Royal Canadian Mint
Annual Report 2010

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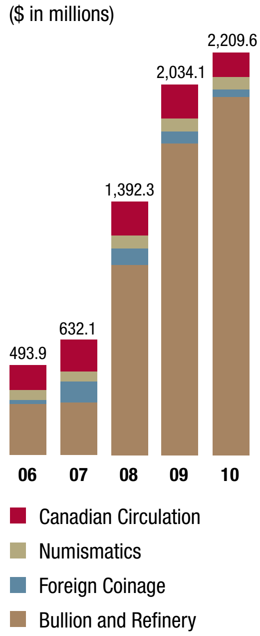
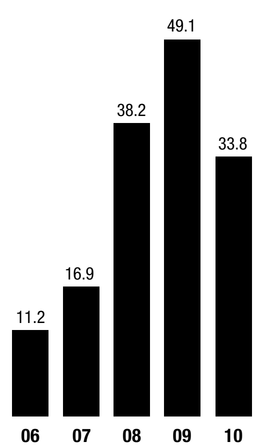
Financial and operating highlights

	2010	2009	% change
Key financial highlights (in millions of dollars)			
Revenue	**2,209.6**	2,034.1	8.6
Income before income tax	**46.5**	68.6	(32.2)
Net income	**33.8**	49.1	(31.3)
Total assets	**339.4**	309.9	9.5
Capital expenditures	**16.4**	19.9	(17.7)
Cash flow from operating activities	**34.8**	118.7	(70.7)
Key operating highlights			
Canadian circulation coins produced (in millions of pieces)	**792.4**	1,437.8	(44.9)
Gold bullion sales (in thousands of ounces)	**1,135.0**	1,233.2	(7.9)
Number of employees (at December 31)	**875**	904	(3.2)
Gross profit	**159.2**	186.8	(14.8)
Pre-tax return on equity	**19.5%**	32.7%	(40.4)
Debt to equity ratio	**0.42:1**	0.48:1	(14.5)
Shareholder's equity	**238.7**	209.9	13.7
Total production (millions of pieces)	**1,826.7**	2,547.9	(28.3)

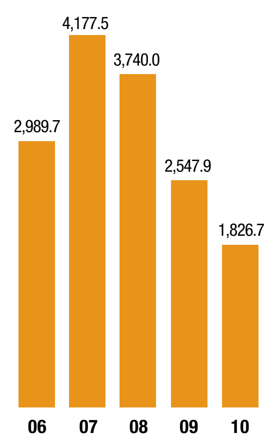
Revenue (segmented)
($ in millions)



Net income
($ in millions)



Total production
(millions of pieces)



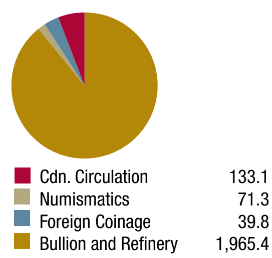
At a glance

	2010 Performance	2010 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 in anticipation of profit. It also operates full-service gold and silver refineries.

Revenue by segment

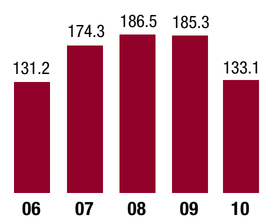


The Mint achieved another record year with revenues of $2.2 billion. Net income declined to $33.8 million from the historic record set in 2009 due mainly to the anticipated decline in income from the alloy recovery program (ARP). Interest in coins produced to celebrate the Vancouver 2010 Olympic and Paralympic Winter Games peaked in early 2010 during the Games. The awarding of the athletes' medals provided millions of people around the world with a glimpse of the Mint's technical and artistic capabilities.

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)

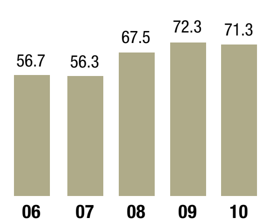


Revenue from Canadian circulation coins decreased by 28% to $133.1 million. This reflects the 26% decline in volume of Canadian coins from 2009 when 17 coins were released as part of Vancouver 2010 Olympic and Paralympic Winter Games coin program which won the Best New Coin Series at the Excellence in Currency Awards. The decline in revenue also reflects the decline in revenue from the ARP.

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)

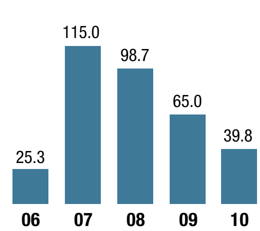


Numismatics revenue declined slightly to $71.3 million. During the year, the Mint released 11 Olympic-themed coins to conclude the most extensive coin program in relation to the Olympic and Paralympic Winter Games ever conceived by any mint worldwide. The program stimulated demand for the Mint's numismatic products; 25 of 63 new coins released were sold out compared to 10 of 67 new coins released in 2009. Sales on mint.ca increased 21.6% from 2009 to $14.7 million.

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)

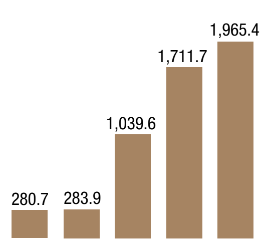


In 2010, the Mint produced and shipped 1 billion coins and blanks to 16 countries compared to 1.1 billion for 18 countries in 2009. Revenue declined 38.7% to $39.8 million. Global demand for coinage remained soft due to the global recession and countries around the world focused on pressing economic issues. The decline in revenue also reflects widespread global recognition of the advantages of multi-ply plated steel coins, which are significantly more cost effective to foreign governments.

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 grains for industrial applications. It operates refineries that provide customers with a range of services from gold and silver refining to assaying and secure storage.

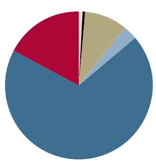
Revenue ($ in millions)



Bullion and refinery revenues increased 14.8% to $2.0 billion in 2010. Demand continues to be driven by global economic instability exacerbated by the near collapse of several domestic economies in Europe and anxieties around the pace at which U.S. consumers and banks are recovering. The volume of precious metal stored at the Mint by institutional customers, refining customers and financial institutions continues to increase.

2010 Performance	2011 Outlook

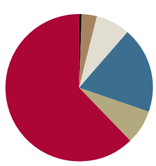
Revenue by region ($ in millions)



Canada	382.8
US	1,524.1
Asia Pacific	66.2
Middle East	0.6
Europe	208.5
Latin America	14.4
Africa	13.0

The Mint cautiously anticipates a continuation of the economic environment that has persisted since 2008. This could suppress demand for circulation coinage and numismatic products, but continue to support demand for bullion. Given the uncertainty, the Mint will continue to focus on building its core businesses through innovation and continuous improvement while seeking new business opportunities.

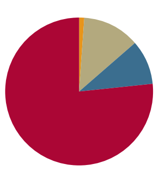
Production (millions of pieces by denomination)



1 cent	485.6
5 cent	60.0
10 cent	146.6
25 cent	58.7
50 cent	0.2
$1	24.5
$2	4.0

Demand for circulation coinage in Canada began to strengthen in 2010 with the recovery in the economy, but is expected to be relatively unchanged in 2011. Demand will continue to be met partly with coins recovered through the recycling program. The Mint is working closely with stakeholders on the conversion of one-dollar and two-dollar coins from alloy to multi-ply plated steel scheduled for early 2012. The continuation of ARP will continue to decline and will be dependent on nickel prices.

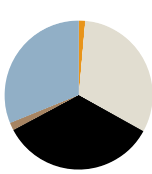
Revenue (% by region)



Canada	76.8
US	9.6
Europe	12.5
Other	1.1

The outlook is encouraging for the numismatic business as baby boomers reach an age and financial status to spend more time and money on hobbies and collecting. The Mint plans to build sales through direct channels to 50% of total numismatic sales by improving the quality of service to Master Club customers and programs aimed at expanding its customer base and sales per customer. This anticipated growth in the domestic market will be complemented by a broader presence in international markets.

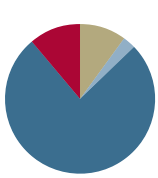
Revenue (% by region)



Asia Pacific	31.3
Middle East	1.6
Latin America	34.1
Africa	31.8
Other	1.2

The Mint has adopted an aggressive plan to increase its share of the foreign circulation coinage market from approximately 9.5% in 2010 to 15% by 2020. Significant contracts have already been secured for 2011 and 2012 and a meaningful presence in Africa has been established. Refinements to the multi-ply plated steel technology and the investment in the Research and Development Centre of Excellence will expand the Mint's competitive advantages. The Centre of Excellence will also offer services, such as training in coin distribution and logistics, as well as consulting.

Revenue (% by region)



Canada	11.3
US	76.0
Asia Pacific	2.7
Europe	10.0

The Mint's bullion business is heavily dependent on sentiments in the marketplace over which it has little control, but it has developed several key strategies that will ensure it continues to capture as large a share of the bullion market as possible. It will also expand its precious metal storage offerings.

We are here.

Present
in the day-to-day lives
of Canadians.

Engaged
with our customers
and partners
around the world.

Defining
what it means to be
a 21st century mint.

We are here.
In the pockets of the world.

Visitors lined up daily during the Winter Games at the Mint's Olympic Pavilion for the chance to hold a Vancouver 2010 athlete medal in their hands, while more than 1,500 children took part in games and activities in a fun-filled KidZone.

With glowing hearts

ON THE GROUND AT THE VANCOUVER 2010 OLYMPIC WINTER GAMES, the Royal Canadian Mint served as a Canadian ambassador to the world, welcoming more than 110,000 visitors to its interactive Olympic Pavilion and another 30,000 to a special exhibit at the Vancouver Public Library during the Paralympic Games.

The Pavilion was one of the most popular sites at the Winter Games, giving eager crowds a close look at the medals produced by the Mint and highlighting the world-class craftsmanship that went into their creation. The Mint's medals team was on hand throughout the Olympics and Paralympics to represent their work and adults and children alike had the chance to participate in some minting of their own, striking tokens to commemorate their time at the Games.

Also on display were the Mint's award-winning Olympic numismatic and circulation coins—available for visitors to add to their collections—along with the eye-catching spectacle of the Mint's world-famous 100-kilogram million-dollar gold coin.

World-class performance

As a tribute for capturing Canada's first Olympic gold medal on Canadian soil—for men's freestyle skiing moguls—the Mint presented skier Alex Bilodeau with a 22-karat gold commemorative coin to cheering crowds at the Pavilion on February 23. Keeping the Olympic spirit alive, the Mint opened boutiques in Vancouver and Montreal in November. Its Vancouver 2010 coin collection will be on permanent display in the Olympic Museum in Lausanne, Switzerland.

WE'VE COME THIS FAR

The Mint's enterprise resource planning (ERP) system was central to the Corporation's success in fulfilling commitments such as production of the Vancouver 2010 athlete medals and coins and in meeting the needs of international customers. Modernized extensively over the past few years, the advanced ERP system allows the Mint to remain agile and capitalize on real-time financial and performance data. In the case of Vancouver 2010, it was instrumental in planning and managing production and delivery of some 7,000 shipments of coins.


vancouver 2010
DOLLAR
25 cents
vancouver 2010

An avid fan was the picture of 'Rider Pride', as she posed proudly with her centennial coin in downtown Edmonton to celebrate her favourite team before the annual Grey Cup championship.

In Canada's streets

THE MINT JOINED THOUSANDS OF FEVERISH FANS in the November cold to celebrate a Canadian sports milestone last year, distributing a special anniversary one-dollar coin at the Grey Cup to commemorate 100 years of the Canadian Football League's Saskatchewan Roughriders.

Engraved with the club logo and a stylized '100', the coin pays tribute to the legendary spirit of generations of Saskatchewan Rider fans—and the pride of football enthusiasts from coast-to-coast.

Three million of the Roughrider coins were put into circulation and made available at mint.ca; more than 40,000 were ordered online in five-coin packs by Canadians from across the country.

Soon to circulate

Last year the Mint completed groundwork for the early 2012 launch of new one-dollar and two-dollar circulation coins to be made using the Mint's cost-effective patented multi-ply plated steel (MPPS) technology. In preparing to introduce the new coins, the Corporation consulted with key industry stakeholders representing vending, retail, transit and bridge authorities and payphone and parking meter manufacturers.

Since 2000, Canada's 1-cent, 5-cent, 10-cent, 25-cent and 50-cent circulation coins have been produced with the unique MPPS electroplating solution, which 'sandwiches' a steel core between alternating layers of nickel and copper to produce the best-quality, most economical nickel-and-copper-based circulation coins available. For the one-dollar coin alone, adopting MPPS will deliver manufacturing cost savings of roughly 30 cents per coin.

WE'VE COME THIS FAR

Collector spirit has swelled in recent years thanks to the Mint's focused efforts to produce sought-after commemorative Canadian circulation coins. Surveys show that the coins Canadians are storing away as keepsakes include the 2004 25-cent coloured poppy coin, the 2006 25-cent coloured breast cancer coin and the 2010 Lucky Loonie.


RIDER
PRIDE

In November, Canadian soldiers accepted coloured 25-cent poppy coins in Afghanistan.

With the troops

UNDER A CLOUDLESS BLUE SKY AT KANDAHAR AIRFIELD, Canadian troops received a special Remembrance Day tribute from the Mint last November when they were presented with the 2010 25-cent coloured poppy circulation coin.

The coin was given to all Canadian Forces members currently deployed in Afghanistan, in recognition of their tremendous personal sacrifice and commitment. The Mint also gave an oversized banner of thanks signed by employees in both Ottawa and Winnipeg.

Once again last year, the Mint had the solemn honour of producing the Sacrifice Medal in tribute to Canadian military personnel, Canadian civilians and members of allied forces working under the Canadian Forces who were killed or wounded as the result of hostile action—a total of 125 in 2010. Introduced two years earlier, the circular silver medals feature an image from the Vimy Memorial and the word sacrifice.

Our history at sea

Celebrating the centennial of Canada's Navy, Her Majesty Queen Elizabeth II, Queen of Canada and Commander-in-Chief of the Canadian Forces, unveiled a commemorative coin at a June luncheon in Halifax. Seven million of the coins were produced and put into circulation. The design by Nova Scotia artist Bonnie Ross features a Halifax-class Frigate flanked by a 1910 naval serviceman and a contemporary female naval officer.

WE'VE COME THIS FAR

Her Majesty Queen Elizabeth II received a one-dollar circulation coin commemorating the centennial of the Canadian Navy from Prime Minister Stephen Harper in Halifax on June 29, 2010.

Photo courtesy of Jason Ransom

Photo courtesy of Captain Krzysztof Stachura
Department of National Defence (Combat Camera)

In 2010, the Mint's employees enthusiastically fulfilled record demand for the purest gold and silver products in the world.

At the top of the market

THE MINT WAS AN ACTIVE PLAYER in the precious metals market in 2010 as one of the top suppliers of gold and silver bullion to customers in Canada, Europe, Asia and the United States. Its onsite refinery, exceptional quality and service standards, and its solid international relationships with partners and distributors proved highly attractive to investors seeking precious metal assets.

Demand for silver was especially high last year, leading to record sales of the Mint's Silver Maple Leaf (SML) products: 17.9 million ounces, a 74 percent increase over 2009. One of the hottest products was the Mint's Canadian Silver Wolf Bullion Coin. The quick sell-out of these coins is a testament to the effectiveness of the Mint's market research in keeping attuned to consumer interest.

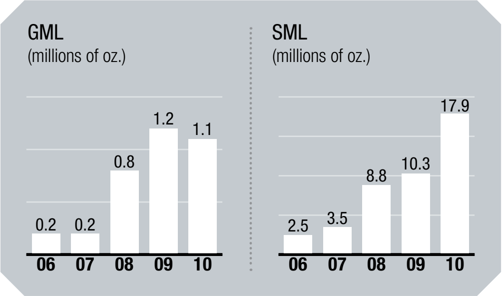
The Mint sustained significant levels of Gold Maple Leaf sales as well, but its gold refinery volume decreased to 4.9 million ounces, a 3 percent decrease over 2009. Storage business grew as institutions sought to safeguard their holdings, an offering that will remain important over the long term as market demand settles.

Good process, good partners

Partnerships were central to success as well: a new collaboration with a U.S.-based mint for production of silver blanks helped the Mint keep pace with SML demand. Other partnerships forged in 2010 included collaboration with coin dealer müenzhandelsgellschaft mbh Deutsche müenze in Germany on a Mint international subscription program. Longtime Mint partner Jarden Zinc Products, LLC made important investments in its multi-ply production facility, enabling a 50 percent capacity increase going forward.

