

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities. This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities in those jurisdictions. **Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer & Corporate Secretary of the Corporation at Suite 2000, 199 Bay Street, P.O. Box 285, Commerce Court Postal Station, Toronto, Ontario M5L 1G9, telephone (416) 306-6300, and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

April 22, 2016



FRANCO-NEVADA CORPORATION

**Common Shares
Preferred Shares
Debt Securities
Warrants
Subscription Receipts
US\$2,000,000,000**

Franco-Nevada Corporation (the “Corporation” or “Franco-Nevada”) may offer and issue from time to time common shares of the Corporation (“Common Shares”), preferred shares of the Corporation (“Preferred Shares”), debt securities (“Debt Securities”), warrants to purchase Common Shares, Preferred Shares or Debt Securities (“Warrants”), or subscription receipts (“Subscription Receipts”) (all of the foregoing collectively, the “Securities”) or any combination thereof for up to an aggregate initial offering price of US\$2,000,000,000 (or the equivalent thereof in other currencies) during the 25-month period that this short form base shelf prospectus (the “Prospectus”), including any amendments hereto, remains effective. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying prospectus supplement (a “Prospectus Supplement”). In addition, Securities may be offered and issued in consideration for the acquisition of other businesses, assets or securities by the Corporation or a subsidiary of the Corporation. The consideration for any such acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

The specific terms of the Securities with respect to a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable (i) in the case of Common Shares, the number of Common Shares offered, the offering price, whether the Common Shares are being offered for cash, and any other terms specific to the Common Shares being offered, (ii) in the case of Preferred Shares, the number of Preferred Shares offered, the designation of a particular class or series, if applicable, the offering price, whether the Preferred Shares are being offered for cash, the dividend rate, if any, any terms for redemption or retraction, any conversion rights, and any

other terms specific to the Preferred Shares being offered, (iii) in the case of Debt Securities, the specific designation, the aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, the maturity, the interest provisions, the authorized denominations, the offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, whether the debt is senior or subordinated to the Corporation's other liabilities and obligations, whether the Debt Securities will be secured by any of the Corporation's assets or guaranteed by any other person, and any other terms specific to the Debt Securities being offered, (iv) in the case of Warrants, the offering price, whether the Warrants are being offered for cash, the designation, the number and the terms of the Common Shares, Preferred Shares or Debt Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, the dates and periods of exercise, and any other terms specific to the Warrants being offered, and (v) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the procedures for the exchange of the Subscription Receipts for Common Shares, Preferred Shares, Debt Securities or Warrants, as the case may be, and any other terms specific to the Subscription Receipts being offered. Where required by statute, regulation or policy, and where Securities are offered in currencies other than Canadian dollars, appropriate disclosure of foreign exchange rates applicable to the Securities will be included in the Prospectus Supplement describing the Securities.

All shelf information permitted under applicable law to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

This Prospectus constitutes a public offering of the Securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell the Securities in those jurisdictions. The Corporation may offer and sell Securities to, or through, underwriters or dealers and may also offer and sell certain Securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable securities laws. A Prospectus Supplement relating to each issue of Securities offered thereby will set forth the names of any underwriters, dealers or agents involved in the offering and sale of the Securities and will set forth the terms of the offering of the Securities, the method of distribution of the Securities including, to the extent applicable, the proceeds to the Corporation and any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution.

The outstanding Common Shares and certain warrants to purchase Common Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbols "FNV" and "FNV.WT.A", respectively. The Common Shares are also listed on the New York Stock Exchange (the "NYSE") under the symbol "FNV". **Unless otherwise specified in the applicable Prospectus Supplement, no Securities, other than Common Shares, will be listed on any securities exchange.**

Franco-Nevada's registered office and head office is located at Suite 2000, 199 Bay Street, P.O. Box 285, Commerce Court Postal Station, Toronto, Ontario M5L 1G9.

This offering is made by a Canadian issuer that is permitted, under the multijurisdictional disclosure system adopted by the United States ("U.S.") and Canada, to prepare this Prospectus in accordance with Canadian disclosure requirements. Purchasers of the Securities should be aware that such requirements are different from those of the U.S. Financial statements incorporated herein by reference have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"), that were applicable as at the date of the financial statements, and thus may not be comparable to financial statements of U.S. companies. Financial statements which will be deemed incorporated by reference herein in the future, or which may form part of a Prospectus Supplement in the future, will be prepared in accordance with IFRS.

Purchasers of the Securities should be aware that the acquisition of the Securities may have tax consequences both in the U.S. and in Canada. Such consequences for purchasers who are resident in, or citizens of, the U.S. or who are resident in Canada may not be described fully herein or in any applicable Prospectus Supplement.

Purchasers of the Securities should read the tax discussion contained in the applicable Prospectus Supplement with respect to a particular offering of Securities and consult their own tax advisors.

The enforcement by investors of civil liabilities under U.S. federal securities laws may be affected adversely by the fact that the Corporation is incorporated under the laws of Canada, that most of its officers and directors are residents of Canada, that some or all of the underwriters or experts named in the registration statement are not residents of the U.S., and that a substantial portion of the assets of the Corporation and said persons are located outside the U.S.

All dollar amounts in this Prospectus are expressed in United States dollars, except as otherwise indicated. References to “\$”, “US\$” or “dollars” are to United States dollars and references to “C\$” are to Canadian dollars.

Neither the U.S. Securities and Exchange Commission (the “SEC”) nor any state or Canadian securities regulator has approved or disapproved the Securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

No underwriter has been involved in the preparation of this Prospectus nor has any underwriter performed any review of the contents of this Prospectus.

Investing in the Securities involves certain risks. Prospective purchasers of the Securities should carefully consider all the information in this Prospectus and in the documents incorporated by reference in this Prospectus.

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CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

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

reliance on forward looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please refer to the “Risk Factors” section of this Prospectus, as well as any risk factors disclosed in the documents incorporated by reference. The forward looking statements herein are made as of the date of this Prospectus only and Franco-Nevada does not assume any obligation to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise, except as required by applicable law.

TECHNICAL AND THIRD PARTY INFORMATION

Except where otherwise stated, the disclosure in this Prospectus, including the documents incorporated by reference, relating to properties and operations on the properties in which the Corporation holds royalty, stream or other interests, including the disclosure included in the section entitled “Mining and Technical Information” in this Prospectus and the sections entitled “Franco-Nevada’s Assets”, “Antapaccay Mining and Technical Information”, “Antamina Mining and Technical Information”, “Selected Mineral Asset Summary Descriptions” and “Reserves Data and Other Oil & Gas Information” in the Corporation’s annual information form dated as of March 10, 2016, is based on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain as at the date hereof or as of the date of (or as specified in) the document incorporated by reference herein, as applicable, and none of this information has been independently verified by the Corporation. Specifically, as a royalty or stream holder, the Corporation has limited, if any, access to properties included in its asset portfolio. Additionally, the Corporation may from time to time receive operating information from the owners and operators of the properties, which it is not permitted to disclose to the public. The Corporation is dependent on the operators of the properties and their qualified persons to provide information to the Corporation or on publicly available information to prepare disclosure pertaining to properties and operations on the properties on which the Corporation holds royalty, stream or other interests and generally has limited or no ability to independently verify such information. Although the Corporation does not have any knowledge that such information may not be accurate, there can be no assurance that such third party information is complete or accurate. Some information publicly reported by operators may relate to a larger property than the area covered by the Corporation’s royalty, stream or other interest. The Corporation’s royalty, stream or other interests often cover less than 100% and sometimes only a portion of the publicly reported mineral reserves, mineral resources and production of a property.

Except where otherwise noted, the disclosure in this Prospectus and the documents incorporated by reference herein relating to mineral reserve and mineral resource statements for individual properties is made as at December 31, 2015. In addition, numerical information contained herein or presented in the documents incorporated by reference herein which has been derived from information publicly disclosed by owners or operators may have been rounded by the Corporation and, therefore, there may be some inconsistencies within this Prospectus and the documents incorporated by reference herein with respect to significant digits presented in the information publicly disclosed by owners or operators.

Franco-Nevada considers its stream interests in the Antapaccay project, the Antamina project, the Candelaria project and the Cobre Panama project to be its only material mineral projects for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”). Information contained in this Prospectus or incorporated by reference herein with respect to each of Antapaccay, Antamina, Candelaria, and Cobre Panama has been prepared in accordance with the exemption set forth in section 9.2 of NI 43-101.

The disclosure contained in the documents incorporated herein by reference of a scientific or technical nature for the Antapaccay project is based on (i) the information disclosed in the document entitled “Antapaccay Mining and Technical Information” and dated effective February 10, 2016, which document was prepared by Compañía Minera Antapaccay S.A. (“CM Antapaccay”), the owner and operator of the Antapaccay project and an indirect wholly-owned subsidiary of Glencore PLC (“Glencore”), available on CM Antapaccay’s website at www.glencoreperu.pe; and (ii) the Glencore Statement of Resources & Reserves as at December 31, 2015 and the news release dated February 11, 2016 of Glencore containing the Glencore 2015 Production Report, each available on Glencore’s website.

Unless otherwise noted, the disclosure contained in the documents incorporated herein by reference of a scientific or technical nature for the Antamina project is based on (i) the information disclosed in the annual information form of Teck Resources Limited (“Teck”) dated March 1, 2016 and filed under Teck’s SEDAR profile

on March 3, 2016; and (ii) the technical report entitled “Technical Report, Mineral Reserves and Resources, Antamina Deposit, Peru 2010” and dated January 31, 2011, which technical report was prepared for Compañía Minera Antamina S.A., and filed under Teck’s SEDAR profile on March 22, 2011.

The disclosure contained in this Prospectus for the Candelaria project is based on (i) the information disclosed in the annual information form of Lundin Mining Corporation (“Lundin”) dated March 30, 2016 and filed under Lundin’s SEDAR profile on March 30, 2016. The information concerning the Candelaria project contained in this Prospectus supersedes the mining and technical information contained in the annual information form of the Corporation for the financial year ended December 31, 2015.

The disclosure contained in this Prospectus for the Cobre Panama project is based on (i) the annual information form of First Quantum Minerals Limited (“First Quantum”) dated March 31, 2015 and filed under First Quantum’s SEDAR profile on March 30, 2016, and (ii) the technical report entitled “Cobre Panamá Project -- Colón Province, Republic of Panamá -- NI 43 - 101 Technical Report” and dated June 30, 2015, which technical report was prepared for First Quantum and filed under First Quantum’s SEDAR profile on July 22, 2015. The information concerning the Cobre Panama project contained in this Prospectus supersedes the mining and technical information contained in the annual information form of the Corporation for the financial year ended December 31, 2015.

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

The disclosure in the documents incorporated herein by reference for the reserve assessment and evaluation of the oil & gas reserves was prepared by GLJ Petroleum Consultants Ltd. (“GLJ”) for Franco-Nevada, with an effective date of December 31, 2015, in accordance with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“NI 51-101”).

AVAILABLE INFORMATION

The Corporation files reports and other information with the securities commissions and similar regulatory authorities in each of the provinces and territories of Canada. These reports and information are available to the public free of charge on SEDAR at www.sedar.com.

The Corporation has filed with the SEC a registration statement on Form F-10 relating to the Securities. This Prospectus, which constitutes a part of the registration statement, does not contain all of the information contained in the registration statement, certain items of which are contained in the exhibits to the registration statement as permitted by the rules and regulations of the SEC. Statements included in this Prospectus or incorporated herein by reference about the contents of any contract, agreement or other documents referred to are not necessarily complete, and in each instance investors should refer to the exhibits for a more complete description of the matter involved. Each such statement is qualified in its entirety by such reference.

