Cobre Panama Precious Metals Stream

August 20, 2012

All dollar references in US dollars unless otherwise noted
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Certain information contained in this presentation, including any information as to future financial or operating performance and other statements that express the parties’ expectations or estimates of future performance, constitute "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian securities laws and the United States Private Securities Litigation Reform Act 1995, respectively. All statements, other than statements of historical fact, are forward-looking statements. The words “anticipates”, “anticipated”, “believes”, “plans”, “estimate”, “expect”, “expects”, “expected”, “forecasted”, “targeted” 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 the parties, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual financial results, performance or achievements to be materially different from 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 copper, gold and silver; fluctuations in the value of other currencies relative to the US dollar; changes in national and local government legislation, including permitting and licensing regimes and taxation policies; regulations and political or economic developments in any of the countries relevant to the stream; influence of macroeconomic developments; business opportunities that become available to, or are pursued by the parties; reduced access to debt and equity capital; litigation; title, permit or license disputes related to the project; excessive cost escalation as well as development, permitting, infrastructure, operating or technical difficulties related to the project; rate and timing of production differences from resource estimates; and risks and hazards associated with the business of development and mining at the project, including, but not limited to unusual or unexpected geological and metallurgical conditions, slope failures or cave-ins, flooding and other natural disasters or civil unrest. The forward-looking statements contained in this presentation are based upon assumptions the parties believe to be reasonable, including, without limitation assumptions relating to: the development and operation of the project; the accuracy of public statements and disclosures made relating to the project; no material adverse change in the market price of the commodities that underlie the project; no adverse developments in respect of the project; accuracy of publicly disclosed expectations for the development of the project; and the absence of any other factors that could 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. Accordingly, readers should not place undue reliance on forward-looking statements because of the inherent uncertainty. For additional information with respect to risks, uncertainties and assumptions, please also refer to the "Risk Factors" sections of parties’ most recent Annual Information Forms filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com and Franco-Nevada’s most recent Form 40-F filed with the Securities and Exchange Commission on EDGAR at www.sec.gov as well as the parties’ annual MD&A. The forward-looking statements herein are made as of the date of this presentation only and the parties do 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.

CAUTIONARY NOTE TO US INVESTORS REGARDING RESERVE AND RESOURCE REPORTING STANDARDS

The disclosure in this presentation has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. Disclosure, including scientific or technical information, has been made in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”). For example, the terms “resources,” “measured resources”, “indicated resources” and “inferred resources” are used in this presentation to comply with the reporting standards in Canada. While those terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission (the “SEC”) does not recognize them. In addition, the definitions of proven and probable mineral reserves used in NI 43-101 differ from the definitions in the SEC Industry Guide 7. Under United States standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. In accordance with Canadian rules, estimates of inferred mineral resources cannot form the basis of feasibility or other economic studies. Investors are cautioned not to assume that any part of the reported measured resources, indicated resources or inferred resources in this presentation is economically or legally mineable and will ever be classified as a reserve. Accordingly, information contained in this presentation containing descriptions of the Cobre Panama project may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.
Transaction Overview

- $1 billion of funding towards Inmet’s 80% of Cobre Panama – one of the world’s largest copper projects under development
- Precious metals stream linked to copper production – approximately 80% gold and 20% silver
- Franco-Nevada funding pro-rata with Inmet’s share of funding (1:3 ratio) starting after Inmet has invested $1.0 billion
Attributes to Franco-Nevada

- Exposure to a Tier 1, large scale, low cost project in a supportive jurisdiction
- Partnering with an experienced mine builder and operator
- Greater than 30 year mine life based on existing reserves
- Opportunities for production expansion and resource growth many years beyond the current LoM
- Alignment with the operator with copper indexing
- Further endorsement of mine financing using the stream structure
- Pro-rata funding leaves Franco-Nevada with capacity for approximately $1 billion in additional transaction opportunities
Attributes to Inmet

• $1 billion in committed funding, recognizing significant precious metals value
• Precious metal price exposure after delivery thresholds are met
• Endorsement from an industry leader
• Cash costs after stream expected to remain below $1.00/lb Cu LOM
• Substantially fully funded:
  • $4.2 billion of Inmet’s $4.8 billion required capital now funded
  • Remainder expected to be funded from other sources or operating cash flow from existing operations
• Inmet’s copper production growth profile is maintained
The amounts of Au and Ag deliverable are indexed to copper produced in concentrate for the 31 year mine plan (on a 100% basis), and thereafter are based on a percentage of the Au and Ag produced in concentrate.