WE'VE COME THIS FAR

With an onsite refinery and continuously improving processes, the Mint has been able to successfully meet increasing demand for gold and silver over the past five years, capitalizing on the benefits of vertical integration.




1 KILO
GOLD
999.9
ISO 9001
Denis

New bi-metallic one birr coins produced by the Mint are used daily for trade and commerce in Ethiopia, including in the renowned Merkato market in Addis Ababa.

In emerging economies

IN ETHIOPIA, ANOTHER ORDER OF THE MINT'S CIRCULATION COINS flowed into use in 2010—the first of 411 million bi-metallic pieces produced with the Corporation's unique, cost-effective multi-ply plated steel (MPPS) technology.

The MPPS solution is allowing the Ethiopian government to convert lower-denomination, high-volume bank notes into a more resistant, secure and affordable form of currency. The Mint has provided MPPS production services to Uganda and Ghana, and intends to extend them to other countries in Africa.

Last year the Mint also manufactured circulation coinage for Panama—specifically, a new one balboa bi-metallic MPPS coin to be introduced in 2011—and began work to deliver over 1 billion coin blanks to the Philippines in the coming years.

Extending plating capacity

To support the anticipated growth of its foreign circulation coin business, the Mint finalized plans for the renewal of its Winnipeg plating facility—an investment that is part of the Mint's ongoing modernization of capital equipment to achieve efficiencies, assure quality and ensure capacity to meet customer demand.

WE'VE COME THIS FAR

Since first being introduced by the Mint in 2000, multi-ply plated steel technology has been accepted by many countries, including Canada.

The Mint's numismatic team continues to expand its international business, including in China.

In the fastest-growing world economy

CAPITALIZING ON THE DYNAMISM OF THE CHINESE MARKET, last year the Mint sold 7,500 fine silver coins to a key partner celebrating 2011 as the Chinese Lunar Year of the Rabbit.

The Mint's numismatic team further developed its international business by attending coin shows and events in the Czech Republic, U.S., Morocco, Russia and Canada—each an opportunity to share knowledge, gather market insights and build business relationships.

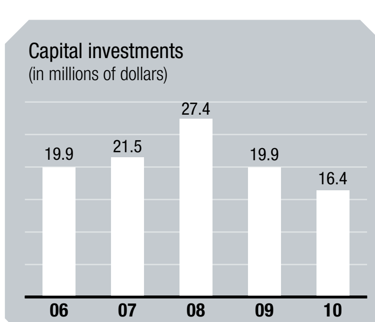
Record sellouts

Twenty-five of the Mint's numismatic products sold out in 2010, strong validation of the Mint's appealing themes and designs, first-ranked quality and innovative features. These popular items included the 2010 special edition uncirculated set, the First Canadian Olympic Gold commemorative $200 gold coin, the limited edition Poppy proof silver dollar, two $20 silver Crystal Snowflake coins (meridian blue and tanzanite), and the $10 sterling silver Blue Whale coin and stamp set.

Numismatic sales success in 2010 was in part due to the Mint's focused effort to develop relationships and deliver personalized service to its top customers and collectors. This customized approach helped grow direct-channel business by over 20 percent.

WE'VE COME THIS FAR

In recent years the Mint has continued to invest in capital equipment, optimizing production lines across the Corporation. In 2010, the Mint purchased more compact, efficient and accurate presses for its numismatic production line and invested in a new rolling mill that is enhancing productivity and precision, and reducing blank production costs by up to 20 percent. It also modernized its engraving equipment to overcome bottlenecks in die production.



Into the future

There we'll be.

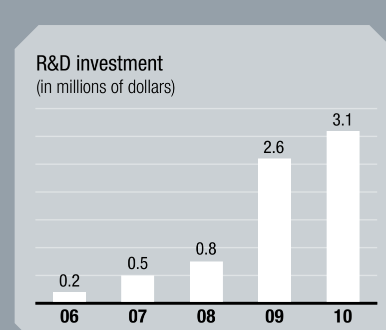
As the world economy continues to evolve, currency models change and e-payment technologies offer new possibilities, the Royal Canadian Mint is poised to lead.

At the 2010 Mint Directors Conference in Canberra, Australia, Mint President and CEO Ian E. Bennett took the stage to speak to the future of money, addressing the issues, opportunities and challenges that lay ahead for world mints. The Mint is actively engaged in defining that future. At home in Canada, Chief Financial Officer Marc Brûlé participated in a symposium organized by the federal government's Task Force for the Payments System Review, which aims to ensure safety, efficiency and consumer protection as the country embraces and adopts new payment technologies

The Mint is strongly asserting its commitment to innovation with plans to house the Research and Development Centre of Excellence at its Winnipeg facility—a site that will welcome international customers to observe the Mint's best practices and technological expertise in die production, plating and other specialized processes, and to access the Mint's coinage forecasting capabilities. The Centre will become the main hub of the Mint's R&D efforts.

WE'VE COME THIS FAR

In 2010, the Mint once again increased its investment in R&D to $3.1 million. The Mint's leadership in this field will continue as it plans to establish a Research and Development Centre of Excellence at its Winnipeg facility.



Message from the President and CEO

The declaration presented on the cover of this annual report is a simple statement, but one that is deeply meaningful for our Corporation at the conclusion of 2010. Beginning with the Olympics and throughout the year across all lines of business, we truly began to realize our expanded presence in Canada and around the world.

Executing on our national mandate as the producer of Canada's coinage, we are present in the lives of Canadians—an active participant in the Canadian experience. Sharing our innovative technology and patented processes, we are present in countries across the globe, producing coins for an ever-growing number of international customers. As the payment system evolves around the world, we are here, leading the exploration of e-payment technologies and discovering and creating new opportunities for our enterprise.

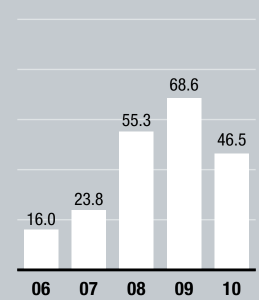
Our vitality as a corporation is in large part due to the breadth of our business, and to our ongoing efforts to remain agile and adaptive to market changes and evolving customers' needs.

We are proud of our financial performance in 2010—another highly profitable year for the Mint, with more than $2 billion in revenues and pre-tax profits of $46.5 million. All lines of business were profitable, with bullion posting its highest sales of Silver Maple Leaf products in the Mint's history and the numismatics business achieving its best results in decades.

I want to acknowledge the outstanding performance of our employees. In the Ottawa plant, staff worked cooperatively as bullion and numismatic volumes increased, sometimes three to fivefold per week. In Winnipeg, employees continued to put us on the map, producing circulation coins used day to day by Canadians and citizens around the world. Thanks to all for a remarkable team effort.

WE'VE COME THIS FAR

Pre-tax profit at the Mint
(in millions of dollars)



Just as profits remain strong, so do the Corporation's commitments to reinvestment in the business through capital equipment renewal, and research and development.

Across all business lines we continue to update capital equipment to achieve space and cost savings, improve quality and gain efficiencies. We intend to proceed with our plans to extend plating capacity in Winnipeg in 2011 as well as establishing a dedicated R&D centre. It will act as a hub for exploration of exciting new technological solutions to meet the demands of the evolving payment system, and provide a venue for collaboration and exchange with international partners and customers.

Going forward, our foreign business will continue to grow as we capitalize on the demand for our patented multi-ply plated steel process, our specialized skill in medal making, and our innovative numismatic technologies, and as we leverage the strong relationships we have forged these past years in Asia, Africa and elsewhere.

Partnerships will remain critical as we pursue these opportunities—and further extend our presence around the world.

Ian E. Bennett
President and CEO

Message from the Chair

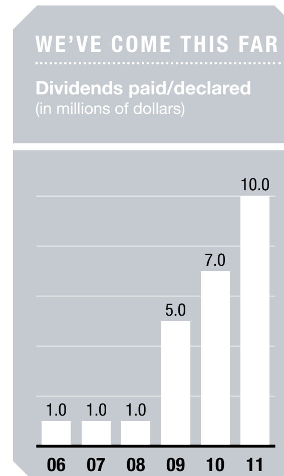
Organizations gain a particular sense of their impact when they go out and actively engage with customers, partners and the communities they serve. When I accompanied Ian E. Bennett to the Mint Directors Conference in Australia last fall, I had that opportunity, and was struck by the high regard colleagues from China, Thailand and other countries have for the Royal Canadian Mint.

Clearly, this Corporation is seen as both an innovator and entrepreneurial leader in the international minting community—a leadership position that continues to create new opportunities for us in technology transfer, licensing and other areas.

While new avenues open up to grow our business, we remain committed to our national mandate to produce Canadian circulation coinage, as the spotlight stories in this report illustrate. I was fortunate to participate in public events across Canada to launch the special circulation coins to commemorate the centennials of the Canadian Navy and Saskatchewan Roughriders and the 65th anniversary of the end of the Second World War.

We remain equally committed to ensuring good governance of the Corporation. To that end, in 2010 we further developed our succession plans, establishing a formal Board Committee to support the CEO with preparing for transitions in senior management in the coming years.

To enhance the synergy between the Mint's Board and management, representatives from both the Board and senior management took part in governance sessions hosted by the Institute of Corporate Directors. These have helped to establish a shared understanding of Board duties and responsibilities and to facilitate productive working relationships between directors and the executive.



The ongoing success of this Corporation in today's dynamic global marketplace is testament to the wisdom of its leadership and the passion and commitment of all employees. Everyone at the Mint deserves acknowledgement for their contributions throughout 2010, and should know the Board's resolve to ensure ongoing strategic clarity for continued success.

James B. Love, Q.C.
Chair

Corporate Social Responsibility

Last year, the Mint made further progress in the area of corporate social responsibility (CSR), undertaking new activities, sustaining existing programs and evolving its CSR framework. Environmental responsibility was a particular focus in 2010; following are key projects.

Recycling

The Mint managed an extensive program of recycling, diverting a full range of materials—from sludge, scrap metal and coins (byproducts of the manufacturing process) to office items such as computers, toner cartridges, cell phones, fluorescent tubes, plastic and paper—from landfill sites.

The Mint also continued its commitment to Canadian circulation coin recycling, increasing the number of recycled coins by 5.8% to reach 1.05 billion pieces in 2010.

Green promotion

Promoting environmental awareness, the Mint participated in a series of 'green' events such as Earth Day, Canadian Environmental Week, the Commuter Challenge and the Chemical Substances Challenge.

Environmental testing and reporting

As a matter of ongoing responsibility, the Mint conducted regular testing of greenhouse gas and air emissions, and completed pond tests at the Winnipeg plant.

Conservation

Conservation practices included: extinguishing of lights after hours, introduction of energy efficient controllers at the Winnipeg parking lot, increased use of e-communications and email to reduce paper usage.

Facilities improvements

Environmental improvements made at Mint facilities in 2010 included noise reduction, a chemicals-containment review in the refinery, and introduction of a wastewater treatment unit in the refinery.

Environmental practices

At its refinery, the Mint installed a Venturi scrubber system, made Gemstone room modifications and added dust collectors—all to minimize emissions and improve air quality. In addition, the Mint replaced all chromium plating with an environmentally friendlier alternative provided by Teer Coatings Limited.

Research and development

As part of ongoing R&D activity, the Mint is pursuing development of lightweight coin materials as well as bronze, brass and copper plating techniques.

Royal Canadian Mint-produced medals

The Royal Canadian Mint produces medals and medallions for many applications including prominent achievement awards, military decorations and promotional items.

Sacrifice Medal

The Mint's role in producing military medals began in 1943. Most recently, the Mint has been producing the Sacrifice Medal which is awarded to those who die as a result of military service or are wounded by hostile action.

Governor General's Performing Arts Award

The Mint has been producing the Governor General's Performing Arts Award medal since 1997. Made of commercial bronze and plated with 99.99% gold, the design is the emblem of the Awards with the inscription "The arts uplift and inspire us".

Vancouver 2010 Winter Games Athlete Medals

The Vancouver 2010 Olympic and Paralympic Winter Games athlete medals were crafted with pride by the Royal Canadian Mint at its Ottawa facility. Thirty steps (representing 402 days) of precision manufacturing were taken to produce the 1,014 unique, one-of-a-kind medals.

Corporate Governance

Corporate Governance

The legislative framework governing the Royal Canadian Mint consists primarily of the *Royal Canadian Mint Act* and the *Financial Administration Act*. The *Royal Canadian Mint Act* prescribes the general objective for the Mint, which is to mint coins in anticipation of profit and to carry out other related activities. The Act also specifies the Mint's governance structure and the process for approval of circulation and non-circulation coins.

The Mint's core mandate is to produce and distribute Canadian circulation coins and to provide advice to the Minister of Finance on all matters related to coinage. Through the issue of special commemorative coins, the Mint fulfills an important role in helping Canadians learn about the history of our country, its culture, its natural beauty and the values that define us. These designs serve to renew interest in our national heritage and to herald our promising future. Available to all Canadians, the special commemorative coins unite us from sea to sea to sea. Year after year, Canada's coins remain an important symbol of our country and its rich history and are a great source of pride. Additional information about the Mint's products can be found at www.mint.ca.

The Mint reports to Parliament through the Minister of Transport, Infrastructure and Communities. As the Mint produces and distributes Canadian circulation coins on behalf of the Minister of Finance, the Mint has developed a close working relationship with departmental officials.

The Mint issued its final three coins of its three-year circulation coin program celebrating the Vancouver 2010 Olympic and Paralympic Winter Games: a 25-cent Canadian Olympic Winter Moments coin celebrating Cindy Klassen's five medals in long-track speed skating in 2006; the 2010 Lucky Loonie; and a 25-cent coin featuring the sport of ice sledge hockey.

The Board of Directors

The Board of Directors is responsible for overseeing the management of the business, activities and other affairs 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. The Board holds management accountable for the Mint's business 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. It exercises its due diligence duty by assessing risks and opportunities, monitoring financial management and corporate performance, ensuring the integrity of financial results and providing timely reports to the Shareholder.

The Board adheres to the government's *Conflict of Interest Act* and 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.

The Board and its committees may hire independent advisors as necessary to discharge their powers and responsibilities at the Mint's expense, as was done by the Human Resources and Workplace Health and Safety Committee in 2010 as part of a comprehensive review of the Mint's Total Compensation Program.

The Board consists of a range of 9 to 11 Directors including the Chair and the President and CEO which are separate roles. With the exception of the CEO, all Directors are independent of management. The Chair is an ex-officio voting member on all committees; the CEO is also an ex-officio voting member of all committees with the exception of the Audit Committee, although he attends each meeting, and the Ad Hoc Committee on Succession Planning where he serves as Committee Chair.

Both the Chair and the CEO are appointed by the 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. In 2010, the terms of two existing members were renewed and another member 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 2010, the Board held 10 meetings and the committees held a combined total of 17 meetings.

For biographical information on the directors, senior officers and executive team, please visit the Mint's website at www.mint.ca (About the Mint, Corporate Information).

The Mint produced a 22-karat gold $200 Olympic Gold Coin to celebrate Canada's first Olympic gold medal on home soil. The Mint proudly presented one of these commemorative coins to Alex Bilodeau at the Royal Canadian Mint Pavilion in Vancouver on February 23, 2010.

Board Education and Evaluations

New directors are oriented to the Mint and its businesses through briefings by senior management, comprehensive briefing materials, and a tour of the Ottawa and Winnipeg facilities with in-depth presentations on their operations and regular updates on the business lines at Board meetings. As part of the orientation program, all new Directors attend one meeting of each committee before being appointed as a member of any committee. Given the Mint's unique business, it is important that its Directors understand the global environment in which it operates. To aid the Directors to deepen their understanding of the Mint's role, Directors attend select industry-related trade shows and conferences in Canada and abroad.

The Board is committed to maintaining best governance practices through continuing education and encourages its directors and officers to identify training and educational opportunities with respect to the operations of the Mint and, more recently, to obtain their Director accreditation. In 2010, Mr. Kirk MacRae received his accreditation, the second director on the Mint's Board to do so; two officers have completed the program and will be taking their examinations to receive their certification in early 2011.

The Mint commemorates significant anniversaries across the country, including the 125th anniversary of Banff National Park. The splendid images of this magical part of Canada are forever preserved in one-kilo coins crafted of 99.99% pure gold and 99.99% pure silver one-kilo coins. The kilo gold coins were quick sell-outs.

