



Franco-Nevada



Between a Rock and a Hard Place

NWMA Keynote

December 3, 2008
Reno, Nevada

David Harquail – CEO

Member of World Gold Council



Cautionary Statement



Certain information contained in this Presentation express management's expectations or estimates of future performance, constitute "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "will", "should", "potential", "anticipate", "contemplate", "target", "plan", "continue", "budget", "may", "intend", "estimate", "likely" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Company cautions the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of Franco-Nevada to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: adverse fluctuations in the prices of the primary commodities that drive the Company's royalty revenue (gold, platinum group metals, copper, nickel, oil and gas); adverse 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 and oil and gas properties; influence of macroeconomic developments; business opportunities that become available to, or are pursued by us; reduced access to debt and equity capital; litigation; title disputes related to our interests or any of the properties underlying the Royalty Portfolio; operating or technical difficulties on any of the properties underlying the Royalty Portfolio; risks and hazards associated with the business of development and production on any of the properties underlying the Royalty Portfolio, including, but not limited to unusual or unexpected geological formations, cave-ins, flooding and other natural disasters or civil unrest. 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 underlying the Royalty Portfolio 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 Royalty Portfolio, 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. For additional information with respect to risks, uncertainties and assumptions, please also refer to the "Risk Factors" sections of our most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com, as well as our Annual MD&A and our recent Quarterly MD&As. 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.

Franco-Nevada



Franco-Nevada is the leading resource royalty and investment company in terms of number of royalties, market capitalization, revenue and financial strength

Listed December 20, 2007

Toronto Stock Exchange “FNV”

Issued Capital

100.3 million shares

Share price range

C\$24.96-C\$11.62

Market capitalization at December 1, 2008

US\$1.3 billion

Working capital & NEM shares at Sept. 30, 2008

US\$371 million

Debt or hedges

Nil

Indicated annual dividend


C\$0.24/share (C\$24 million)