<table>
<thead>
<tr>
<th></th>
<th>Delivery period 1 (~years 1 – 11)</th>
<th>Delivery period 2 (~years 12 – 31)</th>
<th>Delivery period 3 (~years 31+)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOLD STREAM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gold oz delivered</td>
<td>0 to 808,000</td>
<td>808,001 to 1,716,188</td>
<td>&gt; 1,716,188</td>
</tr>
<tr>
<td>Delivery terms</td>
<td>120 oz Au per 1 mm lbs Cu</td>
<td>81 oz Au per 1 mm lbs Cu</td>
<td>63.4% of produced Au</td>
</tr>
<tr>
<td>Average annual Gold delivery</td>
<td>73,500 oz</td>
<td>45,400 oz</td>
<td></td>
</tr>
<tr>
<td><strong>SILVER STREAM</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Silver oz delivered</td>
<td>0 to 9,842,000</td>
<td>9,842,001 to 29,731,000</td>
<td>&gt; 29,731,000</td>
</tr>
<tr>
<td>Delivery terms</td>
<td>1,376 oz Ag per 1 mm lbs Cu</td>
<td>1,776 oz Ag per 1 mm lbs Cu</td>
<td>62.1% of produced Ag</td>
</tr>
<tr>
<td>Average annual Silver delivery</td>
<td>870,000 oz</td>
<td>995,000 oz</td>
<td></td>
</tr>
<tr>
<td><strong>GOLD EQUIVALENT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average annual Gold Equivalent</td>
<td>87,500 oz</td>
<td>61,500 oz</td>
<td></td>
</tr>
<tr>
<td><strong>INMET’S ANNUAL PRODUCTION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average annual Gold Inmet</td>
<td>10,000 oz</td>
<td>8,200 oz</td>
<td></td>
</tr>
<tr>
<td>Average annual Silver Inmet</td>
<td>153,000 oz</td>
<td>166,600 oz</td>
<td></td>
</tr>
</tbody>
</table>

*Profile based on Inmet Mining’s Basic Engineering Summary Report for the Cobre Panama Project. Gold equivalent ounces estimated using $1,250/oz Au and $20/oz Ag.
Transaction Details

• Ongoing payments: Lesser of (i) prevailing market prices and (ii) $400/oz Au and $6.00/oz Ag, adjusted as follows:
  - Increased by 1.5% per year, beginning 3 yrs after closing; and
  - after delivery of 1,341,000 Au oz or 21,510,000 Ag oz (estimated approximately 20 years), ongoing payments adjusted to the greater of inflated price and half the prevailing price for gold and silver

• Top-up payments if the mill capacity expansion to 240,000 tpd is delayed beyond year 10

• Buy-back option: In the event of a production shortfall MPSA has an option to reduce the stream by repaying up to 10% of the initial deposit. The buy-back amount payable to Franco-Nevada would include an 8% rate of return on the portion of the stream being repurchased. This option can be exercised only once at either the 3rd or 5th anniversary of commencement of production.

• Stream secured by a pledge of Inmet's interests in MPSA, the project operator
2.2 million gold-equivalent ounces to be delivered under the stream based on current mine plan reserves with further potential for resource addition.

