

Franco-Nevada Reports Strong 2008 Results

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This press release contains forward-looking statements. Reference should be made to the "Cautionary Statement on Forward-looking Information" at the end of this press release.

Fourth Quarter Highlights (US dollars) for the three months ended December 31, 2008

- Record revenues of \$42.5 million and net income of \$15.4 million (\$0.15 per share).
- Free cash flow⁽¹⁾ of \$37.7 million (\$0.38 per share) or 89% of revenue.
- Dividends paid in quarter were \$10.0 million (Cdn\$0.12 per share).
- Closed the acquisition of the Gold Quarry royalty for \$103.5 million in December 2008.

2008 Highlights (US dollars) for the year ended December 31, 2008

- Revenues of \$151.0 million and net income of \$40.3 million (\$0.41 per share).
- Free cash flow⁽¹⁾ of \$131.7 million (\$1.34 per share) or 87% of revenue.
- Dividends paid in the year were \$21.8 million (Cdn\$0.24 per share).
- At year end, Franco-Nevada had \$239.1 million in working capital, no debt or hedges and total shareholders' equity of \$1.43 billion.
- Subsequent to year end, closed the acquisition of the Palmarejo gold royalty stream for \$75 million in cash and \$5 million in special warrants.

TORONTO, March 26, 2009 - Franco-Nevada Corporation (TSX:FNV) today reported its financial results for the three months and year ended December 31, 2008. All figures are in US dollars unless otherwise noted. The complete Financial Statements, Management's Discussion and Analysis and Annual Information Form ("AIF") which includes the statement of reserves data and other oil and gas information as required under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* can be found today on Franco-Nevada's website at www.franco-nevada.com and by tomorrow on www.sedar.com.

On December 20, 2007, Franco-Nevada completed its initial public offering, listed on the Toronto Stock Exchange and purchased a royalty portfolio and other assets. A comparison of financial results for the period ended December 31, 2007 to those for the year ended December 31, 2008 is not meaningful as Franco-Nevada was in operation for only 11 days in 2007 and during that period incurred significant non-recurring expenses related to the start-up of the Company. Both annual and quarterly information for 2008 have been provided below.

Franco-Nevada's revenues benefited from increasingly strong gold revenues in each successive quarter which substantially offset declining commodity prices in the second half of 2008. Key aspects of our revenues in 2008 were:

- For the year, revenues were 56% precious metals (47% from gold and 9% from platinum group metals) and 36% from oil & gas (23% oil and 13% gas). The balance was from base metals and other minerals. The gold contribution increased throughout the year and represented 52% of revenues in the fourth quarter. Platinum group metals declined to 4% in the fourth quarter.
- 97% of revenues for the year were sourced from the US, Canada and Australia.
- The strong contributors in the latter part of the year were Barrick's Goldstrike operation as it mined better grades and Quadra's Robinson operation as it exceeded certain royalty thresholds.

Franco-Nevada's net income for the year reflected \$16.5 million of net tax recoveries offset by \$8.5 million of non cash impairments of investments and smaller royalty interests. Most of these adjustments occurred in the fourth quarter.

A more detailed review of Franco-Nevada's assets is planned for our analyst day presentation on April 15th. In summary, assuming current commodity prices, for 2009 Franco-Nevada is expecting:

- An increase in contribution from gold to overall revenues due to higher gold prices and added contributions from our Gold Quarry royalty acquisition beginning in the first quarter of 2009 and from our Palmarejo gold royalty stream with a material contribution beginning in the third quarter of 2009;
- A lower contribution from our Goldstrike royalties as the operation mines lower grades and Barrick invests capital on our royalty ground;
- A less significant contribution from our Robinson copper royalty. In 2008, Franco-Nevada realized \$10.5 million from a copper royalty that is contingent on, among other things, exceeding an indexed copper price. At current copper prices, royalty revenues from this copper royalty are not expected to be as significant in 2009; and
- Lower revenues from our non-gold royalties as those commodity prices have declined below fourth quarter averages. We expect that this will also result in some deferred oil & gas production as operators reduce their capital expenditures.

Overall, gold revenues are expected to become the dominant driver of Franco-Nevada's revenues in 2009. Assuming recent commodity prices, we expect that by the third quarter gold will represent over 75% of Franco-Nevada's revenues. Precious metals, which include platinum group metals, are expected to represent over 80% of Franco-Nevada revenues by the third quarter.

