FIRST QUARTER FINANCIAL REPORT

FISCAL 2019

NARRATIVE DISCUSSION

BASIS OF PRESENTATION

The Royal Canadian Mint (the "Mint") prepared this report as required by section 131.1 of the *Financial Administration Act*[1] using the standard issued by the Treasury Board of Canada Secretariat. This narrative should be read in conjunction with the unaudited condensed consolidated financial statements.

The Mint prepared these unaudited condensed consolidated financial statements for the 13 weeks ended March 30, 2019 and March 31, 2018 in compliance with International Financial Reporting Standards (IFRS). Financial results reported in this narrative are presented in Canadian dollars and rounded to the nearest million, unless otherwise noted. The information in this narrative is current to May 15, 2019, unless otherwise noted.

FORWARD LOOKING STATEMENTS

Readers are advised to refer to the cautionary language included at the end of this narrative when reading any forward-looking statements.

OVERVIEW OF THE CORE MANDATE AND THE BUSINESS

The Royal Canadian Mint is Canada's national mint. Its core mandate is to produce circulation coins for Canada, manage the supporting distribution system and provide advice to the Government of Canada on all matters related to coinage. It accomplishes this mandate through a world-leading coin distribution network and inventory management system, as well as a high-tech high-volume manufacturing, plating and coining facility in Winnipeg. It is also responsible for safeguarding the integrity of Canada's coinage through ongoing research, development and implementation of increasingly sophisticated security features.

In addition to its core mandate, the Mint is also responsible for the Alloy Recovery Program (ARP) where older-composition Canadian coins are removed from circulation and replaced by multi-ply plated steel (MPPS) coins, which are more durable and secure. This program also involves the

[1] Financial Administration Act, R.S.C., 1985, c. F-11

systematic replacement or removal of old alloy coins and international coins ensuring that there is consistency in the market and helping to streamline automated coin acceptance transactions. The Mint's activities also include the provision of minting services to foreign countries, the production and marketing of bullion and related refinery products and services, numismatic coins and medals.

The Foreign Circulation business produces and supplies finished coins, coin blanks and tokens to customers around the world, including central banks, mints, monetary authorities and finance ministries. The Mint also produces high technology dies for international customers, which allows countries to strike their own coins. These contracts leverage the infrastructure and industry-leading expertise in the Mint's Winnipeg manufacturing facility.

The Bullion Products & Services business provides its customers with market-leading precious metal investment coin and bar products, supported by integrated precious metal refining, storage and exchange traded receipts (ETR) capabilities. These products include the Maple Leaf family of gold, silver, palladium and platinum coins, as well as other precious metal products and services for investment and manufacturing purposes. As a market leader in the industry with bullion coins of the highest purity and unprecedented security, the Mint is well positioned to capture a leading share of any increase in demand while sustaining volumes during soft markets. The Canadian Gold and Silver Reserves ETR products listed on the Toronto Stock Exchange allow retail and institutional investors to hold title to precious metals covered under ETRs and stored at the Mint while reducing Mint lease costs.

The Numismatics business designs, manufactures and sells collectible coins and medals to a loyal customer base in Canada and around the world. The Mint's global leadership in the art and science of minting is consistently recognized with prestigious international awards. This recognition is largely earned by innovative technology enhancements such as glow in the dark, selective plating and vibrant colour that allow the Mint to create unique and compelling products. The Mint sells numismatic products through its e-commerce platform, its Ottawa and Winnipeg boutiques, as well as dealers and partners both domestically and internationally.

SIGNIFICANT CORPORATE EVENTS

Organizational update

On January 21, 2019, the Honourable Bill Morneau, Minister of Finance, announced the appointment of Ms. Marie Lemay as the Mint's President and CEO effective February 18, 2019 for a period of five years.

Changes to the Board of Directors

On March 1, 2019, the Honourable Carole Skelton resigned from her position on the Mint's Board of Directors. In addition, Mr. William C. Ross announced that he would not be seeking reappointment when his term expires on June 30, 2019. As of the date of this narrative, there is one vacant position. The Government of Canada is responsible for all Board of Director appointments for the Mint and the recruitment process for the vacant position is ongoing.

Corporate Plan

On April 4, 2019, the Mint's Corporate Plans, covering the period from 2017-2023, were approved by the Treasury Board. The approved financial target for 2019 is profit before income taxes and other items of $25.9 million.

Commemorative Coin Program

On April 23, 2019, the Mint launched a one-dollar circulation coin to mark fifty years of progress in the journey to equal rights for LGBTQ Canadians.

Annual Public Meeting

The Mint's 2018 Annual Public Meeting was held at Canadian National Headquarters in Winnipeg on May 13, 2019.

OPERATING HIGHLIGHTS AND ANALYSIS OF RESULTS

To achieve its objectives, the Mint strives to continually improve profitability through prudent financial management and efficient operations. The Mint measures its performance as an integrated business and overhead costs are allocated to each program and business. The metrics below are meaningful to customers, business partners and employees and allow the Mint to monitor its capacity to improve performance and create value for its shareholder and for Canada.

	13 weeks ended			
	March 30, 2019	March 31, 2018	$ Change	% Change
Revenue	$ **350.7**	$ 340.9	$ 9.8	3
Profit before income tax and other items[1]	**10.8**	6.8	4.0	59
Profit before income tax and other items margin	**3%**	2%		
Profit for the period	**7.7**	4.8	2.9	60

[1]A reconciliation from profit for the period to profit before income tax and other items is included on page 10.

Profit before income taxes and other items for the 13 weeks ended March 30, 2019 increased 59% to $10.8 million compared to $6.8 million during the same period in fiscal year 2018. The increase in profit year over year was primarily driven by the strong performance of Bullion products and of the ancillary Bullion services.