The Corporation is subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”), and applicable Canadian securities legislation and, in accordance therewith, files reports and other information with the SEC and with the securities regulatory authorities in Canada. Under the multijurisdictional disclosure system adopted by the U.S. and Canada, documents and other information that the Corporation files with the SEC may be prepared in accordance with the disclosure requirements of Canada, which are different from those of the U.S. As a foreign private issuer, the Corporation is exempt from the rules under the U.S. Exchange Act prescribing the furnishing and content of proxy statements, and its officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the U.S. Exchange Act. In addition, the Corporation is not required to publish financial statements as promptly as U.S. companies subject to the applicable provisions of the U.S. Exchange Act.

Investors may read any document that the Corporation has filed with, or furnished to, the SEC at the SEC’s public reference room in Washington, D.C. Investors may also obtain copies of those documents from the public

reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549 by paying a fee. Investors should call the SEC at 1-800-SEC-0330 or access its website at www.sec.gov for further information about the public reference rooms. Investors may read and download some of the documents the Corporation has filed with the SEC's Electronic Data Gathering, Analysis and Retrieval system at www.sec.gov.

Investors should rely only on information contained or incorporated by reference in this Prospectus and any applicable Prospectus Supplement. The Corporation has not authorized anyone to provide the investor with different information. The Corporation is not making an offer of the Securities in any jurisdiction where the offer is not permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus, unless otherwise noted herein or as required by law. It should be assumed that the information appearing in this Prospectus and the documents incorporated herein by reference are accurate only as of their respective dates. The business, financial condition, results of operations and prospects of the Corporation may have changed since those dates.

CAUTIONARY NOTE REGARDING MINERAL AND OIL AND GAS RESERVE AND RESOURCE ESTIMATES

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

Canadian standards for reporting reserves and resources, including NI 43-101, differ significantly from the requirements of the SEC, and reserve and resource information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserves". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by the Corporation in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

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

requirements under the U.S. federal securities laws and the rules and regulations thereunder. For more information, see “Reconciliation to CIM Definitions” in the Corporation’s annual information form dated as of March 10, 2016 for the financial year ended December 31, 2015, which is incorporated by reference herein.

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

- NI 51-101 requires disclosure of gross and net reserves using forecast prices, whereas the SEC rules require the disclosure of net reserves estimated using a historical 12-month average price;
- NI 51-101 requires the disclosure of the net present value of future net revenue attributable to all of the disclosed reserves categories, estimated using forecast prices and costs, before and after deducting future income tax expenses, calculated without discount and using discount rates of 5%, 10%, 15% and 20%, whereas the SEC rules require disclosure of the present value of future net cash flows attributable to proved reserves only, estimated using a constant price (the historical 12-month average price) and a 10% discount rate;
- NI 51-101 requires a one-year reconciliation of gross proved reserves, gross probable reserves and gross proved plus probable reserves, based on forecast prices and costs, for various product types, whereas the SEC rules require a three-year reconciliation of net proved reserves, based on constant prices and costs, for less specific product types; and
- NI 51-101 reserve estimates are based on definitions and standards promulgated by the Canadian Oil and Gas Evaluation Handbook and generally recognized industry practices in Canada, whereas SEC reserve estimates are based on different reserves definitions and are prepared in accordance with generally recognized industry practices in the U.S.

FINANCIAL INFORMATION

The financial statements of the Corporation incorporated herein by reference and in any Prospectus Supplement are reported in U.S. dollars and have been prepared in accordance with IFRS. IFRS differs in some significant respects from generally accepted accounting principles in the U.S., and thus the financial statements may not be comparable to financial statements of U.S. companies.

EXCHANGE RATE INFORMATION

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

	Three months ended March 31, 2016	Years ended December 31,		
		2015	2014	2013
High.....	C\$1.4589	C\$1.3990	C\$1.1643	C\$1.0697
Low.....	C\$1.2962	C\$1.1728	C\$1.0614	C\$0.9839
Average for the Period.....	C\$1.3732	C\$1.2787	C\$1.1045	C\$1.0299
End of Period.....	C\$1.2971	C\$1.3840	C\$1.1601	C\$1.0636

On April 21, 2016, the noon rate for Canadian dollars in terms of the U.S. dollar, as published by the Bank of Canada, was US\$1.00=C\$1.2710 or C\$1.00=US\$0.7868.

COMMODITY PRICE INFORMATION

The following table sets out the average spot commodity prices of gold, silver, platinum, palladium, oil and gas for the years 2013, 2014 and 2015 and for the first three months of 2016.

	<u>Gold/oz</u> <u>(LBMA Gold</u> <u>Price PM)</u>	<u>Silver</u> <u>(LBMA</u> <u>Silver Price)</u>	<u>Platinum/oz</u> <u>(London PM</u> <u>Fix)</u>	<u>Palladium/oz</u> <u>(London PM</u> <u>Fix)</u>	<u>Oil/C\$ bbl</u> <u>(Edmonton</u> <u>Light)</u>	<u>Gas/C\$</u> <u>mcf</u> <u>(AECO-C)</u>
Average for 2013.....	US\$1,411	US\$23.79	US\$1,487	US\$725	C\$93	C\$3.01
Average for 2014.....	US\$1,266	US\$19.08	US\$1,385	US\$803	C\$94	C\$4.33
Average for 2015.....	US\$1,160	US\$15.68	US\$1,054	US\$692	C\$57	C\$2.56
Average for 2016 (to March 31)	US\$1,181	US\$14.83	US\$914	US\$524	C\$41	C\$1.75

THE CORPORATION

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

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

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

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

Franco-Nevada has a long-term focus in making its investments and recognizes it is in a cyclical industry. Franco-Nevada has historically operated by maintaining a strong balance sheet so that it can make investments during commodity cycle downturns.

MINING AND TECHNICAL INFORMATION

The Corporation considers its stream interests in the Antapaccay project, the Antamina project, the Candelaria project and the Cobre Panama project to be its only material mineral projects for the purposes of NI 43-

101. Set forth below is certain mining and technical information in relation to the Candelaria project and the Cobre Panama project.

Candelaria Mining and Technical Information

Project Description, Location and Access

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

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

The Minera Candelaria property comprises 276 mining exploitation concessions (approximately 5,849 hectares) and 59 mining exploration concessions (approximately 6,280 hectares). The Ojos del Salado property comprises 195 mining exploitation concessions (approximately 9,286 hectares) and 29 mining exploration concessions (approximately 3,400 hectares). The tenements are free of mortgages, encumbrances, prohibitions, injunctions, and litigation. The tenements on which active and contemplated mining activities occur or are contemplated to occur are not affected by royalties.

History

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

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

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

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

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

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

The Candelaria Copper Mining Complex has been a significant producer of copper since the mid-1990s. In the last four years, annual payable copper and gold metal in concentrates sold varied between 147 and 191 kilotonnes and 83,000 and 102,000 ounces, respectively.

Geological Setting, Mineralization and Deposit Type

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

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

The copper-gold sulphide mineralization found at the Candelaria Copper Mining Complex is generally referred to as iron oxide copper gold (IOCG) mineralization. The sulphide mineralization occurs in breccias, stockwork veinlets, disseminations in andesite, and as an internal tuff unit. There are also some localized controls to mineralization in the form of faults, breccias, veins, and foliation.

Candelaria has become an exploration model for Andean-type IOCG deposits that display close relationships to the plutonic complexes and broadly coeval fault systems. Depending on lithology and the structural setting, the polymetallic sulphide mineralization can occur as veins, hydrothermal breccias, replacement mantos, and calcic skarns. The Candelaria IOCG system lies within the thermal aureole of the Lower Cretaceous magmatic arc plutonic suite in the Candelaria-Punta del Cobre district.

Exploration

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

From 2010 to 2015, more than US\$142 million has been invested in the Candelaria Copper Mining Complex in exploration, primarily below the Candelaria open pit, to the north and south, and at the three underground mines. This exploration has resulted in a significant expansion of the Mineral Resources and Mineral Reserves of the underground mines, and contributed to the extension of their lives.

Drilling

Mineral Resources are estimated based on information obtained from surface and underground drill holes. In 2015, 86 diamond drill holes were drilled in and around the Candelaria open pit mine. In the Santos and Alcaparrosa mines, 91 and 81 diamond drill holes were drilled during 2015, respectively, and 208 were drilled in Candelaria Norte. Drilling in Candelaria Sur (Susana and Damiana), beneath the eastern and southern portions of the Candelaria open pit, during 2015 totaled 29 diamond drill holes (19 underground and 10 surface diamond drill holes). Up to 15 drill rigs were employed in the year and a total of 111,006 metres were drilled. The drilling and sampling procedures used are consistent with generally recognized industry best practices.

Sampling, Analysis and Data Verification

Analytical samples used in estimating the Minera Candelaria Mineral Resources were prepared and assayed at the Candelaria Mine laboratory that is accredited to ISO 17025 for the analyses of copper, iron, zinc, and silver. Analytical samples used in estimating the Minera Ojos del Salado Mineral Resources were prepared and assayed by Intertek (formerly Vigalab). Conventional preparation and assaying procedures are used. Copper is analyzed by multi acid digestion and atomic absorption spectroscopy. Gold and silver are assayed using a fire assay procedure. Specific gravity is systematically measured on core samples.

Since 2007, all drilling assay samples have been collected by company personnel or under the direct supervision of company personnel. Samples from Minera Candelaria are processed and analyzed entirely at the mine site. Samples from Minera Ojos del Salado are shipped directly from the property to the Intertek laboratory.

Assay samples are collected by appropriately qualified staff at the laboratories. Sample security involves two aspects: maintaining the chain of custody of samples to prevent inadvertent contamination or mixing of samples and rendering active tampering as difficult as possible.

The sampling preparation, security, analytical procedures, data verification and QA/QC protocols used are consistent with generally accepted industry best practices.

Mineral Processing and Metallurgical Testing

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

Mineral Resource and Mineral Reserve Estimates

The Mineral Resources at the Candelaria Copper Mining Complex are estimated from core drilling information stored in a secure central database, and were evaluated using a geostatistical block modelling approach. Separate models were prepared for the Candelaria open pit mine and the three underground mines (Candelaria Norte, Santos and Alcaparrosa) using slightly different methodologies and assumptions. Each underground mine was sub-divided into sectors and evaluated using separate block models. In total, 19 distinct block models were created to model the zones of sulphide mineralization of the Candelaria Copper Mining Complex, including eight new models since the acquisition by Lundin.

The open pit Mineral Reserve estimate is based on a mine plan and open pit designs developed using modifying parameters including metal prices, metal recovery based on performance of the processing plant, actual operating and sustaining capital costs based on the production schedule and equipment requirements. Open pit optimizations are carried out using MineSight and Datamine software.

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

Details of the June 2015 Mineral Resource and Mineral Reserve estimate for the Candelaria Copper Mining Complex are set forth below.

