WORLD-CLASS PERFORMANCE

2009 ANNUAL REPORT

Royal Canadian Mint
Monnaie royale canadienne

2009

A BANNER YEAR

The Royal Canadian Mint solidified its place on the world stage in 2009, reaping the rewards of forward-thinking strategies implemented in prior years and realizing the benefits of operating a diversified business with progressive business practices.

vancouver 2010

OFFICIAL SUPPORTER
SUPPORTEUR OFFICIEL

On the cover:
An all-Canadian achievement destined for global fame, the Vancouver 2010 athlete medals were produced by the Royal Canadian Mint, who worked in close collaboration with the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games (VANOC) and metal supplier Teck Resources Limited.

In 2009, 75 flagpoles were installed outside of the Mint's Winnipeg facility in honour of the Mint's international customers.

CONTENTS

Head Office and Ottawa Plant
Royal Canadian Mint
320 Sussex Drive
Ottawa, Ontario
Canada K1A 0G8
613-993-3500

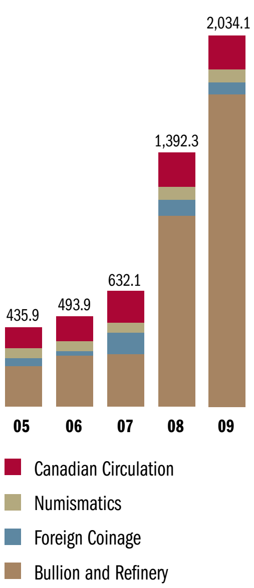
Winnipeg Plant
Royal Canadian Mint
520 Lagimodière Blvd.
Winnipeg, Manitoba
Canada R2J 3E7
204-983-6400

Visit our online store for a full selection of products at www.mint.ca

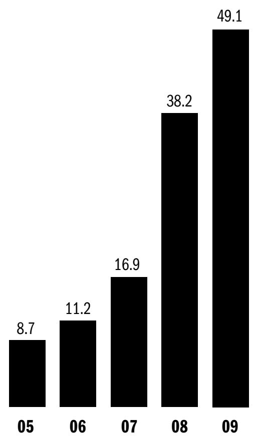
FINANCIAL AND OPERATING HIGHLIGHTS

	2009	2008	% change
Key financial highlights (in millions of dollars)			
Revenue	**2,034.1**	1,392.3	46.1
Income before income tax	**68.6**	55.3	24.1
Net income	**49.1**	38.2	28.5
Total assets	**309.9**	326.9	(5.2)
Capital expenditures	**19.9**	27.4	(27.4)
Cash flow from operating activities	**118.7**	15.1	686.1
Key operating highlights			
Canadian circulation coins produced (in millions of pieces)	**1,437.8**	2,001.8	(28.2)
Gold bullion sales (in thousands of ounces)	**1,233.2**	896.7	37.5
Number of employees (at December 31)	**904**	865	4.5
Gross profit	**186.8**	177.3	5.4
Pre-tax return on equity	**32.7%**	29.8%	2.9
Debt to equity ratio	**0.48:1**	0.76:1	(36.8)
Shareholder's equity	**209.9**	185.7	13.0
Total production (millions of pieces)	**2,547.9**	3,740.0	(31.9)

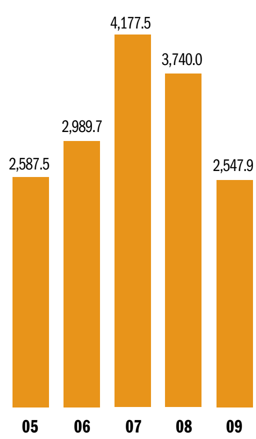
Revenue (segmented)
($ in millions)



Net income (loss)
($ in millions)



Total production
(millions of pieces)



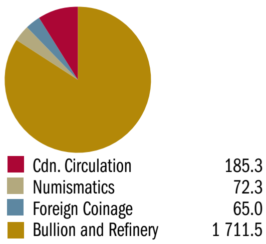
THE MINT AT A GLANCE

2009 Results

Royal Canadian Mint

The Royal Canadian Mint is a commercial Crown corporation producing circulation, numismatic and bullion coins for the domestic and international markets and operating full-service gold and silver refineries in anticipation of profit.

Revenue by segment

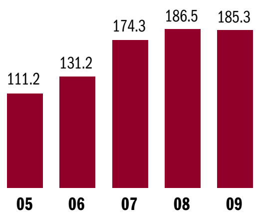


The Mint achieved its third consecutive year of record performance with revenues of $2.0 billion and net income of $49.1 million. Global financial uncertainty continued to fuel extraordinary demand for bullion products, while astute hedging allowed the Alloy Recovery Program (ARP) to remain profitable despite the sharp decline in nickel prices.

Canadian circulation

The Mint's core mandate is to produce and manage the distribution of Canada's circulation coinage and provide advice to the Government of Canada on matters related to coinage. Special multi-year coins carry designs that celebrate Canada's history, culture and values.

Revenue ($ in millions)

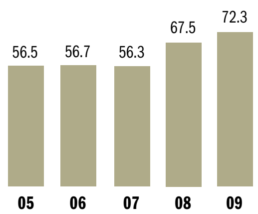


Revenue from Canadian circulation coins decreased to $185.3 million from $186.5 million in 2008. Demand for new coins was suppressed by the recession and continued increases in the volume of coins recycled, but supported by the issue of coins celebrating the Vancouver 2010 Olympic and Paralympic Winter Games. Revenue from the ARP remained stable despite the decline in nickel prices.

Numismatics

The Mint produces numismatic coins of extraordinary beauty and impeccable craftsmanship. Made primarily of precious metals, several of the Mint's numismatic coins are also enhanced with special effects such as holograms, enameling, lasering and embedded crystals. The Mint also produces medals, medallions and tokens.

Revenue ($ in millions)

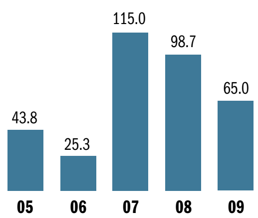


Numismatic revenues increased 7.1% to $72.3 million from $67.5 million in 2008. The impact of the recession on demand for numismatic products was mitigated by the widespread appeal of the Mint's Vancouver 2010 collector coins. During the year, 10 of 67 new coins produced with a mintage sold out, compared to nine of 85 coins produced in 2008. The Mint also produced 615 Olympic and 399 Paralympic medals for the Vancouver 2010 Olympic and Paralympic Winter Games.

Foreign Coinage

The Mint designs and produces circulation and numismatic coins, ready-to-strike blanks, medals, medallions and tokens for international markets. It also licenses its patented plating technology, manages the Mint's foreign partnerships and opens new markets to the Mint's products and consulting services.

Revenue ($ in millions)

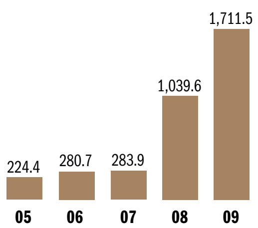


The Mint produced 1.1 billion coins and blanks for 18 countries compared to 1.7 billion coins for 16 countries in 2008. Revenues declined 34% to $65.0 million from $98.7 million in 2008.

Bullion and Refinery

The Mint produces and markets a family of gold, silver, palladium and platinum bullion coins, wafers and bars for the investment market as well as high purity precious metals products such as granules for industrial applications. It operates refineries that provide customers with a range of services from gold and silver refining to assaying and secure storage.

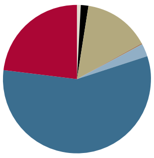
Revenue ($ in millions)



Bullion and refinery revenues increased 64.6% to $1.7 billion from $1.0 billion in 2008. Sales of Gold and Silver Maple Leaf coins, wafers and bars increased 19% to 11.5 million ounces from 9.7 million in 2008. The Mint also successfully reintroduced platinum and palladium products back into the market during the year. The volume of precious metal stored by the Mint increased by 25.0%, while the volume of precious metals refined increased by 27% to 6.8 million ounces.

2009 Performance | 2010 Outlook

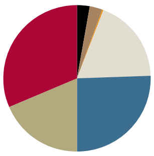
Revenue by region ($ in millions)



Canada	469.8
US	1,160.4
Asia Pacific	59.4
Middle East	3.5
Europe	292.7
Latin America	36.7
Africa	11.6

The Mint's focus on flexibility, *Lean* enterprise and cost control positions the Corporation to continue to be profitable in the uncertain economic and financial environment of 2010, although not likely at the record level achieved in 2009. Continued economic uncertainty will dampen the recovery in consumer spending, but could support continued demand for precious metal bullion products.

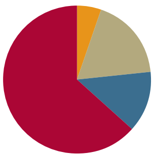
Production (millions of pieces)



1 cent	455.7
5 cent	266.4
10 cent	370.7
25 cent	266.8
50 cent	0.2
$1	39.6
$2	38.4

The Mint anticipates the slow economic recovery in Canada to continue in 2010, which could stimulate demand for circulation coinage. The reduced price at which the Mint has hedged its exposure to base metal prices will cause revenue from the ARP to decline while reducing the cost to produce nickel-based denominations. To be launched in 2011, the Mint will change the composition of $1 and $2 coins, using the Corporation's cost-effective patented multi-ply plated steel technology.

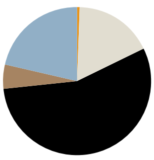
Revenue (% by region)



Canada	63.4
US	13.3
Europe	18.1
Other	5.2

Canada's recovery from the recession along with the excitement created by the coins minted in celebration of the Vancouver 2010 Olympic and Paralympic Winter Games, creates an encouraging market for collector coins. In 2010, this will be supported by more aggressive sales and marketing initiatives and a stronger presence in emerging international markets.

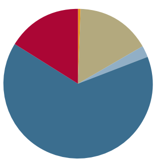
Revenue (% by region)



Asia Pacific	21.4
Middle East	5.4
Latin America	55.6
Africa	17.3
Other	0.3

Significant contracts have already been secured for 2010 and 2011, and the emergence of Africa, Asia and the Middle East from the global recession could create strong demand for coinage in the countries in those regions. The Mint will build on this momentum by more aggressively marketing its technical expertise and numismatic capabilities to international customers.

Revenue (% by region)



Canada	16.3
US	64.8
Asia Pacific	2.4
Europe	16.3
Other	0.2

Performance of the bullion and refinery business should remain strong for as long as the precious metals bull market continues. However, as the global economy recovers, demand for newly minted bullion products will decline. To ensure it continues to thrive, the Mint has developed three key strategies: maximize performance from its core business, develop new products and services, and penetrate new markets.

1

FINANCIAL STRENGTH

In 2009, the Royal Canadian Mint achieved record performance—with profitability across all business lines and $2 billion in revenues. Maple Leaf bullion led the way, capitalizing on the Mint's internal refining and production capabilities. Foreign circulation coin production held strong, demonstrating sustained international enthusiasm for the Corporation's patented multi-ply plated steel technology, and Numismatics achieved its second-highest revenue in Mint history.

Market dynamics drove demand for Maple Leaf gold and silver bullion; by year-end, total ounces of gold delivered to Canadian and international customers reached 1,168.9—up from 848.1 in 2008. Critical to the Mint's success was its vertical integration: while metal supply was short worldwide, the Corporation enjoyed the advantage of having its own onsite refinery.

Lean, flexible and forward-thinking

Equally responsible for the Mint's success were several strategies launched in prior years to ensure the Corporation's nimbleness and agility to market conditions: *Lean* enterprise initiatives designed to increase throughput and yield; a 2007 collective agreement that gives the Mint the flexibility to temporarily hire staff in peak periods; investments in capital equipment; lucrative metal hedging futures contracts signed in 2008; and its robust enterprise resource planning (ERP) system, which was capable of handling the year's six million transactions in sales, inventory, production and fulfillment.

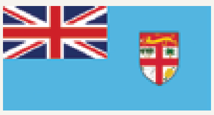
Diversified and collaborative

Throughout the year, the Mint continued to benefit from its diversified business: while demand for Canadian circulation diminished due to the recession, strong activity in bullion and refinery and in the Mint's foreign business provided a positive counterbalance. Numismatics played an important role, supplying engraving and master tooling to all business lines and producing silver and gold bullion coins for the bullion business. In a spirit of entrepreneurship, all four business lines worked closely together to share production capacity.

Maple Leaf Bullion

Created to help the Mint meet continued high demand for Maple Leaf bullion, the "Ottawa Goes for Gold" *Lean* initiative generated a series of rapid productivity improvements for the Ottawa manufacturing operation.

In operation since July, 2009 at its Ottawa facility, the Mint's high-speed bar-casting furnace produces 100-ounce silver bars and gold kilo bars.



Mr. Barry Whiteside,
Deputy Governor
Reserve Bank of Fiji

"The Reserve Bank of Fiji is pleased to be associated with the Royal Canadian Mint in modernizing Fiji's coinage to smaller, lighter multi-ply plated steel coins. The new smaller and lighter Fiji coins are well aligned to international standards and addresses Fiji's coinage needs into the future."

2 INNOVATION

The Mint impressed the world with its production of the Vancouver 2010 athlete medals—distinguished by their unusual, undulating form, substantial weight and creative incorporation of Aboriginal artwork. Each of the 1,014 medals is a unique and shining example of the Mint's ongoing drive to innovate.

Each medal for the Vancouver 2010 Winter Games was struck nine times and subject to a 30-step fabrication process that involved 2,817 hours of precision manufacturing. Weighing more than 500 grams, the circular Olympic medals and elliptical Paralympic medals are among the heaviest in Games history.

Visionary technology

The Mint applied breakthrough robotics to produce the Vancouver 2010 circulation coins, employing automated vision systems in the manufacturing of the 25-cent coloured coins commemorating the Top 3 Canadian Olympic Winter Moments of all time. The robot orients each coin as it moves along the production line to ensure precisely consistent colourization. The Mint doubled the size of the colour painting line at its Winnipeg facility to produce the required nine million coins.

Invested in R&D

In 2009, the Corporation expanded its research and development capacity with additional dedicated resources in Ottawa and Winnipeg, and a substantial increase in funding. Recognizing the critical importance of continuous innovation in the competitive global marketplace, the Mint has steadily increased its R&D investment from $750K to $2.6 million over the past two years. Currently, the Corporation holds a total of 14 patents.

Top 3 moments

To heighten consumer interest, the Mint mixed coloured and non-coloured versions of the Top 3 Moments coins in each roll. Fifty-seven million non-coloured coins were produced.

Towards Confederation

The Mint was proud to receive eight nominations at the Berlin World Money Fair. The Corporation won "Most Inspirational Coin" for Towards Confederation, a $2,500 gold kilo coin with a limited mintage of 50.

The Mint's robotic system for high-precision coin painting assists in satisfying specialty requests from foreign customers as well as special commemorative Canadian circulation coins.

Jorge Raúl Corvalán Mendoza, President and Chairman of the Board of Directors, Banco Central del Paraguay

"The Mint's innovative multi-ply plated steel technology is an excellent alternative to traditional alloy-based coins for its quality, finish and durability, and has delivered significant cost savings in the production of our national circulation currency—the 100, 500 and 1000 Paraguayan Guarani coins."

3 GLOBAL CUSTOMER BASE

The Royal Canadian Mint's patented multi-ply plated steel (MPPS) process continues to be in high demand. In 2009, the Mint secured contracts with several new and renewing customers, establishing it as one of the highest-volume manufacturers of foreign circulation coinage in the world.

Foreign operating profit contributed significantly to the Mint's performance, exceeding the year's already ambitious targets by 53 percent. In addition to making record shipments, the Mint achieved new levels of customer satisfaction with foreign customers. Relationships with international numismatic dealers were strengthened as well, attributable to the heightened presence and profile the Mint attained through the Vancouver 2010 coin program.

A sought-after partner

Beyond blank and coin production, customers are increasingly turning to the Mint for its technical expertise. Several countries have approached the Mint, interested in consulting services and training in toolmaking and die production. Last year the Mint also established a partnership agreement with FOBA, helping the laser manufacturer customize its technology for the minting industry. In exchange, the Mint receives a share of FOBA's licensing fees. The arrangement is modeled on the Mint's similar collaborations with Teer Coatings Ltd. of the UK. and U.S.-based Jarden Zinc Products, LLC.

Seeking to share best practices with other mints, the Corporation organized a knowledge and skills exchange with the Australian Mint through which die production and engraving personnel were temporarily transferred to each other's home facilities.

Foreign Coinage

In 2009, the Mint produced coins and blanks for 18 countries, including the Decimo de balboa (10-cent coin) for Panama.

The Mint's advanced multi-ply plating line produces the highest quality circulation coinage in the world.

The Mint's patented multi-ply plated steel technology

Conventional Nickel Plating
Nickel

One nickel layer on steel core

Two-Ply Copper Finish Plating
Nickel - Copper

Layer 1: Nickel on steel core
Layer 2: Copper finish

Three Ply Nickel Finish Plating
Nickel - Copper - Nickel

Layer 1: Nickel on steel core
Layer 2: Copper intermediate layer
Layer 3: Nickel finish

4

SERVICE ORIENTATION

In everything it does, the Mint's central focus is its customers. Perhaps the most visible indication of this in 2009 was the wholly revamped mint.ca website, which garnered a Canada's web50 award.

Visitation climbed by 68 percent and customer satisfaction exceeded all industry benchmarks. Fifty thousand online transactions brought $9.2 million in revenue, a rise of 44 percent over 2008. Through the new website, the Mint opened up direct sales channels in nine markets outside North America including France, Germany, the Netherlands, Japan and Australia.

Cultivating relationships

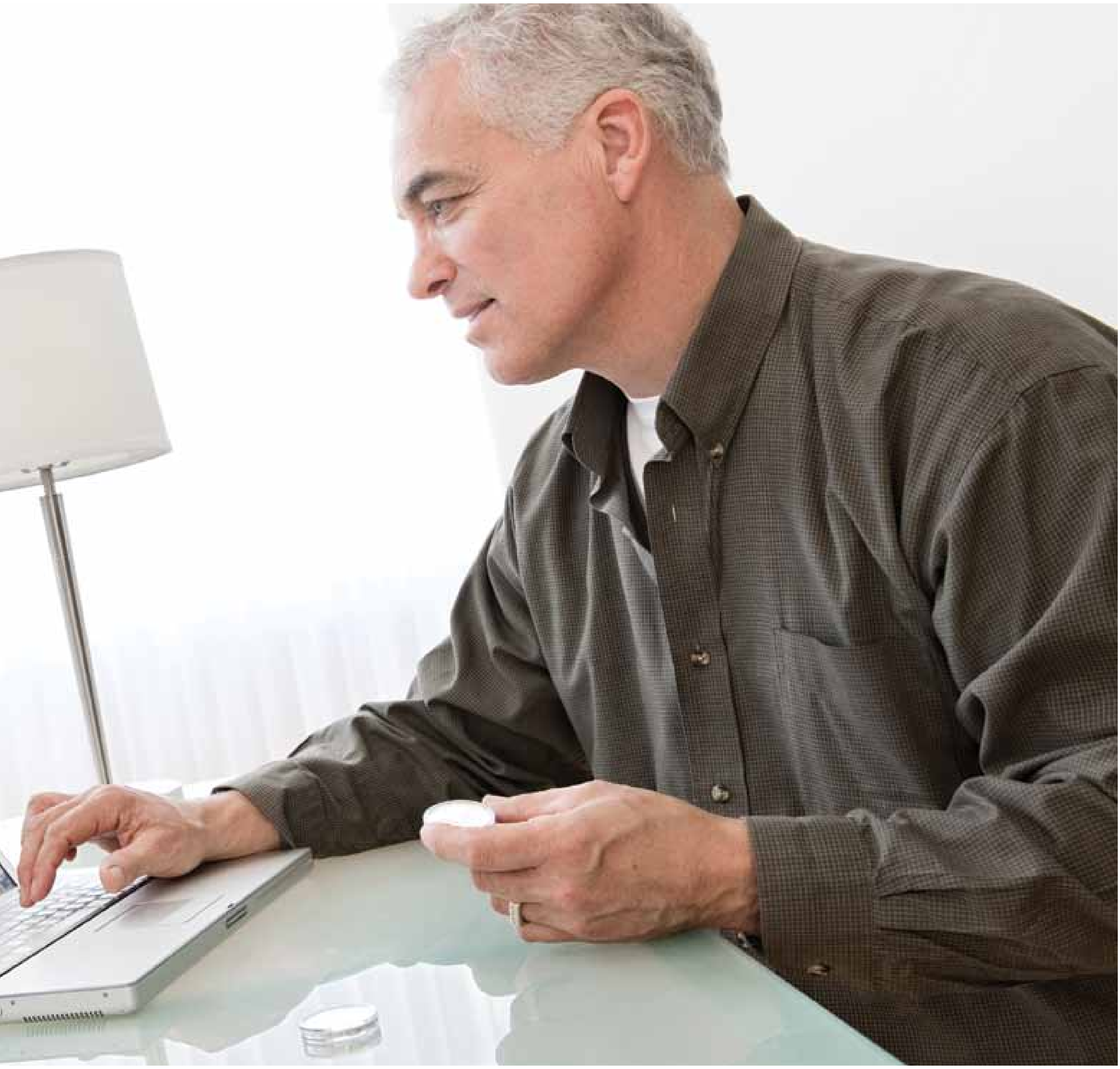
Last year the Mint also undertook a program to increase sales associated with its catalogue, direct mail and email campaigns. Through increased communication, and by having dedicated account representatives establish personal connections with members of its Masters Club loyalty program, the Corporation strengthened its numismatic sales for the year.