The approach to the evaluation of the effectiveness of the Board and its committees was subject to discussion and review in 2010. Following annual evaluations of the committees, and, more recently, bi-annual evaluations of the Board and individual directors, the Board decided to reassess the timing and the need to complete these on an annual basis. Consequently, in the first quarter of 2011, the Board will be assessing its 2010 performance and committees will perform their self-evaluations the following year. As well as rotating these two types of evaluations on alternate years, the Board and its committees will take into account current events or situations that may give rise to the need to conduct a special or shortened evaluation during an unscheduled year to address certain issues or concerns. The results from the evaluations are discussed at Board and/or committee meetings and, where appropriate, an action plan is drawn up to address the issues. The Chair provides feedback on the Board's evaluation to management and a brief summary of the discussions is shared with the Minister responsible for the Mint.

Communications with Stakeholders and Outreach Activities

The Mint engages in a variety of methods to promote the values of transparency, accountability and accessibility, to communicate its mandate, vision and activities, to solicit feedback from citizens and stakeholders, and to engage stakeholders in decision-making. Some of the ways it does this is by:

- Meeting annually with its numismatic and bullion dealers and distributors, and Foreign representatives, to inform them of the Mint's products and activities and gain their feedback and insights to help shape the Mint's marketing and product strategies;
- Chairing quarterly meetings of the National Coin Committee, comprised of representatives from Canadian financial institutions, Armoured Car Carriers, and the Canadian Bankers Association. The Mint works with these stakeholders to ensure that the economic demand for circulation coins is being met and that stakeholder concerns are taken into consideration when developing new technologies;
- Participating in the Canadian and American Numismatic Association trade shows, the World Money Fair numismatic event, the Mint Directors Conference where many of the Mint's customers, dealers and distributors are also in attendance;
- Inviting the public to attend the Mint's circulation coin launches;
- Regularly seeking customer and public feedback through annual customer satisfaction surveys, focus group testing, and public opinion research, including suggestions for coin themes as part of the Mint's regular market research;
- Offering feedback mechanisms through the Mint's website and 1-800 Call Centre for general inquiries from the public.

The Mint issued a pair of stunning 5 oz. pure gold and silver coins in celebration of the 75th anniversary of the Bank of Canada, featuring the stunning allegorical designs of Canada's first banknotes. The coins proved popular with collectors as both earned sell-out status.

In addition, the Mint held its first Annual Public Meeting in 2010 in conjunction with the Canadian Numismatic Association conference in Saint-John, New Brunswick. Following the meeting, a reception was held for local stakeholders and coin collectors.

As part of the Board's outreach activities, Directors are encouraged to play an active role in their communities to raise awareness of the Mint and its products. To this end, the Mint maintains a collection of communications and promotional materials to support Board members during speaking engagements in their communities. Community event organizers may contact the CEO's Office at the Mint if they wish to invite a Board member as a speaker to their event.

Board Remuneration

The Governor in Council sets the annual retainers and per diems of independent Directors. The salary range for the Chair is from $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 reasonable out-of-pocket 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 Board, the CEO and officers and reports the findings to the Audit Committee. Expenses for all Directors including the CEO and officers are reviewed by the Chief Financial Officer prior to being submitted for approval. The Board Chair approves the expenses of the CEO and all Directors; the Chair of the Audit Committee approves the expenses of the Board Chair. Quarterly summaries of the travel and hospitality expenses of Directors and senior management are posted on the Mint's website.

Board Meetings

The Mint's Vice-Presidents are invited to attend Board meetings which contributes to a more effective relationship between management and the Board as their participation fosters a shared understanding and enhanced decision making. The Executive Directors of the four business lines attend all strategic and corporate planning sessions, as do other managers on an as needed basis.

The Birds of Canada series continues to delight collectors, as both 2010 offerings sold out during the year. The widely renowned goldfinch and blue jay were both painted on 25-cent nickel plated steel coins.

Board meetings are held following the committee meetings to reduce costs and travel time. In addition to its regular meetings, the Board holds a two-day annual planning meeting with senior management to delve more deeply into strategic issues and as part of the corporate planning exercise. Meetings are held in Ottawa and outside of the National Capital Region, occasionally associated with a coin launch or other event to provide an opportunity for the Board to meet with the local coin collectors and other stakeholders. Once a year, the Board meets in Winnipeg and events or meetings with employees are occasionally organized at both the Ottawa and Winnipeg facilities.

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. 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.

One of the Mint's 'green' initiatives was the development of the Mint's own secure web portal in 2006; since then, the Board has followed a paperless policy which allows members to access meeting materials, current and historical, and other resources online. This initiative has reduced the consumption of paper and increased the effectiveness of disseminating materials to the Board. 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.

In 2010, the Mint's uncirculated set featured new packaging. The numismatic versions of Canada's circulation coins were hand-selected and were housed in a colourful Canadiana-themed sleeve. It marked the first time since 2002 that the uncirculated set was a sell-out.

The Board of Directors, chaired by Mr. James B. Love, met 10 times in 2010, including two meetings held by teleconference.

Committee Mandates

Each of the Committees, as well as the Board, has developed terms of reference setting out their various roles and responsibilities, as well as those of the Chairs and individual directors. Workplans are developed each year that outline the priorities and work projects for the year. The Board currently has the following standing committees to assist it in fulfilling its oversight responsibilities more effectively and each committee makes recommendations to the Board with respect to matters under its purview:

The **Audit Committee** provides oversight of all material aspects of the Mint's financial affairs. Its role includes oversight of the Mint's financial affairs, including the annual Corporate Plan, an assessment of financial performance against the Corporate Plan and annual operational plan, and the monitoring and oversight of the business risks in accordance with its risk management framework and the recommendations of specific courses of action to the Board as required. The Committee analyzes internal and external audit results and the periodic Special Examinations. The Committee manages the relationship with the external auditor of the Mint, the Auditor General of Canada, who is invited to attend all Committee meetings. The Director of Internal Audit reports directly to the Committee and carries out engagements in accordance with the priorities established in the Internal Auditor's risk-based audit plan.

All members of the Committee are independent of management and are financially literate, with two members having a professional accounting designation.

The Committee holds *in camera* discussion at all regular meetings, where the Committee meets privately with the internal auditor and external auditor, and then only the independent Committee members.

Under the Committee's guidance, management continued to refine the performance based scorecard in 2010. Audit Committee members and all employees have access to high level results of the Mint's pre-established key performance indicators, and management has access to more detailed real-time information and analyses. This transparent, open approach to the Mint's performance targets and results creates a constructive pressure for continuous improvement and for successful performance management.

The Audit Committee, chaired by Ms. Susan Dujmovic, met six times in 2010.

The **Governance and Nominating Committee** provides guidance on matters of corporate governance, including the review of the profiles of desirable skills and experience required of directors, the selection criteria for new appointments and re-appointments for directors, the Chair and the CEO, and consideration of Board candidates. The Committee reviews the orientation and education programs for directors, oversees the performance evaluation process of the Board and other Committees and reviews corporate policies and other policy documents. The Committee strives to adopt best practices, be it from the government or the private sector, as they evolve with a view to strengthening the Mint's practices and achieving excellence in corporate governance to be the *Best Mint in the World*. The Governance and Nominating Committee, chaired by Mr. Kirk MacRae met four times in 2010.

The **Human Resources and Workplace Health and Safety Committee** advises the Board on human resources policies and practices, including recruitment, development and retention, compensation policies, labour relations issues and succession plans. It sets the CEO's annual performance objectives and goals and evaluates his performance against these. In 2010, in recognition of the importance of workplace health and safety, the Human Resources Committee changed its name to the Human Resources and Workplace Health and Safety Committee and matters related to workplace health and safety will be reported to and monitored by the Committee. The Committee also instituted a best practice of bookending meetings with an *in camera* session. The Human Resources and Workplace Health and Safety Committee, chaired by Mr. Ghislain Harvey, met four times in 2010.

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 Committee, led by Mr. Carman Joynt, met once in 2010 before being merged into the full Board.

In 2010, investors world-wide were offered the "wolf" silver bullion coin, which was the first in a new series of Canadian wildlife silver 9999 fine one-ounce bullion coins by the Mint.

The fourth issue in the Mint's exclusive Prehistoric Animals Collection of 99.95% fine platinum coins featured the gigantic ground sloth. Like the rare bones of the creature it immortalized, the coin had a limited mintage of only 200 and quickly sold out.

In 2010, the Board struck two special committees. The **Ad Hoc Committee on Succession Planning**, chaired by the CEO, Mr. Ian E. Bennett, is mandated to monitor and review the succession plan for officers, including the emergency succession plan, provide advice on potential successors to the Vice-Presidents' positions and review the developmental plans for suitable potential successors. The Committee met once in 2010.

Genuine CRYSTALLIZED™ Swarovski Elements which simulated three water droplets shimmering over a beautifully painted water lily graced the reverse of a 99.99% pure silver coin. The image was inspired by the 75th anniversary of Flore laurentienne, a seminal compendium of Canadian flora by renowned botanist Brother Marie-Victorin.

The **Ad Hoc Committee on Directors and Officers Expenses**, chaired by Mr. Claude Bennett, was created within the context of the government's spending growth restraint measures and is mandated to study and evaluate the policies and guidelines on reimbursement of expenses for directors and officers. The Committee met once in 2010.

Corporate Committees and Employee Communications

Chaired by the CEO, the Mint's Executive Committee reviews corporate strategies, business cases, and corporate policies and assesses other operational matters. The Committee is composed of the Vice-Presidents, the four business line leaders, the director of internal audit, the director of finance and the chief information officer. Other management personnel also attend the meetings which are held regularly to consider and approve proposals going forward to the Board or its Committees.

The CEO and the Vice-Presidents also meet regularly to discuss significant and sensitive operational matters.

To enhance employee communications about the Mint's business, the Mint has been holding Annual Employee Meetings since 2004 to review the Mint's performance of the previous year, celebrate achievements and recognize employees' efforts and contributions to the Mint's success. At these meetings, the annual President's Award and other awards under the corporate Awards and Recognition program are announced. As well, Town Hall meetings are held following each quarter with all employees with Ottawa and Winnipeg alternating participation by videoconference. The Mint's financial results, marketing strategies and new products are shared during these sessions.

The Mint participates each year in the Best Employers in Canada survey conducted by Hewitt Associates. Highlights from the survey are shared with employees and action plans are developed to address issues and concerns and to further increase employee engagement.

2010 Attendance Summary

	Standing Committees				Ad Hoc Committees		
Members	Board of Directors (10)	Audit (6)	Governance and Nominating (4)	Human Resources and Workplace Health and Safety (4)	Directors and Officers Expenses (1)	Succession Planning (1)	Future of Money (1)
Love, James B. *Board Chair*	10/10	6/6	4/4	4/4	1/1	1/1	1/1
Bennett, Ian E.[1] *President and CEO*	10/10	6/6	4/4	4/4	1/1	1/1	1/1
Bell, John K.	9/10	4/4	4/4	–	–	–	–
Bennett, Claude	10/10	4/4	4/4	1/1	1/1	1/1	–
Dujmovic, Susan	10/10	6/6	–	–	–	–	1/1
Harvey, Ghislain	10/10	–	–	4/4	–	–	–
Joynt, Carman	10/10	6/6	1/1	3/3	1/1	1/1	1/1
MacRae, Kirk	9/10	–	3/3	1/1	–	–	1/1
Meagher, Keith E.	10/10	3/3	4/4	3/3	–	–	–
Staples-Lyon, Bonnie[2]	7/10	3/6	–	3/4	0/1	–	–

Please Note:

- For Committee meetings, this chart reflects attendance by Directors who were Committee members on the meeting date and does not reflect attendance by other Directors as observers.
- The number of total Committee meetings for each Director reflects the number of meetings for which the Director was a Committee member; therefore, the blank space signifies the Director was not a member of the Committee.

1. Bennett, Ian E.: Attends Audit Committee meetings by invitation.
2. Staples-Lyon, Bonnie: Voluntary leave of absence from the Board from September 8 to November 3, 2010, inclusive.

Directors and Officers

Board of Directors

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

Ghislain Harvey, CIRC
CEO of Promotion Saguenay Inc.
Saguenay, Québec
Chair, Human Resources and Workplace Health and Safety Committee

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

Keith E. Meagher, P.Eng.
Retired
St. Albert, Alberta

Claude F. Bennett
Retired
Ottawa, Ontario
Chair, Ad Hoc Committee on Directors and Officers Expenses

Kirk MacRae, ICD.D
President
R.K.M. Investment Ltd.
Sydney, Nova Scotia

Carman M. Joynt, FCA, ICD.D
Chair, Joynt Ventures Inc.
Ottawa, Ontario

Bonnie Staples-Lyon
Chief of Staff, Office of the Mayor, City of Winnipeg
Winnipeg, Manitoba

John K. Bell, 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

Michel Boucher
Vice-President
Human Resources

Performance against objectives

	Strategic Goals	2010 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 another record year with revenues of $2.2 billion compared to $2.0 billion in 2009, an 8.6% increase. • Net income before income tax declined 32.2% to $46.5 million from $68.6 million in 2009 with all business lines being profitable. The decline in net income reflects the decline in revenue and contribution from ARP and intense competition on the bullion market. • Return on equity declined to 14.1% from 23.4% in 2009. • Gross profit as a percentage of revenue decreased to 7.2% from 9.2% in 2009. • The staff and capabilities of the Research and Development Centre of Excellence continued to expand. The investment in research and development increased to $3.1 million from $2.6 million in 2009.
Customer satisfaction	**To meet or exceed customers' expectations for quality, service and value.**	• The Mint introduced an exclusive service for members of the Masters Club, which represent its most loyal customers. This service provides individual customers with a dedicated representative to provide advice on building the customer's coin collection, assist with orders and answer questions. • A call centre optimization program improved the quality of each sales conversation through training and a formal call quality measurement methodology. • As a result of expanding global recognition of the advantages of the Mint's proprietary plating technology, 95% of foreign circulation coins produced by the Mint employed the more cost effective multi-ply plated steel manufacturing process rather than the traditional alloys. • For the second consecutive year, the Mint received the most nominations at the Berlin World Money Fair, winning *Most Artistic Coin* and *Best Silver Coin*.
People	**To achieve or enhance employee satisfaction, engagement and well-being.**	• In order to meet the extraordinary production volumes in 2010, the Mint has been active in terms of recruitment and has hired over 175 employees all across the organization, from the shipping area to marketing and sales. • In 2010, 97.6% ($1.66 million) of the training budget ($1.7 million) was spent. During the year, training focused on research and development, leadership and agility, health and safety, continuous improvement, competency development for succession planning and on-the-job training. • The Mint was recognized as one of the Top Employers in the National Capital Region by *Maclean's* magazine for the fifth consecutive year. • The Mint has been proactive in improving and maintaining the physical and mental well-being of its employees, including offering a number of activities and services such as onsite wellness clinics and programs to assist employees in better managing the demands of their personal and professional lives. • In Winnipeg, the lost-time injuries frequency rate increased to 4.06 from 3.40 in 2009. The severity rate increased to 44.64 from 41.13 in 2009. During the year, the plant conducted 1,892 hours of health and safety training. • In Ottawa, the lost-time injuries frequency rate decreased to 1.77 from 2.40 in 2009. The severity rate increased to 6.72 from 4.62 in 2009. To improve health and safety conditions, cautionary signs around equipment have been replaced and machine guarding improved. • A new Health and Safety Policy establishes clarity around roles and responsibilities at the Mint.
Corporate Social Responsibility	**To apply best practices in corporate social responsibility (CSR) by balancing economic, environmental and social factors while addressing shareholder and stakeholder expectations.**	• A new environmental policy recognizes that protection of the environment and sustainable use of resources and energy are essential for the well being of future generations and are entrenched in the organizational values and principles of the Mint. Within this policy, the Mint is committed to minimizing and eliminating, where possible, the impacts of its operations on the environment. • To lay the groundwork for the establishment of a comprehensive CSR framework, existing plans and initiatives related to the Mint's values, community giving, environmental performance, health and safety, ethics/human rights and governance were reviewed. • The employee-led Green Committees promoted participation in national and international events such as the Commuter Challenge and Earth Hour to promote environmental awareness. • Third party coin recycling reached 1.05 billion coins, an increase of 5.8% from 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.