Mineral Reserves

Category	000's Tonnes	Cu %	Zn %	Pb %	Au g/t	Ag %	Ni %	Co %	Contained Metal 000's (Ounces millions)						
									Qu t	Zn t	Pb t	Au Oz	Ag Oz	Ni t	Co t
Copper															
Candelaria	Proven	298,153	0.6		0.1	2.0				1,699		1.2	19		80%
Open Pit	Proven	93,849	0.4		0.1	1.5				335		0.3	4		80%
	(Stockpile)														
	Probable	16,429	0.5		0.1	1.9				85		0.1	1		80%
	Total	408,431	0.5		0.1	1.9				2,119		1.6	25		80%
Candelaria	Proven	33,025	1.0		0.2	4.0				325		0.2	4		80%
Underground	Probable	13,727	0.9		0.2	5.1				127		0.1	2		80%
	Total	46,753	1.0		0.2	4.4				452		0.3	7		80%

Mineral Reserves – Inclusive of Mineral Reserves

Category	000's Tonnes	Cu %	Zn %	Pb %	Au g/t	Ag %	Ni %	Co %	Contained Metal 000's (Ounces millions)						
									Qu t	Zn t	Pb t	Au Oz	Ag Oz	Ni t	Co t
Copper															
Candelaria	Measured	400,600	0.6		0.1	2				2,225		1.6	25		80%
Open Pit	Measured	93,849	0.4		0.1	1				335		0.3	4		80%
	(Stockpile)														
	Indicated	31,889	0.5		0.1	2				154		0.1	2		80%
	Inferred	15,862	0.4		0.1	1.3				57		0.1	1		80%
Underground	Measured	65,968	1.1		0.3	5				745		0.5	10		80%
	Indicated	51,306	1.1		0.3	5				574		0.4	9		80%
	Inferred	66,815	1.1		0.3	7				752		0.5	15		80%

Notes:

- (1) Mineral Reserves and Mineral Resources are shown on a 100%-basis.
- (2) Mineral Resources have been reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- (3) All estimates are prepared as at June 30, 2015.
- (4) Mineral Reserves have been calculated using metal prices of US\$2.75/lb copper and US\$1,000/oz gold and an exchange rate of Chilean Peso/US\$: 550. Mineral Reserves for the open pit and underground for the Candelaria property are reported at cut-off grades of 0.23% and 0.70% copper, respectively. Underground Mineral Reserves for the Ojos property (Santos and Alcaparrosa mines) are reported at cut-off grades of 0.76% and 0.73% copper, respectively.
- (5) Open pit Mineral Resources are reported within a conceptual pit shell based on metal prices of US\$3.16/lb copper and US\$1,000/oz gold and are reported at a cut-off grade of 0.2% copper. Underground Mineral Resources are reported at a cut-off grade of 0.6% copper.

Mining Operations

The Candelaria open pit mine operates with an overall mining rate of approximately 235,000 tonnes per day including 66,000 tonnes per day of ore sent to the Candelaria processing plant. The average grade of the ore that will be mined from the open pit over the remaining life of mine is estimated at 0.57% copper, while stockpiled work-in-progress material is estimated to have an average grade of 0.36% copper. The mine operates seven electric shovels, 46 haulage trucks, eight production drills and a fleet of support equipment.

The open pit was designed to be mined in several phases of development. As of June 2015, five phases of development remain in the life-of-mine (LOM) plan (Phases 9 to 13). The overall strip ratio is 2.8:1 excluding stockpiles. The total in-pit waste is 882.9 million tonnes. The overall life of the open pit mine is 17 years.

The Candelaria Norte underground mine currently produces 6,000 tonnes per day of ore but is planned to ramp up to 7,250 tonnes per day by 2019 with an average grade of 0.96% copper estimated in the LOM plan. The Alcaparrosa underground mine produces 4,000 tonnes per day of ore with an average grade of 0.94% Cu. The Santos underground mine produces 3,750 tpd of ore with an average grade of 1.04% copper estimated over the remaining LOM. The three underground mines utilize a sublevel stoping mining method for ore extraction. This method is ideal for relatively large, vertical, as well as thick deposits with favourable and stable host rock.

Processing and Recovery Operations

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

The Candelaria processing plant flowsheet is conventional, comprising two parallel process lines for grinding and flotation followed by common final concentrate filtration and shipping of bulk copper concentrates. Run of mine ore is trucked to a primary gyratory crusher which then feeds a semi-autogenous grinding mill-ball mill circuit with pebble extraction and crushing. The secondary ball mill cyclone overflow constitutes feed to the rougher flotation bank. Rougher concentrate is reground prior to two-stage cleaning in column flotation cells. Final flotation copper concentrate with gold and silver by-product metals is thickened, filtered, and stored on site. Final flotation tails are conventionally thickened and disposed of in a rockfill embankment tailings storage facility. Typical metallurgical recoveries average 94% for copper, 75% for gold and 85% for silver.

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

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

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

Infrastructure, Permitting and Compliance Activities

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

The original Minera Candelaria project underwent a voluntary process of environmental assessment. The project was approved under ORD. N0. 817 on June 9, 1992 and began operations in early 1995. Since that time, the operations have undergone a series of environmental assessment processes to support the evolving development plans for this project.

The most recent environmental assessment process was initiated in September 2013 with the submission of an Environmental Impact Study to extend the operating life of the facilities until 2030 and to permit the Los Diques tailings storage facility (Candelaria 2030). The environmental authorities approved Candelaria 2030 on July 23, 2015, and none of the conditions of approval represent risks to the technical or economic feasibility of the operation.

The current Candelaria tailings storage facility receives the flotation tails from the Candelaria and PAC processing plants. The remaining tailings storage capacity is estimated at 36 million cubic metres, sufficient to receive tailings until part way through 2017 at the current production throughput and permitted freeboard levels. The Los Diques tailings management facility is a key part of the Candelaria 2030 EIA that was submitted to the environmental authorities in September 2013 and was approved on July 23, 2015.

The new Los Diques tailings facility will require numerous sectorial permits for construction and operation, including permits from the DGA (General Directorate of Water) and SERNAGEOMIN (National Geology and Mining). This permitting process has been initiated and it is anticipated that the main dam construction can commence prior to the end of 2016. Meanwhile, construction activities have commenced with works not related to the tailings dam (roads, pre-construction facilities and studies and activities dealing with environmental commitments). To assure operational continuity during construction of the Los Diques facility, Minera Candelaria is progressing permitting efforts with the DGA and SERNAGEOMIN to optimize the capacity of the existing tailings facility by reducing the freeboard and making minor changes to the tailings deposition method to allow approximately 14 months of additional operation. These efforts are ongoing and results are expected within the required timeframe.

At Minera Ojos del Salado, the Santos mine and the PAC plant began operating before 1994, at a time when Chile's environmental laws were different from present day. The Alcaparrosa mine received its original environmental approval in 1996 with subsequent amendments in 1999 and 2005. The PAC processing plant receives ore from the Santos mine, and the tailings are deposited in the Candelaria tailings facility according to a resolution granted to Minera Candelaria in 1997. Ore from the Alcaparrosa mine is shipped to the Candelaria processing plant as approved by a resolution granted to Minera Candelaria in 2005.

The Alcaparrosa mine's environmental permit, which was set to expire at the end of 2015, was extended by the authorities in October 2015 for an additional two years, to the end of 2017.

The Candelaria Copper Mining Complex currently operates with all applicable permits in place and its environmental management system is accredited to ISO 14001 and its health and safety management system under OSHAS 18001 standards. Comprehensive social programs have been developed.

Since acquiring the operations, Lundin has committed new social investments including continued support and further development of the new community office in Tierra Amarilla with infrastructure to support the relationship with stakeholders, including housing projects, employment programs, donation of land for a drug prevention centre, secondary education and sporting programs, the creation of a fund to support artisanal fisheries in Caldera, the repair of the technical secondary school in Tierra Amarilla, and the implementation of grievance mechanisms and a stakeholder engagement process.

The updated Minera Candelaria closure plan was approved by SERNAGEOMIN through Resolution No. 1883 of July 2015. The updated closure plan for Ojos del Salado, including closure cost estimates, was approved by SERNAGEOMIN on May 16, 2014. The legacy facilities (old tailings and slag deposit) have already been closed and remediated.

Capital and Operating Costs

Total forecast Candelaria C1 cash costs for 2016 are tabulated below using a forecast exchange rate of U.S. dollar/Chilean peso: 700. Unit operating costs have fallen from recent levels as a result of aggressive cost reduction plans including contractor costs, operational efficiencies and increased productivities assisted by the weaker Chilean peso against the U.S. dollar. Forecast C1 cash costs for 2016 are US\$1.55 per pound of copper, assuming gold and silver by-product credits priced at US\$1,100 per ounce and US\$15.00 per ounce, respectively.

Candelaria (US\$/lb Cu)⁽¹⁾	2016
Mining costs	0.65
Milling costs	0.55
General and administrative and other costs	0.28
Treatment charges / Refining charges (TC/RCs)	0.27
By-product credit, net of TC/RCs	(0.20)
Cash Cost per payable pound of Copper	1.55

(1) Includes the impact of the Franco-Nevada Corporation streaming agreement but excludes any allocation of upfront cash received under the streaming agreement, and capitalized stripping costs.

Total forecast capital costs for Candelaria in 2016 are tabulated below. The main capital project at Candelaria is the construction of the new Los Diques tailings storage facility which commenced in 2015 and is expected to be ready to receive first tailings in 2018. The mine and mill capital costs comprise typical sustaining capital items for a mature operation and include replacement and rebuild of equipment and infrastructure.

Lundin capitalizes waste stripping costs when experienced strip ratios are above the average planned strip ratio for each open pit phase under development. During the production phase of the Candelaria open pit mine, waste stripping costs, which provide probable future economic benefits and improved access to the orebody, are capitalized to mineral properties. In 2016, capitalized waste stripping is forecast at US\$35 million.

Candelaria Capital Costs	Unit	2016
Tailings	US\$M	70.0
Other sustaining	US\$M	15.0
Total	US\$M	85.0
Capitalized Waste	US\$M	35.0
Total Cost	US\$M	120.0

Exploration, Development, and Production

During 2016, the planned exploration program at the Candelaria Copper Mining Complex contemplates a total of 49,000 metres of diamond drilling, of which 12,600 metres will be drilled from surface and 36,400 metres from underground. A total of 930 metres of exploration drifting are also planned for the year. Drilling will continue to target lateral extensions of the mineralization, with the objective of generating additional Mineral Resources and Mineral Reserves in all three underground mines. A district exploration program will continue in 2016, building upon the district-wide database and 3D model developed in 2015, with an emphasis on development of new target areas and possible extensions to known mineralization. Some geophysical surveys (MIMDAS IP/resistivity/MT and TEM) will be completed during the first half of 2016 to refine and prioritize targets developed from the 3D modelling and allow for eventual drill testing. Total exploration expenditure in 2016 is forecast at approximately US\$17 million.

In 2015, the Candelaria Copper Mining Complex produced 181,040 tonnes of copper in concentrate (100% basis). For 2016, expected production is as tabulated below.

Candelaria (100%)	Unit	2016
Copper Production	'000 Tonnes	148 – 154

The current mine life of the Candelaria open pit is to 2032, while the underground mines, Candelaria Norte, Alcaparossa and Santos, have mine lives to 2027, 2021 and 2021 respectively.

Cobre Panama Mining and Technical Information

Property and Ownership Interest

Cobre Panama is a development property in Panama which is currently in construction (it is not currently an operating mine). First Quantum holds an indirect 80% interest in Minera Panama S.A. (“MPSA”), which holds the Cobre Panama concession. The remaining 20% interest in MPSA is held by Korea Panama Mining Corporation (“KPMC”), a 50/50 joint venture company whose ultimate shareholders are LS-Nikko Copper Inc. and Korean Resources Corporation.