	As at			
	March 30, 2019	December 31, 2018	$ Change	% Change
Cash	$ 83.4	$ 66.4	$ 17.0	26
Inventories	54.6	62.2	(7.6)	(12)
Capital assets	179.9	172.8	7.1	4
Total assets	411.1	397.8	13.3	3
Working capital	116.1	107.5	8.6	8

Working capital remains strong having increased 8% from December 31, 2018. Cash increased 26% from December 31, 2018 due to the timing of payments to suppliers, as well precious metal purchases. Offsetting these increases, inventories decreased 12% as compared to December 31 2018 due to sales and more efficient management of precious metal requirements.

Revenue by program and business

	13 weeks ended			
	March 30, 2019	March 31, 2018	$ Change	% Change
Canadian Circulation program	**$ 21.4**	$ 22.6	$ (1.2)	(5)
Foreign Circulation business	**8.7**	18.6	(9.9)	(53)
Bullion Products and Services business	**293.3**	271.7	21.6	8
Numismatics business	**27.3**	28.0	(0.7)	(3)

Canadian Circulation

During the 13 weeks ended March 30, 2019, revenues from the Canadian Circulation program decreased by $1.2 million over the same period in 2018 mainly due to a decrease in the volume of coins sold to the Department of Finance (DOF) combined with lower fixed costs billed under the new memorandum of understanding (MOU) with the DOF which was signed in June 2018.

Coin supply

	13 weeks ended			
(in millions of coins)	**March 30, 2019**	March 31, 2018	Change	% Change
Financial institutions deposits	**669**	713	(44)	(6)
Recycled coins	**38**	40	(2)	(5)
Coins sold to financial institutions and others	**16**	19	(3)	(16)
Total coin supply	**723**	772	(49)	(6)

Demand is met through the three main sources of supply outlined in the above table and is subject to variability across regions of the country and seasonality depending on the time of the year. The net supply for Canadian circulation coins was 723 million coins as at March 30, 2019 compared to 772 million as at March 31, 2018 a decrease of 6% for the 13 weeks ended March 30, 2019, when compared to the same period in 2018. Sales of new coins to financial institutions were slightly lower compared to the same period last year as the first quarter of the year usually sees minimal demand as more financial institution inventory is used to meet the demand. Demand seasonality for coinage continues to follow historical patterns with the highest periods being in the summer and winter holidays.

Department of Finance (DOF) Inventory

	As at			
	March 30, 2019	March 31, 2018	$ Change	% Change
Opening inventory	**$ 98**	$ 101	$ (3)	(3)
Production	**6**	6	-	-
Coins sold to financial institutions and others	**(2)**	(4)	2	(50)
Ending inventory	**$ 102**	$ 103	$ (1)	(1)

The Mint actively manages inventory levels in response to changes in demand, financial institution deposits and recycling volumes to ensure coinage demand is met throughout the year. The face value of the DOF-owned inventory at March 30, 2019 was $102 million, which was within the inventory limit outlined in the Mint's MOU with the DOF, with zero coin shortages during the first quarter of 2019. To replenish inventories held on behalf of the DOF, the Mint produced 70 million net new coins in the first quarter of 2019 compared to 69 million for the same period in 2018. The efficient management of the coinage system is achieved hand-in-hand with the celebration of Canada's history, culture and values.

Foreign Circulation

Revenue for the Foreign Circulation business decreased 53% to $8.7 million during the 13 weeks ended March 30, 2019 compared to $18.6 million in the same period in 2018 as production and/or shipments returned to more normal levels compared to the exceptional levels in 2018.

The decrease in Foreign Circulation revenue reflects the production and/or shipment of 194 million (2018 – 505 million) coins and blanks to 4 (2018 – 6) countries during the quarter. During the first quarter of 2019, the Mint secured 4 new production contracts for an aggregate of 98 million coins.

Bullion Products and Services

	13 weeks ended			
	March 30, 2019	March 31, 2018	$ Change	% Change
Gross revenue	**$ 398.3**	$ 334.1	$ 64.2	19
Less: Customer inventory deals	**(105.0)**	(62.4)	(42.6)	68
Net revenue	**$ 293.3**	$ 271.7	$ 21.6	8

	13 weeks ended			
(in thousands of ounces)	**March 30, 2019**	March 31, 2018	Change	% Change
Gold	**123.8**	108.5	15.3	14
Silver	**5,517.2**	4,801.8	715.4	15
Gross ounces	**5,641.0**	4,910.3	730.7	15
Less: ounces from customer inventory deals	**(287.6)**	(396.1)	108.5	(27)
Net ounces	**5,353.4**	4,514.2	839.2	19

Bullion Products and Services net revenues for the 13 weeks ended March 30, 2019 increased 8% to $293.3 million from $271.7 million in the same period in 2018. The increase in revenue is mainly attributable to higher global market demand for bullion products which the Mint was able to capitalize on due to its agile operations. Sales for silver and gold bullion products increased 15% and 14%, respectively, quarter over quarter, mainly due to higher demand in North America partially offset by lower demand in Europe, Middle East and Africa, and an 86% increase in revenue from the Mint's Refinery and Storage Services.

Numismatics

Numismatics revenue decreased 3% to $27.3 million during the 13 weeks ended March 30, 2019 from $28 million in the same period of 2018. The decrease in revenue is largely attributable to a 6% decrease in the volume of silver and base metal numismatic production sold in 2019, compared to 2018 Numismatics revenue which was supported by the residual effect of the successful Canada 150 campaign.

