

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes an offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. **Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer and Corporate Secretary of the Corporation at Suite 740, 130 King Street West, Toronto, Ontario M5X 1E4, telephone (416) 306-6306, and are also available electronically at www.sedar.com.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state and may not be offered, sold or delivered in the United States of America or to or for the account or benefit of a "US person" as defined in Regulation S under the U.S. Securities Act (a "US Person") except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. See "Plan of Distribution".

With respect to the United Kingdom, the Offering is only being and may only be made to, and this document is only being and may only be distributed to and is directed at (i) persons outside the United Kingdom; or (ii) persons in the United Kingdom who are both (a) a "Qualified Investor" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000 ("FSMA") and (b) within the categories of persons referred to in Article 19(5) (Investment professionals) or Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order") (all such persons together being referred to as "relevant persons"). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is not an "approved prospectus" within the meaning of Section 85(7) of FSMA and its contents have not been examined or approved by the United Kingdom Financial Services Authority or London Stock Exchange plc, nor has it been approved by an authorized person for the purposes of Section 21 of FSMA.

Short Form Prospectus

New Issue

June 9, 2009



FRANCO-NEVADA CORPORATION
Cdn\$322,000,000
10,000,000 Units

This short form prospectus (the "Prospectus") qualifies the distribution (the "Offering") of an aggregate of 10,000,000 units (the "Units") of Franco-Nevada Corporation (the "Corporation" or "Franco-Nevada"), at a price of Cdn\$32.20 per Unit (the "Offering Price"). Each Unit consists of one common share (a "Common Share") in the capital of the Corporation and one-half of one common share purchase warrant. Each whole common share purchase warrant (a "Warrant") will entitle the holder thereof to purchase one common share (a "Warrant Share") of the Corporation at a price of Cdn\$75.00 at any time before 5:00 p.m. (Toronto time) on the date that is eight years following the closing of the Offering. The Units will be sold pursuant to an underwriting agreement (the "Underwriting Agreement") between the Corporation and BMO Nesbitt Burns Inc., GMP Securities L.P., CIBC World Markets Inc., UBS Securities Canada Inc., RBC Dominion Securities Inc., HSBC Securities (Canada) Inc., Merrill Lynch Canada Inc., National Bank Financial Inc., Scotia Capital Inc., Genuity Capital Markets, Paradigm Capital Inc. and Wellington West Capital Markets Inc. (collectively, the "Underwriters").

The Underwriters may offer the Units at a price lower than the price noted. "See Plan of Distribution".

The common shares of the Corporation are listed on the Toronto Stock Exchange (the "TSX") under the symbol "FNV". On June 8, 2009, (the last trading day prior to the date of this Prospectus) the closing price of the common shares of the Corporation on the TSX was Cdn\$30.29. **There is currently no market through which the**

Warrants may be sold and purchasers may not be able to resell the Warrants to be distributed under this Prospectus. The TSX has conditionally approved the filing of the Common Shares and the Warrants comprising part of the Units distributed under this Prospectus, and the Warrant Shares issuable upon exercise of the Warrants on the TSX. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX by August 28, 2009, including meeting the minimum public distribution requirements of the TSX in the case of the Warrants. Unless the context otherwise requires, when used herein, all references to “Common Shares”, “Warrants” and “Warrant Shares” include any such securities issued upon exercise of the Over-Allotment Option (as defined below).

PRICE: Cdn\$32.20 per Unit

	<u>Price to the Public⁽¹⁾</u>	<u>Underwriting Fee⁽²⁾</u>	<u>Net Proceeds to the Corporation⁽³⁾</u>
Per Unit.....	Cdn\$32.20	Cdn\$1.288	Cdn\$30.912
Total ⁽³⁾⁽⁴⁾	Cdn\$322,000,000	Cdn\$12,880,000	Cdn\$309,120,000

- (1) The Offering Price was determined by negotiation between the Corporation and the Underwriters. The Corporation will allocate Cdn\$29.63 to each Common Share and Cdn\$2.57 to each one-half of one Warrant comprising the Units.
- (2) The Corporation has agreed to pay the Underwriters a fee representing 4% of the gross proceeds of the Offering (the “Underwriting Fee”).
- (3) After deducting the Underwriting Fee, but before deducting the expenses of the Offering estimated to be Cdn\$400,000, which will be paid from the proceeds of the Offering.
- (4) Franco-Nevada has granted the Underwriters an over-allotment option (the “Over-Allotment Option”) exercisable in whole or in part at the sole discretion of the Underwriters, at any time and from time to time for a period of 30 days from closing of the Offering, to purchase up to an additional 1,500,000 Common Shares at a price of \$29.63 per Common Share and/or up to an additional 750,000 Warrants at a price of Cdn\$5.14 per Warrant, or a combination thereof, (collectively the “Additional Securities”), solely to cover over-allotments, if any, and for market stabilization purposes (for greater clarity, a maximum of 15% in the aggregate of the number of Common Shares and Warrants to be sold at Closing may be issued in Additional Securities pursuant to the Over-Allotment Option). In respect of the Over-Allotment Option, the Corporation will pay to the Underwriters a fee equal to 4% of the proceeds realized on the exercise of the Over-Allotment Option being Cdn\$1.1852 per additional Common Share sold and Cdn\$0.2056 per additional Warrant sold. If the Over-Allotment Option is exercised in full, the total number of Units sold in the Offering will be 11,500,000, the total Price to the Public will be Cdn\$370,300,000, the total Underwriting Fee will be Cdn\$14,812,000, and the net proceeds to the Corporation, before deducting the estimated expenses of the Offering, will be Cdn\$355,488,000. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Securities to be issued and sold upon exercise of the Over-Allotment Option. See “Plan of Distribution”. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The following table sets out the number of options that have been issued or may be issued by the Corporation to the Underwriters:

<u>Underwriters' Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	1,500,000 additional Common Shares and/or 750,000 additional Warrants	Up to 30 days from the closing of the Offering	Cdn\$29.63 per additional Common Share Cdn\$5.14 per additional Warrant

The Underwriters, as principals, conditionally offer the Units subject to prior sale if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under “Plan of Distribution”, and subject to approval of certain legal matters on behalf of the

Corporation by Cassels Brock & Blackwell LLP and on behalf of the Underwriters by Stikeman Elliott LLP. Subscriptions will be received subject to rejection in whole or in part and the right is reserved to close the subscription books at any time without notice.

Closing of this Offering is expected to take place on or about June 16, 2009, or such other date as may be agreed upon by the Corporation and the Underwriters, but in any event not later than June 30, 2009.

It is expected that one or more global certificates evidencing the Common Shares and Warrants distributed under this Prospectus in Canada will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") and will be deposited with CDS on the date of closing of the Offering. No certificate evidencing either the Common Shares or the Warrants will be issued to Canadian resident purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Canadian resident purchasers of Common Shares and Warrants will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant (a "CDS Participant") and from or through whom a beneficial interest in the Common Shares and Warrants is purchased. Common Shares and Warrants distributed under this Prospectus in the United States will be available at closing of the Offering.