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

Under Law 9, MPSA has the rights to explore for, extract, exploit, beneficiate, process, refine, transport, sell and market the gold, copper and other mining deposits on the Cobre Panama concession. Law 9 also grants to MPSA rights of way on state-owned lands and easements to use surface lands on concessions adjacent to the Cobre Panama concession; the right to build, maintain and use such lands; and easements for use to build, install, maintain and use facilities and installations that MPSA deems convenient for the development of the Cobre Panama concession.

Land required for the provision of mine facilities, including waste rock storage and tailings facilities, stockpiles, mill and port sties, has been acquired or leased by MPSA in accordance with its rights under Law 9. Mine expansion, including mining of the Balboa, Botija Abajo and Brazo deposits and adjacent waste rock dumping, will require access to additional properties covering up to 6,800 hectares. MPSA intends to initiate the acquisition of these properties in accordance with the procedures established by Law 9 and other applicable Panamanian laws.

Under the Panama Mining Code, the current rate of corporate income tax is 25% of earnings. A mineral royalty of 5% for base metals and 4% for precious metals is also paid to the Government of Panama. Under Law 9, MPSA is required to pay a 2% royalty on “Negotiable Gross Production” which is defined as “the gross amount received from the buyer due to the sale (of concentrates) after deduction of all smelting costs, penalties and other deductions, and after deducting all transportation costs and insurance incurred in their transfer from the mine to the smelter” to the Government of Panama. Corporate income tax under Law 9 is exempted while debt is outstanding.

Any amendments to Law 9 require the agreement of MPSA and the Government of Panama, as well as further approval by the Panamanian National Assembly.

Location, Access and Infrastructure

The Cobre Panama concession is 120 kilometres west of Panama City and 20 kilometres from the Caribbean Sea coast, in the District of Donoso, Colon Province, in the Republic of Panama. It includes four zones and 12,955.1 hectares. There is no industrial development in the area of the concession and the region is sparsely populated. The primary occupation of the local residents is subsistence farming. The nearest community, the village of Coclecito (population 900), is 12 kilometres southeast of the proposed plant site. The city of Penonomé, which has a population of 25,000, is 49 kilometres southeast of Coclecito.

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

The project has two main development areas: a mine and plant site within the concession boundaries, and a port and power station at Punta Rincon, about 25 kilometres north of the plant site on the Caribbean coast. The Cobre Panama concession will be developed as a conventional truck and shovel open pit mine with a concentrator that uses proven technology (such as crushing, grinding or flotation) to produce copper-gold and molybdenum concentrate, a 300 megawatt coal fired power plant and ship loading port facilities. An access road has been constructed between the mine and each of the power plant site and the port. The port is operational, with a number of project equipment deliveries having taken place directly to the Punta Rincon port during 2015. New access roads and improvements to the existing access roads from Penonomé through La Pintada and Coclecito to the site have been constructed to permit safe access to the mine and plant site from the Pan-American Highway via the existing road from Penonomé.

History

In 2005, Inmet Mining Corporation (“Inmet”), Petaquilla Minerals Ltd. and Teck Cominco Limited (the shareholders of MPSA at that time) entered into an agreement to develop a copper project on the concession for the Cobre Panama property in phases, subject to approval by the Government of Panama. During the course of 2008 Inmet acquired sole ownership of MPSA. In October 2009, Inmet entered into an agreement with KPMC that gave

KPMC the option to acquire a 20% interest in MPSA. During 2012, KPMC exercised its option and acquired a 20% interest in MPSA.

First Quantum acquired its indirect 80% interest in Cobre Panama through its acquisition of Inmet in 2013.

Geological Setting and Mineralization; Exploration and Drilling

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

During a regional survey in 1968, a United Nations Development Program team discovered copper, gold and molybdenum porphyry mineralization in the Petaquilla River region of north-central Panama. From 2007 through 2012, MPSA drilled a total of 731 diamond drill holes resulting in 173,044 metres of drilling. Exploration has outlined the several porphyry deposits, which developed around granodioritic stocks within and peripheral to the Oligocene Petaquilla batholith. Epithermal gold mineralization has also been identified in a more distal setting to the batholith.

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

All of the porphyry style mineralization on the property is hosted in granodiorite, feldspar-quartz-hornblende porphyry and adjacent andesitic volcanic rocks. At Botija, a number of north dipping feldspar-quartz-hornblende dikes cut the granodiorite. Two roof pendants of andesitic volcanic rock occur in the central and eastern parts of the deposit. At Colina, mineralization is associated with an east-southeasterly trending, shallow north dipping, 2.5 kilometre by 1 kilometre feldspar-quartz-hornblende porphyry sill and dike complex that intrudes granodiorite and andesitic volcanic rocks. The Valle Grande zone is associated with a southeast trending feldspar-quartz-hornblende porphyry lopolith that is bounded to the north and south by andesitic volcanics and minor granodioritic dikes. At Brazo and Botija Abajo the host rock is dominantly feldspar-quartz or feldspar-quartz-hornblende porphyry.

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

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

Sampling, Analysis and Data Verification

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

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

All assay samples were kept in a locked facility on site until they were ready for shipment. Samples for a given hole were batched once the entire hole had been logged and sampled. Samples were collected into larger bags in batches of approximately 90 samples per bag. Samples to be assayed for sequential copper were batched into bags of 20 to 25 samples. Several times a week, the samples were dispatched by road to a secure warehouse in Penonomé by MPSA staff. While in storage, generally for less than two days, samples were kept under locked conditions until picked up by DHL cargo shipping. DHL then airfreighted the samples to ALS Chemex Laboratory in Lima, Peru.

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

Labour

At December 31 2015, First Quantum employed approximately 116 people at Cobre Panama directly, in addition to contractors and subcontractors.

Environmental Permits

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

Development Plan

Since First Quantum's acquisition of Cobre Panama, First Quantum's primary focus was to critically review and stabilize all activities and focus on the key elements of the project development, the construction and contracting plan, and implementation of practical site infrastructure. The port is now a fully operational and has received direct international shipments. Early priority is being given to the completion of the power station taking advantage of virtually all required materials being available on-site. Mechanical installation works are progressing well.

On January 27, 2014, First Quantum estimated capital expenditure to develop Cobre Panama would be approximately US\$6.42 billion, inclusive of US\$913 million incurred prior to the acquisition of Inmet. In 2015, the estimated capital costs were reviewed in detail and reappraised, and on October 5, 2015 First Quantum announced a revised estimated total project cost of US\$5.95 billion. A further detailed review of the Cobre Panama capital budget was performed again in early 2016, which resulted in a revised capital cost estimate of US\$5.48 billion.

First Quantum's capital expenditure for Cobre Panama in 2015 was US\$610 million (First Quantum's share US\$366 million), and the planned expenditure for 2016 is expected to be approximately US\$650 million (First Quantum's share US\$390 million).

Project spending to date amount to US\$2.7 billion, including US\$552 million contributed by KPMC. The estimated costs for completion of US\$2.8 billion are expected to be met by an additional contribution from KPMC of US\$556 million, US\$556 million payable by Franco-Nevada Corporation under a precious metal stream agreement and US\$1,498 million by First Quantum.

The re-engineered project with an increased throughput of 70 million tonnes per annum is scheduled for commissioning and ramp up during 2018. The project proposes installed capacity of about 70 million tonnes per annum for the first 10 years, with planned further expansion up to 100 million tonnes per annum after 10 years. On the basis of the current Mineral Resource estimate and the planned installed capacity of about 70 million tonnes per annum, the project is expected to produce an average of approximately 320,000 tonnes of copper annually on a life-of-mine basis.

Average annual life-of-mine by-product production is expected to be 100,000 ounces gold, 1,800,000 ounces silver and 3,500 tonnes molybdenum. The average copper grade is expected to be 0.5% total copper for the first 10 years and 0.37% total copper for the remaining mine life. The average life-of-mine strip ratio is expected to be 0.7:1 and the mine life is projected to be 34 years.

Mining Operations

The project, currently under construction, will involve large scale and conventional open pit mining at up to approximately 75 Mbcm of ore and waste mined per annum. The multiple pits will be mined in an optimized sequence and in phases, with ore crushed in-pit and conveyed overland to a nearby processing plant. The project life extends for forty years to 2059.

Processing and Recovery

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

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

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

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

Confirmatory batch laboratory flotation testwork was conducted during 2014. Based on all of this testwork, variable processing recovery relationships were determined for copper and gold, while fixed recovery values were determined for molybdenum and silver. The design recoveries vary for each deposit, as summarized in the table below.

Deposit	Recovery			
	Cu (%)	Mo (%)	Au (%)	Ag (%)
Botija	MAX(0,MIN(96,((5.8287*LOG(%Cu))+9 5.775)))	55.0%	MIN(80,MAX(0,(15.993*LOG(Auppm)) +92.138))	47.3%
Colina	MAX(0,MIN(96,((5.8287*LOG(%Cu))+9 5.775)))	55.0%	MIN(80,MAX(0,(15.993*LOG(Auppm)) +92.138))	47.3%
Medio	MAX(0,MIN(96,((5.8287*LOG(%Cu))+9 5.775)))	55.0%	MIN(80,MAX(0,(15.993*LOG(Auppm)) +92.138))	47.3%
Valle Grande	MAX(0,MIN(96,((5.8287*LOG(%Cu))+9 5.775))-4)	52.0%	MIN(80,MAX(0,(15.993*LOG(auppm)) +92.138))	47.3%
Balboa	MIN(96,((2.4142*LOG(cutpct))+92.655))	55.0%	MAX(0,MIN(80,(7.6009*LOG(auppm)) +85.198))	40.0%
Botija Abajo	6.6135*Ln(Cu%) + 92.953	55.0%	50.0%	30.0%
Brazo	6.6135*Ln(Cu%) + 92.953	55.0%	50.0%	30.0%

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

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

Capital and Operating Expenses

The Cobre Panama capital and operating costs for 2016 are set out in the following table:

2016	Cobre Panama
Total capital cost ⁽¹⁾ estimate (US\$M)	650
Operating cost	
Labour, contractors and maintenance	—
Supplies, power and fuel	—
Other (including inventory adjustments)	—
Total operating cost estimate (US\$M)	—

(1) Capital cost comprised of First Quantum's share of US\$390 million and third-parties' share of US\$260 million.

Capital Cost Estimate

	Incurred Pre- Acquisition	Incurred as at Dec 31, 2015	Total Capex
	(US\$M)	(US\$M)	(US\$M)
Mining	—	137	679
Process Plant	62	304	1,111
Power Plant	209	401	632
Port	—	270	383
Infrastructure	480	326	486

	Incurred Pre- Acquisition	Incurred as at Dec 31, 2015	Total Capex
Indirects	162	1,294	2,194
Total Project	913	2,732	5,485

Development Timeframe

The re-engineered and larger project is scheduled for commissioning and ramp up during 2018.

Activity	Target Timeframe
230kV overland power line complete	Q1 2017
300MW power station commences output	Q3 2017
Tailings management facility complete	2018
Process plant construction complete	Q2 2018
Process commissioning and ramp up	H2 2018

Mineral Resource and Reserves

The Cobre Panama project comprises a series of copper porphyry deposits, including four main zones (Botija, Colina, Valle Grande and Balboa) and two other zones (Brazo and Botija Abajo). There has been significant exploration drilling in this region giving the project a potential life of mine in excess of 40 years.

Mineral Resources and Mineral Reserves were updated by First Quantum in June 2015.

Mineral Resources

The Mineral Resource estimate for Cobre Panama, inclusive of Mineral Reserves, is presented below and reflects the position as at December 31, 2015.