Sustaining connections

The volume of the Mint's bullion business last year required careful management of many valued relationships. The Corporation communicated with customers around the timing of deliveries, and maintained strong ties with top bullion distributors, allowing the Mint to take advantage of opportunities as they emerged.

2009 Uncirculated Set

The uncirculated set was the top seller by unit on mint.ca in 2009. Each set featured the numismatic versions of Canada's circulation coins.



The Mint's best-in-class website delivers a superior customer service experience, increasing visitation by 68 percent in 2009.

In addition to the 25-cent circulation coins celebrating the Top 3 Canadian Olympic Winter Moments of all time, the Mint issued three circulation coins from the popular Vancouver 2010 coin series in 2009: cross-country skiing, speed skating and bobsleigh.

5 OPTIMIZED PROCESS

The Mint has remained dedicated to continuous improvement, waste elimination and value creation since adopting *Lean* enterprise principles in 2003. Building on that foundation, last year the Corporation undertook a comprehensive 5S workplace organization, standardization and safety effort.

The Mint embarked on 5S at a time when Canadian circulation production had slowed. It took the opportunity to train and develop staff in 5S practices and complete the physical transformation of its Ottawa and Winnipeg plants. 5S stands for: *Sort, Set in Order, Shine, Standardize,* and *Sustain*.

Measuring performance

To ensure process improvements achieve their intended results, organizations must evaluate their performance. In 2009, the Mint launched its corporate intranet, which provides access to daily financial reports and a near-real-time performance scorecard based on a set of KPIs. These tools provide clear vision, priorities and targets for the entire organization.

Capital improvements

Investing in new, modern equipment is important not just for efficiency's sake, but also because it allows the Mint to meet a wider range of customer demands while remaining globally competitive. In 2009, the Mint completed the installation of a high efficiency rolling mill in Ottawa. Once operational—in 2010—it will provide important capabilities to meet continued demand for bullion and supply high-quality blanks for foreign customers. The Mint also added a continuous casting furnace for gold kilo and 100-ounce silver bars.

Canadian Tire Tokens

The Mint was pleased to work with Canadian Tire in 2009 to produce two million multi-ply plated steel trade dollars featuring the iconic "Sandy McTire". These tokens were offered to customers who spent $25 or more at Canadian Tire stores across Canada on December 5-6.

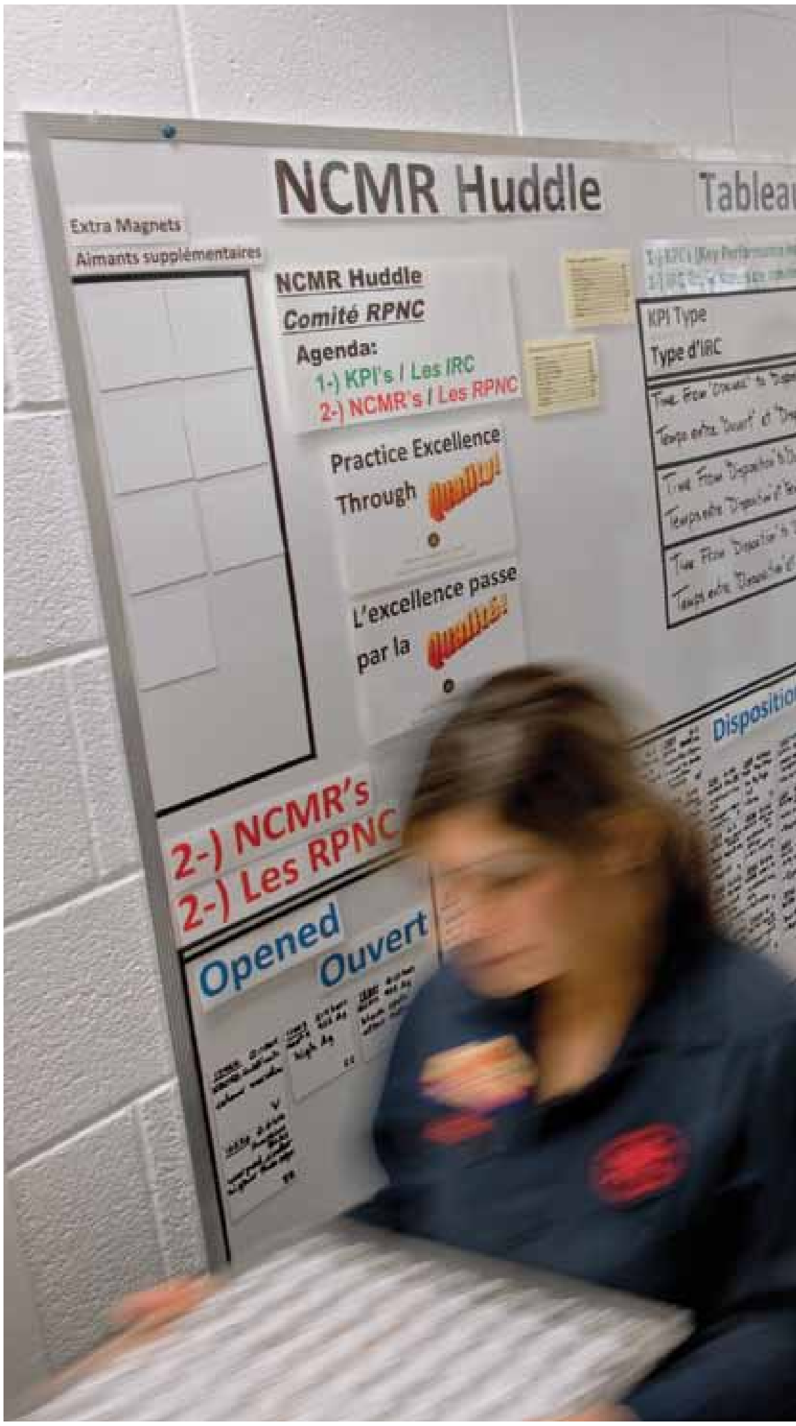
Over 40 high-speed coining presses produce up to 20 million circulation coins at the Winnipeg facility each day.

Lionel Dosoo, Deputy Governor, Bank of Ghana – March 10, 2009

"The Mint's patented multi-ply plated steel technology is truly the world leader. MPPS allowed us to realize significant cost savings in the production of circulation coinage. They took the time to build relationships with our team, to understand our needs, and to ensure those needs were met."

6

CORPORATE SOCIAL RESPONSIBILITY



In 2009, the Mint carried out initiatives in the areas of business transparency and accountability, health and safety, employee engagement and environmental sustainability.

The Mint began adopting various continuous improvement recommendations, including the establishment of a Steering Committee for Refinery Renewal chaired by the President and CEO, enhancements to inventory controls, and improvements to health and safety.

Employee green committees at both facilities further contributed to an improved work environment in 2009.

Environmental commitment

At the Winnipeg plant, sludge recycling continued in 2009. The sludge, a byproduct of coin manufacturing, is shipped to Ontario for processing—diverting approximately 500 megatonnes from landfills and generating revenue through metal recovery. In compliance with City of Winnipeg Sewer bylaws, the Mint installed an automated system that transfers process wastewater to the municipal treatment system for pH adjustment and metal removal.

Safety on the job

Under the umbrella of its 5S initiatives, the Mint undertook hazard analyses and installed safety shields around certain manufacturing equipment. The Ottawa plant reported zero lost-time injuries between April and December. To increase employee awareness, it also introduced a daily operational review of health and safety. The Winnipeg facility achieved improvements in lost time accidents and related lost time frequency; in February 2009 its technical services group achieved the milestone of two years with no accidents. In the next fiscal year, Winnipeg will embark on a comprehensive HVAC/lighting energy retrofit to reduce the plant's carbon footprint.

Coin Recycling

The Royal Canadian Mint continued to recycle coins in 2009, approaching 1 billion coins returned to the marketplace.

Mint employees are consulted on a regular basis to discuss health and safety initiatives, production plan, continuous improvement and overall performance measures.

BSI

FM 62998

The Mint has been a member of ISO (International Organization for Standardization) since 1999, with the Ottawa facility achieving recertification in 2009, permitting it to adopt the ISO 9001:2008 standard. The Mint's Winnipeg facility received their recertification under the new ISO:2008 in January, 2010.

MESSAGE FROM THE PRESIDENT AND CEO

The vision of the Royal Canadian Mint is to be the best mint in the world. What does that mean? It means being financially strong and innovative, with a broad customer base, a steadfast commitment to customers and efficient processes. It means being nimble, with the flexibility to take advantage of opportunities in a volatile economic environment. And today it also means being socially responsible.

In 2009, the Mint performed extraordinarily well in all respects. We achieved a record pre-tax profit of $68.6 million and, remarkably, surpassed the milestone of $2 billion in revenue. All business lines were profitable, and exceeded targets set out in our corporate plan.

We took full advantage of our staffing flexibility to meet demand for gold and silver bullion, expanding our workforce and adapting our production lines as required. And we made decisions to shift resources from the numismatics business line to the bullion business in order to keep pace with customer demand.

Multi-ply plated steel (MPPS) continued to be hugely successful in the global marketplace. We won major contracts with the Philippines and Oman, fulfillment of which will account for an important volume of Winnipeg activity in 2010. Here at home, MPPS continued to deliver important savings to the Government of Canada; the federal government has saved a total of $270 million since adopting the technology domestically 10 years ago.

The Mint's multi-faceted Olympic program was a primary focus across the organization. We were deeply proud to have produced the Vancouver 2010 athlete medals, which represent the highest possible achievement in metal fabrication and craftsmanship—and as such reflect and honour the accomplishments of those who triumphed at the Vancouver 2010 Olympic and Paralympic Winter Games.

We enjoyed our own moment of recognition—at the World Money Fair in Berlin, where we were honoured to receive the most nominations of any mint and win an award for the Most Inspirational Coin of 2009 from our peers in the minting community.

At the executive level, we embarked on a visioning and performance measurement initiative. While we have clearly articulated our vision to all employees, we are now defining the measures by which we can evaluate our achievement of that vision. These include cost effectiveness, quality and customer satisfaction, human development (including corporate social responsibility), innovation and an ongoing commitment to Canadian values and heritage.

With our shareholder the Government of Canada, we signed a new memorandum of understanding spanning three years, which provides greater stability and predictability in circulation coin costs. With our employees, we undertook our annual engagement survey. The results were highly positive: more staff say they are engaged or very engaged in our workplace. A further reflection of this, the Mint was once again ranked among Canada's Top 100 Employers by *Maclean's* magazine.

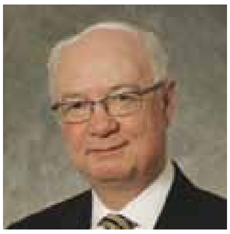
I want to thank our employees for their significant contributions to our success. We started the year with the ambitious target of $34.5 million profit before tax, and thanks to the commitment of our staff we surpassed it. All employees should take pride in these results. Going forward, we will have to continue to work together to maintain that level of involvement and participation.

The entrepreneurial spirit of this organization never ceases to impress me. We have many great opportunities ahead, and with world-leading technology, exceptional customer relationships, and important strides in research and development are well-positioned to embrace the future of money.

Bennett

Ian E. Bennett
President and CEO

MESSAGE FROM THE CHAIR



During 2009 the Board of Directors focused strongly on maintaining and improving active relationships with customers, other mints and the Corporation's shareholder. The Board of Directors was also strongly committed to the strategic direction of the Mint and the development of new profit opportunities.

Board members attended key industry events such as the Berlin World Money Fair and the American Numismatic Association's World's Fair of Money in Los Angeles representing the Mint to international customers and industry players. These events provided the opportunity to speak with representatives from other mints and our international customers, including the U.S. and Japanese Mints. These meetings were of great assistance in developing strategic options for the Mint and for confirming our Mint's place as the best mint in the world.

The Mint's directors also met extensively with federal government ministers throughout 2009, discussing enhancements to the Corporation's financial controls as well as potential new business lines and an expanded mandate that will enable the Mint to pursue emerging opportunities. These forward-looking conversations did much to augment our approach to the future of money concept which has been the focus of our Future of Money committee.

The Board remained heavily engaged in the development of succession plans last year—not only for the leadership of the Corporation but also for its lines of business. Important revenue generators such as the Olympic program and the alloy recovery program are of finite duration. In addition, research has established that the traditional coin is likely to see diminished use as alternative small payment systems are developed. We are committed to identifying new opportunities that will take the place of business lines that are in decline, while at the same time stimulating the growth of existing business lines such as the Mint's international markets. On the management front, we formulated two types of succession plans: one dealing with emergency situations and the other addressing the normal cycle of promotion and retirement.

We were pleased to find our advice sought more actively by government on appointments to the Board. Last year we welcomed John K. Bell as a director and observed the departure of long-serving member Louis Proulx, an exceptional contributor—particularly to the Mint's Quebec strategy. The Board today has one vacancy and one director, Keith Meagher, whose term expired in June 2008 but remains as a Director pending either a reappointment or the appointment of a successor. We are eager for these positions to be filled to provide the Board with the expertise and resources required for the realization of our mandate and look forward to the government's appointments in both cases.

In the year ahead, the Board will continue to focus on strategic planning and risk management—as always, with a view to ensuring the Mint's continued profitability in both the short and long term.

Sincerely,

James B. Love, Q.C.
Chair

In May 2009, the government appointed Mr. James B. Love as the Mint's new Board Chair. (He had been serving until that time as Vice-Chair, and has been a member of the Board since 2006.) Under his leadership, the Mint will continue the governance renewal process it began in earnest in 2002. Mr. Love's vision is to develop a governance framework appropriate to the Mint—one that ensures the Corporation will continue to follow best governance practices. This framework will comprise the formal legislative context in which the Mint operates as well as its formal policies and informal governance structure. Part of the governance renewal process will include the development of robust governance standards that meet or exceed legislative standards, and will include an audit of those standards once implemented. This work, to be done over the next few years, will help formalize the Mint's governance measures and strategies and systematize the review of those measures against identified best practices. The Mint will continue to review and implement, where appropriate, best governance practices from the government and public and private sectors.

The Board of Directors

The Board consists of nine to 11 Directors including the Chair of the Board and the President and CEO. With the exception of the President and CEO, all Directors are independent of management, which is fundamental to sound governance and effective accountability. The Chair is an ex-officio member on all committees; the President and CEO is an ex-officio member of all committees with the exception of the Audit Committee.

Both the Chair and the President and CEO of the Mint are appointed by the federal government. The other Directors are appointed by the Minister of Transport, Infrastructure and Communities with the approval of the Governor in Council. Directors are appointed for terms of up to four years and may be reappointed.

The terms of two Directors expired in 2009. One was replaced and the other continues to serve pending his reappointment or the naming of his replacement. One vacancy remains on the Board.

All members of the Board serve on at least one committee. In 2009, the Board held 10 meetings and the committees held a combined total of 21 meetings.

Board Mandate

The Board of Directors is responsible for overseeing the management of the Mint with a view to both the best interests of the Mint and the long-term interests of its sole Shareholder, the Government of Canada (as represented by the Minister of Transport, Infrastructure and Communities). Pursuant to Part X of the *Financial Administration Act*, the Board is responsible for the management of the businesses, activities and other affairs of the Mint. The Board of Directors holds management accountable for the Mint's performance and achievement of its objectives. It establishes the Mint's strategic direction through a five-year business plan and also reviews and approves major strategies and initiatives. The Board exercises due diligence by assessing risks and opportunities, monitoring financial management, and ensuring the integrity of financial results.

Autumn Showers Crystal Raindrop

Gold, orange, yellow, red – these are the brilliant colours that adorned the maple leaves on the popular Autumn Showers Crystal Raindrop 99.99 % pure silver coin. A sell-out within weeks, the exquisite raindrop was produced with CRYSTALLIZED™ Swarovski Elements.

Six String Nation Guitar

The Mint's second triangle coin celebrated Jowi Taylor's Six String Nation Guitar that spans the many cultures, communities and characters that exist throughout Canada. The base metal coin with a selective hologram centre featured special packaging detailing the materials used to construct the guitar.

The Board may hire independent counsel and advisors, as necessary, to discharge its powers and responsibilities. To streamline processes, the Board has delegated the same authority to its committees.

Board Orientation and Continuing Education Program

The Mint's comprehensive orientation and continuing education program ensures that new and seasoned Directors clearly understand their roles and responsibilities and, more particularly, the Mint's unique business and operating environment. This understanding enables the Directors to contribute effectively to debates and discussions at Board and committee meetings.

In addition to receiving written briefing materials, Directors are invited to attend an in-depth, two-day briefing session with senior management and to tour the Ottawa and Winnipeg facilities. They are also periodically invited to special educational sessions related to the Mint's environment and business activities. As part of the orientation program, all new Directors may attend one meeting of each committee before being appointed as a member of any committee.

Directors may also attend select national and international trade shows and conferences. Participation in these events allows them to interact with the Corporation's stakeholders, deepening their understanding of the Mint's role.

The Mint's systemic review of its governance practices over the past decade has led to an increase in the involvement and accountability of the Directors. As their enhanced roles and responsibilities require greater commitments of time and energy as well as increased knowledge, the Mint encourages all Directors to obtain their Director accreditation—as Mr. Carman Joynt did in 2009.

Board Outreach Activities

The Board plays an advocacy and education role. Advocacy is directed toward building the necessary constituency across Canada to allow the Mint to achieve its objectives. Board members spearhead educational efforts to inform the public about the Mint and to promote its activities. The Mint also maintains a collection of communications and promotional materials to support Board members during speaking engagements in their communities.

Board, Director and Committee Self-Evaluations

The Board has self-evaluated its performance for more than 10 years. Over time, the process has evolved from informal sessions to a more formalized structure. The Audit Committee began to conduct self-evaluations in 2004; and in the years since, the Board's other committees have followed suit. The Chair provides feedback to management on the Board's evaluation, and a brief summary of those discussions is shared with the Minister responsible for the Mint.

In 2007, the performance of individual Directors was assessed for the first time through a process led by the Chair. This included one-on-one discussions with each Director—who in turn had the opportunity to evaluate the Chair's performance. The results of these discussions remained

Steppe Bison Platinum Coin

The third coin in a fascinating series featuring prehistoric animals, the Steppe Bison was a rare opportunity to collect a one-ounce platinum coin. Expertly crafted to capture the majesty of this rare animal from the Ice Age, the coin sold out in just two weeks.

confidential between the Chair and the Director; however, the information was used by the Chair to determine committee membership, individual and overall training needs, and to establish an action plan for improving Board performance. Given the overlap in some areas between individual Director and overall Board performance evaluations, members determined that each type of evaluation should be conducted in alternating years to preserve a dedicated focus on one or the other.