*Profile based on Inmet Mining’s Basic Engineering Summary Report for the Cobre Panama Project. Gold equivalent ounces calculated at $1,250/oz Au and $20/oz Ag.*
Cobre Panama Project

- Copper, gold, silver, molybdenum porphyry
- Standard mining & proven processing technology
- Projected mine life: 31 years based on reserves
- Expected low cost mine
  - Low strip ratio
  - Close to tidewater
  - Low cost dedicated power
- Construction underway
- Supportive government
World Class Asset

LOM Total Cu Production (Bn lbs)

Feasibility & Construction

<table>
<thead>
<tr>
<th>Operation</th>
<th>Oyu Tolgoi</th>
<th>Cobre Panama</th>
<th>Las Bambas</th>
<th>Sierra Gorda</th>
<th>Relincho</th>
<th>Sentinel</th>
<th>Agua Rica</th>
<th>El Morro</th>
<th>Cerro Casale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production (Bn lbs)</td>
<td>25</td>
<td>17</td>
<td>13</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

Operating Cost ($/t milled)

Feasibility & Construction

<table>
<thead>
<tr>
<th>Operation</th>
<th>Agua Rica</th>
<th>Cobre Panama</th>
<th>Sierra Gorda</th>
<th>Oyu Tolgoi</th>
<th>Cerro Casale</th>
<th>El Morro</th>
<th>Las Bambas</th>
<th>Relincho</th>
<th>Sentinel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost ($/t milled)</td>
<td>6.84</td>
<td>6.88</td>
<td>11.48</td>
<td>13.40</td>
<td>13.51</td>
<td>15.31</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: Inmet Mining Corporate Presentation dated May 7, 2012.
Project Parameters

- Large scale: 160ktpd expanding to 240ktpd in year 10
- Estimated annual production (LOM): 266k t Cu, 87k oz Au, 1.5M oz Ag, 2.9k t Mo
- Low strip ratio: 0.58 to 1
- Estimated cash costs: $0.86/lb Cu (years 2-16) and $0.94/lb Cu (LOM) including stream transaction
- Estimated capex: $6.2 billion – substantially fully funded
- Estimated commercial production: 2016
- Inmet still receives 14% of precious metals production

Note 1 - 2020 Copper Cost League by Brook Hunt with Brook Hunt’s 2012 Q1 assumptions adjusted for metal prices and derived input costs under the Consensus Long-Term Price Scenario.

*Profile based on Inmet Mining’s Basic Engineering Summary Report for the Cobre Panama Project. Gold equivalent ounces calculated at $1,250/oz Au and $20/oz Ag.
Upside Opportunities

- Inmet estimated reserves of 2.3 billion tonnes, M&I resources of 4.2 billion tonnes (inclusive of reserves), & Inferred resources of 3.7 billion tonnes
- Inmet estimated contained gold-equivalent reserves of 6.8 million ounces, M&I resources of 11.7 million ounces and Inferred of 6.7 million ounces*
- Expansion to 240ktpd could occur earlier than the currently planned year 10
- Reserve based on 3 out of 5 known deposits
  - Ongoing work to incorporate Balboa and Brazo deposits into mine plan
- Further exploration potential
  - Balboa deposit remains open to the northwest
  - Additional targets on property

*Gold equivalent ounces calculated at $1,250/oz Au and $20/oz Ag. Additional details regarding reserves and resources are provided in the Appendix to this presentation
Panama

- Commercially oriented US style democracy and US style contract law
  - S&P upgraded sovereign debt to BBB in July 2012
- Rapid economic growth
  - 7.2% average GDP/capita growth over 5 years
  - Unemployment dropped from 12% to 3% over 5 years
- Support at the highest levels of government and by the community
  - Parliament enacted Ley 9, which grants the concession and provides tax stability
  - Environmental and Social Impact Assessment approved
  - Strong community engagement and support
- Panama Canal expansion project
  - Largest mining and civil infrastructure project in Central America
Proven Operator

- Canadian based global mining company that produces copper & zinc
- Cobre Panama now the focus asset

<table>
<thead>
<tr>
<th>Mine</th>
<th>Built/Acquired</th>
<th>Operated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cobre Panama</td>
<td>Acquired stake 1990</td>
<td>Expected 2016 – 2046+</td>
</tr>
</tbody>
</table>
Available Capital & Funding Commitment

- Franco-Nevada has close to $1.2 billion in available capital as at June 30, 2012
- Franco-Nevada’s Cobre Panama funding over three years beginning in first half of 2013

