

**Franco**  **Nevada**



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**F I R S T   Q U A R T E R  
F I N A N C I A L   S T A T E M E N T S**

For the three months ended March 31, 2024

## Condensed Consolidated Statements of Financial Position

(unaudited, in millions of U.S. dollars)

|  | At March 31,<br>2024 | At December 31,<br>2023 |
|--|----------------------|-------------------------|
| <b>ASSETS</b>  |                      |                         |
| Cash and cash equivalents (Note 4)                               | \$ 1,352.0           | \$ 1,421.9              |
| Receivables  | 126.7                | 111.0                   |
| Gold bullion, prepaid expenses and other current assets (Note 7) | 91.5                 | 82.4                    |
| Current assets   | \$ 1,570.2           | \$ 1,615.3              |
| Royalty, stream and working interests, net (Note 8)              | \$ 4,078.7           | \$ 4,027.1              |
| Investments (Note 5)   | 257.2                | 254.5                   |
| Loans receivable (Note 6)  | 65.4                 | 24.8                    |
| Deferred income tax assets                                       | 35.1                 | 37.0                    |
| Other assets (Note 9)  | 52.7                 | 35.4                    |
| Total assets   | \$ 6,059.3           | \$ 5,994.1              |
| <b>LIABILITIES</b>   |                      |                         |
| Accounts payable and accrued liabilities                         | \$ 41.8              | \$ 30.9                 |
| Current income tax liabilities                                   | 11.6                 | 8.3                     |
| Current liabilities  | \$ 53.4              | \$ 39.2                 |
| Deferred income tax liabilities                                  | \$ 181.6             | \$ 180.1                |
| Other liabilities  | 4.8                  | 5.7                     |
| Total liabilities  | \$ 239.8             | \$ 225.0                |
| <b>SHAREHOLDERS' EQUITY</b>                                      |                      |                         |
| Share capital (Note 18)  | \$ 5,742.2           | \$ 5,728.2              |
| Contributed surplus  | 19.3                 | 20.6                    |
| Retained earnings  | 283.7                | 212.3                   |
| Accumulated other comprehensive loss                             | (225.7)              | (192.0)                 |
| Total shareholders' equity                                       | \$ 5,819.5           | \$ 5,769.1              |
| Total liabilities and shareholders' equity                       | \$ 6,059.3           | \$ 5,994.1              |

Commitments and contingencies (Notes 22 and 23)

Subsequent events (Note 24)

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

## Condensed Consolidated Statements of Income and Comprehensive Income

*(unaudited, in millions of U.S. dollars and shares, except per share amounts)*

|   | For the three months ended<br>March 31, |                 |
|---|---|-----------------|
|   | 2024                                    | 2023            |
| <b>Revenue (Note 11)</b>  |   |                 |
| Revenue from royalty, streams and working interests (Note 11)   | \$ 255.6                                | \$ 276.3        |
| Interest revenue (Note 6 (a))   | 0.9                                     | —               |
| Other interest income (Note 6 (b))  | 0.3                                     | —               |
| <b>Total revenue</b>  | <b>\$ 256.8</b>                         | <b>\$ 276.3</b> |
| <b>Costs of sales</b>   |   |                 |
| Costs of sales (Note 12)  | \$ 33.6                                 | \$ 38.2         |
| Depletion and depreciation  | 58.2                                    | 61.0            |
| <b>Total costs of sales</b>   | <b>\$ 91.8</b>                          | <b>\$ 99.2</b>  |
| <b>Gross profit</b>   | <b>\$ 165.0</b>                         | <b>\$ 177.1</b> |
| <b>Other operating expenses (income)</b>  |   |                 |
| General and administrative expenses (Note 13)   | \$ 5.7                                  | \$ 6.2          |
| Share-based compensation expenses (Note 14)   | 2.8                                     | 3.2             |
| Gain on disposal of royalty interests (Note 8)  | (0.3)                                   | (3.7)           |
| Gain on sale of gold bullion  | (1.4)                                   | (0.7)           |
| <b>Total other operating expenses</b>   | <b>\$ 6.8</b>                           | <b>\$ 5.0</b>   |
| <b>Operating income</b>   | <b>\$ 158.2</b>                         | <b>\$ 172.1</b> |
| Foreign exchange (loss) gain and other (expenses) income  | \$ (1.6)                                | \$ 2.2          |
| <b>Income before finance items and income taxes</b>   | <b>\$ 156.6</b>                         | <b>\$ 174.3</b> |
| <b>Finance items (Note 16)</b>  |   |                 |
| Finance income  | \$ 16.0                                 | \$ 10.5         |
| Finance expenses  | (0.6)                                   | (0.7)           |
| <b>Net income before income taxes</b>   | <b>\$ 172.0</b>                         | <b>\$ 184.1</b> |
| Income tax expense (Note 17)  | 27.5                                    | 27.6            |
| <b>Net income</b>   | <b>\$ 144.5</b>                         | <b>\$ 156.5</b> |
| <b>Other comprehensive (loss) income, net of taxes</b>  |   |                 |
| <b>Items that may be reclassified subsequently to profit and loss:</b>  |   |                 |
| Currency translation adjustment   | \$ (39.2)                               | \$ (0.4)        |
| <b>Items that will not be reclassified subsequently to profit and loss:</b>   |   |                 |
| Gain on changes in the fair value of equity investments<br>at fair value through other comprehensive income ("FVTOCI"),<br>net of income tax (Note 5) | 1.8                                     | 6.8             |
| <b>Other comprehensive (loss) income, net of taxes</b>  | <b>\$ (37.4)</b>                        | <b>\$ 6.4</b>   |
| <b>Comprehensive income</b>   | <b>\$ 107.1</b>                         | <b>\$ 162.9</b> |
| <b>Earnings per share (Note 19)</b>   |   |                 |
| Basic   | \$ 0.75                                 | \$ 0.82         |
| Diluted   | \$ 0.75                                 | \$ 0.81         |
| <b>Weighted average number of shares outstanding (Note 19)</b>  |   |                 |
| Basic   | 192.2                                   | 191.9           |
| Diluted   | 192.4                                   | 192.2           |

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

## Condensed Consolidated Statements of Cash Flows

(unaudited, in millions of U.S. dollars)

|   | For the three months ended<br>March 31, |            |
|---|---|------------|
|   | 2024                                    | 2023       |
| <b>Cash flows from operating activities</b>                                       |   |            |
| Net income  | \$ 144.5                                | \$ 156.5   |
| Adjustments to reconcile net income to net cash provided by operating activities: |   |            |
| Interest revenue  | (0.9)                                   | —          |
| Other interest income   | (0.3)                                   | —          |
| Depletion and depreciation  | 58.2                                    | 61.0       |
| Share-based compensation expenses   | 1.4                                     | 1.5        |
| Gain on disposal of royalty interests   | (0.3)                                   | (3.7)      |
| Unrealized foreign exchange loss (gain)   | 1.1                                     | (2.1)      |
| Deferred income tax expense   | 5.4                                     | 8.1        |
| Other non-cash items  | (0.8)                                   | (0.7)      |
| Acquisition of gold bullion   | (15.9)                                  | (4.8)      |
| Proceeds from sale of gold bullion  | 10.7                                    | 8.5        |
| Changes in other assets   | (17.4)                                  | —          |
| Operating cash flows before changes in non-cash working capital                   | \$ 185.7                                | \$ 224.3   |
| Changes in non-cash working capital:  |   |            |
| Increase in receivables   | \$ (15.7)                               | \$ (16.1)  |
| Decrease in prepaid expenses and other  | 0.7                                     | 2.1        |
| Increase (decrease) in current liabilities  | 7.9                                     | (0.5)      |
| Net cash provided by operating activities   | \$ 178.6                                | \$ 209.8   |
| <b>Cash flows used in investing activities</b>                                    |   |            |
| Acquisition of royalty, stream and working interests                              | \$ (146.9)                              | \$ (109.3) |
| Investment in loan receivable   | (41.2)                                  | —          |
| Acquisition of investments  | (6.7)                                   | —          |
| Acquisition of energy well equipment  | (0.3)                                   | (0.3)      |
| Acquisition of property and equipment   | (0.1)                                   | —          |
| Proceeds from sale of royalty interests   | 4.7                                     | 7.0        |
| Net cash used in investing activities   | \$ (190.5)                              | \$ (102.6) |
| <b>Cash flows used in financing activities</b>                                    |   |            |
| Payment of dividends  | \$ (58.9)                               | \$ (57.8)  |
| Proceeds from exercise of stock options   | 0.8                                     | 1.2        |
| Net cash used in financing activities   | \$ (58.1)                               | \$ (56.6)  |
| Effect of exchange rate changes on cash and cash equivalents                      | \$ 0.1                                  | \$ 1.3     |
| <b>Net change in cash and cash equivalents</b>                                    | \$ (69.9)                               | \$ 51.9    |
| <b>Cash and cash equivalents at beginning of period</b>                           | \$ 1,421.9                              | \$ 1,196.5 |
| <b>Cash and cash equivalents at end of period</b>                                 | \$ 1,352.0                              | \$ 1,248.4 |
| <b>Supplemental cash flow information:</b>  |   |            |
| Income taxes paid   | \$ 7.4                                  | \$ 23.9    |
| Dividend income received  | \$ 2.1                                  | \$ 3.9     |
| Interest and standby fees paid  | \$ 0.4                                  | \$ 0.6     |

