

# A Gold Focused Royalty Company

April, 2010

# Cautionary Statement

## Forward-Looking Statements

This Presentation contains "forward-looking statements", 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, costs and timing of acquiring new royalties, equity and other resource related interests, requirements for additional capital, mineral reserve and resources estimates, production costs and revenue, future demand for and prices of commodities, expected mining sequences, business prospects and opportunities. All statements, other than statements of historical fact, are forward-looking statements. In addition, the words "expects", "expected", "estimated" and similar expressions identify forward-looking statements. The forward-looking statements contained in this Presentation are based upon assumptions management believes to be reasonable, including, without limitation, the ongoing operation of the properties 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, and any other factors that 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. Franco-Nevada cannot assure investors that actual results will be consistent with these forward-looking statements and readers are cautioned that forward-looking statements are not guarantees of future performance. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. These risks, uncertainties and other factors include, but are not limited to: general business and economic conditions; fluctuations in the prices of the primary commodities that drive the Company's royalty revenue (gold, platinum group metals, copper, nickel, oil and gas); fluctuations in the value of the Canadian and Australian dollar, and any other currency in which the Company generates revenue, relative to the U.S. dollar; changes in national and local government legislation, including taxation policies; regulations and political or economic developments in any of the countries where the company holds interests in mineral or oil and gas properties; influence of macroeconomic developments; business opportunities that become available to, or are pursued by us; access to debt and equity capital; litigation; title disputes related to our interests or any of the underlying properties; operating or technical difficulties; risks and hazards associated with the business of development and mining, including, but not limited to unusual or unexpected operating difficulties, financial stress and other natural disasters or civil unrest. For additional information with respect to risks, uncertainties and assumptions, please also refer to the "Risk Factors" section of our most recent Annual Information Form filed with the Canadian securities regulatory authorities on [www.sedar.com](http://www.sedar.com), as well as our Annual and interim MD&A. The forward-looking statements herein are made as of the date of this Presentation 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.

## Non-GAAP Measures

Royalty Revenue, Free Cash-Flow, EBITDA and Adjusted Net Income are intended to provide additional information only and do not have any standardized meaning prescribed by GAAP and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under GAAP. Other companies may calculate these measures differently.

## Who is Franco-Nevada?

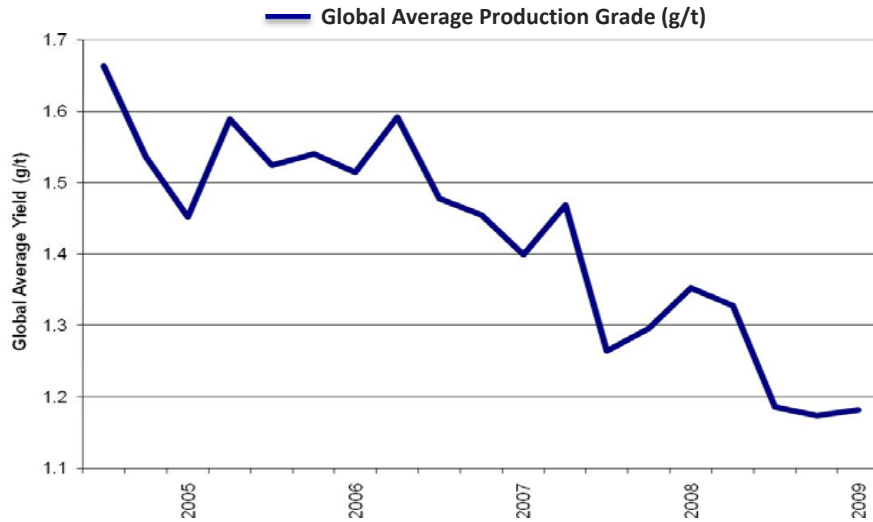
- ★ Schulich & Lassonde started the gold royalty business in 1985
- ★ Franco-Nevada share price grew 30%+ per annum through 2001
- ★ Became 6<sup>th</sup> largest gold company in world by market cap
- ★ 2002 Newmont & Normandy merger created world's largest gold company
- ★ Dec. 2007 IPO of new Franco-Nevada for \$1.26B (C\$15.20/sh.)
- ★ The new Franco-Nevada has in two years delivered over:
  - \$250M of Free Cash Flow
  - 80% share price increase
  - \$50M in dividends
  - \$1.5B in royalty acquisitions
  - \$600M in liquidity to fund growth
  - \$3B in market capitalization