BMO Nesbitt Burns Inc., UBS Securities Canada Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., HSBC Securities (Canada) Inc., Scotia Capital Inc. and National Bank Financial Inc., each an Underwriter, is an affiliate of a lending institution that is part of the syndicate of lenders that have provided a secured credit facility to Franco-Nevada. **Accordingly, Franco-Nevada may be considered to be a "connected issuer" of these Underwriters under Canadian securities laws. See "Plan of Distribution".**

Investing in the Units involves significant risks. See "Risk Factors".

All monetary amounts used herein are stated in United States dollars, unless otherwise indicated. On June 8, 2009, the noon exchange rate for United States dollars in terms of the Canadian dollar, as quoted by the Bank of Canada, was Cdn\$1.00 = US\$0.8905 or US\$1.00 = Cdn\$1.1230.

In connection with the Offering and subject to applicable laws, the Underwriters may over-allot or effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Franco-Nevada's registered office and head office is located at Suite 740, 130 King Street West, Toronto, Ontario M5X 1E4.

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DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Legal Officer and Corporate Secretary of the Corporation at Suite 740, 130 King Street West, Toronto, Ontario M5X 1E4, telephone (416) 306-6306. These documents are also available through the Internet on the System for Electronic Document Analysis and Retrieval, which can be accessed online at www.sedar.com.

The following documents, filed by the Corporation with the various securities commissions or similar authorities in the provinces of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

- (a) the annual information form (“AIF”) of the Corporation for the financial year ended December 31, 2008, dated March 26, 2009;
- (b) the audited consolidated comparative financial statements of the Corporation, the notes thereto and the auditor's report thereon for the financial year ended December 31, 2008 together with the management's discussion and analysis for such financial statements;
- (c) the interim unaudited consolidated comparative financial statements of the Corporation and the notes thereto for the period ended March 31, 2009 together with the management's discussion and analysis for such financial statements;
- (d) the management information circular of the Corporation for the annual and special meeting of shareholders held on May 20, 2009;
- (e) the material change report of the Corporation dated January 30, 2009 announcing the acquisition of a 50% gold royalty stream in the Palmarejo project; and
- (f) the material change report of the Corporation dated June 2, 2009 announcing the Offering.

A reference herein to this Prospectus also means any and all documents incorporated by reference in this Prospectus. Any document of the type referred to above (excluding confidential material change reports), any business acquisition reports, the content of any news release disclosing financial information for a period more recent than the period for which financial statements are required and certain other disclosure documents as set forth in Item 11.1 of Form 44-101F1 of National Instrument 44-101 of the Canadian Securities Administrators filed by the Corporation with the securities commissions or similar regulatory authorities in Canada after the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated by reference herein may contain “forward-looking information,” within the meaning of applicable Canadian securities legislation or “forward-looking statements” within the meaning of applicable United States securities legislation, 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. In addition, statements relating to “reserves” or “resources” are forward-looking information and forward-looking statements, as they involve implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably produced in the future. Original oil in place (“OOIP”), i.e. the total quantity of oil estimated to be contained in an accumulation at a given time, is also a forward-looking statement and there are numerous uncertainties inherent in estimating OOIP, and no assurance can be given that the indicated level of OOIP or the recovery thereof will be realized. Such forward-looking information and forward-looking statements reflect management’s current beliefs and are based on information currently available to management. Often, but not always, forward-looking information and forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “predicts”, “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 information and 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 and forward-looking information. A number of factors could cause actual events or results to differ materially from the results discussed, including the risks outlined under “Risk Factors”, which may cause actual results to differ materially from any forward-looking statement and forward-looking information. The forward-looking information and forward-looking statements contained in this Prospectus are based upon what management believes to be reasonable assumptions, including, without limitation, the ongoing operations of the properties underlying the Corporation’s 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 Corporation’s royalty portfolio, no adverse development in respect of any significant property in which the Corporation holds a royalty or other interest, the accuracy of publicly disclosed expectations for the development of underlying properties that are not yet in production, 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 information and 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 the forward-looking information and forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking information and forward-looking statements due to the inherent uncertainty therein. The forward-looking information and forward-looking statements are made as of the date of this Prospectus or the documents incorporated by reference only and, unless required by applicable securities laws, Franco-Nevada does not undertake to update or revise them to reflect new information, estimates or opinions, future events or results or otherwise.

EXCHANGE RATE INFORMATION

The following table sets out the high and low rates of exchange for one U.S. dollar expressed in Canadian dollars in effect at the end of each of the following periods; the average rate of exchange for those periods; and the rate of exchange in effect at the end of each of those periods, each based on the noon buying rate published by the Bank of Canada.

	Years ended December 31,		
	<u>2008</u>	<u>2007</u>	<u>2006</u>
High.....	Cdn\$1.2969	Cdn\$1.1853	Cdn\$1.1726
Low.....	Cdn\$0.9719	Cdn\$0.9170	Cdn\$1.0990
Average for the Period	Cdn\$1.0660	Cdn\$1.0748	Cdn\$1.1342
End of Period	Cdn\$1.2246	Cdn\$0.9881	Cdn\$1.1653

On June 8, 2009 the noon buying rate was U.S.\$1.00 = Cdn\$1.1230 as certified by the Bank of Canada.

TECHNICAL AND THIRD PARTY INFORMATION

Except where otherwise stated, the disclosure in this Prospectus and the documents incorporated by reference herein relating to properties and operations on the properties on which Franco-Nevada holds royalty or equity interests, including without limitation, the disclosure included under the sections entitled “Business and Assets of the Company”, “Gold Assets”, “Platinum Assets”, “Base Metal Assets”, “Oil & Gas Assets” and “Technical and Supplementary Information” in the AIF and each of the Goldstrike Report and the Stillwater Report (each as defined below) is based solely on information publicly disclosed by the owners or operators of these properties and information/data available in the public domain, and none of this information has been independently verified by Franco-Nevada. Specifically, Franco-Nevada has limited, if any, access to properties included in the Royalty Portfolio. Additionally, Franco-Nevada may from time to time receive operating information from the owners and operators of the properties, which it is not permitted to disclose to the public. Franco-Nevada is dependent on publicly available information to prepare required disclosure pertaining to properties and operations on the properties on which Franco-Nevada holds royalty and/or working interests and generally has no ability to independently verify such information. Although Franco-Nevada does not have any knowledge that such information may not be accurate, there can be no assurance that such third party information may not be incomplete or inaccurate.

