2
Non-current investments		
Equity investments	$ **32.7**	$ 91.5
Convertible debentures	**3.2**	3.5
Warrants	**2.3**	13.4
Total Investments	$ **38.2**	$ 108.4

Short-term investments

These investments have been designated as available-for-sale and, as a result, have been recorded at fair value.

Non-current investments

These investments comprise: (i) equity interests in various public and non-public entities which the Company acquired through the open market, as part of its initial public offering or through transactions; (ii) warrants in various publicly-listed companies; and (iii) convertible debentures. Equity investments have been designated as available-for-sale and, as a result, have been recorded at fair value. One equity investment of a non-public entity has been designated as an equity investment held at cost as no reliable estimate of fair value can be determined as there is no publicly available information in which to estimate future cash flows, associated operating costs or capital expenditures.

As at December 31, 2013, the market value of certain of these equity investments and warrants decreased compared to their values at December 31, 2012 and the Company recorded a net unrealized loss of $19.5 million (2012 — gain of $16.1 million), net of an income tax recovery of $3.0 million, (2012 — income tax expense of $2.6 million) in the consolidated statement of other comprehensive income (loss).

During the year ended December 31, 2013, the fair value of certain of its equity investments experienced a decline in value which management assessed to be significant or prolonged and, as a result, an impairment charge of $30.7 million (2012 - $8.6 million) has been included in the consolidated statement of income and comprehensive income (loss). Included in the $30.7 million impairment charge was an amount of $24.2 million related to the impairment of the Company's equity investment in a non-public entity. In the fourth quarter of 2013, it was announced that the non-public entity would cease mining activities citing the low nickel price environment which the Company determined was an indication of impairment. The Company estimated an in-situ dollar value per pound of reserve/resource using market information which resulted in a carrying value of $4.8 million following the recording of an impairment charge of $24.2 million as at December 31, 2013.

As at December 31, 2013, the market value of warrants decreased compared to their values at December 31, 2012 and the Company recorded a loss of $11.5 million (2012 — gain of $8.2 million) in other expenses in the consolidated statement of income and comprehensive income (loss).

The Company's investments are classified as available-for-sale or fair value through profit or loss. The unrealized gains (losses) on available-for-sale investments recognized in other comprehensive income (loss) for the years ended December 31, 2013 and 2012 were as follows:

	2013	2012
Mark-to-market gains (losses) on equity securities	$ **(22.5)**	$ 18.7
Deferred tax recovery (expense) in other comprehensive income	**3.0**	(2.6)
Unrealized gains (losses) on available-for-sale securities, net of tax	**(19.5)**	16.1
Reclassification adjustment for realized gains (losses) recognized in net income due to impairments	**(6.5)**	(8.6)
	$ **(26.0)**	$ 7.5

Note 7 — Royalty, Stream and Working Interests, Net

The following tables summarize the Company's royalty, stream and working interests carrying values as at December 31, 2013 and 2012, respectively:

As at December 31, 2013	Cost	Accumulated Depletion[1]	Impairment	Carrying Value
Mineral Royalties	$ 1,055.1	$ (338.9)	$ —	$ 716.2
Streams	975.0	(337.0)	(107.9)	$ 530.1
Oil and Gas	792.0	(214.5)	—	$ 577.5
Advanced	202.7	(14.8)	—	$ 187.9
Exploration	46.8	(3.3)	(5.0)	$ 38.5
	$ 3,071.6	$ (908.5)	$ (112.9)	$ 2,050.2

As at December 31, 2012	Cost	Accumulated Depletion[1]	Impairment	Carrying Value
Mineral Royalties	$ 933.5	$ (285.3)	$ —	$ 648.2
Streams	974.4	(282.5)	—	691.9
Oil and Gas	846.4	(123.0)	(74.1)	649.3
Advanced	231.2	(30.3)	—	200.9
Exploration	36.2	(2.9)	—	33.3
	$ 3,021.7	$ (724.0)	$ (74.1)	$ 2,223.6

[1] Accumulated depletion includes previously recognized impairment charges.

Carrying value at:	Mineral Royalties	Streams	Oil & Gas	Advanced	Exploration	Total
January 1, 2012	$ 582.0	$ 747.8	$ 286.4	$ 211.2	$ 84.7	$ 1,912.1
Acquisitions	40.0	3.8	451.8	—	3.2	498.8
Transfers	61.2	—	—	(8.6)	(52.6)	—
Impairments	—	—	(74.1)	—	—	(74.1)
Depletion	(37.7)	(59.7)	(21.1)	(4.0)	(1.4)	(123.9)
Impact of foreign exchange	2.7	—	6.3	2.3	(0.6)	10.7
December 31, 2012	$ 648.2	$ 691.9	$ 649.3	$ 200.9	$ 33.3	$ 2,223.6
Acquisitions	59.4	0.8	0.8	59.5	11.1	131.6
Transfers	61.2	—	(0.5)	(56.7)	(4.0)	—
Impairments	—	(107.9)	—	—	(5.0)	(112.9)
Depletion	(40.7)	(54.5)	(30.2)	(0.8)	—	(126.2)
Impact of foreign exchange	(11.9)	(0.2)	(41.9)	(15.0)	3.1	(65.9)
December 31, 2013	**$ 716.2**	**$ 530.1**	**$ 577.5**	**$ 187.9**	**$ 38.5**	**$ 2,050.2**

a) Mineral Streams and Royalties

Palmarejo Stream

The Company owns a 50% gold stream in the Palmarejo silver and gold project (the "Palmarejo Project") located in Mexico operated by Coeur Mining, Inc. ("Coeur"). The stream covers 50% of the life-of-mine gold production from the Palmarejo Project and includes a monthly minimum of 4,167 ounces until an aggregate of 400,000 ounces has been delivered under the stream agreement. The Company pays Coeur the lesser of $400 per ounce, subject to an annual 1% inflation adjustment commencing in January 2013, and the prevailing spot price, for each ounce of gold delivered under the stream agreement. As at December 31, 2013, the Company has received 266,685 ounces of gold from the Palmarejo Project.

Mine Waste Solutions

The Company acquired an agreement to purchase 25% of the life-of-mine gold production from the Mine Waste Solutions tailings recovery operation ("MWS") in South Africa. The stream remains effective until the Company receives 312,500 ounces of gold in aggregate beginning January 1, 2012. The Company will pay an ongoing payment equal to the lesser of $400 per ounce price (subject to an annual inflation adjustment starting in 2012) and the prevailing spot price. MWS is operated by AngloGold Ashanti Limited. As at December 31, 2013, the Company has received 45,331 ounces of gold from MWS.