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

## Condensed Consolidated Statements of Changes in Shareholders' Equity

(unaudited, in millions of U.S. dollars)

|  | Share capital<br>(Note 18) | Contributed<br>surplus | Accumulated<br>other<br>comprehensive<br>loss | Retained<br>earnings | Total equity      |
|--|----------------------------|------------------------|---|----------------------|-------------------|
| <b>Balance at January 1, 2023</b>                            | \$ 5,695.3                 | \$ 15.6                | \$ (233.7)                                    | \$ 940.4             | \$ 6,417.6        |
| Net income   | —                          | —                      | —   | 156.5                | 156.5             |
| Other comprehensive income, net of taxes                     | —                          | —                      | 6.4   | —                    | 6.4               |
| Total comprehensive income                                   |                            |                        |   |                      | \$ 162.9          |
| Exercise of stock options                                    | \$ 1.5                     | \$ (0.3)               | \$ —  | \$ —                 | \$ 1.2            |
| Share-based payments   | —                          | 1.7                    | —   | —                    | 1.7               |
| Dividend reinvestment plan                                   | 7.6                        | —                      | —   | —                    | 7.6               |
| Dividends declared   | —                          | —                      | —   | (65.4)               | (65.4)            |
| <b>Balance at March 31, 2023</b>                             | <b>\$ 5,704.4</b>          | <b>\$ 17.0</b>         | <b>\$ (227.3)</b>                             | <b>\$ 1,031.5</b>    | <b>\$ 6,525.6</b> |
| <b>Balance at January 1, 2024</b>                            | \$ 5,728.2                 | \$ 20.6                | \$ (192.0)                                    | \$ 212.3             | \$ 5,769.1        |
| Net income   | —                          | —                      | —   | 144.5                | 144.5             |
| Other comprehensive loss, net of taxes                       | —                          | —                      | (37.4)  | —                    | (37.4)            |
| Total comprehensive income                                   |                            |                        |   |                      | \$ 107.1          |
| Exercise of stock options                                    | \$ 1.1                     | \$ (0.3)               | \$ —  | \$ —                 | \$ 0.8            |
| Share-based payments   | —                          | 1.4                    | —   | —                    | 1.4               |
| Vesting of restricted share units                            | 2.4                        | (2.4)                  | —   | —                    | —                 |
| Transfer of loss on disposal of equity investments at FVTOCI | —                          | —                      | 3.7   | (3.7)                | —                 |
| Dividend reinvestment plan                                   | 10.5                       | —                      | —   | —                    | 10.5              |
| Dividends declared   | —                          | —                      | —   | (69.4)               | (69.4)            |
| <b>Balance at March 31, 2024</b>                             | <b>\$ 5,742.2</b>          | <b>\$ 19.3</b>         | <b>\$ (225.7)</b>                             | <b>\$ 283.7</b>      | <b>\$ 5,819.5</b> |

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

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 1 - Corporate Information

Franco-Nevada Corporation (“Franco-Nevada” or the “Company”) is incorporated under the *Canada Business Corporations Act*. The Company is a royalty and stream company focused on precious metals (gold, silver, and platinum group metals) and has a diversity of revenue sources. The Company owns a portfolio of royalty, stream and working interests, covering properties at various stages, from production to early exploration located in South America, Central America & Mexico, United States, Canada, Australia, Europe and Africa.

The Company’s shares are listed on the Toronto Stock Exchange and the New York Stock Exchange and the Company is domiciled in Canada. The Company’s head and registered office is located at 199 Bay Street, Suite 2000, Toronto, Ontario, Canada.

### Note 2 - Material Accounting Policy Information

#### (a) Basis of Presentation

These unaudited condensed consolidated interim financial statements include the accounts of Franco-Nevada and its wholly-owned subsidiaries (its “subsidiaries”) (hereinafter together with Franco-Nevada, the “Company”). These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) (“IFRS Accounting Standards”) applicable to the preparation of condensed interim financial statements, including IAS 34 *Interim Financial Reporting*. These condensed consolidated interim financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2023 and were prepared using the same accounting policies, method of computation and presentation as were applied in the annual consolidated financial statements for the year ended December 31, 2023, with the exception of the presentation of interest revenue and other interest income related to the Company’s loans receivable, as further detailed below:

#### Loans Receivable

Loans receivable that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are classified as financial assets at amortized cost. Loans are measured at amortized cost using the effective interest method, less any impairment loss allowance. The impairment loss allowance for the loan receivable is measured based on expected credit losses under the general approach. Interest income is recognized by applying the effective interest rate method and presented within revenue as interest revenue in the statement of income and comprehensive income.

Loans receivable that are held for collection of contractual cash flows but where those cash flows do not represent solely payments of principal and interest are classified as financial assets at fair value through profit or loss (“FVTPL”). Loans receivable that are classified at FVTPL are initially recognized at the fair value of the consideration received. Subsequent to initial recognition, the loans receivable classified as FVTPL are measured at fair value. Changes in the fair values of the loans receivable are recognized as other income (expenses) in the statement of income and comprehensive income. The interest income, calculated by applying the contractual interest rate to the principal outstanding at the end of each reporting period, is presented separately from changes in fair value and is included within revenue as other interest income in the statement of income and comprehensive income.

The financial statements included herein reflects all adjustments, consisting only of normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the three months ended March 31, 2024 are not necessarily indicative of the results to be expected for the full year. Seasonality is not considered to have a significant impact over the condensed consolidated interim financial statements. Taxes on income in the interim period have been accrued using the tax rates that would be applicable to expected total annual income.

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on May 1, 2024.

#### (b) Significant Judgments, Estimates and Assumptions

The preparation of consolidated financial statements in accordance with IFRS Accounting Standards 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. The areas of judgment and estimation are consistent with those reported in the annual consolidated financial statements for the year ended December 31, 2023.

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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

#### (c) *New and Amended Accounting Standards Adopted by the Company*

The following standard was effective and implemented as of January 1, 2024.

##### *Amendments IAS 1 – Classification of Liabilities as Current or Non-current*

The IASB issued amendments to IAS 1 *Presentation of Financial Statements* (“IAS 1”). The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. Classification is unaffected by the entity’s expectation or events after the reporting date. Covenants of loan arrangements will affect the classification of a liability as current or non-current if the entity must comply with a covenant either before or at the reporting date, even if the covenant is only tested for compliance after the reporting date. There was no significant impact on the Company’s condensed consolidated interim financial statements as a result of the adoption of these amendments.

#### (d) *New Accounting Standards Issued But Not Yet Effective*

##### *IFRS 18 – Presentation and Disclosure in Financial Statements*

In April 2024, IFRS 18 *Presentation and Disclosure in Financial Statements* (“IFRS 18”) was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

## Note 3 - Acquisitions and Other Transactions

#### (a) *Acquisition of Royalty on Claims in the Stewart Mining Camp and Private Placement with Scottie Resources Corp. – British Columbia, Canada*

Subsequent to quarter-end, on April 15, 2024, the Company acquired a 2.0% gross production royalty on all minerals produced on Scottie Resources Corp.’s (“Scottie”) claims in the Stewart Mining Camp in the Golden Triangle in British Columbia, Canada, for a purchase price of \$5.9 million (C\$8.1 million).

In addition, the Company acquired 5,422,994 common shares of Scottie at a price of C\$0.18 per common share for an aggregate of \$0.7 million (C\$1.0 million).

#### (b) *Receipt of Séguéla Royalty Buy-Back – Cote d’Ivoire*

On March 30, 2024, Fortuna Silver Mines (“Fortuna”) exercised its option to buy-back 0.6% of the Company’s initial 1.2% NSR on the Séguéla mine, such that the Company’s NSR on the Séguéla mine is now 0.6%. Fortuna paid Franco-Nevada \$6.5 million (A\$10 million) on April 1, 2024 for the exercise of the buy-back option.

The transaction has been accounted for as a disposal of a mineral interest.

#### (c) *Amendments of Condestable Gold and Silver Stream – Peru*

On March 27, 2024, the Company amended, through a wholly owned subsidiary, its precious metal stream agreement with reference to the gold and silver production from the Condestable mine in Peru, owned and operated by a subsidiary of Southern Peaks Mining LP, a private company, by advancing an additional up-front deposit of \$10.0 million for a total combined deposit of \$175.0 million. Under the amended agreement, following the end of the fixed delivery period on December 31, 2025, Franco-Nevada will receive 63% of the gold and silver contained in concentrate until a cumulative total of 87,600 ounces of gold and 2,910,000 ounces of silver have been delivered (the “Variable Phase 1 Deliveries”), then 37.5% over the remaining life of the mine (the “Variable Phase 2 Deliveries”). The March 2024 amendment increased the Variable Phase 2 Deliveries from 25% to 37.5%.