	13 weeks ended			
	March 30, 2019	March 31, 2018	$ Change	% Change
Gold	**$ 6.5**	$ 6.1	$ 0.4	7
Silver	**18.6**	19.8	(1.2)	(6)
Non Gold or Silver	**2.2**	2.1	0.1	5
Total revenue	**$ 27.3**	$ 28.0	(0.7)	(3)

Expenses, other income and income tax

	13 weeks ended			
Expenses (income)	**March 30, 2019**	March 31, 2018[1]	$ Change	% Change
Cost of sales	**$ 318.7**	$ 313.3	$ (5.4)	(2)
Operating expenses:				
Marketing and sales	**7.5**	8.4	0.9	11
Administration	**14.8**	13.9	(0.9)	(7)
Net foreign exchange losses (gains)	**0.6**	(2.1)	(2.7)	
Income tax expense	**1.6**	2.6	1.0	

[1]Prior year figures have been revised to conform to the current year presentation.

Cost of sales for the 13 weeks ended March 30, 2019 increased to $318.7 million compared to $313.3 million during the same period in fiscal year 2018.

The overall increase in cost of sales is due to higher costs from Bullion products and services, which increased 8% due to higher sales volumes for gross gold and silver bullion product in the period. The increase is partially offset by a decrease in Foreign Circulation costs due to the changes in the production schedule during the period and a decrease in Canadian Circulation revenue in accordance with the Mint's MOU.

Overall, operating expenses for the 13 weeks ended March 30, 2019 remained consistent compared to the same period in 2018 at $22.4 million. Marketing and sales expenses decreased 11% due to the timing of marketing campaigns in 2019 compared to 2018 and lower distribution costs. Administration expenses increased 7% due to higher employee and consulting costs primarily to support the repositioning of the Numismatics business and the ongoing leadership team transition.

Net foreign exchange loss increased $2.7 million for the 13 weeks ended March 30, 2019 when compared to the same period in 2018. The net foreign exchange loss of $0.6 million in the first quarter of 2019 was mainly due to a stronger Canadian dollar in relation to the US dollar and the resulting negative impact on the translation of the Mint's US dollar balances.

Income tax expense for the 13 weeks ended March 30, 2019 decreased $1.0 million, when compared to the same period in 2018, mainly due to a decrease in taxable income as a result of temporary differences between income for accounting and tax purposes.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

	13 weeks ended		
	March 30, 2019	March 31, 2018[1]	$ Change
Cash, at the end of the period	**$ 83.4**	**$ 51.4**	$ **32.0**
Cash flow from (used in) operating activities	**19.6**	**(1.6)**	**21.2**
Cash flow used in investing activities	**(1.9)**	**(3.5)**	**1.6**
Cash flow used in financing activities	**(0.6)**	-	**(0.6)**

[1]Prior year figures have been revised to conform to the current year presentation as described in Note 22 of the unaudited condensed consolidated financial statements for the 13 weeks ended March 30, 2019.

Cash from operating activities for the 13 weeks ended March 30, 2019 increased $21.2 million compared to the same period in 2018 primarily due to the timing of payments to vendors and more efficient utilization of inventory during the period.

Cash used in investing activities decreased $1.6 million for the 13 weeks ended March 30, 2019 mainly due to lower building/leasehold improvements compared to the same period in 2018.

Cash used in financing activities increased $0.6 million for the 13 weeks ended March 30, 2019 due to the principal payments for leases recognized on the consolidated statement of financial position on January 1, 2019 due to the implementation of IFRS 16 – *Leases*.

Borrowing facilities

See note 18 in the December 31, 2018 audited consolidated financial statements for details on the Mint's borrowing facilities. The Mint entered and closed the quarter with total outstanding long-term loans of $12 million and total lease liability of $9.2 million, which is within the Mint's approved borrowing limit as prescribed by the *Royal Canadian Mint Act*. The Mint entered the period with a long-term debt-to-equity ratio of 1:13 and closed the period with a ratio of 1:8.

RECONCILIATION FROM PROFIT FOR THE PERIOD TO PROFIT BEFORE INCOME TAX AND OTHER ITEMS

A reconciliation from profit for the period to profit before income tax and other items is as follows:

	13 weeks ended	
	March 30, 2019	March 31, 2018
Profit for the period	**$ 7.7**	$ 4.8
Add (deduct):		
Income tax expense	**1.6**	2.6
Net foreign exchange loss(gain)	**0.6**	(2.1)
FV Revaluation[1]	**0.9**	1.5
Profit before income tax and other items	**$ 10.8**	$ 6.8

[1] Face Value revaluation is the non-cash impact of the change in the valuation of the precious metal component of the liability for Face Value redemptions.

RISKS TO PERFORMANCE

Management considers risks and opportunities at all levels of decision making. The Mint's performance is influenced by many factors, including: economic conditions, financial and commodity market volatility, and competitive pressures. Also, as a Crown corporation governed under a legislative framework, the Mint's performance could be impacted by changes to shareholder objectives or to the directions given by governing bodies. Under the guidance of the Board and the Audit Committee, the Mint's enterprise risk management process is undertaken by the Leadership Team. It focuses on the identification and management of the key risks, which could impact the achievement of the Mint's strategic objectives. As part of its oversight process, the Board reviews the Mint's corporate risk profile on a quarterly basis and has input into the broader risk management approach.

The Mint's enterprise risk management framework and practice is consistent with guidance issued by the Treasury Board and is subject to periodic review by internal audit. Guidance in relation to risk awareness and risk management is provided to staff where necessary. Appropriate risk management requirements are embedded in staff responsibilities.

A register of key corporate risks is maintained, together with a series of operational risk registers covering each of the Mint's businesses/support areas. These registers are updated regularly and evolve as new risks are identified and existing ones are mitigated.

The key corporate level risks that could materially impact the Mint's ability to achieve its strategy are identified in the Mint's 2018 Annual Report. There have been no material changes to the substance of key corporate level risks since the filing of the 2018 Annual Report.

CRITICAL ACCOUNTING ESTIMATES, ADOPTION OF NEW ACCOUNTING STANDARDS AND ACCOUNTING POLICY DEVELOPMENTS

See note 3 in the audited consolidated financial statements for the year ended December 31, 2018 for a discussion of critical accounting estimates, as well as notes 3 and 5 in the accompanying unaudited condensed consolidated financial statements for the 13 weeks ended March 30, 2019 for a discussion of changes to accounting policies and adoption of new accounting standards.