The disclosure in this Prospectus and documents incorporated by reference of a scientific or technical nature for each of the Goldstrike complex and the Stillwater complex is based on technical reports prepared by SRK Consulting (US), Inc. (“SRK”) in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) of the Canadian Securities Administrators. The technical report for the Goldstrike complex is entitled “Franco-Nevada Corporation NI 43-101 Technical Report Goldstrike Properties Royalty, Elko, NV” dated March 26, 2009 (the “Goldstrike Report”), and was prepared by SRK under the supervision of and endorsed by Dr. Neal Rigby and Leah Mach, each of whom is a “qualified person” for the purposes of NI 43-101 and who also supervised the disclosure of scientific and technical information in this Prospectus including the documents incorporated herein by reference regarding the Goldstrike complex. The technical report for the Stillwater complex is entitled “Franco-Nevada Corporation NI 43-101 Technical Report Stillwater Properties Royalty, Nye, MT” dated March 26, 2009 (the “Stillwater Report”), and was prepared by SRK under the supervision of and endorsed by Dr. Neal Rigby and Leah Mach, each of whom is a “qualified person” for the purposes of NI 43-101 and who also supervised the disclosure of scientific and technical information in this Prospectus including the documents incorporated herein by reference regarding the Stillwater complex. Each of the Goldstrike Report and the Stillwater Report has been filed on the System for Electronic Data Analysis and Retrieval at www.sedar.com.

Franco-Nevada is relying on an exemption from completing certain items under Form 43-101F1, available under Part 9 of NI 43-101, in each of the Goldstrike Report and Stillwater Report, as Franco-Nevada has requested but was denied access to the necessary data from Barrick Gold Corporation and Stillwater Mining Company (“Stillwater”), respectively, and is not able to obtain the necessary information from the public domain. This

exemption arises pursuant to Section 9.2(1) of NI 43-101, and exempts Franco-Nevada and SRK from the requirement to perform onsite visits to the Goldstrike or Stillwater complexes, and from the obligation to complete those items under Form 43-101F1 that require data verification, inspection of documents or personal inspection of the properties.

The disclosure in this Prospectus and documents incorporated by reference for the reserve assessment and evaluation in respect of Franco-Nevada's producing oil and natural gas royalty and working interests including the Edson Property, Weyburn Unit, Midale Unit, Medicine Hat Consolidated Unit No. 1 and Tidewater Interests, has been prepared by GLJ Petroleum Consultants Ltd. for Franco-Nevada, as at December 31, 2008, in a report dated March 19, 2009 and was prepared in accordance with National Instrument 51-101 - Standards of Disclosure for Oil & Gas Activities.

The market data, commodity prices and commodity price trends disclosed in this Prospectus including the documents incorporated by reference have been provided by third party industry consultants and not by Franco-Nevada or the Underwriters. While management believes that these industry sources are reasonable, such information has not been verified by Franco-Nevada or the Underwriters. Accordingly, there can be no assurance that such market data, commodity prices and commodity price trends are accurate or that such trends will occur in the future.

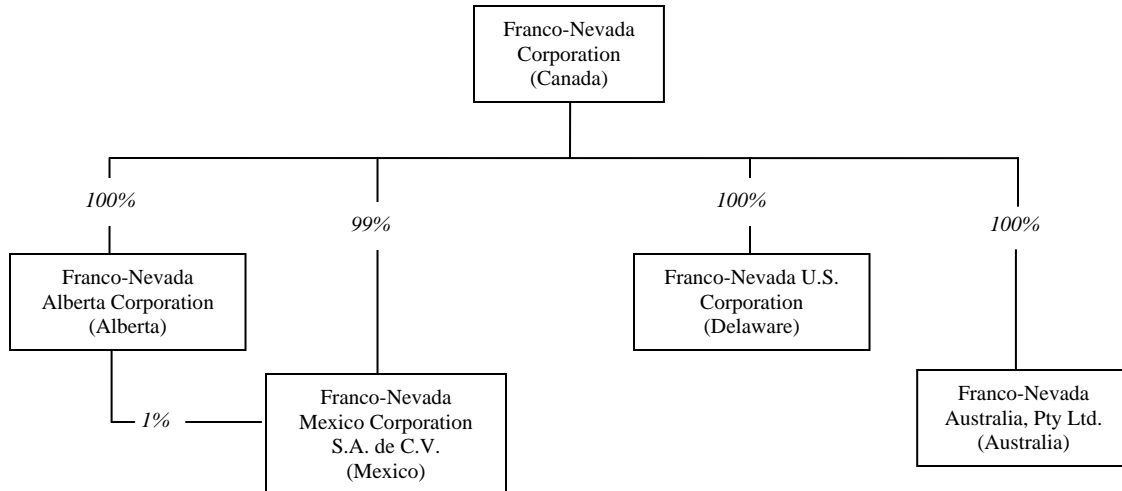
ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock and Blackwell LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters, based on the provisions of the *Income Tax Act* (Canada) (the "Tax Act"), the regulations thereunder (the "Regulations"), provided the Common Shares, Warrant Shares and Warrants are listed on a designated stock exchange (which includes the TSX), the Common Shares, Warrant Shares and Warrants, if issued on the date hereof, would be qualified investments under the Tax Act and the Regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts (a "TFSA") (each, a "Registered Plan"). If the Warrants are not listed on a designated stock exchange, the Warrants would be a qualified investment for Registered Plans provided the Corporation was not a "connected person" under a Registered Plan. A "connected person" is defined in the Regulations, in relation to a Registered Plan, as a person who is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Registered Plan as well as any other person who does not deal at arm's length with that person.

Common Shares, Warrant Shares and Warrants will not be a "prohibited investment" for a particular trust governed by a TFSA provided the holder deals at arm's length with the Corporation and does not have a "significant interest" in the Corporation or a person or partnership with which the Corporation does not deal at arm's length. Generally, a holder will not have a significant interest in the Corporation unless the holder and/or persons not dealing at arm's length with the holder, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Corporation or of a corporation related to the Corporation. Holders of trusts governed by a TFSA should consult their own tax advisors to ensure the Common Shares, Warrant Shares and Warrants would not be a prohibited investment in their particular circumstances.

THE CORPORATION

Franco-Nevada was incorporated under the *Canada Business Corporations Act* on October 17, 2007 and was amalgamated with Franco-Nevada Canada Corporation, its wholly owned subsidiary on January 1, 2008. Franco-Nevada's head office and registered office is located at Suite 740, 130 King Street West, Toronto, Ontario M5X 1E4. The following chart illustrates the Corporation's corporate structure and the jurisdiction of incorporation of each subsidiary.



THE BUSINESS

Franco-Nevada is a gold focused royalty company with additional interests in platinum group metals, base metals, oil & gas and other assets. A majority of the Corporation's revenue is generated from a diversified portfolio of properties in the United States, Canada and Australia. The Corporation's Royalty Portfolio consists of Mineral Royalties and Oil & Gas Interests which primarily consist of royalty interests and also include working and equity interests, undeveloped properties, options to acquire royalties and other assets.