The transaction has been accounted for as an acquisition of a mineral interest.

#### (d) *Acquisition of Silver Royalty on Stibnite Gold Project – US*

On March 21, 2024, the Company acquired, through a wholly owned subsidiary, a NSR interest covering all of the payable silver production from the Stibnite Gold project in Idaho, U.S, for a purchase price of \$8.5 million, subject to the terms of the agreement.

The transaction has been accounted for as an acquisition of a mineral interest.

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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

#### (e) Funding of G Mining Ventures Term Loan for the Tocantinzinho Project – Brazil

On January 29, 2024, the Company funded, through a wholly owned subsidiary, \$42.0 million (net of a 2% original issue discount of \$0.8 million), pursuant to a term loan agreement with G Mining Ventures Corp. (“G Mining Ventures”) in connection with the Tocantinzinho gold project (the “G Mining Ventures Term Loan”).

Subsequent to quarter-end, on April 19, 2024, the Company advanced the remainder of the \$75.0 million G Mining Ventures Term Loan and funded \$33.0 million (net of a 2% original issue discount of \$0.7 million) to G Mining Ventures.

The G Mining Ventures Term Loan is accounted for as a loan receivable measured at amortized cost in accordance with IFRS 9 *Financial Instruments*. Refer to Note 6 (a) for further details.

#### (f) Exercise of Option by EMX Royalty Corporation for an Effective NSR Interest on Caserones – Chile

On January 19, 2024, EMX Royalty Corporation (“EMX”) exercised an option to acquire a portion of the Company’s effective NSR on the Caserones mine for a price of \$4.7 million. Franco-Nevada’s effective NSR on Caserones is now 0.517%.

The transaction has been accounted for as a disposal of a mineral interest.

#### (g) Acquisition of Royalties on Pascua-Lama Project – Chile

On January 3, 2024, the Company, through a wholly owned subsidiary, acquired an additional royalty interest in the Chilean portion of Barrick Gold Corporation’s Pascua-Lama gold project for a purchase price of \$6.7 million. Including the initial royalty interests acquired in August 2023, at gold prices exceeding \$800/ounce, the Company now holds a 2.941% NSR (gold) and 0.588% NSR (copper) on the property.

The transaction has been accounted for as an acquisition of a mineral interest.

#### (h) Acquisition of Additional Natural Gas Royalty Interests in Haynesville – U.S.

On January 2, 2024, the Company, through wholly owned subsidiaries, closed the acquisition of a royalty portfolio in the Haynesville gas play in Louisiana and Texas for a total purchase price of \$125.0 million. The Company had funded an initial deposit of \$12.5 million in November 2023, when it entered into the agreement. The Company funded the remainder of the purchase price of \$112.5 million upon closing of the transaction.

The transaction was accounted for as an acquisition of a royalty interest.

#### (i) Acquisition of Mineral Rights with Continental Resources, Inc. – U.S.

During the three months ended March 31, 2024, Franco-Nevada recorded contributions to the Royalty Acquisition Venture of \$13.8 million (Q1 2023 – \$2.4 million). As at March 31, 2024, Franco-Nevada’s total cumulative investment in the Royalty Acquisition Venture totaled \$464.0 million and Franco-Nevada has remaining commitments of up to \$56.0 million.

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

## Note 4 - Cash and Cash Equivalents

Cash and cash equivalents comprised the following:

|               | At March 31,<br>2024 | At December 31,<br>2023 |
|---------------|----------------------|-------------------------|
| Cash deposits | \$ 416.8             | \$ 571.4                |
| Term deposits | 935.2                | 850.5                   |
|               | <b>\$ 1,352.0</b>    | <b>\$ 1,421.9</b>       |

As at March 31, 2024 and December 31, 2023, cash and cash equivalents were primarily held in interest-bearing deposits.

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 5 - Investments

Investments comprised the following:

|                    | At March 31,<br>2024 | At December 31,<br>2023 |
|--------------------|----------------------|-------------------------|
| Equity investments | \$ 249.3             | \$ 246.4                |
| Warrants           | 7.9                  | 8.1                     |
|                    | <b>\$ 257.2</b>      | <b>\$ 254.5</b>         |

#### Equity Investments

Equity investments comprised the following:

|   | At March 31,<br>2024 | At December 31,<br>2023 |
|---|----------------------|-------------------------|
| Labrador Iron Ore Royalty Corporation ("LIORC") | \$ 134.9             | \$ 152.7                |
| G Mining Ventures                               | 62.3                 | 47.6                    |
| Other   | 52.1                 | 46.1                    |
|   | <b>\$ 249.3</b>      | <b>\$ 246.4</b>         |

During the three months ended March 31, 2024, the Company disposed of equity investments with a cost of \$11.6 million for gross proceeds of \$7.4 million (2023 - no disposal of equity investments).

The change in the fair value of equity investments recognized in other comprehensive (loss) income for the periods ended March 31, 2024 and 2023 were as follows:

|  | For the three months ended<br>March 31, |               |
|--|---|---------------|
|  | 2024                                    | 2023          |
| Gain on changes in the fair value of equity investments at FVTOCI                    | \$ 2.0                                  | \$ 7.8        |
| Income tax expense in other comprehensive (loss) income                              | (0.2)                                   | (1.0)         |
| Gain on changes in the fair value of equity investments at FVTOCI, net of income tax | <b>\$ 1.8</b>                           | <b>\$ 6.8</b> |

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 6 – Loans Receivable

Loans receivable comprised the following:

|                                      | At March 31,<br>2024 | At December 31,<br>2023 |
|--------------------------------------|----------------------|-------------------------|
| G Mining Ventures Term Loan          | \$ 41.4              | \$ —                    |
| Skeena Convertible Debenture         | 24.0                 | 24.8                    |
| <b>Loans receivable</b>              | <b>\$ 65.4</b>       | <b>\$ 24.8</b>          |
| Provision for expected credit losses | —                    | —                       |
| <b>Loans receivable, net</b>         | <b>\$ 65.4</b>       | <b>\$ 24.8</b>          |

(a) *G Mining Ventures Term Loan*

On January 29, 2024, the Company funded \$42.0 million (net of a 2% original issue discount of \$0.8 million) to G Mining Ventures, pursuant to a term loan agreement in connection with the Tocantinzinho gold project. The G Mining Ventures Term Loan is a \$75 million, 6-year term loan, which bears interest at a rate of 3-Month Term Secured Overnight Financing Rate (“3-Month SOFR”) +5.75% per annum, reducing to 3-Month SOFR +4.75% after completion tests have been achieved at the Tocantinzinho project. Repayment of principal, accrued interest, and accrued fees will begin in December 2025 with equal quarterly repayments followed by a final 25% repayment upon maturity in June 2028. Fees payable to Franco-Nevada’s subsidiary include a standby fee on undrawn amounts of 1.0% per annum and a 2.0% original issue discount payable on principal amounts drawn.

Subsequent to quarter-end, on April 19, 2024, the Company advanced the remainder of the \$75.0 million G Mining Ventures Term Loan and funded \$33.0 million (net of a 2% original issue discount of \$0.7 million) to G Mining Ventures.

The G Mining Ventures Term Loan is measured at amortized cost less any impairment loss allowance. The Company determined that the impairment loss allowance on the G Mining Ventures Term Loan at the end of the reporting period, measured based on expected credit losses under the general approach, was nominal. Interest revenue is recognized by applying the effective interest rate method and presented within revenue as interest revenue in the statement of income and comprehensive income.

For the three months ended March 31, 2024, the Company recognized interest revenue of \$0.9 million.

(b) *Skeena Convertible Debenture*

On December 18, 2023, the Company advanced \$18.7 million (C\$25.0 million) to Skeena as a convertible debenture. The Skeena Convertible Debenture carries an interest rate of 7% and matures on the earlier of December 19, 2028, or on the completion of a project financing for Eskay Creek approved by the Board of Skeena. The Skeena Convertible Debenture is convertible into Skeena common shares at a conversion price of C\$7.70. Interest payments may be capitalized and deferred until maturity.

The Skeena Convertible Debenture is measured at fair value through profit and loss (“FVTPL”) using present value techniques and assumptions concerning the amount of and timing of future cash flows and discount rates which factor in the appropriate credit risk and the Black-Scholes option pricing model to calculate the fair value of the conversion option. Changes in the fair value of the Skeena Convertible Debenture are recognized as other income (expenses) in the statement of income and comprehensive income. The interest income, calculated by applying the contractual interest rate of 7% to the principal outstanding at the end of each reporting period, is presented separately from changes in fair value and is included within revenue as other interest income in the statement of income and comprehensive income.

For the three months ended March 31, 2024, the Company recognized a loss related to the change in fair value of the Skeena Convertible Debenture of \$0.5 million and other interest income of \$0.3 million.