Ownership by management & board

6%

Benefits of a Royalty Structure



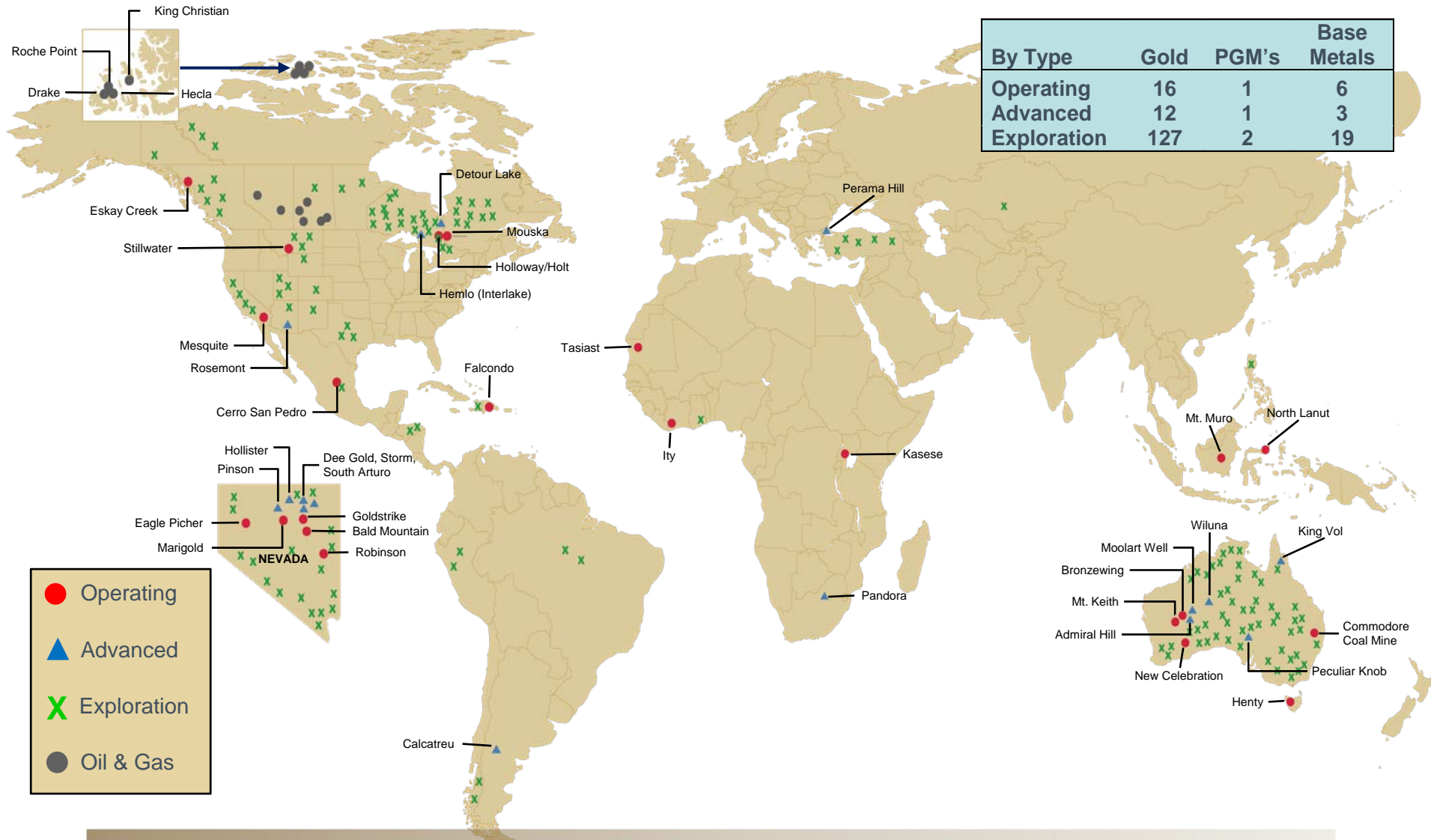
	 Franco-Nevada	Operators	Explorers	ETF	Bullion
Exposure to:					
Metal price appreciation	✓	✓	✓	✓	✓
Production cash flow	✓	✓	✗	✗	✗
Discovery potential	✓	✓	✓	✗	✗
Expansion potential	✓	✓	✗	✗	✗
Reduced exposure to:					
Capital costs	✓	✗	✗	✓	✓
Operating costs	✓	✗	✗	✓	✓
Environmental	✓	✗	✗	✓	✓

