

2017 First Quarter Report
Management's Discussion and Analysis
for the three months ended March 31, 2017

Franco Nevada
The GOLD Investment that WORKS



MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis ("MD&A") of financial position and results of operations of Franco-Nevada Corporation ("Franco-Nevada", the "Company", "we" or "our") has been prepared based upon information available to Franco-Nevada as at May 9, 2017 and should be read in conjunction with Franco-Nevada's unaudited condensed consolidated interim financial statements and related notes as at and for the three months ended March 31, 2017 and 2016. The unaudited condensed consolidated interim 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") applicable to the preparation of interim financial statements in accordance with IAS 34 *Interim Financial Reporting*.

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, 2016 and 2015 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 of certain of Franco-Nevada's producing and advanced royalty and stream assets, as well as a description of risk factors affecting the Company. For additional information, our website can be found at www.franco-nevada.com.

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Abbreviations used in this report

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

Abbreviated Definitions

Periods under review

"Q1/2017"	The three-month period ended March 31, 2017
"Q4/2016"	The three-month period ended December 31, 2016
"Q3/2016"	The three-month period ended September 30, 2016
"Q2/2016"	The three-month period ended June 30, 2016
"Q1/2016"	The three-month period ended March 31, 2016

Places and currencies

"U.S."	United States
"\$" or "USD"	United States dollars
"C\$" or "CAD"	Canadian dollars

Interest types

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

Measurement

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



BUSINESS OVERVIEW AND STRATEGY

Franco-Nevada is the leading gold-focused royalty and stream company by both gold revenue and number of gold assets. The Company has the largest and most diversified portfolio of royalties and streams by commodity, geography, revenue type and stage of project. The portfolio is actively managed with the aim to maintain over 80% of revenue from precious metals (gold, silver & PGM).

Franco-Nevada Asset Count at May 9, 2017

	Precious Metals	Other Minerals	Oil & Gas	TOTAL
Producing	41	5	61 ⁽¹⁾	107
Advanced	34	7	—	41
Exploration	135	37	19	191
TOTAL	210	49	80	339

(1) Includes acquisition of Midland Basin royalties expected to close by June 30, 2017.

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

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

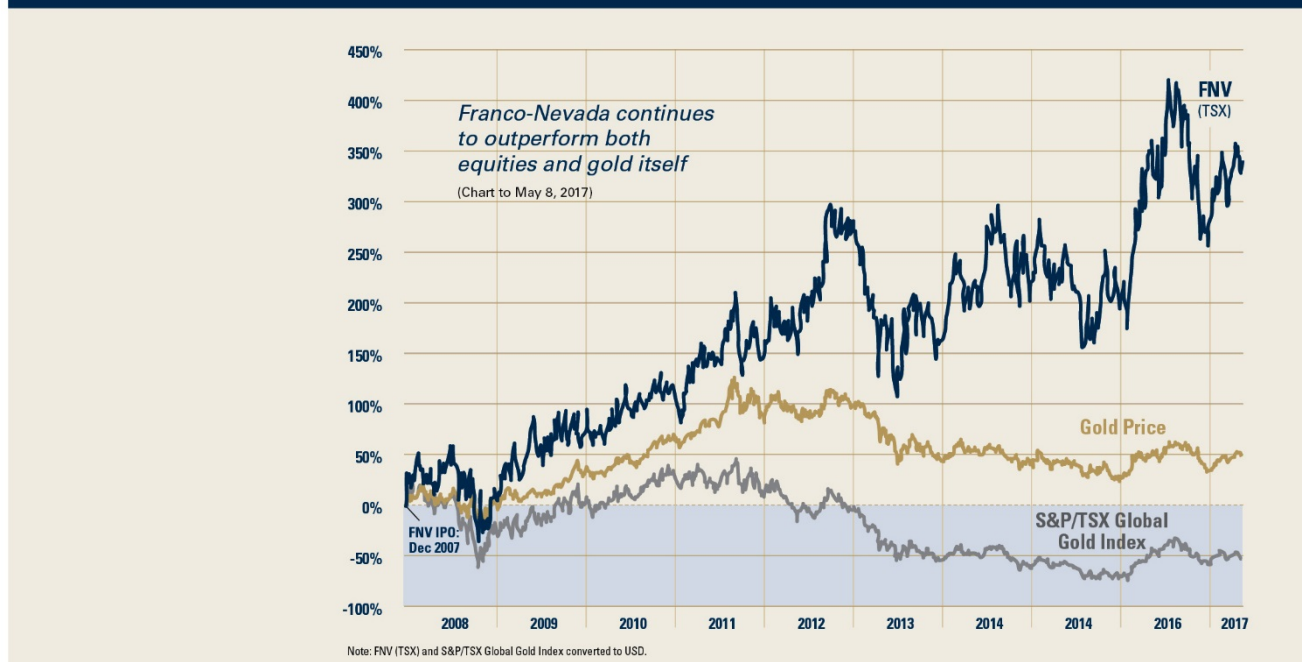
Franco-Nevada's financial results in the short-term are primarily tied to the price of commodities and the amount of production from its portfolio of producing assets. Financial results have also been supplemented by acquisitions of new producing assets. Over the longer-term, results are impacted by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

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

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

Franco-Nevada's revenue is generated from various forms of agreements, ranging from net smelter return royalties, streams, net profits interests, net royalty interests, working interests and other. *For definitions of the various types of agreements, please refer to our most recent Annual Information Form filed on SEDAR at www.sedar.com or our Form 40-F filed on EDGAR at www.sec.gov.*

Franco-Nevada's Relative Share Price Performance



HIGHLIGHTS

Financial Update – Q1/2017

- **131,578 GEOs⁽¹⁾ recognized in revenue** in Q1/2017, an increase of 23.4% from 106,621 GEOs in Q1/2016;
- **\$172.7 million in revenue**, an increase of 30.8% from revenue of \$132.0 million in Q1/2016;
- **\$128.5 million, or \$0.72 per share, of Adjusted EBITDA^{(2), (3)}** in Q1/2017, an increase of 23.1% from \$104.4 million or \$0.63 per share, in Q1/2016;
- **74.4% in Margin^{(2), (3)}**, compared to 79.1% in Q1/2016;
- **\$45.6 million, or \$0.26 per share, in net income** for Q1/2017, an increase of 52.0% compared to \$30.0 million, or \$0.18 per share, in Q1/2016;
- **\$44.8 million, or \$0.25 per share, in Adjusted Net Income^{(2), (3)}** in Q1/2017, an increase of 60.0% compared to \$28.0 million, or \$0.17 per share, in Q1/2016;
- **\$119.8 million in net cash provided by operating activities⁽³⁾** in Q1/2017, a decrease of 3.4% compared to \$124.0 million in Q1/2016; and
- **\$1.6 billion in available capital** at March 31, 2017, comprising of \$356.2 million of working capital, \$117.3 million in marketable equity securities, and \$1.1 billion available under the Company's credit facilities. Of this, \$99.0 million will be used to fund the remainder of the Company's acquisition of oil & gas royalty interests in the Midland Basin which is expected to close by June 30, 2017. Further, subsequent to March 31, 2017, Franco-Nevada received proceeds of C\$157.6 million from the exercise of 2,100,718 common share purchase warrants at an exercise price of C\$75.00 per warrant. As of the date of this report, there remained 4,407,675 warrants outstanding.

(1) GEOs include our gold, silver, platinum, palladium and other mineral assets, and do not include Oil & Gas assets. GEOs are estimated on a gross basis for NSR royalties and, in the case of stream ounces, before the payment of the per ounce contractual price paid by the Company. For NPI royalties, GEOs are calculated taking into account the NPI economics. Silver, platinum, palladium and other minerals are converted to GEOs by dividing associated revenue, which includes settlement adjustments, by the relevant gold price. The gold price used in the computation of GEOs earned from a particular asset varies depending on the royalty or stream agreement, which may make reference to the market price realized by the operator, or the average for the month, quarter, or year in which the mineral was produced or sold. For illustrative purposes, please refer to average commodity price tables on page 10 of this MD&A for indicative prices which may be used in the calculation of GEOs.

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

(3) In Q3/2016, the Company adopted a retrospective change in accounting policy with respect to its classification of proceeds from sales of gold bullion in its statement of cash flows and statement of income and comprehensive income. For further information, refer to Note 16 of the condensed consolidated financial statements for the three months ended March 31, 2017. The Company's non-IFRS measures, as defined in the "Non-IFRS Financial Measures" section of this MD&A, were also adjusted accordingly to reflect gains/losses on sales of such gold bullion as an operating activity that is part of the Company's underlying operating business. Comparative information has been adjusted to conform to current presentation.



Corporate Development

Acquisition of U.S. Oil & Gas Royalties – Midland Basin

On March 13, 2017, Franco-Nevada, through a wholly-owned U.S. subsidiary, agreed to purchase a package of royalty rights in the Midland Basin of West Texas for a price of \$110.0 million. The Midland Basin forms the eastern portion of the broader Permian Basin and represents one of the most active and profitable oil plays in North America. The royalties consist of approximately 97% mineral title rights, along with some GORRs, which apply to approximately 908 acres (net after royalties) that, with pooling, provides exposure to an estimated gross acreage of 675,000 acres (a significant portion of the overall Midland Basin) at an estimated average royalty rate of 0.14%. The royalties are subject to a diverse operator base, which is anchored by Pioneer Natural Resources. Royalty revenue is expected to grow in future years as horizontal drilling activity in the area continues to ramp up. The transaction is expected to close in the second quarter of 2017.