OUTLOOK

Overall demand for Canadian circulation coin continues to experience modest declines, with planned production of new circulation coin slightly lower than forecast. This slow start to the year is in line with the latest Canadian economic forecast which calls for only modest economic growth this year. While the trend towards e-payments continues, there remains a number of systemic reasons for coin demand not decreasing in a more accelerated way. Principally, i) gaps in a seamless e-payment experience; ii) the security, anonymity and convenience of cash – particularly for low value transactions; and iii) demographics of people with access to mobile, debit and credit will continue to make coins relevant into the foreseeable future with modest declines anticipated over the next twelve months.

The Mint has solid contracted business for its Foreign Circulation business for the first half of 2019, but expects the second half of 2019 to be lower than 2018. Over the next 12 months, Central Banks are expected to issue tenders for over 4 billion nickel plated steel coins and coin blanks. The Mint anticipates continued profitable utilization of its Winnipeg assets.

The Mint is continuing to see increased demand for gold and silver in Q1 2019 volumes as market demand has improved year over year following an improvement that began in the second half of last year combined with the Mint's ability to capitalize on some short-term supply issues for US bullion coins. The Mint continues to monitor bullion market conditions closely and will capitalize on any prolonged demand. The Mint continues to focus on customer/market strategies and product differentiation in support of its strong market share, while carefully managing operating costs to mitigate the impact of uncertainty in the bullion coin market. The Mint's Storage and Refinery services business remains solid.

In 2019, the Mint is focused on the implementation of its updated numismatics strategy. Investments in improved marketing and customer service capabilities and tools are being made in order for the Numismatics business to profitably grow and service the Mint's loyal and passionate customer base. The Mint`s approach has shifted from an in-ward product focused perspective to an out-ward customer focused approach. Its activities in Canada and the US will continue, while maintaining ancillary markets such as Europe and Asia. The Mint will also capitalize on its strong network of bullion dealers and distributors to cross-promote incremental numismatic opportunities and generate healthy, quality earnings.

FORWARD LOOKING STATEMENTS

The unaudited condensed consolidated financial statements and the narrative, contain forward-looking statements that reflect management's expectations regarding the Mint's objectives, plans, strategies, future growth, results of operations, performance and business prospects and opportunities. Forward-looking statements are typically identified by words or phrases such as "plans", "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions. These forward-looking statements are not facts, but only estimates regarding expected growth, results of operations, performance, business prospects and opportunities (assumptions). While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Mint expects. These risks, uncertainties and other factors include, but are not limited to, those risks and uncertainties set forth above in the Risks to Performance, as well as in Note 9 – Financial Instruments and Financial Risk Management to the Mint's unaudited condensed consolidated financial statements.

To the extent the Mint provides future-oriented financial information or a financial outlook, such as future growth and financial performance, the Mint is providing this information for the purpose of describing its expectations. Therefore, readers are cautioned that this information may not be appropriate for any other purpose. Furthermore, future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks.

Readers are urged to consider these factors carefully when evaluating these forward-looking statements. In light of these assumptions and risks, the events predicted in these forward-looking statements may not occur. The Mint cannot assure that projected results or events will be achieved. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements included in the unaudited condensed consolidated financial statements and narrative are made only as of May 15, 2019, and the Mint does not undertake to publicly update these statements to reflect new information, future events or changes in circumstances or for any other reason after this date.

Statement of Management Responsibility by Senior Officials

Management is responsible for the preparation and fair presentation of these unaudited condensed consolidated financial statements in accordance with *IAS 34 Interim Financial Reporting* and requirements in the Treasury Board of Canada *Standard on Quarterly Financial Reports for Crown Corporations* and for such internal controls as management determines are necessary to enable the preparation of condensed consolidated financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the unaudited condensed consolidated financial statements.

To the best of our knowledge, these unaudited condensed consolidated financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Royal Canadian Mint, as at the date of and for the periods presented in the unaudited condensed consolidated financial statements.

Marie Lemay

President and Chief Executive Officer

Ottawa, Canada
May 15, 2019

Jennifer Camelon, CPA, CA

Senior Vice-President Finance, and
Administration, and Chief Financial Officer

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Unaudited (CAD$ thousands)

	Notes	As at March 30, 2019	As at December 31, 2018
Assets			
Current assets			
Cash		**$ 83,433**	$ 66,364
Trade receivables, net and other receivables	6	**45,164**	38,764
Prepaid expenses		**3,954**	3,395
Inventories	7	**54,569**	62,239
Contract assets	8	**5,675**	17,304
Derivative financial assets	9	**37**	50
Total current assets		**192,832**	188,116
Non-current assets			
Prepaid expenses		**1,795**	612
Derivative financial assets	9	**18**	92
Deferred income tax assets		**36,590**	36,196
Property, plant and equipment	10	**161,486**	164,170
Right-of-use assets	11	**10,464**	-
Investment property		**236**	236
Intangible assets	10	**7,635**	8,390
Total non-current assets		**218,224**	209,696
Total assets		**$ 411,056**	$ 397,812
Liabilities			
Current liabilities			
Trade payables, other payables and accrued liabilities	12	**$ 48,677**	$ 48,999
Provisions	13	**4,999**	5,784
Face value redemptions	14	**1,305**	1,292
Lease liabilities	15	**2,338**	-
Contract liabilities	8	**13,298**	14,590
Loan payable		**3,000**	3,000
Employee benefits		**2,509**	2,540
Income taxes payable		**347**	2,388
Derivative financial liabilities	9	**210**	2,064
Total current liabilities		**76,683**	80,657
Non-current liabilities			
Trade payables, other payables and accrued liabilities	12	**259**	274
Provisions	13	**1,367**	2,136
Face Value redemptions	14	**139,893**	138,527
Loan payable		**8,990**	8,989
Lease liabilities	15	**9,047**	-
Employee benefits		**10,756**	10,756
Derivative financial liabilities	9	**-**	23
Total non-current liabilities		**170,312**	160,705
Total liabilities		**246,995**	241,362
Shareholder's equity			
Share capital (authorized and issued 4,000 non-transferable shares)		**40,000**	40,000
Retained earnings		**124,043**	116,358
Accumulated other comprehensive income		**18**	92
Total shareholder's equity		**164,061**	156,450
Total liabilities and shareholder's equity		**$ 411,056**	$ 397,812

Commitments, contingencies and guarantees (Note 24)
The accompanying notes are an integral part of these condensed consolidated financial statements.