The Mineral Royalties include over 300 royalty interests in gold, platinum or base metal projects at various stages of development including operating, advanced or early stage exploration projects. A majority of the Corporation's revenue derived from Mineral Royalties is from gold operations, including the Goldstrike complex. The Stillwater complex generates revenue from platinum group metal operations.

The Corporation's Oil & Gas Interests of the Royalty Portfolio are located primarily in the Western Canadian sedimentary basin with a larger amount of revenue generated from conventional oil than natural gas properties in 2008. The Oil & Gas Interests include working interests ranging from 3% to 15% in the Drake Point, Hecla, King Christian and Roche Point natural gas fields located on and offshore Melville Island in the Canadian Arctic. In addition, the Oil & Gas Interests include mineral rights to approximately 100,000 gross acres of unproved land in Canada primarily related to oil and natural gas rights.

CONSOLIDATED CAPITALIZATION

As at March 31, 2009, there were 100,300,000 common shares, 5,750,000 warrants, 2,885,000 options and 316,436 special warrants issued and outstanding. Each warrant, option and special warrant is exercisable into one common share of the Corporation. There have been no material changes in the share and loan capital of the Corporation, on a consolidated basis, since the date of the most recently filed unaudited consolidated financial statements of the Corporation as at and for the three month period ended March 31, 2009 other than the issuance of 139,999 common shares upon the exercise of outstanding options and the granting of an additional 55,000 options.

Upon completion of the Offering, there will be an aggregate of 110,439,999 common shares issued and outstanding (or 111,939,999 common shares if the Over-Allotment Option is exercised in full), 10,750,000 warrants issued and outstanding (or 11,500,000 warrants if the Over-Allotment Option is exercised in full), 2,800,001 options and 316,436 special warrants, assuming no further exercises or issuances of convertible securities.

As at March 31, 2009 and the date of this Prospectus, the Corporation had no long-term debt outstanding.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have agreed to purchase, as principals, on June 16, 2009 or such other date as may be agreed upon by the Corporation and the Underwriters (the "Closing Date"), but in any event not later than June 30, 2009, all but not less than all of the 10,000,000 Units offered hereunder at a price of Cdn\$32.20 per Unit, against delivery of certificates representing the Common Shares and the Warrants, subject to compliance with all necessary legal requirements and to the conditions contained in the Underwriting Agreement. The Corporation has agreed to pay the Underwriters a fee equal to 4% of the gross proceeds of the Offering, including in respect of any additional Common Shares and additional Warrants sold pursuant to any exercise of the Over-Allotment Option. The Offering Price of the Units was determined by negotiation between the Corporation and the Underwriters.

The Corporation has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Underwriters for a period of 30 days from the Closing Date, enabling them to purchase up to an additional 1,500,000 Common Shares at a price of \$29.63 per Common Share and/or up to an additional 750,000 Warrants at a price of Cdn\$5.14 per Warrant, or a combination thereof, (collectively the "Additional Securities"), solely to cover over-allotments, if any, and for market stabilization purposes (for greater clarity, a maximum of 15% in the aggregate of the number of Common Shares and Warrants to be sold at Closing may be issued in Additional Securities pursuant to the Over-Allotment Option). If the Over-Allotment Option is exercised in full, the Price to the Public, the Underwriting Fee and the Net Proceeds to the Corporation will be Cdn\$370,300,000, Cdn\$14,812,000 and Cdn\$355,488,000, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Securities issued on exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

It is expected that one or more global certificates evidencing the Common Shares and Warrants distributed under this Prospectus in Canada will be issued in registered form to CDS Clearing and Depository Services Inc. ("CDS") and will be deposited with CDS on the date of closing of the Offering. No certificate evidencing either the Common Shares or the Warrants will be issued to Canadian resident purchasers, except in certain limited circumstances, and registration will be made in the depository service of CDS. Canadian resident purchasers of Common Shares and Warrants will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant (a "CDS Participant") and from or through whom a beneficial interest in the Common Shares and Warrants is purchased. Certificates for Common Shares and Warrants distributed under this Prospectus in the United States will be available at closing of the Offering.

Franco-Nevada has agreed with the Underwriters not to issue any common shares or financial instruments convertible or exercisable into common shares of the Corporation (other than (i) for purposes of director, officer or employee stock options or other common share plans currently existing or adopted by the Corporation's board of directors, including employee stock purchase plan deductions, or other outstanding rights issued as at May 27, 2009), for a period ending 90 days from the Closing Date, without the prior written consent of the Underwriters.

The Warrants will be created and issued pursuant to the terms of a warrant indenture (the "Warrant Indenture") between the Corporation and Computershare Trust Company of Canada, as warrant agent thereunder (the "Warrant Agent"). Each whole Warrant will entitle the holder thereof to purchase one Warrant Share at a price of Cdn\$75.00 at any time prior to 5:00 p.m. (Toronto time) on the date that is eight years from the Closing Date after which time the Warrants will expire and be void and of no value. The Warrant Indenture will contain provisions designed to protect the holders of Warrants against dilution upon the occurrence of certain events. No fractional Warrant Shares will be issued upon the exercise of any Warrants.

Certain banking affiliates of BMO Nesbitt Burns Inc., UBS Securities Canada Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., HSBC Securities (Canada) Inc., Scotia Capital Inc. and National Bank Financial Inc. have provided the Credit Facility available to Franco-Nevada. (See “History of the Company – Acquisition of Royalty Portfolio from Newmont” in the AIF incorporated by reference herein.) As a result, Franco-Nevada may be considered a connected issuer to these Underwriters for purposes of the securities laws of certain Canadian provinces. Franco-Nevada is not in default of its obligations to the lenders under the Credit Facility and currently has no amount drawn down on the Credit Facility. Franco-Nevada has granted security over certain Mineral Royalties and Oil and Gas Interests, representing approximately 80% of the net value of its current and future assets, as security for its indebtedness under the Credit Facility. Each of Franco-Nevada's material subsidiaries (as defined in the credit agreement) has guaranteed Franco-Nevada's indebtedness under the Credit Facility. In addition, all equity interests in the capital of the material subsidiaries have been pledged as security for the Credit Facility. The determination of the terms and conditions of the Offering were made through negotiations among the Underwriters and Franco-Nevada without the involvement of the lenders, although the lenders have been advised of the Offering. The Underwriters will derive no benefit from the Offering other than their fees described in this section.

The Units, the Common Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any State securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons except in transactions exempt from the registration requirements of the U.S. Securities Act. The Underwriters have agreed that, except as permitted by the Underwriting Agreement and as expressly permitted by applicable laws of the United States, they will not offer or sell the Units within the United States or to, or for the account or benefit of, U.S. Persons. The Underwriting Agreement permits the Underwriters to offer and sell the Units purchased by them pursuant thereto in the United States only in a manner exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A thereunder and in compliance with applicable state securities laws. The certificates representing the Common Shares and Warrants comprising the Units which are sold in the United States or to, or for the benefit or account of, U.S. Persons and the Warrant Shares issuable upon exercise of such Warrants by such persons will contain a legend to the effect that the securities represented thereby have not been registered under the U.S. Securities Act and may only be offered pursuant to certain exemptions from the registration requirements of the U.S. Securities Act. This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any Units in the United States or to, or for the account or benefit of, U.S. Persons. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares and the Warrants comprising the Units offered hereby within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act unless such offer is made pursuant to an exemption under Rule 144A under the U.S. Securities Act.