# Royalty Business Advantages

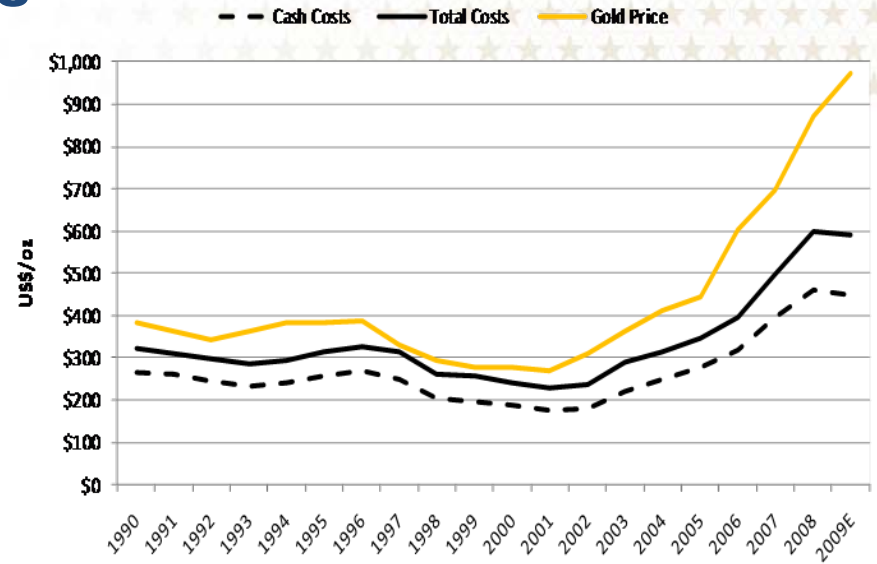
- ★ Your first dollar is your last
- ★ Revenue based royalties have no operating cost exposure
- ★ High margin Free Cash Flow business
- ★ Free perpetual option on future discoveries on our lands
- ★ Management is 100% focused on growing shareholder value



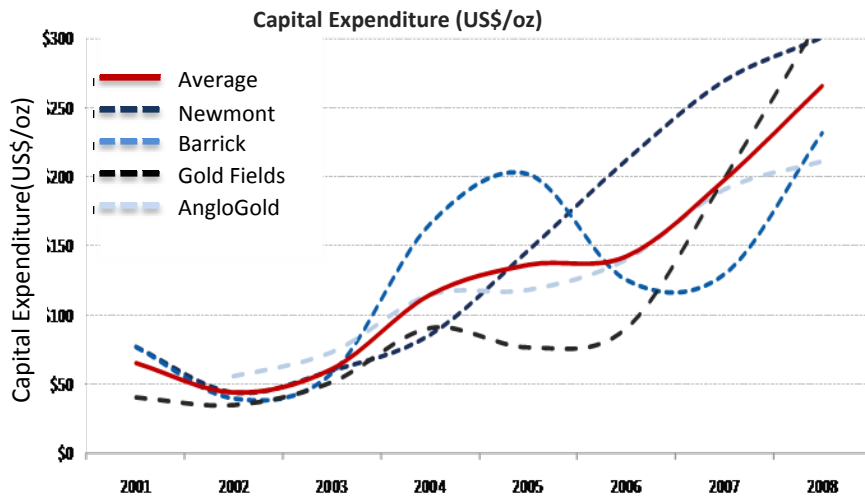
# Royalty Business Advantages



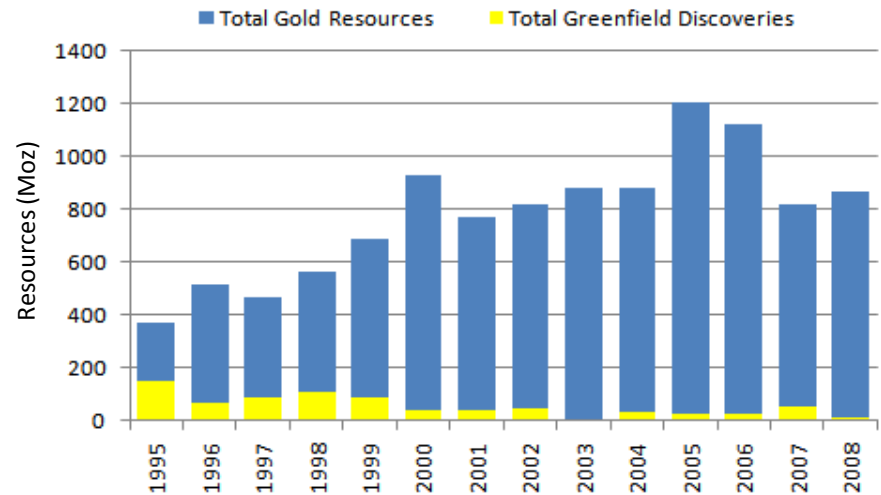
Source: CIBC World Markets Inc.