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Unaudited (CAD$ thousands)

	Notes	13 weeks ended March 30, 2019	March 31, 2018 (Note 25)
Revenue	17	**$ 350,707**	$ 340,879
Cost of sales	18, 19	**318,652**	313,304
Gross profit		**32,055**	27,575
Marketing and sales expenses	18,19	**7,531**	8,442
Administration expenses	18,19,20	**14,825**	13,915
Operating expenses		**22,356**	22,357
Net foreign exchange (loss) gain		**(642)**	2,104
Operating profit		**9,057**	7,322
Finance income, net		**242**	109
Other income		**2**	1
Profit before income tax		**9,301**	7,432
Income tax expense	21	**(1,616)**	(2,629)
Profit for the period		**7,685**	4,803
Net unrealized (loss) gain on cash flow hedges		**(74)**	31
Other comprehensive income, net of tax		**(74)**	31
Total comprehensive income		**$ 7,611**	$ 4,834

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

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Unaudited (CAD$ thousands)

13 weeks ended March 30, 2019

	Notes	**Share Capital**	**Retained earnings**	**Accumulated other comprehensive income (Net gains on cash flow hedges)**	**Total**
Balance as at December 31, 2018		$ 40,000	$ 116,358	$ 92	$ 156,450
Profit for the period		**-**	**7,685**	**-**	**7,685**
Other comprehensive loss, net[1]		**-**	**-**	**(74)**	**(74)**
Balance as at March 30, 2019		**$ 40,000**	**$ 124,043**	**$ 18**	**$ 164,061**

[1]Amounts are net of income tax

13 weeks ended March 31, 2018

	Notes	Share Capital	Retained earnings	Accumulated other comprehensive income (Net gains on cash flow hedges)	Total
Balance as at December 31, 2017		$ 40,000	$ 88,127	$ 99	$ 128,226
Balance as at January 1, 2018, as previously reported		40,000	88,127	99	128,226
Impact of change in accounting policy[1]	3.1	-	2,024	-	2,024
Adjusted balance as at January 1, 2018		40,000	90,151	99	130,250
Profit for the period		-	4,803	-	4,803
Other comprehensive income, net[1]		-	-	31	31
Balance as at March 31, 2018		$ 40,000	$ 94,954	$ 130	$ 135,084

[1]Amounts are net of income tax
The accompanying notes are an integral part of these condensed consolidated financial statements.

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited (CAD$ thousands)

	Notes	13 weeks ended March 30, 2019	March 31, 2018 (Note 22)
Cash flows from (used in) operating activities			
Profit for the period		**$ 7,685**	$ 4,803
Adjustments to reconcile profit to cash flows from operating activities:			
Depreciation and amortization	18	**5,056**	4,324
Income tax expense	21	**1,616**	2,629
Finance income, net		**(242)**	(109)
Other income		**(2)**	(1)
Net foreign exchange gain		**(1,227)**	(1,754)
Adjustments to other (revenue) expenses, net	22	**6,125**	1,181
Changes in liability for Face Value redemptions		**568**	1,110
Net changes in operating assets and liabilities	22	**2,563**	(11,244)
Cash from operating activities before interest and income tax		**22,142**	939
Income tax paid	22	**(2,748)**	(2,795)
Interest received, net of paid	22	**228**	221
Net cash from (used in) operating activities		**19,622**	(1,635)
Cash flows used in investing activities			
Acquisition of property, plant and equipment		**(1,705)**	(3,326)
Acquisition of intangible assets		**(157)**	(182)
Net cash used in investing activities		**(1,862)**	(3,508)
Cash flows used in financing activities			
Lease principal payments	15	**(566)**	-
Net cash used in financing activities		**(566)**	-
Effect of changes in exchange rates on cash		**(125)**	287
Increase (decrease) in cash		**17,069**	(4,856)
Cash at the beginning of the period		**66,364**	56,268
Cash at the end of the period		**$ 83,433**	$ 51,412

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

1. NATURE AND DESCRIPTION OF THE CORPORATION

The Royal Canadian Mint ("the Mint" or "the Corporation") was incorporated in 1969 by the *Royal Canadian Mint Act* to mint coins and carry out other related activities. The Corporation 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 Corporation 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. The addresses of its registered office and principal place of business are 320 Sussex Drive, Ottawa, Ontario, Canada, K1A 0G8 and 520 Lagimodière Blvd, Winnipeg, Manitoba, Canada, R2J 3E7.

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

While not subject to United States of America federal income taxes, the Corporation is subject in some states to state income taxes.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

These condensed consolidated financial statements were prepared in accordance with *IAS 34 Interim Financial Reporting ("IAS 34")* of the *International Financial Reporting Standards ("IFRS")* and the *Standard on Quarterly Financial Reports for Crown Corporations* issued by the Treasury Board of Canada. As permitted under these standards, these condensed consolidated financial statements do not include all of the disclosure requirements for annual consolidated financial statements, and should be read in conjunction with the Corporation's audited consolidated financial statements for its fiscal year ended December 31, 2018.

These condensed consolidated financial statements have not been audited or reviewed by an external auditor.