Given the vacancy in the Chair position at the end of 2008 and during the first four months in 2009, the Board decided to forego evaluation of its 2008 performance. However, in the interest of improving governance processes and collective Director performance, the Board remains firmly committed to the evaluation process and will conduct a review of its 2009 performance in early 2010.

Board Integrity and Transparency

The Board adheres to the government's Conflict of Interest and Post-Employment Code for Public Office Holders as well as the Mint's Code of Conduct. Each year, Directors are required to sign the *Directors' Declaration of Conflict of Interest Statement of the Mint* to confirm understanding of their obligations and to declare any conflicts of interest. They must also declare any conflicts that arise during the year and withdraw from any Board or committee discussions, as appropriate.

Disclosure and transparency are fundamental principles promoted widely across the Mint. To uphold them, the Board works to ensure that the annual report provides the information necessary for stakeholders to understand the Mint's values, goals and financial results.

Board Remuneration

The Governor in Council sets the annual retainers and per diems of independent Directors. The salary range for the Chair is $10,500 to $12,400; for Directors it is $5,300 to $6,200. All Directors are paid a per diem in the range of $410 to $485 for attendance at meetings and events such as conferences and trade shows.

The Mint reimburses Directors for travel and other expenses incurred while attending meetings or carrying out the business of the Mint. The Internal Auditor conducts a quarterly review of the travel and hospitality expenses of the President and CEO and the Board of Directors and reports the findings to the Audit Committee. Expenses for all Directors including the President and CEO are reviewed by the Chief Financial Officer and submitted for approval. The Board Chair approves the expenses of all Directors; the Chair of the Audit Committee approves the expenses of the Board Chair. To promote transparency, the Mint has posted quarterly summaries of the travel and hospitality expenses of Directors and senior management on its website since 2007.

Montreal Canadiens centennial

Celebrating hockey's greatest dynasty, 10 million special one-dollar circulation coins were issued in March, 2009 to mark the centennial of the Montreal Canadiens. A limited-edition special edition proof silver dollar was also produced, which proved to be a popular keepsake, selling out in one month.

Board Meetings

The Mint's Vice-Presidents attend Board meetings to provide information and report on activities. This has led to a more effective relationship between management and the Board, resulting in greater shared understanding and enhanced decision-making. The Internal Auditor, who reports to the Chair of the Audit Committee, is also invited to these meetings.

Committee meetings are held, where reasonably possible, at the same location on either the day before or after Board meetings to reduce costs and travel time. Since the adoption of a 'Consent Agenda' format, all routine matters (including reports of committee activities and items not requiring discussion) are adopted by block resolution at the beginning of the meeting. This expedites the approval process and allows the Board to focus more time on strategic initiatives.

An *in camera* session is generally held at each regular Board meeting. The President and CEO, who is also a Director, participates in these sessions unless the matter concerns his performance, evaluation or compensation. The Corporate Secretary will ordinarily remain if business is being conducted—and will otherwise be available to the Board Chair for consultation. If they are not in attendance, the Board Chair debriefs the President and CEO and the Corporate Secretary following the in *camera* discussion, as appropriate.

The Board has followed a paperless policy since the development of the Mint's secure web portal, which allows members to access meeting materials and other resources online. Since 2008, Directors have also been able to participate in meetings using Microsoft's Live Meeting teleconferencing software when they are unable to physically attend.

The Board of Directors, chaired by Mr. James B. Love, met 10 times in 2009, including once by teleconference.

Board Committees

Much of the detailed, preparatory work of the Board is conducted through the Board's three standing committees: Audit; Governance and Nominating; and Human Resources. Committee mandates are reviewed and updated every three years (or as required), and detailed three-year workplans are approved annually.

Audit Committee

The Audit Committee assists the Board with oversight of all material aspects of the Mint's reporting, control and audit functions. Its role includes monitoring: the qualitative aspects of financial reporting to the Shareholder; the Mint's processes for business/financial risk management; and the Corporation's compliance with significant applicable legal, ethical and regulatory requirements. The Audit Committee reviews and monitors important capital and administrative expenditures, weighs the implications of new accounting guidelines, and analyzes internal and external audit results. It also assesses the Mint's financial performance against its Corporate Plan

Centennial of flight

Featuring a young person running, arms spread out as if in flight, the 2009 proof silver dollar celebrated the centennial of flight in Canada. The coin also illustrated three significant Canadian aviation achievements: the Silver Dart, the Avro Arrow and 431 Bomber Squadron (Snowbird), their formation giving shape to a maple leaf.

and annual operational plans to evaluate financial and non-financial performance. (Performance against the Corporate Plan is also reviewed at the Board level.) The Audit Committee reviews and assesses new business initiatives and strategies, and monitors the Mint's risk management framework. The Auditor General of Canada is the external auditor of the Mint and is invited to attend all committee meetings.

All members of the Audit Committee are independent of management and financially literate, with one member having a professional accounting designation. The Internal Auditor reports directly to the committee.

As a matter of best practice, the Audit Committee holds an in camera discussion at all regular meetings, undertaken in two stages: first, in the presence of the Internal Auditor and external auditors, excluding any Mint management; then among the remaining committee members alone.

The Audit Committee, chaired by Ms. Susan Dujmovic, met six times in 2009.

Governance and Nominating Committee

The Governance and Nominating Committee assists the Board of Directors by providing guidance on corporate governance. It develops the three-year workplans and annual meeting calendars of the Board and committees. The Governance and Nominating Committee also reviews the mandates of the committees and the orientation and education programs for Directors. It oversees the performance evaluation processes of the Board and other committees, and reviews corporate policies and policy documents. With respect to the appointment and reappointment of Directors, the Governance and Nominating Committee reviews the profiles for Board, Chair and Director positions, and makes recommendations on necessary skills and experience.

The Governance and Nominating Committee met four times in 2009; once under the chairmanship of Mr. James B. Love and three times under the vice-chairmanship of Mr. Keith E. Meagher.

Human Resources Committee

The Human Resources Committee assists the Board of Directors by reviewing human resources and compensation matters including the terms and conditions of all employee contracts and of the contract of the President and CEO. It sets performance objectives and the assessment strategy for the CEO and monitors the Mint's succession plans for senior management and other key positions, as well as for emergency situations. The Human Resources Committee also reviews the Corporation's development, recruitment and retention policies and addresses other significant human resources and labour relations issues.

The Human Resources Committee, chaired by Mr. Ghislain Harvey, met five times in 2009.

Gold kilo

Both Vancouver 2010 Gold Kilo Coins launched in 2009 achieved sell-out status: The Eagle and The Canada of Today. Spectacularly engraved with ultra high relief, these pieces were like medallic pieces of art and represented the rare occasion of the Mint producing a pure gold coin with guaranteed weight of 1 kilo.

Strategic Planning Steering Committee

The Strategic Planning Steering Committee, led by Mr. James B. Love, met once in 2009 before being dissolved. Its responsibilities for overseeing the annual planning process were transferred to the Board in a change that recognized the importance of involving the full Board in strategic planning.

Created in 2007, the Strategic Planning Steering Committee assisted the Board by defining and overseeing the annual process for developing, reviewing and approving ongoing corporate strategies and initiatives including the Corporate Plan and the annual operational plan. Reviews of major strategic initiatives are carried out by the Audit Committee or the Board, as appropriate.

Ad Hoc Committees

From time to time, the Board of Directors establishes special committees to examine particular issues of interest. These are dissolved once they have fulfilled their mandate.

The *Ad Hoc* Committee on the Future of Money, struck in 2008, was mandated to examine the coin denomination structure and the evolving role of the Mint in the context of emerging electronic cash and payment transactions. The *Ad Hoc* Committee on the Future of Money, led by Mr. Carman Joynt, met four times in 2009.

2009 Attendance Summary

	Standing Committees					Ad Hoc Committees
Members	Board of Directors (10)	Audit (6)	Governance and Nominating (4)	Human Resources (5)	Strategic Planning Steering* (1)	Future of Money (4)
Love, James B.[1] Board Chair	10/10	6/6	4/4	5/5	1/1	4/4
Bennett, Ian E.[2] President and CEO	10/10	6/6	4/4	5/5	1/1	4/4
Bell, John K.[3]	6/7	-	-	-	-	-
Bennett, Claude	9/10	-	4/4	5/5	-	-
Dujmovic, Susan	10/10	6/6	-	-	1/1	4/4
Harvey, Ghislain	10/10	-	-	5/5	1/1	-
Joynt, Carman M.	8/10	6/6	3/4	-	1/1	4/4
MacRae, Kirk	10/10	4/4	-	5/5	-	4/4
Meagher, Keith E.	9/10	6/6	4/4	-	-	-
Proulx, Louis[4]	2/3	-	1/2	2/2	-	-
Staples-Lyon, Bonnie	9/10	6/6	-	5/5	-	-

For committee meetings, this chart reflects attendance by Directors who are committee members only and does not capture attendance by other Directors as observers. As well, it does not reflect attendance by new Directors appointed to the Board, who may attend one meeting of each committee as part of their orientation and development program.

* The Strategic Planning Steering Committee was dissolved in February 2009.

[1] Love, James B.: Appointed as Chair of the Board on April 23, 2009 (formerly Vice-Chair).
[2] Bennett, Ian E.: Attends Audit Committee meetings by invitation.
[3] Bell, John K.: Appointed to the Board of Directors on May 14, 2009.
[4] Proulx, Louis: Term ended on May 13, 2009.

2009

DIRECTORS AND OFFICERS

Board of Directors

James B. Love, Q. C.
Partner, Love & Whalen
Toronto, Ontario
Chair of the Board
Chair, Governance and Nominating Committee

Ghislain Harvey
Executive Vice President and General Manager of Promotion Saguenay Inc.
Saguenay, Québec
Chair, Human Resources Committee

Susan Dujmovic
Assistant Vice-President of Credit Risk
HSBC Bank Canada
Vancouver, British Columbia
Chair, Audit Committee

Keith E. Meagher
Retired
St. Albert, Alberta

Claude Bennett
Retired
Ottawa, Ontario

Kirk MacRae
President
R.K.M. Investments
Sydney, Nova Scotia

Carman M. Joynt
FCA, ICD.D
Chair, Joynt Ventures, Inc.
Ottawa, Ontario
Chair, AD HOC Committee
Future of Money

Bonnie Staples-Lyon
President
Staples-Lyon Consulting Inc.
Winnipeg, Manitoba

John Bell K.
FCA
Chair
Onbelay Investment Corporation
Cambridge, ON

Executive Officers

Ian E. Bennett
President &
Chief Executive Officer

Marguerite F. Nadeau, Q.C.
Vice-President of Corporate and Legal Affairs, General Counsel and Corporate Secretary

Beverley A. Lepine, CA
Chief Operating Officer

J. Marc Brûlé, CA
Vice-President of Finance and Administration and Chief Financial Officer

Patrick Hadsipantelis
Vice-President of Marketing and Communications

Craig Szelestowski
Vice-President of Human Resources and Business Transformation

PERFORMANCE AGAINST OBJECTIVES

	Strategic goals	2009 Performance
Profitability	**To generate a commercial return on capital employed today and invest in people, R&D and equipment necessary to ensure the long-term profitability of the Mint.**	• The Mint achieved a record $2.0 billion in revenue in 2009, a 46.1% increase from $1.4 billion in 2008. • Net income before income tax increased 24.1% to $68.6 million from $55.3 million in 2008 with all business lines being profitable. • Pre-tax return on equity increased to 32.7% from 29.8% in 2008. • Gross profit as a percentage of revenue decreased to 9.2% from 12.7% in 2008. • The staff of the Research and Development Centre of Excellence was expanded, a Chief Technology Officer established and the investment in R&D increased to $2.6 million in 2009.
Customer satisfaction	**To meet or exceed customers' expectations for quality, service and value.**	• A three-year memorandum of understanding was signed with the Government of Canada, providing a stable foundation for managing the Canadian Circulation business line to 2011. • Acceptance of the Mint's proprietary multi-ply plated steel technology continued to expand, establishing the Mint as one of the highest-volume manufacturers of foreign circulation coinage in the world. • The Mint was nominated for eight awards at the Berlin World Money Fair, winning Most Inspirational Coin of 2009 for Towards Confederation, a fine gold kilo coin. • Mint.ca won two awards – Top 50 websites in Canada from Canada web50 and Best E-Commerce Site Designed by a Quebec-based agency (Bell Web Solutions).
People	**To achieve or enhance employee satisfaction, engagement and well-being.**	• The annual survey of employee engagement indicated a 3% improvement in engagement in the workplace in 2009. • The Mint was recognized as one of Canada's Top 100 Employers of the Year by *Maclean's* magazine for the fourth consecutive year. • Spending on training increased to $993,582 in 2009 from $960,000 in 2008, representing 1.7% of payroll. This training focused on *Lean* enterprise, customer service, teamwork, coaching, safety and wellness. • In Winnipeg, lost-time injuries declined by 40% to 9 from 15 in 2008. Lost-time days increased to 109 from 76 in 2008. In Ottawa, the number of lost-time injuries decreased to 11 from 15 in 2008 while lost-time days decreased to 21 days from 55 in 2008.
Corporate social responsibility	**To apply best practices in corporate social responsibility by balancing economic, environmental and social factors while addressing shareholder and stakeholder expectations.**	• Employee "green" committees were ongoing in Winnipeg and Ottawa. • Sludge recycling continued In Winnipeg, diverting waste from landfills and generating revenue through metal recovery. • Third party recycling in Canada has reached close to 1 billion coins, with an increase of 13% in 2009. The Mint continues to have an active role in coin recycling by helping third party recyclers process and effectively redistribute their coins into the coin pool. Coin recycling improves the efficiency of Canada's coinage and reduces the consumption of materials required to produce new coins.

2010 Strategic Initiatives

1. Leverage the international reach of the Foreign Coinage sales force to sell the Mint's technical expertise as well as its products and manufacturing capacity.
2. Expand global capabilities by building upon relationships with existing partners such as Jarden Zinc Products, LLC. and Teer Coatings Ltd. as well as a new partnership with FOBA.
3. Increase the annual capital commitment for R&D to $3.0 million to enhance the Mint's ability to innovate and produce products that will continue to meet the expectations for excellence and technological innovation already established in the domestic and global marketplaces.
4. Continue to refine the enterprise performance management system implemented in 2009 to ensure day-to-day decisions and performance remained tightly aligned with the Corporation's strategic objectives and profitability.

1. Implement *Lean* enterprise and continuous improvements across the organization to drive efficiency and increase capability in an effort to increase profitability.
2. Continue to engage Canadian consumers and collectors by developing circulation and numismatic coins that celebrate Canada's history and culture.
3. Explore e-cash technologies to position the Mint for future payment systems.

1. Conduct health and safety training including evacuation, emergency response, accident investigation and job hazard management. Ensure that increases in production can be accommodated without compromising the safety of its employees.
2. Communicate the brand strategy, engage employees in its implementation and promote employee satisfaction through the creation of corporate ambassadors.
3. Support Human Resources in attracting and retaining the best employees through effective promotion and communication of the Mint's brand.
4. Take steps to ensure that the appropriate people and culture are in place to drive each of the Mint's objectives.
5. Prepare for collective bargaining to ensure that the Mint's partnership with its unions continues to be productive and supports the Corporation's continued growth.

1. Develop a corporate social responsibility policy that reflects the Mint's vision, mission and values.
2. Engage employees in good corporate social responsibility practices.
3. Develop new technologies to enhance domestic and foreign circulation coinage with high-security and anti-tarnishing features.
4. Develop "green" technologies in support of the Mint's commitment to the environment.
5. Embark on a comprehensive HVAC/lighting energy retrofit to reduce the Mint's carbon footprint in Winnipeg.
6. Communicate the Mint's new corporate social responsibility policy to key stakeholders and measure its effectiveness on a consistent basis.

Mandate

The Mint is a commercial Crown Corporation with the mandate to produce circulation and non-circulation coins for Canada and other countries, manage the domestic coinage system, and provide advice to the Minister of Finance on all matters related to coinage. It also produces and markets bullion and related refinery products and services. In accordance with the *Royal Canadian Mint Act*, these activities are to be conducted *in anticipation of profit*. That fundamental object has shaped the history of the Mint.

Vision

To be the best mint in the world.

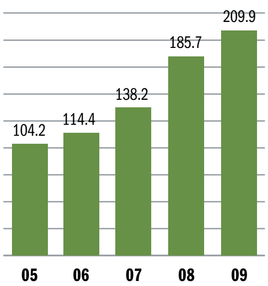
Major Strategic Objectives

The Mint has established four major strategic objectives against which the performance of the corporation and each business line must be measured:

- To generate a commercial return on capital employed today and invest in people, R&D and equipment necessary to ensure the long-term profitability of the Mint.
- To meet or exceed customers' expectations for quality, service and value;
- To achieve or enhance employee satisfaction, engagement and well being;
- To apply best practices in corporate social responsibility.

These four major strategic objectives focus the Mint's efforts on delivering value to customers, employees, the Government of Canada, and society while generating a profit.

Shareholder's equity
($ in millions)

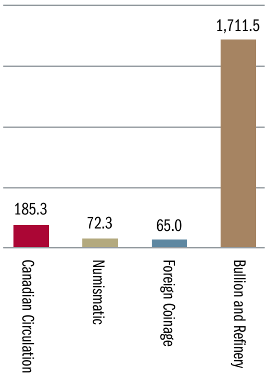


Capabilities To Deliver Performance

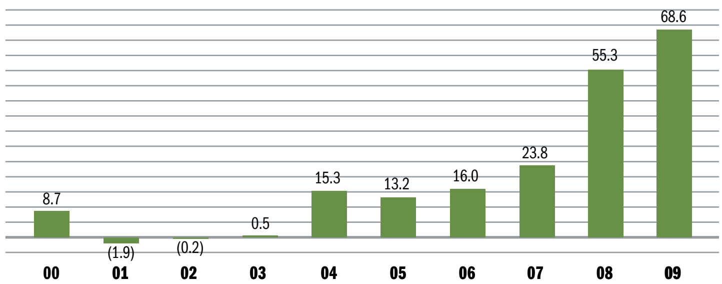
The Mint's ability to sustain its performance rests upon the following core capabilities:

- Global leadership in the art and science of minting. The Mint's position as a leader in its industry is consistently recognized with international awards.
- A manufacturing facility in Ottawa, where it produces the finest handcrafted collector and bullion coins and products, and a high-tech high-volume manufacturing facility in Winnipeg that produces alloy and multi-ply plated steel circulation coins and blanks for Canada and other countries around the world.
- A sophisticated coin distribution network and inventory management system that ensures efficient trade and commerce across the country.
- A vertically integrated bullion operation from refining to blanking and minting as well as the ability to produce grains, wafers, bars and coins in a variety of sizes and of the highest purity.
- An engaged workforce that shares in the Mint's profits through incentive-based compensation introduced in 2008.
- Formation of and significant investment in the Mint's Research Centre for Excellence.
- Continued investment in capital to ensure the Mint can fulfill its vision to be the best Mint in the world.

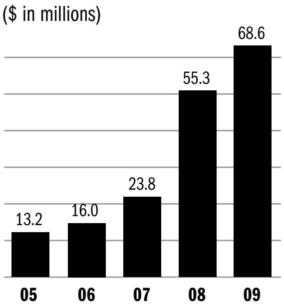
Gross operating revenue by business segment
($ in millions)



10-year income (loss) before taxes
($ in millions)



Income before tax
($ in millions)



Performance indicators

To achieve its objectives, the Mint strives to continually improve profitability through prudent financial management, and continuously improving the quality of its products and efficiency of its operations. The Mint measures its performance by using metrics meaningful to the shareholder, customers, business partners and employees. The measures below allow the Mint to monitor its capacity to improve performance and create value.