2011 Initiatives

1. The Mint has adopted an aggressive plan to increase its share of the foreign circulation coinage market from approximately 9.5% in 2010 to 15% by 2020. Significant contracts have already been secured for 2011 and 2012 and a meaningful presence in Africa has been established.
2. Refinements to the multi-ply plated technology and the investment in the Research and Development Centre of Excellence will expand the Mint's competitive advantages. The Research and Development Centre of Excellence will also offer services, such as training in coin distribution and logistics, as well as consulting.
3. US-based Jarden Zinc Products, LLC is increasing its multi-ply plated steel production capacity by close to 50% to be commissioned in April 2011.
4. To meet the anticipated increase in sales, plating capacity in Winnipeg will be expanded over the next two years at a cost of approximately $60 million.
5. The Mint will continue to develop partnerships with suppliers. As the Mint works with suppliers of equipment and services to develop technologies that enhance its own operations, it is also developing products that can be sold around the world.

1. Develop new technologies to enhance domestic and foreign circulation coinage with high-security and anti-tarnishing features.
2. Continue to engage Canadian consumers and collectors by developing circulation and numismatic coins that celebrate Canada's history, culture and values.
3. Continue to build the Mint's on-line presence through e-marketing initiatives and a broader social media presence through vehicles such as Facebook and Twitter.
4. Continue to monitor the development of e-payments and security issues around e-commerce.

1. Continue to conduct health and safety training including evacuation, emergency response, accident investigation and job hazard management to ensure that increases in production can be accommodated without compromising the safety of its employees.
2. Implement a formal Hazard Prevention Program developed in 2010. This is a comprehensive program that documents the risks inherent in every job and 29 procedures related to hazard prevention. Many of the components existed prior to 2010 but now exist in one location, with roles and procedures more clearly defined.
3. Implement the key learnings from an internal communications review conducted in 2009 and 2010 to ensure that the Mint is communicating effectively with its employees by providing the information they require in the most effective format.
4. Continue the implementation of the Mint's succession plan for key positions and develop a formal training and talent management strategy.
5. Conduct and successfully conclude collective bargaining with the Mint's two unions to renew the collective agreements which expired on December 31, 2010.
6. Implement an integrated solution (human resources, payroll, timesheets and attendance) at the operations level to provide the Mint with strategic management information.

1. Identify and validate key stakeholders, consult with employees, determine CSR priorities, and develop a CSR vision and reporting framework.
2. Complete the installation of a new waste water treatment process in the refining operation. This system is designed to treat 5,000 to 7,000 litres a day of liquid waste generated by the refinery rather than being removed and treated externally.
3. Implement the recommendations in an energy audit of the Winnipeg facility.
4. Install six hydraulic coining presses in Ottawa. These new presses will extend die life, lower reject rates, improve the quality of the finished product and enhance health and safety while requiring less maintenance.
5. Continue to engage employees in good CSR practices.
6. Communicate the Mint's new CSR policy to key stakeholders and measure its effectiveness on a consistent basis.

Management's discussion and analysis

Mandate

The Mint's mandate is 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 extends to the production and marketing of bullion and related refinery products and services. Legislation which establishes the Mint is clear, that the corporation is to conduct its businesses *in anticipation of profit*. That fundamental object has shaped the history of the Mint and is reflected in its corporate plan.

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 is 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. The Mint has also developed three supporting objectives, including the establishment of the Mint as the global leader in coinage solutions, increased penetration in domestic and global numismatic markets and the development of products that extend its precious metals business.

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 an enhanced incentive-based compensation introduced with a new collective agreement in 2008.

- Significant investment in a Research and Development Centre for Excellence established in 2009 to ensure the Mint remains at the leading edge of minting technology and solutions.
- Continued capital investment in equipment and processes are consistent with the Corporation's vision 'to be the best Mint in the world'.

Performance indicators

To achieve its objectives, the Mint strives to continually improve profitability through prudent financial management, the quality of its products and the 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

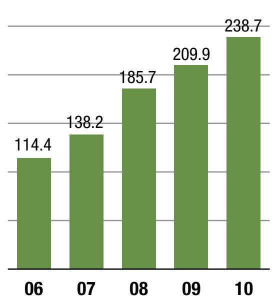
2010 Consolidated Performance

Consolidated results and financial performance

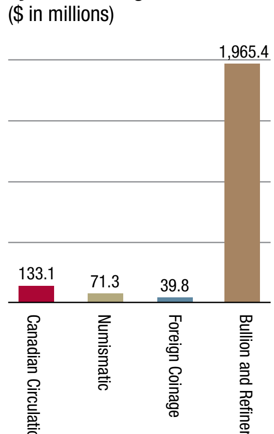
(In $ million)

	2010	2009	% change
Revenue	**2,209.6**	2,034.1	8.6
Income before tax	**46.5**	68.6	(32.2)
Net income	**33.8**	49.1	(31.3)
Total assets	**339.4**	309.9	9.5
Working capital	**128.2**	94.5	35.7
Return on equity	**14.1%**	23.4%	(39.7)
Return on assets	**9.9%**	15.8%	(37.4)

Shareholder's equity
($ in millions)



Gross operating revenue by business segment
($ in millions)



Consolidated financial performance

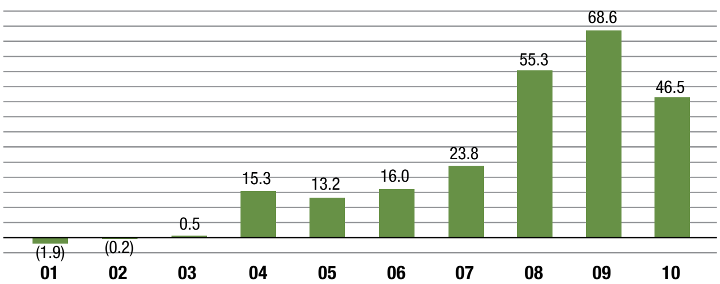
The Mint achieved another record year in 2010 with revenues of $2.2 billion. Net income was $33.8 million, down from the historic record set in 2009 due in part to the continuing decline in income from the alloy recovery program (ARP), which was anticipated due to the sunset nature of this business.

Sales of Gold Maple Leaf (GMLs) coins remained strong, but declined slightly to 1.099 million ounces from 1.169 million ounces in 2009 while sales of Silver Maple Leafs (SMLs) coins climbed to 17.9 million ounces from 10.3 million ounces in 2009.

Production volumes approached record levels in Ottawa with 22.9 million coins produced to meet demand for both numismatic and bullion investment coins. Production volume in Winnipeg was lower in 2010 with 2.1 billion coins and blanks produced a 19% reduction from 2.5 billion in 2009. There was a modest recovery in domestic demand for circulation coins from the recession levels of 2009, but several foreign governments delayed the awarding of contracts pending more stability in the global economy.

Operating costs, including the cost of goods sold increased 9.9% to $ $2,162.2 million from $1,967.6 million in 2009. The increase in the cost of goods sold reflected the substantial increase in the volume of Canadian bullion products sold along with higher precious metals prices.

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

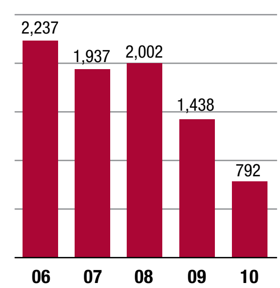


Canadian circulation

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 by 28.2% to $133.1 million in 2010 from $185.3 million in 2009. The volume of Canadian coins produced decreased by 45% to 0.8 billion pieces from 1.4 billion in 2009. During the year, no coin shortage was experienced in any region of the country, the business line's most important performance indicator. The Mint continued to proactively re-circulate coins from regions of lower demand to regions of higher demand, resulting in record low coin inventories throughout the supply chain. The ability to meet trade and commerce requirements while maintaining optimal levels of inventory is a significant measure of the efficiency with which the Mint manages the nation's coin distribution network.

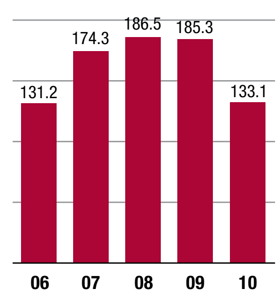
Canadian circulation coin production
(millions of pieces)



Explanation of results

The variance in results reflects the historic volume of theme coins released in 2009 as part of the extensive 17-coin program leading up to the Vancouver 2010 Olympic and Paralympic Winter Games. In 2010, the Mint issued three Olympic-themed circulation coins: a 25-cent Canadian Olympic Winter Moments coin celebrating Cindy Klassen's five medals in long-track speed skating in 2006, the 2010 Lucky Loonie and a 25-cent coin featuring the sport of ice sledge hockey. The Mint culminated its successful Vancouver 2010 circulation program by winning the Best New Coin Series at the Excellence in Currency Awards held in conjunction with the 2010 conference of the International Association of Currency Affairs in Buenos Aires, Argentina.

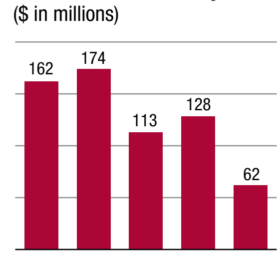
Canadian circulation coin revenue
($ in millions)



The Mint also produced one-dollar circulation coins celebrating the centennials of the Canadian Navy and the Saskatchewan Roughriders and a 25-cent coin emblazoned with two red poppies to commemorate the 65th anniversary of the end of the Second World War.

Demand for non-theme circulation coins increased slightly in 2010, but remained lower than pre-recessionary levels. Satisfying the demand for coins continues to be partially met through coin recycling programs. During 2010, it is estimated the volume of coins recycled by independent service providers increased by 5.8% to reach 1.05 billion pieces from 1.0 billion pieces in 2009. 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.

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



Revenue from the Canadian Circulation business line represents the amount paid to the Mint by the Department of Finance for the production and distribution of Canadian circulation coins, as well as funds generated by the ARP. The ARP recovers the nickel from low denomination coins minted prior to the introduction of multi-ply coins in 2000. Revenue from the program depends on the number of coins recovered, which is steadily declining as the volume of pre-2000 coins in circulation declines, and the price of nickel. In 2010, ARP revenue was $22.6 million compared to $51.4 million in 2009, although significantly more than anticipated due to the increase in the average nickel settlement price to US$21,809 per tonne in 2010 from US$14,700 in 2009.

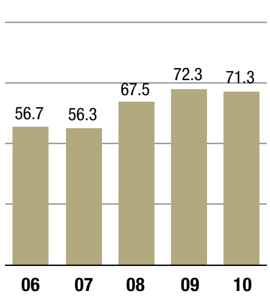
Outlook

Demand for circulation coinage in Canada in 2011 is expected to be about 2 billion coins. This demand will continue to be met partly with coins recovered through the recycling program. At current recovery yields, continuation of ARP is dependent on metal prices, but the performance of the program could improve with the anticipated replacement of the nickel-based one-dollar and two-dollar coins with multi-ply plated steel (MPPS) coins.

The Mint has been working closely with the vending industry, transit authorities, telephone and parking operators, casinos and other stakeholders over the past three years to ensure the conversion of one-dollar and two-dollar coins from alloy to MPPS does not disrupt commerce. A composition that meets all security requirements has been finalized with the coins scheduled to be released in early 2012.

The Mint will continue to promote and commemorate events that celebrate Canada's history, culture and values through special circulation coins. Based on the popularity of theme coins, a new multi-year program has been developed for launch in 2011.

Numismatic revenues
($ in millions)



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, ultra-high relief and embedded crystals. The Mint also produces medals, medallions and tokens.

Numismatics revenue declined slightly to $71.3 million from $72.3 million in 2009.

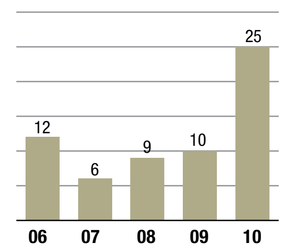
Explanation of results

Demand for the Mint's numismatic coins set a record in 2009 driven by the release of 16 coins celebrating the Vancouver 2010 Olympic and Paralympic Winter Games generating $18.9 million in revenue in 2009. In 2010, the Mint released 11 Olympic-themed numismatic coins to generate $5 million in revenues. This concluded the most extensive coin program in relation to the Games ever conceived by any mint worldwide. It also stimulated demand for the Mint's numismatic products from the coins with special effects such as ultra-high relief or imbedded crystals as well as uncirculated coin sets.

During 2010, 25 of 63 new coins released were sold out compared to 10 of 67 new coins released in 2009. This exceeded the Mint's goal to sell out 10% of new coins released by 300% to establish a record for sell-outs, confirming the appeal of the designs and themes, quality and innovations that distinguish the Mint's numismatic coins. Among the sell-outs were the First Canadian Olympic Gold Commemorative gold coin that was issued within an hour of the medal being won in Vancouver, a special edition uncirculated set of the top three Canadian Olympic Winter Moments, a platinum coin featuring the giant prehistoric ground sloth, a gold coin celebrating the 125th anniversary of Banff and two coins celebrating the 75th anniversary of the first bank notes issued by the Bank of Canada. Several of the coins sold out within days of release.

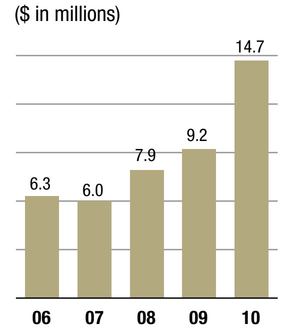
International demand remained strong, driven by interest in Olympic-themed coins, the decision adopted in 2009 to sell direct into nine international markets, and the establishment of new distributorships in Germany, Poland and the United States. In China an existing relationship was expanded that secured substantial sales for 2010 and 2011. The Mint also expanded its presence at international numismatic events including the Beijing International Coin Expo in China, the Prague Coin Show in the Czech Republic, the Coins 2010 show in Russia and the ANA National Money Show in the United States.

Numismatic sell outs
(number of coins)



The business line's operating profit increased in 2010 as the Mint focused on building sales through its direct channels. Direct sales revenue increased by 21.1% to $33.8 million in 2010 from $27.9 million in 2009, partly driven by record web sales of $14.7 million, a 59.8% increase from $9.2 million in 2009. The awareness of the Mint's numismatic products generated by Olympic and other theme coins allowed for the acquisition of new customer names. The Mint also introduced outbound direct sales, servicing select members of the Masters Club, the Mint's most loyal customers. This exclusive service provides individual customers with a dedicated representative to provide advice on building the customer's coin collection, assist with orders and answer questions. A call centre optimization program improved the quality of each sales conversation through training and a formal call quality measurement methodology.

Web sales revenue
($ in millions)



The Mint's website, mint.ca, plays a vital role in the Mint's integrated communications, marketing and sales strategy. The website has become the primary acquisition vehicle with 75% of all new customers using the web to select and purchase products. An acquisition campaign launched in 2010 doubled the number of new web customers. Unique visitors to the site increased by 25.4% to 2.6 million while the number of orders transacted increased 92.0% to 114,000.

The website also fulfills the Mint's mandate to inform and educate Canadians by offering information about circulation currency, collecting coins, a history of money in Canada and biographies of the artists who design the Mint's coins.

The Mint's artistic and technical capabilities were acknowledged with the presentation of two awards by Krause Publications *Coin of the Year Awards* during the World Money Fair in Berlin. Garnering the most nominations of any other mint, the Mint won in two categories: The gold Summer Moon Mask was declared *Most Artistic Coin* and the silver Crystal Snowflake was awarded *Best Silver Coin*.

Outlook

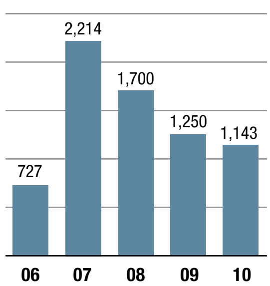
Canada's demographic is encouraging for the numismatic business as baby boomers reach an age and financial status to spend both time and money on hobbies and collecting. In 2011, the Master Club outbound direct sales initiative will be formalized and the number of coin experts increased. To expand its customer base, the Mint will launch a name acquisition and subscription program, a component of the strategy, to build sales through direct channels to 50% of total numismatic sales from 43% in 2009. Mint kiosks were opened in Vancouver and Montreal to build upon the excitement generated by the Mint's Pavilion in Vancouver during the Winter Games. This anticipated growth in the domestic market will be complemented by a broader presence in international markets.

The critical challenges for the business line include continuing weakness in the global economy, the strong Canadian dollar and record high precious metal prices, which can have a significant impact on sales as customers resist the resulting increase in the cost of collector coins and products.

Foreign coinage

The Mint produces circulation coins, ready-to-strike blanks, numismatic coins, 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.