2.2 Basis of presentation

These condensed consolidated financial statements were prepared in accordance with IFRS.

Although the Corporation's year end of December 31 matches the calendar year end, the Corporation's quarter end dates do not necessarily coincide with calendar year quarters; instead, each of the Corporation's quarters contains 13 weeks.

These condensed consolidated financial statements were approved for public release by the Board of Directors of the Corporation on May 15, 2019.

2.3 Consolidation

These condensed consolidated financial statements incorporate the financial statements of the Corporation and its wholly-owned subsidiary RCMH-MRCF Inc. The subsidiary adopted IFRS at the same time as the Corporation and its accounting policies are in line with those used by the Corporation. RCMH-MRCF Inc. has been operationally inactive since December 31, 2008. All intercompany transactions, balances, income and expenses are eliminated in full upon consolidation.

2.4 Foreign currency translation

Unless otherwise stated, all figures reported in these condensed consolidated financial statements and disclosures are reflected in thousands of Canadian dollars (CAD$), which is the functional and presentation currency of the Corporation.

3. CHANGES IN ACCOUNTING POLICIES

The Corporation consistently applied the accounting policies disclosed in note 2 of its audited consolidated financial statements for the year ended December 31, 2018 to all periods presented in these condensed consolidated financial statements, except as outlined below.

3.1 Revenue from contracts with customers

On January 1, 2018, the Corporation implemented IFRS 15 – *Revenue from Contracts with Customers* which resulted in a net adjustment to opening retained earnings on January 1, 2018 of $2.0 million. Refer to note 3.1 of the Corporation's audited consolidated financial statements for the year ended December 31, 2018 for more information.

3.2 Leases

The Corporation applied IFRS 16 – *Leases* (IFRS 16) with a date of initial application of January 1, 2019 using the modified retrospective approach. Under this method, the Corporation applied the standard retrospectively only to the most current period presented in the condensed consolidated financial statements and recognized the cumulative effect of initially applying IFRS 16 as an adjustment to the opening statement of financial position on January 1, 2019. Therefore, the comparative information for 2018 presented in the Corporation's condensed consolidated financial statements for the 13 weeks ended March 30, 2019 has not been restated and continued to be reported under the accounting policies disclosed in Note 2.12 of the Corporation's annual audited consolidated financial statements for the year ended December 31, 2018.

The Corporation's leasing activities mainly relate to office space and production equipment.

3.2.1 As a lessee

As a lessee, the Corporation previously classified leases as operating or finance lease based on its assessment of whether the lease transferred significantly all of the risk and rewards incidental to ownership of the underlying asset to the Corporation. Under IFRS 16, the Corporation recognized right-of-use assets and lease liabilities for most of its leases.

At transition, the Corporation did not have any leases classified as finance leases under the previous lease standard, IAS 17, where it was the lessee. The lease liabilities for existing operating leases, other than short-term or low value leases, were measured at the present value of the remaining lease payments, discounted at the Corporation's incremental borrowing rate as at January 1, 2019. Right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments, any lease incentives, any initial direct cost incurred and any estimated costs to be incurred in restoring the site or dismantling and removing the underlying asset.

By electing to use the modified retrospective method, the Corporation calculated the lease liability using its incremental borrowing rate of between approximately 3.3% to 3.4% as at January 1, 2019.

The Corporation used the following practical expedients when applying IFRS 16 to leases previously classified as operating lease under IAS 17.

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exception not to recognize right-of-use assets and liabilities with less than 12 months of lease term.
- Applied the exception not to recognize right-of-use assets and liabilities for low value leases with individual asset value under $5,000 USD.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

- Used hindsight when determining the lease term if the contract contains options to extent or terminate the lease.

3.2.2 As a lessor

The Corporation is not required to make any adjustment on transition to IFRS 16 for leases in which it acts as a lessor, except for where there is a sub-lease.

Under IFRS 16, an intermediate lessor classifies a sublease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset, unless the head lease is short-term in nature or the underlying asset is of low value. Having considered the requirements in IFRS 16, the Corporation has classified its subleases as finance leases. The Corporation applied the practical expedients where the right-of-use assets were adjusted by the amount of IAS 37 - *Provisions, Contingent Liabilities and Contingent Assets* (IAS 37) onerous contract provision immediately before the date of initial application, as an alternative to performing an impairment review.

As at January 1, 2019, the Corporation had two sublease arrangements, which were both previously assessed as onerous leases under IAS 37, and a liability was recorded in 2016 and 2017. As at January 1, 2019, the onerous lease liability of $1.0 million was reclassified against the respective right-of-use asset under IFRS 16.

3.2.3 Impacts on financial statements

The following tables summarize the expected impacts of adopting IFRS 16 on the Corporation's condensed consolidated financial statements as at and for the 13 weeks ended March 30, 2019.

a) Consolidated statement of financial position

As at January 1, 2019		Balance with adoption of IFRS 16		Adjustments		Balances without adoption of IFRS 16
Right-of-use assets	$	10,976	$	(10,976)	$	-
Total assets	**$**	**408,788**	**$**	**(10,976)**	**$**	**397,812**
Provisions		6,944		975		7,920
Lease liabilities	$	11,951	$	(11,951)	$	-
Total liabilities	**$**	**252,338**	**$**	**(10,976)**	**$**	**241,362**
Total liabilities and shareholder's equity	**$**	**408,788**	**$**	**(10,976)**	**$**	**397,812**

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

The table below shows the operating lease commitments at December 31, 2018 that are included in the lease liabilities at January 1, 2019:

	January 1, 2019
Operating lease commitment as at December 31, 2018	13,343
Discounted using the incremental borrowing rate as at January 1, 2019	9,961
Less: Leases of low-value assets	(217)
Lease liabilities as at January 1, 2019	9,744