Source: CIBC World Markets Inc. & GFMS



Source: CIBC World Markets Inc. & UBS



Source: CIBC World Markets Inc. & UBS

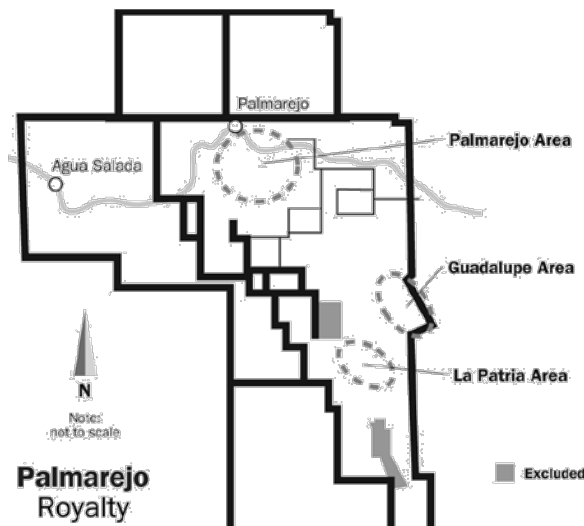
**Exposed to resource growth not cost inflation**

## Why The Royalty Sector Is Growing

- ★ Market value of resource sector has increased 10-fold in past decade
- ★ More development projects need financing
- ★ Volatile commodity prices create sellers
- ★ Less available commercial bank project lending
- ★ Base metal companies can arbitrage precious metals values
- ★ More royalty companies creating vibrant market

## Example of Royalty Financing

- ★ Coeur d'Alene needed capital to finish construction of Palmarejo
- ★ FNV provided \$75M for right to buy 50% of gold production at \$400/oz
- ★ Represented at the time 12% of net future mine revenues
- ★ Coeur avoided a dilutive equity financing

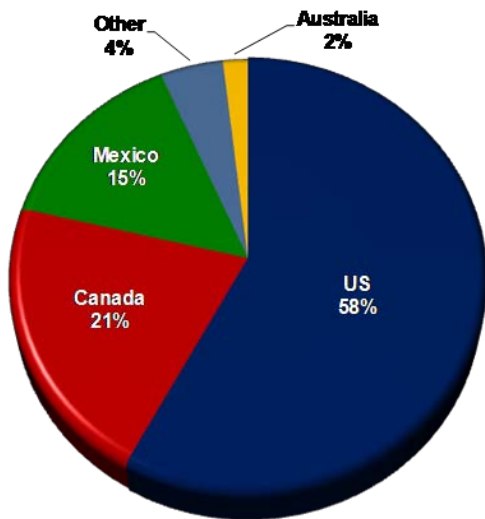


**Less shareholder dilution via royalty financing**

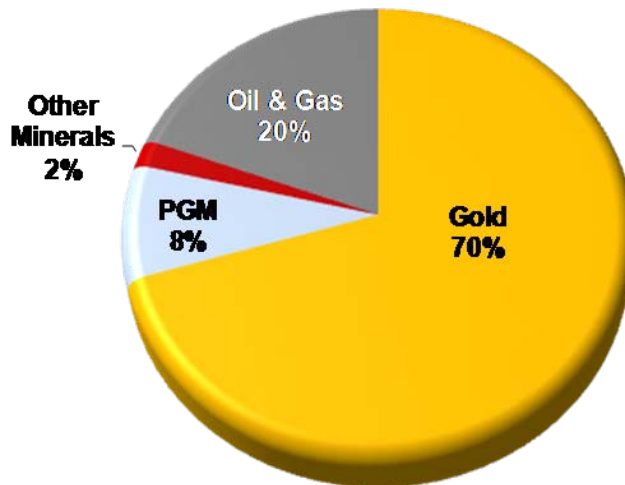
# Franco-Nevada's Royalties in 2009

- By Royalty Revenue<sup>(1)</sup>: \$142.8m
- By Free Cash Flow<sup>(2)</sup>: \$124.3m (87% margin)
- By numbers: 196 mineral and 114 oil & gas
- By commodity: 78% precious metals, 22% other
- By region: 79% from USA & Canada

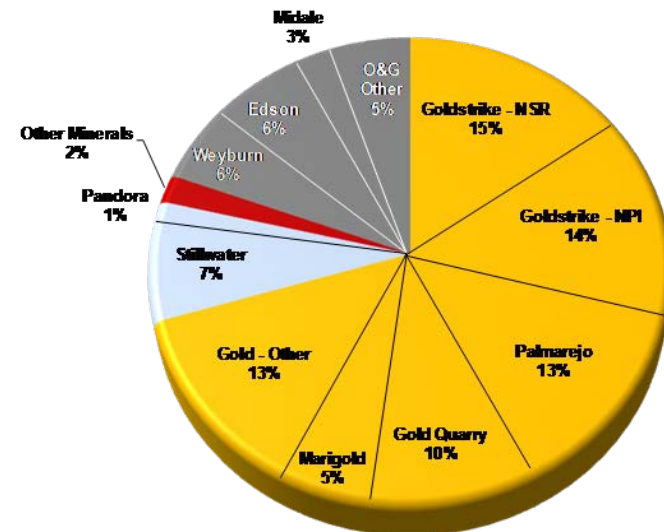
Royalty Revenue<sup>(1)</sup> by Country



Royalty Revenue<sup>(1)</sup> by Commodity



Royalty Revenue<sup>(1)</sup> Components



(1) Royalty Revenue is defined by the Company as cash received or receivable from operating royalty assets earned during the period.

(2) Free Cash Flow is defined by the Company as operating income plus depletion and depreciation, non-cash charges, and any impairment of investments and royalty interests.