Foreign circulation coins sold
(millions of pieces)



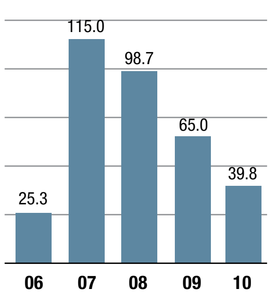
In 2010, the Mint produced and shipped 1.1 billion coins and blanks for 16 countries compared to 1.3 billion for 18 countries in 2009. Revenue declined 38.7% to $39.8 million from $65.0 million in 2009.

Explanation of results

Revenues include the production and shipment of 600 million blanks to the Philippines as part of a multi-year contract and the initial shipments of 411 million bi-metallic one birr coins for Ethiopia to replace the country's one Birr paper banknote. The Mint's technical capabilities made it possible to resolve the challenges of producing a complex bi-metallic coin for the least possible cost to ensure maximum seigniorage to the customer.

The Mint also produced its first multi-ply plated bi-metallic coin with edge lettering for Panama. Global demand for coinage remained soft due to the global recession and many of the calls for tender that had been anticipated were delayed as countries around the world focused on more pressing economic issues. During the year, the Mint secured contracts from customers including Panama, Oman and the Eastern Caribbean Central Bank, the monetary authority for eight island economies.

Foreign coinage revenue
($ in millions)



Widespread global recognition of the advantages of plated coins, particularly the Mint's proprietary technology, also affected the Mint's revenue: 95% of the coins produced in 2010 employed the more cost effective multi-ply plating manufacturing process rather than the traditional alloy coinage. Revenue from alloy coins was also affected by the sharp decline in nickel prices to as low as US$17,955 per tonne, zinc prices to US$1,623 per tonne and copper prices to US$6,091 per tonne.

The Mint continued to build revenue from licensing and training agreements with Teer Coatings Limited and FOBA. Together with the Mint, Teer has developed a physical vapour deposition (PVD) technology and process; FOBA develops, manufactures and markets products for laser marking and engraving.

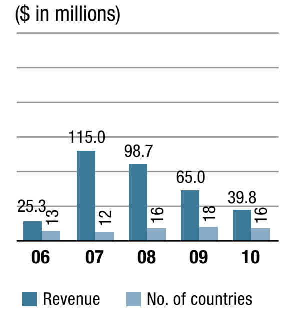
Outlook

The Mint has adopted an aggressive plan to increase its share of the foreign circulation coinage market from approximately 9.5% in 2010 to 15% by 2020. Significant contracts have already been secured for 2011 and 2012 and a meaningful presence in Africa has been established. Refinements to the multi-ply plated technology and the investment in the Research and Development Centre of Excellence will expand the Mint's competitive advantages. The Centre of Excellence will also offer services, such as training in coin distribution and logistics, as well as consulting.

US-based Jarden Zinc Products, LLC is increasing its multi-ply production capacity by close to 50% to be commissioned in April 2011, but the substantial growth in capacity required to accommodate the anticipated growth in foreign volumes will require an expansion to the Mint's plating facility in Winnipeg.

The Mint will continue to develop partnerships with suppliers. The licensing arrangements with Teer Coatings Limited to sell Physical Vapour Deposition (PVD) technology and FOBA to market laser marking and engraving equipment are proving to be important sources of revenue. As the Mint works with suppliers of equipment and services to develop technologies that enhance its own operations, it is also developing products that can be sold around the world.

Revenue / Number of countries served
($ in millions)



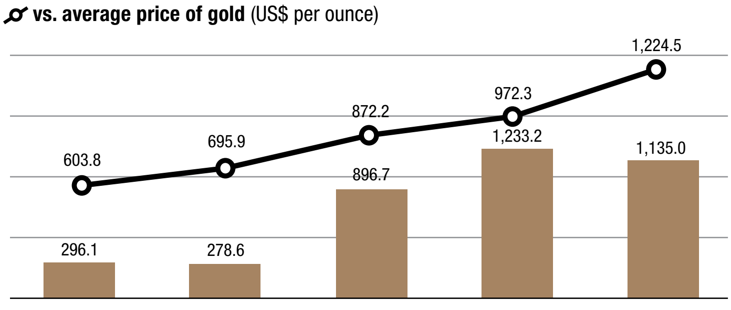
Bullion and refinery

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 operates gold and silver refineries that offer Canadian and foreign customers an integrated solution to gold and silver processing while creating a pipeline of lower cost precious metals for its bullion and numismatics businesses.

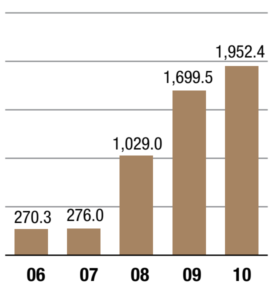
Bullion and refinery revenues increased 17.6% to $2.0 billion in 2010 from $1.7 billion in 2009. Sales of Gold Maple Leaf (GML) coins remained strong but declined 6% to 1.099 million ounces from 1.169 million ounces in 2009. In contrast, sales of Silver Maple Leaf (SML) coins jumped by 74% to 17.9 million from 10.3 million ounces in 2009. The Mint also sold 25,000 ounces of palladium bullion coins.

The volume of precious metal stored at the Mint in 2010 by institutional customers, refining customers and financial institutions continues to increase.

Sales of gold bullion products (thousands of ounces)
vs. average price of gold (US$ per ounce)



Bullion product revenue
($ in millions)



The Mint's refinery supports the production of the Mint's bullion and numismatic coins with high quality feedstock. In 2010, the volume of precious metals refined increased by 8% to 7.9 million ounces from 7.3 million ounces in 2009 to meet demand for GMLs and SMLs and capture the opportunity created by the flood of jewellery into scrap metal dealers.

Explanation of results

Demand continues to be driven by global economic and financial instability. The gold price climbed almost steadily throughout the year from a low of US$1,058 per troy ounce in February to a peak price of US$1,421 in November, ending the year at US$1,406. The silver price doubled from US$15.14 per troy ounce in February to US$30.70 in December.

Throughout 2009, the Mint focused on capturing as much of the demand for gold bullion as possible due to higher margins, which created pent-up demand for silver bullion. The completion of the Vancouver 2010 Olympic and Paralympic Games coin program and athlete medals early in 2010 released substantial capacity, coupled with improvements in processes and the commissioning of more efficient equipment that expanded production capacity. This increased access to capacity along with the Mint's vertical integration allowed it to meet more of the demand for both GMLs and SMLs.

The price of silver was also driven up by emerging uses for silver such as solar panels and batteries. The recovering industrial demand and investment demand created a shortage of supplies, particularly in the silver markets where it was occasionally difficult to secure adequate supplies during the year.

The increased demand has not been matched by an increase in supply. Primary gold production remained stable and central banks continued to make purchases to rebuild national stocks. Scrap jewellery remains the only growing source of "new" gold.

Outlook

The Mint's bullion business is heavily dependent on sentiments in the marketplace over which it has little control. While the Mint cannot predict when a reversal from the global anxiety of the past two years might occur, it has developed four key strategies that will ensure it continues to capture as large a share of the bullion market as possible:

- Maximize performance from the business line by consistently enhancing efficiencies and capacity;
- Extend the business line through the development of new products and services;
- Increase the volume of precious metals stored; and
- Explore the opportunities to penetrate new markets, particularly India and China.

In support of the business strategies

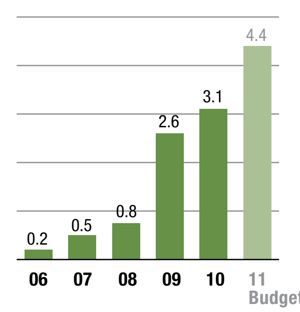
Research and Development Centre of Excellence

The Mint is recognized as one of the leaders in the global minting industry, a position earned through its commitment to research and the development of unique products and cutting-edge technologies, particularly technologies that enhance the security, reduce the cost and improve the endurance of circulation coinage. To maintain its global leadership in innovation and technology, the Mint increased its investment in research and development to $3.1 million in 2010 from $2.6 million in 2009, in addition to $3.0 million in capital expenditures to establish a plating lab and a surface engineer application lab and acquire atomic layer deposition technology, hydraulic coining press and a laser system. The Centre employs 14 engineers whose activities are guided by the Mint's R&D steering committee where priorities are established based on the needs of the four business lines. Most (70%) of the research projects involve enhancements to circulation coin including new security features, new metals for plating, anti-tarnishing materials, faster processes and development of high denomination coins.

The Centre is also responsible for "blue sky" research and the establishment of partnerships with universities, research institutes and industry. In 2010, a partnership was established with SECO/WARWICK to market a high pressure gas quenching process for coining dies. Relationships have also been formed with the University of Alberta and Carleton University.

During 2010, two patent applications were filed for a non-cyanide bronze plating technology and a process for multi-layer plating on an alternative core. The Centre is committed to submitting applications for two patents every year. The capital commitment for R&D in 2011 is $4.4 million.

Research and development expenditures
($ in millions)



Information technology (IT)

During 2010, the Mint's IT department undertook dozens of small projects such as the implementation of video conferencing, an upgrade to Windows 7 and preparations for the upgrade of the ERP core platform in 2010. This required infrastructure improvements such as the installation of additional disk capacity and upgrades to the Mint's database servers.

A comprehensive enterprise risk management (ERM) system was developed and incorporated into the business intelligence system and performance management scorecards. The Mint also updated and formally tested its disaster recovery plans.

Currently, three major developments are planned:
- An upgrade to Version 6 of the Microsoft DAX ERP platform;
- An expansion of ERP to the refinery; and
- A modernization of the human resources management system.

The new ERP platform will be faster, more scalable and offer dozens of new tools to ease the management of the Mint's data. The implementation of ERP in the refinery will provide it with access to the sophisticated management tools that are now available to other divisions and business lines at the Mint. The modernization of the human resources system will address employee management, time and attendance tracking and payroll.

Continuous Improvement (CI)

The production volumes required to meet bullion demand prompted multiple initiatives aimed at accelerating production and increasing productivity. In addition to multiple 5S initiatives in Winnipeg and Ottawa to clean and organize the plants, the Mint provided hundreds of hours of training in *Lean* thinking, tools and methodologies. This included introductory training and 5S+1 training for more than 100 employees. One employee received *Lean* black belt certification. Huddle boards have enhanced daily communications across operations and support teams, delivering increased agility and collaboration that are securing the Mint's culture of continuous improvement. Integrated operational plans, cross-functional improvement teams and shared accountability are just some of the tools and enablers that are being woven into the organizational fabric.

During the year, the Mint's quality and management system – Workplace Intelligence for Systemic Enhancement (WISE) – was strengthened with the adoption of a five-year CI framework. During 2011, the dimensions of this framework will be established with the development of targets related to the Mint's four core objectives—profitability, customer satisfaction, employee satisfaction and corporate social responsibility—and the identification of enablers, attributes and processes that will ensure those targets are met.

CI activities yielded more than $5.7 million in savings and profit improvement for 2010, bringing total savings from CI activities since 2003 to $22.9 million. Major CI activities completed in 2010 include:

- Improved coordination and execution of plating preventive maintenance reduced down time by 44% for savings of $1.8 million and delivered tangible benefits through increased multi-ply plating capacity for domestic and foreign coinage.
- Enhancements in die production and coining have improved the responsiveness and quality of dies and die life, reducing down time required to clean dies by more than 60% for savings of $2.5 million.
- Multiple improvements throughout the silver and gold refining processes have increased health and safety as well as productivity, doubling rough silver refining throughput and saving $106,000.

Marketing and Communications

The Marketing and Communications division is responsible for developing products, brand strategy and awareness, advertising campaigns, market research, developing market segmentation and database customer knowledge, direct marketing and e-marketing campaigns, as well as corporate communications. 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 highlight of 2010 was the Mint's interactive Pavilion during the Vancouver 2010 Olympic and Paralympic Winter Games, a unique experiential marketing concept that showcased the Mint and its products. The Pavilion provided visitors, for the first time, with the opportunity to touch the Olympic and Paralympic athlete medals produced by the Mint; visit the Gold Room to see the 100 kilogram one-million dollar gold coin and touch a 400 ounce gold bar; learn how coins are made; strike a token; interact with a display about the 72 countries for which the Mint has made circulation coins, and exchange the 25-cent coins in their pockets for a Vancouver 2010-themed coin.

The success of the Mint's marketing program is measured in brand awareness and growth in the Mint's customer base. Involvement in the Vancouver 2010 Olympic and Paralympic Winter Games created significant year-over-year increase in the perception of the Mint's coin designs as a reflection of Canada's history, culture and values and the quality of the Mint's products. Growth in the customer base is measured by the number of active customers and frequency of purchase. The Mint is targeting 10% incremental annual growth in the number of active customers with 30% of those customers making more than one purchase in an 18 month period. Both goals were substantially exceeded as the attention of Canadians captured by the Vancouver 2010 coin program was sustained by products such as the one-dollar coins to celebrate the centennials of the Canadian Navy and the Saskatchewan Roughriders as well the 25-cent coin to commemorate the 65th anniversary of the end of the Second World War.

The Mint has developed a marketing strategy based on the three pillars of nature, wildlife and conservation; sports; and Canada's historical milestones and achievements.

In 2010, the Mint expanded its on-line presence through e-marketing initiatives such as a coin exchange program, cross promotion on the websites of partners, and a broader social media presence. The Mint has steadily increased its followers on both English and French Facebook and Twitter properties. Vancouver 2010 proved to be a significant catalyst, doubling connections on Facebook and driving a 10-fold increase in followers on Twitter. Social media builds the Mint's brand internationally through its focus on engagement, acquisition and conversion by echoing messages being delivered through the Mint's traditional communication channels.

An internal communications review was conducted in late 2009 and early 2010 to ensure that the Mint is communicating effectively with its employees by providing the information they require in the most effective format. Key learnings from the review are being applied across the Corporation.

In 2011, the Mint will participate in the Rick Hansen Foundation recreation of the Man in Motion tour by producing the medal that participants will carry across Canada. The relay will begin in Newfoundland in August, 2011 and conclude at BC Place in May, 2012. Participation in this event offers the Mint an opportunity to touch thousands of Canadians in hundreds of communities.

Human Resources

Employment at the Mint peaked in June 2010 at 994 permanent and temporary employees in mid-summer with the hiring of an unprecedented number of summer students. Employment subsequently declined to 875 at the end of 2010 compared to 904 at the end of 2009. Wages and benefits increased to $67.8 million from $59.7 million in 2009.

Employment in Ottawa increased to meet the increase in demand for bullion, but declined by 60 employees in Winnipeg due to challenges related to the timing of some foreign contracts. Spending on training increased 71.1% to $1.7 million in 2010 from $994,000 in 2009, representing 2.7% of payroll. During the year training focused on research and development, leadership, teamwork, health and safety, continuous improvement, succession plans and information technology.

For the fifth consecutive year, the Mint was identified as one of the Top Employers in the National Capital Region. This special designation recognizes the Mint as offering an exceptional place to work in the Ottawa region.

Close to 65% of the Mint's employees are represented by the Amalgamated Transit Union (ATU) and the Public Service Alliance of Canada (PSAC). A priority in 2011 is collective bargaining to renew the agreements that expired on December 31, 2010.

Other strategic priorities include the implementation of the Mint's succession plan for key positions and developing talent. The Mint is also reviewing integrated solutions for managing human resources functions including payroll, timesheets and attendance.

Health and Safety

Protection of people and the environment is a core value of the Mint and the responsibility of every employee. The Health, Safety, Security and Environment (HSSE) department is responsible for ensuring the health and safety of the Mint's employees, the security and the protection of corporate assets.

In Winnipeg, the lost-time injuries frequency rate increased to 4.06 from 3.40 in 2009. The severity rate increased to 44.64 from 41.13 in 2009. During the year, the plant conducted 1,892 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 lost-time injuries frequency rate decreased to 1.77 from 2.40 in 2009. The severity rate increased to 6.72 from 4.62 in 2009. To improve health and safety conditions in Ottawa, cautionary signs around equipment have been replaced and machine guarding improved.

During 2010, the Mint created an intranet site where new policies related to health and safety and the environment are posted for employees along with links to legislation, information about the health and safety committees as well as related procedures and program. The new Health and Safety Policy establishes clarity around roles and responsibilities at the Mint. A formal Hazard Prevention Program was developed for implementation in 2011. This is a comprehensive program that documents the risks inherent in every job and 29 procedures related to hazard prevention. Many of the components existed prior to 2010 but now exist in one location, with roles and procedures more clearly defined.