Deposit	Category	Tonnes (Mt)	TCu (%)	Mo (%)	Au (g/t)	Ag (g/t)
Botija	Measured	336	0.46	0.008	0.10	1.35
Botija	Indicated	672	0.35	0.007	0.06	1.08
Colina	Indicated	1,032	0.39	0.007	0.06	1.58
Medio	Indicated	63	0.28	0.004	0.03	0.96
Valle Grande	Indicated	602	0.36	0.006	0.04	1.37
Balboa	Indicated	647	0.35	0.002	0.08	1.37
Botija Abajo	Indicated	114	0.31	0.004	0.06	0.93
Brazo	Indicated	228	0.36	0.004	0.05	0.81
Total Measured and Indicated		3,695	0.37	0.006	0.07	1.32
Botija	Inferred	152	0.23	0.004	0.03	0.78
Colina	Inferred	125	0.26	0.006	0.05	1.20
Medio	Inferred	189	0.25	0.005	0.03	1.25
Valle Grande	Inferred	363	0.29	0.005	0.03	1.14
Balboa	Inferred	79	0.23	0.003	0.04	0.96
Botija Abajo	Inferred	67	0.27	0.005	0.06	1.25

Deposit	Category	Tonnes (Mt)	TCu (%)	Mo (%)	Au (g/t)	Ag (g/t)
Brazo	Inferred	76	0.21	0.003	0.01	0.73
Total Inferred		1,051	0.26	0.005	0.04	1.08

Notes:

- (1) Mineral Resources have been reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- (2) Mineral Resources have been estimated using a 0.15% copper cut-off grade.

Mineral Reserves

The Mineral Reserve estimate for Cobre Panama is presented below and reflects the position as at December 31, 2015. The Mineral Reserve estimate for Cobre Panama is entirely within the Measured and Indicated Mineral Resource estimate shown in the table of Mineral Resources above.

Classification	Tonnes (Mt)	TCu (%)	Mo (ppm)	Au (ppm)	Ag (ppm)
Botija					
Total Proven	345.6	0.45	74.88	0.10	1.33
Total Probable	603.5	0.35	70.79	0.07	1.10
Subtotal Prov. plus Prob.	949.1	0.39	72.28	0.08	1.19
Colina and Medio					
Total Proven	—	—	—	—	—
Total Probable	1,009.9	0.39	66.27	0.06	1.59
Subtotal Prov. plus Prob.	1,009.9	0.39	66.27	0.06	1.59
Valle Grande					
Total Proven	—	—	—	—	—
Total Probable	566.0	0.36	67.02	0.05	1.39
Subtotal Prov. plus Prob.	566.0	0.36	67.02	0.05	1.39
Balboa					
Total Proven	—	—	—	—	—
Total Probable	437.1	0.35	16.10	0.08	1.36
Subtotal Prov. plus Prob.	437.1	0.35	16.10	0.08	1.36
BABR					
Total Proven	—	—	—	—	—
Total Probable	220.5	0.40	41.25	0.07	0.87
Subtotal Prov. plus Prob.	220.5	0.40	41.25	0.07	0.87
Total Mineral Reserve					
Total Proven	345.6	0.45	74.88	0.10	1.33
Total Probable	2,836.9	0.37	57.71	0.06	1.36
Total Prov. plus Prob.	3,182.5	0.38	59.57	0.07	1.35

Notes:

- (1) The actual cut-off grade for the estimate varies due to variable processing recovery, but otherwise reflects a longer-term consensus copper price of US\$3.00/lb, a molybdenum price of US\$13.50/lb, a gold price of US\$1,200/oz and a silver price of US\$16.00/oz.
- (2) A cut-off grade optimization strategy was adopted for the Mineral Reserve estimation process, whereby an elevated 0.2% copper cut-off grade was adopted for the period up to 2040, then followed by a period of marginal cut-off grade plant feed for the remainder of the mine life. The impact of this strategy is that the initial production years are protected from copper price volatility which could otherwise impact the economics of marginal grade plant feed at this time.

Economic Analysis

An economic analysis in the form of an undiscounted cash-flow model was completed to support the Mineral Reserve estimate. The annual revenues are calculated from the same metal prices as used in the pit optimization process:

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

The payable metal factors are:

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

The project is expected to be cash-flow positive from 2018, with payback on the US\$5,485 million capital spend expected to occur by 2023. All mining expenditure incurred prior to commercial production is included in the US\$5,485 million capital estimate.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada and filed with, or furnished to, the SEC. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer & Corporate Secretary of the Corporation at Suite 2000, 199 Bay Street, Toronto, Ontario M5L 1G9, telephone (416) 306-6300. These documents are also available on SEDAR, which can be accessed online at www.sedar.com.

The following documents, filed by the Corporation with the securities commissions or similar authorities in each of the provinces and territories of Canada and the SEC, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the annual information form of the Corporation dated as of March 10, 2016 for the financial year ended December 31, 2015;
- (b) the audited consolidated financial statements of the Corporation, the notes thereto and the independent auditor's report thereon for the financial year ended December 31, 2015, together with the related management's discussion and analysis of financial condition and results of operations;
- (c) the management information circular of the Corporation dated March 21, 2016 for the annual and special meeting of shareholders to be held on May 4, 2016; and
- (d) the material change report of the Corporation dated February 19, 2016 relating to the precious metals stream relating to the Antapaccay project and the closing of the Corporation's equity offering.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* filed by the Corporation with the securities commissions or similar regulatory authorities in Canada and the U.S. after the date of this Prospectus and all Prospectus Supplements, disclosing additional or updated information filed pursuant to the requirements of applicable securities legislation in Canada and the U.S. and during the period that this Prospectus is effective, shall be deemed to be incorporated by reference in this Prospectus. In addition, any “template version” of “marketing materials” (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of a Prospectus Supplement and prior to the termination of the offering of Securities to which such Prospectus Supplement relates, shall be deemed to be incorporated by reference into such Prospectus Supplement. In addition, to the extent that any document or

information incorporated by reference into this Prospectus is included in any report on Form 6-K, Form 40-F, Form 20-F, Form 10-K, Form 10-Q or Form 8-K (or any respective successor form) that is filed with or furnished to the SEC after the date of this Prospectus, such document or information shall be deemed to be incorporated by reference as an exhibit to the registration statement of which this Prospectus forms a part. In addition, the Corporation may incorporate by reference as an exhibit to the registration statement of which the Prospectus forms a part or into the Prospectus which forms a part of the registration statement, information from documents that the Corporation files with or furnishes to the SEC pursuant to Section 13(a) or 15(d) of the U.S. Exchange Act. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Corporation and prospective purchasers of Securities should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated herein by reference.

Upon a new annual information form and related annual consolidated financial statements being filed by the Corporation with the applicable securities regulatory authorities during the duration that this Prospectus is effective, the previous annual information form, the previous annual consolidated financial statements and all interim consolidated financial statements, and in each case the accompanying management's discussion and analysis, information circulars (to the extent the disclosure is inconsistent) and material change reports filed prior to the commencement of the financial year of the Corporation in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon interim consolidated financial statements and the accompanying management's discussion and analysis being filed by the Corporation with the applicable securities regulatory authorities during the duration that this Prospectus is effective, all interim consolidated financial statements and the accompanying management's discussion and analysis filed prior to the new interim consolidated financial statements shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms of an offering of Securities and other information relating to the Securities will be delivered to prospective purchasers of such Securities together with this Prospectus and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement but only for the purpose of the offering of the Securities covered by that Prospectus Supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

CONSOLIDATED CAPITALIZATION

As result of the Corporation's public Common Share offering which closed on February 19, 2016, the share capital of the Corporation increased by US\$883,495,699 after deducting the underwriting fee and the expenses of the offering, and an additional 19,228,000 Common Shares were issued and outstanding.

On March 7, 2016, the Corporation made a US\$230 million repayment under the Credit Facility (as defined below). On March 21, 2016, the Corporation made a further US\$230 million repayment under the Credit Facility. Following such repayment, no amount was drawn down under the Credit Facility.

DESCRIPTION OF EXISTING INDEBTEDNESS

The Corporation (together with its subsidiary Franco-Nevada U.S. Corporation, as "Borrowers") entered into a syndicated bank credit facility (the "Credit Facility") on January 23, 2013 pursuant to which certain financial

institutions (the “Lenders”) provided a US\$500 million unsecured revolving term credit facility that replaced a previous US\$175 million unsecured revolving credit facility. Franco-Nevada U.S. Corporation is limited to US\$150 million for its borrowings under the Credit Facility. On May 22, 2015, the Corporation extended the Credit Facility for an additional year and increased the amount available under the facility to US\$750 million. On November 12, 2015, the Corporation extended the Credit Facility and increased the amount available under the facility to US\$1 billion while maintaining a US\$250 million dollar accordion. The Credit Facility matures and all indebtedness thereunder is due and payable on November 12, 2020.

The Lenders are each paid a stand-by fee at a rate that ranges between 0.24% and 0.44% on the unutilized portion of the Credit Facility, which is paid quarterly. The Borrowers will pay interest on any amounts borrowed at the prime rate or base rate plus a margin that ranges from 0.20% to 1.20%. Bankers’ acceptance fees, LIBOR and letter of guarantee fees and margins range from 1.20% to 2.20%. The applicable margin is based on the Borrowers’ leverage ratio.

Payment and performance of the obligations under the Credit Facility are guaranteed by certain of the Corporation’s subsidiaries (the “Guarantors” and together with the Borrowers, each an “Obligor”).

The Credit Facility contains covenants that include certain limits on, among other things, the ability of an Obligor to create indebtedness, create liens, enter into related party transactions, dispose of assets, amend or alter their corporate status or amalgamate, make acquisitions, amend or terminate material contracts, make distributions or investments, issue equity or materially change their business. The Corporation is also required to maintain a net indebtedness to tangible net worth ratio and a minimum interest coverage ratio.

Events of default under the Credit Facility include, among other things:

- the failure to pay principal when due and payable or interest, fees or other amounts payable within three business days of such amounts becoming due and payable;
- the breach by the Corporation of any financial covenant;
- the breach by any Obligor of any other term, covenant or other agreement that is not cured within 20 banking days after written notice of the breach has been given to the Corporation;
- a default under any other indebtedness of the Obligors if the effect of such default is to accelerate, or to permit the acceleration of, the due date of such indebtedness in an aggregate amount of US\$75 million or more;
- a change in control of the Corporation which is defined to occur upon (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any person or group of persons, of equity interests representing more than 50% of the aggregate ordinary voting power represented by the issued and outstanding equity interests of the Corporation, (b) the occupation of a majority of the seats (other than vacant seats) on the board of directors of the Corporation by persons who were neither nominated by a board of directors of the Corporation, nor appointed by directors so nominated, or (c) the acquisition of direct or indirect control of the Corporation by any person or group; and
- various events relating to the bankruptcy or insolvency or winding-up, liquidation or dissolution or cessation of business of any Obligor.

As of the date of this Prospectus, no amount was drawn down under the Credit Facility.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds from the sale of Securities for cash will be used for general corporate purposes, including funding resource royalty and stream acquisitions and

other corporate development opportunities. Each Prospectus Supplement will contain specific information, if any, concerning the use of proceeds from that sale of Securities.

All expenses relating to an offering of Securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the proceeds of the offering or from the Corporation's general funds, unless otherwise stated in the applicable Prospectus Supplement.