Performance

2009 Consolidated Performance

Consolidated results and financial performance

(In $ million)

	2009	2008	% change
Revenue	2,034.1	1392.3	46.1%
Income before tax	68.6	55.3	24.1%
Net income (loss)	49.1	38.2	28.5%
Total assets	309.9	326.9	(5.2)%
Shareholder's equity	209.9	185.7	13.0%
Working capital	94.5	93.6	1.0%

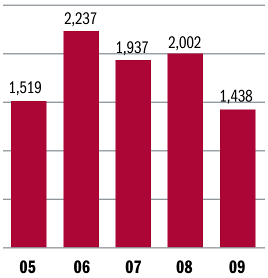
Consolidated financial performance

The Mint achieved another record year in 2009 with revenues of $2 billion, the third consecutive year of record performance and the sixth consecutive year of profitability. The global recession continued to fuel extraordinary demand for bullion products, while astute hedging allowed the Alloy Recovery Program (ARP) to remain profitable despite the sharp decline in nickel prices.

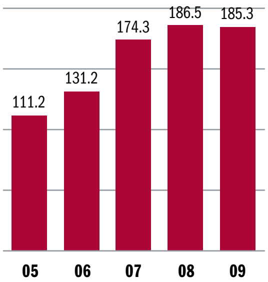
The key factor driving net income in 2009 was record demand for the Mint's bullion products. Sale of Gold Maple Leafs (GMLs) and Silver Maple Leafs (SMLs) increased by 18% to 11.47 million ounces. Unprecedented demand was driven by the collapse in the global economy combined with the elimination of the secondary bullion market early in the crisis. Many key competitors were not as nimble as the Mint and could not ramp up production quickly enough to sustain their traditional share of the market.

Operating costs, including the cost of goods sold, increased 48.3% to $1,967.6 million from $1,327.1 million in 2008. The cost of goods sold increased 52.0%, reflecting the substantial increase in the volume of Canadian bullion products sold along with higher precious metals prices.

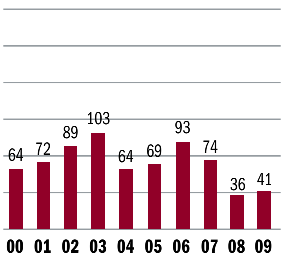
Canadian circulation coin production
(millions of pieces)



Canadian circulation coin revenue
($ in millions)



Seigniorage per Government of Canada year end ($ in millions)



Canadian Circulation

The Mint's core mandate is to produce and manage the distribution of Canada's circulation coinage and provide advice to the Minister of Finance on all matters related to coinage. The distribution of circulation coins in Canada is managed through the National Coin Committee (NCC). Chaired by the Mint, the NCC is comprised of representatives from 12 Canadian financial institutions and four armoured car companies. The effective management of inventories and distribution ensures efficient trade and commerce across Canada.

Revenue from the Canadian Circulation business line decreased slightly to $185.3 million in 2009 compared to $186.5 million in 2008. The volume of Canadian coins produced declined by 28.2% to 1.4 billion pieces, but the mix of coins produced was heavily weighted toward the higher denominations, which sustained revenue and operating income.

Explanation of results

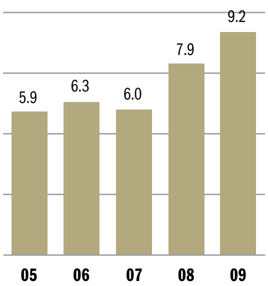
Demand for new coins was suppressed by the impact of the recession on consumer activity. Satisfying this demand for coins was partially met through the Mint's recycling program. During 2009, the volume of coins recycled by third parties increased by 13% to approach one billion coins. Coin recycling enhances the efficiency of Canada's coinage, extending the life of existing coins and reducing the consumption of materials required to produce new coins.

Demand for coins was supported throughout 2009 by the issuing of five circulation coins to celebrate the Vancouver 2010 Olympic and Paralympic Winter Games: cross country skiing, speed skating and bobsleigh as well as two coins commemorating the Top Canadian Winter Olympic Games Moments of all time, the gold medals won by Canada's men's and women's hockey teams at Salt Lake City in 2002. A final most memorable Moment coin was released in January 2010 celebrating Cindy Klassen's five medals in long-track speed skating in 2006. Three million of each Moment coin was produced in brilliant colour and inserted randomly into circulation coin rolls. The Mint also produced the Montreal Canadiens 100th anniversary $1 coin featuring the iconic team's anniversary logo.

The financial performance of this business line continues to be supported by the Alloy Recovery Program (ARP). Although the volume of material sold for melt increased by 12%, revenue from the program remained relatively stable at $51.4 million despite plummeting nickel prices. The Mint was able to protect the ARP revenue stream by establishing hedges in 2007 at the peak nickel price. These hedges expired at the end of 2009 and new hedges have been established at the substantially lower current nickel price. The ARP is drawing to an end as the volume of pre-2000 coins disappears from circulation and the piggybanks of Canadians.

The year 2009 was a one of consolidation after an intensive program of capital investment in capacity, technology and efficiencies in 2008. Modest capital expenditures were made to advance the facility's technological capabilities, including a laser from FOBA and Teer Coating equipment as well as a second line capable of applying oriented coloured designs on circulation coins. The decline in volume of domestic and foreign production also provided the facility in Winnipeg with an opportunity to implement more intensive training, development and a variety of *Lean* manufacturing initiatives to ensure the plant continues to operate as efficiently as possible.

Web sales revenue
($ in millions)



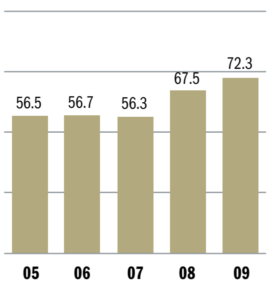
Outlook: Retail activity had recovered by December 2009 and the Mint anticipates continued slow economic recovery in Canada in 2010, which could stimulate demand for Canadian circulation coinage. The reduced prices at which the Mint has hedged its nickel and copper exposure will cause revenue from the ARP to decline, but increase seigniorage paid to the Government of Canada as the cost to produce the nickel-based $1 and $2 denominations decreases. The Mint will continue to promote and commemorate events that celebrate Canada's history and culture through special circulation coins, namely the 100th Anniversary of the Canadian Navy. In 2011, the Mint will change the composition of $1 and $2 coins, using the Corporation's cost-effective multi-ply plated steel technology.

Numismatics

The Mint is renowned for its ability to merge the art and science of minting to create coins of extraordinary beauty and impeccable craftsmanship. Made primarily of precious metals, several of the Mint's numismatic coins are also enhanced with special effects such as holograms, enameling, lasering and embedded crystals. The Mint also produces medals, medallions and tokens.

Numismatics revenue increased 7.1% to $72.3 million from $67.5 million in 2008. During the year, 10 of 67 new coins produced with a mintage sold out compared to nine of 85 new coins minted in 2008.

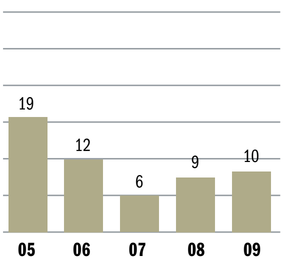
Numismatic revenues
($ in millions)



Explanation of results

Demand for numismatic products was the most severely affected by the recession as consumers exercised caution over their discretionary spending. Despite this, the widespread appeal of the Mint's Vancouver 2010 collector coins allowed the business line to increase revenue and operating profit. 2009 presented the third year of the four-year Olympic program with the launch of 16 new products. Sales through the consumer website, which was redeveloped in late 2008, increased by 17% in 2009, while international demand from dealers and distributors, particularly in Poland, Russia, Japan, Korea and Western Europe spiked with the release of the Vancouver 2010 collector coins.

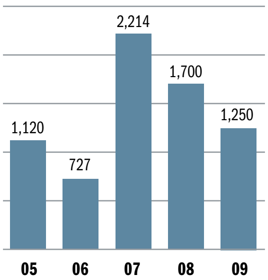
Numismatic sell outs
($ in millions)



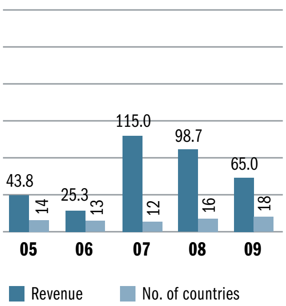
Coins with special effects such as ultra-high relief or imbedded crystals continue to be popular, particularly when special effects are combined. Among the sell-outs were the Montreal Canadiens 100th anniversary proof dollar; a rare one-ounce Steppe Bison platinum coin; a hologram gold coin set celebrating the 30th anniversary of the GML; and a $20 fine silver coin with an autumn showers crystal raindrop.

The Mint also produced 615 Olympic and 399 Paralympic medals for the Vancouver 2010 Winter Games. Every medal is a one-of-a-kind work of art, each featuring contemporary Aboriginal artwork using a unique laser etching process. Among the heaviest ever produced, the medals are also undulating rather than flat, a first in Games history. The medals press acquired to make the medals will enhance the Mint's growing medal business and other numismatic products. A dedicated effort to increase medal sales in 2009 expanded upon existing contracts to produce medals for the Canada's Department of National Defence and the Office of the Governor General.

Foreign circulation coins sold
(millions of pieces)



Revenue / Number of countries served
($ in millions)



Canadian Tire's first-ever limited edition Canadian Tire "Money" token was designed and produced by the Mint in 2009. Two million multi-ply plated steel trade dollars with a face value of $1 were offered to customers who spend $25 or more at Canadian Tire stores across Canada. Canadian Tire "Money" is widely recognized across the country and producing this trade dollar was a unique opportunity for the Mint to showcase its extensive expertise in the field of token and medallion production.

In recognition of its capabilities, the Mint was nominated for eight awards in the Krause Publications' annual Coin of the Year Awards, the most nominations to be earned by any mint recognized by Krause. In addition, two nominations received by Panama represent coins engraved and produced by the Mint. During the 2010 World Money Fair in Berlin in January, the Mint won Most Inspirational Coin for the $2,500 Gold Kilo Towards Confederation.

Outlook: Canada's recovery from the recession along with the excitement created by the coins minted in celebration of the Vancouver 2010 Olympic and Paralympic Winter Games, creates an encouraging market for collector coins. In the coming year, this growth will be supported by more aggressive outbound sales initiatives, a more robust Master Club strategy and a stronger presence in emerging international markets. In 2010, the Mint will redefine its approach in retail and leverage its core product lines.

Foreign Coinage

The Mint produces circulation and numismatic coins, ready-to-strike blanks, medals, medallions and tokens for customers around the world. It also licenses its patented plating technology, manages the Mint's foreign partnerships and opens new markets to the Mint's products and consulting services.

In 2009, the Mint delivered 1.1 billion coins and blanks for 18 countries compared to 1.7 billion for 16 countries in 2008. Revenues declined 34% to $65.0 million from $98.7 million in 2008.

Explanation of results

Global demand for coinage was soft due to the global recession and decline in commercial micro transactions worldwide. Not only had the number of available contracts declined, the Mint's revenue for the contracts that were secured was affected by the sharp decline in nickel prices used to manufacture alloy coins. Base metal prices continued to decline from 2008 into 2009, with the price of nickel declining as low as US$9,405 per tonne, zinc prices to US$1,060 per tonne and copper prices to US$3,050 per tonne.

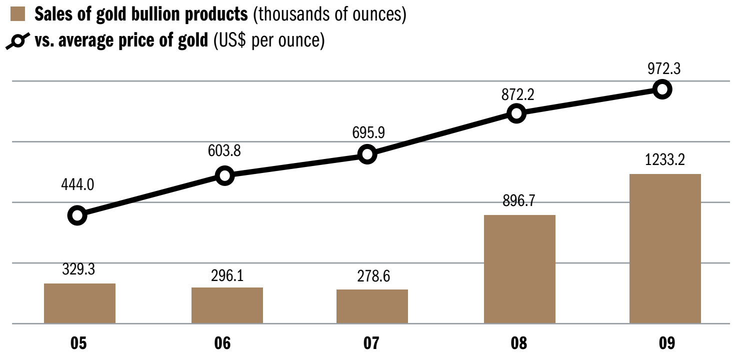
Revenue was also affected by the increasing portion of countries that select the Mint's proprietary technology: 12 of the 18 countries for which the Mint produced coins in 2009 chose the more cost effective multi-ply plating manufacturing process rather than the traditional – and historically more expensive – alloy coinage.

While the Mint continues to build upon the successful licensing agreement with Teer Coatings Ltd. and the development of Physical Vapour Deposition (PVD) technology and process, it has established a second licensing agreement with FOBA, a U.S.-owned company that develops, manufactures and markets products for laser marking and engraving.

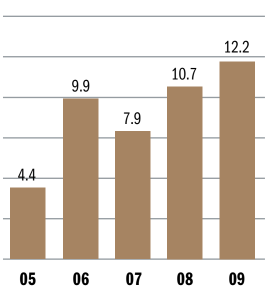
Outlook: Significant contracts have already been secured for 2010 and 2011, and the emergence of Africa, Asia and the Middle East from the global recession could create strong demand for coinage in the countries in those regions. Refinements to the Mint's cost-effective multi-ply plating technology will ensure it continues to provide a substantial competitive advantage over the options provided by our competitors. We will also continue to build momentum in this business line through various strategic initiatives. In 2010, the Mint will:

- Develop opportunities to offer its technical expertise through consulting contracts.
- Market a suite of eight blanks that can be struck to produce a numismatic coin or suite of coins to celebrate an event, anniversary, historical moment or hero.
- Expand it's partnership with Jarden Zinc Products, LLC. of Greeneville, Tennessee, a partnership originally established in 2006.

Bullion And Refinery



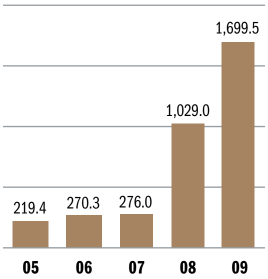
Refining services revenue
($ in millions)



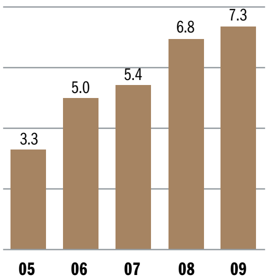
The Mint produces and markets a family of high purity gold, silver, palladium and platinum Maple Leaf bullion coins, wafers and bars for the investment market as well as gold and silver granules for the jewellery industry and industrial applications. The Mint also offers Canadian and foreign customers an integrated solution to gold and silver processing from refining and assaying to secure storage.

Bullion and refinery revenues increased 64.6% to $1,7 billion from $1,0 billion in 2008. Sales of Gold Maple Leaf (GML) coins, increased 38% to 1,169,000 ounces from 848,000 ounces in 2008. Sales of Silver Maple Leaf (SML) coins increased 16% to 10.3 million ounces compared to 8.8 million ounces in 2008, a more modest increase than would have been possible had the Mint not decided to dedicate capacity to meeting as much of the demand for gold as possible. The Mint also issued 40,000 ounces of palladium and 33,000 ounces of platinum bullion coins, successfully reintroducing these products back into the market.

Bullion product revenue
($ in millions)



Refining services
(gross weight received
in millions of troy ounces)
* includes all metals



The volume of precious metal stored by the Mint increased by 25.0%, primarily driven by increased demand for refined material from mines and financial institutions.

The volume of precious metals refined increased by 16% to 6.8 million ounces from 5.8 million ounces in 2008, primarily to meet the demand for GMLs and SMLs.

Explanation of results

Uncertainty over the ability of the global economy to recover quickly along with turmoil in the capital markets and anxiety related to the collapse of the U.S. banking system drove the gold price from a low of US$874.50 at the beginning of the year to a high of US$1,212.50 in December. At the same time the secondary market for bullion coins had already been eliminated during the early months of the crisis in 2008, which meant all new demand had to be met by primary suppliers like the Mint. Because the value of the U.S. dollar and the gold price are negatively correlated, institutional investors have stepped up their presence in the marketplace to hold bullion as a hedge against the continued decline in the value of the U.S. dollar.

The increased demand has not been matched by an increase in supply. Central bank gold selling has slowed, with several banks making purchases to rebuild national stocks. Gold production has remained stable, all marginal mines that could be brought back into production were reopened several years ago.

The extraordinary demand and elimination of the secondary market caused supply shortages among our key competitors, creating a perfect storm that drove record volumes and profitability for the Mint, which has the unique ability to expand capacity quickly because of the vertically integrated nature of its operation.

To meet the increased demand, the Mint made changes in workflow and processes to produce more in less time and hired more people to staff extra shifts and lines. Other major initiatives:

- Expansion of the silver refining capacity from 2 million to 5 million ounces.
- Acquisition and commissioning a continuous casting gold kilobar furnace to produce 100-ounce and kilo bars.
- New refinery layout to establish a more efficient work flow.
- Building of a new clean room for fine gold casting.
- Streamlining of the slag granulation and hydromet process.
- Implementation of a new smelting process using TBRCs (top blown rotary converters).

At the end of 2009, the refinery also acquired a rolling mill to be in full production in 2010. This rolling mill automates processing to generate a strip of metal rolled to a thickness of computer-generated precision, producing more blanks of a higher quality in less time. This will allow a more consistent product and will allow the Mint to be more competitive as a vendor of precious metal blanks.

Precious metals tracking

Management of precious metals has been and will continue to be improved through changes in processing and tracking as well as enhanced oversight. During 2009, the Mint commissioned the hydromet process to reduce the amount of gold in by-product materials. It also moved the refinement of slag by-products in-house to maximize precious metal recovery.

To establish more precise tracking, the count of stock containing precious metals has been increased from two to four times a year with the accuracy of each count enhanced by expanding the time to prepare for each count, improved documentation regarding count instructions, better segregation of duties in the planning and execution of the counts. More robust reconciliation processes and procedures have been consolidated under the management of the senior financial professionals.

Process losses are a normal part of any refinery operation. During periods of major equipment replacement and process improvement, the Mint has improved its planning tools to include the impact of these changes. The process loss standards are reviewed annually and the standards adjusted as required. Continuous 24-hours-a-day process manufacturing activities create additional complexity. A Director, Material Control for the Refinery has been hired to implement an improved inventory tracking system.

A Refinery Renewal Steering Committee has been established, chaired by the President and CEO. One of its roles is to ensure the efficient and timely improvements of precious metal tracking. Such recommendations include:

- The implementation of an improved ERP system that will deliver among other benefits: bar coding, product or processes and metal tracking reports.
- An automated inspection system for the scrap-metal barrel-up processes.

These and other recommendations are under the responsibility of operational managers with the goal to implement them within specific target dates. Progress is tracked and reported back to the Refinery Renewal Steering Committee on a monthly basis.

Outlook: The Mint cannot predict when the precious metals bull market will end, but while it persists, performance of the bullion and refinery business should remain strong. As the global economy starts to recover, demand for newly minted bullion products will decline. To thrive in this new – and inevitable – environment, the Mint has developed three key strategies: 1) maximize performance from its core business, 2) develop new products and services, and 3) penetrate new markets.

To maximize its core business performance, the Mint will improve its competitive edge by leveraging the new rolling mill technology to produce high quality blanks for international markets and reduce costs. It is also examining the potential partnerships that would permit entry into new markets, including India, China and Eastern Europe.

In Support Of The Business Strategies

Research and Development Centre of Excellence

Research and development is critical to the long-term profitability of the Mint through the development of unique products and cutting-edge technologies. In 2009, the Research and Development Centre of Excellence was also focused on technologies that enhance the security and reduce the cost of circulation coinage. To maintain its global leadership in innovation and technology, the Mint expanded the staff of the Centre, established a Chief Technology Officer and increased its capital commitment to R&D to $3.0 million for 2010 from $2.0 million in 2009 and $2.0 million in 2008.

ERP and Business Intelligence Platform

Implementation of Phase II of the Enterprise Resource Planning (ERP) system continued with completion of the business intelligence platform and the laboratory information management system.