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 7 – Gold Bullion, Prepaid Expenses and Other Current Assets

Gold bullion, prepaid expenses and other current assets comprised the following:

|                         | At March 31,<br>2024 | At December 31,<br>2023 |
|-------------------------|----------------------|-------------------------|
| Gold bullion            | \$ 58.1              | \$ 51.3                 |
| Prepaid expenses        | 27.9                 | 30.0                    |
| Stream ounces inventory | 5.1                  | 0.5                     |
| Debt issue costs        | 0.4                  | 0.6                     |
|                         | <b>\$ 91.5</b>       | <b>\$ 82.4</b>          |

### Note 8 - Royalty, Stream and Working Interests

(a) Royalty, Stream and Working Interests

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

| As at March 31, 2024 | Cost              | Accumulated<br>depletion <sup>(1)</sup> | Impairment<br>(losses)<br>reversals <sup>(2)</sup> | Carrying value    |
|----------------------|-------------------|---|--|-------------------|
| Mining royalties     | \$ 1,716.6        | \$ (767.4)                              | \$ —   | \$ 949.2          |
| Streams              | 4,775.5           | (3,436.0)                               | —  | 1,339.5           |
| Energy               | 2,086.2           | (836.4)                                 | —  | 1,249.8           |
| Advanced             | 406.7             | (48.1)                                  | —  | 358.6             |
| Exploration          | 199.0             | (17.4)                                  | —  | 181.6             |
|                      | <b>\$ 9,184.0</b> | <b>\$ (5,105.3)</b>                     | <b>\$ —</b>  | <b>\$ 4,078.7</b> |

1. Accumulated depletion includes impairment losses recognized prior to the three months ended March 31, 2024.

2. Impairment (losses) reversals recognized in the three months ended March 31, 2024.

| As at December 31, 2023 | Cost              | Accumulated<br>depletion <sup>(1)</sup> | Impairments<br>(losses)<br>reversals <sup>(2)</sup> | Carrying value    |
|-------------------------|-------------------|---|---|-------------------|
| Mining royalties        | \$ 1,709.7        | \$ (761.0)                              | \$ —  | \$ 948.7          |
| Streams                 | 4,763.6           | (2,235.4)                               | (1,169.2)   | 1,359.0           |
| Energy                  | 1,976.0           | (825.5)                                 | (4.1)   | 1,146.4           |
| Advanced                | 444.5             | (48.5)                                  | —   | 396.0             |
| Exploration             | 194.7             | (17.7)                                  | —   | 177.0             |
|                         | <b>\$ 9,088.5</b> | <b>\$ (3,888.1)</b>                     | <b>\$ (1,173.3)</b>                                 | <b>\$ 4,027.1</b> |

1. Accumulated depletion includes impairment losses recognized prior to the year ended December 31, 2023.

2. Impairment (losses) reversals recognized in the year ended December 31, 2023.

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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

Changes in royalty, stream and working interests for the periods ended March 31, 2024 and December 31, 2023 were as follows:

|                                     | Mining royalties | Streams           | Energy            | Advanced        | Exploration     | Total             |
|-------------------------------------|------------------|-------------------|-------------------|-----------------|-----------------|-------------------|
| Balance at January 1, 2023          | \$ 865.8         | \$ 2,447.4        | \$ 1,181.5        | \$ 371.0        | \$ 61.8         | \$ 4,927.5        |
| Additions                           | 37.7             | 250.2             | 22.2              | 99.3            | 110.2           | 519.6             |
| Disposals                           | —                | —                 | —                 | (3.3)           | —               | (3.3)             |
| Transfers                           | 71.3             | —                 | —                 | (75.6)          | 4.3             | —                 |
| Impairment losses                   | —                | (1,169.2)         | (4.1)             | —               | —               | (1,173.3)         |
| Depletion                           | (40.2)           | (169.4)           | (60.8)            | (0.3)           | —               | (270.7)           |
| Impact of foreign exchange          | 14.1             | —                 | 7.6               | 4.9             | 0.7             | 27.3              |
| <b>Balance at December 31, 2023</b> | <b>\$ 948.7</b>  | <b>\$ 1,359.0</b> | <b>\$ 1,146.4</b> | <b>\$ 396.0</b> | <b>\$ 177.0</b> | <b>\$ 4,027.1</b> |
| Balance at January 1, 2024          | \$ 948.7         | \$ 1,359.0        | \$ 1,146.4        | \$ 396.0        | \$ 177.0        | \$ 4,027.1        |
| Additions                           | —                | 10.2              | 127.2             | 8.6             | 7.3             | 153.3             |
| Disposals                           | (10.9)           | —                 | —                 | —               | —               | (10.9)            |
| Transfers                           | 37.3             | —                 | —                 | (36.4)          | (0.9)           | —                 |
| Depletion                           | (11.6)           | (29.7)            | (16.4)            | —               | —               | (57.7)            |
| Impact of foreign exchange          | (14.3)           | —                 | (7.4)             | (9.6)           | (1.8)           | (33.1)            |
| <b>Balance at March 31, 2024</b>    | <b>\$ 949.2</b>  | <b>\$ 1,339.5</b> | <b>\$ 1,249.8</b> | <b>\$ 358.6</b> | <b>\$ 181.6</b> | <b>\$ 4,078.7</b> |

Of the total net book value as at March 31, 2024, \$3,050.7 million (December 31, 2023 - \$2,990.9 million) is depletable and \$1,028.0 million (December 31, 2023 - \$1,036.2 million) is non-depletable.

#### (b) Disposals of Royalty Interests

On March 30, 2024, Fortuna exercised its option to buy-back 0.6% of the Company's initial 1.2% NSR on the Séguéla mine. Fortuna paid Franco-Nevada \$6.5 million (A\$10 million) on April 1, 2024 for the exercise of the buy-back option.

On January 19, 2024, EMX exercised an option to acquire a portion of the Company's effective NSR on the Caserones mine for a price of \$4.7 million.

## Note 9 - Other Assets

Other assets comprised the following:

|                                | At March 31, 2024 | At December 31, 2023 |
|--------------------------------|-------------------|----------------------|
| Deposits related to CRA audits | \$ 45.2           | \$ 27.7              |
| Energy well equipment, net     | 5.8               | 5.8                  |
| Right-of-use assets, net       | 0.5               | 0.6                  |
| Debt issue costs               | 1.0               | 1.1                  |
| Furniture and fixtures, net    | 0.2               | 0.2                  |
|                                | <b>\$ 52.7</b>    | <b>\$ 35.4</b>       |

Deposits related to CRA audits represent cash on deposit with CRA in connection with the Transfer Pricing Reassessments, as referenced in Note 23. During the three months ended March 31, 2024, the Company posted an additional cash deposit in the amount of \$18.2 million (C\$24.5 million) in connection with the 2016-2018 taxation years. The amount has been classified as non-current as the Company is appealing the reassessments, for which the timing of the completion is uncertain.

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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

### Note 10 – Debt

#### Corporate Revolver

The Company has a \$1.0 billion unsecured revolving term credit facility (the “Corporate Revolver”). As at March 31, 2024, no amounts were drawn from the Corporate Revolver. The Company has three standby letters of credit in the amount of \$18.8 million (C\$25.5 million) against the Corporate Revolver in relation to the audit by the CRA of its 2013-2015 taxation years, as referenced in Note 23. These standby letters of credit reduce the available balance under the Corporate Revolver.

### Note 11 - Revenue

Revenue comprised the following:

| Revenue   | For the three months ended<br>March 31, |                 |
|---|---|-----------------|
|   | 2024                                    | 2023            |
| Revenue from royalty, streams and working interests <sup>(1)(2)</sup> | \$ 255.6                                | \$ 276.3        |
| Interest revenue (Note 6 (a))   | 0.9                                     | —               |
| Other interest income (Note 6 (b))                                    | 0.3                                     | —               |
|   | <b>\$ 256.8</b>                         | <b>\$ 276.3</b> |

1. For Q1 2024, revenue includes a gain of \$0.1 million and a loss of \$0.3 million for provisional pricing adjustments for gold and platinum group metals, respectively (Q1 2023 – a gain of \$0.1 million and \$0.4 million, respectively).
2. For Q1 2024, revenue includes dividend income of \$2.1 million from the Company’s equity investment in LIORC (Q1 2023 – \$2.3 million).