A high margin, cash flowing business with upside

~285 Royalty Assets



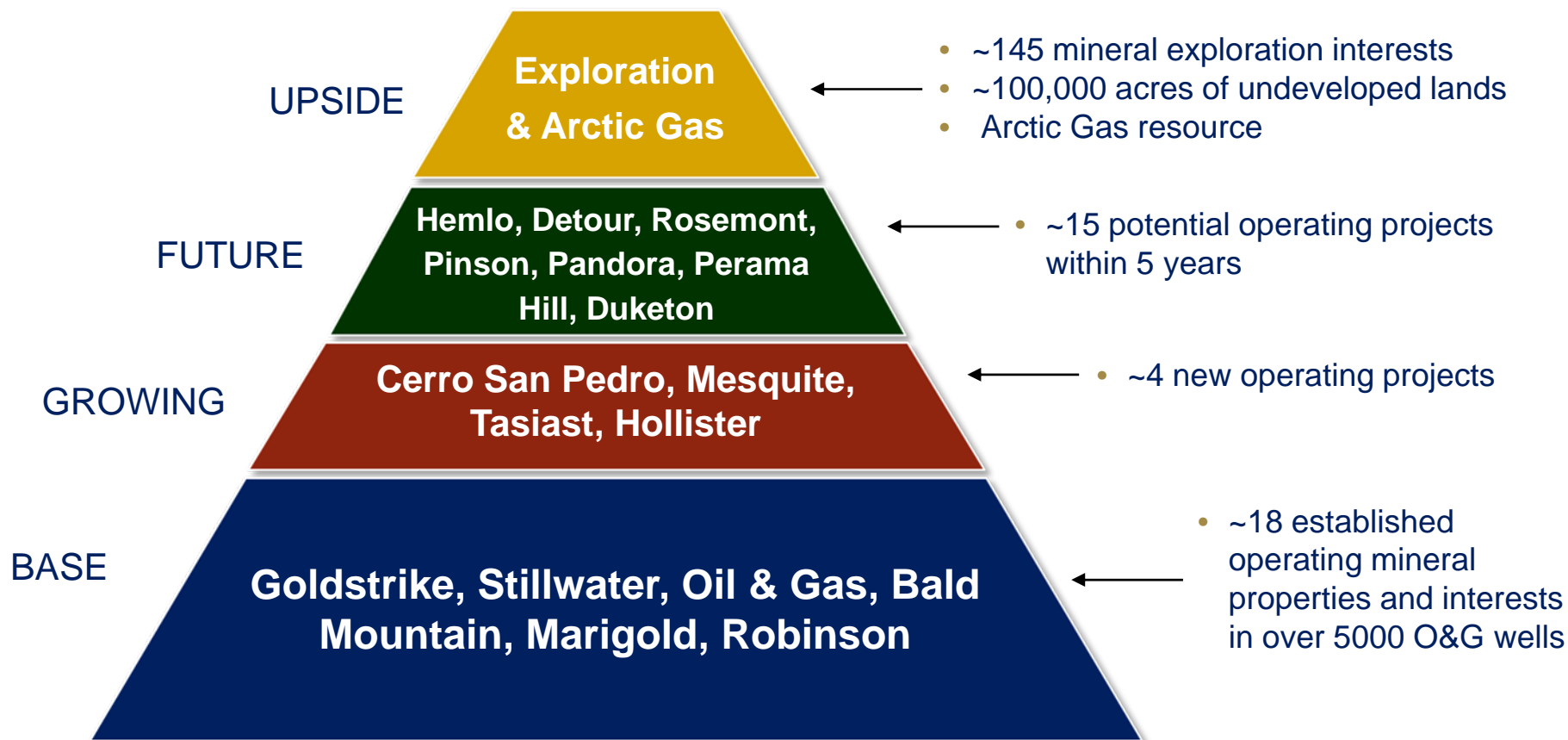
By Type	Gold	PGM's	Base Metals
Operating	16	1	6
Advanced	12	1	3
Exploration	127	2	19



