

FRANCO-NEVADA ANNOUNCES \$322 MILLION BOUGHT DEAL FINANCING

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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.

TORONTO, May 27, 2009 - Franco-Nevada Corporation (the "Company") announces that it has entered into an agreement with a syndicate of underwriters, co-led by BMO Capital Markets, GMP Securities L.P. and CIBC World Markets Inc., which have agreed to purchase, on a bought deal basis, 10.0 million Units of the Company at a price of \$32.20 per Unit, for aggregate gross proceeds of \$322 million. Each Unit will be comprised of one Common Share and one-half of one common share purchase warrant ("Warrant") of the Company. The underwriters will also have the option, exercisable in whole or in part at any time up to 30 days after the closing of the offering, to purchase up to an additional 1.5 million Units. In the event that the option is exercised in its entirety, the aggregate gross proceeds of the offering will be \$370.3 million.

Each Warrant will entitle the holder thereof to purchase one Common Share of the Company (a "Warrant Share") at a price of \$75.00 per Common Share, for a period of eight years following the Closing Date (the "Expiration Date").

The Company plans to use the net proceeds from the offering for acquisitions, working capital and general corporate purposes.

The Units will be offered by way of a short form prospectus to be filed in all of the provinces of Canada pursuant to National Instrument 44-101 *Short Form Prospectus Distributions* and in the United States on a private placement basis pursuant to an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended.

The offering is scheduled to close on or about June 16th, 2009 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approval of the Toronto Stock Exchange and the securities regulatory authorities.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking information, including "forward-looking statements" within the meaning of applicable Canadian and United States securities laws. Such forward-looking statements include, without limitation, statements regarding the timing, terms and conditions and anticipated consequences of the possible transaction. Where statements by Franco-Nevada express or imply an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors (including without limitation risk factors identified in Franco-Nevada's filings available at www.sedar.com), which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Franco-Nevada expressly disclaims any obligation to release publicly revisions to any forward-looking statement to reflect events or circumstances after the date of this news release, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

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