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

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

|  | For the three months ended<br>March 31, |          |
|--|---|----------|
|  | 2024                                    | 2023     |
| <b>Commodity</b>                                   |   |          |
| Gold <sup>(1)</sup>                                | \$ 160.9                                | \$ 172.2 |
| Silver   | 25.0                                    | 28.6     |
| Platinum group metals <sup>(1)</sup>               | 8.1                                     | 11.4     |
| Iron ore <sup>(2)</sup>                            | 14.8                                    | 13.1     |
| Other mining assets                                | 3.0                                     | 2.0      |
| Mining   | \$ 211.8                                | \$ 227.3 |
| Oil  | \$ 26.1                                 | \$ 27.1  |
| Gas  | 12.3                                    | 16.9     |
| Natural gas liquids                                | 5.4                                     | 5.0      |
| Energy   | \$ 43.8                                 | \$ 49.0  |
| Revenue from royalty, stream and working interests | \$ 255.6                                | \$ 276.3 |
| <b>Interest from loans receivable</b>              |   |          |
| Interest revenue                                   | \$ 0.9                                  | \$ —     |
| Other interest income                              | 0.3                                     | —        |
|  | \$ 256.8                                | \$ 276.3 |
| <b>Geography</b>                                   |   |          |
| South America                                      | \$ 100.8                                | \$ 79.2  |
| Central America & Mexico                           | 24.8                                    | 70.9     |
| United States                                      | 46.8                                    | 50.3     |
| Canada <sup>(1)(2)</sup>                           | 40.2                                    | 43.8     |
| Rest of World                                      | 44.2                                    | 32.1     |
|  | \$ 256.8                                | \$ 276.3 |
| <b>Type</b>  |   |          |
| Revenue-based royalties                            | \$ 98.5                                 | \$ 91.4  |
| Streams <sup>(1)</sup>                             | 132.2                                   | 157.1    |
| Profit-based royalties                             | 14.0                                    | 17.2     |
| Interest revenue and other <sup>(2)</sup>          | 12.1                                    | 10.6     |
|  | \$ 256.8                                | \$ 276.3 |

- For Q1 2024, revenue includes a gain of \$0.1 million and a loss of \$0.3 million for provisional pricing adjustments for gold and platinum group metals, respectively (Q1 2023 – a gain of \$0.1 million and \$0.4 million, respectively).
- For Q1 2024, revenue includes dividend income of \$2.1 million from the Company's equity investment in LIORC (Q1 2023 – \$2.3 million).

### Note 12 - Costs of Sales

Costs of sales, excluding depletion and depreciation, comprised the following:

|                          | For the three months ended<br>March 31, |         |
|--------------------------|---|---------|
|                          | 2024                                    | 2023    |
| Costs of stream sales    | \$ 30.1                                 | \$ 35.0 |
| Mineral production taxes | 0.5                                     | 0.4     |
| Mining costs of sales    | \$ 30.6                                 | \$ 35.4 |
| Energy costs of sales    | 3.0                                     | 2.8     |
|                          | \$ 33.6                                 | \$ 38.2 |

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 13 – General and Administrative Expenses

General and administrative expenses comprised the following:

| (expressed in millions)              | For the three months ended March 31, |               |
|--------------------------------------|--------------------------------------|---------------|
|                                      | 2024                                 | 2023          |
| Salaries and benefits                | \$ 2.5                               | \$ 2.6        |
| Cobre Panama arbitration expenses    | 1.5                                  | —             |
| Professional fees                    | 1.4                                  | 1.6           |
| Community contributions              | 0.1                                  | 0.1           |
| Board of Directors' costs            | 0.1                                  | 0.1           |
| Office, insurance and other expenses | 0.1                                  | 1.8           |
|                                      | <b>\$ 5.7</b>                        | <b>\$ 6.2</b> |

Cobre Panama arbitration expenses represent costs incurred in connection with the Cobre Panama arbitration proceedings, as referenced in Note 23 (a).

### Note 14 - Share-Based Compensation Expenses

Share-based compensation expenses comprised the following:

|  | For the three months ended March 31, |               |
|--|--------------------------------------|---------------|
|  | 2024                                 | 2023          |
| Stock options and restricted share units | \$ 1.4                               | \$ 1.5        |
| Deferred share units                     | 1.4                                  | 1.7           |
|  | <b>\$ 2.8</b>                        | <b>\$ 3.2</b> |

Share-based compensation expenses include expenses related to equity-settled stock options, restricted share units ("RSUs") and deferred share units ("DSUs"), as well as the mark-to-market gain or loss related to the DSUs.

### Note 15 - Related Party Disclosures

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the Board of Directors and the executive management team.

Compensation for key management personnel of the Company was as follows:

|                                     | For the three months ended March 31, |               |
|-------------------------------------|--------------------------------------|---------------|
|                                     | 2024                                 | 2023          |
| Short-term benefits <sup>(1)</sup>  | \$ 1.0                               | \$ 0.9        |
| Share-based payments <sup>(2)</sup> | 2.6                                  | 2.6           |
|                                     | <b>\$ 3.6</b>                        | <b>\$ 3.5</b> |

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

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 16 - Finance Income and Expenses

Finance income and expenses for the periods ended March 31, 2024 and 2023 were as follows:

|                                  | For the three months ended<br>March 31, |         |
|----------------------------------|---|---------|
|                                  | 2024                                    | 2023    |
| Finance income                   |   |         |
| Interest                         | \$ 16.0                                 | \$ 10.5 |
|                                  | \$ 16.0                                 | \$ 10.5 |
| Finance expenses                 |   |         |
| Standby charges                  | \$ 0.5                                  | \$ 0.6  |
| Amortization of debt issue costs | 0.1                                     | 0.1     |
|                                  | \$ 0.6                                  | \$ 0.7  |

### Note 17 - Income Taxes

Income tax expense for the periods ended March 31, 2024 and 2023 was as follows:

|                             | For the three months ended<br>March 31, |         |
|-----------------------------|---|---------|
|                             | 2024                                    | 2023    |
| Current income tax expense  | \$ 22.1                                 | \$ 19.5 |
| Deferred income tax expense | 5.4                                     | 8.1     |
| Income tax expense          | \$ 27.5                                 | \$ 27.6 |

#### Barbados Proposed Corporate Tax Reform:

On November 7, 2023, the Government of Barbados announced proposed tax measures in response to the OECD's Pillar Two global minimum tax initiative, including an increase of the Barbados corporate tax rate to 9% effective January 1, 2024. This increase does not affect the amounts of current or deferred income taxes recognized for the three months ended March 31, 2024 as the legislation was not yet enacted or substantively enacted at March 31, 2024. However, if adopted, this change will increase the Company's income tax charge in future periods. If the new tax rate were applied to the taxable temporary differences recognized at March 31, 2024, it is estimated that the Company's deferred tax liability would increase by approximately \$47 million.

The Government has also proposed to introduce a Qualified Domestic Minimum Top-Up Tax for tax years beginning on or after January 1, 2024, which will top-up the Barbados effective tax rate payable by an entity subject to Pillar Two, to 15%. This new measure does not affect the amounts of current or deferred income taxes recognized for the three months ended March 31, 2024 as the legislation was not yet enacted or substantively enacted at March 31, 2024.

#### Global Minimum Tax:

On August 4, 2023, the Government of Canada released the draft Global Minimum Tax Act ("GMTA") for consultation, which would implement key measures of the OECD's Pillar Two global minimum tax in Canada. The GMTA includes the introduction of a 15% global minimum tax that applies to large multinational enterprise groups with global consolidated revenues over €750 million.

On April 16, 2024, the Government of Canada indicated that it intends to introduce the GMTA legislation in Parliament soon.

If the GMTA legislation becomes enacted or substantially enacted, the Company will first become subject to the rules for its 2024 year. Since the legislation was not enacted or substantially enacted at the reporting date, this does not affect the amounts of current tax recognized for the three months ended March 31, 2024. Further, the Company has applied the exception to recognizing and disclosing information about deferred taxes arising from Pillar Two, as provided in the amendments to IAS 12.

Under the Pillar Two legislation, the Company would be liable to pay a top-up tax when the effective tax rate in a jurisdiction is below the 15% minimum rate. All entities within the Franco-Nevada group, other than its one subsidiary that operates in Barbados have an effective tax rate that exceeds 15%.

The Company is in the process of assessing its exposure to Pillar Two taxes and will recognize and disclose known or reasonably estimable information related to such exposure when legislation becomes enacted or substantively enacted in Canada and Barbados.

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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

#### Canada Revenue Agency Audit:

The Company is undergoing an audit by the Canada Revenue Agency of its 2013-2019 taxation years, as referenced in Note 23.

## Note 18 - Shareholders' Equity

### (a) Share Capital

The Company's authorized capital stock includes an unlimited number of common shares (192,307,477 common shares issued and outstanding as at March 31, 2024) having no par value and preferred shares issuable in series (issued - nil).