Environment

The new environmental policy recognizes that protection of the environment and sustainable use of resources and energy are essential for the well being of future generations and are entrenched in the organizational values and principles of the Mint. Within this policy, the Mint is committed to minimizing and eliminating, where possible, the impacts of its operations on the environment.

Environmental initiatives in Ottawa in 2010 included:

- Replacement of the Cottrell electrostatic precipitator, a system designed to remove particulate matter from the furnaces' emission stream. The investment has yielded a 54% reduction in the amount of particulate matter discharged into the atmosphere.
- Installation of a new waste water treatment process in the refining operation launched in 2010 for completion in 2011. The system is designed to treat 5,000 to 7,000 litres a day of liquid waste generated by the refinery rather than being removed and treated externally.
- Stainless steel water bottles were distributed to all employees to reduce waste from paper cups or bottled water.
- Automated duplex printing was implemented on all printers.

Environmental initiatives undertaken in Winnipeg in 2010 included:

- The installation of energy efficient parking lot controllers. All 257 parking stalls were equipped with technology that will reduce the facility's parking lot energy consumption by 50% by automatically adjusting the amount of electricity provided to the car plugs with changes in temperature. The Mint received a $12,900 rebate from the Manitoba Hydro Incentive Project for the project.
- The area used for light duty vehicle delivery and parking has been designated as an idle-free zone to reduce carbon dioxide (CO2) emissions.
- Completion of an energy audit of the facility. Recommendations from the audit are planned for implementation in 2011.

The Green Committees, which are led by employees from different functional areas at both facilities, promoted participation in national and international events such as the Commuter Challenge and Earth Hour to promote environmental awareness.

Corporate Social Responsibility (CSR)

During 2010, the Mint took the first steps in establishing a comprehensive corporate social responsibility framework. Existing plans and initiatives related to the Mint's values, community giving, environmental performance, health and safety, ethics/human rights and governance were reviewed. During 2011, the Mint will identify and validate key stakeholders, consult with employees, determine CSR pillars and priorities, and develop a CSR vision, budget and reporting framework. It is anticipated the CSR framework will be implemented by the end of the year.

International Financial Reporting Standards (IFRS)

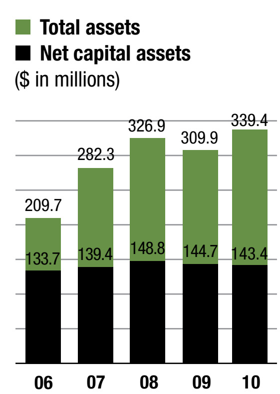
The Canadian Accounting Standards Board has announced that all publicly-accountable Canadian reporting entities will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The Corporation is a publicly accountable enterprise and will adopt IFRS. The Corporation is currently finalizing the impact of the adoption of these new standards and the adjustments on transaction date as at January 1st, 2010.

The Corporation expects the most significant impact of IFRS to originate from the application of the sections pertaining to Property, Plant and Equipment and Employee Benefit.

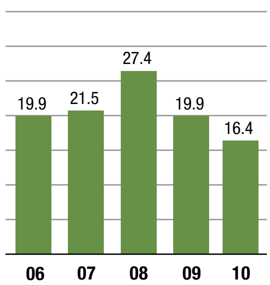
Liquidity and capital resources

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 recent capital expenditures without incurring debt. Inventory balances increased to $84.7 million at the end of 2010 from $55.2 million at the end of 2009. The Mint's current ratio has improved to 2.90:1 from 2.34:1 at the end of 2009.

By December 31, 2010, the Mint had reduced total outstanding long-term loans to $12 million reducing the Mint's debt-to-equity ratio to 0.42:1 from 0.48:1 at the end of 2009. 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

Net capital expenditures declined to $16.4 million from $19.9 million in 2009. The most significant projects included:

- Renovations to the second and third floor offices in Ottawa launched in 2010 with completion anticipated in 2011 ($4.7 million).
- Replacement of the refinery ventilation system with a venturi scrubber system (launched in 2009 with completion in 2010 ($1.3 million). The new system is more reliable, more efficient and requires less space.
- Completion of the new continuous casting and rolling mill ($5.5 million) and purchase of a new blanking press ($278,000). The commissioning of the automatic check-weight equipment ($92,000) in Ottawa. This investment increased the capacity of the Ottawa facility by 102% and was instrumental in meeting the extraordinary demand for bullion products. It also increased the Mint's capacity to produce precious metal blanks for the foreign market.
- In Winnipeg, two more vision inspection machines were acquired to inspect coins at high speed, particularly important for quality control when producing coloured, bimetal and multi-shape coins ($497,000) and a wet deburr machine.
- In Ottawa, every aspect of die production and engraving was modernized and refurbished from the installation of new floors to die polishing stations ($450,000). This has increased throughput by 54% to 100 dies per week by the end of 2010 from an average 65 dies in 2009. It also increased die life by 10%. Engineering studies have been undertaken to complete the refurbishment of every aspect of manufacturing within the Ottawa facility, including the refinery.
- Enhancements to the capabilities of the Research and Development Centre of Excellence continued with the purchase of a laser, a press and anti-tarnishing equipment. This equipment was delivered in 2010 for installation in 2011.

The upgrades to equipment in Ottawa along with changes in various processes allowed the Mint to decrease a negative variance of $992,000 from established manufacturing standards in 2009 to $119,000 in 2010. This confirms the efficiencies achieved in both labour and metal consumption through astute capital expenditures and continuous improvement.

Major expenditures planned for 2011 include:

- The expansion over the next two years of the Winnipeg facility's plating capacity at a cost of approximately $60 million. This expansion has been approved by the Mint's Board of Directors, but is awaiting final approval by the federal government.
- A renewal of the Ottawa plant to enhance capacity and support new initiatives.
- The Mint's business intelligence and ERP system will be installed in the refinery ($1.5 million).
- A modernization of the human resources management system to upgrade the Mint's ability to track time and attendance and manage payroll.
- The capabilities of the Research and Development Centre of Excellence will be further enhanced with the establishment of a trial plating line and advanced material science lab.
- Installation of six hydraulic coining presses ($350,000) with a substantially smaller footprint than the aged mechanical presses. These new presses will extend die life, lower reject rates, improve the quality of the finished product and enhance health and safety while requiring less maintenance.
- Implementation of a new waste water treatment facility to reduce the quantity of waste produced by the refinery that must be trucked to landfills and improve health and safety in the plant and reduce costs.
- Implement the recommendations in an energy audit of the Winnipeg facility.

Every capital expenditure at the Mint over $250,000 must meet the Mint's strict return on investment (ROI) expectations.

Risks to performance

The Mint's business environment is influenced by a number of factors, including competitive pressures, economic conditions and volatility in financial and commodity markets. To manage these risks, the Mint employs risk management processes and techniques to support the achievement of business objectives.

In 2010, the Mint implemented an Enterprise Risk Management (ERM) system to establish a more robust approach to managing risk, including identification, assessment, monitoring and management of key risks. An ERM committee consisting of the Mint's senior officers meets quarterly to review risk issues and maintain oversight. ERM has also been integrated into the strategic planning process.

Through this process, the following risks have been identified as particularly relevant in the current operating context.

Capacity management

Balancing capacity and unpredictable demand, while preserving financial performance, is a challenge inherent in the Mint's business. Plating capacity is constrained relative to anticipated market opportunity in foreign coinage; bullion and refinery demand remains very strong. Managing this risk requires capital investment to expand capacity, increase production flexibility, meet customer expectations while maintaining quality and enable growth.

Economic

There is a risk that global economic conditions will limit the execution of the Mint's strategy and/or present temporary opportunities that could be exploited. The risks that such challenges and opportunities pose to established plans and forecasts are constantly monitored and assessed. Economic trends are evaluated periodically, the potential impact assessed and necessary mitigating actions identified and taken if necessary.

Bullion demand volatility

Volatility in bullion demand presents challenges to the management of the Mint's operations, infrastructure and financial performance. In order to address this risk, forecasts are monitored frequently and assessed relative to operational factors. To reduce the impact of volatility in bullion demand, opportunities in the Mint's other business lines are being pursued, including expansion into new geographies and markets, precious metal storage and exchange-traded receipts.

Base and precious metal prices

The Mint purchases precious metals, including gold, silver, platinum and palladium for use in bullion and numismatic coins as well as base metals and alloys in the production of domestic and foreign coins. Exposure to volatility in metal prices is mitigated by matching the timing of purchase and sales, contractually transferring price risk to suppliers, hedging strategies and/or natural hedges inherent in business activities.

Foreign exchange risk

A substantial portion of the Mint's revenues and costs are denominated in foreign currencies, creating exposure to foreign exchange risk. The Mint mitigates this risk through natural currency hedges and financial instrument hedges.

Outlook

The Mint cautiously anticipates a continuation of the economic environment that has persisted since 2008. This could suppress demand for circulation coinage and numismatic products but continue to support demand for bullion. Given the uncertainty, the Mint will continue to focus on building its core businesses through innovation and continuous improvement while seeking new business opportunities.

The most important sources of growth are:

- Growth in the Mint's share of the foreign circulation coinage market to 15% from approximately 9.5% today. 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. Sharing both vision and technical capabilities with suppliers of equipment and services to increase capacity, develop new products and, potentially, launch partnerships to market innovations internationally.
- The development of an Exchange-Traded Receipts business to expand its menu of bullion products.

The Mint is also closely monitoring the development of e-payments and security issues around e-commerce. Demonstrating leadership, the Mint facilitated the keynote panel discussion on the Future of Money at the 2010 Mint Directors Conference (MDC) in Canberra, Australia. In addition, the Mint is an active participant on the MDC Future of Money Committee and continues to be supportive of the independent Task Force for Payment Systems Review, launched by the Department of Finance in 2010. As issues of efficiency, economy, innovation and security come to the forefront in e-payments, the Mint is leveraging its over 100 years of trusted expertise in providing physical currency to help the industry address those challenges. This is especially true of high-volume, low-value transactions (including micro and nano transactions) that are so natural for coinage, but for which most popular e-payment vehicles are not designed.

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
March 15, 2011

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 2010, 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, John Bell, Bonnie Staples-Lyon and Claude Bennett. 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

INDEPENDENT AUDITOR'S REPORT

To the Minister of Transport, Infrastructure and Communities

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Royal Canadian Mint and its subsidiary, which comprise the consolidated balance sheet as at 31 December 2010, and the consolidated statement of operations and retained earnings, the consolidated statement of comprehensive income, and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Royal Canadian Mint and its subsidiary as at 31 December 2010, and the results of their operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, Canadian generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Royal Canadian Mint and 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 Royal Canadian Mint and the charter and by-laws of its wholly-owned subsidiary.

Sheila Fraser

Sheila Fraser, FCA
Auditor General of Canada

15 March 2011
Ottawa, Canada

Consolidated balance sheet

as at December 31 (in thousands of dollars)

	2010	2009
Assets		
Current		
Cash and cash equivalents (note 4)	**$ 86,045**	$ 76,956
Accounts receivable, net (note 5)	**19,719**	29,939
Prepaid expenses	**909**	1,663
Income taxes receivable	**2,548**	–
Inventories (note 6)	**84,672**	55,172
Derivative related assets (note 8)	**1,785**	1,054
	195,678	164,784
Derivative related assets (note 8)	**306**	352
Property, plant and equipment (note 9)	**143,379**	141,840
Intangibles (note 10)	**–**	2,908
	$ 339,363	$ 309,884
Liabilities		
Current		
Accounts payable and accrued liabilities (note 11)	**$ 49,613**	$ 47,165
Current portion of loans and other payables (note 12)	**1,506**	5,169
Income taxes payable	**–**	8,778
Deferred revenues	**14,465**	5,411
Derivative related liabilities (note 8)	**1,907**	3,803
	67,491	70,326
Long-term		
Loans and other payables (note 12)	**10,468**	11,972
Future tax liabilities (note 13)	**11,544**	7,254
Employee future benefits (note 14)	**11,207**	10,421
	33,219	29,647
Shareholder's equity		
Share capital (authorised and issued, 4,000 non-transferable shares)	**40,000**	40,000
Retained earnings	**198,363**	171,612
Accumulated other comprehensive income (note 15)	**290**	(1,701)
	198,653	169,911
	238,653	209,911
	$ 339,363	$ 309,884

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)

	2010	2009
Revenues	$ 2,209,577	$ 2,034,106
Cost of goods sold	2,050,425	1,847,307
Gross profit	159,152	186,799
Other operating expenses		
Marketing and Sales	50,939	57,755
Administration	45,048	39,543
Amortization	15,836	22,992
	111,823	120,290
Income from operations	47,329	66,509
Net foreign exchange gain (loss)	(1,251)	3,855
Interest income	811	443
Interest expense	(369)	(2,208)
Income before income tax	46,520	68,599
Income tax expense (note 13)	(12,769)	(19,486)
Net income	33,751	49,113
Retained earnings, beginning of year	171,612	127,499
Dividend paid	(7,000)	(5,000)
Retained earnings, end of year	$ 198,363	$ 171,612

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)

	2010	2009
Net income	$ 33,751	$ 49,113
Other comprehensive income:		
Gains (losses) on derivatives designated as cash flow hedges net of income taxes of $102 (2009 – $578)	243	(1,383)
Prior year loss (gains) losses on derivatives designated as cash flow hedges transferred to net income in the current year	1,748	(18,538)
Other comprehensive income for the year	1,991	(19,921)
Comprehensive income	$ 35,742	$ $ 29,192

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)

	2010	2009
Cash flows from operating activities		
Cash receipts from customers	**$ 2,228,261**	$ 2,048,537
Cash paid to suppliers and employees	**(2,189,390)**	(2,038,077)
Interest received	**811**	443
Interest paid	**(374)**	(2,326)
Net proceeds on sale of derivatives	**15,257**	129,966
Income taxes paid	**(19,805)**	(19,856)
	34,760	118,687
Cash flows from investing activities		
Purchase of property, plant and equipment	**(16,406)**	(19,943)
	(16,406)	(19,943)
Cash flows from financing activities		
Dividend paid	**(7,000)**	(5,000)
Repayment of loans and other payables	**(2,265)**	(26,039)
	(9,265)	(31,039)
Net increase in cash and cash equivalents	**9,089**	67,705
Cash and cash equivalents at the beginning of year	**76,956**	9,251
Cash and cash equivalents at the end of year (note 4)	**$ 86,045**	$ 76,956

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

Notes to consolidated financial statements

December 31, 2010

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. 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 net realizable value, 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 over their estimated useful lives. The Corporation reviewed the estimated useful life of the property, plant and equipment as at December 31st, 2010 and made the changes to the useful lives of certain production equipment. The changes will be applied in the current and future periods.
The effect of this change is disclosed in note 9. The estimated useful life of the asset as at December 31st, 2010 is as follows:

Land improvements	40 years
Buildings	40 years
Equipment	5–25 years
Hardware and Software	5 years

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. As at December 31st, 2010, the corporation's right to use the Olympic trademarks and logos expired, therefore the associated intangibles were fully amortized.

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 (2009 – 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 as at 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 principle balance of the debt and are amortized using the effective interest rate method.

EIC173 "Financial Instruments-Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" 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. The Corporation calculated the impact of EIC173 as at December 31, 2010 and determined that the impact was insignificant.

o) Asset retirement and decommissioning obligations

Asset retirement obligations are legal obligations associated with the retirement of property, plant and equipment when the obligation arises from the acquisition, construction, development or normal operation of the assets. When it is considered probable that a liability exists, the Corporation will recognize such liability in the period in which they are incurred if a reasonable estimate of fair value can be determined. The liability will be initially measured at fair value, and will be subsequently adjusted each period to reflect the passage of time through accretion expense and any changes in the estimated future cash flows underlying the initial fair value measurement. The associated costs will be capitalized as part of the carrying value of the related asset and amortized over the remaining life.

The Corporation will keep monitoring new statutory or regulatory requirements which may impose new asset retirement obligation. In such circumstances, the liability will be recognized when the obligation is first imposed.

3. New accounting standards

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 finalizing the impact of the adoption of these new standards and the adjustments on transaction date as at January 1st, 2010. Financial Statement draft is also in progress.

The Corporation is closely monitoring and evaluating the impact of the news releases made by the International Accounting Standards Board ("IASB") including amendments to IFRS standards, improvements to IFRS and exposure drafts.