# Franco- Nevada Royalty Operators

## Core Operators:



Goldstrike - Nevada  
Bald Mountain - Nevada  
Hemlo - Ontario



Gold Quarry - Nevada  
Ahafo South - Ghana



Marigold - Nevada  
Musselwhite - Ontario

## Up and Comers:



Palmarejo - Mexico



Holloway - Ontario  
Hislop - Ontario  
Holt - Ontario

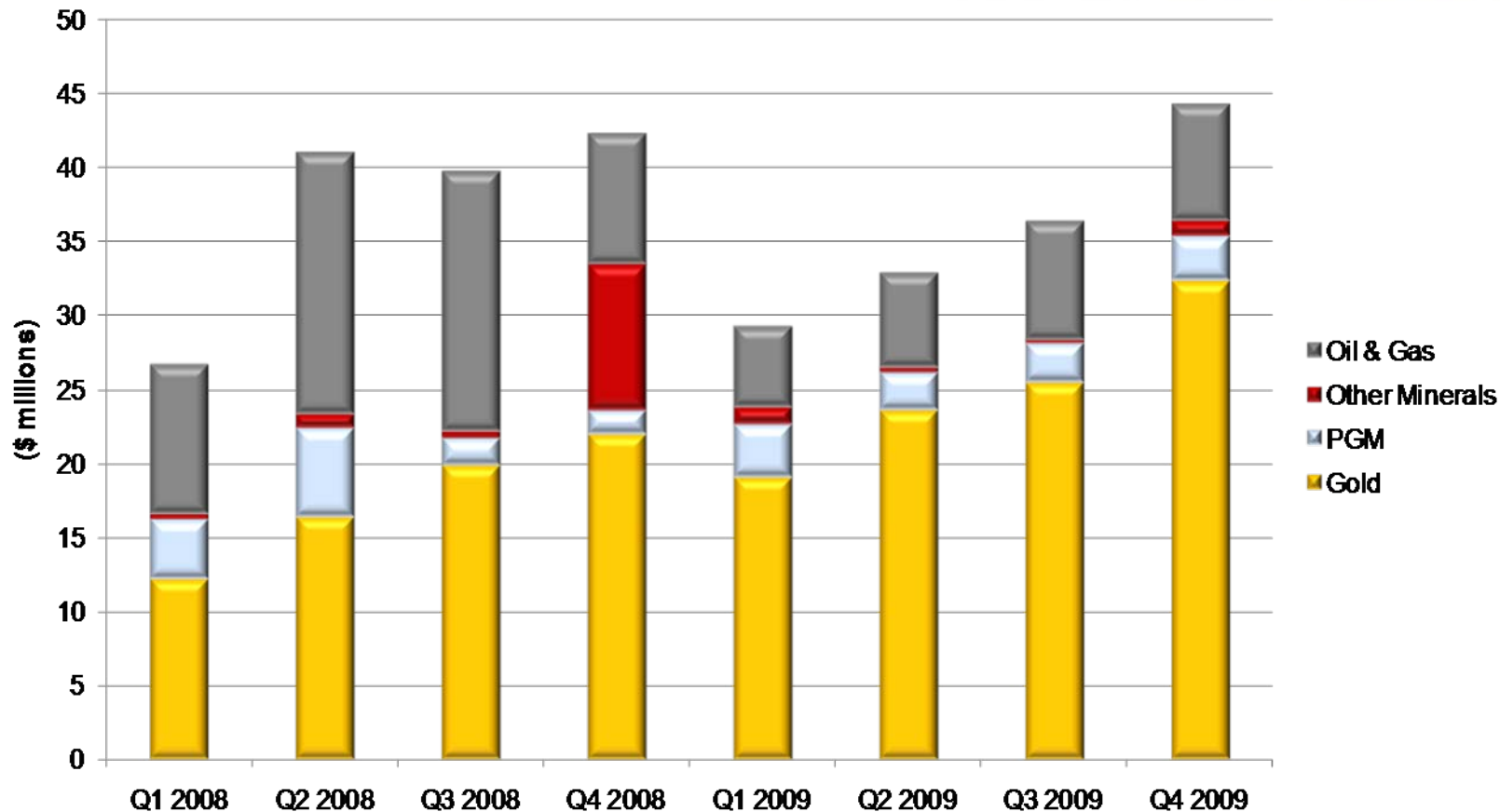


Tasiast - Mauritania



Detour Lake - Ontario

## Growing Gold Royalty Revenues<sup>(1)</sup>



**42% Growth in Gold Royalty Revenue '09 vs. '08**

<sup>(1)</sup> Royalty Revenue is defined by the Company as cash received or receivable from operating royalty assets earned during the period.