Changes in share capital for the periods ended March 31, 2024 and December 31, 2023 were as follows:

|                                     | Number of shares   | Amount            |
|-------------------------------------|--------------------|-------------------|
| Balance at January 1, 2023          | 191,892,691        | \$ 5,695.3        |
| Exercise of stock options           | 61,000             | 3.8               |
| Dividend reinvestment plan          | 221,351            | 29.1              |
| <b>Balance at December 31, 2023</b> | <b>192,175,042</b> | <b>\$ 5,728.2</b> |
| Balance at January 1, 2024          | 192,175,042        | \$ 5,728.2        |
| Exercise of stock options           | 28,056             | 1.1               |
| Vesting of restricted share units   | 16,640             | 2.4               |
| Dividend reinvestment plan          | 87,739             | 10.5              |
| <b>Balance at March 31, 2024</b>    | <b>192,307,477</b> | <b>\$ 5,742.2</b> |

### (b) Dividends

For the three months ended March 31, 2024, the Company declared dividends of \$0.36 per common share (Q1 2023-\$0.34). Dividends paid in cash and through the Company's Dividend Reinvestment Plan ("DRIP") were as follows:

|                | For the three months ended March 31, |                |
|----------------|--------------------------------------|----------------|
|                | 2024                                 | 2023           |
| Cash dividends | \$ 58.9                              | \$ 57.8        |
| DRIP dividends | 10.5                                 | 7.6            |
|                | <b>\$ 69.4</b>                       | <b>\$ 65.4</b> |

## Note 19 - Earnings per Share ("EPS")

|                               | For the three months ended March 31, |                      |                  |                 |                      |                  |
|-------------------------------|--------------------------------------|----------------------|------------------|-----------------|----------------------|------------------|
|                               | 2024                                 |                      |                  | 2023            |                      |                  |
|                               | Net income                           | Shares (in millions) | Per Share Amount | Net income      | Shares (in millions) | Per Share Amount |
| Basic earnings per share      | \$ 144.5                             | 192.2                | \$ 0.75          | \$ 156.5        | 191.9                | \$ 0.82          |
| Effect of dilutive securities | —                                    | 0.2                  | —                | —               | 0.3                  | (0.01)           |
| Diluted earnings per share    | <b>\$ 144.5</b>                      | <b>192.4</b>         | <b>\$ 0.75</b>   | <b>\$ 156.5</b> | <b>192.2</b>         | <b>\$ 0.81</b>   |

For the three months ended March 31, 2024, no stock options (Q1 2023- 47,767 stock options) were excluded in the computation of diluted EPS due to being anti-dilutive.

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

### Note 20 - Segment Reporting

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

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

|   | For the three months ended March 31, |                |                 |                 |                |                 |
|---|--------------------------------------|----------------|-----------------|-----------------|----------------|-----------------|
|   | 2024                                 |                |                 | 2023            |                |                 |
|   | Mining                               | Energy         | Total           | Mining          | Energy         | Total           |
| <b>Revenue</b>                                      |                                      |                |                 |                 |                |                 |
| Revenue from royalty, streams and working interests | \$ 211.8                             | \$ 43.8        | \$ 255.6        | \$ 227.3        | \$ 49.0        | \$ 276.3        |
| Interest revenue                                    | 0.9                                  | —              | 0.9             | —               | —              | —               |
| Other interest income                               | 0.3                                  | —              | 0.3             | —               | —              | —               |
| <b>Total Revenue</b>                                | <b>\$ 213.0</b>                      | <b>\$ 43.8</b> | <b>\$ 256.8</b> | <b>\$ 227.3</b> | <b>\$ 49.0</b> | <b>\$ 276.3</b> |
| <b>Expenses</b>                                     |                                      |                |                 |                 |                |                 |
| Costs of sales                                      | \$ 30.6                              | \$ 3.0         | \$ 33.6         | \$ 35.4         | \$ 2.8         | \$ 38.2         |
| Depletion and depreciation                          | 41.3                                 | 16.7           | 58.0            | 46.7            | 14.1           | 60.8            |
| <b>Segment gross profit</b>                         | <b>\$ 141.1</b>                      | <b>\$ 24.1</b> | <b>\$ 165.2</b> | <b>\$ 145.2</b> | <b>\$ 32.1</b> | <b>\$ 177.3</b> |

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

|  | For the three months ended March 31, |                 |
|--|--------------------------------------|-----------------|
|  | 2024                                 | 2023            |
| <b>Total segment gross profit</b>                        | <b>\$ 165.2</b>                      | <b>\$ 177.3</b> |
| <b>Other operating expenses (income)</b>                 |                                      |                 |
| General and administrative expenses                      | \$ 5.7                               | \$ 6.2          |
| Share-based compensation expense                         | 2.8                                  | 3.2             |
| Gain on disposal of royalty interests                    | (0.3)                                | (3.7)           |
| Gain on sale of gold bullion                             | (1.4)                                | (0.7)           |
| Depreciation   | 0.2                                  | 0.2             |
| Foreign exchange loss (gain) and other expenses (income) | 1.6                                  | (2.2)           |
| Income before finance items and income taxes             | \$ 156.6                             | \$ 174.3        |
| <b>Finance items</b>                                     |                                      |                 |
| Finance income   | \$ 16.0                              | \$ 10.5         |
| Finance expenses   | (0.6)                                | (0.7)           |
| <b>Net income before income taxes</b>                    | <b>\$ 172.0</b>                      | <b>\$ 184.1</b> |

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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

### Note 21 - Fair Value Measurements

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same - to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

There were no transfers between the levels of the fair value hierarchy during the three months ended March 31, 2024.

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

| As at March 31, 2024                           | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Aggregate fair value |
|--|--|---|---|----------------------|
| Equity investments                             | \$ 244.8   | \$ —  | \$ 4.5                                    | \$ 249.3             |
| Skeena Convertible Debenture                   | —  | —   | 24.0                                      | 24.0                 |
| Warrants                                       | —  | 7.9   | —   | 7.9                  |
| Receivables from provisional concentrate sales | —  | 5.4   | —   | 5.4                  |
|  | <b>\$ 244.8</b>  | <b>\$ 13.3</b>                                | <b>\$ 28.5</b>                            | <b>\$ 286.6</b>      |

| As at December 31, 2023                        | Quoted prices in active markets for identical assets (Level 1) | Significant other observable inputs (Level 2) | Significant unobservable inputs (Level 3) | Aggregate fair value |
|--|--|---|---|----------------------|
| Equity investments                             | \$ 241.8   | \$ —  | \$ 4.6                                    | \$ 246.4             |
| Skeena Convertible Debenture                   | —  | —   | 24.8                                      | 24.8                 |
| Warrants                                       | —  | 8.1   | —   | 8.1                  |
| Receivables from provisional concentrate sales | —  | 5.7   | —   | 5.7                  |
|  | <b>\$ 241.8</b>  | <b>\$ 13.8</b>                                | <b>\$ 29.4</b>                            | <b>\$ 285.0</b>      |

## Notes to the Condensed Consolidated Financial Statements

### The three months ended March 31, 2024 and 2023

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

The valuation techniques that are used to measure fair value are as follows:

(a) *Investments*

The fair values of publicly-traded investments are determined based on a market approach reflecting the closing prices of each particular security at the statement of financial position date. The closing prices are quoted market prices obtained from the exchange that is the principal active market for the particular security, and therefore are classified within Level 1 of the fair value hierarchy.

The Company holds two equity investments that do not have a quoted market price in an active market. The Company has assessed the fair value of the instruments based on a valuation technique using unobservable discounted future cash flows. As a result, the fair value is classified within Level 3 of the fair value hierarchy.

The fair values of warrants are estimated using the Black-Scholes pricing model which requires the use of inputs that are observable in the market. As such, these investments are classified within Level 2 of the fair value hierarchy.

(b) *Loan Receivable*

The Company holds a convertible debenture receivable, the Skeena Convertible Debenture, which is measured at FVTPL. The Skeena Convertible Debenture does not have a quoted market price in an active market. The Company has assessed the fair value of the instrument using present value techniques and assumptions concerning the amount of and timing of future cash flows and discount rates which factor in the appropriate credit risk that are unobservable and the Black-Scholes option pricing model which requires the use of inputs that are observable in the market. As such, the Skeena Convertible Debenture is classified within level 3 of the fair value hierarchy.

(c) *Receivables from Provisional Concentrate Sales*

The fair values of receivables arising from gold and platinum group metal concentrate sales contracts that contain provisional pricing mechanisms are determined using the appropriate quoted forward prices from the exchange that is the principal active market for the particular metal. As such, these receivables are classified within Level 2 of the fair value hierarchy.

As at March 31, 2024, the fair value of the G Mining Ventures Term Loan which is measured at amortized cost approximates its carrying value. The fair values of the Company's remaining financial assets and liabilities, which include cash and cash equivalents, receivables, accounts payable and accrued liabilities approximate their carrying values due to their short-term nature or negligible expected credit losses.

The Company has not offset financial assets with financial liabilities.