<table>
<thead>
<tr>
<th>(US$ millions)</th>
<th>Total Inmet Expenditures 80% Basis (1)</th>
<th>Inmet’s Share after Stream</th>
<th>Franco-Nevada Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$648</td>
<td>$648</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>$1,709</td>
<td>$1,369</td>
<td>$340</td>
</tr>
<tr>
<td>2014</td>
<td>$1,664</td>
<td>$1,249</td>
<td>$415</td>
</tr>
<tr>
<td>2015</td>
<td>$924</td>
<td>$679</td>
<td>$245</td>
</tr>
<tr>
<td>Total Cost</td>
<td>$4,945</td>
<td>$3,945</td>
<td>$1,000</td>
</tr>
</tbody>
</table>

- Franco-Nevada’s commitment can be largely financed from its ongoing free cash flow
- Franco-Nevada still has capacity for approximately $1 billion in additional investments

(1) Expenditures as reported in Inmet’s Q2 2012 MD & A
Significant EBITDA growth and increased precious metals contribution

(1) FNV NAV estimates from TD equity research dated July 18, 2012. Cobre Panama NAV at consensus prices and based on Inmet Mining’s Basic Engineering Summary Report.

(2) 2012 EBITDA is estimated by annualizing FNV’s six month EBITDA for the period ended June 30, 2012. Cobre Panama Stream EBITDA based on Inmet Mining Basic Engineering Summary Report and delivery period 1 (~years 1-11).
Franco-Nevada’s Benefits:
Long term, low risk gold production from world class asset

- Long reserve life asset with strong likelihood of reserve expansion
- Opportunities to expand capacity
- Large contribution to precious metals revenue starting 2016
- Low cost operation inclusive of precious metals stream
- Experienced operator and financially strong partners
- Project currently under construction
- Good jurisdiction with major permits in hand
- Alignment with operator
Inmet’s Benefits:
Capital security without sacrificing copper production

- $1 billion in committed funding, recognizing significant precious metals value
- Precious metal price exposure after delivery thresholds are met
- Endorsement from an industry leader
- Cash costs after stream expected to remain below $1.00/lb Cu LOM
- $4.2 billion of Inmet’s $4.8 billion required capital now funded without recourse to operating cash flow from existing operations
- Inmet’s copper production growth profile is maintained
Cobre Panama Financing

- Capital cost: $6.2 billion* estimate reported May 6, 2012
- Ownership: Inmet (80%) & KPMC (20%)
- **Other potential sources of funds that could provide in excess of $1 billion include additional Inmet operating cash flow, offtake and equipment financing or other forms of debt, or sale of additional equity stake
- Up to 30% of capex is expected to be under lump sum fixed prices
- By the end of 2012, $4 billion expected to be committed

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*As per Inmet’s Cobre Panama Basic Engineering Summary Report.

(1) Operating cash flow is based on projected free cash flow from operations, using consensus pricing, and net of debt service costs of approximately $130 million per year
(2) Cash on hand includes held to maturity investments
Thank you
Appendix: Cobre Panama Reserves

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnes (x 1,000)</th>
<th>Cu %</th>
<th>Au g/t</th>
<th>Ag g/t</th>
<th>Mo %</th>
<th>Cu Tonnes</th>
<th>Au ounces</th>
<th>Ag ounces</th>
<th>Mo tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proven</td>
<td>258,000</td>
<td>0.57</td>
<td>0.14</td>
<td>1.6</td>
<td>0.010</td>
<td>1,478</td>
<td>1,126</td>
<td>13,020</td>
<td>25</td>
</tr>
<tr>
<td>Probable</td>
<td>2,061,000</td>
<td>0.38</td>
<td>0.06</td>
<td>1.4</td>
<td>0.007</td>
<td>7,781</td>
<td>4,041</td>
<td>91,008</td>
<td>145</td>
</tr>
<tr>
<td>Total</td>
<td>2,319,000</td>
<td>0.40</td>
<td>0.07</td>
<td>1.4</td>
<td>0.007</td>
<td>9,258</td>
<td>5,167</td>
<td>104,028</td>
<td>169</td>
</tr>
<tr>
<td>Inmet’s Share</td>
<td>80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,406</td>
<td>4,134</td>
<td>83,223</td>
<td>135</td>
</tr>
</tbody>
</table>

Reserve estimates are based on the following assumptions:
- Copper price: US $ 2.25 per pound
- Gold price: US $1,000 per ounce
- Silver price: US $16 per ounce
- Molybdenum price: US $13.50 per pound
- Mining costs: US $1.66 per tonne of ore mined, US $1.96 per tonne of waste mined and
- Milling and general and administration cost: US $5.27 per tonne of ore milled, average life of mine metallurgical recoveries: 89 percent for copper, 52 percent for gold, 46 percent for silver and 53 percent for molybdenum


There are no known environmental, permitting, legal, taxation, political or other relevant issues that would materially affect the estimates of the mineral reserves.