The establishment of the enterprise performance management system informed by a business intelligence platform ensured day-to-day decisions and performance remained tightly aligned with the Corporation's strategic objectives and profitability. The system is supported with scorecards, dashboards, analytics and interactive charts that capture information in real time to provide ongoing performance transparency.

Continuous Improvement

The Mint remains committed to Continuous Improvement (CI). Approximately 3,000 hours of *Lean*-related training was conducted during the year. Initiatives implemented in Ottawa and Winnipeg involving 5S (cleaning and organizing the plants), standardizing operating procedures and dozens of changes that sought to standardize operating procedures and improve health and safety, lead-time, quality, flow and capacity. Collectively, these initiatives are estimated to have generated over $7 million in savings and profit improvement.

The Mint's quality and management system – Workplace Intelligence for Systemic Enhancement (WISE) – was updated and strengthened to make it more robust. For example, improved processes and tools have made it possible to detect non-conforming product earlier in the manufacturing process. Both plants have been recertified and comply with the requirements of ISO 9001:2008. Lunch & Learn sessions and increased training in *Lean* principles and tools continue to build capabilities to sustain a culture of continuous improvement.

These initiatives helped the facility in Ottawa to reduce overtime by 17% from 2008, despite the extraordinary increase in production volumes, and prepared the facility in Winnipeg for the anticipated volume increases in 2010.

Marketing and Communications

The Marketing and Communications division is responsible for developing products, the brand strategy and awareness, launching advertising campaigns, conducting market research, developing market segmentation and database customer knowledge, direct marketing and e-marketing campaigns, as well as corporate communications. In 2009, the focus was on ensuring the success of the final years of the Mint's 17-coin Vancouver 2010 Winter Games program, the most extensive multi-year program ever launched by the Mint. The division continuously monitors the success of the Mint's programs through monthly coin sampling and tracking the perception of brand attributes such as quality and innovation.

The division continues to build a better understanding of the variances in perception of the Mint from region to region, which will be used to increase awareness. In 2008 and 2009 the Mint focused on Quebec, leveraging well-known Quebec personality Véronique Cloutier in its advertising. The Mint will continue to use the results of this campaign to refine its campaigns in other regions of the country.

E-commerce

www.mint.ca plays a vital role in the Mint's integrated communications, marketing and sales strategy. Building on the launch of a comprehensive E-commerce strategy in December 2008, an aggressive email marketing campaign throughout 2009 contributed to an increase in sales by 17% to $9.2 million. Unique visitors to the site increased by 68% to 2.0 million while the number of orders transacted increased 43% to 50,000. During 2009, the Mint began selling direct into nine new international markets. In 2010, it will continue to expand its regional footprint as well as a broader social media presence.

The website also won two prestigious awards – Top 50 websites in Canada from Canada web50 and Best E-Commerce Site Designed by a Quebec-based agency (Bell Web Solutions). Complementing the commercial success, the website continues to offer information on the Mint, including facts about circulation coin production and features on the advanced technologies for which the Mint is renowned.

Human Resources

Employment at the Mint increased to 904 permanent and temporary employees at the end of 2009 from 865 employees at the end of 2008. Wages and benefits increased to $59.7 million from $53.7 million in 2008. Spending on training increased 3.5% to $993,582 in 2009 from $960,000 in 2008, representing 1.7% of payroll. During the year training focused on *Lean* enterprise, customer service, teamwork, coaching, safety and wellness. The Mint has also adopted a formal approach to succession planning for roles at the executive level of the organization.

For the fourth consecutive year, the Mint was named one of Canada's Top 100 Employers of the Year by *Maclean's* magazine. The Mint was selected for this award for the quality of its health and family-friendly benefits; workplace advantages, such as onsite fitness facilities; the training and skills development program; parental leave top-up payments; and competitive financial benefits and compensation. The Mint was also identified as one of the Top 15 Employers in the National Capital Region and one of Canada's Top 10 Family Friendly Employers by *Today's Parent* magazine.

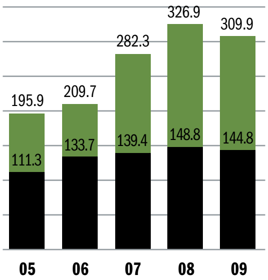
Health and Safety

Protection of people and the environment is a core value of the Mint and the responsibility of every employee. The HSSE department is also responsible for security operations and the protection of corporate assets.

In Winnipeg, lost-time injuries declined by 40% to 9 from 15 in 2008. Unfortunately, lost-time days increased to 109 from 76 in 2008, primarily due to an injury in one incident. During the year, the plant conducted 5,300 hours of health and safety training covering evacuation, emergency response training, accident investigation, asbestos awareness, chemical handling, chemical spill response and job hazard analysis.

In Ottawa, the number of lost-time injuries decreased to 11 from 15 in 2008 while lost-time days decreased to 21 from 55 in 2008. Processes and procedures in the plant are being reviewed to ensure the Mint can respond to increases in production without compromising the safety of its employees.

Total assets
Net capital assets
($ in millions)

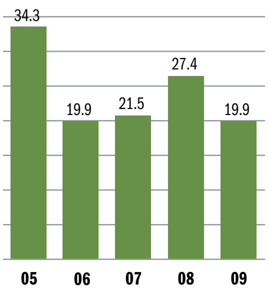


Liquidity And Capital Resources

The Mint's substantial growth in cash flows hand-in-hand with aggressive management of working capital and inventory has allowed the Mint to fund capital expenditures without incurring debt and repay $16 million of long-term debt. Inventory balances have declined to $55.2 million at the end of 2009 from $80.9 million at the end of 2008. The Mint's current ratio has improved to 2.34:1 from 2.11:1 at the end of 2008.

By December 31, 2009, the Mint had reduced total outstanding long-term loans to $17.1 million reducing the Mint's debt-to-equity ratio to 0.48:1 from 0.76:1 at the end of 2008. Timely accounts receivable collections and practical credit policies will ensure working capital management continues to support the financial requirements of the Mint.

Capital expenditures
($ in millions)

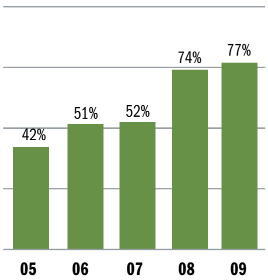


Capital expenditures

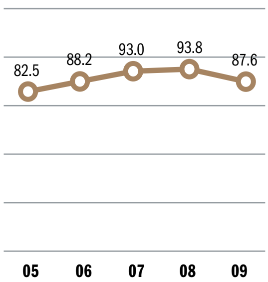
With the increase in business activity in 2009, the capacity to implement new capital projects was reduced. As a result, net capital expenditures declined to $19.9 million from $27.4 million in 2008. The most significant projects included:

- Installation and commissioning a new continuous casting and rolling room ($5.3 million) to increase yield, reduce "giveaways" of precious metals, and eliminate one step in a two-step operation. This investment will be instrumental in strategically placing this operation for continuing strong demand for bullion. It will also increase the Mint's capacity to produce precious metal blanks for the foreign market. To be fully commissioned in the spring of 2010.
- An S&K coining press ($1.4 million) was purchased to produce the one-of-a-kind medals for the Vancouver 2010 Olympic and Paralymic Winter Games. The press will be used to produce customized medals and medallions as well as one kilo and five-ounce premium coins.

Export sales as a percentage of total revenue



Value of CDN$ vs US$ (percent)



- In Winnipeg, more than 70 capital projects at a cost of $5.6 million were initiated including the installation of a second coloured-coin production line, a sachet bagging line, a CNC milling machine, a FOBA laser engraver and a Teer PVD die coating system identical to that used in Ottawa. Installation of the FOBA and Teer systems enhances the Mint's operating flexibility and capabilities. Approximately $800,000 of this capital – 25 projects – were related to improvements to health and safety.
- A die polisher and precious metal blanking press is scheduled for delivery in 2010.

Risks To Performance

The Mint operates within an environment characterized by volatility in the currency and metals markets, a volatility that has been exacerbated by the global economic crisis. To impose some stability on revenue and costs, the Mint hedges metal and foreign exchange risk in support of business activities.

While the Mint has managed currency and metals risks inherent in the business for decades, there have been efforts to establish a more comprehensive approach to managing risk. The Mint's management and the Board have committed to implementing Enterprise Risk Management (ERM) to support the achievement of the Mint's strategic objectives and encourage the existence of a risk-aware organizational culture. Policy and processes have been revised to establish a comprehensive and structured approach to facilitate the consistent identification, assessment, monitoring, and management of risk.

Ongoing efforts will focus on continuously improving an enterprise-wide approach to risk management and sustaining corporate commitment to the management of risks that affect the organization. It is expected that ERM will increase assurance that the decisions and actions of the Mint support the achievement of strategic objectives and consistency with the Mint's risk appetite. The ERM process is expected to be a means to support the execution of the responsibilities of the Board of Directors and Mint management.

Precious metal prices: The Mint purchases four precious metals – gold, silver, platinum and palladium for use in bullion products and numismatic coins. To eliminate the commodity price risk for bullion products, the purchase of the metal and sale of the coin are completed on the same date using the same price in the same currency. For numismatic products, risk is mitigated through hedging involving forward contracts and natural hedges resulting from business activities

Base metal risk: The Mint purchases a wide range of alloys made from a handful of base metals for the production of domestic and foreign circulation coins. The most significant of these base metals are nickel, copper and steel. To eliminate exposure to fluctuations in base metal prices, the Mint locks in the metal value when a contract is awarded. When risk cannot be transferred to the customer or metal supplier, the Mint uses hedging strategies to protect its margins. The Mint also uses hedging strategies to fix a significant portion of the revenue generated from the sale of alloys recovered from the ARP.

Foreign exchange risk: The Mint is increasingly exposed to foreign exchange rate risk as contracts for foreign coinage and licensing agreements represent an increasing portion of total revenue and income. At the same time, its expanding network of partnerships is increasing the share of costs denominated in foreign currencies. The Mint mitigates risk by pricing contracts in the same currency as the expenses to be incurred and through foreign currency hedging instruments.

Working capital requirements: The Mint's growth plans will require significant capital expenditures and working capital. Aggressive cash flow and asset liability management will be critical to meet the Mint's operating and capital needs.

Outlook

The Mint's focus on flexibility, *Lean* enterprise and cost control means that it is well-positioned to navigate the likely uncertain economic and financial environment of 2010. The Mint will continue to be profitable, although not likely at the record level achieved in 2009. Continued economic uncertainty will dampen the recovery in consumer spending, particularly on discretionary spending.

On the other hand, continued uncertainty in the capital markets could support continued demand for precious metal bullion products while contribution from foreign contracts should remain strong. The Mint secured the largest volume in its history with the two-year contract to produce 1.3 billion blanks for the Philippines, the Mint's first contract for more than 1 billion pieces to one customer. Among the other significant wins is a contract to produce 32 million 5, 10 and 25 halala coins for Saudi Arabia.

To ensure long-term profitability, the Mint is continuing to research electronic payments, develop global bullion storage opportunities and aggressively compete to expand its share of the foreign circulation market. The Foreign Coin business is expected to be a significant growth driver, despite intense competition. The Mint's patented low-cost, high-quality multi-ply plating product continues to offer an attractive value proposition for foreign customers and the Mint will be aggressive in courting and using strategic partnerships to secure international contracts.

Numismatic products will continue to be a core business and a source of sustainable revenue and profit.

Demand for bullion products will continue to be driven by the economy and investor appetite. The duration of the precious metals bull market is difficult to predict. While it persists, the Mint has proven that it has the capacity to meet worldwide demand. As the economy recovers, however, demand for newly minted bullion products will naturally decline.

Future accounting changes

International Financial Reporting Standards

The Canadian Accounting Standards Board has announced that all publicly-accountable Canadian reporting entities will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Corporation is a publicly accountable enterprise and will adopt IFRS.

In order to prepare for the transition to IFRS, the Corporation has developed and implemented a conversion plan which consists of five phases: (i) Diagnostic Assessment; (ii) Design and Planning; (iii) Solutions Development; (iv) Implementation and (v) Post Implementation Review.

Phase (i) Diagnostic Assessment and Phase (ii) Design and Planning were completed. Phase (iii) Solutions Development and phase (iv) Implementation are progressing as planned. Certain critical standards that may have the potential impact to the Corporation have been identified. The detailed analysis and evaluation of the majority of the critical standards were completed. The selection of first-time adoption decisions and ongoing accounting policies necessary for the Corporation to change over to IFRS has been made. However, management strategies are evolving and may change as we continue to review our assessments of financial and business implications.

The Corporation will continue to monitor developments in standards as issued by the International Accounting Standards Board and the Canadian AcSB. The impact of IFRS on the Corporation's financial results has not yet been determined.

Table 1 – Canadian circulation coinage Production in 2007, 2008 and 2009[1]

	2009 Total Pieces	2008 Total Pieces	2007 Total Pieces
Coinage dated 2006			
$2		–	5,040,000
$1		–	1,621,000
50¢		–	0
25¢		–	155,991,000
10¢		–	19,800,000
5¢		–	2,558,000
1¢		–	101,475,000
Coinage dated 2007			
$2		1,260,000	33,917,000
$1		180,000	36,424,000
50¢		61,000	250,000
25¢		3,360,000	230,772,000
10¢		6,325,000	284,310,000
5¢		6,888,000	218,914,000
1¢		32,725,000	846,420,000
Coinage dated 2008			
$2		17,140,000	–
$1		29,381,000	–
50¢		150,000	–
25¢		383,862,000	–
10¢	**1,100,000**	461,170,000	–
5¢	**168,000**	271,642,000	–
1¢		787,625,000	–
Coinage dated 2009			
$2	**38,430,000**	18,400,000	38,957,000
$1	**39,601,000**	29,561,000	38,045,000
50¢	**150,000**	211,000	250,000
25¢	**266,766,000**	387,222,000	386,763,000
10¢	**369,600,000**	467,495,000	304,110,000
5¢	**266,280,000**	278,530,000	221,472,000
1¢	**455,680,000**	820,350,000	947,895,000
Total (all dates)			
$2	**38,430,000**	18,400,000	38,957,000
$1	**39,601,000**	29,561,000	38,045,000
50¢	**150,000**	211,000	250,000
25¢	**266,766,000**	387,222,000	386,763,000
10¢	**370,700,000**	467,495,000	304,110,000
5¢	**266,448,000**	278,530,000	221,472,000
1¢	**455,680,000**	820,350,000	947,895,000
Total	**1,437,775,000**	2,001,769,000	1,937,492,000

[1] Figures are rounded to the nearest thousand pieces.

Table 2 – Canadian circulation coinage
Cumulative production up to December 31, 2009 [1] [2]

	2005	2006	2007	2008	**2009**
$2	38,317,000	35,319,000	35,177,000	17,140,000	**38,430,000**
$1	44,375,000	49,111,000	36,604,000	29,381,000	**39,601,000**
50¢	200,000	98,000	311,000	150,000	**150,000**
25¢	269,586,000	629,018,000	234,132,000	383,862,000	**266,766,000**
10¢	211,350,000	331,647,000	290,635,000	461,170,000	**369,600,000**
5¢	148,082,000	184,874,000	225,802,000	271,642,000	**266,280,000**
1¢	767,425,000	1,261,883,000	879,145,000	787,625,000	**455,680,000**

[1] Total coins of each date and denomination, regardless of the calendar year in which they were produced.
[2] Figures are rounded to the nearest thousand pieces.

Table 3 – Canadian circulation coinage
Coinage issued in 2009 [1] Geographic distribution [2]

Province City [3]	**$2**	**$1**	**50¢**	**25¢**	**10¢**	**5¢**	**1¢**
Newfoundland and Labrador							
St. John's	552,000	692,000	-	2,444,000	3,362,000	1,798,000	13,372,000
New Brunswick							
Saint John	1,564,000	1,031,000		3,130,000	4,035,000	1,920,000	15,383,000
Nova Scotia							
Halifax	36,000	156,000	-	5,968,000	7,403,000	2,068,000	41,100,000
Quebec							
Montreal	2,269,000	296,000	-	11,836,000	26,362,000	8,710,000	22,737,000
Quebec City	1,339,000	141,000		2,990,000	2,455,000	3,882,000	17,905,000
Ontario							
Ottawa	789,000	1,578,000	-	4,708,000	18,495,000	9,946,000	58,615,000
Toronto	5,535,000	4,697,000	-	26,838,000	33,463,000	13,248,000	159,825,000
Manitoba							
Winnipeg	125,000	1,295,000	-	4,542,000	6,705,000	3,668,000	34,688,000
Saskatchewan							
Regina	262,000	592,000	-	4,026,000	5,407,000	3,584,000	21,980,000
Alberta							
Calgary	9,000	396,000	-	6,838,000	1,138,000	270,000	13,227,000
Edmonton	743,000	2,165,000	-	5,236,000	15,012,000	7,184,000	50,645,000
British Columbia							
Vancouver	2,780,000	1,165,000	-	16,110,000	20,908,000	15,568,000	105,855,000
Sundry persons [4]	87,000	8,439,000	150,000	26,687,000	245,000	1,100,000	858,000
Total	16,090,000	22,643,000	150,000	121,353,000	144,990,000	72,946,000	556,190,000

[1] Figures are rounded to the nearest thousand pieces.
[2] The dates on the coins are not always the same as the calendar year in which they were issued.
[3] The coins were issued to financial institutions in these cities.
[4] The figures for Sundry persons do not include numismatic coinage purchases.

