



Franco-Nevada to Acquire a 50% Gold Royalty Stream on the Palmarejo Project for US\$80 million

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This press release contains forward-looking statements. Reference should be made to "Forward-looking Statements" at the end of this press release. Figures are in US\$ unless otherwise noted.

TORONTO, January 21, 2009 – Franco-Nevada Corporation (TSX:FNV) has agreed to acquire from Coeur d'Alene Mines Corporation (NYSE:CDE, TSX:CDM, ASX:CXC) a 50% gold royalty stream in the Palmarejo silver and gold project in Mexico for \$80 million. Franco-Nevada has over \$400 million in cash and other facilities to fund this and additional investments.

Franco-Nevada will receive an interest in 50% of the gold produced from the Palmarejo property paid on the difference between the spot gold price and \$400 per ounce (increasing by 1% per annum after the fourth anniversary of closing). The attributable gold ounces will be the greater of actual production and a minimum amount. The minimum amount will be 50,000 ounces per annum until payments have been made on 400,000 ounces. The \$80 million purchase price consists of a \$75 million cash payment plus special warrants which are exercisable into 316,436 Franco-Nevada common shares without additional consideration when the project achieves certain time based completion tests.

Coeur in its press release today announcing the transaction and providing details of a substantially expanded mine plan reported that: "The current eleven-year mine plan expands the June 2008 feasibility study production schedule by including the extraction of material that is currently classified as mineral resources. With this updated mine plan, Palmarejo will have the capacity to produce an average of approximately 120,000 ounces of gold and 9.0 million ounces of silver annually. Production this initial, start-up year is expected to total 5.3 million ounces of silver and 72,000 ounces of gold. Coeur is conducting engineering work to upgrade the current mineral resources to mineral reserves beyond those reserves reported in the feasibility study completed last June. Currently, drilling is focused on in-fill work at the Palmarejo deposit as well as expanding the mineral resources at the nearby Guadalupe deposit".

"Franco-Nevada is very pleased to partner with Coeur, one of the world's leading silver companies, and to bring to fruition a new growth asset for both companies", commented David Harquail, CEO and President of Franco-Nevada. The Palmarejo gold stream is expected to contribute significant growth to Franco-Nevada's gold revenues beginning in the second half of this year. The transaction increases the gold price leverage of its royalty portfolio, provides exploration exposure in a prolific mining district and is expected to be highly accretive to Franco-Nevada on all measures.

The addition of the Palmarejo gold royalty stream just three weeks after Franco-Nevada invested \$103.5 million in the Gold Quarry royalty in Nevada is expected to further cement Franco-Nevada's position as the leading gold royalty company by gold revenues, gold EBITDA and number of gold royalty interests. Management believes the two transactions are complementary. Gold Quarry provides stable and secure gold revenue while Palmarejo provides additional gold leverage and gold growth prospects. Franco-Nevada expects to make additional gold royalty acquisitions this year.

Management will host a conference call today, Wednesday the 21st of January, 2009 at 10:00AM ET to review the transaction. A presentation to accompany the conference call will be made available on the Company's website at www.franco-nevada.com prior to the call. Analysts and interested investors are invited to participate as follows:

- Conference Call: Local: 416-644-3416; Toll-Free: 1-800-732-9303; Conference call title: Franco-Nevada Gold Royalty Stream Acquisition
- Conference Call Replay: A recording of the conference call will be available until January 28, 2009 at the following numbers: Local: 416-640-1917; Toll-Free: 1-877-289-8525; Pass code: 21295671#
- Audiocast: A live audiocast of the conference call will be accessible on Franco-Nevada's website at www.franco-nevada.com.

Corporate Summary

Franco-Nevada Corporation (TSX:FNV) is a gold focused royalty company with additional interests in platinum metals, oil & gas and other assets. The majority of revenues are generated from a diversified portfolio of high quality royalty properties in the United States, Canada and Australia. Franco-Nevada is the leading gold royalty company by gold revenues, gold margins and number of gold royalty interests.

Coeur d'Alene Mines Corporation (NYSE:CDE, TSX:CDM, ASX:CXC) is one of the world's leading silver companies and also a significant gold producer. Coeur, which has no silver production hedged, is now producing silver at what is considered to be the world's largest pure silver mine - San Bartolome in Bolivia - and is nearing production at another world-leading silver mine - Palmarejo in Mexico. The Company also operates underground mines in southern Chile and Argentina and one surface mine in Nevada, and owns non-operating interests in two low-cost mines in Australia. The Company also owns a major gold project - Kensington in Alaska - and conducts exploration activities in Argentina, Bolivia, Chile, and Mexico.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain information contained in this Press Release, including our expectation of the level of annual royalty ounces to be received from the Palmarejo Gold Royalty Stream and the Gold Quarry Royalty and certain pro-forma financial information including expectation of revenues from the Palmarejo and the Gold Quarry royalties and their influence on future revenues of Franco-Nevada and any information as to our strategy, plans or 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 "expects", "expected", "estimated", "continue" 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 U.S. dollar; changes in national and local government legislation, including taxation policies; regulations and political or economic developments in any of the countries where the company holds interests in mineral and oil and gas properties; influence of macroeconomic developments; business opportunities that become available to, or are pursued by us; reduced access to debt and equity capital; litigation; title disputes related to our interests or any of the properties underlying the Royalty Portfolio; operating or technical difficulties on any of the properties underlying the Royalty Portfolio; risks and hazards associated with the business of development and mining on any of the properties underlying the Royalty Portfolio, including, but not limited to unusual or unexpected operating difficulties 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 underlying the Royalty Portfolio by the owners or operators of such properties in a manner consistent with past practice, the accuracy of public statements and disclosures made by the owners or operators of such underlying properties, no material adverse change in the market price of the commodities that underlie the Royalty Portfolio, and any other factors that cause actions, events or results to differ from those anticipated, estimated or intended. However, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Franco-Nevada cannot assure investors that actual results will be consistent with these forward-looking statements and readers are cautioned that forward-looking

statements are not guarantees of future performance. Accordingly, readers should not place undue reliance on forward-looking statements due to the inherent uncertainty therein. For additional information with respect to risks, uncertainties and assumptions, please also refer to the “Risk Factors” section of our most recent Annual Information Form filed with the Canadian securities regulatory authorities on www.sedar.com, as well as our Annual and Quarterly MD&A’s. 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.

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