Selected Annual Financial Information:

(thousands of US dollars except per share amounts)

	For the Year Ended December 31, 2008		For the Period Ended December 31, 2007	
Statement of Operation				
Total revenue	\$	151,041	\$	3,281
Depletion and depreciation		87,525		2,388
Net income (loss)		40,347		(33,079)
Basic and diluted earnings (loss) per share	\$	0.41	\$	(0.38)
Statement of Cash Flows				
Net cash provided by (used in) operating activities, before changes in non-cash assets and liabilities	\$	132,047	\$	(418)
	As at December 31, 2008		As at December 31, 2007	
Balance Sheet				
Cash and cash equivalents	\$	73,249	\$	12,894
Short-term investments		141,576		-
Total assets		1,503,786		1,336,656
Total shareholders' equity		1,433,599		1,287,054

Selected Quarterly Financial Information:

(thousands of US dollars except per share amounts)

	Q4 2008		Q3 2008		Q2 2008		Q1 2008		Dec.20, 2007 to Dec.31, 2007	
Total revenue	\$	42,483	\$	40,023	\$	40,987	\$	27,548	\$	3,281
Net income (loss)		15,377		9,893		9,876		5,201		(33,079)
Basic earnings (loss) per share	\$	0.15	\$	0.10	\$	0.10	\$	0.06	\$	(0.38)
Free cash flow ⁽¹⁾	\$	37,664	\$	35,392	\$	35,334	\$	23,373	\$	(5,246)
Free cash flow ⁽¹⁾ per share	\$	0.38	\$	0.35	\$	0.35	\$	0.26	\$	(0.06)
Total assets	\$	1,503,786	\$	1,571,200	\$	1,591,763	\$	1,579,871	\$	1,336,656
Total shareholders' equity	\$	1,433,599	\$	1,513,503	\$	1,537,078	\$	1,528,840	\$	1,287,054

(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

Shareholder Information

The complete Financial Statements, Management's Discussion and Analysis and Annual Information Form ("AIF") which includes the statement of reserves data and other oil and gas information as required under National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* can be found today on Franco-Nevada's website at www.franco-nevada.com and by tomorrow on www.sedar.com. Additional oil and gas information is also being posted on Franco-Nevada's website. Management will host a conference call today a 4:00pm Toronto time to review the results. Interested investors are invited to participate as follows:

- Conference Call: Local: 416-644-3418; Toll-Free: 800-732-6179; Conference call title: Franco-Nevada Corporation Fiscal 2008 Financial Results
- Conference Call Replay: A recording of the conference call will be available until April 2, 2009 at the following numbers: Local: 416-640-1917; Toll-Free: 877-289-8525; Pass code: 21298174#
- Webcast: A live audio webcast of the conference call will be accessible on the Company's website
- Slides: A presentation to accompany the conference call will be available on the Company's website

Management will also host an analyst working session on April 15, 2009 at 4:00pm Toronto time to review further details on the Company's assets. The session will be held in Salon 2 on the 19th floor of the Royal York Hotel, 100 Front Street West, Toronto. Analysts and interested investors are invited to participate as follows:

- In person by RSVPing to Jason O'Connell at oconnell@franco-nevada.com or 416-306-6310
- Conference Call: Local: 416-644-3414; Toll-Free: 800-733-7560; Conference call title: Franco-Nevada Corporation Analyst Working Session
- Conference Call Replay until April 22, 2009 at the following numbers:
Local: 416-640-1917; Toll-Free: 877-289-8525; Pass code: 21298176#
- Webcast: A live audio webcast of the conference call will be accessible on the Company's website
- Slides: A presentation to accompany the conference call will be available on the Company's website

On May 20, 2009 at 4:00pm Toronto time, Franco-Nevada will hold its Annual General and Special Meeting at the TSX Broadcast Centre in the Exchange Tower, 130 King Street West, Toronto. An audio webcast and slides from the AGM will be available via the Franco-Nevada website.

Corporate Summary

Franco-Nevada Corporation (TSX: FNV) is a gold focused royalty company with additional interests in platinum group metals, oil & gas and other assets. It is the leading gold royalty company as measured by gold revenues, number of gold royalties and free cash flow margins. Its portfolio of high-margin cash flow producing assets is located principally in the United States, Canada and Australia. The Company also holds a pipeline of potential future cash flowing assets that are under development or being explored.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information contained in this Press Release, including any information as to future financial or operating performance and other statements that 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 "estimate", "expect", "expects", "expected" 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: 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 US 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; operating or technical difficulties on any of the properties underlying; risks and hazards associated with the business of development and mining on any of the properties, 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 Press Release 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. Accordingly, Readers should not place undue reliance on forward-looking statements because of the inherent uncertainty. 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, as well as our Annual MD&A. 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.

For more information, please go to our website at www.franco-nevada.com or contact:

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