

# Press Release



## NEWS RELEASE

Toronto, May 11, 2020

*(in U.S. dollars unless otherwise noted)*

# Franco-Nevada Adds to Royalties Portfolio and Initiates New ATM Equity Program

## Alpala Royalty Acquisition

The Corporation today entered into an agreement with SolGold PLC (“SolGold”) to acquire a 1% net smelter royalty (“NSR”) with reference to all minerals produced from the Alpala copper-gold project in northern Ecuador for \$100 million. The Alpala project is owned by Exploraciones Novomining SA, which is held 85% by SolGold and 15% by Cornerstone Capital Resources Inc. The NSR will cover the 4,979 hectare Cascabel concession and closing of the acquisition is subject to on-site confirmatory due diligence which will be completed once COVID-19 travel restrictions are lifted. In the interim, the Corporation has agreed to provide SolGold with a bridge loan of \$15 million for a period of up to 8 months.

SolGold has the option to increase the size of the transaction to \$150 million for a 1.5% NSR until January 11, 2021 and also has the option to buy-back 50% of the NSR for a period of time. Franco-Nevada is entitled to receive certain minimum royalty payments from 2028 and also has the option to convert the NSR to a gold NSR for a period of time after Alpala is producing.

As part of the royalty arrangements, the Corporation has agreed to contribute \$150,000 per year for three years after closing to one or more of SolGold’s local Ecuadorian environmental and social initiatives. SolGold has agreed to match or surpass such annual funding.

## At-the-Market Equity Program

Franco-Nevada has established an at-the-market equity program (the “ATM Program”) that allows the Corporation to issue up to \$300 million worth of common shares from treasury (“Common Shares”) to the public from time to time at the prevailing market price through the Toronto Stock Exchange, the New York Stock Exchange or any other marketplace on which the Common Shares are listed, quoted or otherwise traded. The volume and timing of distributions under the ATM Program, if any, will be determined at the Corporation’s sole discretion, subject to applicable regulatory limitations. The Corporation’s previous at-the-market equity program established July 19, 2019 that allowed the Corporation to issue up to \$200 million worth of Common Shares was terminated on April 28, 2020.

The ATM Program will be effective until May 28, 2022 unless terminated prior to such date by the Corporation. Franco-Nevada intends to use the net proceeds from the ATM Program, if any, for funding royalty and stream acquisitions and/or other general corporate purposes including the repayment of indebtedness. Sales of Common Shares through the ATM Program will be made pursuant to the terms of an equity distribution agreement dated May 11, 2020 with CIBC Capital Markets, BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., Credit Suisse Securities (Canada), Inc., National Bank Financial Inc., Raymond James Ltd., and Industrial Alliance Securities Inc., as Canadian agents, and CIBC Capital Markets, BMO Capital Markets Corp., RBC Capital Markets, LLC, Scotia Capital (USA) Inc., TD Securities (USA) LLC, BofA Securities, Inc., Canaccord Genuity LLC, Credit Suisse Securities (USA) LLC, National Bank of Canada Financial Inc., Raymond James (USA) Ltd., Barclays Capital Inc., Deutsche Bank Securities Inc. and Stifel, Nicolaus & Company, Incorporated, as U.S. agents.

The Corporation has filed a registration statement (including a prospectus) and a prospectus supplement with the U.S. Securities and Exchange Commission (the “SEC”) for the ATM Program. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement and other documents the issuer has filed with the SEC for more complete information about the issuer and the ATM Program. The Corporation has also filed prospectus supplement dated May 11, 2020 to the Corporation’s Canadian base shelf prospectus dated April 28, 2020 with the securities regulatory authorities in Canada. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov) or on SEDAR at [www.sedar.com](http://www.sedar.com). Alternatively, any agent participating in the ATM Program will arrange to

send you the prospectus if you request it by contacting, (i) in Canada: CIBC World Markets Inc., attn: Michelene Dougherty, by email at michelene.dougherty@cibc.ca or by phone at 416-956-3636 or BMO Nesbitt Burns Inc., attn: Brampton Distribution Centre C/O The DATA Group of Companies, 9195 Torbram Road, Brampton, Ontario, L6S 6H2, by email at torbramwarehouse@datagroup.ca or by phone at 905-791-3151 Ext. 4312; and (ii) in the U.S.: CIBC World Markets Corp., 425 Lexington Ave, 5th Floor, New York, NY, by email at useprospectus@cibc.com or by phone at (800) 282-0822 or BMO Capital Markets Corp., attn: Equity Syndicate Department, 3 Times Square, 25th Floor, New York, NY, 10036, by email at bmo prospectus@bmo.com or by phone at 1-800-414-3627.