With respect to the United Kingdom, the Offering is only being and may only be made to, and this document is only being and may only be distributed to and is directed at (i) persons outside the United Kingdom; or (ii) persons in the United Kingdom who are both (a) a “Qualified investor” within the meaning of Section 86(7) of FSMA and (b) within the categories of persons referred to in Article 19(5) (Investment professionals) or Article 49(2)(a) to (d) (High net worth companies, unincorporated associations etc.) of the Financial Promotion Order (all such persons together being referred to as “relevant persons”). The securities being offered hereunder are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement.

The Underwriters propose to offer the Units initially at the Offering Price set forth on the cover page of this Prospectus. After the Underwriters have made reasonable efforts to sell all the Units by this Prospectus at such price, the Offering Price may be decreased, and further changed from time to time to an amount not greater than the Offering Price specified herein. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Corporation.

Pursuant to rules and policy statements of certain Canadian securities regulatory authorities, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase common shares or warrants of the Corporation. The foregoing restriction is subject to certain exceptions. Such exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares or Warrants of the Corporation at levels other than which would otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriting Agreement also provides that the Corporation will indemnify the Underwriters and their affiliates and their respective directors, officers, employees and agents against certain liabilities and expenses or will contribute to payments that the Underwriters may be required to make in respect thereof.

The TSX has conditionally approved the listing of the Common Shares and the Warrants which form part of the Units distributed under this Prospectus and the Warrants Shares issuable upon exercise of the Warrants on the TSX. There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants to be distributed under this Prospectus. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX by August 28, 2009, including meeting the minimum public distribution requirements of the TSX in the case of the Warrants.

DESCRIPTION OF SECURITIES DISTRIBUTED

Common Shares

The authorized share capital of Franco-Nevada consists of an unlimited number of common shares and an unlimited number of preferred shares of which 100,439,999 common shares and no preferred shares are outstanding as of the date of this Prospectus.

Each common share carries the right to one vote at all meetings of shareholders of Franco-Nevada. There are no special rights or restrictions of any nature attached to the common shares. All common shares rank equally as to dividends, voting powers and participation in assets upon liquidation of Franco-Nevada.

Warrants

The Warrants will be issued in registered form under, and be governed by, the terms of the Warrant Indenture. The Corporation will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

The Units will separate immediately upon closing of the Offering into Common Shares and Warrants. Each whole Warrant will entitle the holder to purchase one Warrant Share at a price of Cdn\$75.00. The exercise price and the number of Warrant Shares issuable upon exercise are both subject to adjustment in certain circumstances as more fully described below. Warrants will be exercisable at any time prior to 5:00 p.m. (Toronto time) on the date that is eight years following the Closing Date, after which time the Warrants will expire and become null and void.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) the issuance of common shares or securities exchangeable for or convertible into common shares to all, or substantially all, of the holders of the common shares as a stock dividend or other distribution (other than a “dividend paid in the ordinary course”, as defined in the Warrant

Indenture, or a distribution of common shares upon the exercise of the Warrants or pursuant to the exercise of directors, officers or employee stock options granted under the Corporation's stock option plans);

- (b) the subdivision, redivision or change of the common shares into a greater number of shares;
- (c) the reduction, combination or consolidation of the common shares into a lesser number of shares;
- (d) the issuance to all or substantially all of the holders of the common shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase common shares, or securities exchangeable for or convertible into common shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the common shares on such record date; and
- (e) the issuance or distribution to all or substantially all of the holders of the common shares of shares of any class other than the common shares, rights, options or warrants to acquire common shares or securities exchangeable or convertible into common shares or other assets of the Corporation, or evidences of indebtedness or cash, securities or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the common shares; (2) consolidations, amalgamations, plans of arrangement or mergers of the Corporation with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the common shares or a change of the common shares into other shares); or (3) the transfer (other than to one of the Corporation's subsidiaries) of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of common shares purchasable upon exercise by at least one one-hundredth of a common share.

The Corporation will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such event.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of common shares would have.

From time to time, the Corporation and the Warrant Agent, without the consent of or notice to the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 10% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Warrant Shares have not been registered under the U.S. Securities Act or applicable state securities laws, and the Warrants may not be exercised in the United States or by or on behalf of, or for the account or benefit of a US Person unless an exemption from registration is available.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters, the following is, as of the date of this Prospectus, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder of Common Shares and Warrants acquired under the Offering. This summary applies to a holder who either: (i) at all relevant times for purposes of the Tax Act, is or is deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Corporation, the Underwriters or a subsequent purchaser of the Common Shares or Warrants and acquires and holds the Common Shares and Warrants as capital property (a "Resident Holder"); or (ii) at all relevant times for purposes of the Tax Act, is not resident or deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Corporation, the Underwriters or a subsequent purchaser of the Common Shares or Warrants, acquires and holds the Common Shares and Warrants as capital property and does not use or hold the Common Shares or Warrants in the course of carrying on, or otherwise in connection with, a business in Canada or as "designated insurance property", and who has never been a resident of Canada, and has not held or used (and does not hold or use) the Common Shares or Warrants in connection with a permanent establishment or fixed base in Canada (a "Non-Resident Holder").

Generally, the Common Shares and Warrants will be considered to be capital property to a holder thereof provided that the holder does not use the Common Shares or Warrants in the course of carrying on a business and such holder has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Resident Holders may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have their Common Shares, and every "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent years deemed to be capital property. Subsection 39(4) does not apply to deem the Warrants to be capital property. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) is available and/or advisable in their particular circumstances.

This summary is not applicable to: (i) a holder of Units that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules) or a "specified financial institution"; (ii) a holder of Units, an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iii) a Non-Resident Holder who is a non-resident insurer carrying on an insurance business in Canada and elsewhere; (iv) an "authorized foreign bank" (as defined in the Tax Act); or (v) a holder of units that has made a functional currency reporting election under the Tax Act. Such holders should consult their own tax advisors with respect to an investment in Units.

This summary is based upon the current provisions of the Tax Act and the regulations thereunder (the "Regulations") in force as of the date hereof, all specific proposals (the "Proposed Amendments") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current published administrative and assessing practices of the Canada Revenue Agency (the "CRA"). No assurance can be given that the Proposed Amendments will be enacted in their current proposed form, if at all.