Mineral resources are as at March 5, 2012 and were estimated by Robert Sim, P. Geo., of SIM Geological Inc., a qualified person under National Instrument 43-101. Mineral reserves are as at December 31, 2011 and were estimated by William Rose, P.E., of WLR Consulting, Inc., a qualified person under National Instrument 43-101. Both qualified persons prepared or supervised the preparation of the information that forms the basis for this presentation. Frank Balint, P. Geo, Vice-President, Corporate Development of Inmet and a qualified person under National Instrument 43-101 has approved the written disclosure in this presentation on behalf of Inmet. Phil Wilson, CEng, Vice-President, Technical of Franco-Nevada and a qualified person under National Instrument 43-101 has approved the written disclosure in this presentation on behalf of Franco-Nevada.
Appendix: Cobre Panama Resources

<table>
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<tr>
<th>Category</th>
<th>Tonnes (x 1,000)</th>
<th>Cu %</th>
<th>Au g/t</th>
<th>Ag g/t</th>
<th>Mo %</th>
<th>Cu Tonnes</th>
<th>Au ounces</th>
<th>Ag ounces</th>
<th>Mo tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>262,000</td>
<td>0.56</td>
<td>0.13</td>
<td>1.5</td>
<td>0.009</td>
<td>1,476</td>
<td>1,118</td>
<td>12,979</td>
<td>24</td>
</tr>
<tr>
<td>Indicated</td>
<td>3,905,000</td>
<td>0.34</td>
<td>0.06</td>
<td>1.2</td>
<td>0.005</td>
<td>13,237</td>
<td>7,845</td>
<td>155,392</td>
<td>214</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,167,000</td>
<td>0.35</td>
<td>0.07</td>
<td>1.3</td>
<td>0.006</td>
<td>14,715</td>
<td>8,963</td>
<td>168,454</td>
<td>238</td>
</tr>
<tr>
<td>Inmet's Share</td>
<td>80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11,772</td>
<td>7,170</td>
<td>134,763</td>
<td>190</td>
</tr>
<tr>
<td>Inferred</td>
<td>3,749,000</td>
<td>0.23</td>
<td>0.04</td>
<td>1.0</td>
<td>0.004</td>
<td>8,660</td>
<td>4,805</td>
<td>120,534</td>
<td>156</td>
</tr>
<tr>
<td>Inmet's Share</td>
<td>80%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,928</td>
<td>3,844</td>
<td>96,427</td>
<td>125</td>
</tr>
</tbody>
</table>


Mineral resources include mineral reserves. Mineral resources which do not form part of the mineral reserves do not have demonstrated economic viability. Mineral resources are as at March 5, 2012 and, were estimated by Robert Sim, P. Geo., of SIM Geological Inc., a qualified person under National Instrument 43-101. Resource grades are estimated using ordinary kriging with a nominal block size of 25 m by 25 m by 15m. Resources are limited inside a pit shell defined by a copper price of US $2.60/lb, $1.75/t mining cost and $7.02/t total site operating cost, and are tabulated at a cut-off grade of 0.15% copper.

Scientific and technical information regarding the Cobre Panama Project, including the mineral resources and mineral reserves, is based on the technical report of Inmet titled “Mina de Cobre Panama Project, Panama, NI 43-101 Technical Report” and dated effective March 31, 2010, as updated by Inmet’s most recent Annual Information Form dated March 28, 2012 and by material change report dated May 16, 2012 filed in respect of Inmet’s May 6, 2012 press release “Inmet Announces Basic Engineering and Financing Plan for the Cobre Panama Project”, all of which can be found under Inmet’s corporate profile on SEDAR at www.sedar.com.