## Notes to the Condensed Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

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

## Note 22 - Commitments

## (a) Commodity Purchase Commitments

The following table summarizes the Company's commitments pursuant to the associated precious metals agreements as at March 31, 2024:

| Interest                             | Attributable payable production to be purchased |                       |      | Per ounce cash payment <sup>(4),(2)</sup> |                         |        | Term of agreement <sup>(3)</sup> | Date of contract |
|--------------------------------------|---|-----------------------|------|---|-------------------------|--------|----------------------------------|------------------|
|                                      | Gold  | Silver                | PGM  | Gold                                      | Silver                  | PGM    |                                  |                  |
| Antamina                             | — %   | 22.5 % <sup>(4)</sup> | — %  | n/a                                       | 5 % <sup>(5)</sup>      | n/a    | 40 years                         | 7-Oct-15         |
| Antapaccay                           | — % <sup>(6)</sup>                              | — % <sup>(7)</sup>    | — %  | 20 % <sup>(8)</sup>                       | 20 % <sup>(9)</sup>     | n/a    | 40 years                         | 10-Feb-16        |
| Candelaria                           | 68 % <sup>(10)</sup>                            | 68 % <sup>(10)</sup>  | — %  | \$ 400                                    | \$ 4.00                 | n/a    | 40 years                         | 6-Oct-14         |
| Cobre Panama Fixed Payment Stream    | — % <sup>(11)</sup>                             | — % <sup>(12)</sup>   | — %  | \$ 418 <sup>(13)</sup>                    | \$ 6.27 <sup>(14)</sup> | n/a    | 40 years                         | 19-Jan-18        |
| Cobre Panama Floating Payment Stream | — % <sup>(15)</sup>                             | — % <sup>(16)</sup>   | — %  | 20 % <sup>(17)</sup>                      | 20 % <sup>(18)</sup>    | n/a    | 40 years                         | 19-Jan-18        |
| Condestable                          | — % <sup>(19)</sup>                             | — % <sup>(20)</sup>   | — %  | 20 % <sup>(21)</sup>                      | 20 % <sup>(22)</sup>    | n/a    | 40 years                         | 27-Mar-24        |
| Guadalupe-Palmarejo                  | 50 %  | — %                   | — %  | \$ 800                                    | n/a                     | n/a    | 40 years                         | 2-Oct-14         |
| Karma                                | 4.875 %   | — %                   | — %  | 20 % <sup>(23)</sup>                      | n/a                     | n/a    | 40 years                         | 11-Aug-14        |
| Sabodala                             | — % <sup>(24)</sup>                             | — %                   | — %  | 20 % <sup>(25)</sup>                      | n/a                     | n/a    | 40 years                         | 25-Sep-20        |
| MWS                                  | 25 %  | — %                   | — %  | \$ 400                                    | n/a                     | n/a    | 40 years <sup>(26)</sup>         | 2-Mar-12         |
| Sudbury <sup>(27)</sup>              | 50 %  | — %                   | 50 % | \$ 400                                    | n/a                     | \$ 400 | 40 years                         | 15-Jul-08        |
| Tocantinzinho                        | 12.5 % <sup>(28)</sup>                          | — %                   | — %  | 20 % <sup>(29)</sup>                      | n/a                     | n/a    | 40 years                         | 18-Jul-22        |
| Cooke 4                              | 7.0 %   | — %                   | — %  | \$ 400                                    | n/a                     | n/a    | 40 years                         | 5-Nov-09         |

- 1 Subject to an annual inflationary adjustment except for Antamina, Antapaccay, Karma, Guadalupe-Palmarejo, and Sabodala.
- 2 Should the prevailing market price for gold be lower than this amount, the per ounce cash payment will be reduced to the prevailing market price.
- 3 Subject to successive extensions.
- 4 Subject to a fixed payability of 90%. Percentage decreases to 15% after 86 million ounces of silver has been delivered under the agreement.
- 5 Purchase price is 5% of the average silver price at the time of delivery.
- 6 Gold deliveries are referenced to copper in concentrate shipped with 300 ounces of gold delivered for each 1,000 tonnes of copper in concentrate shipped, until 630,000 ounces of gold has been delivered. Thereafter, percentage is 30% of gold shipped.
- 7 Silver deliveries are referenced to copper in concentrate shipped with 4,700 ounces of silver delivered for each 1,000 tonnes of copper in concentrate shipped, until 10.0 million ounces of silver has been delivered. Thereafter, percentage is 30% of silver shipped.
- 8 Purchase price is 20% of the spot price of gold until 750,000 ounces of gold have been delivered, thereafter the purchase price is 30% of the spot price of gold.
- 9 Purchase price is 20% of the spot price of silver until 12.8 million ounces of silver have been delivered, thereafter the purchase price is 30% of the spot price of silver.
- 10 Percentage decreases to 40% after 720,000 ounces of gold and 12.0 million ounces of silver have been delivered under the agreement.
- 11 Gold deliveries are indexed to copper in concentrate produced from the project. 120 ounces of gold per every 1 million pounds of copper produced until 808,000 ounces of gold delivered. Thereafter, 81 ounces of gold per 1 million pounds of copper produced until 1,716,188 ounces of gold delivered. Thereafter, 63.4% of the gold in concentrate.
- 12 Silver deliveries are indexed to copper in concentrate produced from the project. 1,376 ounces of silver per every 1 million pounds of copper produced until 9,842,000 ounces of silver delivered. Thereafter 1,776 ounces of silver per 1 million pounds of copper produced until 29,731,000 ounces of silver delivered. Thereafter, 62.1% of the silver in concentrate.
- 13 After 1,341,000 ounces of gold delivered, purchase price is the greater of 50% of spot and \$418.27 per ounce, subject to annual inflationary adjustment. As the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum was not reached by January 1, 2019, Franco-Nevada received a reduction of the applicable fixed gold price of \$100 per ounce until the end of Q2 2023.
- 14 After 21,510,000 ounces of silver delivered, purchase price is the greater of 50% of spot and \$6.27 per ounce, subject to an annual inflationary adjustment.
- 15 Gold deliveries are indexed to copper in concentrate produced from the project. 30 ounces of gold per every 1 million pounds of copper produced until 202,000 ounces of gold delivered. Thereafter 20.25 ounces of gold per 1 million pounds of copper produced until 429,047 ounces of gold delivered. Thereafter, 15.85% of the gold in concentrate.
- 16 Silver deliveries are indexed to copper in concentrate produced from the project. 344 ounces of silver per every 1 million pounds of copper produced until 2,460,500 ounces of silver delivered. Thereafter, 444 ounces of silver per 1 million pounds of copper produced until 7,432,750 ounces of silver delivered. Thereafter 15.53% of the silver in concentrate.
- 17 After 604,000 ounces of gold delivered, purchase price is 50% of the spot price of gold. As the mill throughput for 30 consecutive days commensurate with annual capacity of 58 million tonnes per annum was not reached by January 1, 2019, Franco-Nevada received a reduction of the applicable floating gold price of \$100 per ounce until the end of Q2 2023.
- 18 After 9,618,000 ounces of silver delivered, purchase price is 50% of the spot price of silver.
- 19 Gold deliveries are fixed at 8,760 ounces per annum from January 1, 2021 to December 31, 2025. Thereafter, 63% of the gold in concentrate until a cumulative total of 87,600 ounces of gold delivered. Thereafter, 37.5% of the gold in concentrate.
- 20 Silver deliveries are fixed at 291,000 ounces per annum from January 1, 2021 to December 31, 2025. Thereafter, 63% of the silver in concentrate until a cumulative total of 2,910,000 ounces of silver delivered. Thereafter, 37.5% of the silver in concentrate.
- 21 Purchase price is 20% of the spot price of gold at the time of delivery.
- 22 Purchase price is 20% of the spot price of silver at the time of delivery.
- 23 Purchase price is 20% of the average gold price at the time of delivery.
- 24 Based on amended agreement with an effective date of September 1, 2020, gold deliveries are fixed at 783.33 ounces per month until 105,750 ounces of gold is delivered. Thereafter, percentage is 6% of gold production (subject to reconciliation after fixed delivery period to determine if Franco-Nevada would have received more or less than 105,750 ounces of gold under the original 6% variable stream for such period, entitling the operator to a credit for an over-delivery applied against future stream deliveries or a one-time additional delivery to Franco-Nevada for an under-delivery).
- 25 Purchase price is 20% of prevailing market price at the time of delivery.
- 26 Agreement is capped at 312,500 ounces of gold.

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- 27 The Company is committed to purchase 50% of the precious metals contained in ore from the properties. Payment is based on gold equivalent ounces. For McCreedy West, effective June 1, 2021, purchase price per gold equivalent ounce is determined based on the monthly average gold spot price: (i) when the gold spot price is less than \$800 per ounce, the purchase price is the prevailing monthly average gold spot price; (ii) when the gold spot price is greater than \$800 per ounce but less than \$1,333 per ounce, the purchase price is \$800 per ounce; (iii) when the gold spot price is greater than \$1,333 per ounce but less than \$2,000 per ounce, the purchase price is 60% of the prevailing monthly average gold spot price; and (iv) when the gold spot price is greater than \$2,000, the purchase price is \$1,200 per ounce.
- 28 Percentage decreased to 7.5% after 300,000 ounces of gold have been delivered under the agreement.
- 29 Purchase price is 20% of the spot price of gold at the time of delivery.

#### (b) Capital Commitments

As at March 31, 2024, the Company has the following capital commitments: (i) \$33.0 million in connection with the Term Loan for the Tocantinzinho project as described in Note 3 (e) and Note 6 (a), which was fulfilled subsequent to quarter-end, (ii) \$56.0 million for its share of the acquisition of mineral rights acquired through the Royalty Acquisition Venture with Continental as described in Note 3 (i), and (iii) up to \$5.5 million for the joint acquisition of newly created precious metals and copper royalties sourced by EMX.