This summary is of a general nature only, is not exhaustive of all possible Canadian federal income tax considerations and is not intended to be, nor should it be construed to be, legal or tax advice to any particular holder. **Holders should consult their own tax advisors with respect to their particular circumstances.**

Allocation of Cost

The total purchase price of a Unit to a purchaser must be allocated on a reasonable basis between the Common Share and the one-half of one Warrant to determine the cost of each to the purchaser for purposes of the Tax Act.

For its purposes, the Corporation intends to allocate Cdn\$29.63 of the issue price of each Unit as consideration for the issue of each Common Share and Cdn\$2.57 of the issue price of each Unit for the issue of each one-half of one Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or the holder. The holder's adjusted cost base of the Common Share comprising a part of each Unit will be determined by averaging the cost allocated to the Common Share with the adjusted cost base to the holder of all Common Shares owned by the holder immediately prior to such acquisition.

Exercise of Warrants

No gain or loss will be realized by a holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the holder's cost of the Warrant Share acquired thereby will be the aggregate of the holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the holder of all common shares owned by the holder immediately prior to such acquisition.

Taxation of Resident Holders

Disposition and Expiry of Warrants

A disposition or deemed disposition by a holder of a Warrant (other than upon the exercise thereof) will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such holder's adjusted cost base of the Warrants. In the event of the expiry of an unexercised Warrant, the holder will realize a capital loss equal to the holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Dividends

Dividends received or deemed to be received on the Common Shares will be included in computing the holder's income. In the case of an individual, such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received from taxable Canadian corporations (as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" designated by the Corporation to the holder. Dividends received by a corporation on the Common Shares must be included in computing its income but generally will be deductible in computing its taxable income.

Private corporations (as defined in the Tax Act) and certain other corporations controlled by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts) generally will be liable to pay a 33 1/3% refundable tax under Part IV of the Tax Act on dividends to the extent such dividends are deductible in computing taxable income. This refundable tax generally will be refunded to a corporate holder at the rate of \$1 for every \$3 of taxable dividends paid while it is a private corporation.

Disposition of Common Shares

A disposition or deemed disposition of Common Shares by a holder will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than such holder's adjusted cost base of the Common Shares. The tax treatment of capital gains and capital losses is discussed in greater detail below under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

Upon a disposition (or a deemed disposition) of a Common Share or a Warrant (other than on the exercise thereof), a holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of such security, as applicable, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base of such security, as applicable, to the holder. One-half of any capital gain will be included in

income as a taxable capital gain and one-half of a capital loss may normally be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the provisions of the Tax Act in that regard.

The amount of any capital loss realized on the disposition or deemed disposition of Common Shares by a holder that is a corporation may be reduced by the amount of dividends received or deemed to have been received by it on such shares or shares substituted for such shares to the extent and in the circumstance prescribed by the Tax Act. Similar rules may apply where a holder that is a corporation is a member of a partnership or beneficiary of a trust that owns such shares or that is itself a member of a partnership or a beneficiary of a trust that owns shares.

A holder that is throughout the relevant taxation year a “Canadian-controlled private corporation” (as defined in the Tax Act) also may be liable to pay an additional refundable tax of 6 2/3% on its “aggregate investment income” for the year which will include an amount in respect of taxable capital gains. This tax generally will be refunded to a corporate holder at the rate of \$1 for every \$3 of taxable dividends paid while it is a private corporation.

Alternative Minimum Tax

In general terms, a holder that is an individual or a trust, other than a specified trust, that receives or is deemed to receive taxable dividends on the Common Shares or realizes a capital gain on the disposition or deemed disposition of Common Shares or Warrants may realize an increase in the holder's liability for alternative minimum tax.

Taxation of Non-Resident Holders

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Corporation are subject to Canadian withholding tax at the rate of 25% unless reduced by the terms of an applicable tax treaty. Under the Canada-United States Income Tax Convention (1980) (the “Treaty”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and entitled to benefits under the Treaty (a “U.S. Holder”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a corporation beneficially owning at least 10% of the Corporation's voting shares). Non-Resident Holders should consult their own tax advisors.

Exercise of Warrants

No gain or loss will be realized by a holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the holder's cost of the Warrant Share acquired thereby will be the aggregate of the holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the holder of all common shares owned by the holder immediately prior to such acquisition.

Dispositions

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Common Share or a Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Share or Warrant constitutes “taxable Canadian property” to the Non-Resident Holder thereof for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty.

As long as the Common Shares are listed on the TSX at the time of disposition, the Common Shares and Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder, unless at any time during the 60 month period immediately preceding the disposition, the Non-Resident Holder, persons with whom

the Non-Resident Holder did not deal at arm's length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued Common Shares or any other class of shares of the Corporation. A Non-Resident Holder will not be subject to the requirements (including the notification to and the obtaining of a clearance certificate from the Canadian tax authorities) of section 116 of the Tax Act in connection with a disposition of Common Shares or Warrants if the Common Shares are listed on the TSX at the time of their disposition.

USE OF PROCEEDS

The estimated net proceeds of this Offering received by the Corporation, after payment of the Underwriting Fee and deducting the estimated expenses of this Offering, are estimated to be approximately Cdn\$308,720,000. If the Over-Allotment Option is exercised in full, the net proceeds of the Offering, after payment of the Underwriting Fee and deducting the estimated expenses of the Offering, are estimated to be Cdn\$355,088,000.

The Corporation intends to use the net proceeds of this Offering for acquisitions, corporate working capital and general corporate purposes. The Corporation's actual use of the net proceeds may vary depending on the Corporation's operating and capital needs from time to time. There may be circumstances where for sound business reasons, a reallocation of funds may be necessary.

Pending the use of the proceeds described above, the Corporation may invest all or portion of the proceeds of the Offering in short-term, high quality, interest bearing corporate, government-issued or government-guaranteed securities.

Business Objectives

The acquisition of new resource royalties and investments is an integral part of the Corporation's growth strategy. The Corporation intends to use a portion of the net proceeds of the Offering on its continued strategy of growing a high margin gold business through the acquisition or creation of gold royalties and investments and, it may also consider investments in other commodities. The Corporation believes that it is important to maintain a strong capital position in order to be able to execute its growth strategy as acquisition and investment opportunities arise in the future. There is no assurance however that the Corporation will be able to consummate any acquisition or investment opportunity in the future.

TRADING PRICE AND VOLUME

The Corporation's common shares are listed on the TSX under the symbol "FNV". The following table sets forth certain trading information for the common shares on the TSX for the 12 month period before the date hereof.