Funding of Cobre Panama

The Company funded an additional \$50.2 million towards the Cobre Panama precious metals stream in Q1/2017. As at March 31, 2017, the Company has funded a cumulative total of \$512.4 million of its \$1 billion maximum commitment. First Quantum Minerals Ltd. (“First Quantum”) expects total capital expenditures of \$1,060 million in 2017. According to First Quantum, capital expenditure for the first quarter of 2017 was \$243 million, and the project was just over 50% complete.

Financing

On March 22, 2017, the Company extended the maturity of its existing \$1 billion credit facility, from November 12, 2020 to March 22, 2022.

On March 20, 2017, Franco-Nevada’s subsidiary, Franco-Nevada (Barbados) Corporation (“FNBC”), entered into an unsecured revolving credit facility (the “FNBC Credit Facility”). The FNBC Credit Facility provides for the availability over a one-year period of up to \$100.0 million in borrowings. Refer to “Liquidity and Capital Resources” for details.

Dividend Increase

Franco-Nevada is pleased to declare a quarterly dividend of \$0.23 per share. The dividend is a 4.5% increase from the previous \$0.22 per share quarterly dividend and marks the tenth consecutive annual dividend increase for Franco-Nevada shareholders.

GUIDANCE

The following contains forward-looking statements. Reference should be made to the “Cautionary Statement on Forward-Looking Information” section at the end of this MD&A. For a description of material factors that could cause our actual results to differ materially from the forward-looking statements below, please see the Cautionary Statement and the “Risk Factors” section of our most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com and our most recent Form 40-F filed with the Securities and Exchange Commission on EDGAR at www.sec.gov. 2017 guidance is based on assumptions including the forecasted state of operations from our assets based on the public statements and other disclosures by the third-party owners and operators of the underlying properties (subject to our assessment thereof).

With a strong performance in Q1/2017, Franco-Nevada is on-track to meet its previously announced guidance.

	Q1/2017 Actual	2017 Guidance	2016 Actual
Mineral assets - GEO production ^{(1),(2)}	131,578 GEOs	470,000 - 500,000 GEOs	464,383 GEOs
Oil & Gas assets - Revenue ⁽³⁾	\$10.9 million	\$35.0 million - \$45.0 million	\$30.1 million

(1) Of the 470,000 to 500,000 GEOs, Franco-Nevada expects to receive 335,000 to 345,000 GEOs under its various stream agreements. For the three months ended March 31, 2017, the Company has earned 94,225 GEOs from its stream agreements.

(2) In forecasting GEOs for 2017, gold, silver, platinum and palladium metals have been converted to GEOs using commodity prices of \$1,200/oz Au, \$17.50/oz Ag, \$950/oz Pt and \$750/oz Pd.

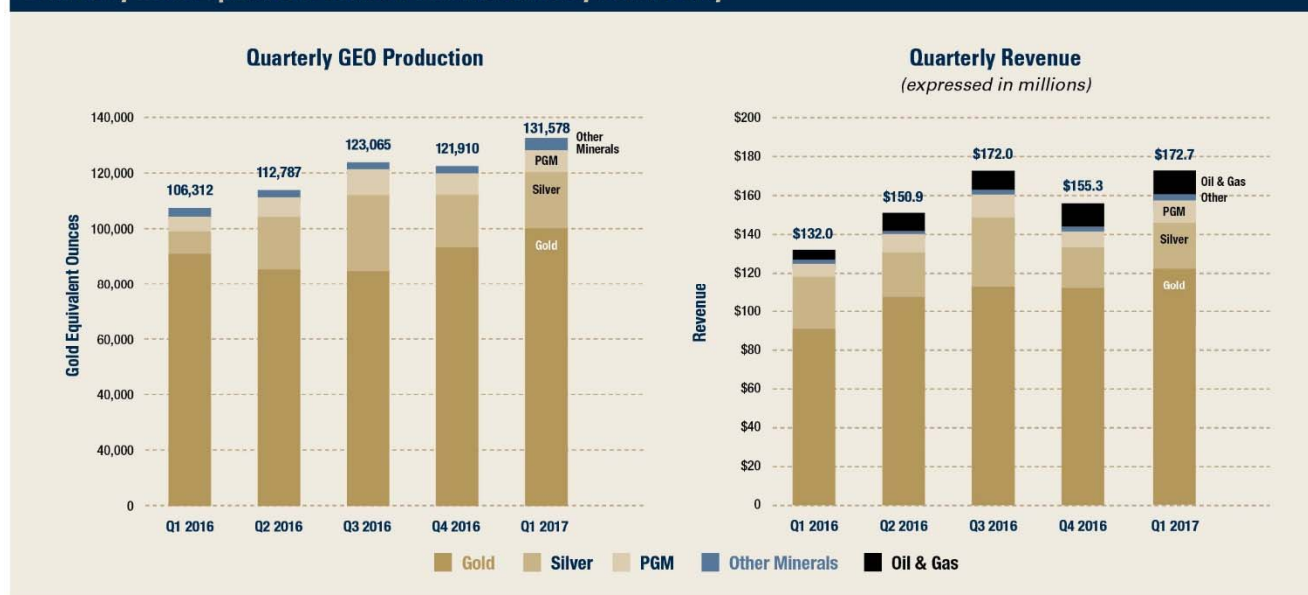
(3) In forecasting revenue from Oil & Gas assets for 2017, the WTI oil price is assumed to average \$50 per barrel with a \$3.50 per barrel price differential between the Edmonton Light and realized prices for Canadian oil.

We expect to fund approximately \$200.0 million to \$220.0 million towards the Cobre Panama precious metals stream in 2017. In Q1/2017, the Company funded \$50.2 million, for a cumulative total of \$512.4 million of its \$1 billion maximum commitment.

In addition, the Company estimated depletion and depreciation expense to be \$265.0 million to \$295.0 million for 2017. For the three months ended March 31, 2017, depletion and depreciation expense totaled \$71.5 million.

Franco-Nevada strives to generate 80% of revenue from precious metals over a long-term horizon which includes gold, silver and PGMs. In the short-term, we may diverge from the long-term target based on opportunities available. With 91.5% of revenue earned from precious metals in Q1/2017, the Company has the flexibility to consider diversification opportunities outside of the precious metals space and increase its exposure to other commodities.

Quarterly Gold Equivalent Ounces and Revenue by Commodity



MARKET OVERVIEW

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

The gold price performed well in the first quarter of 2017, somewhat reversing most of the losses it had incurred in the last quarter of 2016. As was widely anticipated, in March 2017, the U.S. Federal Reserve increased its benchmark interest rate for a second time in three months. There continues to be significant uncertainty as several elections take place in Europe, including an unexpected election in the U.K., and the current U.S. administration continues to implement its various economic initiatives including potential tax cuts and renegotiations of trade agreements.

Overall, the gold price ended Q1/2017 at \$1,245/oz, approximately 8.6% higher than at the end of Q4/2016. During Q1/2017, gold prices traded between \$1,151/oz and \$1,284/oz with an average price of \$1,219/oz. This represents an increase of 3.2% compared to the Q1/2016 average gold price of \$1,181/oz, while remaining relatively consistent with the average price of \$1,218/oz for Q4/2016.

The price of silver ended Q1/2017 at \$18.06/oz, 11.2% higher than at the end of Q4/2016. Silver prices averaged \$17.42/oz in Q1/2017, compared to \$14.83/oz in Q1/2016, an increase of 17.5%. As for platinum and palladium, the price per ounce at the end of Q1/2017 was \$940/oz and \$798/oz, respectively, increases of 4.7% and 19.1%, respectively, when compared to prices at the end of Q4/2016. Average prices for the quarter were \$981/oz and \$767/oz, for platinum and palladium respectively, compared to \$914/oz and \$524/oz, for Q1/2016, increases of 7.3% and 46.4% year-over-year, respectively.

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

Despite the volatile commodity prices, the Company continued to deliver strong results and significant increases in GEOs compared to Q1/2016, reflecting the performance of our mineral assets. One of the strengths of the Franco-Nevada business model is that our business is not impacted when producer costs increase as long as the producer continues to operate. Royalty and stream payments/deliveries are based on production levels of the underlying operations with no adjustments for the operator's operating costs, with the exception of NPI and NRI royalties, which are based on the profit of the underlying mining operation. Profit-based royalties accounted for approximately 5.2% of total revenues in Q1/2017.



SELECTED FINANCIAL INFORMATION

(in millions, except Average Gold Price, GEOs, Margin and per share amounts)	For the three months ended	
	March 31, 2017	2016
Statistical Measures		
Average Gold Price	\$ 1,219	\$ 1,181
GEOs sold ⁽¹⁾	131,578	106,621
Statement of Income and Other Comprehensive Income		
Revenue	\$ 172.7	\$ 132.0
Depletion and depreciation	71.5	65.5
Cost of sales	39.9	24.4
Operating income ⁽²⁾	55.2	37.0
Net income	45.6	30.0
Basic earnings per share	\$ 0.26	\$ 0.18
Diluted earnings per share	\$ 0.25	\$ 0.18
Dividends declared per share	\$ 0.22	\$ 0.21
Dividends declared (including DRIP)	\$ 39.4	\$ 38.5
Weighted average shares outstanding	178.5	166.8
Non-IFRS Measures		
Adjusted EBITDA ^{(2),(3)}	\$ 128.5	\$ 104.4
Adjusted EBITDA ^{(2),(3)} per share	\$ 0.72	\$ 0.63
Margin ^{(2),(3)}	74.4 %	79.1 %
Adjusted Net Income ^{(2),(3)}	\$ 44.8	\$ 28.0
Adjusted Net Income ^{(2),(3)} per share	\$ 0.25	\$ 0.17
Statement of Cash Flows		
Net cash provided by operating activities ⁽²⁾	\$ 119.8	\$ 124.0
Net cash used in investing activities ⁽²⁾	\$ (61.9)	\$ (506.9)
Net cash (used in) provided by financing activities	\$ (31.0)	\$ 405.4
	As at	As at
	March 31, 2017	December 31, 2016
Statement of Financial Position		
Cash and cash equivalents	\$ 283.0	\$ 253.0
Total assets	4,247.8	4,221.6
Deferred income tax liabilities	41.0	37.5
Total shareholders' equity	4,174.9	4,146.5
Working capital	356.2	323.6

- (1) Refer to Note 1 at the bottom of page 5 of this MD&A for the methodology for calculating GEOs, and, for illustrative purposes, to the average commodity price table on page 10 of this MD&A for indicative prices which may be used in the calculations of GEOs.
- (2) In Q3/2016, the Company adopted a retrospective change in accounting policy with respect to its classification of proceeds from sales of gold bullion in its statement of cash flows and statement of income and comprehensive income. For further information, refer to Note 16 of the condensed consolidated financial statements for the three months ended March 31, 2017. The Company's non-IFRS measures, as defined in the "Non-IFRS Financial Measures" section of this MD&A, were also adjusted accordingly to reflect gains/losses on sales of such gold bullion as an operating activity that is part of the Company's underlying business. Comparative information has been adjusted to conform to current presentation.
- (3) Adjusted EBITDA, Margin and Adjusted Net Income are non-IFRS financial measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please see the "Non-IFRS Financial Measures" section of this MD&A.