Sudbury Basin (comprised of three stream interests)

The Company acquired an agreement to purchase 50% of the gold equivalent ounces of the gold, platinum and palladium contained in ore mined and shipped from the KGHM International Ltd. operations in Sudbury, Ontario. The Company will pay for each gold equivalent ounce delivered, a cash payment of the lesser of $400 per ounce (subject to a 1% annual inflationary adjustment starting in July 2011) or the then prevailing market price per ounce of gold.

Goldstrike Complex

The Company owns numerous royalties covering portions of the Goldstrike complex (the "Goldstrike Complex") located in Nevada. The

Goldstrike Complex is comprised of: (i) the Betze-Post open-pit mine; and (ii) the Meikle and Rodeo underground mines. Barrick Gold Corporation ("Barrick") is the operator of each of these mines. The royalties within the Goldstrike Complex are made up of NSR royalties ranging from 2.0% to 4.0% and net profits interest ("NPI") royalties ranging from 2.4% to 6.0%.

The NSR royalties are based upon gross production from the mine, reduced only by the ancillary costs of smelting, refining and transportation. The NPI royalties are calculated as cumulative proceeds less cumulative costs, where proceeds equal the number of ounces of gold produced from the royalty burdened claims multiplied by the spot price on the date gold is credited to Barrick's account at the refinery, and costs include operating and capital costs.

Gold Quarry

The Company owns a 7.29% NSR royalty interest on the Gold Quarry royalty property (the "Gold Quarry Royalty Property"). The royalty is payable on the greater of a 7.29% NSR based on production or a minimum annual royalty payment obligation tied to reserves and stockpiles. The Gold Quarry Royalty Property covers a portion of the Gold Quarry operation which is an integrated part of Newmont Mining Corporation's Carlin Trend Complex.

Stillwater Complex

The Company owns a 5% NSR royalty covering the majority of the Stillwater mine and the entire East Boulder mine (collectively known as the "Stillwater Complex") in Montana. The NSR is payable on all commercially recoverable metals produced from a substantial number of claims that cover the Stillwater Complex. The amount of the NSR royalty is reduced by permissible deductions and is calculated and payable monthly. The Stillwater Complex is operated by Stillwater Mining Company.

b) Oil & Gas Royalties and Working Interests

Weyburn

The Weyburn Unit is located in Saskatchewan, Canada and is operated by Cenovus Energy Inc. The Company holds an 11.71% NRI, a 0.44% royalty interest and a 2.26% working interest in the Weyburn Unit. The Company takes product-in-kind for the working interest and NRI portions of this production and markets it through a third-party.

Edson

The Edson Property is located in Alberta, Canada. The Company has a 15% overriding royalty in this property. The wells are operated by Canadian Natural Resources Ltd.

Midale

The Company holds a 1.59% working interest and a 1.14% royalty interest in the Midale Unit. The Company takes product-in-kind for the working interest portion of this production and markets it through a third party.

c) Impairments of Royalties, Streams and Working Interests

In accordance with our accounting policy, non-current assets are tested for impairment when events or changes in circumstances suggest that the carrying amount may not be fully recoverable. An impairment loss is recognized when the carrying amount exceeds the recoverable amount. The recoverable amount of each cash generating unit, assessed at the individual royalty, stream or working interest level, has been estimated based on its fair value less costs of disposal ("FVLCD") which has been determined to be greater than its value in use ("VIU") amount. FVLCD has been determined to be greater than VIU as additional value can be attributable to resource conversion, exploration potential and NAV multiples under the FVLCD method.

During the year ended December 31, 2013, the Company recorded impairment charges of $112.9 million (2012 - $74.1 million) as summarized in the following table:

	2013	2012
McCreedy platinum group metals stream	**$ 107.9**	$ —
Kasese cobalt net smelter returns royalty	**4.8**	—
Exploration assets	**0.2**	—
Artic Gas exploration assets	**—**	74.1
Total impairment losses	**$ 112.9**	$ 74.1

Indicators of Impairment

During the year ended December 31, 2013, there has been a significant decrease in the long-term gold price assumptions used by the industry which has resulted in numerous mining operators assessing indicators of impairment. Notwithstanding the decrease in long-term commodity prices, management does not necessarily consider decreases in long-term commodity prices, in itself, an indication of impairment of its royalty, stream and working interests as the majority of the portfolio was acquired when commodity prices were substantially lower than current and longer-term forecasted prices and that some of the risks associated with our royalty or stream interests are different to those of an operator.

(i) McCreedy

The McCreedy stream comprises part of the Sudbury Basin interest as described above under Mineral Streams and Royalties. In the fourth quarter of 2013, KGHM International Ltd., the operator of the McCreedy mine, announced a significant reduction in mining activities at the project following the cancellation of a processing contract which was considered an indication of impairment and, accordingly, an impairment assessment was performed. Following the impairment charge, the McCreedy stream asset has a carrying value of $19.7 million (2012 - $129.4 million).

(ii) Kasese

The Kasese royalty is a 10% free cash flow royalty capped at US$10 million. Kasese Cobalt Company Ltd. (“KCCL”) is the operator which is recovering cobalt metal from a stockpile of a cobalt-rich sulphide concentrate (pyrite). In the fourth quarter of 2013, KCCL informed the Company that it has ceased mining and is in the midst of dismantling the operation which was considered an indicator of impairment. Following the impairment charge, the Kasese royalty has a carrying value of nil (2012 - $5.2 million).

(iii) Exploration assets

During 2013, the Company was notified, pursuant to various royalty agreements, that the explorer/operator 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, 2013, the total amount written off was $0.2 million.

Key assumptions and sensitivity

The key assumptions and estimates used in determining the recoverable amount are related to commodity prices and discount rates. In addition, assumptions related to comparable entities, market values per ounce and the inclusion of reserves and resources in the calculations are used.

McCreedy

The FVLCD for McCreedy was determined by calculating the net present value (“NPV”) of the estimated future cash-flows expected to be generated by the mining of the McCreedy deposits. The estimates of future cash-flows were derived from a life-of-mine model developed by Franco-Nevada’s management using McCreedy’s historical performance to predict future performance. Based on observable market or publicly available data, Franco-Nevada’s management made assumptions of future commodity prices, which included gold, platinum and palladium, to estimate future revenues. These price assumptions were supported by longer-term consensus price estimates obtained from a sample of analysts. The future cash-flows were discounted using a discount rate which reflects specific market risk factors associated with McCreedy.