# Outlook for 2010

## Positives:

- ★ Full year of production at Palmarejo and Holloway
- ★ Start up of production at Hislop
- ★ Hollister begins processing ore
- ★ Robinson copper and gold royalties triggered
- ★ Mt Keith royalty, acquired Oct 2009
- ★ Higher Oil & Gas and PGM prices

## Offsets:

- ★ Lower contributions from:
  - Gold Quarry (11,200 -14,400 oz)
  - Goldstrike (waste stripping phase continues to mid-2010)

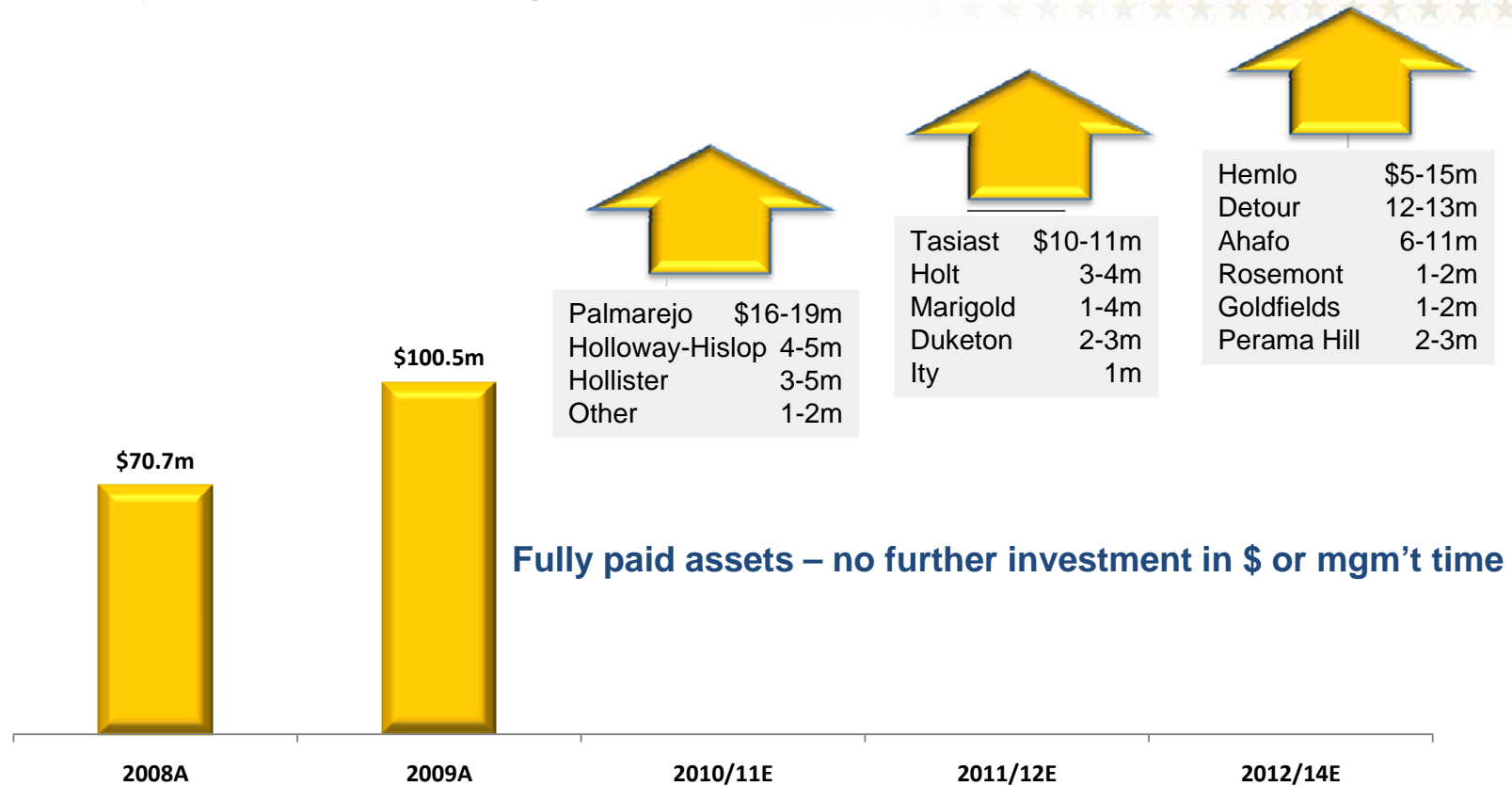
## Estimated Royalty Revenue<sup>(1)</sup> of \$155M to \$170M\*

(1) Royalty Revenue is defined by the Company as cash received or receivable from operating royalty assets earned during the period.

- Estimate based on operators' guidance where available, management expectations and pricing of \$1,106/oz for gold, \$79.50/bbl for oil and \$4.95/mcf for gas. Reference should be made to the "Cautionary Statement on Forward-Looking Information" in the Company's annual MD&A.
- Note that a 10% increase in gold price (at \$1,100/oz) results in an estimated 13.3% increase in gold revenue for 2010.

# Outlook for Longer Term Gold Growth

Gold only revenues excluding other revenues\*



**~\$100m in potential new gold royalties by 2014**

\* Appendix provides detail to pro-forma estimates assuming \$1100 gold.