Table 4 – Numismatic coinage
Issued as of December 31, 2008 bearing the dates 2008 and 2009 (1)

	2009 Quantity Invoiced
1 oz Silver Baby Wafer	190
1 oz Silver Wedding Wafer	114
1 oz Colored Silver Maple Leaf	13
10th Anniversary of Nunavut $100 14KT Gold Coin	2,309
100th Anniversary of the Royal Canadian Mint 5 oz Gold Coin	11
100th Anniversary of the Royal Canadian Mint 5 oz Silver Coin	205
100th Anniversary of the Royal Canadian Mint Special Edition Proof Dollar	1,583
200th Anniversary of Simon Fraser $100 14kt Gold Coin	17
30th Anniversary of the Gold Maple Leaf Hologram Set	739
4 Season Moon $20 Silver Coin	2,834
4 Season Moon $300 14-Karat Gold Coin	308
400th Anniversary of Quebec Special edition Collector Card	998
50c Special Wrap Circulation Roll (2008)	390
50c Special Wrap Circulation Roll (2009)	4,800
80th Anniversary of the Canadian Embassy in Japan $5 Silver Coin	27,872
90th Anniversary of end of World War I 2 coin set	844
100th Anniversary Montreal Canadiens $1 Special Wrap Rolls	8,862
150th Anniversary of the construction of Parliament Buildings 5oz Silver Coin	910
150th Anniversary of the construction of Parliament Buildings 5oz Gold Coin	77
Alberta Provincial Coat of Arms $300 Gold Coin	44
Agriculture Trade $200 22-Karat Gold Coin	22
Agriculture Trade $20 Fine Silver Coin	456
Anne of Green Gables 25-cent Coloured Coin	2,182
Baby Coin Set (2008)	183
Birthday Gift Set (2008)	10
Baby Gift Set (2009)	25,182
Baby Keepsake Tin & Silver Dollar (2008)	103
Baby Premium Coin Set (2008)	51
Beijing Olympics Series II Silver Set	12
Blessings of Wealth Pure Gold 1/3 oz Coin	1,273
Birthday Gift Coin (2009)	9,663
Brillant Uncirculated Dollar (2008)	363
Brillant Uncirculated Dollar (2009)	13,074
Canada Day Coin	11,091
Cardinal 25-cent Coloured Coin	1,335
Celebrating Thayendanegea Proof Silver Dollar	1
Coal Miners Trade $20 Fine Silver Coin	3,349
Coal Miners Trade $200 22-Karat Gold Coin	2,241
Congratulations Gift Coin	4,126
Crystal Raindrop $20 Silver Coin (2008)	2,268
Crystal Raindrop $20 Silver Coin (2009)	9,998
Crystal Snowflake $20 Silver Coin - Amethyst (2008)	256
Crystal Snowflake $20 Silver Coin - Blue (2008)	49
Crystal Snowflake $20 Sterling Silver Coin - Rose Aurore Boreale (2009)	7,004
Crystal Snowflake $20 Sterling Silver Coin - Blue Aurore Boreale (2009)	7,477
De Havilland Beaver 1/25 Oz Gold Coin	782
Downy Woodpecker 25-Cent Coloured Coin	774
Dromaeosaurus $4 Silver Coin	8,982
Edward VIII Medallion High Relief Coin	810
Edward VII $15 Sterling Silver Coin	944

Table 4 – Numismatic Coinage (continued)

	2009 Quantity Invoiced
Elizabeth II $15 Sterling Silver Coin	2,643
Festive Snowmen 50 Cent Lenticular Coin	2,041
George V $15 Sterling Silver Coin	10,045
Gold Louis $1 Fine Gold Coin	1,035
Gold-Plated SML	2,176
Great Canadian Locomotives - Jubilee	6,036
Hanging Stockings 1/2 Oz Fine Silver $4 Coin	6,011
Holiday Carols $20 Fine Silver Coin	779
Holiday Gift Set (2008)	408
Holiday Gift Set (2009)	32,967
Holiday Ornament Set	983
Hudson Bay $100 14KT Gold Coin	308
Hummingbird 25-cent Coloured Coin	2
Imax $300 Gold Coin	30
Imax $30 Sterling Silver Coin	323
Jack Of Hearts $15 Sterling Silver Coin	481
Jacques Cartier 475th Silver Coin	1,516
King Of Hearts $15 Sterling Silver Coin	5,798
Limited Edition Ultra High Relief Proof Dollar Poppy	31
Louis D'or 1/4Oz Gold Coin	1
Lunar Hologram $150 18KT - Year Of The Ox	486
Lunar Hologram $150 18KT - Year Of The Tiger	1,507
Lunar-Lotus Year Of The Tiger $15 Sterling Silver Coin	10,268
Lunar Series Ox Coin	7,096
Lunar Series Rat Coin	32
Magnetic Pin & Coin Set	236
Maple Leaf 1/25th Oz Gold Coin	11,854
Maple Of Wisdom $8 Silver Coin	7,273
Milk Delivery Triangle 50-cent Coin	324
Montreal Canadiens 100th Special Edition Proof Dollar	10,093
Montreal Canadiens - Limited Edition Collector Set	526
Montreal Canadiens Canada Post Joint Set	15,473
Montreal Historical Logo Coin Card W/Free Album Bundle	496
Montreal Sport Card - Historical Logo #4 1912-1913	25,016
Montreal Sport Card - Historical Logo #5 1910-1911	25,004
Montreal Sport Card - Historical Logo #6 1909-1910	25,004
Newfoundland Pitcher Plant $350 Gold Coin	1,003
Oh Canada Gift Set (2009)	14,451
Prince Edward Island Provincial Coat Of Arms $300 Gold Coin	236
Playing Card Series - Full Box Set	278
Poppy Bookmark - 90th Anniversary Of Armistice	489
Proof Set (2008)	366
Proof Set (2009)	27,549
Proof Silver Dollar (2008)	462
Proof Silver Dollar (2009)	25,000
Purple Saxifraga Flower $350 Gold Coin	127
Quebec 400TH Anniversary Medallion	2
Queen Of Spades $15 Sterling Silver Coin	523
Queen Victoria $15 Sterling Silver Coin	156
Royal Canadian Mint Book and 1908 50¢ Coin (English)	136

Table 4 – Numismatic Coinage (continued)

	2009 Quantity Invoiced
Royal Canadian Mint Book/1908 50¢ Coin (French)	46
Royal Canadian Mint Centennial Stamp & Coin Set	21
RCNA Proof Set 2009	200
Return Of The Tyee $3 Silver Coin	8,301
Royal Hudson $20 Fine Silver Coin	1,801
Notre-Dame-du-Saguenay 25-cent Coin	16,653
Scimitar Cat 1 Oz Platinum Coin	13
Six String Nation Guitar Pick 50-cent coin	13,602
Special Edition Proof Silver Dollar Montreal Canadiens 100th With Stand	4,907
Specimen Set (2009)	21,677
Steppe Bison 1 Oz Platinum Coin	197
Ten Of Spades $15 Sterling Silver Coin	5,921
Thank You Gift Coin	4,415
Toy Train Lenticular 50-cent Coin	19,103
Triceratops $4 Silver Coin	970
Tyrannosaurus Rex $4 Silver	13,752
Uncirculated Set (2008)	467
Uncirculated Set (2009)	37,980
Vignettes Of Royalty Series - Full Box Set	97
Vimy Memorial $30 Sterling Silver Coin	1
Wedding Gift Coin	7,571
Wedding Premium Coin Set	1
Year Of Astronomy $30 Silver Coin	7,174
Year Of The Rat Lunar Cameo 18-Karat Gold Coin	5
Year Of The Tiger - $15 Silver Coin	4,344
Year Of The Tiger $150 18KT Gold Coin	356
Yukon Provincial Coat Of Arms $300 Gold Coin	325

NHL

	2009 Quantity Invoiced
NHL Gift Set	
Edmonton NHL Gift Set 2008	1,584
Montreal NHL Gift Set 2008	2,659
Ottawa NHL Gift Set 2008	1,633
Vancouver NHL Gift Set 2008	1,302
Calgary NHL Gift Set 2009	382
Edmonton NHL Gift Set 2009	472
Montreal NHL Gift Set 2009	4,857
Ottawa NHL Gift Set 2009	387
Toronto NHL Gift Set 2009	1,328
Vancouver NHL Gift Set 2009	794
$1 NHL Hockey Puck	
Calgary $1 Hockey Puck 2008	161
Edmonton $1 Hockey Puck 2008	4
Ottawa $1 Hockey Puck 2008	17
Toronto $1 Hockey Puck 2008	1,368
Vancouver $1 Hockey Puck 2008	657
Calgary Lenticular Hockey Puck 2009	270
Edmonton Lenticular Hockey Puck 2009	248
Montreal Lenticular Hockey Puck 2009	1,266
Ottawa Lenticular Hockey Puck 2009	310

Table 4 – Numismatic Coinage (continued)

	2009 Quantity Invoiced
Toronto Lenticular Hockey Puck 2009	606
Vancouver Lenticular Hockey Puck 2009	318
Mini-stick	
Mini-stick and NHL Coin - Calgary Flames 2009	73
Mini-stick and NHL Coin - Edmonton Oilers 2009	49
Mini-stick and NHL Coin - Montreal Canadiens 2009	326
Mini-stick and NHL Coin - Ottawa Senators 2009	95
Mini-stick and NHL Coin - Toronto Maple Leafs 2009	199
Mini-stick and NHL Coin - Vancouver Canucks 2009	101
Goalie Mask	
Calgary Goalie Mask Painted 2009	125
Edmonton Goalie Mask Painted 2009	147
Montreal Goalie Mask Painted 2009	748
Ottawa Goalie Mask Painted 2009	95
Toronto Goalie Mask Painted 2009	244
Vancouver Goalie Mask Painted 2009	129
Collector Cards	
NHL Coin Collector Card - Calgary (2009-2010)	3,518
NHL Coin Collector Card - Edmonton (2009-2010)	3,562
NHL Coin Collector Card - Montreal (2009-2010)	9,865
NHL Coin Collector Card - Ottawa (2009-2010)	3,295
NHL Coin Collector Card - Toronto (2009-2010)	5,981
NHL Coin Collector Card - Vancouver (2009-2010)	3,563

Olympic

	2009 Quantity Invoice
14-Karat Gold Coloured Coin	
Athletes in Friendship $300 Gold	880
Athletes in Competition $300 Gold	334
Athlete’s Pride	762
Canada Geese	832
Four Host First Nations	1,090
Home of the Games	1,401
Inukshuk	1,850
Moose	4,075
Olympic Canadian Icons $75 14Kt Gold Set	18
Olympic Icons $75 14Kt Gold Set	32
Olympic Ideals $300 Gold	28
Olympic Ideals $300 Gold and 3-Coin Case	82
Olympic Spirit	4,479
Olympic Wildlife $75 14 Kt Gold Set	25
RCMP	456
RCMP 14KT Gold Coin & 9-Coin Case	127
Vancouver Olympic Gold 9-Coin Set	18
Vancouver Olympic Premium Gold 3-Coin Set	3
Wolf	4,161

Table 4 – Numismatic Coinage (continued)

	2009 Quantity Invoiced
$25 Sterling Silver Hologram Coin	
Alpine Skiing	3,681
Athlete's Pride	6,003
Biathlon	6,477
Bobsleigh	8,800
Cross-Country Skiing	14,292
Curling	3,544
Curling Silver & 15-Coin Case	314
Figure Skating	8,421
Freestyle Skiing	5,671
Home of 2010 Olympics	6,461
Ice Hockey	7,380
Olympic Faster $25 Sterling Silver Set	68
Olympic Higher $25 Sterling Silver Set	46
Olympic Stronger $25 Sterling Silver Set	136
Skeleton	10,582
Ski Jumping	11,365
Snowboarding	6,377
Speed Skating	14,369
Spirit	10,224
Vancouver Olympic Sterling Silver 15-Coin Set	140
25-cent Coin	
Sumi	6,399
Quatchi	6,368
Miga	5,651
Bookmark and Lapel Pin	
Alpine Skiing	3,767
Curling	3,877
Figure Skating	4,189
Ice Hockey	5,661
Snowboarding	3,669
Speed Skating	3,529
Circulation Coin Roll	
Alpine Skiing	512
Biathlon	325
Bobsleigh	1,144
Cross-Country Skiing	1,183
Curling	366
Figure Skating	662
Freestyle Skiing	356
Ice Hockey	660
Lucky Loonie Circulation Coin Roll (2008)	957
Moment #1 Men's Hockey	106,463
Moment #2 Women's Hockey	100,914
Snowboarding	366
Speed Skating	1,200
Wheelchair Curling	195

Table 4 – Numismatic Coinage (continued)

	2009 Quantity Invoiced
Circulation First Day Cover	
Alpine Skiing	60
Biathlon	24
Bobsleigh	345
Cross-Country Skiing	352
Curling	34
Figure Skating	225
Freestyle Skiing	52
Ice Hockey	271
Lucky Loonie	836
Snowboarding	69
Speed Skating	368
Wheelchair Curling	18
Coin Collection	
Inukshuk	57,035
Skier	26,041
Vancouver City	13,124
Vancouver Landscape	26,743
Mascot Collector Card	
Miga - Alpine Skiing	2,068
Quatchi and Miga - Bobsleigh	1,860
Quatchi and Miga - Figure Skating	2,062
Miga - Aerials	1,847
Miga - Ice Hockey	2,214
Sumi - Paralympic Alpine Skiing	1,715
Sumi - Paralympic Ice Sledge Hockey	1,339
Quatchi - Ice Hockey	2,135
Miga - Skeleton	1,456
Quatchi - Snowboarding	1,868
Miga - Speed Skating	1,638
Quatchi - Parallel Giant Slalom	1,499
Hockey Puck	
Lucky Loonie	15,169
Miga Mascot	1,218
Quatchi Mascot	1,446
Sumi Mascot	728
Magnetic Pin and Coin	
Curling	2,464
Ice Hockey	2,546
Alpine Skiing	2,368
Snowboard	2,354
Figure Skating	2,673
Freestyle Skiing	2,329
Sports Card	
Alpine Skiing	470
Biathlon	158

Table 4 – Numismatic Coinage (continued)

	2009 Quantity Invoiced
Bobsleigh	1,383
Cross-Country Skiing	261
Figure Skating	313
Freestyle Skiing	156
Gold Medallist	11,384
Silver Medallist	972
Snowboarding	323
Speed Skating	309
Wheelchair Curling	129
Kilo Coins	
Olympic Fine Silver Kilo Coin (2007)	6
Olympic Fine Silver Kilo Coin (2008)	235
Olympic Fine Silver Kilo Coin (2009)	985
Olympic Fine Silver Kilo Coin - Eagle (2010)	285
Olympic Fine Silver Kilo Coin - Eagle Antiqued (2010)	129
Olympic Fine Silver Kilo Coin - Eagle Enamelled (2010)	82
Olympic Fine Silver Kilo Coin - Surviving the Flood (2009)	815
Olympic Gold Kilo (2009)	49
Olympic Gold Kilo - Eagle (2010)	20
Olympic Gold Kilo - Surviving the Flood (2009)	1
Special Edition Uncirculated Set	
Special Edition Olympic Uncirculated Set (2007)	834
Special Edition Olympic Uncirculated Set (2008)	218
Special Edition Olympic Uncirculated Set (2009)	11,313
Special Edition Olympic Uncirculated Set (2010)	8,564
Lucky Loonie	
Lucky Loonie Acrylic Keychain	591
Lucky Loonie Bag Tag & Pin	2,140
Lucky Loonie Colored Silver Coin (2008)	2,899
Lucky Loonie Colored Silver Coin (2010)	13,285
Lucky Loonie Lanyard	7,062
Lucky Loonie Mini Puck and Stick	192
Others	
2010 Olympic Winter Games Coin Collection	13,644
Olympic Games Collector Card	16,210
Olympic 1oz Silver Wafer	276
Olympic Special Edition Gold Bullion Coin set	142
Olympic Silver 25¢ and Wafer Set	2,797
Sea to Sky Hockey Set	336
Ultra high Relief Proof Silver Dollar - The Sun	1,278
Vancouver 2010 Canada Post Joint Product - Mascot Set	11,565
Vancouver 2010 Canada Post Joint Product - Sports Set	12,168
Vancouver 2010 Curling Pin set/Loonie & Painted coin	275
Vancouver 2010 Freestyle skiing Pin set/Loonie & Color Coin	316
Vancouver 2010 Figure Skating Pin set/Loonie & Color Coin	336
Vancouver 2010 Hockey Pin set/Loonie & Painted Circ coin	287
Total	**1,384,102**

(1) Coins reported as issued are not necessarily all delivered in the same calendar year and therefore do not correspond to reported sales.

Table 5 – Maple leaf coinage
Sales in ounces for 2009 and 2008

	2009	2008
Gold Maple Leaf Coinage		
$1,000,000 (99999 Au)	**-**	6,430
$200 (99999 Au)	**13,765**	27,476
$50 (9999 Au)	**1,011,235**	710,718
$20 (9999 Au)	**27,253**	14,391
$10 (9999 Au)	**17,817**	8,592
$5 (9999 Au)	**22,767**	3,851
$1 (9999 Au)	**1,951**	767
Olympic GML	**74,124**	75,876
Total (ounces)	**1,168,912**	848,101
Silver Maple Leaf Coinage		
$5 (9999 Ag)	**9,727,592**	7,909,161
Olympic SML	**569,048**	937,839
Total (ounces)	**10,296,640**	8,847,000
Palladium Maple Leaf Coinage		
$50 (9995 Pd)	**40,000**	9,694
Total (ounces)	**40,000**	9,694
Platinum Maple Leaf Coinage		
$50 (9995 Pt)	**33,000**	0
Total (ounces)	**33,000**	0

Table 6 – Refinery operations
For 2008 and 2009

	Gross Weight (Troy ounces) [1]	
	2009	2008
Rough Gold Deposits	**5,025,764**	4,383,594
Rough Silver Deposits	**1,786,872**	1,468,176
Direct Deposits	**503,913**	948,997
Total [2]	**7,316,548**	6,800,767

[1] Expressed in terms of Troy ounces of rough gold or silver.
[2] Total does not include internal production returns processed through the refinery.

Table 7 – Canadian circulation coinage
Commemorative/regular designs and plated/non-plated coins production in 2006-2009

	2009	2008	2007	2006
1 Cent (CPZ)	**36,575,000**	–	9,625,000	1,062,275,000
1 Cent (CPS)	**419,105,000**	820,350,000	938,270,000	137,733,000
	-			
5 Cent (N)	**-**	–	–	43,008,000
5 cent (P)	**121,632,000**	278,530,000	221,472,000	139,308,000
5 Cent – Victory	**-**	–	–	–
	-			
10 Cent (N)	**-**	–	–	–
10 Cent (P)	**209,550,000**	467,495,000	304,110,000	312,122,000
	-			
25 Cent – Caribou (N)	**-**	–	–	–
25 Cent – Caribou (P)	**20,446,000**	286,322,000	274,763,000	423,189,000
25 Cent Poppy	**-**	–	–	–
25 Cent L'Acadie	**-**	–	–	–
25 Cent Alberta	**-**	–	–	–
25 Cent Saskatchewan	**-**	–	–	–
25 Cent Veteran	**-**	–	–	–
25 Cent Breast Cancer	**-**	–	–	29,798,000
25 Cent Medal of Bravery	**-**	–	–	20,040,000
25 Cent Olympic – Curling	**-**	–	22,400,000	–
25 Cent Olympic – Ice Hockey	**-**	–	22,400,000	–
25 Cent Olympic – Wheelchair Curling	**-**	–	22,400,000	–
25 Cent Olympic – Biathlon	**-**	–	22,400,000	–
25 Cent Olympic – Alpine Skiing	**-**	–	22,400,000	–
25 Cent Olympic – Snowboarding	**22,400,000**	22,400,000	–	–
25 Cent Olympic – Freestyle Skiing	**22,400,000**	22,400,000	–	–
25 Cent Olympic – Figure Skating	**22,000,000**	22,400,000	–	–
25 Cent Olympic – X-Country Skiing	**22,000,000**	22,400,000	–	–
25 Cent Poppy	**22,000,000**	11,300,000	–	–
One Dollar	**29,351,000**	18,710,000	38,045,000	37,085,000
One Dollar - Lucky Loon		10,851,000	–	2,145,000
One Dollar - Montreal Canadiens 100th Anniversary	**10,250,000**	–	–	–
Two Dollar	**38,430,000**	12,390,000	38,957,000	25,274,000
Two Dollar 10th Anniversary	**0**	–	–	5,005,000
Two Dollar Quebec 400th Anniversary	**0**	6,010,000	–	–

(CPS) Copper plated steel (CN) Cupro nickel (P) Plated
(CPZ) Copper plated zinc (N) Nickel

FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS
MANAGEMENT REPORT

The consolidated financial statements contained in this annual report have been prepared by Management in accordance with Canadian generally accepted accounting principles and the integrity and objectivity of the data in these financial statements are Management's responsibility. Management is also responsible for all other information in the annual report and for ensuring that this information is consistent, where appropriate, with the information and data contained in the financial statements.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions of the Corporation and of its wholly-owned subsidiary are in accordance with the *Financial Administration Act* and regulations and, as appropriate, the *Royal Canadian Mint Act*, the by-laws of the Corporation and the charter and the by-laws of its wholly-owned subsidiary.

The Board of Directors is responsible for ensuring that Management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee which includes a majority of members who are not officers of the Corporation. The Committee meets with Management, the internal auditor and the independent external auditor to review the manner in which these groups are performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee meets to review the consolidated financial statements with the internal and external auditors and submits its report to the Board of Directors. The Board of Directors reviews and approves the consolidated financial statements.

The Corporation's external auditor, the Auditor General of Canada, audits the consolidated financial statements and reports thereon to the Minister responsible for the Royal Canadian Mint.

Ian E. Bennett
President and
Chief Executive Officer

J. Marc Brûlé, CA
Vice President, Finance and
Administration and
Chief Financial Officer

Ottawa, Canada
February 26, 2010

AUDIT COMMITTEE REPORT

The Audit Committee's (Committee) role is to act on behalf of the Board of Directors (Board) and oversee all material aspects of the Corporation's reporting, control, and audit functions, except those specifically related to the responsibilities of another standing committee of the Board. The Committee's role includes a particular focus on the qualitative aspects of financial reporting to the Shareholder and on the Corporation's processes for the management of business/financial risk and for compliance with significant applicable legal, ethical, and regulatory requirements.