The key assumptions used in the impairment testing are summarized in the table below:

	2013
Gold price per ounce	**$ 1,300**
Platinum price per ounce	**$ 1,700**
Palladium price per ounce	**$ 884**
Discount rate	**5%**

A sensitivity analysis was performed on the gold price and discount rate, which are the key assumptions that impact the impairment calculations. We assumed a negative 10% change for the commodity price assumptions, taking the gold price from $1,300 per ounce to $1,170 per ounce, platinum from $1,700 per ounce to $1,530 per ounce and palladium from $884 per ounce to $795 per ounce, while holding all other assumptions constant. In addition, we assumed a positive 5% change for the discount rate assumption, taking it from 5% to 10%, while holding all other assumptions constant.

The table below shows the impairment amounts when key assumptions are changed, in isolation, by 10% for commodity prices and 5% for the discount rate.

As at December 31, 2013	Carrying Value	Impairment Charge
Impairment recorded in statement of income	$ 19.7	$ 107.9
Impairment recorded if, in isolation,:		
10% decrease in long-term commodity prices	17.2	110.2
5% increase to the discount rate	16.0	111.5

Arctic Gas

During the year ended December 31, 2012, the Company recorded impairment charges of $74.1 million on its exploration assets comprising Arctic Gas. The Company's Arctic Gas assets comprise natural gas contingent resources in the Drake Point, Hecla, King Christian and Roche Point gas fields located on and offshore of Melville Island. Contingent resources are those quantities of oil and gas estimated, as of a given date, to be potentially recoverable from accumulations using established technology, or technology under development, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include factors such as economic, legal, environmental, political and regulatory matters, or a lack of markets. The largest working interest holder in the Drake Point, Hecla, King Christian and Roche Point gas fields is Suncor Energy Inc. ("Suncor"). The Arctic Gas assets were acquired by the Company as part of its December 2007 initial public offering transaction and the value assigned to Arctic Gas was based on metrics from a comparable transaction completed in 2006.

In 2012, the Company engaged an independent oil & gas reserve evaluator to provide an evaluation of the Arctic Gas assets as at December 31, 2012. The impairment charge was a result of changes in production assumptions, natural gas prices and amount of contingent resources used in the evaluation of Arctic Gas and resulted in a reduction of $74.1 million in the carrying value as at December 31, 2012. Following the impairment charge, Artic Gas had a carrying value of $3.3 million.

The key assumptions used in determining the recoverable amount for the Arctic Gas assets are long-term natural gas prices and discount rates. The Company performed a sensitivity analysis on the key assumptions as disclosed below. No reasonable change in the other key assumptions would have a significant impact on the recoverable amount of the Arctic Gas assets. Management determined these estimates using the fair value less cost to sell approach which is deemed greater than the assets' value in use.

The table below shows the impairment amounts when certain key assumptions are changed, in isolation, by 10% for long-term natural gas prices or 5% to the discount rate.

Key assumptions	Arctic Gas
Impairment recorded in statement of income (loss)	$ 74.1
Impairment recoded if, in isolation, a 10% change in long-term natural gas price or a 5% change to the discount rate:	
Long-term natural gas prices [(a)] increase by 10%	66.5
Long-term natural gas prices [(a)] decrease by 10%	77.4
Discount rate [(b)] increased to 20%	77.4
Discount rate [(b)] decreased to 10%	42.6

(a) Natural gas prices

Projected future revenue reflects the Company's estimates of future natural gas prices, which are determined based on current prices, forward prices and forecasts of future prices prepared by industry analysts. These estimates often differ from current price levels, but the methodology used is consistent with how a market participant would assess future long-term metals prices.

For 2012, the impairment analysis used a long-term natural gas price of C$3.60/Mcf.

(b) Discount rates

For 2012, the impairment analysis used a 15% discount rate for Arctic Gas taking into account market view for evaluating oil & gas assets and the risk associated with the Arctic Gas assets.

Note 8 — Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	2013	2012
Accounts payable	**$ 5.6**	$ 6.2
Accrued liabilities	**40.5**	37.8
Total	**$ 46.1**	$ 44.0

Note 9 - 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 (ie an *exit price* at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

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

As at December 31, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Cash and cash equivalents	$ 652.9	$ 117.1	$ —	$ 770.0
Short-term investments	7.7	10.3	—	18.0
Receivables from provisional gold equivalent sales	—	16.3	—	16.3
Available-for-sale equity investments	27.9	—	—	27.9
Warrants	2.0	—	—	2.0
	690.5	143.7	—	834.2

As at December 31, 2012	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Aggregate Fair Value
Cash and cash equivalents	$ 558.6	$ 73.1	$ —	$ 631.7
Short-term investments	129.5	18.7	—	148.2
Receivables from provisional gold equivalent sales	—	19.7	—	19.7
Available-for-sale securities	60.5	—	—	60.5
Warrants	13.4	—	—	13.4
	762.0	111.5	—	873.5

Fair Values of Financial Assets and Liabilities

The fair value of the Company's remaining financial assets and liabilities which include receivables, accounts payable, convertible debentures and accrued liabilities approximate their carrying values due to their short-term nature and historically negligible credit losses. The fair values of these financial assets and liabilities would be classified as Level 2 within the fair value hierarchy.

We have not offset financial assets with financial liabilities.

Assets Measured at Fair Value on a Non-Recurring Basis:

As at December 31, 2013	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 [1]	$ —	$ —	$ 19.7	$ 19.7

[1] Certain royalties, stream and working interests were written down by $112.9 million which was included in earnings in this period, to their fair value of $19.7 million *(See Note 7(c))*.

The valuation techniques that are used to measure fair value are as follows:

a) Cash and cash equivalents

The fair value of cash and cash equivalents, including Canadian and U.S. denominated treasury bills and interest bearing cash deposits, are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. Our cash equivalents also include highly-liquid government and corporate bonds which are classified within Level 2 of the fair value hierarchy.

b) Short-term investments

The fair value of treasury bills is classified within Level 1 of the fair value hierarchy. The fair value of government and corporate bonds is classified within Level 2 of the fair value hierarchy.

c) Receivables

The fair value of receivables arising from gold and platinum group metal sales contracts that contain provisional pricing mechanisms is determined using the appropriate quoted forward price 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.

d) Investments

The fair value of publicly-traded investments, including available-for-sale equity investments and warrants, is determined based on a market approach reflecting the closing price of each particular security at the statement of financial position date. The closing prices are a quoted market price 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.

e) Royalty, stream and working interests

The fair value of royalty, stream and working interests is determined primarily using a market approach using unobservable cash-flows, dollar value per ounce for comparable entities, where applicable, and as a result is classified within Level 3 of the fair value hierarchy. Refer to Note 7(c) for disclosures of inputs used to develop these measures.