REVENUE BY ASSET

Our portfolio is well-diversified with GEOs and revenue being earned from 46 mineral assets and 60 oil & gas interests in various jurisdictions (not including the acquisition of Midland Basin royalties, which is expected to close by June 30, 2017). The following table details revenue earned from our various royalty, stream and working interests for the three months ended March 31, 2017 and 2016:

(expressed in millions)		For the three months ended	
Property	Interest	March 31, 2017	2016
PRECIOUS METALS			
United States			
Goldstrike	NSR 2-4%, NPI 2.4-6%	\$ 3.6	\$ 5.8
Stillwater	NSR 5%	5.7	3.2
Gold Quarry	NSR 7.29%	2.3	2.9
Marigold	NSR 1.75-5%, GR 0.5-4%	2.7	1.6
Fire Creek/Midas	Fixed to 2018 / NSR 2.5%	2.4	2.4
Bald Mountain	NSR/GR 0.875-5%	1.1	0.3
South Arturo	GR 4-9%	5.3	0.1
Other		0.6	0.5
Canada			
Sudbury	Stream 50%	6.5	\$ 5.8
Detour Lake	NSR 2%	3.2	3.0
Golden Highway	NSR 2-15%	2.1	2.2
Musselwhite	NPI 5%	0.9	1.0
Hemlo	NSR 3%, NPI 50%	1.0	1.8
Kirkland Lake ⁽¹⁾	NSR 1.5-5.5%, NPI 20%	1.1	1.2
Timmins West	NSR 2.25%	0.9	0.8
Canadian Malartic	GR 1.5%	0.4	0.2
Other		—	—
Latin America			
Antapaccay	Stream (indexed)	\$ 18.5	\$ 11.2
Antamina	Stream 22.5%	16.3	21.0
Candelaria	Stream 68%	27.6	22.0
Guadalupe-Palmarejo ⁽²⁾	Stream 50%	23.7	14.8
Other		0.6	0.8
Rest of World			
MWS	Stream 25%	\$ 8.6	\$ 7.1
Sabodala	Stream 6%, Fixed to 2019	9.1	6.7
Subika	NSR 2%	2.0	1.0
Tasiast	NSR 2%	1.7	1.5
Karma	Stream 4.875%, Fixed to 75koz	6.0	1.5
Duketon	NSR 2%	1.5	1.7
Edikan	NSR 1.5%	0.9	0.9
Other		1.7	3.0
		\$ 158.0	\$ 126.0
Other Minerals			
		\$ 3.8	\$ 2.4
Oil & Gas			
Weyburn	NRI 11.71%, ORR 0.44%, WI 2.56%	\$ 8.3	\$ 2.3
Midale	ORR 1.14%, WI 1.59%	0.4	0.3
Edson	ORR 15%	0.6	0.3
STACK	Effective Royalty Rate 1.61%	0.6	—
Other		1.0	0.7
		\$ 10.9	\$ 3.6
Revenue		\$ 172.7	\$ 132.0

(1) In October 2016, the overlying NSR on the Kirkland Lake Gold properties was reduced from 2.5% to 1.5% pursuant to Kirkland Lake's buy-back of 1% of the NSR.

(2) In July 2016, Coeur met its obligation to deliver 400,000 ounces under the Palmarejo agreement. Deliveries under the new Guadalupe agreement commenced in Q3/2016.



OVERVIEW OF FINANCIAL PERFORMANCE – Q1/2017 TO Q1/2016

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

Quarterly average prices and rates		Q1/2017	Q4/2016	Q1/2016	QOQ (Q1/17-Q4/16)	YOY (Q1/17-Q1/16)
Gold ⁽¹⁾	(\$/oz)	\$ 1,219	\$ 1,218	\$ 1,181	0.1 %	3.2 %
Silver ⁽²⁾	(\$/oz)	17.42	17.18	14.83	1.4 %	17.5 %
Platinum ⁽³⁾	(\$/oz)	981	944	914	3.9 %	7.3 %
Palladium ⁽³⁾	(\$/oz)	767	684	524	12.1 %	46.4 %
Edmonton Light	(C\$/bbl)	64.82	60.70	41.17	6.8 %	57.4 %
Quality Differential	(C\$/bbl)	(7.59)	(5.83)	(8.86)	30.2 %	(14.3) %
Realized oil price	(C\$/bbl)	57.23	54.87	32.31	4.3 %	77.1 %
CAD/USD exchange rate ⁽⁴⁾		0.7555	0.7496	0.7282	0.8 %	3.7 %

(1) Based on LBMA Gold Price PM Fix.

(2) Based on LBMA Silver Price.

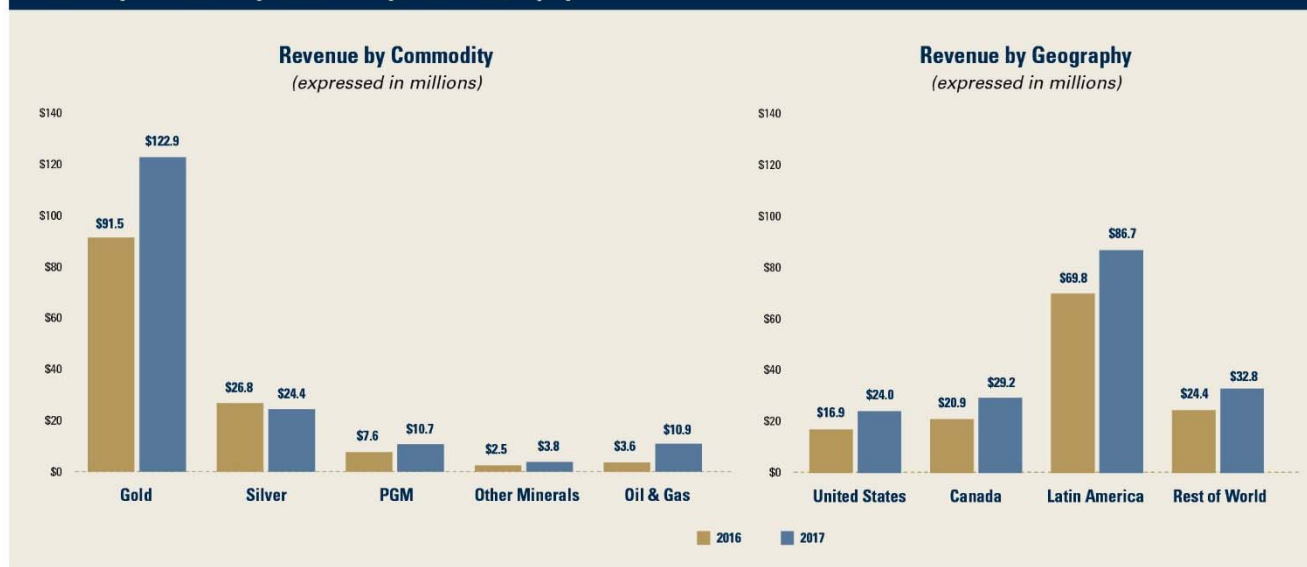
(3) Based on London PM Fix.

(4) Based on Bank of Canada noon rates.

Revenue and Gold Equivalent Ounces

Revenue for Q1/2017 was \$172.7 million compared with \$132.0 million for Q1/2016, an increase of 30.8%. The increase year-over-year is due to the increase of GEOs sold of 131,578 GEOs in Q1/2017, an increase of 23.4% from 106,621 GEOs sold in Q1/2016, coupled with higher average precious metals prices. Of this \$172.7 million in revenue, precious metals revenue comprised 91.5%, compared to 95.4% in Q1/2016, while revenue from the Americas was 81.0%, compared to 81.5% in Q1/2016. The proportion of revenue earned from precious metals assets decreased year-over-year as a result of higher oil & gas revenues which benefitted from higher prices, higher production levels, and lower capital expenditures, as well as the addition of the STACK portfolio of royalties in Q4/2016.