4. Cash and cash equivalents

As at December 31, 2010, cash and cash equivalents included:

(in thousands of dollars)

	2010		2009	
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**$ 80,532**	**$ 80,532**	$ 76,306	$ 76,306
US dollars	**5,543**	**5,513**	616	650
		$ 86,045		$ 76,956

Cash and cash equivalents included no investments in 2010 or 2009.

5. Accounts receivable, net

As at December 31, 2010, accounts receivable included:

(in thousands of dollars)

	2010		2009	
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**$ 5,282**	**$ 5,282**	$ 18,679	$ 18,679
US dollars	**14,732**	**14,437**	10,670	11,260
		$ 19,719		$ 29,939

6. Inventories

As at December 31, 2010, inventory included:

(in thousands of dollars)

	2010	2009
Raw materials and supplies	**$ 42,051**	$ 14,279
Work in process	**19,801**	18,671
Finished goods	**22,820**	22,222
	$ 84,672	$ 55,172

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 2010 is $2.05 billion (2009 – $1.8 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. The debt (loans) to equity ratio is 0.05:1 for 2010 and the debt (loans) to total assets ratio is 0.04:1 for 2010.

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, 2009.

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)

		2010		2009	
Financial Assets and Liabilities	Classification	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	Held for Trading	**$ 86,045**	**$ 86,045**	$ 76,956	$ 76,956
Accounts receivable	Loans and receivables	**19,719**	**19,719**	29,939	29,939
Derivative related assets (current)	Held for trading	**1,785**	**1,785**	1,054	1,054
Derivative related assets (non-current)	Held for trading	**306**	**306**	352	352
Accounts payable and accrued liabilities	Other liabilities	**49,613**	**49,613**	47,165	47,165
Current portion of loans and other payables	Other liabilities	**1,506**	**1,506**	5,169	5,169
Derivative related liabilities (current)	Held for trading	**1,907**	**1,907**	3,803	3,803
Loans and other payables (non-current)	Other Liabilities	**10,468**	**10,470**	11,972	11,983

The Corporation did not have any held-to-maturity financial assets during the years ended December 31, 2010 or 2009.

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) At December 31, the fair values of loans and other payables amounts to $12 million ($17.1 million in 2009) and has been estimated based on a discounted cash flow approach using current market rates.

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)

		2010		2009
Financial assets held for trading:				
Interest income earned on cash and cash equivalents	**$**	**568**	$	379
Financial liabilities:				
Interest expense on loans and other payables	**$**	**358**	$	2,080

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)

		2010		2009
North America	**$**	**7,366**	$	16,621
Central America and Caribbean		**6,605**		321
South America		**53**		2,066
Europe		**406**		2,372
Africa		**1,881**		296
Asia		**2,480**		647
Australia		**928**		7,616
	$	**19,719**	$	29,939

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

(in thousands of dollars)

		2010		2009
Governments (including governmental departments and agencies)	**$**	**8,850**	$	14,035
Banking institutions		**5,880**		9,265
Consumers, dealers and others		**4,989**		6,639
	$	**19,719**	$	29,939

At December 31, 2010, three customers represented 54% of the total receivable balance of which 31% is from the Panama Ministry of Economics and Finance, 13% is from Canada Post Corporation and 10% is from the National Bank of Ethiopia.

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.

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, 2010 was:

(in thousands of dollars)

	2010		2009	
	Accounts Receivable	**Allowance for doubtful accounts**	Accounts Receivable	Allowance for doubtful accounts
Current				
0–30 days	**$ 16,079**	**$ –**	$ 15,430	$ –
30–60 days	**1,864**	**–**	3,670	–
60–90 days	**642**	**–**	251	–
90–120 days	**671**	**–**	2,469	–
Over 120 days	**615**	**152**	9,247	1,128
Total	**$ 19,871**	**$ 152**	$ 31,067	$ 1,128
Net		**$ 19,719**		$ 29,939

The change in the allowance for doubtful accounts receivable during the year ended December 31, 2010 was a decrease of $1.0 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, 2010:

(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	$ (49,613)	$ (49,613)	$ (49,613)	$	$	$
Loans and other liabilities	(34,719)	(34,719)	(1,500)	(13,906)	(7,086)	(12,227)
Interest on loans payables	(6)	(6)	(6)	–	–	–
Derivative instruments:						
Commodity swaps						
Cash inflow (outflow)	(1,102)	10,343	10,343	–	–	–
Foreign currency forwards						
Cash inflow (outflow)	1,216	13,542	8,796	4,746	–	–

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	$	5,513	$	–	$	–
Accounts Receivable		14,437		–		–
Accounts payable and accrued liabilities		(1,971)		(132)		–
Gross balance sheet exposure excluding financial derivatives		17,979		(132)		–
Estimated forecasted sales		35,300		–		–
Estimated forecasted purchases		(18,792)		(4,485)		(46)
Gross exposure		34,487		(4,617)		(46)
Forward exchange contracts		(29,264)		5,379		–
Net exposure	$	5,223	$	762	$	(46)

Based on the net exposures as at December 31, 2010, 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)

				2010
		Other Comprehensive Income		**Net Income**
US dollars	**$**	**(573)**	**$**	**205**
Euro		**–**		**(54)**
GBP		**–**		**3**

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, 2010 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 $12 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 $ 0.2 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 Corporations 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)

			2010		2009
	Maturities	**Notional**	**Fair-Value**	Notional	Fair-Value
Assets					
Current:					
Commodity swaps	**2011**	**$ 1,997**	**$ 612**	$ –	$ –
Foreign currency forwards	**2011**	**20,439**	**1,044**	12,936	779
Interest rate swap	**2011**	**1,500**	**9**	1,500	35
Long-term:					
Foreign currency forwards	**2012**	**4,746**	**245**	1,175	67
Interest rate swap	**2012**	**10,500**	**61**	12,000	278
Total		**$ 39,182**	**$ 1,971**	$ 27,611	$ 1,159

(in thousands of dollars)

			2010		2009
	Maturities	**Notional**	**Fair-Value**	Notional	Fair-Value
Liabilities					
Current:					
Commodity swaps	**2011**	**$ 8,690**	**$ 1,714**	$ 13,311	$ 3,638
Total		**$ 8,690**	**$ 1,714**	$ 13,311	$ 3,638

The gains on derivatives designated as cash flow hedges will be reclassified from accumulated other comprehensive income to net income during the periods when the hedged gains are recorded. The amounts will be reclassified to revenues over periods up to 2 years of which approximately $0.05 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)

			2010		2009
	Maturities	**Notional**	**Fair-Value**	Notional	Fair-Value
Assets					
Current:					
Foreign currency forwards	**2011**	**$ 10,818**	**$ 120**	$ 8,111	$ 240
Long-term:					
Foreign currency forwards		**–**	**–**	298	7
Total		**$ 10,818**	**$ 120**	$ 8,409	$ 247
Liabilities					
Current:					
Foreign currency forwards	**2011**	**$ 8,287**	**$ 193**	$ 11,444	$ 165
Total		**$ 8,287**	**$ 193**	$ 11,444	$ 165

For the year-ended December 31, 2010, the amounts recorded in the statement of operations resulting from the net change in fair value of the derivative instruments not designated as hedges amount to a loss of $0.07 million (2009 – gain of $0.08 million). These amounts are included in net foreign exchange gain (loss).

d) Fair value hierarchy

The following table 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)

				2010				2009
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Derivative financial assets								
Commodity swaps	**$ –**	**$ 612**	**$ –**	**$ 612**	$ –	$ –	$ –	$ –
Foreign currency forwards	**–**	**1,410**	**–**	**1,410**	–	1,093	–	1,093
Interest rate swaps	**–**	**69**	**–**	**69**	–	313	–	313
Total	**$ –**	**$ 2,091**	**$ –**	**$ 2,091**	$ –	$ 1,406	$ –	$ 1,406
Derivative financial liabilities								
Commodity swaps	**$ –**	**$ (1,714)**	**$ –**	**$ (1,714)**	$ –	$ (3,638)	$ –	$ (3,638)
Foreign currency forwards	**–**	**(193)**	**–**	**(193)**	–	(165)	–	(165)
Interest rate swaps	**–**	**–**	**–**	–	–	–	–	–
Total	**$ –**	**$ (1,907)**	**$ –**	**$ (1,907)**	$ –	$ (3,803)	$ –	$ (3,803)

9. Property, plant and equipment

(in thousands of dollars)

			2010	2009
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	**$ 3,226**	**$ –**	**$ 3,226**	$ 3,226
Land improvements	**1,103**	**875**	**228**	158
Buildings	**95,237**	**38,405**	**56,832**	56,156
Equipment	**171,685**	**102,923**	**68,762**	69,596
Hardware and software	**34,163**	**26,132**	**8,031**	9,728
Uncompleted capital projects	**6,300**	**–**	**6,300**	2,976
	$ 311,714	**$ 168,335**	**$ 143,379**	$ 141,840

The Corporation reviewed the estimated useful life of property, plant and equipment as at December 31st, 2010 and made changes to the useful lives of certain production equipment. The impact of this change is a decrease in depreciation for 2010 of $3.2 million and a total decrease of $12.2 million in depreciation for the next five years (2011 – 2015).

10. Intangibles

(in thousands of dollars)

	2010			2009
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Intangibles	**$ –**	**$ –**	**$ –**	$ 2,908

As at December 31st, 2010, the corporation's right to use the Olympic trademarks and logos expired, therefore the associated intangibles were fully amortized.

11. Accounts payable and accrued liabilities

As at December 31, 2010 accounts payable and accrued liabilities included:

(in thousands of dollars)

	2010		2009	
	Original currency	**Canadian dollars**	Original currency	Canadian dollars
Canadian dollars	**$ 47,511**	**$ 47,511**	$ 46,026	$ 46,026
US dollars	**1,982**	**1,971**	1,079	1,139
European Euros	**99**	**131**		–
Total		**$ 49,613**		$ 47,165

12. Loans and other payables

(in thousands of dollars)

	2010	2009
10 year, $15 million Bankers' Acceptance/Interest rate swap loan bearing interest at 2.67%. 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 $1.5 million per year for 10 years.	**$ 11,968**	$ 13,488
Non-interest bearing long term payable, maturing in March 2010 that has been recorded at the present value of the future payments of $3.1 million due in 2009 and $3.7 million due in 2010 and using an imputed interest rate of 4.0%.	**–**	3,642
Accrued interest on long-term debt	**6**	11
	11,974	17,141
Less the current portion of long-term debt	**1,506**	5,169
	$ 10,468	$ 11,972

13. Income taxes

(in thousands of dollars)

		2010		2009
Current income tax expense	**$**	**9,226**	$	16,948
Future income tax expense		**3,543**		2,538
	$	**12,769**	$	19,486

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 28% (2009 – 29%). The reasons for the differences are as follows:

(in thousands of dollars)

		2010		2009
Computed tax expense	**$**	**13,321**	$	19,240
Other net amounts		**(552)**		246
	$	**12,769**	$	19,486

The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities in 2010 and 2009 are presented below:

(in thousands of dollars)

		2010		2009
Future tax assets:				
Employee future benefits	**$**	**2,967**	$	2,856
Inventories		**–**		280
Derivative related assets		**–**		791
		2,967		3,927
Future tax liability:				
Capital assets		**(14,372)**		(10,987)
Derivative related assets		**(46)**		(96)
Investment tax credits		**(93)**		(98)
Net future tax liability		**(11,544)**		(7,254)
Included in Other Comprehensive Income		**46**		(700)
Future tax liability	**$**	**(11,498)**	$	(7,954)

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 $9.7 million (2009 – $7.6 million). The Employee's contributions to the Public Service Pension Plan for the year were $4.3 million (2009 – $3.7 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)

	2010	2009
Accrued benefit obligation		
Balance at beginning of year	**$ 12,545**	$ 11,715
Current service cost	**988**	826
Interest cost	**623**	660
Benefits paid	**(1,262)**	(921)
Actuarial losses/(gain)	**(309)**	1,616
Past service costs	**–**	(1,351)
Balance at end of year	**$ 12,585**	$ 12,545
Accrued benefit obligation at end of the year	**$ 12,585**	$ 12,545
Unamortized net actuarial losses	**(714)**	(1,119)
Accrued benefit liability at end of year	**$ 11,871**	$ 11,426
Short term portion (accounts payable and accrued liabilities)	**664**	1,005
Long term portion (employee future benefits)	**11,207**	10,421

Significant Assumptions (weighted average)

	2010	2009
Accrued benefit obligation as of December 31:		
Discount rate	**5.1%**	5.3%
Rate of compensation increase	**4.3%**	4.4%
Benefit costs for year ended December 31:		
Discount rate	**5.3%**	5.4%
Rate of compensation increase	**4.4%**	4.4%
Assumed health care cost trend rates at December 31:		
Initial health care cost trend rate	**6.5%**	6.5%
Cost trend rate declines to	**6.5%**	6.5%
Year that the rate reaches the rate it is assumed to remain at	**2011**	2010

15. Accumulated other comprehensive income

As at December 31, 2010, other comprehensive income included:

(in thousands of dollars)

		2010		2009
Accumulated other comprehensive income beginning of year	**$**	**(1,701)**	$	18,220
Other comprehensive income		**1,991**		(19,921)
Accumulated other comprehensive income end of year	**$**	**290**	$	(1,701)

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, 2010, the Corporation did not have any purchase commitments outstanding (2009 – $1.2 million). In addition, at the end of the year, the Corporation had entered into precious metal leases for 456,780 ounces of gold and 6,043,173 ounces of silver (2009 – 439,088 ounces of gold; 4,376,662 ounces of silver). 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, 2010, under the guarantees and bid bonds, the maximum potential amount of future payments is $8.4 million (2009 – $10.3 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, 2010, approved short-term borrowings for working capital within this limit, were not to exceed $25.0 million (2009 – $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, 2010 these future commitments total $280 million. These commitments will be completed by Dec 2015 (2011 – $265.8M, 2012 – $11.1M, 2013 – $3.4M, 2014 – $0.08M, 2015 – $0.04M)

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.

Statistics

Table 1 – Canadian circulation coinage

Production in 2008, 2009 and 2010 [1]

	2010 Total Pieces	2009 Total Pieces	2008 Total Pieces
Coinage dated 2007			
$2	**–**	–	1,260,000
$1	**–**	–	180,000
50¢	**–**	–	61,000
25¢	**–**	–	3,360,000
10¢	**–**	–	6,325,000
5¢	**–**	–	6,888,000
1¢	**–**	–	32,725,000
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	**4,230,000**	38,430,000	–
$1	**–**	39,601,000	–
50¢	**–**	150,000	–
25¢	**3,520,000**	266,766,000	–
10¢	**4,125,000**	369,600,000	–
5¢	**504,000**	266,280,000	–
1¢	**555,000**	455,680,000	–
Coinage dated 2010			
$2	**3,990,000**	–	–
$1	**24,460,000**	–	–
50¢	**150,000**	–	–
25¢	**58,685,000**	–	–
10¢	**146,575,000**	–	–
5¢	**59,976,000**	–	–
1¢	**485,645,000**	–	–
Total (all dates)			
$2	**8,220,000**	38,430,000	18,400,000
$1	**24,460,000**	39,601,000	29,561,000
50¢	**150,000**	150,000	211,000
25¢	**62,205,000**	266,766,000	387,222,000
10¢	**150,700,000**	370,700,000	467,495,000
5¢	**60,480,000**	266,448,000	278,530,000
1¢	**486,200,000**	455,680,000	820,350,000
Total	**792,415,000**	1,437,775,000	2,001,769,000

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

Table 2 – Canadian circulation coinage

Cumulative production up to December 31, 2010 [1] [2]

	2010	2009	2008	2007	2006
$2	**3,990,000**	42,660,000	17,140,000	35,177,000	35,319,000
$1	**24,460,000**	39,601,000	29,381,000	36,604,000	49,111,000
50¢	**150,000**	150,000	150,000	311,000	98,000
25¢	**58,685,000**	270,286,000	383,862,000	234,132,000	629,018,000
10¢	**146,575,000**	373,725,000	462,270,000	290,635,000	331,647,000
5¢	**59,976,000**	266,784,000	271,810,000	225,802,000	184,874,000
1¢	**485,645,000**	456,235,000	787,625,000	879,145,000	1,261,883,000

[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

Canadian circulation coinage issued in 2010[1] – Geographic distribution[2]