Note 10 - Financial Risk Management

The Company's financial instruments are comprised of financial assets and liabilities. Our principal financial liabilities comprise accounts payable and accrued liabilities. Our principal financial assets are cash and cash equivalents, short-term investments, 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. Our executive management oversees the management of financial risks. Our executive management ensures that our 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 Risk

Market risk is the risk that changes in market factors, such as commodity prices, foreign exchange rates or interest rates, will affect the value of the Company's financial instruments. The Company manages market risk by either accepting it or mitigating it through the use of economic strategies.

Commodity Price Risk

The Company's royalties/streams are subject to fluctuations from changes in market prices of the underlying commodities. The market prices of gold, platinum, palladium and oil are the primary drivers of the Company's profitability and ability to generate free cash flow. All of our future revenue is un-hedged in order to provide our 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, Mexican pesos and Australian dollars. The Company has exposure to the Canadian dollar through its equity offering proceeds, oil & gas activities and corporate administration costs. Consequently, fluctuations in the U.S. dollar exchange rate against these currencies increase the volatility of depletion, corporate administration costs and overall net earnings, when translated into U.S. dollars.

The Company invests its cash and cash equivalents and short-term investments in U.S. and Canadian dollar denominated treasury bills and corporate bonds on a ratio of 69% to 28%, respectively, and 3% in other currencies, as at December 31, 2013. This serves to somewhat mitigate the economic exposure to currency fluctuations on a consolidated basis.

During the year ended December 31, 2013, the U.S. dollar strengthened in relation to the Canadian dollar and upon the translation of the Company's assets and liabilities held in Canada, the Company recorded a currency translation adjustment loss of $88.8 million in other comprehensive income (loss) (2012 — gain of $23.1 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. Currently, the Company's interest rate exposure arises mainly from the interest receipts on cash, cash equivalents and short-term investments. Using the interest rates for the currently-owned portfolio of short-term investments, should the Company's cash balances continue to be invested in the same investments in which those proceeds are currently invested, the Company would realize interest income after tax of approximately $2.9 million per year. Assuming a 0.5% increase or decrease in interest rates, net income would change by approximately $2.0 million per year (assuming the Company's cash balances continue to be invested in the same investments as currently exist).

As at December 31, 2013, the Company had no outstanding debt under its revolving credit facility. *(See Note 11 — Revolving Term Credit Facility).*

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, short-term investments and 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. In addition, the Company's cash equivalents and short-term investments are invested in fully guaranteed deposits or instruments insured by the United States or Canadian governments, such as treasury bills, and/or corporate bonds with the highest rating categories from either Moody's or Standard & Poors.

As at December 31, 2013, the Company is unaware of any information which would cause it to believe that these financial assets are not fully recoverable.

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 undrawn 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, 2013, the Company held $788.0 million in either cash, cash equivalents and/or highly-liquid investments (December 31, 2012 - $779.9 million). All of the Company's financial liabilities are due within one year. The Company's near-term cash requirements include corporate administration costs, certain costs of operations, including the ore purchase commitments described in Note 18(a), declared dividends and income taxes directly related to the recognition of royalty, stream and working interest revenues. In addition, the Company is committed to fund under its precious metals stream agreements as described in Note 18(b), 18(c) and 18(d).

c) 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's asset portfolio provides an opportunity to capture value without the typical capital and operating costs associated with a natural resource operation, and without direct exposure to many of the risks faced by resource operators. Maintaining and managing a diversified, high-margin asset portfolio with low overheads provides the free cash flow required to fuel organic growth. The Company defines capital as its cash and cash equivalents and short-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, 2013 compared to the prior

year. The Company is not subject to material externally imposed capital requirements.

As at December 31, 2013, the Company has cash, cash equivalents and available-for-sale short-term investments totaling $788.0 million (December 31, 2012 - $779.9 million), long-term investments totaling $38.2 million (December 31, 2012 - $108.4 million), of which $29.9 million (December 31, 2012 - $73.9 million) are held in liquid securities, together with an unused $500.0 million revolving term credit facility, all of which were available for growing the asset portfolio and paying dividends.

Note 11- Revolving Term Credit Facility

On January 23, 2013, the Company replaced its previous credit facility with a four year unsecured $500.0 million revolving term credit facility ("201 Credit Facility"). On March 19, 2014, the Company extended its 2013 Credit Facility for an additional two years *(See Note 20(a) — Subsequent Events)*.

Advances under the 2013 Credit Facility can be drawn as follows:

U.S. dollars

- Base rate advances with interest payable monthly at the Canadian Imperial Bank of Commerce ("CIBC") base rate, plus between 0.25% and 1.75% 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 1.25% and 2.75% 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 0.25% and 1.75% 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 1.25% and 2.75%, 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 2013 Credit Facility are guaranteed by certain of the Company's subsidiaries and are unsecured.

The Credit Facility is subject to a standby fee of 0.25% to 0.55% per annum, depending on the Company's leverage ratio, even if no amounts are outstanding under the facility. Debt issue costs of $1.5 million were incurred and are amortised over the four year term of the 2013 Credit Facility. As at December 31, 2013, there were no amounts outstanding under the 2013 Credit Facility and the prime and base rates in effect were 3.25% and 4.00%, respectively.

For the period ended December 31, 2013, the Company recognized debt issuance cost amortization expense of $0.4 million (2012 - $0.5 million) and $1.2 million (2012 - $0.6 million) of standby and administrative fees. In addition, $0.3 million of debt issuance costs was expensed which related to the Company's previous credit facility.

Note 12 — Revenue

Revenue is comprised of the following:

	2013	2012
Mineral royalties	**$ 166.5**	$ 195.2
Mineral streams	**167.3**	190.8
Oil & gas interests	**67.1**	40.9
Dividends	**—**	0.1
Total	**$ 400.9**	$ 427.0

Note 13 — Costs of Sales

Costs of sales comprise:

	2013	2012
Cost of stream sales	**$ 50.1**	$ 45.8
Production taxes	**2.8**	5.9
Oil & gas operating costs	**7.3**	7.5
Total	**$ 60.2**	$ 59.2

Note 14 — Related Party Disclosures

Key management personnel include the Board of Directors and executive management team. Compensation for key management personnel of the Company was as follows:

	2013	2012
Salaries and short-term benefits [1]	**$ 3.3**	$ 5.4
Share-based payments [2]	**4.1**	4.4
Total	**$ 7.4**	$ 9.8

(1) Includes annual salary as at December 31, benefits and annual short-term incentives/other bonuses earned in the year.
(2) Represents the vesting of stock options and RSUs earned during the year.