PLAN OF DISTRIBUTION

The Corporation may sell the Securities, separately or together, to or through underwriters or dealers purchasing as principals for public offering and sale by them, and also may sell Securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the Securities and the proceeds to the Corporation from the sale of the Securities. Securities may be offered and issued in consideration for the acquisition (an "Acquisition") of other businesses, assets or securities by the Corporation or a subsidiary of the Corporation. The consideration for any such Acquisition may consist of any of the Securities separately, a combination of Securities or any combination of, among other things, Securities, cash and assumption of liabilities.

The Securities may be sold from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a reasonable effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Corporation.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements to be entered into with the Corporation to indemnification by the Corporation against certain liabilities, including liabilities under the U.S. Securities Act of 1933, as amended, and Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

In connection with any offering of Securities, except as otherwise set out in a Prospectus Supplement relating to a particular offering of Securities, the underwriters may over-allot or effect transactions intended to maintain or stabilize the market price of the Securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. An investor who acquires Securities forming part of the underwriters' over-allocation position will acquire those Securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the over-allotment option or through secondary market purchases.

In connection with an Acquisition, Securities may be offered and issued at a deemed price or deemed prices determined either when the terms of the Acquisition are tentatively or finally agreed to, when the Acquisition is completed, when the Corporation issues the Securities or during some other negotiated period.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of Franco-Nevada consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, of which 177,760,466 Common Shares and no Preferred Shares were outstanding as of April 21, 2016.

Common Shares

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

The Common Shares are listed and posted for trading on the TSX and the NYSE under the symbol “FNV”.

Preferred Shares

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

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

Warrants

Franco-Nevada has outstanding certain warrants to purchase Common Shares, of which the following class is listed and posted for trading on the TSX.

2017 Warrants

The Corporation had outstanding as of April 21, 2016, 6,510,752 warrants, each warrant entitling the holder to purchase one Common Share upon payment of C\$75.00 until June 16, 2017 (the “2017 Warrants”). In addition, the Corporation has issued one special warrant which is exchangeable into 2,000,000 2017 Warrants upon the holder achieving certain permitting, development and financing criteria. The 2017 Warrants are listed and posted for trading on the TSX under the symbol “FNV.WT.A”.

TRADING PRICE AND VOLUME

The following table sets forth the high and low prices and volumes for the Common Shares traded on the TSX and NYSE for the preceding 12 month period.

	TSX			NYSE		
	High C\$	Low C\$	Volume	High US\$	Low US\$	Volume
2015						
April	64.61	59.02	7,388,206	51.94	48.33	13,490,339
May	66.98	63.09	19,782,536	56.04	50.66	14,318,968
June	65.10	58.47	10,445,193	52.19	47.40	14,513,259
July	61.56	49.96	16,459,709	48.69	38.20	24,685,937
August.....	62.87	51.55	13,572,968	48.00	39.16	30,449,119
September.....	59.80	51.92	12,305,410	44.89	39.05	24,345,139
October.....	72.90	56.57	14,551,064	55.47	42.66	28,538,998
November.....	67.55	60.45	8,274,571	51.50	45.39	18,143,187
December.....	68.06	62.37	11,019,813	50.87	44.79	15,910,236
2016						
January.....	70.12	58.67	14,013,027	49.68	41.47	20,153,978
February.....	86.86	60.90	26,993,580	62.09	43.33	36,711,925

	TSX			NYSE		
	High C\$	Low C\$	Volume	High US\$	Low US\$	Volume
March.....	88.89	74.50	23,212,624	68.40	55.55	28,368,539
April (1 to 21).....	90.25	77.63	10,542,441	71.48	59.52	13,989,131

The following table sets forth the high and low prices and volumes for 2017 Warrants traded on the TSX for the preceding 12 month period.

	2017 Warrants		
	High C\$	Low C\$	Volume
2015			
March.....	12.95	9.80	81,559
April.....	12.00	10.26	75,703
May.....	12.00	10.27	88,875
June.....	10.62	9.22	64,103
July.....	9.25	6.70	64,301
August.....	9.55	6.89	76,955
September.....	8.59	7.50	25,353
October.....	11.30	7.97	277,648
November.....	9.75	7.50	91,628
December.....	10.25	9.48	148,403
2016			
January.....	10.80	7.35	296,395
February.....	18.33	7.90	1,108,201
March.....	20.48	12.00	427,710
April (1 to 21).....	21.60	13.50	289,834

PRIOR SALES

During the 12 month period prior to the date of this Prospectus, the Corporation has issued Common Shares, or securities convertible or exchangeable into Common Shares, as follows.

Month of Issuance	Number of Securities Issued	Issue/Exercise Price	Reason for Issuance	
2015				
May.....	1,000	C\$33.12	Exercise of options	
	4,000	C\$33.20	Exercise of options	
June.....	190,952	C\$58.45	Dividend Reinvestment Plan issuances	
September.....	227,384	C\$55.38	Dividend Reinvestment Plan issuances	
November.....	25,000	C\$20.55	Exercise of options	
	28,500	C\$31.45	Exercise of options	
	82,100	C\$15.20	Exercise of options	
	6,000	C\$33.20	Exercise of options	
	15,000	C\$29.11	Exercise of options	
	18,500	C\$45.85	Exercise of options	
	December.....	550,000	C\$15.20	Exercise of options
		9,545	C\$55.58	Exercise of options
8,654		C\$40.87	Exercise of options	
46,589		-	Vesting of Restricted Share Units	
December.....	186,834	C\$62.80	Dividend Reinvestment Plan issuances	
	2,801	C\$59.52	Exercise of options	
	1,500	C\$42.43	Exercise of options	
2016				
February.....	19,228,000	US\$47.85	Public Offering of Common Shares	
March.....	17	C\$75.00	Exercise of warrants	
	1,000	C\$42.43	Exercise of options	
	1,200	C\$59.52	Exercise of options	
	7,000	C\$42.43	Exercise of options	

6,500	C\$42.67	Exercise of options
100,167	C\$57.25	Exercise of options
15,000	C\$42.48	Exercise of options
3,300	C\$59.52	Exercise of options
4,500	C\$42.43	Exercise of options
50,000	C\$31.39	Exercise of options
50,000	C\$55.38	Exercise of options
2,500	C\$33.20	Exercise of options
6,000	C\$42.43	Exercise of options
3,500	C\$42.67	Exercise of options
5,108	C\$48.77	Exercise of options
10,000	C\$15.41	Exercise of options
2,500	C\$59.52	Exercise of options
18,750	C\$15.20	Exercise of options
25,000	C\$15.20	Exercise of options

DESCRIPTION OF DEBT SECURITIES

This description sets forth certain general terms and provisions that would apply to any Debt Securities that Franco-Nevada may issue pursuant to this Prospectus. Franco-Nevada will provide particular terms and provisions of a series of Debt Securities, and the extent to which the general terms and provisions described below may apply to that series, in a Prospectus Supplement.

The Debt Securities will be issued under an indenture (the “Indenture”) to be entered into between Franco-Nevada as issuer, and one or more trustees (the “Trustee”) that will be named in a Prospectus Supplement to this Prospectus. A copy of the form of the Indenture has been filed as an exhibit to Franco-Nevada’s registration statement filed with the SEC. The following summary highlights some of the provisions of the Indenture, and may not contain all of the information that is important to a purchaser of Debt Securities. Wherever this section refers to particular provisions or defined terms of the Indenture, such provisions or defined terms are incorporated in this Prospectus by reference as part of the statement made, and the statement is qualified by such reference. The Corporation will summarize in the applicable Prospectus Supplement certain terms of the Debt Securities being offered thereby and the relevant indenture which the Corporation believes will be most important to an investor’s decision to invest in the Debt Securities being offered. Such indenture may or may not be identical to the Indenture. Investors should keep in mind, however, that it is the indenture, as supplemented by any applicable supplemental indenture, and not this summary, which define an investor’s rights as a holder of Debt Securities.

Franco-Nevada may issue Debt Securities and incur additional indebtedness otherwise than through the offering of any Debt Securities pursuant to this Prospectus.

General

The Indenture does not limit the amount of Debt Securities which Franco-Nevada may issue under the Indenture, and Franco-Nevada may issue Debt Securities in one or more series. Debt Securities may be denominated and payable in any currency. Franco-Nevada may offer no more than US\$2,000,000,000 (or the equivalent in other currencies) in aggregate principal amount of Debt Securities pursuant to this Prospectus. Unless otherwise indicated in the applicable Prospectus Supplement, the Indenture permits Franco-Nevada, without the consent of the holders of any Debt Securities, to increase the principal amount of any series of Debt Securities that Franco-Nevada has previously issued under the Indenture and to issue such increased principal amount.

The applicable Prospectus Supplement will set forth the terms relating to the Debt Securities offered by such Prospectus Supplement (the “Offered Securities”), including:

- the specific designation of the Offered Securities; the aggregate principal amount of the Offered Securities; the price or prices at which the Offered Securities will be issued; the date or dates, if any, on which the Offered Securities will mature and the portion (if less than all of the principal amount) of the Offered Securities to be payable upon declaration of acceleration of maturity;

- the rate or rates at which the Offered Securities will bear interest, if any, the date or dates from which any such interest will accrue and on which any such interest will be payable and the record dates for any interest payable on the Offered Securities which are in registered form;
- the terms and conditions under which Franco-Nevada may be obligated to redeem, repay or purchase the Offered Securities pursuant to any sinking fund or analogous provisions or otherwise;
- the terms and conditions upon which Franco-Nevada may redeem the Offered Securities, in whole or in part, at its option;
- the covenants and events of default applicable to the Offered Securities;
- the terms and conditions for any conversion or exchange of the Offered Securities for any other securities;
- whether the Offered Securities will be issuable in registered form or bearer form or both, and, if issuable in bearer form, the restrictions as to the offer, sale and delivery of the Offered Securities which are in bearer form and as to exchanges between registered form and bearer form;
- whether the Offered Securities will be issuable in the form of registered global securities (“Global Securities”), and, if so, the identity of the depositary for such registered Global Securities;
- the denominations in which registered Offered Securities will be issuable, if other than denominations of US\$1,000 and any multiple thereof, and the denominations in which bearer Offered Securities will be issuable, if other than US\$5,000;
- each office or agency where payments on the Offered Securities will be made (if other than the offices or agencies described under “Payment” below) and each office or agency where the Offered Securities may be presented for registration of transfer or exchange;
- the currency in which the Offered Securities are denominated and the currency in which Franco-Nevada will make payments on the Offered Securities;
- any index, formula or other method used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the Offered Securities; and
- any other terms of the Offered Securities which apply solely to the Offered Securities, or terms generally applicable to the Debt Securities which are not to apply to the Offered Securities.

Unless otherwise indicated in the applicable Prospectus Supplement:

- holders may not tender Debt Securities to Franco-Nevada for repurchase; and
- the rate or rates of interest on the Debt Securities will not increase if Franco-Nevada becomes involved in a highly leveraged transaction or Franco-Nevada is acquired by another entity.

Franco-Nevada may issue Debt Securities under the Indenture bearing no interest or interest at a rate below the prevailing market rate at the time of issuance and, in such circumstances, Franco-Nevada will offer and sell those Debt Securities at a discount below their stated principal amount. Franco-Nevada will describe in the applicable Prospectus Supplement any generally applicable Canadian and U.S. federal income tax consequences and other special considerations applicable to any discounted Debt Securities or other Debt Securities offered and sold at par which are treated as having been issued at a discount for Canadian and/or U.S. federal income tax purposes.