Province City [3]	**$2**	**$1**	**50¢**	**25¢**	**10¢**	**5¢**	**1¢**
Newfoundland and Labrador							
St. John's	291,000	979,000	–	1,308,000	4,187,000	1,810,000	11,918,000
New Brunswick							
Saint John	1,222,000	1,075,000		3,416,000	4,418,000	2,876,000	12,957,000
Nova Scotia							
Halifax	121,000	477,000	–	2,198,000	6,637,000	4,010,000	26,705,000
Quebec							
Montreal	313,000	1,321,000	–	14,110,000	12,978,000	4,880,000	23,435,000
Quebec City	2,824,000	1,113,000		9,388,000	6,935,000	3,206,000	11,465,000
Ontario							
Ottawa	1,554,000	3,257,000	–	10,938,000	13,315,000	10,418,000	47,252,000
Toronto	9,242,000	9,950,000	–	8,933,000	99,000,000	58,878,000	292,710,000
Manitoba							
Winnipeg	122,000	2,031,000	–	1,760,000	7,732,000	4,344,000	28,580,000
Saskatchewan							
Regina	840,000	2,387,000	–	4,806,000	5,888,000	3,578,000	24,258,000
Alberta							
Calgary	427,000	1,415,000	–	2,466,000	3,365,000	686,000	9,255,000
Edmonton	2,278,000	4,909,000	–	9,570,000	16,718,000	8,648,000	53,215,000
British Columbia							
Vancouver	4,038,000	4,525,000	–	13,370,000	19,232,000	11,972,000	100,260,000
Sundry persons [4]	68,000	1,507,000	150,000	16,176,000	263,000	1,538,000	1,955,000
Total	23,340,000	34,946,000	150,000	98,439,000	200,668,000	116,844,000	643,965,000

[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, 2009 bearing the dates 2009 and 2010 [(1)]

	2010 Quantity
100th Anniversary of the Canadian Navy $1 Circulation 5-Pack	37,862
100th Anniversary of the Canadian Navy $1 circulation coin	10,085
125th Anniversary of the Banff National Park of Canada $250 Silver Coin	525
125th Anniversary of the Banff National Park of Canada $2500 Gold Coin	20
14-Karat Gold Maple Leaf 4-Coin Set – Four Seasons	587
400th Anniversary of the Discovery of Hudson Bay $100 14-Karat Gold Coin	2,123
50¢ Special Wrap Circulation Roll	6,000
75th Anniversary of Canada's Voyageur Silver Dollar Limited Edition Proof Set	4,996
75th Anniversary of Canada's Voyageur Silver Dollar Limited Edition Proof Silver Dollar	7,494
75th Anniversary of the First Bank Notes Issued by the Bank of Canada $10 Fine Silver Coin	6,818
75th Anniversary of the First Bank Notes Issued by the Bank of Canada $20 Fine Silver Coin	6,720
75th Anniversary of the First Bank Notes Issued by the Bank of Canada 5oz Gold Coin	191
75th Anniversary of the First Bank Notes Issued by the Bank of Canada 5oz Silver Coin	1,991
Albertosaurus 50-cent Lenticular Coin	14,325
Baby Gift Set	27,048
Barn Owl $3 Square Coin	10,578
Birthday Gift Coin	8,751
Blessings of Strength $150 Pure Gold Coin	765
Blue Jay 25-cent Coloured Coin	13,965
Blue Whale Canada Post Joint Set	9,717
Brillant Uncirculated Dollar	12,946
British Columbia Provincial Coat of Arms $300 Gold Coin	421
Canadian Tire Hockey Medallion	1,073
Canadian Tire Silver Commemorative Medallion	50
Canadian Tire Skating Medallion	1,199
Canadian Tire Toboggan Medallion	1,047
Canoe Coin Collection Card	1,466
Caribou 0.5g Fine Gold Coin	9,955
Congratulations Gift Coin	5,693
Crystal Raindrop $20 Fine Silver	9,659
Crystal Snowflake $20 Fine Silver Coin – Meridian Blue	7,390
Crystal Snowflake $20 Fine Silver Coin – Tanzanite	7,241
Crystal Snowflake $300 14-Karat Gold Coin	305
Daspletosaurus Torosus 50-cent Lenticular Coin	11,652
Euoplocephalus $4 Fine Silver Coin	6,256
Fall 14-Karat Gold Maple Leaf Coin	162
Gold Finch 25-cent Coloured Coin	13,991
Holiday Gift Set	10,870
Holiday Gift Set CPC	31,435
Holiday Pine Cones $20 Fine Silver Coin – Moonlight	4,754

Table 4 – Numismatic coinage *(continued)*

	2010 Quantity
Holiday Pine Cones $20 Fine Silver Coin – Ruby	4,907
Jefferson Ground Sloth 1oz Platinum Coin	189
Limited Edition Poppy Proof Silver Dollar	4,975
Maple Leaves Coin Collection Card	2,734
Maple of Strength $8 Sterling Silver Coin	5,138
New Brunswick Provincial Coat of Arms $300 Gold Coin	233
O Canada Gift Set	19,769
Petroleum and Oil Trade $200 22-Karat Gold Coin	1,732
Piedfort 1oz Silver Coin – Maple Leaf	6,843
Piedfort Set of 1/5oz Gold Coin and 1oz Silver Coin – Maple Leaf	1,264
Polar Bear $3 Square Coin	8,544
Polar Bear Coin Collection Card	2,127
Poppy 25-cent circulation coin 10-pack	10,714
Poppy Collector Card	21,738
Prairie Crocus 99999 Gold Coin	775
Proof Set	32,342
Proof Silver Dollar	29,141
RBC Blue Acrylic Plaque and 3-Coin Set	800
RBC Gift Set Thank-You	8,000
RBC Gift Set Water	8,000
RBC Gift Set Welcome to Canada	6,000
RCM Boutique Token Canada (2009)	1,887
RCMP Coin Collection Card	13,036
Royal Canadian Mounted Police 1/25oz Gold Coin	9,594
Santa and the Red-nosed Reindeer 50-cent Lenticular Coin	21,394
Saskatchewan Roughriders Pop Up Helmet	32,676
Selkirk $20 Fine Silver Coin	5,874
Silver Coin Collection – The Twelve Days of Christmas	191
Sinosauropteryx 50-cent Lenticular Coin	19,865
Special Edition $2 Specimen Set – Young Lynx	14,790
Special Edition Uncirculated Set	14,426
Specimen Set	21,111
Spring 14-Karat Gold Maple Leaf Coin	130
Summer 14-Karat Gold Maple Leaf Coin	136
Thank You Gift Coin	5,932
Uncirculated Set	43,074
Water Lily $20 Fine Silver Coin	9,990
Wedding Gift Set	8,194
Winter 14-Karat Gold Maple Leaf Coin	136
Winter Scene $20 Sterling Silver Coin	5,287

Table 4 – Numismatic coinage *(continued)*

	2010 Quantity
International	
FIFA World Cup South AfricaTM – 1.12oz Silver Coin	609
FIFA World Cup South AfricaTM – 1/10oz Gold Coin	120
FIFA World Cup South AfricaTM – 1/4oz Gold Coin	115
FIFA World Cup South AfricaTM – Set of 6 Silver Coins	164
SNOOPY – 1/4oz 9999 Gold Coin	100
SNOOPY – 5oz 999 Silver Coin	374
Olympic	
14-Karat Gold Coloured Coins	
Athletes in Celebration $300 Gold	106
Athletes in Competition $300 Gold	83
Athletes Pride	490
Canada Geese	216
Four Host First Nations	339
Home of the Games	411
Inukshuk	461
Moose	596
Olympic Canadian Icons $75 14Kt Gold Set	22
Olympic Icons $75 14Kt Gold Set	50
Olympic Ideals $300 Gold	96
Olympic Ideals $300 Gold and 3-Coin Case	18
Olympic Spirit	721
Olympic Wildlife $75 14 Kt Gold Set	36
RCMP	318
RCMP 14K Gold Coin & 9-Coin Case	37
Wolf	743
$25 Sterling Silver Hologram Coins	
Alpine Skiing	1,376
Athlete's Pride	2,876
Biathlon	1,532
Bobsleigh	2,464
Cross-Country Skiing	2,438
Curling	1,570
Curling Silver & 15-Coin Case	314
Figure Skating	2,731
Freestyle Skiing	2,285
Home of 2010 Olympics	3,367
Ice Hockey	4,932
Olympic Faster $25 Sterling Silver Set	96
Olympic Higher $25 Sterling Silver Set	95

Table 4 – Numismatic coinage *(continued)*

	2010 Quantity
$25 Sterling Silver Hologram Coins (continued)	
Olympic Spirit	4,833
Olympic Stronger $25 Sterling Silver Set	105
Skeleton	3,011
Ski Jumping	3,986
Snowboarding	1,424
Speed Skating	2,783
Vancouver Olympic Sterling Silver 15-Coin Set	262
25-cent Coins	
Miga	2,510
Quatchi	2,328
Sumi	2,029
Circulation First Day Cover Coins	
Alpine Skiing	87
Biathlon	86
Bobsleigh	85
Cross-Country Skiing	53
Curling	118
Figure Skating	435
Freestyle Skiing	72
Hockey	322
Lucky Loonie (2008)	139
Lucky Loonie (2010)	1,790
Sledge Hockey	340
Snowboard	111
Speed Skating	125
Wheelchair Curling	85
Coin Collections	
Inukshuk	32,059
Skier	13,994
Vancouver City	32,938
Vancouver Landscape	21,457
Mascot Collector Cards	
2010 Olympic Winter Games Coin Collection	2,367
Miga – Aerials	2,693
Miga – Alpine Skiing	852
Miga – Ice Hockey	6,935
Miga – Skeleton	3,105
Miga – Speed Skating	627
Quatchi – Ice Hockey	5,033
Quatchi – Parallel Giant Slalom	794

Table 4 – Numismatic coinage *(continued)*

	2010 Quantity
Mascot Collector Cards (continued)	
Quatchi – Snowboarding	306
Quatchi and Miga – Bobsleigh	2,750
Quatchi and Miga – Figure Skating	5,465
Sumi – Paralympic Alpine Skiing	619
Sumi – Paralympic Ice Sledge Hockey	7,376
Hockey Pucks	
Lucky Loonie	5,467
Miga Mascot	2,759
Quatchi Mascot	5,224
Sumi Mascot	3,135
Sports Cards	
Alpine Skiing	488
Biathlon	297
Bobsleigh	366
Cross-Country Skiing	322
Curling	356
Figure Skating	542
Freestyle Skiing	319
Hockey	9,765
Olympic Moment #1	206
Olympic Moment #2	100
Olympic Moment #3 – Cindy Klassen	120
Sledge Hockey	1,474
Snowboard	401
Speed Skating	589
Wheelchair Curling	267
Kilo Coins	
Olympic Fine Silver Kilo Coin – Eagle (2010)	349
Olympic Fine Silver Kilo Coin – Eagle Antiqued (2010)	74
Olympic Fine Silver Kilo Coin – Eagle Enamelled (2010)	349
Olympic Fine Silver Kilo Coin (2008)	47
Olympic Fine Silver Kilo Coin (2009)	59
Olympic Gold Kilo (2009)	1

Table 4 – Numismatic coinage *(continued)*

	2010 Quantity
Special Edition Uncirculated Sets	
Special Edition Olympic Uncirculated Set (2007)	52
Special Edition Olympic Uncirculated Set (2008)	1,676
Special Edition Olympic Uncirculated Set (2009)	1,070
Special Edition Olympic Uncirculated Set (2010)	21,432
Lucky Loonie	
Lucky Loonie Bag Tag & Pin	365
Lucky Loonie Colored Silver Coin (2008)	3,741
Lucky Loonie Colored Silver Coin (2010)	20,024
Lucky Loonie Lanyard	1,080
Lucky Loonie Mini Puck and Stick	206
Other	
Canada's 1st Olympic Gold on Canadian Soil $200 Gold Coin	1,999
Canada's 1st Olympic Gold on Canadian Soil 50-cent Coin	17,415
Canadian Olympic Hockey Gold	9,088
Look of the Games 5oz Gold Coin	160
Look of the Games 5oz Silver Coin	1,467
Magnetic Pin and Coin Set (2007)	1,161
Mascot Collector Card Album	488
Olympic Special Edition Gold Bullion Coin Set	56
Olympic Special Edition Silver Bullion Coin Set	3,999
Sea to Sky Hockey Set	1,158
Ultra high Relief Proof Silver Dollar – The Sun	3,722
Vancouver 2010 Canada Post Joint Product – Gold Set	11,991
Vancouver 2010 Canada Post Joint Product – Sports Set	439
Vancouver 2010 Curling Pin set / Loonie & Painted coin	71
Vancouver 2010 Figure Skating Pin set / Loonie & Color Coin	37
Vancouver 2010 Freestyle skiing Pin set/Loonie & Color Coin	104
Vancouver 2010 Hockey Pin set / Loonie & Painted Circ coin	259

[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 2010, 2009, 2008 and 2007

	2010	2009	2008	2007
Gold Maple Leaf Coinage				
$1,000,000 (99999 Au)	**–**	–	6,430	6,430
$200 (99999 Au)	**22,660**	13,765	27,476	30,848
$50 (9999 Au)	**1,036,832**	1,011,235	710,718	189,462
$20 (9999 Au)	**17,151**	27,253	14,391	6,738
$10 (9999 Au)	**10,407**	17,817	8,592	4,251
$5 (9999 Au)	**11,116**	22,767	3,851	2,130
$1 (9999 Au)	**450**	1,951	767	895
Olympic GML	**6**	74,124	75,876	–
Total (ounces)	**1,098,622**	1,168,912	848,101	240,754
Silver Maple Leaf Coinage				
$5 (9999 Ag)	**17,799,992**	9,727,592	7,909,161	3,526,052
Olympic SML	**79,278**	569,048	937,839	–
Total (ounces)	**17,879,270**	10,296,640	8,847,000	3,526,052
Palladium Maple Leaf Coinage				
$50 (9995 Pd)	**25,000**	40,000	9,694	15,415
Total (ounces)	**25,000**	40,000	9,694	15,415
Platinum Maple Leaf Coinage				
$50 (9995 Pt)	**–**	33,000	–	–
Total (ounces)	**–**	33,000	–	–

Table 6 – Refinery operations

	Gross Weight (Troy ounces) [1]		
	2010	2009	2008
Rough Gold Deposits	4,868,626	5,025,764	4,383,594
Rough Silver Deposits	2,423,859	1,786,872	1,468,176
Direct Deposits	577,233	503,913	948,997
Total [2]	7,869,718	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 2007–2010

	2010	2009	2008	2007
1 Cent (CPZ)	**486,200,000**	36,575,000	–	9,625,000
1 Cent (CPS)	**–**	419,105,000	820,350,000	938,270,000
5 Cent	**60,480,000**	121,632,000	278,530,000	221,472,000
10 Cent	**150,700,000**	209,550,000	467,495,000	304,110,000
25 Cent – Caribou (P)	**28,827,000**	20,446,000	286,322,000	274,763,000
25 Cent Poppy	**10,978,000**	–	11,300,000	–
25 Cent Olympic				
Curling	**–**	–	–	22,400,000
Hockey	**–**	–	–	22,400,000
Wheelchair Curling	**–**	–	–	22,400,000
Biathlon	**–**	–	–	22,400,000
Alpine Skiing	**–**	–	–	22,400,000
Snowboarding	**–**	–	22,400,000	–
Freestyle Skiing	**–**	–	22,400,000	–
Figure Skating	**–**	–	22,400,000	–
X-Country Skiing	**–**	–	22,400,000	–
Speedskating	**–**	22,400,000	–	–
Bobsled	**–**	22,400,000	–	–
Men’s Hockey	**–**	22,000,000	–	–
Women’s Hockey	**–**	22,000,000	–	–
Cindy Klassen	**–**	22,000,000	–	–
Sledge Hockey	**22,400,000**	–	–	–
One Dollar	**4,110,000**	29,351,000	18,710,000	38,045,000
One Dollar – Lucky Loon	**10,250,000**	–	10,851,000	–
One Dollar – Montreal Canadiens 100th Anniversary	**–**	10,250,000	–	–
One Dollar – Navy 100th Anniversary	**7,000,000**	–	–	–
One Dollar – Saskatchewan Roughriders 100th Anniversary	**3,100,000**	–	–	–
Two Dollar	**8,220,000**	38,430,000	12,390,000	38,957,000
Two Dollar – Quebec 400th Anniversary	**–**	–	6,010,000	–

(CPS) Copper plated steel (CPZ) Copper plated zinc (P) Plated