As at March 30, 2019		**As reported**		**Adjustments**		**Balances without adoption of IFRS 16**
Right-of-use assets	$	10,464	$	(10,464)	$	-
Deferred income tax assets		36,590		14		36,604
Prepaid expenses		5,749		86		5,835
Total assets	**$**	**411,056**	**$**	**(10,364)**	**$**	**400,692**
Provisions		6,366		975		7,341
Lease liabilities		11,385		(11,385)		-
Income taxes payable		347		(7)		340
Total liabilities	**$**	**246,995**	**$**	**(10,417)**	**$**	**236,578**
Retained earnings		124,043		53		124,096
Total shareholder’s equity	**$**	**164,061**	**$**	**53**	**$**	**164,114**
Total liabilities and shareholder’s equity	**$**	**411,056**	**$**	**(10,364)**	**$**	**400,692**

b) Consolidated statement of comprehensive income

For the 13 weeks ended March 30, 2019		**As reported**		**Adjustments**		**Balances without adoption of IFRS 16**
Cost of sales	$	318,652	$	18	$	318,670
Administration expenses		14,825		32		14,857
Finance income, net		242		82		324
Income tax expense		(1,616)		21		(1,595)
Profit for the period	**$**	**7,685**	**$**	**53**	**$**	**7,738**
Total comprehensive income	**$**	**7,611**	**$**	**53**	**$**	**7,664**

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

c) Consolidated statement of cash flows

For the 13 weeks ended March 30, 2019		As reported		Adjustments		Balances without adoption of IFRS 16
Profit for the period	$	7,685	$	53	$	7,738
Adjustments to reconcile profit to cash flows from operating activities:						
Depreciation and amortization		5,056		(512)		4,544
Income tax expense		1,616		(21)		1,595
Finance income, net		(242)		(82)		(324)
Net changes in operating assets and liabilities		2,563		(86)		2,477
Cash from operating activities before interest and income tax		22,142		(648)		21,494
Interest received, net of paid		228		82		310
Cash from operating activities	**$**	**19,622**	**$**	**(566)**	**$**	**19,056**
Lease principal payments		(566)		566		-
Cash used in financing activities	**$**	**(566)**	**$**	**566**	**$**	**-**

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENTS

The preparation of these condensed consolidated financial statements requires management to make critical judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period.

Actual results may differ significantly from the estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Significant judgements and estimates as at March 30, 2019 were consistent with those disclosed in Note 4 of the Corporation's audited consolidated financial statements for the year ended December 31, 2018.

5. APPLICATION OF NEW AND REVISED IFRS

5.1 New and revised IFRS pronouncements affecting amounts reported and/or disclosed in the condensed consolidated financial statements for the 13 weeks ended March 30, 2019.

The Corporation has reviewed the new and revised accounting pronouncements that have been issued which had mandatory effective dates of annual periods beginning on or after January 1, 2019.

a) The Corporation adopted IFRS 16 – *Leases* on January 1, 2019. The disclosure of the impact of the application of the new pronouncement on the Corporation's consolidated financial statements is included in Note 3.

b) The following amendment was adopted by the Corporation on January 1, 2019 and did not have a significant impact on the consolidated financial statements.

   Annual improvements to IFRSs 2015-2017

   In December 2017, the IASB published Annual Improvements to IFRS Standards 2015–2017 Cycle. The standards covered by the amendments are: IFRS 3 - Business Combinations which clarifies that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. IFRS 11 - Joint Arrangements which clarifies that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. IAS 12 - Income Taxes which clarifies that all income tax consequences of dividends should be recognized in profit or loss, regardless of how the tax arises. IAS 23 - Borrowing Costs which clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

5.2 New and revised IFRS pronouncements issued, but not yet effective

The Corporation has reviewed the revised accounting pronouncements that have been issued, but are not yet effective and has made the following assessments of their impact on the consolidated financial statements.

a) The adoption of the following IFRS pronouncement has been assessed as having a possible impact on the Corporation's consolidated financial statements in the future.

   Conceptual Framework for Financial Reporting

   In March 2018, the IASB issued the revised Conceptual Framework for Financial Reporting, which provides a set of concepts to assist the IASB in developing standards and to help preparers consistently apply accounting policies where specific accounting standards do not exist. The Revised Conceptual Framework describes that financial information must be relevant and faithfully represented to be useful; provides revised definitions of an asset and a liability as well as new guidance on measurement and derecognition, presentation and disclosure. The framework is not an accounting standard and does not override the requirements that exist in other IFRS standards.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

The revised Conceptual Framework is effective for annual periods beginning on or after January 1, 2020.

6. TRADE RECEIVABLES, NET AND OTHER RECEIVABLES

	As at	
	March 30, 2019	December 31,2018
Receivables and accruals from contracts with customers	**$ 43,018**	$ 37,918
Receivables from contracts with related parties (Note 23)	**1,824**	443
Allowance for estimated credit losses	**(414)**	(274)
Net trade receivables	**44,428**	38,087
Other current financial receivables	**402**	384
Other receivables	**334**	293
Total trade receivables, net and other receivables	**$ 45,164**	$ 38,764

The Corporation does not hold any collateral in respect of trade and other receivables.

7. INVENTORIES

	As at	
	March 30, 2019	December 31, 2018
Total inventories	**$ 54,569**	$ 62,239

The Corporation recognized write-downs of inventory to net realizable value of $1.3 million for the 13 weeks ended March 30, 2019 (March 31, 2018 - $0.6 million).