Unless otherwise indicated in the applicable Prospectus Supplement, Debt Securities issued by Franco-Nevada will be direct, unconditional and unsecured obligations of Franco-Nevada and will rank equally among themselves and with all of Franco-Nevada's other unsecured, unsubordinated obligations, if any, except to the extent prescribed by law. Debt Securities issued by Franco-Nevada as unsecured, unsubordinated obligations will be structurally subordinated to all existing and future liabilities, including trade payables and other indebtedness, of Franco-Nevada's subsidiaries.

Franco-Nevada will agree to provide to the Trustee (i) annual reports containing audited financial statements, and (ii) quarterly reports for the first three quarters of each fiscal year containing unaudited financial information.

Payment

Unless otherwise indicated in the applicable Prospectus Supplement, Franco-Nevada will make payments on registered Debt Securities (other than Global Securities) at the office or agency of Franco-Nevada maintained for such purpose, except that Franco-Nevada may choose to pay interest (i) by cheque mailed to the address of the person entitled to such payment as specified in the security register, or (ii) by wire transfer to an account located in the U.S. maintained by the person entitled to such payment as specified in the security register. Unless otherwise indicated in the applicable Prospectus Supplement, Franco-Nevada will pay any interest due on registered Debt Securities to the persons in whose name such registered Debt Securities are registered on the day or days specified by Franco-Nevada.

Registered Global Securities

Registered Debt Securities of a series may be issued in whole or in part in global form that will be deposited with, or on behalf of, a depository identified in the Prospectus Supplement. Global Securities will be registered in the name of a financial institution Franco-Nevada selects, and the Debt Securities included in the Global Securities may not be transferred to the name of any other direct holder unless the special circumstances described below occur. The financial institution that acts as the sole direct holder of the Global Securities is called the "Depository". Any person wishing to own Debt Securities issued in the form of Global Securities must do so indirectly by virtue of an account with a broker, bank or other financial institution that, in turn, has an account with the Depository.

Special Investor Considerations for Global Securities

Franco-Nevada's obligations, as well as the obligations of the Trustee and those of any third parties employed by Franco-Nevada or the Trustee, run only to persons who are registered as holders of Debt Securities. For example, once Franco-Nevada makes payment to the registered holder, Franco-Nevada has no further responsibility for the payment even if that holder is legally required to pass the payment along to an investor but does not do so. As an indirect holder, an investor's rights relating to a Global Security will be governed by the account rules of the investor's financial institution and of the Depository, as well as general laws relating to debt securities transfers.

An investor should be aware that when Debt Securities are issued in the form of Global Securities:

- the investor cannot have Debt Securities registered in his or her own name;
- the investor cannot receive physical certificates for his or her interest in the Debt Securities;
- the investor must look to his or her own bank or brokerage firm for payments on the Debt Securities and protection of his or her legal rights relating to the Debt Securities;
- the investor may not be able to sell interests in the Debt Securities to some insurance companies and other institutions that are required by law to hold the physical certificates of Debt Securities that they own;

- the Depository's policies will govern payments, transfers, exchange and other matters relating to the investor's interest in the Global Security. Franco-Nevada and the Trustee will have no responsibility for any aspect of the Depository's actions or for its records of ownership interests in the Global Security. Franco-Nevada and the Trustee also do not supervise the Depository in any way; and
- the Depository will usually require that interests in a Global Security be purchased or sold within its system using same-day funds.

Special Situations When Global Security Will be Terminated

In a few special situations described below, a Global Security will terminate and interests in it will be exchanged for physical certificates representing Debt Securities. After that exchange, an investor may choose whether to hold Debt Securities directly or indirectly through an account at its bank or brokerage firm. Investors must consult their own banks or brokers to find out how to have their interests in Debt Securities transferred into their own names, so that they will be direct holders.

The special situations for termination of a Global Security are:

- when the Depository notifies Franco-Nevada that it is unwilling, unable or no longer qualified to continue as Depository (unless a replacement Depository is named) and Franco-Nevada has not appointed a successor depository within 90 days; and
- when and if Franco-Nevada decides not to have Debt Securities represented by a Global Security.

The Prospectus Supplement may list situations for terminating a Global Security that would apply only to the particular series of Debt Securities covered by the Prospectus Supplement. When a Global Security terminates, the Depository (and not Franco-Nevada or the Trustee) is responsible for deciding the names of the institutions that will be the initial direct holders.

Events of Default

The term "Event of Default" with respect to Debt Securities of any series means any of the following, unless otherwise indicated in the applicable Prospectus Supplement:

- (a) default in the payment of the principal of (or any premium on) any Debt Security of that series at its maturity;
- (b) default in the payment of any interest on any Debt Security of that series when it becomes due and payable, and continuance of such default for a period of 30 days;
- (c) default in the deposit of any sinking fund payment when the same becomes due by the terms of the Debt Securities of that series;
- (d) default in the performance, or breach, of any other covenant or agreement of Franco-Nevada in the Indenture in respect of the Debt Securities of that series (other than a covenant or agreement for which default or breach is specifically dealt with elsewhere in the Indenture), where such default or breach continues for a period of 90 days after written notice to Franco-Nevada by the Trustee or to Franco-Nevada and the Trustee by the holders of at least 25% in principal amount of all outstanding Debt Securities affected thereby;
- (e) certain events of bankruptcy, insolvency or reorganization; or
- (f) any other Events of Default provided with respect to the Debt Securities of that series.

If an Event of Default described in clause (a), (b) or (c) above occurs and is continuing with respect to Debt Securities of any series, then the Trustee or the holders of not less than 25% in principal amount of the outstanding Debt Securities of that series may require the principal amount (or, if the Debt Securities of that series are original issue discount Debt Securities or indexed Debt Securities, such portion of the principal amount as may be specified in the terms of that series) of all the outstanding Debt Securities of that series and any accrued but unpaid interest on such Debt Securities to be due and payable immediately. If an Event of Default described in clause (d) or (f) above occurs and is continuing with respect to Debt Securities of one or more series, then the Trustee or the holders of not less than 25% in principal amount of the outstanding Debt Securities of all series affected thereby (as one class) may require the principal amount (or, if any of the Debt Securities of such affected series are original issue discount securities or indexed Debt Securities, such portion of the principal amount as may be specified in the terms of such affected series) of all the outstanding Debt Securities of such affected series and any accrued but unpaid interest on such Debt Securities to be due and payable immediately. If an Event of Default described in clause (e) above occurs and is continuing, then the Trustee or the holders of not less than 25% in principal amount of all outstanding Debt Securities (as a class) may require the principal amount (or, if the Debt Securities of any series are original issue discount Debt Securities or indexed Debt Securities, such portion of the principal amount as may be specified in the terms of that series) of all the outstanding Debt Securities and any accrued but unpaid interest on such Debt Securities to be due and payable immediately. However, at any time after a declaration of acceleration with respect to Debt Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained, the holders of a majority in principal amount of the outstanding Debt Securities of such series (or of all series, as the case may be), by written notice to Franco-Nevada and the Trustee, may, under certain circumstances, rescind and annul such acceleration. The applicable Prospectus Supplement will contain provisions relating to acceleration of the maturity of a portion of the principal amount of original issue discount Debt Securities or indexed securities upon the occurrence of any Event of Default and the continuation thereof.

The Trustee is not obligated to exercise any of its rights and powers under the Indenture at the request or direction of any of the holders, unless the holders have offered to the Trustee reasonable security or indemnity. If the holders provide reasonable security or indemnity, the holders of a majority in principal amount of the outstanding Debt Securities of all series affected by an Event of Default may, subject to certain limitations, direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of all series affected by such Event of Default.

No holder of a Debt Security of any series will have any right to institute any proceedings, unless:

- such holder has previously given to the Trustee written notice of a continuing Event of Default with respect to the Debt Securities of that series;
- the holders of at least 25% in principal amount of the outstanding Debt Securities of all series affected by such Event of Default have made written request and have offered reasonable indemnity to the Trustee to institute such proceedings as trustee; and
- the Trustee has failed to institute such proceeding, and has not received from the holders of a majority in the aggregate principal amount of outstanding Debt Securities of all series affected by such Event of Default a direction inconsistent with such request, within 60 days after such notice, request and offer.

However, these limitations do not apply to a suit instituted by the holder of a Debt Security for the enforcement of payment of principal of, premium if any, or interest on such Security on or after the applicable due date of such payment.

Franco-Nevada will be required to furnish to the Trustee annually an officers' certificate as to the performance of certain of its obligations under the Indenture and as to any default in such performance.

Defeasance

As used herein, the term “defeasance” means discharge from some or all of its obligations under the Indenture with respect to Debt Securities of a particular series. If the terms of a particular series of Debt Security so provide, Franco-Nevada may deposit with the Trustee sufficient cash or government securities or a combination of thereof to pay the principal, interest, any premium and any other sums due to the stated maturity or a redemption date of the Debt Securities of a particular series, and then at its option:

- Franco-Nevada will be discharged from its obligations with respect to the Debt Securities of such series with certain exceptions, and the holders of the Debt Securities of the affected series will not be entitled to the benefits of the Indenture except for registration of transfer and exchange of Debt Securities and replacement of lost, stolen or mutilated Debt Securities and certain other limited rights. Such holders may look only to such deposited funds or obligations for payment; or
- Franco-Nevada will no longer be under any obligation to comply with certain covenants under the Indenture, and certain Events of Default will no longer apply to it.

To exercise defeasance Franco-Nevada also must deliver, among other requirements set forth in the Indenture, to the Trustee:

- an opinion of U.S. counsel to the effect that the deposit and related defeasance would not cause the holders of the Debt Securities of the applicable series to recognize income, gain or loss for U.S. federal income tax purposes and that holders of the Debt Securities of that series will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred; and
- an opinion of Canadian counsel or a ruling from Canada Revenue Agency that there would be no such recognition of income, gain or loss for Canadian federal or provincial tax purposes and that holders of the Debt Securities of such series will be subject to Canadian federal and provincial income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.

In addition, no Event of Default with respect to the Debt Securities of the applicable series can have occurred and Franco-Nevada cannot be an insolvent person under the Bankruptcy and Insolvency Act (Canada). In order for U.S. counsel to deliver the opinion that would allow Franco-Nevada to be discharged from all of its obligations under the Debt Securities of any series, Franco-Nevada must have received from, or there must have been published by, the Internal Revenue Service a ruling, or there must have been a change in law so that the deposit and defeasance would not cause holders of the Debt Securities of such series to recognize income, gain or loss for U.S. federal income tax purposes and so that such holders would be subject to U.S. federal income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance had not occurred. In addition, in order for Canadian counsel to deliver the opinion that would allow Franco-Nevada to be discharged from all of its obligations under the Debt Securities of any series, Franco-Nevada must have received from the Canada Revenue Agency an advance income tax ruling, or there must have been a change in law, to the effect that the deposit and defeasance would not cause holders of the Debt Securities of such series to recognize income, gain or loss for Canadian federal or provincial income tax purposes and to the effect that such holders would be subject to Canadian federal and provincial income tax on the same amounts, in the same manner and at the same time as would have been the case if such defeasance had not occurred.

Corporate Existence

The terms and conditions relating to any permitted merger, amalgamation, consolidation or sale of all or substantially all assets of the Corporation under certain circumstances will be set forth in a supplemental indenture. Notwithstanding the terms of the supplemental indenture, however, the Corporation will be permitted to engage in any merger, amalgamation, consolidation, combination, reclassification, recapitalization, continuation or share

exchange solely for the purpose of reincorporating the Corporation in another jurisdiction or forming a direct or indirect holding company of the Corporation.