Quarterly Revenue by Commodity and Geography



The following table outlines GEOs and revenue attributable to Franco-Nevada for the three months ended March 31, 2017 and 2016 by commodity, geographical location and type of interest:

For the three months ended March 31, Commodity	Gold Equivalent Ounces ⁽¹⁾			Revenue (in millions)		
	2017	2016	Variance	2017	2016	Variance
Precious Metals						
Gold	100,540	76,753	23,787	\$ 122.9	\$ 91.5	\$ 31.4
Silver	19,746	22,627	(2,881)	24.4	26.8	(2.4)
PGM	8,224	5,196	3,028	10.7	7.6	3.1
Precious Metals - Total	128,510	104,576	23,934	158.0	125.9	32.1
Other Minerals	3,068	2,045	1,023	3.8	2.5	1.3
Oil & Gas	-	-	-	10.9	3.6	7.3
	131,578	106,621	24,957	\$ 172.7	\$ 132.0	\$ 40.7
Geography						
United States	19,634	14,275	5,359	\$ 24.0	\$ 16.9	\$ 7.1
Canada	14,601	13,284	1,317	29.2	20.9	8.3
Latin America	70,429	58,510	11,919	86.7	69.8	16.9
Rest of World	26,914	20,552	6,362	32.8	24.4	8.4
	131,578	106,621	24,957	\$ 172.7	\$ 132.0	\$ 40.7
Type						
Revenue-based	25,914	23,145	2,769	\$ 34.1	\$ 28.7	\$ 5.4
Streams	94,225	75,294	18,931	116.3	91.4	24.9
Profit-based	2,809	4,666	(1,857)	8.9	6.3	2.6
Other	8,630	3,516	5,114	13.4	5.6	7.8
	131,578	106,621	24,957	\$ 172.7	\$ 132.0	\$ 40.7

(1) Refer to Note 1 at the bottom of page 5 of this MD&A for the methodology for calculating GEOs, and, for illustrative purposes, to the average commodity price table on page 10 of this MD&A for indicative prices which may be used in the calculations of GEOs.

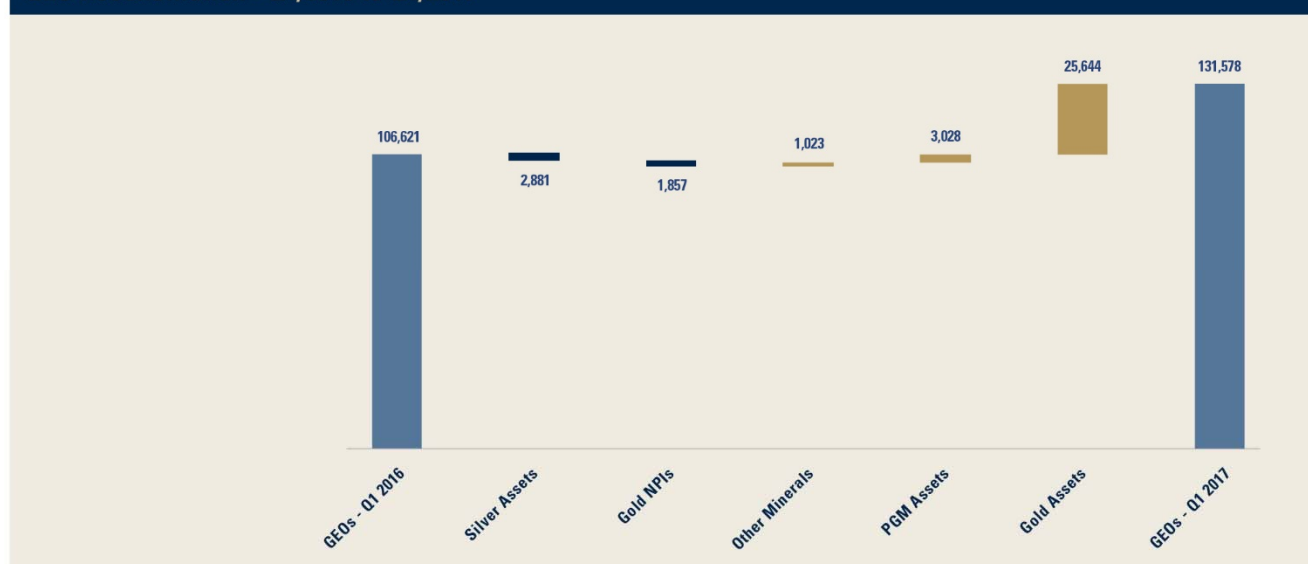
GEOs and revenue from precious metals were earned from the following geographical locations:

For the three months ended March 31, Geography for Precious Metals	Gold Equivalent Ounces ⁽¹⁾			Revenue (in millions)		
	2017	2016	Variance	2017	2016	Variance
Precious Metals						
United States	19,529	14,165	5,364	\$ 23.7	\$ 16.8	\$ 6.9
Canada	12,652	12,252	400	16.1	16.0	0.1
Latin America	70,429	58,510	11,919	86.7	69.8	16.9
Rest of World	25,900	19,649	6,251	31.5	23.3	8.2
Precious Metals - Total	128,510	104,576	23,934	\$ 158.0	\$ 125.9	\$ 32.1
Other Minerals	3,068	2,045	1,023	3.8	2.5	1.3
Oil & Gas	-	-	-	10.9	3.6	7.3
	131,578	106,621	24,957	\$ 172.7	\$ 132.0	\$ 40.7

(1) Refer to Note 1 at the bottom of page 5 of this MD&A for the methodology for calculating GEOs, and, for illustrative purposes, to the average commodity price table on page 10 of this MD&A for indicative prices which may be used in the calculations of GEOs.



GEO Reconciliation - Q1/2016 to Q1/2017



Precious Metals

Revenue from precious metals assets was \$158.0 million in Q1/2017 compared to \$125.9 million in Q1/2016, reflecting 128,510 GEOs from precious metals assets, an increase of 22.9% from 104,576 GEOs in Q1/2016. The largest component of these increases was contributed by our Latin American assets which realized an increase of 20.4% in GEOs, and 24.2% in revenue compared to the prior year.

GEOs and revenue increases for the quarter are attributable to the following assets:

- **Guadalupe** - The Guadalupe stream, which became effective in Q3/2016, delivered 19,300 GEOs in Q1/2017, compared to 12,501 GEOs under the Palmarejo agreement in Q1/2016, due to higher production year-over-year and a reduction of inventory that had built up from the prior quarter.
- **Antapaccay** - The Company sold 15,019 GEOs from its Antapaccay agreement in Q1/2017, compared to 8,918 GEOs in Q1/2016, a year-over-year increase of 68.4% due to only two months of deliveries taking place in Q1/2016, upon closing of the stream acquisition in late February 2016.
- **South Arturo** - The South Arturo mine generated payments of 4,392 GEOs, compared to 83 GEOs in Q1/2016. The South Arturo mine poured its first gold pour in August 2016.
- **Karma** - The Company sold 5,000 GEOs in Q1/2017 in relation to its Karma stream, of which 1,250 were received in Q4/2016. This compares to 1,250 GEOs received and sold in Q1/2016. Deliveries from Karma are fixed in the initial years of the stream at a rate of 1,250 ounces per month.
- **Candelaria** - The Company sold 22,483 GEOs from its Candelaria stream, compared to 18,626 in Q1/2016. The increase in GEOs sold is partly due to the sale of 2,032 GEOs which had been delivered in Q4/2016.
- **Stillwater** - Stillwater generated payments of 4,646 GEOs, compared to 2,642 GEOs in Q1/2016, as a result of higher platinum and palladium production in the quarter.

The above significant increases in GEOs were partially offset by decreases in GEO deliveries compared to Q1/2016 from the following assets:

- **Antamina** - Sales from the Antamina stream decreased by 4,651 GEOs year-over-year, as 2016 was an exceptionally strong year of silver production for Antamina.
- **Goldstrike** - Payments from both the NSR and NPI royalties were lower in Q1/2017 compared to Q1/2016, resulting in 1,845 fewer GEOs.

During Q1/2017, 1,385,922 ounces of silver were sold from our Candelaria, Antapaccay, Antamina and Cerro San Pedro interests which were converted to 19,746 GEOs.

Other Minerals

Other Minerals generated 3,068 GEOs and \$3.8 million in revenue, compared to 2,045 GEOs and \$2.5 million in revenue in Q1/2016.

Oil & Gas

Oil & Gas assets generated revenue of \$10.9 million for the quarter (94% oil and 6% gas), a three-fold increase compared to \$3.6 million for the Q1/2016 (93% oil and 7% gas). Production for the quarter was 5.5% higher than in Q1/2016; coupled with higher oil prices and lower capital costs from the operators.

Revenue from the Weyburn Unit for the quarter increased to \$8.3 million (Q1/2016 - \$2.3 million) with \$5.5 million earned from the NRI (Q1/2016 - \$0.8 million), \$2.3 million earned from the working interest (Q1/2016 - \$1.2 million) and \$0.5 million earned from the overriding royalties (Q1/2016 - \$0.3 million). Revenue from the Weyburn NRI was higher due to the higher average realized prices, coupled with lower costs and higher production levels. Although operating expenses were 10% higher than in Q1/2016, capital expenses were 45% lower in Q1/2017 compared to Q1/2016. The actual realized price from the NRI was 70% higher in Q1/2017, at C\$57.82/boe compared to C\$33.97/boe for Q1/2016.

Oil & Gas revenue also included \$0.6 million from the STACK acquisition which took place in Q4/2016.

Operating Costs and Expenses

The following table provides a list of operating costs and expenses incurred in the periods presented:

(expressed in millions)	For the three months ended March 31,		
	2017	2016	Variance
Costs of sales	\$ 39.9	\$ 24.4	\$ 15.5
Depletion and depreciation	71.5	65.5	6.0
Corporate administration	5.3	5.4	(0.1)
Business development	0.8	0.3	0.5
(Gain) loss on sale of gold bullion	—	(0.6)	0.6
	\$ 117.5	\$ 95.0	\$ 22.5

Costs of Sales

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

(expressed in millions)	For the three months ended March 31,		
	2017	2016	Variance
Cost of stream sales	\$ 36.4	\$ 21.7	\$ 14.7
Cost of prepaid ounces	1.8	1.8	—
Mineral production taxes	0.6	0.3	0.3
Oil & Gas operating costs	1.1	0.6	0.5
	\$ 39.9	\$ 24.4	\$ 15.5

The variance of \$15.5 million is in-line with the increase in stream ounces sold of 94,225 GEOs in Q1/2017 compared to 75,294 GEOs in Q1/2016. Cost of stream sales in Q1/2017 also reflects the higher per ounce cost under the Guadalupe agreement of \$800 per ounce of gold received, compared to the inflation-adjusted cost of \$400 per ounce of gold under the prior Palmarejo agreement. The ongoing stream costs per ounce are either a fixed amount per ounce delivered (typically adjusted for inflation each year) or an amount based as a percentage of spot price of gold or silver.