	Month	High Cdn\$	Low Cdn\$	Volume
2008	June	24.79	20.51	5,474,705
	July	24.96	20.92	3,673,356
	August	21.72	17.08	7,835,000
	September	22.40	16.65	7,487,700
	October	21.48	11.62	8,507,200
	November	20.75	13.31	8,219,000
	December	21.40	14.47	6,103,400
2009	January	25.99	18.88	10,259,100
	February	28.84	23.24	9,802,400
	March	30.74	24.36	19,821,563
	April	27.50	23.10	13,709,976
	May	30.63	24.93	16,187,492

The Corporation has 5,750,000 previously issued warrants (the “2008 Warrants”), each exercisable for one common share at a price of \$32.00 per share until March 13, 2012. The 2008 Warrants are listed on the TSX under the symbol “FNV.WT”. The following table sets forth certain trading information for the 2008 Warrants on the TSX for the 12 month period before the date hereof.

	Month	High Cdn\$	Low Cdn\$	Volume
2008	June	5.95	4.50	560,229
	July	5.95	3.90	154,150
	August	4.40	2.90	494,400
	September	4.75	2.67	384,800
	October	4.00	1.50	492,800
	November	3.60	1.50	1,011,700
	December	4.00	1.72	201,700
2009	January	5.25	2.85	839,900
	February	6.32	4.38	366,200
	March	7.55	4.80	502,353
	April	5.98	3.85	306,400
	May	7.25	4.50	329,550

PRIOR SALES

The following table sets forth the prior sales for the 12 month period to the date of this Prospectus, for the common shares and the options and warrants convertible into common shares, the price at which such securities have been issued, the number of securities issued and the date of which such securities were issued:

Date Issued	Number of Securities Issued	Issuance /Exercise Price Per Security Cdn(\$)
August 21, 2008	75,000 options	\$18.91
November 21, 2008	35,000 options	\$15.41
January 20, 2009	316,436 special warrants ⁽¹⁾	N/A
May 15, 2009	139,999 common shares	\$15.78 ⁽²⁾
May 25, 2009	40,000 options	\$29.11
June 1, 2009	15,000 options	\$29.84

Notes

(1) The special warrants were issued in connection with the Palmarejo royalty. The special warrants are exercisable for no additional consideration into 316,436 common shares of the Corporation following the achievement by the Palmarejo project of certain time based completion tests by September 15, 2010.

(2) The common shares were issued upon exercise of an aggregate of 139,999 options.

DIVIDEND POLICY

Franco-Nevada declared a semi-annual cash dividend of Cdn\$0.14 per share payable on June 30, 2009 to shareholders of record on June 16, 2009. The dividend will be an “eligible dividend” for Canadian tax purposes. Franco-Nevada has adopted a dividend policy to pay an adequate sustainable dividend as judged by its board of directors to qualify its shares for large generalist institutional funds. It is currently anticipated that dividends will continue to be declared semi-annually. The board of directors may change the dividend policy at any time at its sole discretion and there is no assurance that Franco-Nevada will be able to pay any dividends or sustain any level of dividend payments.

RISK FACTORS

Investors should carefully consider all of the information disclosed in this Prospectus and documents incorporated by reference prior to investing in the securities offered hereunder. In addition to the other information presented in this Prospectus and documents incorporated by reference, the following risk factors should be given special consideration when evaluating an investment in Franco-Nevada's securities as described in more detail in the AIF under the section "Risk Factors": changes in the market price of the commodities that underlie the royalty and working interests; the operation of the properties in which Franco-Nevada holds an interest is generally determined by third party property owners and operators; Franco-Nevada has limited access to data and disclosure regarding the operation of properties; the Goldstrike and Stillwater royalties are significant to Franco-Nevada; the majority of the palladium and platinum production for 2009 and 2010 from the Stillwater complex is sold forward to General Motors Corporation and Ford Motor Company and possible restructuring or bankruptcy proceedings for either of these companies may adversely affect the Stillwater complex and payments under the Stillwater royalty; dependence on the payment of royalties by the owners and operators of the relevant Royalty Portfolio properties; royalty interests and working interests are subject to other rights in favour of third parties; the Royalty Portfolio includes a number of royalty interests based on net profits which are beyond the control of Franco-Nevada; Franco-Nevada may have difficulty attracting and retaining qualified management; increased competition for attractive royalty interests and resource investments; royalty and other interests may not be honoured by operators of a project; there may be unknown title defects in the Royalty Portfolio; limited history of operations; revenue and earnings are subject to variations in foreign exchange rates; ability to pay dividends will be dependent on the financial condition of Franco-Nevada; certain of Franco-Nevada's directors and officers serve in similar positions with other public companies; no assurance that Franco-Nevada will be able to obtain adequate financing in the future; if Franco-Nevada expands its business beyond the acquisition of royalty interests, Franco-Nevada may face new challenges and risks; inability to add additional reserves to properties in the Royalty Portfolio; reserves and resources are estimates based on interpretation and assumption; exploration and development of mining and resource properties is inherently dangerous and subject to risks beyond the control of Franco-Nevada; there are known title defects and there may be unforeseen and unknown title defects; operations in which Franco-Nevada holds an interest require various property rights, permits and licenses; operations in which Franco-Nevada holds an interest are subject to environmental laws and regulations; additional costs may be incurred by the owners and operators of oil and natural gas properties as a result of compliance with the Kyoto Protocol; exposure to risks of changing political attitudes; potential litigation; significant changes to Alberta's royalty framework; proposed changes to U.S. federal mining law; and there is currently no infrastructure to deliver potential future production from Franco-Nevada's Arctic natural gas assets to market and currently no plans to develop their resources.

In addition, the following risk factors relating to the Offering should be carefully considered by investors:

Risks Related to the Offering

Current Global Financial Condition

Current financial conditions globally have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market in Canada and the United States. These factors may impact the ability of the Corporation to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil continue, owners and operators of the affected Royalty Portfolio properties could be adversely impacted and/or the Corporation may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Corporation's securities in an adverse manner.

Franco-Nevada's securities may experience price volatility

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Franco-Nevada include macroeconomic developments in North America and globally,

and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral and oil and natural gas prices will not occur. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long term value of Franco-Nevada.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Franco-Nevada.

There may be limitations on enforcement of civil judgments because of the location of certain officers

Certain of the officers of Franco-Nevada and certain of the experts named in this Prospectus are residents of countries other than Canada. A substantial portion of the assets of Franco-Nevada are located outside of Canada. As a result, it may be difficult for investors in Franco-Nevada's securities to commence legal proceedings in Canada against these non-Canadian residents. In addition, it may not be possible for investors in Franco-Nevada's securities to collect from Franco-Nevada or these non-Canadian residents judgments obtained in courts in Canada predicated on the civil liability provisions of securities legislation of certain of the provinces of Canada. It may also be difficult for investors in Franco-Nevada's securities to succeed in a lawsuit in the United States, based solely on violations of Canadian securities laws.