Modifications and Waivers

Franco-Nevada may modify or amend the Indenture with the consent of the holders of a majority in aggregate principal amount of the outstanding Debt Securities of all series affected by such modification or amendment; provided, however, that Franco-Nevada must receive consent from the holder of each outstanding Debt Security of such affected series to:

- change the stated maturity of the principal of, premium, if any, or interest on, such outstanding Debt Security;
- reduce the principal amount of, premium, if any, or interest on such outstanding Debt Security;
- reduce the amount of the principal payable upon the acceleration of the maturity of an outstanding original issue discount Debt Security;
- change the place of payment or currency of payments on such outstanding Debt Security;
- impair the right to institute suit for the enforcement of any payment on such outstanding Debt Security on or after its stated maturity or any redemption date with respect thereto;
- reduce the percentage in principal amount of outstanding Debt Securities of such series, from which the consent of holders is required to modify or amend the Indenture or waive compliance with certain provisions of the Indenture or waive certain defaults; or
- modify any provisions of the Indenture relating to modifying or amending the Indenture or waiving past defaults or covenants except as otherwise specified.

The holders of a majority in principal amount of Debt Securities of any series may waive Franco-Nevada's compliance with certain restrictive provisions of the Indenture with respect to such series. The holders of a majority in principal amount of outstanding Debt Securities of all series with respect to which an Event of Default has occurred may waive any past default under the Indenture, except a default in the payment of the principal of, premium, if any, or interest on any Debt Security or in respect of any item listed above.

The Indenture or the Debt Securities may be amended or supplemented, without the consent of any holder of such Debt Securities, in order to, among other things, cure any ambiguity or inconsistency or to make any change, in any case, that does not have a materially adverse effect on the rights of any holder of such Debt Securities.

Consent to Jurisdiction and Service

Under the Indenture, Franco-Nevada will irrevocably appoint Corporation Service Company, 1180 Avenue of the Americas, Suite 210, New York, New York 10036-8401 as its agent for service of process in any suit, action or proceeding arising out of or relating to the Indenture or the Debt Securities and for actions brought under U.S. federal or state securities laws brought in any U.S. federal or state court located in The City of New York, and will submit to such non-exclusive jurisdiction.

Governing Law

The Indenture and the Debt Securities will be governed by and construed in accordance with the laws of the State of New York.

The Trustee

The Trustee under the Indenture will be named in the applicable Prospectus Supplement.

DESCRIPTION OF WARRANTS

The Corporation may issue Warrants to purchase Common Shares, Preferred Shares or Debt Securities. This section describes the general terms that will apply to any Warrants issued pursuant to this Prospectus. Warrants may be offered separately or together with other Securities and may be attached to or separate from any other Securities.

Unless the applicable Prospectus Supplement otherwise indicates, each series of Warrants will be issued under a separate warrant indenture to be entered into between the Corporation and one or more banks or trust companies acting as Warrant agent. The Warrant agent will act solely as the agent of the Corporation and will not assume a relationship of agency with any holders of Warrant certificates or beneficial owners of Warrants.

The applicable Prospectus Supplement will include details of the warrant indentures, if any, governing the Warrants being offered. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to those Warrants, will be set out in the applicable Prospectus Supplement. The Prospectus Supplement relating to any Warrants the Corporation offers will describe the Warrants and the specific terms relating to the offering. The description will include, where applicable:

- the designation and aggregate number of Warrants;
- the price at which the Warrants will be offered;
- the currency or currencies in which the Warrants will be offered;
- the date on which the right to exercise the Warrants will commence and the date on which the right will expire;
- the designation, number and terms of the Common Shares, Preferred Shares or Debt Securities, as applicable, that may be purchased upon exercise of the Warrants, and the procedures that will result in the adjustment of those numbers;
- the exercise price of the Warrants;
- the designation and terms of the Securities, if any, with which the Warrants will be offered, and the number of Warrants that will be offered with each Security;
- if the Warrants are issued as a unit with another Security, the date, if any, on and after which the Warrants and the other Security will be separately transferable;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- whether the Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material U.S. and Canadian federal income tax consequences of owning the Warrants; and
- any other material terms or conditions of the Warrants.

Warrant certificates will be exchangeable for new Warrant certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants. The Corporation may amend the warrant indenture(s) and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not prejudice the rights of the holders of outstanding Warrants, as a group.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The Corporation may issue Subscription Receipts separately or together with Common Shares, Preferred Shares, Debt Securities or Warrants, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement. This section describes the general terms that will apply to any Subscription Receipts that may be offered by the Corporation pursuant to this Prospectus.

The applicable Prospectus Supplement will include details of the subscription receipt agreement covering the Subscription Receipts being offered. A copy of the subscription receipt agreement relating to an offering of Subscription Receipts will be filed by the Corporation with securities regulatory authorities in Canada and the U.S. after it has been entered into by the Corporation. The specific terms of the Subscription Receipts, and the extent to which the general terms described in this section apply to those Subscription Receipts, will be set forth in the applicable Prospectus Supplement. This description will include, where applicable:

- the number of Subscription Receipts;
- the price at which the Subscription Receipts will be offered and whether the price is payable in instalments;
- conditions to the exchange of Subscription Receipts into Common Shares, Preferred Shares, Debt Securities or Warrants, as the case may be, and the consequences of such conditions not being satisfied;
- the procedures for the exchange of the Subscription Receipts into Common Shares, Preferred Shares, Debt Securities or Warrants;
- the number of Common Shares, Preferred Shares or Warrants that may be exchanged upon exercise of each Subscription Receipt;
- the aggregate principal amount, currency or currencies, denominations and terms of the series of Debt Securities that may be exchanged upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- the dates or periods during which the Subscription Receipts may be exchanged into Common Shares, Preferred Shares, Debt Securities or Warrants;
- terms applicable to the gross or net proceeds from the sale of the Subscription Receipts plus any interest earned thereon;
- material U.S. and Canadian federal income tax consequences of owning the Subscription Receipts;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

Subscription Receipt certificates will be exchangeable for new Subscription Receipt certificates of different denominations at the office indicated in the Prospectus Supplement. Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities subject to the Subscription Receipts.

INTERESTS OF EXPERTS

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

In addition, the oil & gas reserve estimates contained in the documents incorporated by reference herein are derived from the reserves report prepared by GLJ with an effective date of December 31, 2015. The reserves report was prepared in accordance with NI 51-101.

To the knowledge of the Corporation, each of these experts held less than 1% of the outstanding securities of the Corporation or of any associate or affiliate thereof when they prepared the technical information contained or incorporated by reference in this Prospectus or following the preparation of such technical information. Other than Phil Wilson, Vice President, Technical of the Corporation, pursuant to his employment arrangements, none of the aforementioned firms or persons received, or will receive, any direct or indirect interest in any securities of the Corporation or of any associate or affiliate thereof. Other than Mr. Wilson, none of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of the Corporation, or of any associate or affiliate of the Corporation.

RISK FACTORS

Prospective purchasers of Securities should carefully consider the risk factors contained in and incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and those described in a Prospectus Supplement relating to a specific offering of Securities.

Discussions of certain risks affecting the Corporation in connection with its business are provided in the Corporation's disclosure documents filed with the various securities regulatory authorities which are incorporated by reference in this Prospectus.

LEGAL MATTERS

Certain legal matters relating to the offering of Securities hereunder will be passed upon on behalf of the Corporation by Torys LLP with respect to Canadian and U.S. legal matters. At the date hereof, the partners and associates of Torys LLP, as a group, beneficially own, directly or indirectly, less than one per cent of any outstanding securities of the Corporation or any associate or affiliate of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditor of the Corporation is PricewaterhouseCoopers LLP, PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario M5J 0B2. PricewaterhouseCoopers LLP is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and the Public Company Accounting Oversight Board Rule 3520, Auditor Independence.

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

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price, or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price, or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the province or territory in which the purchaser resides. The purchaser should refer to any applicable provisions of the securities legislation of the province or territory in which the purchaser resides for the particulars of these rights or consult with a legal advisor.

Original Canadian purchasers of Subscription Receipts or Warrants which are convertible or exchangeable into other securities of the Corporation will have a contractual right of rescission against the Corporation in respect of the conversion, exchange or exercise of such Subscription Receipts or Warrants. The contractual right of rescission will entitle such original Canadian purchasers to receive the amount paid for such Subscription Receipts or Warrants (and any additional amount paid upon conversion, exchange or exercise), upon surrender of the underlying securities acquired upon such conversion, exchange or exercise, in the event that this Prospectus, the applicable Prospectus Supplement or any amendment contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law. In an offering of Warrants or Subscription Receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial and territorial securities legislation, to the amount paid for the Warrants or Subscription Receipts. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor. This contractual right of rescission does not extend to holders of Warrants or Subscription Receipts who acquire such Warrants or Subscription Receipts from an initial purchaser, on the open market or otherwise, or to initial purchasers who acquire Warrants in the U.S.

AGENT FOR SERVICE OF PROCESS

Thomas Albanese is a director of the Corporation who resides outside of Canada. Mr. Albanese has appointed the following agent for service of process:

Name of Person

Tom Albanese

Name and Address of Agent

Franco-Nevada Corporation
Suite 2000, 199 Bay Street,
Commerce Court West
Toronto, Ontario M5L 1G9

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

ENFORCEMENT OF CERTAIN CIVIL LIABILITIES

The Corporation is incorporated under the laws of Canada and its principal place of business is in Canada. Most of the Corporation's directors and officers, and some of the experts named in this Prospectus, are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of the Corporation's assets, are located outside the U.S. The Corporation has appointed an agent for service of process in the U.S. but it may be difficult for holders of Securities who reside in the U.S. to effect service within the U.S. upon the Corporation or those directors, officers and experts who are not residents of the U.S. Investors should not assume that a Canadian court would enforce a judgment of a U.S. court obtained in an action against the Corporation or such other persons predicated on the civil liability provisions of the U.S. federal securities laws or the securities or "blue sky" laws of any state within the U.S. or would enforce, in original actions, liabilities against the Corporation or such persons predicated on the U.S. federal securities laws or any such state securities or "blue sky" laws. The Corporation's Canadian counsel has advised the Corporation that a monetary judgment of a U.S. court predicated solely upon the civil liability provisions of U.S. federal securities laws would likely be enforceable in Canada if the U.S. court in which the judgment was obtained had a basis for jurisdiction in the matter that was recognized by a Canadian court for such purposes. The Corporation cannot provide assurance that this will be the case. It is less certain that an action could be brought in Canada in the first instance on the basis of liability predicated solely upon such laws.

The Corporation filed with the SEC, concurrently with its registration statement on Form F-10, an appointment of agent for service of process on Form F-X. Under the Form F-X, the Corporation appointed Corporation Service Company as its agent for service of process in the U.S. in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against or involving the Corporation in a U.S. court arising out of or relating to or concerning an offering of Securities under this Prospectus.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been or will be filed with the SEC as part of the registration statement of which this Prospectus forms a part: the documents set out under the heading "Documents Incorporated by Reference"; the consents of auditors, engineers and counsel; the powers of attorney from the directors and certain officers of the Corporation; and the form of Indenture. A copy of the form of warrant indenture, subscription receipt agreement or statement of eligibility of trustee on Form T-1, as applicable, will be filed by post-effective amendment or by incorporation by reference to documents filed with, or furnished to, the SEC under the U.S. Exchange Act.

CERTIFICATE OF THE CORPORATION

Dated: April 22, 2016

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) David Harquail
Chief Executive Officer

(Signed) Sandip Rana
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Pierre Lassonde
Director

(Signed) Randall Oliphant
Director