

## PFIC Annual Information Statement

**ANY TAX ADVICE IN THIS COMMUNICATION IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY PERSON OR ENTITY FOR THE PURPOSE OF (i) AVOIDING PENALTIES THAT MAY BE IMPOSED ON ANY TAXPAYER OR (ii) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY MATTERS ADDRESSED HEREIN.**

- (1) This Information Statement applies to the taxable year of Franco-Nevada Corporation ("FNC") beginning on January 1, 2009 and ending on December 31, 2009 (the "2009 Taxable Year").
- (2) A U.S. shareholder that has made or plans to make a QEF election with respect to common shares of FNC ("FNC Common Shares") may determine its pro rata share of ordinary earnings and net capital gain, respectively, as provided below:
  - a. If you held FNC Common Shares during the period beginning January 1, 2009 and ending June 15, 2009 ("Pre June 16 Period"), for FNC's 2009 Taxable Year, multiply the number of FNC Common Shares you own by the "Per FNC Common Share Pre June 16" amount below on line (3)(a) to determine your pro rata share of ordinary earnings, and by the "Per FNC Common Share Pre June 16" amount below on line (3)(b) to determine your pro rata share of net capital gain.
  - b. If you did not hold FNC Common Shares for each day during the Pre June 16 Period, for FNC's 2009 Taxable Year, divide the "Per FNC Common Share Pre June 16" amount below on line (3)(a) by 166 and multiply by the number of days you owned the shares during the Pre June 16 Period to determine your pro rata share of ordinary earnings. Similarly, divide the "Per FNC Common Share Pre June 16" amount below on line (3)(b) by 166 and then by the number of days you owned the shares during the Pre June 16 Period to determine your pro rata share of net capital gain.
  - c. If you held FNC Common Shares during the period beginning June 16 and ending December 31, 2009 ("Post June 16 Period"), for FNC's 2009 Taxable Year, multiply the number of FNC Common Shares you own by the "Per FNC Common Share Post June 16" amount below on line (3)(c) to determine your pro rata share of ordinary earnings, and by the "Per FNC Common Share Post June 16" amount below on line (3)(d) to determine your pro rata share of net capital gain.
  - d. If you did not hold FNC Common Shares for each day during the Post June 16 Period, for FNC's 2009 Taxable Year, divide the "Per FNC Common Share Post June 16" amount below on line (3)(c) by 199 and multiply by the number of days you owned the shares during the Post June 16 Period to determine your pro rata share of ordinary earnings. Similarly, divide the "Per FNC Common Share Post June 16" amount below on line (3)(d) by 199 and then by the number of days you owned the shares during the Post June 16 Period to determine your pro rata share of net capital gain.
  - e. If you held FNC Common Shares during the Pre June 16 Period as well as the Post June 16 Period, perform the calculation in each of (i) 2(a) or 2(b), where applicable and (ii) 2(c) or 2(d), where applicable. Subsequently, add the resulting ordinary earnings from 2(a) or 2(b) as the case may be, to the resulting ordinary earnings in 2(c) or 2(d), as the case may be, to determine your pro rata share of ordinary earnings. Further, add the resulting net capital gain from 2(a) or 2(b) as the case may be, to the resulting net capital gain in 2(c) or 2(d), as the case may be, to determine your pro rata share of net capital gain.

f. If you owned different number of FNC Common Shares at different times in 2009, for FNC's 2009 Taxable year, perform the calculations specified in (2)(a) through 2(d) above, where applicable, for each day in which you hold FNC Common Shares. Add up all the ordinary earnings for each day in which you own FNC Common Shares to determine your pro rata share of ordinary earnings, and add up the net capital gain for each day in which you own FNC Common Shares to determine your pro rata share of net capital gain.

(3) The following are the ordinary earnings and net capital gain amounts for FNC for the 2009 Taxable Year:

	Per FNC Common Share Pre June 16	Per FNC Common Share Post June 16
(a) Ordinary earnings <sup>1</sup> :	\$0.1007	\$0.1079
(b) Net capital gains	\$0	\$0.0039

(4) The amount of cash and fair market value of other property distributed or deemed distributed during the 2009 Taxable Year is as follows:

Date of Distribution	Per FNC Common Share Pre June 16	Per FNC Common Share Post June 16	
		June 29, 2009	December 17, 2009
(a) Cash	\$0	\$0.1206	\$0.1312
(b) Property (fair market value)	\$0	\$0	\$0

(5) FNC will permit U.S. shareholders to inspect and copy its permanent books of account, records, and such other documents as may be maintained by FNC to establish that FNC's ordinary earnings and net capital gain, as defined in section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholders' pro rata shares thereof.

### Franco-Nevada Corporation

By: \_"Alex Morrison"\_\_\_\_\_

Title: \_Chief Financial Officer, Franco-Nevada Corporation\_\_

Date: \_\_March 31, 2010\_\_\_\_\_

<sup>1</sup> The term "ordinary earnings" means the excess of the earnings and profits of the PFIC for the taxable year over its net capital gain for the same taxable year.

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(1) This Information Statement applies to the taxable year of Franco-Nevada Australia Pty Ltd ("FNAPL") beginning on January 1, 2009 and ending on December 31, 2009 (the "2009 Taxable Year").

(2) FNAPL did not have any ordinary earnings for the 2009 Taxable Year.

FNAPL did not have any net capital gain for the 2009 Taxable Year.

