

## PFIC Annual Information Statement

- (1) This Information Statement applies to the taxable years of Franco-Nevada Corporation, Franco-Nevada Australia Pty Ltd and Franco-Nevada Canada Corporation beginning on October 17, 2007, November 23, 2007 and December 5, 2007, respectively, and ending on December 31, 2007.
- (2) The total and *pro rata* share of ordinary income and net capital gain of the entities specified in paragraph (1) above for the taxable years specified in paragraph (1) above are:

		Franco-Nevada Corporation	Franco-Nevada Australia Pty Ltd	Franco-Nevada Canada Corporation
(a)	Ordinary earnings <sup>1</sup> :	NONE	NONE	NONE
(b)	Net capital gain:	NONE	NONE	NONE
(c)	Your pro rata share of ordinary income:	NONE	NONE	NONE
(d)	Your pro rata share of net capital gain:	NONE	NONE	NONE

(This amount is subject to the highest capital gain rate of tax applicable to the shareholder.)

- (3) The amount of cash and fair market value of other property distributed or deemed distributed to you during the taxable years specified in paragraph (1) is as follows:

	Franco-Nevada Corporation	Franco-Nevada Australia Pty Ltd	Franco-Nevada Canada Corporation
Cash:	NONE	NONE	NONE
Fair market value of property:	NONE	NONE	NONE

- (4) The entities specified in paragraph (1) above will permit you to inspect and copy these entities' permanent books of account, records, and such other documents as may be maintained by these entities that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided 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.

### Franco-Nevada Corporation

Alex Morrison, Chief Financial Officer

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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.