For most of 2009, the Committee was comprised of five (5) independent directors who are neither officers nor employees of the corporation. These members are: Susan Dujmovic (Chair), Carman Joynt, Keith Meagher, Bonnie Staples-Lyon and Kirk MacRae. Also, as an Ex-officio member, is James B. Love, Chairman of the Board. The Board believes that the composition of the Committee reflects a high level of financial literacy and expertise.

During the past fiscal year, the Committee held six (6) meetings. In fulfilling its responsibility, the Committee:

- discussed with the internal and external auditors the overall scope and specific plans for their respective audits;
- discussed the Corporation's progress, throughout the year, on their financial results and overall performance;
- discussed the Corporation's annual consolidated financial statements, accounting principles and policies, and the adequacy of the Corporation's internal financial controls;
- reviewed management's response and in some circumstances, their actions, regarding recommendations of the internal and external auditors; and
- met regularly with the Corporation's internal and external auditors, without management present, to discuss the results of their examinations, their evaluations of the Corporation's internal financial controls, and the overall quality of the Corporation's financial reporting.

The meetings also were designed to facilitate any private communications with the Committee that the internal or external auditors desired.

Susan Dujmovic
Chair, Audit Committee

AUDITOR'S REPORT

To the Minister of Transport, Infrastructure and Communities

I have audited the consolidated balance sheet of the Royal Canadian Mint as at December 31, 2009 and the consolidated statements of operations and retained earnings, comprehensive income and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Financial Administration Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation and of its wholly-owned subsidiary that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Royal Canadian Mint Act*, the by-laws of the Corporation and the charter and the by-laws of its wholly-owned subsidiary.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
February 26, 2010

CONSOLIDATED BALANCE SHEET

as at December 31 (in thousands of dollars)

	2009	2008
Assets		
Current		
Cash and cash equivalents (note 4)	**$ 76,956**	$ 9,251
Accounts receivable, net (note 5)	**29,939**	58,482
Prepaid expenses	**1,663**	1,698
Inventories (note 6)	**55,172**	80,909
Derivative related assets (note 8)	**1,054**	27,778
	164,784	178,118
Derivative related assets (note 8)	**352**	-
Property, plant and equipment (note 9)	**141,840**	140,043
Intangibles (note 10)	**2,908**	8,769
	$ 309,884	$ 326,930
Liabilities		
Current		
Accounts payable and accrued liabilities (note 11)	**$ 47,165**	$ 41,938
Current portion of loans and other payables (note 12)	**5,169**	10,051
Income taxes payable	**8,778**	3,727
Deferred revenues	**5,411**	16,082
Derivative related liabilities (note 8)	**3,803**	12,713
	70,326	84,511
Long-term		
Derivative related liabilities (note 8)	**-**	982
Loans and other payables (note 12)	**11,972**	32,842
Future tax liabilities (note 13)	**7,254**	12,675
Employee future benefits (note 14)	**10,421**	10,201
	29,647	56,700
Shareholder's equity		
Share capital (authorised and issued, 4,000 non-transferable shares)	**40,000**	40,000
Retained earnings	**171,612**	127,499
Accumulated other comprehensive income (note 15)	**(1,701)**	18,220
	169,911	145,719
	209,911	185,719
	$ 309,884	$ 326,930

Commitments and Guarantees (note 16)
The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors

James B. Love, Q.C.
Chair,
Board of Directors

Approved on behalf of the Audit Committee

Susan Dujmovic
Chair,
Audit Committee

Approved on behalf of Management

Ian E. Bennett
President and
Chief Executive Officer

J. Marc Brûlé, CA
VP Finance &
Administration, CFO

CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS

for the year ended December 31 (in thousands of dollars)

	2009	2008
Revenues	**$ 2,034,106**	$ 1,392,279
Cost of goods sold	**1,847,307**	1,215,028
Gross profit	**186,799**	177,251
Other operating expenses		
Marketing and Sales	**57,755**	59,643
Administration	**39,543**	34,372
Amortization	**22,992**	18,042
	120,290	112,057
Income from operations	**66,509**	65,194
Net foreign exchange gain (loss)	**3,855**	(9,437)
Interest income	**443**	1,351
Interest expense	**(2,208)**	(1,772)
Income before income tax	**68,599**	55,336
Income tax expense (note 13)	**(19,486)**	(17,181)
Net income	**49,113**	38,155
Retained earnings, beginning of year	**127,499**	90,344
Dividend paid	**(5,000)**	(1,000)
Retained earnings, end of year	**$ 171,612**	$ 127,499

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended December 31 (in thousands of dollars)

	2009	2008
Net income	**$ 49,113**	$ 38,155
Other comprehensive income:		
Gain (losses) on derivatives designated as cash flow hedges net of income taxes of $578 (2008 – $6,160)	**(1,383)**	15,455
Prior year gains on derivatives designated as cash flow hedges transferred to net income in the current year	**(18,538)**	(5,060)
Other comprehensive income for the year	**(19,921)**	10,395
Comprehensive income	**$ 29,192**	$ 48,550

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended December 31 (in thousands of dollars)

	2009	2008
Cash flows from operating activities		
Cash receipts from customers	**$ 2,037,077**	$ 1,345,907
Cash paid to suppliers and employees	**(1,908,111)**	(1,339,868)
Interest received	**443**	1,351
Interest paid	**(2,326)**	(2,295)
Net proceeds on sale of derivatives	**11,460**	17,496
Income taxes paid	**(19,856)**	(7,455)
	118,687	15,136
Cash flows from investing activities		
Purchase of property, plant and equipment	**(19,943)**	(27,409)
	(19,943)	(27,409)
Cash flows from financing activities		
Dividend paid	**(5,000)**	(1,000)
Issuance of loans and other payables	**-**	15,000
Repayment of loans and other payables	**(26,039)**	(7,484)
	(31,039)	6,516
Net increase (decrease) in cash and cash equivalents	**67,705**	(5,757)
Cash and cash equivalents at the beginning of year	**9,251**	15,008
Cash and cash equivalents at the end of year (note 4)	**$ 76,956**	$ 9,251

The accompanying notes are an integral part of these consolidated financial statements.

1. Authority and objectives

The Mint was incorporated in 1969 by the *Royal Canadian Mint Act* to mint coins in anticipation of profit and carry out other related activities. The Mint is an agent Corporation of Her Majesty named in Part II of Schedule III to the *Financial Administration Act*. It produces all of the circulation coins used in Canada and manages the support distribution system for the Government of Canada. The Mint is one of the world's foremost producers of circulation, collector and bullion investment coins for the domestic and international marketplace. It is also one of the largest gold refiners in the world.

In 2002, the Mint incorporated RCMH-MRCF Inc., a wholly-owned subsidiary. RCMH-MRCF Inc. has been operationally inactive since December 31, 2008.

The Corporation is a prescribed federal Crown corporation for tax purposes and is subject to federal income taxes under the *Income Tax Act*.

2. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies of the Corporation are:

a) Consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiary. Its interest in the joint venture is proportionately consolidated. Significant intercompany transactions have been eliminated in consolidation.

b) Cash and cash equivalents

Cash includes cash equivalents that are investments with terms to maturity of three months or less at the time of acquisition. Cash equivalents consist primarily of short term deposits.

c) Inventories

Raw materials and supplies are valued at the lower of cost and replacement cost, cost being determined by the average cost method. Work in process and finished goods are valued at the lower of cost and net realizable value, cost being determined by the average cost method.

d) Property, plant and equipment

Property, plant and equipment are recorded at cost and amortized under the straight-line method at the following annual rates:

Land improvements	2.5%
Buildings	2.5%
Equipment	10%
Hardware and software	20%

Amounts included in uncompleted capital projects are transferred to the appropriate property, plant and equipment classification upon completion, and are then amortized.

e) Intangibles

Intangibles consist solely of rights to use certain trademarks and logos associated with a particular contract. Intangibles are recorded at cost and amortized on a straight-line basis over the term of the respective contract of approximately 6.5 years. The corporation assesses on an annual basis whether there is impairment in value, and if it is determined that impairment exists, the asset is written down to the best estimate of fair value.

f) Revenues

Revenues from the sale of products are recognized when the rights and obligations of ownership have passed to the buyer. Revenues from refinery and other services are recognized as such services are rendered.

g) Deferred revenues

Payments received in advance on sales are not recognized as revenues until the products are shipped.

h) Charges paid in advance

The cost incurred for specific projects in advance of sales are not recognized as expenses until the products are shipped.

i) Employee future benefits

i) Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Corporation's contribution to the plan reflects the full cost as employer. This amount is currently based on a multiple of the employees' required contributions, and may change over time depending on the experience of the Plan. The Corporation's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the Corporation. The Corporation is not currently required to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

ii) Other benefits

Employees are entitled to a severance benefit plan. There is also a supplementary retirement benefit plan including post retirement benefits for certain employees as well as post-employment benefits for employees in receipt of long-term disability benefits. The benefits are accrued as the employees render the services necessary to earn them. The cost of the benefits earned by the employees is actuarially determined using the projected benefit method prorated on services. The valuation of the liability is based upon a current market-related discount rate and other actuarial assumptions, which represent management's best long-term estimates of factors such as future wage increases and employee resignation rates. The excess of any net actuarial gain (loss) over 10% of the benefit obligation is amortized over the average remaining service period of active employees. The average remaining service period of active employees covered by the severance and supplementary retirement benefit plans is 13 years and 4 years respectively (2008 – 13 years, 4 years). For the post employment benefits for employees on long-term disability, the average term of the liability is 7 years.

The Corporation is subject to the *Government Employees Compensation Act* and, therefore, is self-insured. As a self-insured employer, the Corporation is accountable for all such liabilities incurred since incorporation. Liability for workers' compensation benefits is actuarially determined based on known awarded disability and survivor pensions and other potential future awards in respect of accidents that occurred up to the value measurement date. The excess of any net actuarial gain (loss) over 10% of the benefit obligation is amortized over the average expected period over which the benefits will be paid. The benefit entitlements are based upon relevant Provincial legislations in effect on that date.

A full actuarial evaluation was conducted on December 31, 2009 for all plans.

j) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rate in effect at the balance sheet date. Revenue and expense items are translated at average exchange rates during the year. All exchange gains and losses are included in determining net income for the year.

k) Income tax

Income tax expense is determined using the liability method, whereby the future income tax component is recognized on temporary differences using substantively enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Temporary differences between the carrying values of assets or liabilities used for tax purposes and those used for financial reporting purposes arise in one year and reverse in one or more subsequent years. In assessing the realizability of future tax assets, management considers known and anticipated factors impacting whether some portion or all of the future tax assets will not be realized. To the extent that the realization of future tax assets is not considered to be more likely than not, a valuation allowance is provided.

l) Contingencies

Where it is likely that a contingency existing at the financial statement date will result in a loss, the Mint accrues its financial effects to the extent that the amount of the loss is known or can be reasonably estimated.

m) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the year. The inventory valuation allowance, employee-related liabilities, estimated useful lives of plant and equipment and the expected precious metal content in refinery by-products are the most significant items where estimates are used. Actual results could differ significantly from those estimated.

n) Financial instruments

The Corporation's cash and cash equivalents are classified as held for trading with changes in fair value recorded in the Statement of operations under net foreign exchange gain (loss). Accounts receivable are classified as loans and receivables and accounts payable and accrued liabilities, loans and other payables were classified as other financial liabilities. Forward currency contracts and commodity swap and forward contracts are classified as held for trading unless they are accounted for as a hedge.

Derivatives are classified as held for trading unless designated as hedging instruments. All derivatives, including embedded derivatives, are measured at fair value. For derivatives that hedge variability in cash flows where hedge accounting is applied, the effective portion of changes in the derivatives' fair value will be initially recognised in other comprehensive income, and will subsequently be reclassified to net income in the periods the hedge instrument occurs.

The Corporation uses derivative instruments, such as forward foreign currency contracts, interest rate swap contracts, commodity swap contracts and commodity forward contracts, to manage the Corporation's exposure to fluctuations in cash flows resulting from foreign exchange risk, interest rate risk and commodity price risk related to fixed price and/or foreign denominated sales and purchases, including anticipated transactions. The Corporation's policy is not to enter into derivative instruments for trading or speculative purposes.

Certain derivative instruments that are held for economic hedging purposes, are classified as held for trading with the changes in fair value being recorded in the statement of operations under net foreign exchange gain (loss).

When derivative instruments are used, the Corporation determines whether hedge accounting can be applied. Where hedge accounting is appropriate, the Corporation designates the hedged relationship as a cash flow hedge. All designated hedges are formally documented at inception, detailing the particular risk management objective and the strategy undertaking the hedge transaction. The documentation identifies the specific asset or liability being hedged, the risk that is being hedged, the type of derivative used and how effectiveness will be assessed. The Corporation assesses whether the derivatives are highly effective in accomplishing the objective of offsetting changes in forecasted cash flows attributable to the risk being hedged both at inception and over the life of the hedge. Furthermore, accumulated ineffectiveness is measured over the life of the hedge. The effective portion of the hedge is recorded in other comprehensive income, while the ineffective portion is recognized in the statement of operations in net foreign exchange gain (loss).

Transaction costs related to loans and other payables are offset against the outstanding principal balance of the debt and are amortized using the effective interest rate method.

3. New accounting standards

a) Adoption of new accounting standards

i) Financial instruments – disclosure and presentation

In June 2009, the CICA issued amendments to its Financial Instruments – Disclosure standard section 3862. The amendments focus on enhancing disclosures about fair value measurements and improving disclosures about liquidity risk. These new requirements are effective for the Corporation's December 31, 2009 financial statements. The impact of this amendment on the Corporation's financial statements is disclosure related and is presented in note 8 c) and note 8 a) ii).

ii) EIC 173 : Credit risk and the fair value of financial instruments

In January 2009, the CICA issued EIC173 " Financial Instruments – Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". EIC173 requires that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. This new requirement is effective for the Corporation on December 31, 2009. The Corporation calculated the impact of EIC 173 as at December 31, 2009 and determined that the impact was insignificant.

iii) International Financial Reporting Standards (IFRS)

The Canadian Accounting Standards Board has announced that all publicly-accountable Canadian reporting entities will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Corporation is a publicly accountable enterprise and will adopt IFRS. The Corporation is currently evaluating the impact of the adoption of these new standards.

iv) Intangible Assets

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaced existing Section 3062, "Goodwill and Other Intangible Assets". The new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. This standard is effective for annual financial statements relating to fiscal years beginning on or after October 1, 2008. The Corporation evaluated this standards impact as at December 31, 2009 and the impact was insignificant.

4. Cash and cash equivalents

As at December 31, 2009, cash and cash equivalents included:

(in thousands of dollars)

		2009		2008
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**$ 76,306**	**$ 76,306**	$ (1,091)	$ (1,091)
US dollars	**616**	**650**	8,443	10,342
		$ 76,956		$ 9,251

Cash and cash equivalents included no investments in 2009 or 2008.

5. Accounts receivable, net

As at December 31, 2009, accounts receivable included:

(in thousands of dollars)

		2009		2008
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**$ 18,679**	**$ 18,679**	$ 25,197	$ 25,197
US dollars	**10,670**	**11,260**	27,052	33,285
		$ 29,939		$ 58,482

6. Inventories

As at December 31, 2009, inventory included:

(in thousands of dollars)

	2009	2008
Raw materials and supplies	**$ 14,279**	$ 30,782
Work in process	**18,671**	23,597
Finished goods	**22,222**	26,530
	$ 55,172	$ 80,909

The Corporation measures inventories at the lower of cost and net realizable value. The cost of inventories includes the costs of purchasing, conversion and other costs incurred. The Corporation uses systematic allocation of fixed and variable costs. The Corporation uses weighted average cost formula to assign the cost. When inventories are sold, the carrying value is recognized as an expense in the same period that the related revenue is recognized. The amount of inventories recognized as expense in 2009 is $1.8 billion (2008 – $1.2 billion).

7. Capital Risk Management

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern and pursue its strategy of organizational growth to provide returns to its sole shareholder, the Government of Canada, and benefits to other stakeholders.

The Corporation defines capital that it manages as the aggregate of its loans (see note 16 (iii)) and other payables and shareholders' equity, which is comprised of issued capital, accumulated other comprehensive income and retained earnings.

The Corporation manages the amount of capital in proportion to risk. The Corporation manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements. The Corporation monitors debt leverage ratios as part of the management of liquidity to ensure it is properly financed and leveraged to facilitate planned objectives.

In order to maintain or adjust its capital structure, the Corporation may adjust the amount of dividends paid to the shareholder, issue new shares, or issue or repay new debt. Any such activities are approved by the Board of Directors and subject to the stipulations of the *Royal Canadian Mint Act*.

The Corporation's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2008.

8. Financial Risks Management and Financial Instruments

a) Classification and fair values of financial instruments

i) At December 31, the classification of the Corporation's financial instruments, as well as their carrying amounts and fair values are as follows:

(in thousands of dollars)

			2009		2008
Financial Assets and Liabilities	Classification	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	Held for Trading	**$ 76,956**	**$ 76,956**	$ 9,251	$ 9,251
Accounts receivable	Loans and receivables	**29,939**	**29,939**	58,482	58,482
Derivative related assets (current)	Held for trading	**1,054**	**1,054**	27,778	27,778
Derivative related assets (non-current)	Held for trading	**352**	**352**	–	–
Accounts payable and accrued liabilities	Other liabilities	**47,165**	**47,165**	41,938	41,938
Current portion of loans and other payables	Other liabilities	**5,169**	**5,169**	10,051	10,051
Derivative related liabilities (current)	Held for trading	**3,803**	**3,803**	12,713	12,713
Derivative related liabilities (non-current)	Held for trading	**-**	**-**	982	982
Loans and other payables	Other liabilities	**11,972**	**11,983**	34,842	34,523

The Corporation did not have any held-to-maturity financial assets during the years ended December 31, 2009 or 2008.

The Corporation has determined the fair values of its financial instruments as follows:

i) The carrying amounts of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair values as a result of the relatively short-term nature of these financial instruments.

ii) The fair values of loans and other payables have been estimated based on a discounted cash flow approach using current market rates. At December 31, the fair value of loans and other payables amounts to $17.1 million ($44.6 million in 2008).

iii) The fair values of the Corporation's foreign currency forward contracts, commodity swap and forward contracts and other derivative instruments are based on estimated credit-adjusted forward market prices. The Corporation takes counterparty risk and the corporation's own risk into consideration for the fair value of financial instruments.

ii) Interest income and expense

The Corporation has recorded interest income and expense in relation to the following financial instruments:

(in thousands of dollars)

	2009	2008
Financial assets for trading:		
Interest income earned on cash and cash equivalents	**$ 379**	$ 403
Financial liabilities:		
Interest expense on loans and other payables	**$ 2,080**	$ 1,661

b) Financial Risk Management

The Corporation is exposed to credit risk, liquidity risk and market risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Audit Committee assists the Board of Directors and is responsible for review, approval and monitoring the Corporation's risk management policies including the development of an Enterprise Risk Management program which involves establishing corporate risk tolerance, identifying and measuring the impact of various risks, and developing risk management action plans to mitigate risks that exceed corporate risk tolerance. The Audit Committee reports regularly to the Board of Directors on its activities.

i) Credit risk:

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers, cash and cash equivalents and derivative instruments.

The carrying amount of financial assets recorded in the financial statements represents the maximum credit exposure

Accounts receivable
The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the demographics of the Corporation's customer base, including the risk associated with the type of customer and country in which customers operate.

The Corporation manages this risk by monitoring the credit worthiness of customers and seeking pre-payment or other forms of payment security from customers with an unacceptable level of credit risk. The Corporation has established processes over contracting with foreign customers in order to manage the risk relating to foreign customers.