FNAPL did not make any distributions (in cash or in property) during the 2009 Taxable Year.

(3) FNAPL will permit the U.S. shareholders to inspect and copy its permanent books of account, records, and such other documents as may be maintained by FNAPL to establish that FNAPL's ordinary earnings and net capital gain, as defined in section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholders' pro rata shares thereof.

**Franco-Nevada Australia Pty Ltd**

By: \_\_ "Alex Morrison" \_\_\_\_\_

Title: \_\_ Chief Financial Officer, Franco-Nevada Corporation\_\_

Date: \_\_ March 31, 2010 \_\_\_\_\_

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- (1) This Information Statement applies to the taxable year of Franco-Nevada Mexico Corporation, S.A. DE C.V. ("FNMEX") beginning on January 1, 2009 and ending on December 31, 2009 (the "2009 Taxable Year").
- (2) A U.S. shareholder that has made or plans to make a QEF election with respect to common shares of FNMEX ("FNMEX Common Shares") may determine its pro rata share of ordinary earnings and net capital gain, respectively, as provided below:
  - a. If you held FNMEX Common Shares during the period beginning January 1, 2009 and ending June 15, 2009 ("Pre June 16 Period"), for FNMEX's 2009 Taxable Year, multiply the number of FNMEX Common Shares you own by the "Per FNMEX Common Share Pre June 16" amount below on line (3)(a) to determine your pro rata share of ordinary earnings, and by the "Per FNMEX Common Share Pre June 16" amount below on line (3)(b) to determine your pro rata share of net capital gain.
  - b. If you did not hold FNMEX Common Shares for each day during the Pre June 16 Period, for FNMEX's 2009 Taxable Year, divide the "Per FNMEX Common Share Pre June 16" amount below on line (3)(a) by 166 and multiply by the number of days you owned the shares during the Pre June 16 Period to determine your pro rata share of ordinary earnings. Similarly, divide the "Per FNMEX Common Share Pre June 16" amount below on line (3)(b) by 166 and then by the number of days you owned the shares during the Pre June 16 Period to determine your pro rata share of net capital gain.
  - c. If you held FNMEX Common Shares during the period beginning June 16 and ending December 31, 2009 ("Post June 16 Period"), for FNMEX's 2009 Taxable Year, multiply the number of FNMEX Common Shares you own by the "Per FNMEX Common Share Post June 16" amount below on line (3)(c) to determine your pro rata share of ordinary earnings, and by the "Per FNMEX Common Share Post June 16" amount below on line (3)(d) to determine your pro rata share of net capital gain.
  - d. If you did not hold FNMEX Common Shares for each day during the Post June 16 Period, for FNMEX's 2009 Taxable Year, divide the "Per FNMEX Common Share Post June 16" amount below on line (3)(c) by 199 and multiply by the number of days you owned the shares during the Post June 16 Period to determine your pro rata share of ordinary earnings. Similarly, divide the "Per FNMEX Common Share Post June 16" amount below on line (3)(d) by 199 and then by the number of days you owned the shares during the Post June 16 Period to determine your pro rata share of net capital gain.
  - e. If you held FNMEX Common Shares during the Pre June 16 Period as well as the Post June 16 Period, perform the calculation in each of (i) 2(a) or 2(b), where applicable and (ii) 2(c) or 2(d), where applicable. Subsequently, add the resulting ordinary earnings from 2(a) or 2(b) as the case may be, to the resulting ordinary earnings in 2(c) or 2(d), as the case may be, to determine your pro rata share of ordinary earnings. Further, add the resulting net capital gain from 2(a) or 2(b) as the case may be, to the resulting net capital gain in 2(c) or 2(d), as the case may be, to determine your pro rata share of net capital gain.

f. If you owned different number of FNMEX Common Shares at different times in 2009, for FNMEX's 2009 Taxable year, perform the calculations specified in (2)(a) through 2(d) above, where applicable, for each day in which you hold FNMEX Common Shares. Add up all the ordinary earnings for each day in which you own FNMEX Common Shares to determine your pro rata share of ordinary earnings, and add up the net capital gain for each day in which you own FNMEX Common Shares to determine your pro rata share of net capital gain.

(3) The following are the ordinary earnings and net capital gain amounts for FNMEX for the 2009 Taxable Year:

	Per FNMEX Common Share Pre June 16	Per FNMEX Common Share Post June 16
(a) Ordinary earnings <sup>1</sup> :	\$0.0460	\$0.0494
(b) Net capital gains	\$0	\$0

(4) The amount of cash and fair market value of other property distributed or deemed distributed during the 2009 Taxable Year is as follows:

FNMEX did not make any distributions (in cash or in property) during the 2009 Taxable Year.

(5) FNMEX will permit U.S. shareholders to inspect and copy its permanent books of account, records, and such other documents as may be maintained by FNMEX to establish that FNMEX's ordinary earnings and net capital gain, as defined in section 1293(e) of the U.S. Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and the shareholders' pro rata shares thereof.

**Franco-Nevada Mexico Corporation, S.A. DE C.V.**

By: \_\_\_"Alex Morrison"\_\_\_\_\_

Title: \_\_Chief Financial Officer, Franco-Nevada Corporation\_\_

Date: \_\_March 31, 2010\_\_\_\_\_

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<sup>1</sup> The term "ordinary earnings" means the excess of the earnings and profits of the PFIC for the taxable year over its net capital gain for the same taxable year.