Note 15 - Income Taxes

Tax on profit	2013	2012
Current income tax expense (recovery)		
Expense for the year	**$ 36.5**	$ 43.3
Adjustment in respect of prior years	**(1.6)**	(5.0)
Current tax	**34.9**	38.3
Deferred income tax expense (recovery)		
Origination and reversal of temporary differences in the current year	**(16.3)**	14.5
Impact of changes in tax rate	**(0.4)**	(1.6)
Change in (reversal of) unrecognized deductible temporary differences	**5.6**	(0.5)
Adjustments in respect of prior years	**(0.4)**	4.5
Unrealized foreign exchange on translation of mineral properties in foreign jurisdictions	**0.3**	(1.3)
Indexation of mineral properties in foreign jurisdictions	**(1.3)**	(1.4)
Other	**(0.1)**	(0.2)
Deferred tax	**(12.6)**	14.0
Total	**$ 22.3**	$ 52.3

A reconciliation of the provision for income taxes computed at the combined Canadian federal and provincial statutory rate to the provision for income taxes as shown in the consolidated statement of income and comprehensive income (loss) for the years ended December 31, 2013 and 2012, is as follows:

	2013	2012
Net income before income taxes	**$ 34.0**	$ 154.9
Statutory tax rate	**24.38%**	24.38%
Tax expense at statutory rate	**8.3**	37.8
Reconciling items:		
Change in (reversal of) unrecognized deductible temporary differences	**5.6**	(0.6)
Income/expenses not (taxed) deductible	**5.8**	(3.4)
Differences in foreign statutory tax rates	**3.9**	10.2
Differences due to changing future tax rates	**(0.4)**	(2.1)
Foreign withholding tax	**0.9**	(3.0)
Temporary differences subject to initial recognition exemption	**1.2**	16.8
Unrealized foreign exchange on translation of mineral properties in foreign jurisdiction	**0.3**	(1.3)
Indexation of mineral properties in foreign jurisdiction	**(1.3)**	(1.4)
Other	**(2.0)**	(0.7)
Net income tax expense	**$ 22.3**	$ 52.3

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

	2013			2012		
	Before Tax Loss	**Tax Recovery**	**After Tax Loss**	**Before Tax Gain**	**Tax Expense**	**After Tax Gain**

Change in market value of available-for-sale investments	**(22.5)**	**3.0**	**(19.5)**	18.7	(2.6)	16.1
Cumulative translation adjustment	**(88.8)**	**—**	**(88.8)**	23.1	—	23.1
Other comprehensive income (loss)	**(111.3)**	**3.0**	**(108.3)**	41.8	(2.6)	39.2
Current tax	**—**	**—**		—	—	—
Deferred tax	**—**	**3.0**		—	(2.6)	—

The significant components of deferred income tax assets and liabilities as at December 31, 2013 and 2012, respectively, are as follows:

	2013	2012
Deferred income tax assets		
Deductible temporary differences relating to:		
Royalty, stream and working interests	$ **3.6**	$ 9.0
Non-capital loss carry-forwards	**11.7**	—
Investments	**0.2**	
Other	**0.3**	(0.3)
	$ **15.8**	$ 8.7
Deferred income tax liabilities		
Taxable temporary differences relating to:		
Share issue and debt issue costs	$ **(1.6)**	$ (3.6)
Royalty, stream and working interests	**40.6**	58.8
Non-capital loss carry-forwards	**(9.3)**	(18.6)
Investments	**(0.4)**	0.9
Other	**0.7**	0.5
	30.0	38.0
Deferred income tax liabilities, net	$ **14.2**	$ 29.3

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2013	2012
Deferred income tax assets:		
Deferred income tax asset to be recovered within 12 months	$ **0.2**	$ —
Deferred income tax asset to be recovered after more than 12 months	**15.6**	8.7
	$ **15.8**	$ 8.7
Deferred income tax liabilities:		
Deferred income tax liability to be settled within 12 months	**(1.2)**	(2.2)
Deferred income tax liability to be settled after more than 12 months	**31.2**	40.2
	$ **30.0**	$ 38.0
Deferred income tax liabilities, net	$ **14.2**	$ 29.3

Movement in net deferred taxes:

	2013	2012
Balance, beginning of year	**$ (29.3)**	$ (12.9)
Recognized in profit/loss	**12.6**	(14.0)
Recognized in other comprehensive income (loss)	**3.0**	(2.6)
Recognized in equity	**(1.3)**	0.1
Other	**0.8**	0.1
	$ (14.2)	$ (29.3)

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

Country	Type	Amount	Expiry Date
Canada	Non-Capital Losses	**$** 84.7	2026-2033
Barbados	Non-Capital Losses	6.5	2017-2022
United States	Non-Capital Losses	0.3	2033
Chile	Non-Capital Losses	0.1	None

	$	91.6

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, 2013 is $231.1 million (2012 — $205.5 million). No deferred tax liability is 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, 2013 is $42.5 million (2012 - $2.2 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.

Note 16 - Shareholders' Equity

a) Common Shares

The Company's authorized capital stock includes an unlimited number of common shares (issued 147,164,468 common shares) having no par value and preferred shares issuable in series (issued nil).

During the year ended December 31, 2013, the Company issued 371,087 common shares (2012 — 8,366,618) upon the exercise of warrants and stock options and the vesting of restricted share units for proceeds of $9.3 million (2012 - $257.9 million). During the year, the Company adopted a Dividend Reinvestment Plan ("DRIP") which became effective with the October 2013 dividend payment and issued 63,071 common shares in aggregate pursuant to the DRIP for the year ended December 31, 2013 (2012 — Nil).

b) Dividends

During the years ended December 31, 2013 and 2012, the Company declared dividends in the amount of $103.6 million, or $0.72 per share, and $87.7 million, or $0.60 per share, respectively. The Company paid dividends in the amount of $101.8 million, or $0.72 per share, and $77.9 million, or $0.54 per share, in the years ended December 31, 2013 and 2012, respectively. At December 31, 2013, included in accounts payable is an amount of $26.1 million related to declared dividends (2012 - $26.4 million).

c) Stock-based payments

On November 12, 2007, the Company's Board of Directors adopted a stock option plan, which was replaced by the Company's share compensation plan covering both stock options and RSUs effective May 12, 2010 (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. Options 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 5,700,876 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.