- Operating
- ▲ Advanced
- X Exploration
- Oil & Gas

World's Largest Public Mineral Royalty Company

~285 Royalty Assets

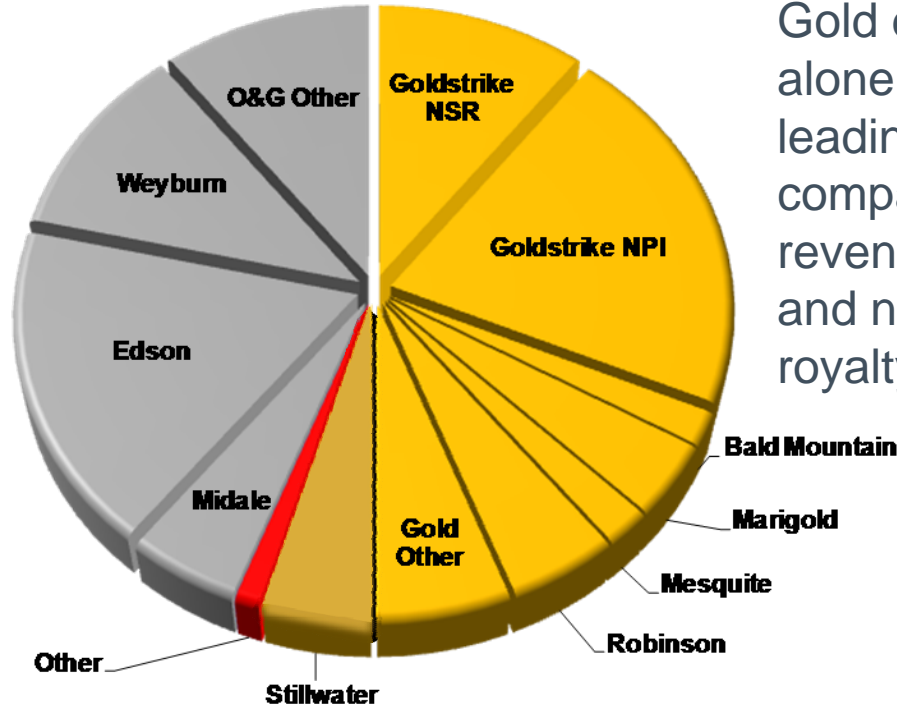


Diversified Portfolio of Operating & Future Assets

Q3 Revenues: \$40.0m



■ Gold	\$20.0m
■ PGMs	\$1.9m
■ Oil & Gas	\$17.6m
■ Other	<u>\$0.5m</u>
	\$40.0m



Gold division on a stand alone basis would be the leading gold royalty company by gold revenues, gold EBITDA and number of gold royalty interests



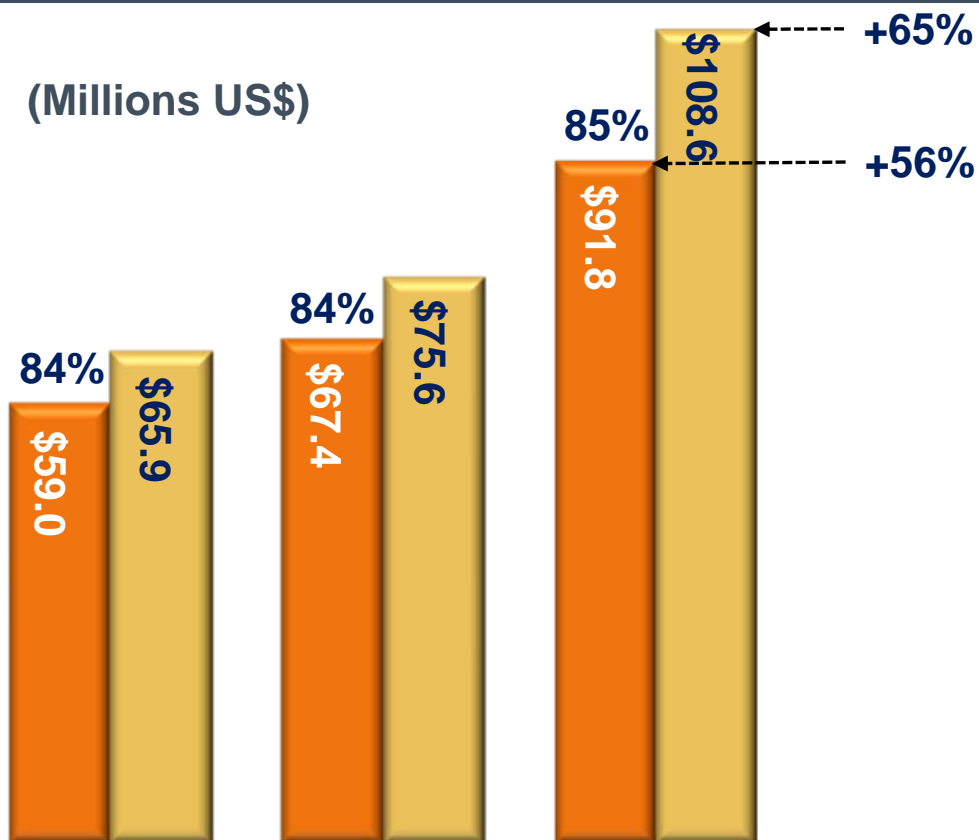
Nine Month Comparisons



Revenue⁽¹⁾
EBITDA⁽¹⁾⁽²⁾

(Millions US\$)

EBITDA/Revenue →



(1) For nine months ended Sept. 30. Figures for 2006 and 2007 are performances of the portfolio of royalty assets under previous ownership as a non-public entity prior to acquisition by Franco-Nevada.