This news release does not constitute an offer to sell or the solicitation of an offer to buy the Common Shares, nor shall there be any sale of these securities in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

## Corporate Summary

Franco-Nevada Corporation is the leading gold-focused royalty and streaming company with the largest and most diversified portfolio of cash-flow producing assets. Its business model provides investors with gold price and exploration optionality while limiting exposure to many of the risks of operating companies. Franco-Nevada is debt free and uses its free cash flow to expand its portfolio and pay dividends. It trades under the symbol FNV on both the Toronto and New York stock exchanges. Franco-Nevada is the gold investment that works.

### For more information, please contact:

Sandip Rana  
Chief Financial Officer  
(416) 306-6303  
info@franco-nevada.com

## Forward-Looking Statements

*This press release contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act of 1995, respectively, which may include, but are not limited to, statements with respect to future events or future performance, management's expectations regarding Franco-Nevada's growth, results of operations, estimated future revenues, carrying value of assets, future dividends and requirements for additional capital, mineral reserve and mineral resource estimates, production estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities, audits being conducted by the Canada Revenue Agency (the "CRA"), the expected exposure for current and future assessments and available remedies, the remedies relating to and consequences of the ruling of the Supreme Court of Panama in relation to the Cobre Panama project, statements with respect to the aggregate value of Common Shares which may be issued pursuant to the ATM Program, the Corporation's expected use of the net proceeds of the ATM Program, if any, and the acquisition of the SolGold royalty interest. 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 GEOs will be realized. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budgets", "scheduled", "estimates", "forecasts", "predicts", "projects", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Franco-Nevada to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. A number of factors could cause actual events or results to differ materially from any forward-looking statement, including, without limitation: the price at which Common Shares are sold in the ATM Program and the aggregate net proceeds received by the Corporation as a result of the ATM Program; fluctuations in the prices of the primary commodities that drive royalty and stream revenue (gold, platinum group metals, copper, nickel, uranium, silver, iron-ore and oil and gas); fluctuations in the value of the Canadian and Australian dollar, Mexican peso, and any other currency in which revenue is generated, relative to the U.S. dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies and the enforcement thereof; regulatory, political or economic developments in any of the countries where properties in which Franco-Nevada holds a royalty, stream or other interest are located or through which they are held; risks related to the operators of the properties in which Franco-Nevada holds a royalty, stream or other interest, including changes in the ownership and control of such operators; influence of macroeconomic developments; business opportunities that become available to, or are pursued by Franco-Nevada; reduced access to debt and equity capital; litigation; title, permit or license disputes related to interests on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; whether or not the Corporation is determined to have "passive foreign investment company" ("PFIC") status as defined in Section 1297 of the United States Internal Revenue Code of 1986, as amended; potential changes in Canadian tax treatment of offshore streams; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties on any of the properties in which Franco-Nevada holds a royalty, stream or other interest; access to sufficient pipeline capacity; actual mineral content may differ from the reserves and resources contained in technical reports; rate and timing of production differences from resource estimates, other technical reports and mine plans; risks and hazards associated with the business of development and mining on any of the properties in which Franco-Nevada holds a royalty, stream or other interest, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters, terrorism, civil unrest or an outbreak of contagious diseases; the impact of the COVID-19 (coronavirus) pandemic; and the integration of acquired assets. The forward-looking statements contained in this press release 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; risks related to the completion of the acquisition of the SolGold royalty interest; the expected application of tax laws and regulations by taxation authorities; the expected assessment and outcome of any audit by any taxation authority; no adverse development in respect of any significant property in which Franco-Nevada holds a royalty, stream or other interest; the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production; integration of acquired assets; and the absence of any other factors that could cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance. In addition, there can be no assurance as to the outcome of the ongoing audit by the CRA or the Corporation's exposure as a result thereof. Franco-Nevada cannot assure investors that actual results will be consistent with these forward-looking statements. Accordingly, investors should not place undue reliance on forward-looking statements due to the inherent uncertainty therein.*

*For additional information with respect to risks, uncertainties and assumptions, please refer to Franco-Nevada's most recent Annual Information Form filed with the Canadian securities regulatory authorities on [www.sedar.com](http://www.sedar.com) and Franco-Nevada's most recent Annual Report filed on Form 40-F filed with the SEC on [www.sec.gov](http://www.sec.gov). The forward-looking statements herein are made as of the date of this press release 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.*