During the year ended December 31, 2013, the Company granted 275,262 stock options (2012 — 298,396) to directors and employees at exercise prices ranging between C$40.87 and C$46.17 (2012 — C$42.43 and C$57.57). These ten-year term options vest over three years in equal portions on the anniversary of the grant date. The fair value of stock options granted during 2013 has been determined to be $3.6 million (2012 - $4.1 million). The fair value of the options was calculated using the Black-Scholes option pricing model and utilized the following weighted average assumptions:

	2013	**2012**
Risk-free interest rate	**1.82%**	1.21%
Expected dividend yield	**1.73%**	1.09%
Expected price volatility of the Company's common shares	**34.8%**	33.36%
Expected life of the option	**4.64 years**	3.83 years
Forfeiture rate	**0%**	0%

and resulted in a weighted average fair value of C$11.83 per stock option (2012 — C$13.76 per stock option).

During the year ended December 31, 2013, an expense of $3.0 million (2012 - $1.3 million) related to stock options has been included in the consolidated statement of income and other comprehensive income (loss). As at December 31, 2013, there is $4.5 million (2012 - $4.2 million) of total unrecognized non-cash stock-based compensation expense relating to stock options granted under the Plan, which is expected to be recognized over a weighted average period of 1.4 years (2012 — 1.5 years).

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:

	2013		2012	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Stock options outstanding, beginning of year	**2,234,812**	**C$ 25.36**	2,802,400	C$ 20.75
Expired	**(28,320)**	**C$ 37.92**	—	—
Forfeited	**—**	**—**	(50,000)	C$ 31.39
Granted	**275,262**	**C$ 43.79**	298,396	C$ 55.04
Exercised	**(253,647)**	**C$ 28.41**	(815,984)	C$ 19.96
Stock options outstanding, end of the year	**2,228,107**	**C$ 27.13**	2,234,812	C$ 25.36
Exercisable stock options, end of the year	**1,740,581**	**C$ 21.18**	1,791,414	C$ 19.78

Options to purchase common shares outstanding at December 31, 2013, carry exercise prices and weighted average lives to maturity as follows:

Exercise price		Options outstanding	Options exercisable	Weighted average life (years)
C$	15.20	1,057,200	1,057,200	3.97
C$	15.41	30,000	30,000	4.89
C$	16.07	59,517	59,517	0.36
C$	17.48	34,232	34,232	1.12
C$	18.91	75,000	75,000	4.64
C$	20.55	25,000	25,000	4.40
C$	27.62	50,000	50,000	6.01
C$	29.11	35,000	35,000	6.39
C$	31.39	150,000	150,000	6.39
C$	31.45	78,500	78,500	6.71
C$	33.12	5,000	5,000	6.90
C$	33.20	15,000	15,000	6.98
C$	40.87	120,262	—	9.95
C$	42.43	25,000	8,333	8.25
C$	42.48	15,000	10,000	7.94
C$	42.67	25,000	16,667	7.93
C$	45.85	55,000	—	9.88
C$	46.17	100,000	—	9.64
C$	55.38	100,000	33,333	8.95
C$	55.58	78,396	26,132	8.95
C$	57.57	95,000	31,667	8.91
		2,228,107	1,740,581	5.68

d) Share Purchase Warrants

Outstanding share purchase warrants as at December 31, 2013 and 2012 are as follows:

	2013	2012
Warrants outstanding, beginning of the year	**6,510,769**	12,227,518
Issued	**—**	—
Exercised	**—**	(5,547,412)
Expired	**—**	(169,337)
Warrants outstanding, end of the year	**6,510,769**	6,510,769

The warrants have a C$75.00 per warrant exercise price and expire on June 16, 2017 (“2017 Warrants”).

Gold Wheaton Stock Options and Warrants

In connection with the acquisition of Gold Wheaton, the Company reserved for issuance 730,698 common shares in connection with options that were outstanding upon closing, with exercise prices ranging between C$2.50 to C$6.00 for 0.1556 of a Franco-Nevada common share. As at December 31, 2013, 93,749 common shares remain reserved for issuance. In addition, the Company reserved for issuance 6,126,750 common shares in connection with warrants that were outstanding upon closing. 25,999,998 warrants (4,045,600 equivalent Franco-Nevada common shares) had an expiry date of July 8, 2013 and an exercise price of C$10.00 and 875,000 warrants (136,150 equivalent Franco-Nevada common shares) have an expiry date of May 26, 2014 and an exercise price of C$5.00. Holders of these warrants, which are now warrants of the Company’s wholly-owned subsidiary Franco-Nevada GLW Holdings Corp., are entitled to receive, at each warrant holder’s election at the time of exercise, either (i) 0.1556 of a Franco-Nevada common share; or (ii) C$5.20 in cash. As at December 31, 2013, approximately 2,019,000

common shares have been issued pursuant to the exercise of Gold Wheaton warrants.

Expiry Dates	Exercise Price	Number of Gold Wheaton Warrants	Equivalent Franco-Nevada Exercise Price	Equivalent Franco-Nevada Common Shares
May 25, 2014	C$ 5.00	400,000	C$ 32.13	62,240

e) Deferred Share Unit Plan

Under the DSU Plan, non-executive directors may choose to convert all or a percentage of their directors' fees into DSUs. The directors must elect to convert their fees prior to January 1 in each year. In addition, the Company may award DSUs to non-executive directors as compensation.

DSUs earn dividend equivalents in the form of additional DSUs at the same rate as dividends on common shares. Participants are not allowed to redeem their DSUs until retirement or termination of directorship. For DSUs that have been credited upon the conversion of directors' fees, the DSUs vest immediately. 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.

During the year ended December 31, 2013, 4,845 DSUs were credited to directors under the DSU Plan (2012 — 4,316 DSUs) in connection with the conversion of directors' fees. The value of the DSU liability as at December 31, 2013, was $1.2 million (2012 - $1.4 million). The mark-to-market adjustment recorded for the year ended December 31, 2013, in respect of the DSU Plan, was $0.3 million (2012 - $0.4 million).

f) Restricted Share Units

Under the Plan, employees and officers may be granted performance-based or time-based RSUs. When each RSU vests, the holder is entitled to one common share for no additional consideration. 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. Time-based RSUs vest over a three year period on the anniversary of the date of grant.