(2) Non-GAAP measure. See our definition and calculation in our MD&A for the 2008 numbers and our Prospectus for the 2006 and 2007 numbers.

Avg. Commodity Prices – US\$

	2006	2007	2008
Gold per oz. (London PM fix)	\$ 601	\$ 666	\$ 897
Platinum per oz (London PM fix)	\$ 1,147	\$ 1,256	\$ 1,807
Palladium per oz (London PM fix)	\$ 320	\$ 353	\$ 404
Oil (C\$/bbl) (Edmonton Light)	\$ 68	\$ 66	\$ 116
Gas (C\$) (AECO-C)	\$ 5.76	\$ 5.90	\$ 8.17

2 yr ▲

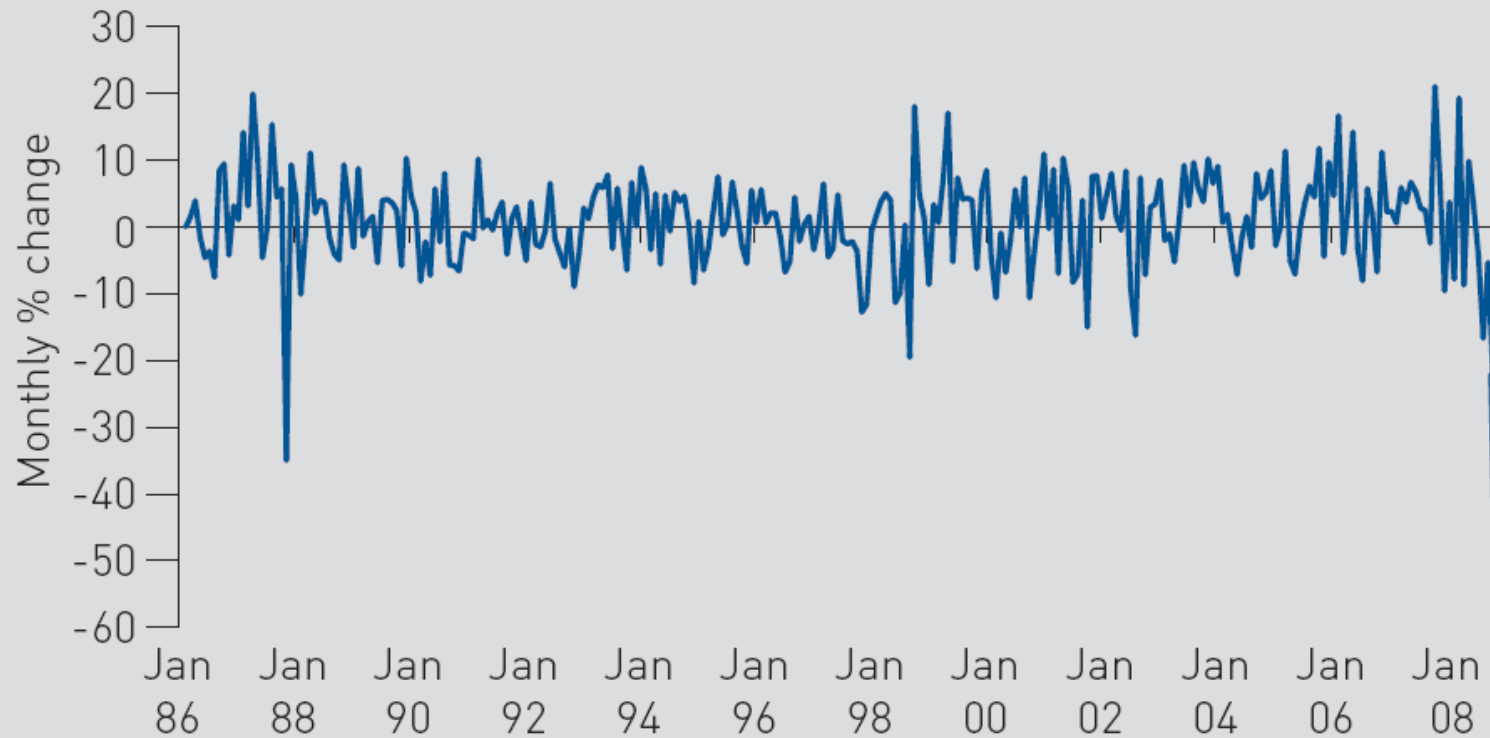
+53%

A high margin cash flowing business with upside

The Bad News



Chart 1: HSBC Global Mining Index month-on-month falls as at 27 October 2008



Source: DataStream

What a difference 6 months makes



May 2008

- Mining shares up 23% YTD
- Record mining profitability
- M&A (RTZ, Asarco, Lonmin)
- 60%-200% price increases
- New money and risk capital
- Cost inflation
- Lack of skills
- Resource nationalism

What a difference 6 months makes



May 2008

- Mining shares up 23% YTD
- Record mining profitability
- M&A (RTZ, Asarco, Lonmin)
- 60%-200% price increases
- New money and risk capital
- Cost inflation
- Lack of skills
- Resource nationalism

November 2008

- Mining shares down 72%
- Credit watch (Teck, RTZ ...)
- M&A bids collapse
- Commodities going no-bid
- No debt and forced liquidation
- Deflation
- Unemployment
- Too early

YTD Share Prices



	<u>From High</u>	<u>From Low</u>
MSCI World equities	-48.4%	11.9%
S&P 500	-47.2%	16.6%
Banks	-54.7%	37.0%
Oils	-50.1%	33.0%
Top 100 miners	-72.0%	35.6%
Golds	-64.0%	54.1%
Juniors	-75.6%	42.0%

Sowing for a Recovery



What to expect near term



- Co's with \$
- buy rather than explore or build
 - share buybacks
 - going private
- Co's without \$
- survival mode or extinction
 - multiple consolidations
 - only better ones bought

Longer term outlook



- Good stewardship (43-101 & JORC) has enhanced industry as an investment destination
- Risk capital for exploration and one project companies will take longer
- Cyclical companies need to be able to build cash and diversify
- Hard assets preferred over financial assets
- Gold will be the first mover