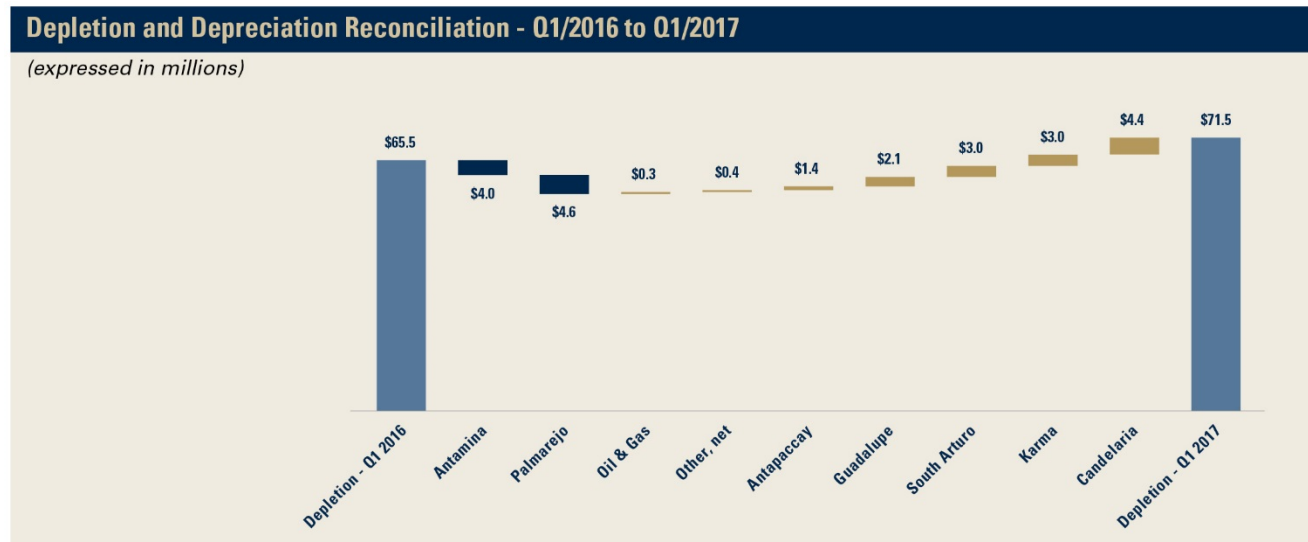
Costs of Sales Reconciliation - Q1/2016 to Q1/2017

(expressed in millions)



Depletion and Depreciation

Depletion and depreciation totaled \$71.5 million for the quarter compared to \$65.5 million in Q1/2016. The majority of the increase of \$6.0 million is due to higher royalty payments and stream deliveries from Antapaccay, South Arturo, Karma and Candelaria, partly offset by lower deliveries from Antamina. Depletion expense also benefitted from a lower depletion rate on the Guadalupe stream, which became effective in Q3/2016, compared to the depletion rate on the Palmarejo agreement.



Corporate Administration

The following table provides a breakdown of corporate administration expenses incurred for the periods presented:

(expressed in millions)	For the three months ended March 31,		
	2017	2016	Variance
Salaries and benefits	\$ 1.1	\$ 1.1	\$ —
Professional fees	0.3	0.5	(0.2)
Office costs	0.2	0.4	(0.2)
Board of Directors cost	0.7	1.1	(0.4)
Share-based compensation	1.6	1.3	0.3
Other	1.4	1.0	0.4
	\$ 5.3	\$ 5.4	\$ (0.1)

Corporate administration expenses, representing 3.1% of revenue for Q1/2017, remained relatively consistent with expenses incurred in Q1/2016. Board of Directors fees vary according to the mark-to-market of the value of deferred share units that are granted to the directors of the Company. Although the Company's share price increased both during Q1/2017 and Q1/2016, the increase was more significant in Q1/2016, resulting in a higher mark-to-market of the deferred share unit liability in Q1/2016 compared to Q1/2017.

Business Development Expenses

Business development expenses totaled \$0.8 million compared to a \$0.3 million in Q1/2016. Timing and amount of these costs typically vary depending upon the level of business development related activity, and the timing of completing transactions. Business development expenses related to completed transactions are capitalized to the relevant mineral interest asset following the closing of transactions.

Gain or Loss on Sale of Gold Bullion

The Company did not recognize a gain or loss on the sale of gold bullion in Q1/2017, compared to a gain of \$0.6 million in Q1/2016. Gold bullion is physical ounces of gold which the Company receives as settlement from certain of its royalty interests, and is presented as other current assets on the statement of financial position.

Foreign Exchange and Other Income/Expenses

The following table provides a list of foreign exchange and other income/expenses incurred for the periods presented:

(expressed in millions)	For the three months ended March 31,		
	2017	2016	Variance
Foreign exchange gain (loss)	\$ 0.5	\$ (0.2)	\$ 0.7
Other income	0.2	—	0.2
	\$ 0.7	\$ (0.2)	\$ 0.9

Foreign exchange losses and other income/expenses were comprised of a foreign exchange gain of \$0.5 million, compared to a loss of \$0.2 million in Q1/2016, reflecting a strengthening of the U.S. dollar relative to the Canadian dollar. Under IFRS, all foreign exchange gains or losses related to monetary assets and liabilities held in a currency other than the functional currency are recorded in net income as opposed to other comprehensive income. The parent company's functional currency is the Canadian dollar, while the functional currency of certain of the Company's subsidiaries is the U.S. dollar.

Other income also includes dividend income on certain of the Company's equity investments.

Finance Income and Finance Expenses

The following table provides a breakdown of finance income and expenses incurred for the periods presented:

(expressed in millions)	For the three months ended March 31,		
	2017	2016	Variance
Finance Income			
Interest	\$ 0.9	\$ 0.9	\$ —
Finance Fees	—	0.2	(0.2)
	\$ 0.9	\$ 1.1	\$ (0.2)
Finance Expenses			
Standby Charges	\$ 0.6	\$ 0.4	\$ 0.2
Interest	—	0.8	(0.8)
Amortization	0.2	0.1	0.1
	\$ 0.8	\$ 1.3	\$ (0.5)

Finance income was \$0.9 million (Q1/2016 - \$1.1 million) for the quarter while finance expenses were \$0.8 million (Q1/2016 - \$1.3 million). Finance income is earned on our cash equivalents and/or short-term investments. Finance income also includes interest income in the amount of \$0.5 million accrued on the Noront Resources Ltd. loan during Q1/2017. Finance expenses consist of the costs of standby charges, which represent the costs of maintaining our credit facilities; and amortization of the costs incurred with respect to the initial set-up or subsequent amendments of the facilities. In Q1/2017, the Company incurred no interest expense as it had not drawn on its credit facilities.

Income Taxes

Income tax expense for the quarter totaled \$10.4 million (Q1/2016 - \$8.1 million), comprised of a current income tax expense of \$7.8 million (Q1/2016 - \$5.5 million) and a deferred income tax expense of \$2.6 million (Q1/2016 - \$2.6 million). The increase in income tax expense year-over-year reflects higher revenues earned during the quarter compared to Q1/2016.

Net Income

Net income for Q1/2017 was \$45.6 million, or \$0.26 per share, compared to \$30.0 million, or \$0.18 per share, for the same period in 2016. Adjusted Net Income was \$44.8 million, or \$0.25 per share, compared to \$28.0 million, or \$0.17 per share, earned in Q1/2016. The increase in net income and Adjusted Net Income was driven primarily by higher revenue due to a strong performance from the Company's portfolio, namely with respect to the Antapaccay, Guadalupe, South Arturo, Candelaria, and Stillwater assets.