During the year ended December 31, 2013, 36,695 performance-based RSUs (2012 — 20,262) and 35,899 time-based RSUs (2012 -15,448) were awarded to management of the Company. The fair value of the RSUs granted during 2013 has been determined to be $2.9 million (2012 - $2.0 million). The fair value of the RSUs was calculated using the Black-Scholes option pricing model and utilized the following weighted average assumptions; risk-free rate of 1.47% (2012 — 1.22%), volatility of 33.95% (2012 — 29.05%), dividend yield of 0.0% (2012 — 0.0%) and 3 year expected life (2012 — 3.0 years). Included in the Company's stock-based compensation expense is an amount of $1.6 million (2012 - $1.6 million) relating to these RSUs. As at December 31, 2013, there is $4.0 million (2012 - $3.0 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 1.6 years (2012 — 1.6 years).

g) Outstanding Share Purchase Warrants, Incentive Stock Options, Special Warrants and Restricted Share Units

The following table sets out the maximum shares that would be outstanding if all of the share purchase warrants, incentive stock options and restricted share units, at December 31, 2013 and 2012, respectively, were exercised:

	2013	2012
Common shares outstanding	147,164,468	146,730,310
Stock options	2,228,107	2,234,812
Warrants	6,510,769	6,510,769
Gold Wheaton Warrants	62,240	4,181,750
Special Warrant *(See Note 18(c))*	2,000,000	2,000,000
Restricted Share Units	132,131	103,071
	158,097,715	161,760,712

Note 17 — Earnings per Share ("EPS")

As at December 31, 2013	Earnings (Numerator)	Shares (Denominator) (in millions)	Per Share Amount

Basic EPS	$ 11.7	146.8	$ 0.08
Effect of dilutive securities	—	1.0	—
Diluted EPS	$ 11.7	147.8	$ 0.08

Excluded from the computation of 2013 diluted EPS were 428,396 stock options (2012 — nil), 79,922 RSUs (2012 — 65,351) and 6,510,769 warrants (2012 — 10,556,369) due to the performance criteria for the vesting of the RSUs having not been measurable prior to December 31, 2013 and the exercise prices for the stock options and warrants being greater than the weighted average price of common shares for the year ended December 31, 2013.

As at December 31, 2012	Earnings (Numerator)	Shares (Denominator) (in millions)	Per Share Amount
Basic EPS	$ 102.6	143.1	$ 0.72
Effect of dilutive securities	—	1.2	(0.01)
Diluted EPS	$ 102.6	144.3	$ 0.71

Note 18 - Commitments

(a) Ore purchase commitments

The Company has certain ore purchase commitments some of which are described in Note 7(a).

(b) Sabodala Gold Stream

The Company has committed to acquire a 6% gold stream on the Sabodala gold project. See Note 20(c) for details.

(c) Cobre Panama Precious Metal Stream

See Note 4(g) for description of commitment. Since its acquisition of Inmet in March 2013, First Quantum has undertaken a complete review of the Cobre Panama project and released the results in January 2014 which includes a larger project with installed capacity approximately 17% higher than the Inmet plan and a revised development timeframe with first concentrate production expected in the fourth quarter of 2017. The Company has not funded any amounts under the stream agreement as at December 31, 2013.

(d) New Prosperity Gold Stream

Pursuant to a purchase and sale agreement dated May 12, 2010, the Company committed to fund a $350.0 million deposit and acquire 22% of the gold produced pursuant to a gold stream agreement with Taseko Mines Limited (“Taseko”) on Taseko’s New Prosperity copper-gold project located in British Columbia. Franco-Nevada will provide the $350.0 million deposit for the construction of New Prosperity advanced pro-rata with other financing for the project once the project is fully permitted and financed, and has granted Taseko one special warrant. Franco-Nevada’s financing commitment remained available to Taseko provided the project was fully permitted and financed by May 2012 at which point Franco-Nevada was entitled to terminate such commitment. Franco-Nevada has not terminated this option. Once New Prosperity is fully permitted and financed, the special warrant will be exchangeable, without any additional consideration, into two million purchase share warrants. Each purchase share warrant will entitle Taseko to purchase one Franco-Nevada common share at a price of C$75.00 at any time before June 16, 2017. In addition, Franco-Nevada will pay Taseko the lower of $400 per ounce (subject to an inflation adjustment) or the prevailing market price for each ounce of gold delivered under the agreement.

In February 2014, the Government of Canada announced it would not issue the federal authorizations necessary for the New Prosperity project to proceed.

Note 19 — Segment Reporting

The chief operating decision-maker organizes and manages the business under a single operating segment, consisting of resource sector royalty and stream acquisitions and management activities directly relating to royalty and stream interests. All of the Company’s assets and revenues are attributable to this single operating segment.

For the year ended December 31, 2013, two interests totaling $83.5 million and $50.7 million, respectively, (2012 — one mineral interest totaling $96.0 million), comprised 20.8% and 12.7%, respectively, (2012 — 22.5%) of revenue. Geographic revenues are separated by the jurisdiction of the entity making the payment.

Revenue is earned from the following jurisdictions:

	2013	2012
Canada	**$ 143.9**	$ 130.2
Mexico	**86.9**	101.6
United States	**77.9**	120.0

Africa	**65.9**	52.3
Australia	**21.1**	15.1
Other	**5.2**	7.8
Revenue	**$ 400.9**	$ 427.0

Geographic revenue is presented by the location of the mining operations giving rise to the royalty, stream or working interest.

Royalty, stream and working interests, net:

	2013	2012
Canada	**$ 964.1**	$ 1,075.8
United States	**496.0**	511.2
Africa	**396.1**	433.7
Other	**93.1**	89.9
Mexico	**52.0**	64.7
Australia	**48.9**	48.3
Royalty, stream and working interests, net	**$ 2,050.2**	$ 2,223.6

Investments of $38.2 million (2012 - $108.4 million) are held in Canada.

Note 20 — Subsequent Events

(a) Credit Facility

On March 19, 2014, the Company extended its 2013 Credit Facility for an additional two years with the amended expiry being March 19, 2019.

(b) Cerro Moro

In January 2014, Franco-Nevada entered into an agreement to acquire an existing 2.0% NSR on Yamana Gold Inc.'s Cerro Moro project located in Argentina for the Argentine peso equivalent of $23.5 million (at the official Argentine peso exchange rate) in cash. The transaction is expected to close during the first half of 2014.

(c) Fire Creek/Midas

On February 11, 2014, the Company signed a gold purchase agreement with Klondex Mines Ltd. ("Klondex") and acquired a 2.5% net smelter return royalty ("NSR") on Klondex's Fire Creek and Midas properties, both of which are located in Nevada, U.S., for a total consideration of $35.0 million in cash. Under the terms of the gold purchase agreement, Klondex will deliver 38,250 ounces of gold, payable monthly, by December 31, 2018, to the Company following which the NSR will become payable on gold produced from the Fire Creek and Midas properties.