# Franco-Nevada's Capacity for New Projects

Capital Resources @ December 31, 2009	US\$ Millions
Working Capital	\$531
Marketable Investments (Primarily NEM & IRC)	\$76
Available Credit Facility	\$175
<b>Total Available Capital</b>	<b>\$782</b>

- ★ No debt, hedges or material capital obligations
- ★ Additional capacity from >\$130m per year in Free Cash Flow<sup>(1)</sup>

(1) Free Cash Flow is defined by the Company as operating income plus depletion and depreciation, non-cash charges, and any impairment of investments and royalty interests. Estimate based on operators' guidance where available, management expectations and pricing of \$1,106/oz for gold, \$79.50/bbl for oil and 4\$.95/mcf for gas. Note that a 10% increase in gold price (at \$1,100/oz) results in a 13.3% increase in gold revenue for 2010. Reference should be made to the "Cautionary Statement on Forward-Looking Information" in the Company's annual MD&A.

# Franco-Nevada's Advantages

- ★ Royalty Business Model
- ★ Established Diversified Portfolio
- ★ 87% Cash Flow Margins
- ★ >\$700m Available for Growth
- ★ No Debt or Acquisition Obligations
- ★ Growing Royalty Sector
- ★ \$30M of Annual Dividends
- ★ Track Record of Value Accretion

Goldstrike



Gold Quarry



Palmarejo



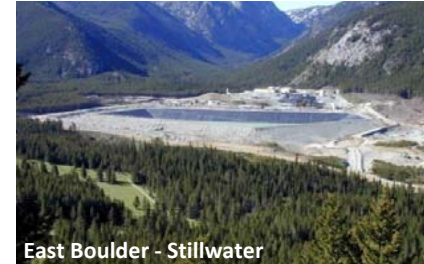
# Thank You



Goldstrike - Barrick



Weyburn - Cenovus



East Boulder - Stillwater



Palmarejo - Coeur



Cerro San Pedro - New Gold



Mesquite - New Gold



MarigoId - Goldcorp



Robinson - Quadra



Tasiast - Red Back

-----BACKGROUND SLIDES-----

# What Are Royalties?

## ★ Revenue or production royalty (NSR)

- typically 2 to 5% of mine revenues/production
- paid in cash or in-kind at refinery each month

## ★ Streaming royalty (Stream)

- right to % of gold production from a mine (ex. 50%) in exchange for:
  - (1) an initial upfront payment
  - (2) ongoing fixed production payment (typically \$400/oz)

	NSR	Stream
One ounce sold at	\$1000	\$1000
Applicable cost	0	\$400
Margin for royalty calc	\$1000	\$600
Applicable %	5%	50%
Revenue per oz to FNV	\$50	\$300

## ★ Profit sharing royalties

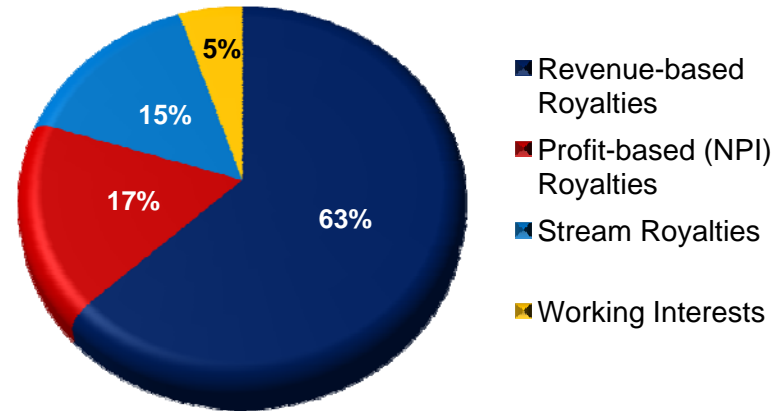
- Net Profits Interest (NPI) & Working Interest (WI)

# Sources of Gold Leverage

## ★ Higher leverage from royalty structure

- NPI's (Goldstrike NPI, Interlake NPI)
- Scaled Royalties (Holloway, Holt)
- WI's (Midale WI, Weyburn WI)
- Gold Streams (Palmarejo)

**10% gold price increase results  
in 13.3% gold revenue increase\***



F2009 Royalty Revenue

- ★ Resources convert to reserves with increasing gold prices
- ★ With higher gold prices juniors can raise risk capital to advance exploration properties with existing Franco royalties

\* Management estimate based on \$1,100/oz gold price and gold revenue for 2010

# Acquisitions since IPO

**>90% of capital deployed into gold assets**

Amount	Asset	Royalty	Commodity	Operator	Location
\$104m	Gold Quarry	7.29%	Gold	Newmont	Nevada
\$80m	Palmarejo	50%	Gold	Coeur d'Alene	Mexico
\$58m	Ahafo South Mine	2%	Gold	Newmont	Ghana
\$20m	Marigold	2.5-5%	Gold	Goldcorp	Nevada
A\$20m	Mt Keith	0.375%	Nickel	BHP	Australia