SUMMARY OF QUARTERLY INFORMATION

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

<i>(in millions, except Margin, GEOs, and per share amounts)</i>	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015	Q3 2015	Q2 2015
Revenue	\$ 172.7	\$ 155.3	\$ 172.0	\$ 150.9	\$ 132.0	\$ 121.3	\$ 103.7	\$ 109.4
Costs and expenses ^{(2), (3)}	117.5	154.9	104.5	100.5	95.0	157.6	77.6	78.6
Operating income (loss) ⁽³⁾	55.2	0.4	67.5	50.4	37.0	(36.3)	26.1	30.8
Other income (expenses) ⁽³⁾	0.8	8.5	(0.2)	3.2	1.1	—	(2.4)	2.1
Income tax expense (recovery)	10.4	13.4	12.9	11.3	8.1	(4.9)	8.5	11.3
Net income (loss)	45.6	(4.5)	54.4	42.3	30.0	(31.4)	15.2	21.6
Basic earnings (loss) per share	\$ 0.26	\$ (0.03)	\$ 0.31	\$ 0.24	\$ 0.18	\$ (0.20)	\$ 0.10	\$ 0.14
Diluted earnings (loss) per share	\$ 0.25	\$ (0.03)	\$ 0.30	\$ 0.24	\$ 0.18	\$ (0.20)	\$ 0.10	\$ 0.14
Net cash provided by operating activities ⁽³⁾	\$ 119.8	\$ 121.9	\$ 121.6	\$ 103.5	\$ 124.0	\$ 84.9	\$ 73.0	\$ 72.8
Net cash used in investing activities ⁽³⁾	(61.9)	(113.3)	(41.5)	(28.1)	(506.9)	(987.7)	(44.6)	(38.5)
Net cash provided by (used in) financing activities	(31.0)	(30.5)	(29.4)	(23.8)	405.4	445.2	(23.2)	(24.3)
Average Gold Price ⁽⁴⁾	\$ 1,219	\$ 1,218	\$ 1,335	\$ 1,259	\$ 1,181	\$ 1,104	\$ 1,124	\$ 1,193
GEOs sold ⁽⁵⁾	131,578	121,910	123,065	112,787	106,621	106,312	85,637	83,040
Adjusted EBITDA ^{(3),(6)}	\$ 128.5	\$ 122.2	\$ 142.2	\$ 120.3	\$ 104.4	\$ 94.2	\$ 77.5	\$ 82.1
Adjusted EBITDA ^{(3),(6)} per share	\$ 0.72	\$ 0.69	\$ 0.80	\$ 0.68	\$ 0.63	\$ 0.60	\$ 0.49	\$ 0.52
Margin ^{(3),(6)}	74.4 %	78.7 %	82.7 %	79.7 %	79.1 %	77.7 %	74.7 %	75.1 %
Adjusted Net Income ^{(3),(6)}	\$ 44.8	\$ 42.9	\$ 53.5	\$ 40.0	\$ 28.0	\$ 23.7	\$ 19.4	\$ 22.9
Adjusted Net Income ^{(3),(6)} per share	\$ 0.25	\$ 0.24	\$ 0.30	\$ 0.22	\$ 0.17	\$ 0.15	\$ 0.12	\$ 0.15

(1) Sum of the quarters may not add up to yearly total due to rounding.

(2) Includes impairment charges on royalty, stream and working interests.

(3) In Q3/2016, the Company adopted a retrospective change in accounting policy with respect to its classification of proceeds from sales of gold bullion in its statement of cash flows and statement of income and comprehensive income. For further information, refer to Note 16 of the condensed consolidated financial statements for the three months ended March 31, 2017. The Company's non-IFRS measures, as defined in the "Non-IFRS Financial Measures" section of this MD&A, were also adjusted accordingly to reflect gains/losses on sales of such gold bullion as an operating activity that is part of the Company's underlying operating business. Comparative information presented above has been adjusted to conform to current presentation.

(4) Based on LBMA Gold Price PM Fix.

(5) GEOs include our gold, silver, platinum, palladium and other mineral assets, and do not include Oil & Gas assets. GEOs are estimated on a gross basis for NSR royalties and, in the case of stream ounces, before the payment of the per ounce contractual price paid by the Company. For NPI royalties, GEOs are calculated taking into account the NPI economics. Silver, platinum, palladium and other minerals are converted to GEOs by dividing associated revenue, which includes settlement adjustments, by the relevant gold price. The gold price used in the computation of GEOs earned from a particular asset varies depending on the royalty or stream agreement, which may make reference to the market price realized by the operator, or the average for the month, quarter, or year in which the mineral was produced or sold. For illustrative purposes, please refer to average commodity price tables on page 10 of this MD&A for indicative prices which may be used in the calculation of GEOs.

(6) Adjusted EBITDA, Margin and Adjusted Net Income are non-IFRS measures with no standardized meaning under IFRS. For further information and a detailed reconciliation, please refer to the "Non-IFRS Financial Measures" section of this MD&A.

BALANCE SHEET REVIEW

Summary Balance Sheet and Key Financial Metrics		
<i>(expressed in millions, except debt to equity ratio)</i>	At March 31, 2017	At December 31, 2016
Cash and cash equivalents	\$ 283.0	\$ 253.0
Current assets	388.1	361.2
Non-current assets	3,859.7	3,860.4
Total assets	\$ 4,247.8	\$ 4,221.6
Current liabilities	31.9	37.6
Non-current liabilities	41.0	37.5
Total liabilities	\$ 72.9	\$ 75.1
Total shareholders' equity	\$ 4,174.9	\$ 4,146.5
Debt	\$ —	\$ —
Total common shares outstanding	178.6	156.9
Key Financial Ratios		
Working Capital	\$ 356.2	\$ 323.6
Debt to equity	—	—

Assets

Total assets were \$4,247.8 million at March 31, 2017 compared to \$4,221.6 million at December 31, 2016. Our asset base is primarily comprised of non-current assets such as our royalty, stream and working interests, and current assets of cash and cash equivalents. This reflects our business strategy of growing a diversified portfolio and ensuring cash is available for future acquisitions and dividends. The increase of \$26.9 million in current assets as at March 31, 2017 compared to December 31, 2016 is due to net cash generated by operating activities, partly offset by the Company's contribution of \$50.2 million towards the Cobre Panama project, as well as the deposit of \$11.0 million into an escrow account for the Midland Basin portfolio of royalties which the Company agreed to acquire in Q1/2017. The increase in non-current assets from these capital expenditures was partly offset by the depletion of royalty, stream and working interests.

Liabilities

Total liabilities at March 31, 2017 were \$72.9 million including current and deferred income tax liabilities, a decrease of \$2.2 million compared to December 31, 2016, reflecting a decrease in trade payables and current income tax liabilities.

As at March 31, 2017, neither the corporate entity nor FNBC had drawn on their respective credit facility.

Shareholders' Equity

Shareholders' equity increased by \$28.4 million as at March 31, 2017 compared to December 31, 2016, reflecting net income of \$45.6 million for the three months ended March 31, 2017, partly offset by declared dividends of \$39.4 million, of which \$9.3 million were settled through the issuance of common shares pursuant to the Company's DRIP.



LIQUIDITY AND CAPITAL RESOURCES

Cash flow generated for the three months ended March 31, 2017 and 2016 was as follows:

<i>(expressed in millions)</i>	For the three months ended	
	2017	March 31, 2016
Cash provided by operating activities ⁽¹⁾	\$ 119.8	\$ 124.0
Cash used in investing activities ⁽¹⁾	(61.9)	(506.9)
Cash provided by (used in) financing activities	(31.0)	405.4
Effect of exchange rate changes on cash and cash equivalents	3.1	4.6
Change in cash and cash equivalents	\$ 30.0	\$ 27.1

- (1) In Q3/2016, the Company adopted a retrospective change in accounting policy with respect to its classification of proceeds from sales of gold bullion in its statement of cash flows. Comparative information, including information presented in the “Quarterly Financial Information” section of this MD&A, has been adjusted to conform to current presentation. For further information, refer to Note 16 of the condensed consolidated financial statements for the three months ended March 31, 2017.

Operating Cash Flow

Cash generated by operating activities was \$119.8 million and \$124.0 million for Q1/2017 and Q1/2016, respectively. Although the Company benefitted from higher gross profits due to the increase in GEOs earned in the quarter, this cash inflow was more than offset by changes in non-cash working capital.

In Q3/2016, the Company adopted a retrospective change in accounting policy with respect to its classification of proceeds from sales of gold bullion in its statement of cash flows. Pursuant to certain of its royalty agreements, the Company receives gold bullion as settlement for amounts which it is due. In prior periods, management had classified proceeds from the sale of such gold bullion as an investing activity based on its intention with respect to the holding period of the gold bullion. As the magnitude and frequency of trading increased over time, management determined the acquisition and subsequent sale of the gold bullion to be an operating activity. As a result, the Company has reclassified the cash proceeds from the sale of such gold bullion, and any related gain or loss arising during the holding period, to be a component of operating income and operating cash flows. Comparative information, including information presented in the “Quarterly Financial Information” section of this MD&A, has been adjusted to conform to current presentation. For further information, refer to Note 16 of the condensed consolidated financial statements for the three months ended March 31, 2017.

Investing Activities

Cash used in investing activities was \$61.9 million for Q1/2017 compared to \$506.9 million in Q1/2016. Investing activities in Q1/2017 included the funding of the Cobre Panama stream of \$50.2 million, as well as the initial deposit of \$11.0 million into an escrow account for the purchase of the Midland Basin portfolio of royalties the Company agreed to acquire in Q1/2017. At March 31, 2017, the Company has funded a cumulative total of \$512.4 million of its total \$1.0 billion maximum commitment to the construction of Cobre Panama.

Financing Activities

Net cash used in financing activities was \$31.0 million for Q1/2017 reflecting payments of cash dividends in the quarter. This compares to net cash provided by financing activities of \$405.4 million for Q1/2016, which included the proceeds from the share issuance in February 2016, partly offset by the repayment of amounts the Company had drawn on its credit facility of \$460.0 million.

Capital Resources

As at March 31, 2017, our cash and cash equivalents totaled \$283.0 million (December 31, 2016 - \$253.0 million). In addition, we held investments at March 31, 2017 with a combined value of \$150.6 million (December 31, 2016 - \$147.4 million), of which \$117.3 million was held in publicly-traded equity instruments (December 31, 2016 - \$114.6 million).

Further, an amount of \$1.0 billion, or its Canadian dollar equivalent, is available under our unsecured credit facility (the "Credit Facility"). Advances under the Credit Facility bear interest depending upon the currency of the advance and the Company's leverage ratio. At March 31, 2017, U.S. and Canadian dollar advances would bear interest at a rate of 4.20% and 2.90%, respectively, with a maturity of March 22, 2022. Funds can also be drawn using LIBOR 30-day rates plus 1.20% per annum.