(d) Sabodala Gold Stream

On January 15, 2014, the Company acquired a 6% gold stream on Teranga Gold Corporation's Sabodala gold project located in Senegal, Africa. Under the terms of the gold stream agreement, the Company funded a $135.0 million deposit in exchange for 22,500 ounces of gold per year, payable monthly, for the first six years of the agreement, after which the Company will purchase 6% of the gold produced from Sabodala. The Company will pay 20% of the market price of gold for each ounce delivered under the agreement.

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 19, 2014

/s/ David Harquail
David Harquail
President and 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 19, 2014

/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, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Harquail, the President and 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; 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 19, 2014

/s/ David Harquail
David Harquail
President and 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, 2013, 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; 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 19, 2014

/s/ Sandip Rana
Sandip Rana
Chief Financial Officer

Exhibit 99.8

CONSENT OF INDEPENDENT AUDITOR

We hereby consent to the incorporation by reference in this Annual Report on Form 40-F for the year ended December 31, 2013 of Franco-Nevada Corporation of our report dated March 19, 2014, relating to the consolidated financial statements and the effectiveness of internal control over financial reporting, which is filed as an exhibit to, and incorporated by reference in, this Annual Report.

We also consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-190109) on Form S-8 (No. 333-176856) and on Form F-10 (No. 333-191835) of Franco-Nevada Corporation of our report dated March 19, 2014 referred to above. We also consent to the reference to us under the heading “Experts,” which appears in the Annual Information Form which is filed as an exhibit to, and incorporated by reference in this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

DRAFT

/s/ PricewaterhouseCoopers LLP
Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 19, 2014

Exhibit 99.9

CONSENT OF DONALD J. BIRAK

In connection with the filing of the annual report on Form 40-F (the "Form 40-F") of Franco-Nevada Corporation with the U.S. Securities and Exchange Commission, I consent to the references to my name, including under the heading "Experts," and to the use of the technical report entitled "Palmarejo Project SW Chihuahua State, Mexico YE 2012 — Technical Report," dated January 1, 2013 (the "Report"), and the information derived from the Report, included in the 2013 Annual Information Form of Franco-Nevada Corporation dated March 19, 2014 (the "AIF"), which is filed as an exhibit to, and incorporated by reference in, the Form 40-F.

I also consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-190109), on Fo rm S-8 (No. 333-176856) and on Form F-10 (No. 333-191835) of the references to my name in the AIF and the use of the Report and the information derived therefrom.

DATED: March 19, 2014

(signed) Donald J. Birak
Name: Donald J. Birak

Exhibit 99.10

CONSENT OF KEITH BLAIR

In connection with the filing of the annual report on Form 40-F (the "Form 40-F") of Franco-Nevada Corporation with the U.S. Securities and Exchange Commission, I consent to the references to my name, including under the heading "Experts," and to the use of the technical report entitled "Palmarejo Project SW Chihuahua State, Mexico YE 2012 — Technical Report," dated January 1, 2013 (the "Report"), and the information derived from the Report, included in the 2013 Annual Information Form of Franco-Nevada Corporation dated March 19, 2014 (the "AIF"), which is filed as an exhibit to, and incorporated by reference in, the Form 40-F.

I also consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-190109), on Fo rm S-8 (No. 333-176856) and on Form F-10 (No. 333-191835) of the references to my name in the AIF and the use of the Report and the information derived therefrom.

DATED: March 19, 2014

(signed) Keith Blair
Name: Keith Blair

Exhibit 99.11



Principal Officers:
Keith M. Braaten, P. Eng.
President & CEO
Jodi L. Anhorn, P. Eng.
Executive Vice President & COO

Officers / Vice Presidents:

Terry L. Aarsby, P. Eng.
Caralyn P. Bennett, P. Eng.
Leonard L. Herchen, P. Eng.
Myron J. Hladyshevsky, P. Eng.
Todd J. Ikeda, P. Eng.
Bryan M. Joa, P. Eng.
Mark Jobin, P. Geol.
John E. Keith, P. Eng.
John H. Stilling, P. Eng.
Douglas R. Sutton, P. Eng.
James H. Willmon, P. Eng.

CONSENT OF GLJ PETROLEUM CONSULTANTS LTD.

In connection with the filing of the annual report on Form 40-F (the "Form 40-F") of Franco-Nevada Corporation with the U.S. Securities and Exchange Commission, the undersigned hereby consents to references to its name and to its involvement in the preparation of the reserve assessment and evaluation in respect of the oil and gas assets on Weyburn Unit, Midale Unit and Edson Property dated February 18, 2014, with an effective date of December 31, 2013 (the "Reserve Assessment"), and to the inclusion and incorporation by reference of information derived from the Reserve Assessment, included in the 2013 Annual Information Form of Franco-Nevada Corporation dated March 19, 2014 (the "AIF"), which is filed as an exhibit to, and incorporated by reference in, the Form 40-F.

The undersigned also consents to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-190109), on Form S-8 (No. 333-176856) and on Form F-10 (No. 333-191835) of the references to its name in the AIF and the use of the Reserve Assessment and the information derived therefrom.

Yours truly,

GLJ PETROLEUM CONSULTANTS LTD.

"Originally Signed by"

John E. Keith, P. Eng.
Vice President

Dated: March 19, 2014
Calgary, Alberta
CANADA

4100, 400 – 3rd Avenue S.W., Calgary, Alberta, Canada T2P 4H2 · (403) 266-9500 · Fax (403) 262-1855 · GLJPC.com

Exhibit 99.12

CONSENT OF KLAUS TRIEBEL

In connection with the filing of the annual report on Form 40-F (the "Form 40-F") of Franco-Nevada Corporation with the U.S. Securities and Exchange Commission, I consent to the references to my name, including under the heading "Experts," and to the use of the technical report entitled "Palmarejo Project SW Chihuahua State, Mexico YE 2012 — Technical Report," dated January 1, 2013 (the "Report"), and the information derived from the Report, included in the 2013 Annual Information Form of Franco-Nevada Corporation dated March 19, 2014 (the "AIF"), which is filed as an exhibit to, and incorporated by reference in, the Form 40-F.

I also consent to the incorporation by reference in the Registration Statements on Form F-3 (No. 333-190109), on Fo rm S-8 (No. 333-176856) and on Form F-10 (No. 333-191835) of the references to my name in the AIF and the use of the Report and the information derived therefrom.

DATED: March 19, 2014

(signed) Klaus Triebel

Name: Klaus Triebel