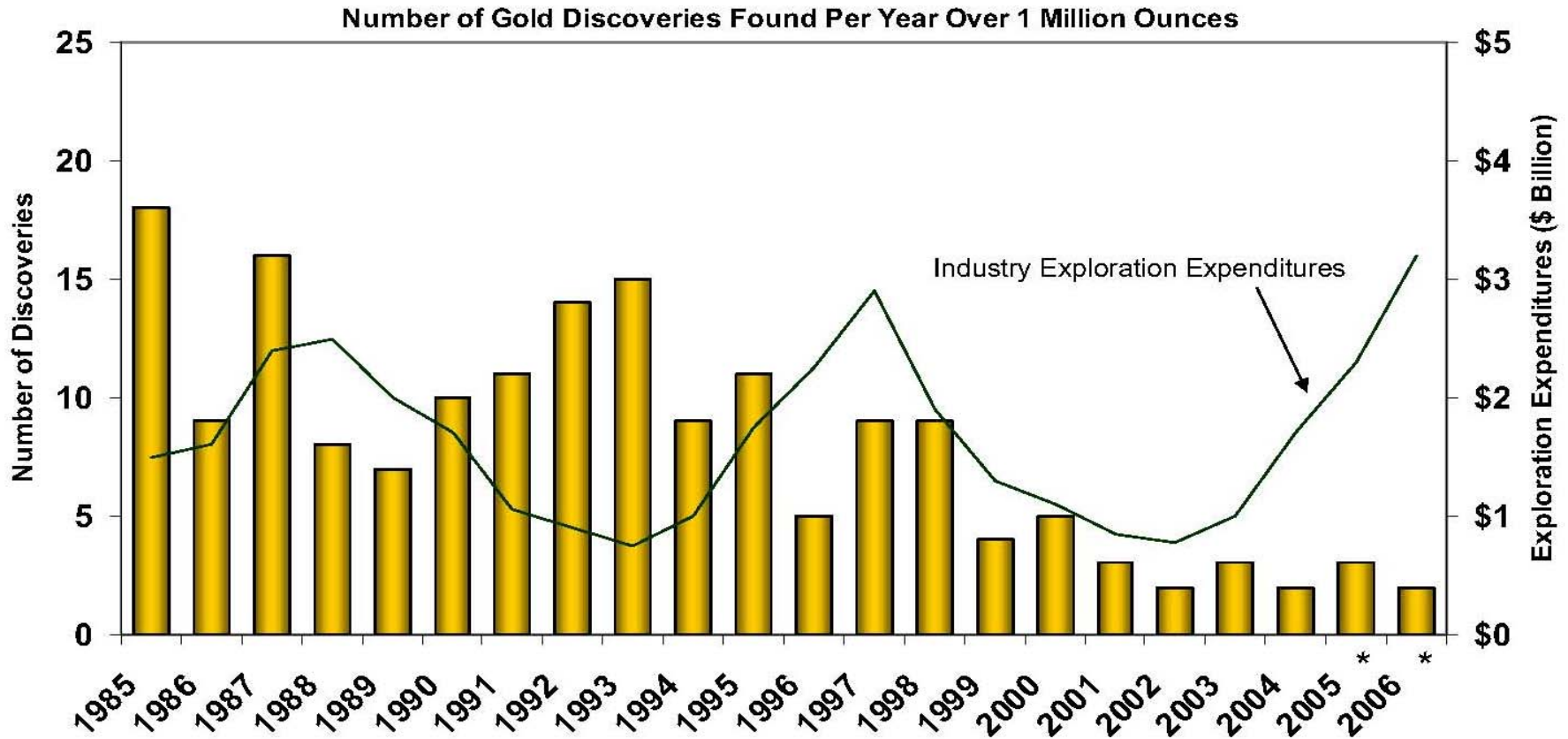
The Good News



Monetary expansion will generate the next gold bull market



NWMA's Opportunity



•Early Stages of Exploration Data
 Source: PACRIM 2004 & MEG

We are overdue for a 15-30 million oz discovery

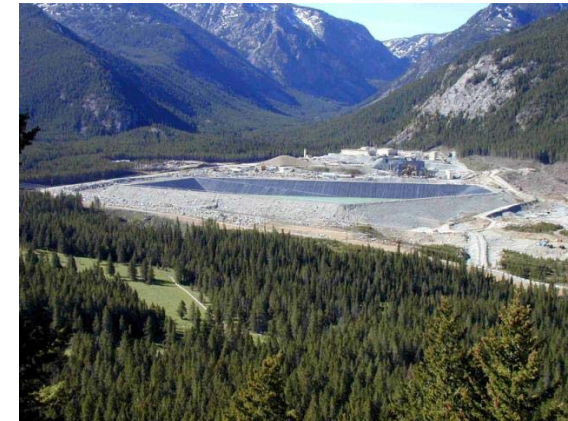
Thank You



Cerro San Pedro – New Gold



Bald Mountain - ABX



East Boulder - Stillwater



Tasiast – Red Back



Goldstrike - ABX



Mesquite – Western Goldfields



Falcondo - Xstrata



Robinson - Quadra



Marigold - Goldcorp