In addition, on March 20, 2017, the Company's subsidiary, Franco-Nevada (Barbados) Corporation, entered into an unsecured revolving credit facility (the "FNBC Credit Facility"). The FNBC Credit Facility provides for the availability over a one-year period of up to \$100.0 million in borrowings. The FNBC Credit Facility has a maturity date of March 20, 2018. The Company has the option of requesting, during a period of time before each anniversary date, up to two additional one-year extensions of the maturity.

Advances under the FNBC Credit Facility can be drawn as base rate advances with interest payable monthly at the CIBC base rate, plus 0.35% per annum. At March 31, 2017, advances would bear interest at a rate of 4.35%. Funds can also be drawn as LIBOR loans for periods of 1, 2, 3 or 6 months with interest payable at a rate of LIBOR plus 1.35% per annum. The FNBC Credit Facility is subject to a standby fee of 0.27% per annum.

As at May 9, 2017, the full amount of \$1.1 billion is available as neither the corporate entity nor FNBC had drawn on their respective credit facility.

Subsequent to March 31, 2017, 2,100,718 common share purchase warrants with an exercise price of C\$75.00 per warrant and an expiry date of June 16, 2017 were exercised, resulting in proceeds of C\$157.6 million to the Company. As at May 8, 2017, there remained 4,407,675 warrants outstanding. Should the entirety of these warrants be exercised prior to their expiry, the Company would receive proceeds of C\$330.6 million. The Company's share price on the Toronto Stock Exchange closed at C\$87.12 on March 31, 2017, and at C\$91.82 on May 8, 2017.

Management's objectives when managing capital are to:

- (a) ensure the preservation and availability of capital not being used for long-term investments by investing in low risk investments with high liquidity; and
- (b) ensure that adequate levels of capital are maintained to meet the Company's operating requirements and other current liabilities.

As at March 31, 2017, the majority of funds were held in cash deposits with several financial institutions. Franco-Nevada invests its excess funds in term deposits. Certain investments with terms to maturity upon acquisition of three months, or 92 days or less, were classified as term deposits.

Our performance is impacted by foreign currency fluctuations of the Canadian dollar and Australian dollar relative to the U.S. dollar. The largest exposure is with respect to the Canadian/U.S. dollar exchange rate as we hold a significant amount of our assets in Canada and report our results in U.S. dollars. The effect of volatility in these currencies against the U.S. dollar impacts our corporate administration, business development expenses and depletion on mineral and oil & gas interests incurred in our Canadian and Australian entities due to their respective functional currencies. During Q1/2017, the Canadian dollar traded in a range of \$0.7405 to \$0.7690, closing the quarter at \$0.7506, and the Australian dollar traded between \$0.7207 and \$0.7723, closing the quarter at \$0.7645.

Our near-term cash requirements include funding of the acquisition of the U.S. oil & gas royalties in the Midland Basin, commitments under the Cobre Panama stream agreement, corporate administration costs, certain costs of operations, payment of dividends and income taxes directly related to the recognition of royalty and stream revenues. As a royalty/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 various stream agreements, administrative expenses, costs of operations and dividend payments for the foreseeable future.



Purchase Commitments

The following table summarizes Franco-Nevada's commitments to pay for gold, silver and PGM pursuant to the associated precious metals agreements:

Interest	Attributable Payable Production to be Purchased			Per Ounce Cash Payment ^{(1),(2)}			Term of Agreement ⁽³⁾	Date of Contract
	Gold	Silver	PGM	Gold	Silver	PGM		
Antamina	0 %	22.5 % ⁽⁴⁾	0 %	n/a	5 % ⁽⁵⁾	n/a	40 years	7-Oct-15
Antapaccay	— % ⁽⁶⁾	— % ⁽⁷⁾	0 %	20 % ⁽⁸⁾	20 % ⁽⁹⁾	n/a	40 years	10-Feb-16
Candelaria	68 % ⁽¹⁰⁾	68 % ⁽¹⁰⁾	0 %	\$ 400	\$ 4.00	n/a	40 years	6-Oct-14
Cobre Panama	— % ⁽¹¹⁾	— % ⁽¹²⁾	0 %	\$ 406	\$ 6.09	n/a	45 years	2-Nov-15
Karma	4.875 % ⁽¹³⁾	0 %	0 %	20 % ⁽¹⁴⁾	n/a	n/a	40 years	11-Aug-14
Guadalupe	50 %	0 %	0 %	\$ 800	n/a	n/a	40 years	2-Oct-14
Sabodala	6 % ⁽¹⁵⁾	0 %	0 %	20 % ⁽¹⁶⁾	n/a	n/a	40 years	12-Dec-13
MWS	25 %	0 %	0 %	\$ 400	n/a	n/a	40 years ⁽¹⁷⁾	2-Mar-12
Cooke 4	7 %	0 %	0 %	\$ 400	n/a	n/a	40 years	5-Nov-09
Sudbury ⁽¹⁸⁾	50 %	0 %	50 %	\$ 400	n/a	\$ 400	40 years	15-Jul-08

- (1) Subject to an annual inflationary adjustment except for Antamina, Antapaccay, Karma, Guadalupe, and Sabodala.
- (2) Should the prevailing market price for gold be lower than this amount, the per ounce cash payment will be reduced to the prevailing market price.
- (3) Subject to successive extensions.
- (4) Subject to a fixed payability of 90%. Percentage decreases to 15% after 86 million ounces of silver has been delivered under the agreement.
- (5) Purchase price is 5% of the average silver price at the time of delivery.
- (6) Gold deliveries are referenced to copper in concentrate shipped with 300 ounces of gold delivered for each 1,000 tonnes of copper in concentrate shipped, until 630,000 ounces of gold has been delivered. Thereafter, percentage is 30% of gold shipped.
- (7) Silver deliveries are referenced to copper in concentrate shipped with 4,700 ounces of silver delivered for each 1,000 tonnes of copper in concentrate shipped, until 10.0 million ounces of silver has been delivered. Thereafter, percentage is 30% of silver shipped.
- (8) Purchase price is 20% of the spot price of gold until 750,000 ounces of gold have been delivered, thereafter the purchase price is 30% of the spot price of gold.
- (9) Purchase price is 20% of the spot price of silver until 12.8 million ounces of silver have been delivered, thereafter the purchase price is 30% of the spot price of silver.
- (10) Percentage decreases to 40% after 720,000 ounces of gold and 12.0 million ounces of silver have been delivered under the agreement.
- (11) Gold deliveries are indexed to copper in concentrate produced from the project. 120 ounces of gold per every 1 million pounds of copper produced until 808,000 ounces of gold delivered. Thereafter 81 ounces of gold per 1 million pounds of copper produced to 1,716,188 ounces of gold delivered, thereafter 63.4% of the gold in concentrate.
- (12) Silver deliveries are indexed to copper in concentrate produced from the project. 1,376 ounces of silver per every 1 million pounds of copper produced until 9,842,000 ounces of silver delivered. Thereafter 1,776 ounces of silver per 1 million pounds of copper produced to 29,731,000 ounces of silver delivered, thereafter 62.1% of the silver.
- (13) Gold deliveries are fixed at 15,000 ounces per annum until February 28, 2021. Thereafter, percentage is 4.875%.
- (14) Purchase price is 20% of the average gold price at the time of delivery.
- (15) Gold deliveries are fixed at 1,875 ounces per month until December 31, 2019. Thereafter, percentage is 6% of gold produced.
- (16) Purchase price is 20% of prevailing market price at the time of delivery.
- (17) Agreement is capped at 312,500 ounces of gold.
- (18) The Company is committed to purchase 50% of the precious metals contained in ore from the properties. Cash payment is based on gold equivalent ounces.

Cobre Panama Stream Agreement

The Company has funding commitments under the Cobre Panama stream agreement as described in the Guidance section above. At March 31, 2017, the Company has funded a cumulative total of \$512.4 million of its \$1.0 billion maximum commitment, leaving a remainder of \$487.6 million to be funded.

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.

Our significant accounting policies and estimates are disclosed in notes 2 and 3 of our most recent annual consolidated financial statements.

New and amended standards adopted by the Company

The following standard was effective and implemented as of January 1, 2017.

IAS 12 Income Taxes

IAS 12 Income taxes provides guidance on the recognition of deferred tax assets. In January 2016, the IASB issued amendments to clarify the requirements for recognizing deferred tax assets on unrealized losses. The amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets. The amendments are effective for annual periods beginning on or after January 1, 2017. The Company has adopted the amendments to IAS 12 in its financial statements for the annual period beginning on January 1, 2017. The adoption of the amendments did not have a material impact on the consolidated financial statements.

New Accounting Standards Issued But Not Yet Effective

IFRS 9 Financial Instruments

On July 24, 2014, the IASB published the final version IFRS 9 *Financial Instruments* which brings together the classification, measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 includes a loss impairment model, amends the classification and measurement model for financial assets by adding a new fair value through comprehensive income category for certain debt instruments and provides additional guidance on how to apply the business model and contractual cash flow characteristics test. This final version of IFRS 9 supersedes all previous versions of IFRS 9 and is effective for periods beginning on or after January 1, 2018. The Company is currently assessing the impact of IFRS 9 on the consolidated financial statements. The Company expects to report more detailed information, including estimated quantitative financial impacts, if material, in its consolidated financial statements as the effective date approaches.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*. The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively with early adoption permitted. The Company is in the process of assessing the impact of IFRS 15 on the consolidated financial statements. The Company expects to report more detailed information, including estimated quantitative financial impacts, if material, in its consolidated financial statements as the effective date approaches.