The Company also has commitments for contingent payments in relation to various royalty agreements, as follows: (i) \$12.5 million in relation to its Copper World royalty, (ii) \$8.0 million in relation to its Rio Baker (Salares Norte) royalty, (iii) \$3.4 million (C\$4.5 million) in relation to its Eskay Creek royalty, and (iv) \$1.3 million in relation to its Rebecca royalty.

## Note 23 - Contingencies

### (a) Cobre Panama Arbitration Proceedings

Cobre Panama has been in preservation and safe management with production halted since November 2023.

On March 8, 2023, First Quantum Minerals Ltd. and its subsidiary, Minera Panama S.A., and the Government of Panama announced that an agreement had been reached on the terms and conditions for a revised concession contract (together with subsequent modifications, the "Revised Concession Contract"). On November 27, 2023, the Supreme Court of Panama issued a ruling, released publicly the following day, declaring Law 406 unconstitutional. As a result of these events, Franco-Nevada recognized a full impairment of the carrying value of its Cobre Panama streams of \$1,169.2 million during the year ended December 31, 2023.

The Company is pursuing legal avenues to protect its investment in Cobre Panama and is of the view that it has rights under international law. On November 23, 2023, the Company notified MICI of its intent to initiate arbitration to enforce its rights under international law (the "Notice of Intent") pursuant to the Canada-Panama Free Trade Agreement (the "FTA"). On February 23, 2024, the Company filed an updated Notice of Intent (the "Updated Notice of Intent") reiterating its intent to commence arbitration under the FTA. The Updated Notice of Intent also specifies that the Company presently and preliminarily estimates its damages to be at least \$5 billion, subject to further analysis and development.

The Company accounts for its Cobre Panama arbitration proceedings in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

## Notes to the Condensed Consolidated Financial Statements

### For the three months ended March 31, 2024 and 2023

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#### (b) Canada Revenue Agency Audit

The CRA is conducting an audit of Franco-Nevada for the 2013-2019 taxation years.

#### Transfer Pricing Reassessments

The Company has received reassessments from the CRA made on the basis of the transfer pricing provisions in the Income Tax Act (Canada) (the "Act"). The following table provides a summary of the CRA audit and reassessment matters further detailed below:

| CRA Position                |   | Taxation Years Reassessed    | Potential Exposure for Tax, Interest and Penalties<br>(in millions)   |
|-----------------------------|---|------------------------------|---|
| Transfer Pricing (Mexico)   | Transfer pricing provisions in the Act apply such that a majority of the income earned by the Company's Mexican subsidiary should be included in the income of the Company and subject to tax in Canada.  | 2013-2016                    | For 2013-2016:<br>Tax: \$22.1 (C\$29.9)<br>Transfer pricing penalties: \$9.0 (C\$12.0)<br>Interest and other penalties: \$15.2 (C\$20.4)<br><br>The amounts set forth above do not include any potential relief under the Canada-Mexico tax treaty.<br><br>The Company's Mexican subsidiary ceased operations after 2016 and no reassessments for this issue are expected for subsequent years.   |
| Transfer Pricing (Barbados) | Transfer pricing provisions in the Act apply such that a majority of the income relating to certain precious metal streams earned by the Company's Barbadian subsidiary should be included in the income of the Company and subject to tax in Canada. | 2014-2018<br>2019 (proposed) | For 2014-2018, 2019 (proposed):<br>Tax: \$81.8 (C\$110.7)<br>Transfer pricing penalties: \$12.9 (C\$17.6) for 2014-2017; \$18.0 (C\$24.4) for 2018-2019 under review<br>Interest and other penalties: \$31.2 (C\$42.2)<br><br>If the CRA were to reassess the 2020-2023 taxation years on the same basis:<br>Tax: \$237.0 (C\$321.1)<br>Transfer pricing penalties: \$89.6 (C\$121.4)<br>Interest and other penalties: \$38.2 (C\$51.7) |

#### (i) Mexico (2013-2016)

In December of 2018, 2019, and 2021, the Company received Notices of Reassessment from the CRA for taxation years 2013 (the "2013 Reassessment"), 2014 and 2015 (the "2014 and 2015 Reassessments"), and 2016 (the "2016 Reassessment", collectively with the 2013 Reassessment and the 2014 and 2015 Reassessments, the "2013-2016 Reassessments") in relation to its Mexican subsidiary. The reassessments were made on the basis of the transfer pricing provisions in the Act and assert that a majority of the income earned by the Mexican subsidiary should have been included in the income of the Company and subject to tax in Canada. The 2013-2016 Reassessments result in additional Federal and provincial income taxes of \$22.1 million (C\$29.9 million) plus estimated interest (calculated to March 31, 2024) and other penalties of \$15.2 million (C\$20.4 million) but before any relief under the Canada-Mexico tax treaty.

Subsequently, the CRA issued revised 2013-2016 Reassessments to include transfer pricing penalties of \$9.0 million (C\$12.0 million). The Company has filed formal Notices of Objection with the CRA against the 2013-2016 Reassessments and has posted security in the form of cash and standby letter of credit for 50% of the reassessed amounts, as referenced in Note 9 and Note 10. The Company has commenced an appeal in the Tax Court of Canada with respect to the 2013-2015 Reassessments.

The Company's Mexican subsidiary ceased operations after 2016 and no reassessments are expected for subsequent years.

For taxation years 2013 through 2016, the Company's Mexican subsidiary paid a total of \$34.1 million (490.3 million Pesos) in cash taxes, at a 30% tax rate, to the Mexican tax authorities on income earned in Mexico. If required, the Company intends to seek relief from double taxation under the Canada-Mexico tax treaty.

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#### (ii) Barbados (2014-2019)

The 2014 and 2015 Reassessments, 2016 Reassessment, and a Notice of Reassessment received by the Company in December 2021 for taxation year 2017 (the “2017 Reassessment”, collectively with the 2014 and 2015 Reassessments and the 2016 Reassessments, the “2014-2017 Reassessments”) also reassess the Company in relation to its Barbadian subsidiary. The reassessments were made on the basis of the transfer pricing provisions in the Act and assert that a majority of the income relating to certain precious metal streams earned by the Barbadian subsidiary should have been included in the income of the Company and subject to tax in Canada, resulting in additional Federal and provincial income taxes of \$34.4 million (C\$46.5 million) plus estimated interest (calculated to March 31, 2024) and other penalties of \$15.1 million (C\$20.5 million).

Subsequently, the CRA issued revised 2014-2017 Reassessments to include transfer pricing penalties of \$12.9 million (C\$17.6 million). The Company has filed formal Notices of Objection with the CRA against the 2014-2017 Reassessments and has posted security in the form of cash and standby letter of credit for 50% of the reassessed amounts, as referenced in Note 9 and Note 10. The Company has commenced an appeal in the Tax Court of Canada with respect to the 2014-2015 Reassessments.

On November 10, 2023, the Company received a letter from the CRA (the “Proposal Letter”) proposing to reassess the 2018 and 2019 taxation years on the same basis as the 2014-2017 Reassessments, resulting in additional Federal and provincial income taxes of \$16.8 million (C\$22.7 million) for 2018 and \$30.6 million (C\$41.5 million) for 2019 plus estimated interest (calculated to March 31, 2024) and other penalties of \$6.8 million (C\$9.1 million) for 2018 and \$9.3 million (C\$12.6 million) for 2019. The Proposal Letter did not include transfer pricing penalties which are currently under review. If the CRA were to apply transfer pricing penalties, the Company estimates that the amounts would be approximately \$6.5 million (C\$8.8 million) for 2018 and \$11.5 million (C\$15.6 million) for 2019. On December 6, 2023, the Company received a Notice of Reassessment for the 2018 taxation year (the “2018 Reassessment”, and collectively with the 2013-2016 Reassessments and the 2017 Reassessments, the “Transfer Pricing Reassessments”) as proposed. The Company has filed a formal Notice of Objection with the CRA against the 2018 Reassessment and has posted security in the form of cash for 50% of the reassessed amounts, as referenced in Note 10. The Company does not agree with the Proposal Letter and intends to file a formal Notice of Objection when the CRA issues a Notice of Reassessment for the 2019 taxation year.

If the CRA were to reassess the Company for taxation years 2020 through 2023 on the same basis and continue to apply transfer pricing penalties, the Company estimates that it would be subject to additional Canadian tax for these years of approximately \$237.0 million (C\$321.1 million), transfer pricing penalties of approximately \$89.6 million (C\$121.4 million) plus interest (calculated to March 31, 2024) and other penalties of approximately \$38.2 million (C\$51.7 million).

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

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

## Note 23 – Subsequent Events

### Acquisitions and Other Transactions

Subsequent to quarter-end, the Company completed the following transactions:

- On April 19, 2024, the Company funded the remainder of the \$33.0 million of the \$75.0 million G Mining Ventures Term Loan, as referenced in Notes 3 (e) and 6 (a);
- On April 15, 2024, the Company acquired a 2.0% gross production royalty from Scottie for \$5.9 million (C\$8.1 million) and acquired common shares of Scottie for \$0.7 million (C\$1.0 million), as referenced in Note 3 (a).



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