**Operating mines with top operators, large land positions and exploration upside**

# Appendix - Organic Gold Growth Potential

①	Project	Operator	Royalty②	Annual Incremental Royalty Potential @ \$1100 gold	
<b>2010</b>	Palmarejo	Coeur d'Alene	50% stream	\$16-19m	③ ⑤
	Holloway–Hislop	St Andrew Gold	4-6% NSR	4-5m	③
	Hollister	Great Basin Gold	3-5% NSR	3-5m	③
	Hemlo NSR	Barrick Gold	3% NSR	1-2m	④
				\$24-31m	
<b>2011</b>	Tasiast	Red Back Mining	2% NSR	\$10-11m	③
	Holt	St Andrew Gold	10% NSR	3-4m	③
	Marigold	Goldcorp	1.4-4% NSR	1-4m	④
	Duketon	Regis Resources	2% NSR	2-3m	③
	Ity	La Mancha	1-1.5% NSR	1m	③
				\$17-23m	
<b>2012+</b>	Hemlo NPI	Barrick Gold	50% NPI	\$5-15m	④
	Detour	Detour Gold	2% NSR	12-13m	③
	Ahafo	Newmont	2% NSR	6-11m	④
	Rosemont	Augusta Resources	1.5% NSR	1-2m	③ ⑥
	Goldfields	Linear Gold	2% NSR	1-2m	③
	Perama Hill	Eldorado Gold	2% NSR	2-3m	③
				\$27-46m	

① Management 's projection of start of royalty.

② Applicable royalty rate at \$1,100 gold for sliding scale royalties.


③ Reflects operators' public guidance as of December 2009.

④ Reflects management's projections based on available data for production and costs (where applicable).

⑤ 2009 was a half year of production. 2010 is increment for full year.

⑥ Gold only. With copper & silver, royalty potential is \$7-9m.

# Comparables

	 <b>Franco-Nevada</b>	<b>Royal Gold</b>	<b>Silver Wheaton</b>
<b>Commodity mix</b>	<b>Mostly gold</b>	<b>Mostly gold</b>	<b>Mostly silver</b>
<b>Revenues by geography<sup>(1)</sup></b>	USA 58% Canada 21% Mexico 15%	USA 48% Africa 30% Mexico 13%	Mexico 47% Peru 12% Sweden 20%
<b>Number of mineral royalties</b>	196	~200	19
<b>Market cap at April 6, 2010</b>	\$3,154m	\$2,436m	\$5,757m
<b>Proforma liquidity</b>	500	54	228
<b>Debt</b>	0	254	136
<b>Acquisition obligations</b>	0	0	675
<b>Enterprise Value<sup>(2)</sup></b>	\$2,654m	\$2,636m	\$6,341m
<b>Total Assets<sup>(1)</sup></b>	\$2,020m	\$804m	\$2,237m
<b>Tax basis of assets (provides tax shield)</b>	High	Low	--
<b>LTM net royalty revenue<sup>(1) (3)</sup></b>	\$143m	\$104m	\$176m
<b>Indicative annual dividends<sup>(4)</sup></b>	\$30m	\$17m	\$0

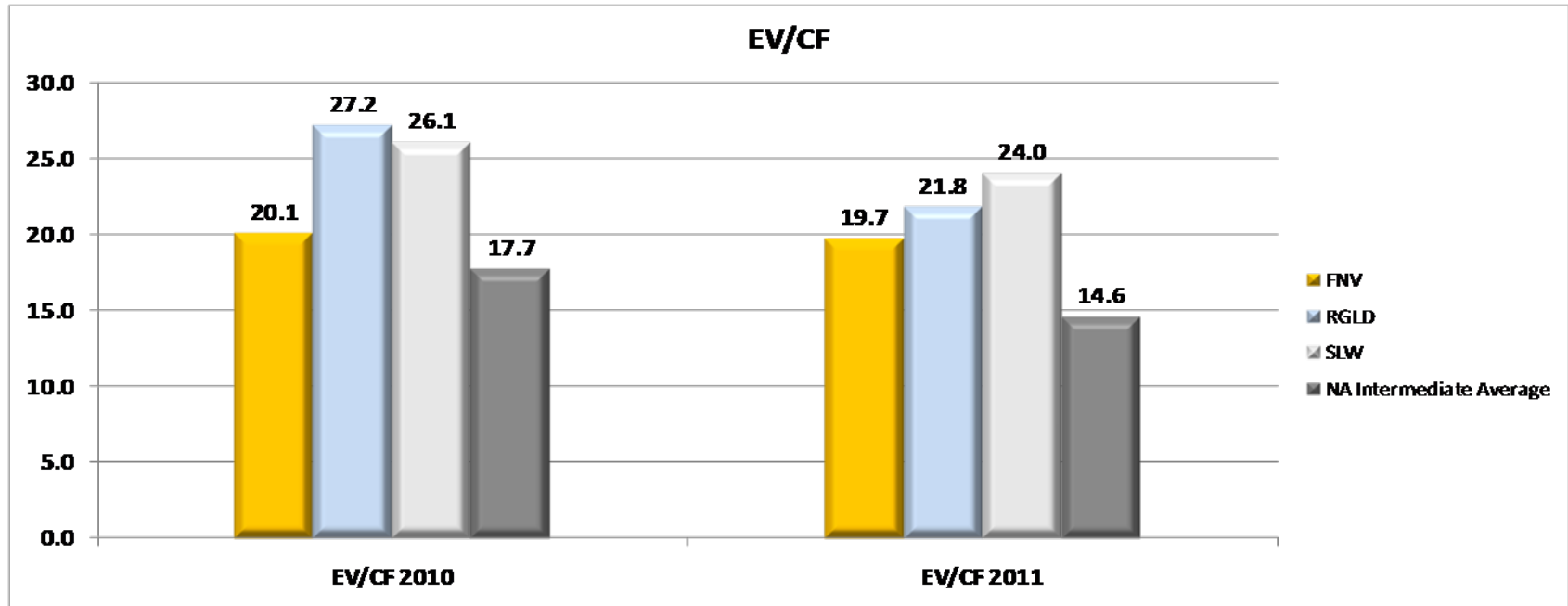
<sup>(1)</sup> For period ended December 31, 2009