OUTSTANDING SHARE DATA

Franco-Nevada is authorized to issue an unlimited number of common and preferred shares. A detailed description of the rights, privileges, restrictions and conditions attached to each class of authorized shares is included in our Annual Information Form for the year ended December 31, 2016, 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 May 8, 2017, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	180,726,678
Issuable upon exercise of Franco-Nevada warrants ⁽¹⁾	4,407,675
Issuable upon exercise of Franco-Nevada options ⁽²⁾	1,304,328
Issuable upon exercise of special warrant ⁽³⁾	2,000,000
Issuable upon vesting of Franco-Nevada RSUs	138,614
Diluted common shares	188,577,295

- (1) The warrants have an exercise price of C\$75.00 per share and an expiry date of June 16, 2017.
- (2) There were 1,304,328 stock options under our share compensation plan outstanding to directors, officers, employees and others with exercise prices ranging from C\$15.20 to C\$75.45 per share.
- (3) 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 Taseko's New Prosperity project gets fully permitted and financed. Each purchase share warrant will entitle Taseko to purchase one Franco-Nevada common share at a price of C\$75.00 per share before June 16, 2017. New Prosperity's most recent permit application was denied in 2014.

Franco-Nevada has not issued any preferred shares.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Our Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining Franco-Nevada's internal control over financial reporting and other financial disclosure and our disclosure controls and procedures.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Franco-Nevada's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Franco-Nevada; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of Franco-Nevada are being made only in accordance with authorizations of management and directors of Franco-Nevada; and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Franco-Nevada's assets that could have a material effect on Franco-Nevada's financial statements. Internal control over other financial disclosure is a process designed to ensure that other financial information included in this MD&A, fairly represents in all material respects the financial condition, results of operations and cash flows of Franco-Nevada for the periods presented in this MD&A.

Franco-Nevada's disclosure controls and procedures are designed to provide reasonable assurance that material information relating to Franco-Nevada, including its consolidated subsidiaries, is made known to management by others within those entities, particularly during the period in which this report is prepared and that information required to be disclosed by Franco-Nevada in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

Due to its inherent limitations, internal control over financial reporting and other financial disclosure may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may change.

For the three months ended March 31, 2017, there has been no change in Franco-Nevada's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, Franco-Nevada's internal control over financial reporting.

NON-IFRS FINANCIAL MEASURES

Adjusted EBITDA and Adjusted EBITDA per share

Adjusted EBITDA and Adjusted EBITDA per share are non-IFRS financial measures, which exclude the following from net income and earnings per share ("EPS"):

- Income tax expense/recovery;
- Finance expenses;
- Finance income;
- Depletion and depreciation;
- Non-cash costs of sales;
- Impairment charges related to royalty, stream and working interests;
- Impairment of investments;
- Gains/losses on sale of royalty, stream and working interests;
- Gains/losses on investments;
- Foreign exchange gains/losses and other income/expenses; and
- Unusual non-recurring items.

Management uses Adjusted EBITDA and Adjusted EBITDA per share to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. The Company also uses Margin, which is defined as Adjusted EBITDA divided by revenue, in its annual incentive compensation process to evaluate management's performance in increasing revenue and containing costs. Management believes that in addition to measures prepared in accordance with IFRS such as Net Income and Earnings per Share, our investors and analysts use Adjusted EBITDA and Adjusted EBITDA per share to evaluate the results of the underlying business of the Company, particularly since the excluded items are typically not included in our guidance, with the exception of depletion and depreciation expense. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted EBITDA and Adjusted EBITDA per share are useful measures of the Company's performance because they adjust for items which may not relate to or have a disproportionate effect on the period in which they are recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted EBITDA and Adjusted EBITDA per share are only intended to provide additional information to investors and analysts, and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS, and may not be comparable to similar measures presented by other issuers.



Reconciliation of Net Income to Adjusted EBITDA:

	For the three months ended March 31,	
<i>(expressed in millions, except per share amounts)</i>	2017	2016
Net Income	\$ 45.6	\$ 30.0
Income tax expense	10.4	8.1
Finance expenses	0.8	1.3
Finance income	(0.9)	(1.1)
Depletion and depreciation	71.5	65.5
Non-cash costs of sales	1.8	1.8
(Gain) on investments	—	(1.5)
Foreign exchange (gains)/losses and other (income)/expenses	(0.7)	0.3
Adjusted EBITDA	\$ 128.5	\$ 104.4
Basic weighted average shares outstanding	178.5	166.8
Basic EPS	\$ 0.26	\$ 0.18
Income tax expense	0.06	0.05
Finance expenses	—	0.01
Finance income	(0.01)	(0.01)
Depletion and depreciation	0.40	0.39
Non-cash costs of sales	0.01	0.02
(Gain) on investments	—	(0.01)
Foreign exchange (gains)/losses and other (income)/expenses	—	—
Adjusted EBITDA per share	\$ 0.72	\$ 0.63

Margin

Margin is a non-IFRS financial measure which is defined by the Company as Adjusted EBITDA divided by revenue. The Company uses Margin in its annual incentive compensation process to evaluate management's performance in increasing revenue and containing costs. Margin is intended to provide additional information, does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for a measure of performance in accordance with IFRS.

Reconciliation of Net Income to Margin:

	For the three months ended March 31,	
<i>(expressed in millions, except Margin)</i>	2017	2016
Net Income	\$ 45.6	30.0
Income tax expense	10.4	8.1
Finance expenses	0.8	1.3
Finance income	(0.9)	(1.1)
Depletion and depreciation	71.5	65.5
Non-cash costs of sales	1.8	1.8
(Gain) on investments	—	(1.5)
Foreign exchange (gains)/losses and other (income)/expenses	(0.7)	0.3
Adjusted EBITDA	\$ 128.5	\$ 104.4
Revenue	172.7	132.0
Margin	74.4 %	79.1 %

Adjusted Net Income and Adjusted Net Income per share

Adjusted Net Income and Adjusted Net Income per share are non-IFRS financial measures, which exclude the following from net income and EPS:

- Foreign exchange gains/losses and other income/expenses;
- Impairment charges related to royalty, stream and working interests;
- Impairment of investments;
- Gains/losses on sale of royalty, stream and working interests;
- Gains/losses on investments;
- Unusual non-recurring items; and
- Impact of income taxes on these items.

Management uses Adjusted Net Income and Adjusted Net Income per share to evaluate the underlying operating performance of the Company as a whole for the reporting periods presented, to assist with the planning and forecasting of future operating results, and to supplement information in its financial statements. Management believes that in addition to measures prepared in accordance with IFRS such as Net Income and Earnings per Share, our investors and analysts use Adjusted Net Income and Adjusted Net Income per share to evaluate the results of the underlying business of the Company, particularly since the excluded items are typically not included in our guidance. While the adjustments to net income and EPS in these measures include items that are both recurring and non-recurring, management believes that Adjusted Net Income and Adjusted Net Income per share are useful measures of the Company's performance because they adjust for items which may not relate to or have a disproportionate effect on the period in which they are recognized, impact the comparability of our core operating results from period to period, are not always reflective of the underlying operating performance of our business and/or are not necessarily indicative of future operating results. Adjusted Net Income and Adjusted Net Income per share are intended to provide additional information to investors and analysts and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. They do not have any standardized meaning under IFRS, and may not be comparable to similar measures presented by other issuers.

Reconciliation of Net Income to Adjusted Net Income:

<i>(expressed in millions, except per share amounts)</i>	For the three months ended	
	2017	2016
Net Income	\$ 45.6	\$ 30.0
Foreign exchange (gains)/losses and other (income)/expenses	(0.7)	0.2
(Gain) on investments	—	(1.5)
Tax effect of adjustments	(0.1)	(0.7)
Adjusted Net Income	\$ 44.8	\$ 28.0
Basic weighted average shares outstanding	178.5	166.8
Basic EPS	\$ 0.26	\$ 0.18
Foreign exchange (gains)/losses and other (income)/expenses	(0.01)	—
Gain on investments	—	(0.01)
Tax effect of adjustments	—	—
Adjusted Net Income per share	\$ 0.25	\$ 0.17



CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This MD&A contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively, which may include, but are not limited to, statements with respect to future events or future performance, management’s expectations regarding Franco-Nevada’s growth, results of operations, estimated future revenues, carrying value of assets, future dividends and requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities. In addition, statements (including data in tables) relating to reserves and resources and gold equivalent ounces are forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions, and no assurance can be given that the estimates and assumptions are accurate and that such reserves and resources and GEOs will be realized. Such forward-looking statements reflect management’s current beliefs and are based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “predicts”, “projects”, “intends”, “targets”, “aims”, “anticipates” or “believes” or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Franco-Nevada to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual events or results to differ materially from any forward-looking statements, 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 & gas); fluctuations in the value of the Canadian, Australian dollar and Mexican Peso and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in any of the countries where properties in which Franco-Nevada holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which Franco-Nevada holds a royalty, stream or other interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by Franco-Nevada; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; whether or not the Company is determined to have “passive foreign investment company” (“PFIC”) status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; potential changes in Canadian tax treatment of offshore streams; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; actual mineral content may differ from the reserves and resources contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks and hazards associated with the business of development and mining on any of the properties in which Franco-Nevada holds a royalty, stream or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious disease; and the integration of acquired assets. The forward-looking statements contained in this MD&A are based upon assumptions management believes to be reasonable, including, without limitation: the ongoing operation of the properties in which Franco-Nevada holds a royalty, stream or other interest by the owners or operators of such properties in a manner consistent with past practice; the accuracy of public statements and disclosures made by the owners or operators of such underlying properties; no material adverse change in the market price of the commodities that underlie the asset portfolio; the Company’s ongoing income and assets relating to determination of its PFIC status; no material changes to existing tax treatment; no adverse development in respect of any significant property in which Franco-Nevada holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance. Franco-Nevada cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to Franco-Nevada’s most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com and Franco-Nevada’s most recent Annual Report filed on Form 40-F filed with the SEC on www.sec.gov. The forward-looking statements herein are made as of the date of this MD&A only and Franco-Nevada does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.