Franco-Nevada may become subject to burdensome regulatory requirements under U.S. laws regulating pension plans

Franco-Nevada may not qualify as an "operating company" for purposes of the Employee Retirement Income Security Act of 1974 (United States), as amended ("ERISA"). Consequently, if 25% or more of Franco-Nevada's common shares were held by private pension plans subject to ERISA or plans subject to the U.S. Internal Revenue Code's "prohibited transaction" rules (such as individual retirement accounts), then Franco-Nevada's assets would be treated as ERISA "plan assets". As a result, Franco-Nevada could become subject to the ERISA regulatory regime, including, among other potentially burdensome regulatory requirements, heightened fiduciary duties owed to plan participants. While Franco-Nevada intends to monitor beneficial ownership of its common shares by ERISA plans, there can be no assurance that Franco-Nevada will not become subject to ERISA regulations in the future. If Franco-Nevada were subject to ERISA regulatory requirements, it could have a material adverse effect on Franco-Nevada's ability to manage its business and/or its results of operation and financial condition.

Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the securities offered hereunder will be passed upon by Cassels Brock & Blackwell LLP on behalf of the Corporation and by Stikeman Elliott LLP on behalf of the Underwriters. As of the date of this Prospectus, the partners and associates of Cassels Brock & Blackwell LLP and the partners and associates of Stikeman Elliott LLP, as a group, own less than 1% of the issued and outstanding common shares of the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, Suite 3000, Toronto-Dominion Centre, 77 King Street West, Toronto, Ontario M5K 1G8.

PricewaterhouseCoopers LLP has advised the Corporation that they are independent of the Corporation within the rules of professional conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the common shares of the Corporation is Computershare Investor Services Inc. at its principal office in Toronto.

It is anticipated that the Warrant Agent will be Computershare Trust Company of Canada at its principal office in Toronto.

PURCHASERS' STATUTORY RIGHTS

Securities legislation of certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

INTERESTS OF EXPERTS

Each of Dr. Neal Rigby and Leah Mach is a "qualified person" under NI 43-101 and has been responsible for preparing the Goldstrike Report and the Stillwater Report referred to herein under "Technical and Third Party Information" and in the documents incorporated by reference.

GLJ Petroleum Consultants Ltd. prepared the report referred to herein under "Technical and Third Party Information" in the documents incorporated by reference.

To the knowledge of the Corporation, each of these experts held less than 1% of the outstanding common shares of the Corporation at the time of the preparation of the reports and/or at the time of the preparation of the technical information contained or incorporated by reference in this Prospectus. See also "Legal Matters".

GLOSSARY OF TERMS

Certain terms and abbreviations used in this Prospectus and not otherwise defined herein have the following meanings:

“**Credit Facility**” means the senior secured revolving term credit facility of Franco-Nevada of \$150.0 million under a credit agreement of the Corporation dated December 20, 2007.

“**Edson Property**” means, collectively, those properties located approximately 209 kilometers west of Edmonton, Alberta and encompassing over 25,920 gross acres in which the Royalty Portfolio has a royalty interest.

“**Goldstrike complex**” means the Goldstrike mining complex located in the Carlin Trend gold mining area of northern Nevada.

“**Medicine Hat Consolidated Unit No. 1**” means those properties located approximately 257 kilometers southeast of Calgary, Alberta in which the Royalty Portfolio has a royalty interest.

“**Midale Unit**” means those properties located approximately 40 kilometers southeast of Weyburn, Saskatchewan in which the Royalty Portfolio has a royalty interest and working interest.

“**Mineral Royalties**” means the royalty interests in precious and base metal properties and certain equity interests owned (directly or indirectly) by Franco-Nevada.

“**Oil & Gas Interests**” means the royalty interests and working interests in oil and natural gas properties owned by Franco-Nevada.

“**Royalty Portfolio**” means the Mineral Royalties and Oil & Gas Interests.

“**Stillwater complex**” means the Stillwater mining complex including the Stillwater mine and the East Boulder mine owned and operated by Stillwater and located in Montana.

“**Tidewater Interests**” means the 28,900 gross acres of land throughout southern Saskatchewan in the Dollard Unit, Instow Unit, Tidewater Non-Unit, Miscellaneous Tidewater properties and Rapdan Unit in which the Royalty Portfolio has a royalty interest.

“**Weyburn Unit**” means those properties located approximately 129 kilometers southeast of Regina, Saskatchewan and encompassing 53,360 gross acres in which the Royalty Portfolio has a royalty interest and working interest.

AUDITORS' CONSENT

We have read the short form prospectus of Franco-Nevada Corporation (the "Company") dated June 9, 2009 relating to the Company's public offering of Units. We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the incorporation by reference in the above mentioned prospectus of our report to the Shareholders of the Company on the consolidated balance sheets of the Company as at December 31, 2008 and 2007 and the consolidated statements of operations and comprehensive income (loss), cash flows and shareholders' equity for the year ended December 31, 2008 and for the period from October 17, 2007 to December 31, 2007. Our report is dated March 26, 2009.

Toronto, Ontario, Canada
June 9, 2009

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

CONSENT OF GLJ

We have read the short form prospectus of Franco-Nevada Corporation (“Franco-Nevada”) dated June 9, 2009 relating to the issue and sale of Units of Franco-Nevada. We consent to the use in the above-mentioned prospectus of the information contained in our reserve assessment and evaluation for Franco-Nevada, as at December 31, 2008 in a report dated March 19, 2009.

GLJ PETROLEUM CONSULTANTS LTD.

(Signed) John H. Stilling
Vice- President

Calgary, Alberta, Canada
June 9, 2009

CERTIFICATE OF THE CORPORATION

Dated: June 9, 2009

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

(Signed) David Harquail
Chief Executive Officer

(Signed) Alex Morrison
Chief Financial Officer

On behalf of the Board of Directors

(Signed) David Peterson
Director

(Signed) Randall Oliphant
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: June 9, 2009

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

BMO NESBITT BURNS INC.

By: (Signed)
JASON NEAL
Managing Director

GMP SECURITIES L.P.

By: (Signed)
MARK WELLINGS
Managing Director

CIBC WORLD MARKETS INC.

By: (Signed)
RICK MCCREARY
Managing Director

UBS SECURITIES CANADA INC.

By: (Signed)
DAVID SHAVER
Managing Director

RBC DOMINION SECURITIES INC.

By: (Signed)
TIMOTHY A. JOHNSTON
Managing Director

**HSBC SECURITIES
(CANADA) INC.**

By: (Signed)
NICOLE CATY
Director

**MERRILL LYNCH
CANADA INC.**

By: (Signed)
SCOTT LANGLEY
Vice-President

**NATIONAL BANK
FINANCIAL INC.**

By: (Signed)
STEVEN J. FARBER
Director

SCOTIA CAPITAL INC.

By: (Signed)
JEFFREY W. RICHMOND
Managing Director

**GENUITY CAPITAL
MARKETS**

By: (Signed)
GUNNAR EGGERTSON
Principal

PARADIGM CAPITAL INC.

By: (Signed)
JOHN WARWICK
Partner

**WELLINGTON WEST
CAPITAL MARKETS INC.**

By: (Signed)
WILLIAM WASHINGTON
Managing Director