As at December 31, the maximum exposure to credit risk for accounts receivable by geographic regions was as follows:

(in thousands of dollars)

	2009	2008
North America	**$ 16,621**	$ 22,878
Central America and Caribbean	**321**	13,593
South America	**2,066**	110
Europe	**2,372**	1,871
Africa	**296**	15,352
Asia	**647**	3,723
Australia	**7,570**	–
Other	**46**	955
	$ 29,939	$ 58,482

As at December 31, the maximum exposure to credit risk for accounts receivable by type of customer was as follows:

(in thousands of dollars)

	2009	2008
Governments (including governmental departments and agencies)	**$ 14,035**	$ 15,394
Banking institutions	**9,265**	36,468
Consumers, dealers and others	**6,639**	6,620
	$ 29,939	$ 58,482

At December 31, 2009, three customers represented 68% of the total receivable balance of which 31% is from the Department of Finance, 26% is from the Bank of Papua New Guinea and 11% is from Canada Post Corporation.

At December 31, 2008, three customers represented 57% of the total receivable balance of which 21% is from the Bank of Uganda, 22% is from the Department of Finance of Canada and 14% is from Banco Central Del Dom Republic.

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivables. The allowance is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivables, current business and geopolitical climate, customers and industry concentrations and historical experience.

The aging of accounts receivable at December 31, 2009 was:

(in thousands of dollars)

		2009		2008
	Accounts Receivable	**Allowance for doubtful accounts**	Accounts Receivable	Allowance for doubtful accounts
Current				
0-30 days	**$ 15,430**	**$ -**	$ 26,033	$ –
30-60 days	**3,670**	**-**	14,307	–
60-90 days	**251**	**-**	10,531	–
90-120 days	**2,469**	**-**	4,648	–
over 120 days	**9,247**	**1,128**	5,767	2,804
Total	**$ 31,067**	**$ 1,128**	$ 61,286	$ 2,804
Net		**$ 29,939**		$ 58,482

The change in the allowance for doubtful accounts receivable during the year ended December 31, 2009 was a decrease of $1.7 million.

Cash and cash equivalents

The Corporation invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. The Corporation manages its credit risk relating to cash and cash equivalents by utilizing a short-term investment policy to guide investment decisions. Investments must maintain a credit rating from at least one of the following credit agencies, meeting the following minimum criteria:

Dominion Bond Rating Service (DBRS) rating of R1 Low
Moody's rating of P1
Standard and Poor's (S&P) rating of A1

The Corporation regularly reviews the credit rating of issuers with whom the Corporation holds investments, and disposes of investments at the prevailing market rate when the issuer's credit rating declines below acceptable levels.

Derivative Instruments

Credit risk relating to foreign currency forward contracts, commodity swap and forward contracts and other derivative instruments arises from the possibility that the counterparties to the agreements may default on their respective obligations under the agreements in instances where these agreements have positive fair value for the Corporation. These counterparties are large international financial institutions and to date, no such counterparty has failed to meet its financial obligation to the Corporation. Additionally, the Corporation manages its exposure by contracting only with creditworthy counterparties who are rated AA or better by Moody's or Standard & Poor's.

ii) Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk by continuously monitoring actual and forecasted cash flows to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The following table presents the contractual terms to maturity of the financial liabilities, reflecting undiscounted disbursements, owed by the Corporation as at December 31, 2009:

(in thousands of dollars)

	Carrying amount	Contractual Cash flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities:						
Accounts payable and accrued liabilities	$ 47,165	$ 47,165	$ 47,165	$ –	$ –	$ –
Loans and other liabilities	43,583	43,583	14,738	9,540	6,905	12,400
Interest on loans payables	11	11	11	–	–	–
Derivative instruments:						
Commodity swaps	3,638	2,760	2,760	–	–	–
Foreign currency forwards:	(928)	(928)	(854)	(74)	–	–

iii) Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or commodity price changes will affect the Corporation's income or the value of its holdings of financial instruments.

The Corporation uses derivative instruments, such as foreign currency forward contracts, interest rate exchange agreements and commodity swap and forward contracts to manage the Corporation's exposure to fluctuations in cash flows resulting from foreign exchange risk, interest rate risk and commodity price risk. The Corporation buys and sells derivatives in the ordinary course of business and all such transactions are carried out within the guidelines set out in established policies. The Corporation's policy is not to enter into derivative instruments for trading or speculative purposes.

A) Foreign Exchange Risk:

The Corporation is exposed to foreign exchange risk on sales and purchase transactions that are denominated in foreign currencies including U.S. dollars, Euros and GBP. The Corporation manages its exposure to exchange rate fluctuations between the foreign currency and the Canadian dollar by entering into foreign currency forward contracts. The Corporation also uses such contracts in the process of managing its overall cash requirements.

As at December 31, the Corporation's exposure to foreign currency risk was as follows based on Canadian dollar equivalent amounts.

(in thousands of dollars)

	USD	Euro	GBP
Cash and cash equivalents	$ 650	$ –	$ –
Accounts Receivable	11,260	–	–
Accounts payable and accrued liabilities	(1,139)	–	–
Gross balance sheet exposure excluding financial derivatives	10,771	–	–
Estimated forecasted sales	47,664	–	–
Estimated forecasted purchases	(27,085)	(4,025)	(531)
Gross exposure	31,350	(4,025)	(531)
Forward exchange contracts	(32,082)	108	406
Net exposure	$ (732)	$ (3,917)	$ (125)

Based on the net exposures as at December 31, 2009, and assuming that all other variables remain constant, a hypothetical 10% appreciation in the Canadian dollar against the currencies below would result in increases/(decreases) in net income and other compressive income by the amounts shown below. A hypothetical 10% weakening in the Canadian dollar against the currencies would have the equal but opposite effect.

(in thousands of dollars)

		2009
	Other comprehensive income	Net Income
US dollars	$ 995	$ 417
Euro	–	276
GBP	–	9

B) Interest Rate Risk:

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. Interest rate risk related to cash and cash equivalents is not significant at December 31, 2009 due to the short term, highly liquid nature of these investments. The Corporation's Bankers Acceptance interest rate swap loan instrument described in note 12 exposes the Corporation to cash flow interest rate risk. The Corporation has hedged 100% of the exposure to fluctuations in interest rates related to this instrument by entering into a $13.5 million interest rate swap, where the Corporation pays a fixed interest rate in exchange for receiving a floating interest rate. The interest rate swap is designated as a hedging instrument under the cash flow hedge accounting model.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Corporation does not account for its fixed rate debt instruments as held for trading; therefore, a change in interest rates at the reporting date would not affect net income with respect to these fixed rate instruments. The Corporation's interest rate swap exposes the Corporation to fair value interest rate risk. An increase of 50 basis points in interest rates at the reporting date will increase the fair value of the swap asset and increase other comprehensive income by approximately $0.01 million.

C) Commodity Price Risk:

The Corporation is exposed to commodity price risk on its purchase and sale of precious metals including gold, silver, platinum and palladium and base metals including nickel, copper and steel.

The Corporation is not exposed to precious metal price risk related to the bullion sales program because the purchase and sale of precious metals used in this program are completed on the same date, using the same price basis in the same currency.

The Corporation manages its exposure to commodity price fluctuations by entering into sales or purchase commitments that fix the future price or by entering into commodity swap and forward contracts that fix the future commodity price.

Derivatives designated as a hedge of an anticipated or forecasted transaction are accounted for as cash flow hedges. The Corporation applies the normal purchases classification to certain contracts that are entered into for the purpose of procuring commodities to be used in production.

Therefore the impact of commodity price risk fluctuation on the financial statement is not significant, because the Corporation's un-hedged commodity price risk is not significant.

c) Foreign currency forwards, commodity swap and interest rate swap

At December 31, the notional and fair values of the derivative instruments designated as hedges are as follows:

(in thousands of dollars)

		2009		2008	
	Maturities	**Notional**	**Fair value**	Notional	Fair value
Assets					
Current:					
Commodity swaps		**$ -**	**$ -**	$ 43,270	$ 25,927
Foreign currency forwards	**2010**	**12,936**	**779**	–	–
Interest Rate swaps	**2010**	**1,500**	**35**	–	–
Long-term:					
Foreign currency forwards	**2011**	**1,175**	**67**	–	–
Interest Rate swaps	**2011**	**12,000**	**278**	–	–
Total		**$ 27,611**	**$ 1,159**	$ 43,270	$ 25,927

(in thousands of dollars)

		2009		2008	
	Maturities	**Notional**	**Fair value**	Notional	Fair value
Liabilities					
Current:					
Interest Rate swaps		**$ -**	**$ -**	$ 1,500	$ 44
Commodity swaps	2010	**13,311**	**3,638**	–	–
Long-term:					
Interest Rate swaps		**-**	**-**	13,500	399
Total		**$ 13,311**	**$ 3,638**	$ 15,000	$ 443

The losses on derivatives designated as cash flow hedges will be reclassified from accumulated other comprehensive income to net income during the periods when the hedged losses are recorded. The amounts will be reclassified to net income over periods up to 2 years of which approximately $2.8 million loss will be reclassified during the next 12 months.

At December 31, the notional and fair values of the derivative instruments not designated as hedges are as follows:

(in thousands of dollars)

		2009		2008	
	Maturities	**Notional**	**Fair value**	Notional	Fair value
Assets					
Current:					
Foreign currency forwards	2010	**$ 8,111**	**$ 240**	$ 9,462	$ 486
Commodity swaps		**-**	**-**	2,277	1,365
Total short-term		**$ 8,111**	**$ 240**	$ 11,739	$ 1,851
Long-term:					
Foreign currency forwards	2010	**$ 298**	**$ 7**	-	-
Total long-term		**$ 298**	**$ 7**	-	-
Total		**$ 8,409**	**$ 247**	$ 11,739	$ 1,851
Liabilities					
Current:					
Foreign currency forwards	2010	**$ 11,444**	**$ 165**	$ 70,490	$ 12,669
Long-term:					
Foreign currency forwards		**-**	**-**	2,990	583
Total		**$ 11,444**	**$ 165**	$ 73,480	$ 13,252

For the year ended December 31, 2009, the amounts recorded in the consolidated statement of operations resulting from the net change in fair value of the derivative instruments not designated as hedges amount to a gain of $0.08 million (2008 – loss of $11.4 million). These amounts are included in net foreign exchange gain (loss).

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.
All the derivatives the Corporation has are level 2 financial instruments. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(in thousands of dollars)

								2009
		Level 1		Level 2		Level 3		Total
Derivative financial assets								
Commodity swaps	$	-	$	-	$	-	$	-
Foreign currency forwards		-		1,093		-		1,093
Interest rate swaps		-		313		-		313
Total	**$**	**-**	**$**	**1,406**	**$**	**-**	**$**	**1,406**
Derivative financial liabilities								
Commodity swaps	$	-	$	(3,638)	$	-	$	(3,638)
Foreign currency forwards		-		(165)		-		(165)
Interest rate swaps		-		-		-		-
Total	**$**	**-**	**$**	**(3,803)**	**$**	**-**	**$**	**(3,803)**

9. Property, plant and equipment

(in thousands of dollars)

			2009	2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 3,226	$ –	$ 3,226	$ 3,226
Land improvements	1,008	850	158	183
Buildings	93,633	37,477	56,156	55,907
Equipment	167,001	97,405	69,596	66,066
Hardware and software	32,587	22,859	9,728	11,084
Uncompleted capital projects	$ 2,976		2,976	3,577
	$ 300,431	$ 158,591	$ 141,840	$ 140,043

10. Intangibles

(in thousands of dollars)

			2009	2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Intangibles	$ 15,000	$ 12,092	$ 2,908	$ 8,769

In 2009, the amortization expense relating to the intangible was $5.9 million (2008 – $2.3 million). In 2009, $3.6 million in impairment loss was recorded in the amortization expense to reflect the net present value of future cash flows of the intangible.

11. Accounts payable and accrued liabilities

As at December 31, 2009 accounts payable and accrued liabilities included:

(in thousands of dollars)

		2009		2008
	Original currency	Canadian dollars	Original currency	Canadian dollars
Canadian dollars	$ 46,026	$ 46,026	$ 35,470	$ 35,470
US dollars	1,079	1,139	5,282	6,468
Total		$ 47,165		$ 41,938

12. Loans and other payables

(in thousands of dollars)

	2009	2008
5 year term loan, bearing interest at 4.421%, calculated semi-annually with a principal repayment of $2 million per annum for the first four years and outstanding principal balance ($12 million) in full on the fifth anniversary, maturing in 2012.	$ -	$ 18,000
10 year, $15 million Bankers' Acceptance/Interest rate swap loan bearing interest at 2.67%, maturing in 2018. The 10 year borrowing structure involves the use of a revolving 3 month Bankers Acceptances and an Interest Rate Swap to lock in the BA refinancing. The loan gets paid down 1.5 million per year for 10 years	13,488	15,000
Amortizing bond with two-year interest holiday maturing December 2009, semi-annual coupon at 7.753% starting June 2000 with principal repayable in ten equal instalments of $3.1 million commencing December 2000.	–	3,100
Non-interest bearing long term payable, maturing in March 2010 that has been recorded at the present value of the future payments of $2.9 million due in 2008, $3.1 million due in 2009 and $3.7 million due in 2010 using an imputed interest rate of 4.0%.	3,642	6,465
Accrued interest on long-term debt	11	328
	17,141	42,893
Less the current portion of long-term debt	5,169	10,051
	$ 11,972	$ 32,842

13. Income taxes

(in thousands of dollars)

	2009	2008
Current income tax expense	**$ 16,948**	$ 14,065
Future income tax expense	**2,538**	3,116
	$ 19,486	$ 17,181

Income tax expense on income before income tax differs from the amount that would be computed by applying the Federal statutory income tax rate of 29% (2008 – 29.5%). The reasons for the differences are as follows:

(in thousands of dollars)

	2009	2008
Computed tax expense	**$ 19,240**	$ 16,550
Change in enacted rates	**-**	-
Over accrual in the prior period	**-**	3
Other net amounts	**246**	628
	$ 19,486	$ 17,181

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities in 2009 and 2008 are presented below:

(in thousands of dollars)

	2009	2008
Future tax assets:		
Employee future benefits	**$ 2,856**	$ 2,723
Inventories	**280**	290
Derivative related assets	**791**	-
	3,927	3,013
Future tax liability		
Capital assets	**(10,987)**	(8,424)
Derivative related assets	**(96)**	(7,264)
Investment tax credits	**(98)**	-
Net future tax liability	**(7,254)**	(12,675)
Included in Other Comprehensive Income	**(700)**	7,264
Future tax liability	**$ (7,954)**	$ (5,411)

14. Employee future benefits

i) Pension benefits

The Corporation and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index. The Corporation's contributions to the Public Service Pension Plan for the year were $7.6 million (2008 - $6.9 million). The Employee's contributions to the Public Service Pension Plan for the year were $3.7 million (2008 - $3.2 million).

ii) Other benefits

The Corporation provides severance benefits to its employees based on their years of service and final salary. The Corporation also provides workers' compensation benefits along with post-employment benefits for employees in receipt of long-term disability benefits. It also offers to certain employees a supplementary retirement benefits plan which provides benefits based on average earnings at retirement. These benefits plans are unfunded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Future benefits will be paid out of future revenues earned by the Corporation.

Information about these benefit plans at the balance sheet date is as follows:

Defined Benefit Plan Obligation

(in thousands of dollars)

	2009	2008
Accrued benefit obligation		
Balance at beginning of year	**$ 11,715**	$ 12,063
Current service cost	**826**	851
Interest cost	**660**	636
Benefits paid	**(921)**	(1,107)
Actuarial losses/(gain)	**1,616**	(727)
Past service costs	**(1,351)**	
Balance at end of year	**$ 12,545**	$ 11,716
Accrued benefit obligation at end of the year	**$ 12,545**	$ 11,716
Unamortized net actuarial losses	**(1,119)**	(824)
Accrued benefit liability at end of year	**$ 11,426**	$ 10,892
Short term portion (accounts payable and accrued liabilities)	**1,005**	691
Long term portion (employee future benefits)	**10,421**	10,201

Significant Assumptions (weighted average)

	2009	2008
Accrued benefit obligation as of December 31:		
Discount rate	**5.3%**	6.6%
Rate of compensation increase	**4.4%**	4.2%
Benefit costs for year ended December 31:		
Discount rate	**5.4%**	6.6%
Rate of compensation increase	**4.4%**	4.3%
Assumed health care cost trend rates at December 31:		
Initial health care cost trend rate	**6.5%**	6.25%
Cost trend rate declines to	**6.5%**	6.25%
Year that the rate reaches the rate it is assumed to remain at	**2010**	2009

15. Accumulated other comprehensive income

As at December 31, 2009, other comprehensive income included:

(in thousands of dollars)

	2009	2008
Accumulated other comprehensive income beginning of year	**$ 18,220**	$ 7,825
Other comprehensive income	**(19,921)**	10,395
Accumulated other comprehensive income end of year	**$ (1,701)**	$ 18,220

16. Commitments and guarantees

i) Base metal commitments and precious metal leases

In order to manage its financial risks, the Corporation has entered into agreements with third parties, as disclosed in note 8 c). In order to facilitate the production of precious metal coins and manage the risks associated with changes in metal prices, the Corporation may enter into firm fixed price purchase commitments, as well as precious metals leases. As at December 31, 2009, the Corporation had $1.2 million (2008 - $10.1 million) in purchase commitments outstanding. These commitments are to be completed by September, 2010. In addition, at the end of the year, the Corporation had entered into precious metal leases for 439,088 ounces of gold and 4,376,662 ounces of silver (2008 – 362,902 ounces of gold; 5,399,562 ounces of silver; and 7,099 ounces of palladium and 32 ounces of platinum). The fees for these leases are based on market value. The value of the metals under these contractual arrangements has not been reflected in the Corporation's consolidated financial statements since the Corporation intends to settle these commitments through receipt or delivery of the underlying metal.

ii) Bid bonds, performance guarantees and import letters of credit

The Corporation has various outstanding guarantees and bid bonds associated with the production of foreign circulation coin contracts. These were issued in the normal course of business. The guarantees and bid bonds are delivered under standby facilities available to the Corporation through various financial institutions. Performance guarantees generally have a term up to one year depending on the applicable contract, while warranty guarantees can last up to five years. Bid bonds generally have a term of less than three months, depending on the length of the bid period for the applicable contract. The various contracts to which these guarantees or bid bonds apply generally have terms ranging from one to two years. Any potential payments which might become due under these commitments would relate to the Corporation's non-performance under the applicable contract. The Corporation does not anticipate any material payments will be required in the future. As of December 31, 2009, under the guarantees and bid bonds, the maximum potential amount of future payments is $10.3 million (2008 - $6.4 million).

iii) Other commitments and guarantees
The Corporation may borrow money from the Consolidated Revenue Fund or any other source, subject to the approval of the Minister of Finance with respect to the time and terms and conditions. Since March 1999, following the enactment of changes to *The Royal Canadian Mint Act*, the aggregate of the amounts loaned to the Corporation and outstanding at any time shall not exceed $75 million. For the year ended December 31, 2009, approved short-term borrowings for working capital within this limit, were not to exceed $25.0 million (2008 - $25.0 million).

To support such short-term borrowings as may be required from time to time, the Corporation has various commercial borrowing lines of credit, made available to it by Canadian financial institutions. These lines are unsecured and provide for borrowings up to 364 days in term based on negotiated rates. No amounts were borrowed under these lines of credit at year end.

The Corporation has various lease and contractual purchase obligations for goods and services. As of December 31, 2009 these future commitments total $106.9M. These commitments will be completed by Dec 2013 (2010 - $63.3M, 2011 - $27.1M, 2012 – $14.7M, 2013 - $1.8M).

17. Related party transactions

The Corporation is related in terms of common ownership to all Government of Canada owned entities. The Corporation enters into transactions with these entities in the normal course of business, under the same terms and conditions that apply to unrelated parties. Transactions with the Department of Finance related to the production, management and delivery of Canadian circulation coins are negotiated and measured at an exchange amount under a three year Memorandum of Understanding, where pricing is agreed annually in the normal course of operations.

18. Comparative figures

The previous year's comparative figures have been reclassified to conform to current year's presentation.