<sup>(2)</sup> SLW asset obligations include a portion of the Barrick transaction, Rosemont, and Navidad obligations. Royal EV includes cash & debt after Andacollo and IRC obligations (as per March 2010 corporate presentation) and includes additional shares from those transactions.

<sup>(3)</sup> Royalty revenue less cost of purchasing ounces for streams.  
LTM = Last twelve months

<sup>(4)</sup> Current per share payout at 0.95 C\$/US\$

# Comparables



Assumes Franco-Nevada does not invest its >\$750m in currently available capital

**Royalties, gold and developed US & Canada assets should command a premium**

Source: RBC Equity Research: March 29, 2010 CF estimates & prices at April 6, 2010; EV includes acquisition obligations

# Board of Directors

	Position with Franco-Nevada	Current or Past Major Experience
<b>Pierre Lassonde</b>	Director, Chairman	Chairman, World Gold Council Vice Chairman, Director and President, Newmont Mining Co-CEO and Co-Founder, Old Franco-Nevada
<b>David Harquail</b>	Director, President & CEO	Executive V.P., Newmont Mining President & MD, Newmont Capital S.V.P. Old Franco-Nevada
<b>Derek Evans<sup>(1)</sup></b>	Director	President & CEO, Pengrowth Energy Trust CEO, Focus Energy Trust Renaissance Energy Limited
<b>Graham Farquharson<sup>(2)</sup></b>	Director	President, Strathcona Mineral Services Ltd. Board member, Placer Dome and Cambior Inc.
<b>Louis Gignac<sup>(1)</sup></b>	Director	President, G Mining Services Inc. President and CEO, Cambior Inc.
<b>Randall Oliphant<sup>(1)</sup></b>	Director	Executive Chairman, New Gold Inc. CEO, Barrick Gold Corporation
<b>Hon. David R. Peterson<sup>(2)</sup></b>	Director	Partner and Chairman, Cassels Brock & Blackwell LLP Twentieth Premier of Ontario Board Member, Old Franco-Nevada

(1) Member of the Audit Committee

(2) Member of the Compensation and Corporate Governance Committee

# Franco-Nevada Corporation

(in US\$ unless otherwise noted)

## Capital Structure<sup>(2)</sup>

<b>Shares Outstanding</b>	114.0m
<b>Warrants @ C\$32/sh March 2012</b>	5.75m
<b>Warrants @ C\$75/sh June 2017</b>	5.75m
<b>Options (Avg C\$16.00/sh)</b>	2.4m
<b>Other</b>	<u>0.4m</u>
	128.4m
<b>Share Price Range<sup>(1)</sup></b>	C\$32.12-C\$23.10
<b>Market Capitalization<sup>(2)</sup></b>	\$3.2B
<b>Working Capital + Marketable Investments<sup>(3)</sup></b>	\$606.2m
<b>Available Credit Facilities</b>	\$175m
<b>Debt, Hedges or Payables</b>	Nil
<b>2010 Dividends (Indicative) <sup>(4)</sup></b>	\$30.3m (C\$0.28/share)
<b>Management Ownership <sup>(2)</sup></b>	5.0% (6.3% diluted)

## Analyst Coverage

<b>BMO Capital Markets</b>	David Haughton
<b>BOA/Merrill Lynch</b>	Mike Jalonen
<b>CIBC Capital Markets</b>	Cosmos Chiu
<b>GMP Securities</b>	Craig West
<b>National Bank Financial</b>	Tanya Jakusconek
<b>Paradigm Capital</b>	Don MacLean
<b>RBC Capital Markets</b>	Stephen Walker
<b>TD Securities</b>	Greg Barnes
<b>UBS Securities</b>	Brian MacArthur
<b>Wellington West</b>	Paolo Lostritto

## Major Shareholders

<b>Fidelity</b>	US
<b>Invesco Trimark</b>	Canada
<b>T. Rowe Price</b>	US
<b>Blackrock</b>	Europe
<b>Oppenheimer</b>	US

(1) Previous 52 weeks

(2) As at April 7, 2010

(3) As at December 31, 2009

(4) @ \$CAN/\$US = 0.95