8. CONTRACT ASSETS AND LIABILITIES

The contract assets relate to the Corporation's rights to consideration for work completed, but not billed as at March 30, 2019. The contract liabilities relate to the consideration received in advance from customers for which revenue has not yet been recognized and accrued expenses related to contract assets.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

Significant changes in the contract asset and liability balances were as follows:

	As at March 30, 2019	
	Contract Assets	**Contract Liabilities**
Opening balance, January 1, 2019	**$ 17,304**	**$ 14,590**
Revenue recognized	**-**	**(12,208)**
Cash received, excluding amounts recognized during the period	**-**	**11,111**
Transfers from contract liabilities to payables	**-**	**(1,050)**
Foreign exchange revaluation	**(352)**	**(72)**
Transfers from contract assets to receivables	**(17,693)**	**-**
Increases resulting from changes in the measure of progress[1]	**6,416**	**927**
Closing balance	**$ 5,675**	**$ 13,298**

[1] Increases resulting from changes in the measure of progress in contract liabilities include $1.1 million related to the Corporation's Memorandum of Understanding with the Department of Finance (Note 23)

	As at March 31, 2018	
	Contract Assets	Contract Liabilities
Opening balance, January 1, 2018	$ 11,257	$ 3,563
Revenue recognized	-	-
Cash received, excluding amounts recognized during the period	-	-
Transfers from contract liabilities to payables	-	(460)
Foreign exchange revaluation	214	30
Transfers from contract assets to receivables	(8,641)	-
Increases resulting from changes in the measure of progress	11,067	3,606
Closing balance	$ 13,897	$ 6,739

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

9.1 Capital risk management

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 13 weeks ended March 30, 2019, approved short-term borrowings for working capital needs within this limit were not to exceed $25 million (March 31, 2018 - $25 million) or its US Dollar equivalent.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

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 as at March 30, 2019 or December 31, 2018.

The Corporation employs a dividend framework to calculate dividends payable to its shareholder. The calculated dividend amount represents the projected excess year end cash over a pre-determined cash reserve requirement and is expected to be paid in the fourth quarter of each year.

9.2 Classification and fair value measurements of financial instruments

9.2.1 Carrying amount and fair value of financial instruments

The classification, as well as the carrying amount and fair value of the Corporation's financial assets and financial liabilities are presented in the following table:

	As at			
	March 30, 2019		December 31, 2018	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Amortized cost				
Cash	**$ 83,433**	**$ 83,433**	$ 66,364	$ 66,364
Trade receivables, net and other receivables	**44,830**	**44,830**	38,471	38,471
Derivatives at FVTPL				
Derivative financial assets:				
Foreign currency forwards	**30**	**30**	19	19
Derivatives at FVOCI				
Derivative assets:				
Interest rate swap	**25**	**25**	123	123
Financial Liabilities				
Amortized cost				
Trade payables, other payables and accrued liabilities	**46,802**	**46,802**	45,109	45,109
Loan payable	**11,990**	**11,993**	11,989	11.995
Derivatives at FVTPL				
Derivative financial liabilities:				
Foreign currency forwards	**210**	**210**	2,087	2,087

The Corporation did not have any held-to-maturity or available-for-sale financial assets at the end of the reporting periods presented.

9.2.2 Fair value hierarchy

Financial instruments, other than those that are not subsequently measured at fair value and for which fair value approximates carrying value, whether or not they are carried at fair value in the condensed consolidated statement of financial position, must be disclosed at their fair value and be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- 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).

The fair value measurement of cash is classified as Level 1 of the fair value hierarchy as at March 30, 2019 and December 31, 2018. The fair value measurements of all other financial instruments held by the Corporation are classified as Level 2 of the fair value hierarchy as at March 30, 2019 and December 31, 2018. There were no transfers of financial instruments between levels for the 13 weeks ended March 30, 2019.

9.2.3 Classification and fair value techniques of financial instruments

The Corporation holds financial instruments in the form of cash, accounts receivable, derivative assets, accounts payable and accrued liabilities, loans payable and derivative liabilities.

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

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

ii) The fair value of loans payable are estimated based on a discounted cash flow approach using current market rates appropriate as at the respective date presented.

iii) The fair values of the Corporation's foreign currency forward contracts and interest rate swaps are based on estimated credit-adjusted forward market prices. The Corporation takes counterparty risk and its own risk into consideration for the fair value of financial instruments.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

The table below details the types of derivative financial instruments carried at fair value:

	As at	
	March 30, 2019	December 31, 2018
Derivative financial assets		
Foreign currency forwards	**$ 30**	$ 19
Interest rate swaps	**25**	123
	$ 55	$ 142
Derivative financial liabilities		
Foreign currency forwards	**$ 210**	$ 2,087
	$ 210	$ 2,087

9.3 Financial risk management objectives and framework

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 financial risk management framework. The Audit Committee assists the Board of Directors and is responsible for review, approval and monitoring of the Corporation's financial risk management policies. The Audit Committee reports regularly to the Board of Directors on its activities.

9.3.1 Credit risk management

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 derivative instruments. The Corporation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

The carrying amount of financial assets recorded in the condensed consolidated financial statements as at March 30, 2019 and December 31, 2018 represents the maximum credit exposure.

9.3.1.1 Credit risk management of receivables from customers

The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the individual characteristics of each customer, however the Corporation also considers the demographics of the Corporations' customer base, including the risk associated with the type of customer and country in which the customer operates.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

The Corporation manages this risk by monitoring the creditworthiness of customers and obtaining 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. The Corporation's management reviews the detailed accounts receivable listing on a regular basis for changes in customer balances which could present collectability issues. An accrual for estimated credit loss (ECL) is provided for accounts with collectability issues when needed.

The maximum exposure to credit risk for accounts receivable by geographic regions was as follows:

	As at	
	March 30, 2019	December 31, 2018
Asia and Australia	**$ 25,756**	$ 18,671
Canada	**11,777**	11,295
Latin America and Caribbean	**5,543**	7,765
United States	**760**	606
Europe, Middle East and Africa	**1,328**	427
Total trade receivables, net and other receivables	**$ 45,164**	$ 38,764

The maximum exposure to credit risk for accounts receivable by type of customer was as follows:

	As at	
	March 30, 2019	December 31, 2018
Central and institutional banks	**$ 31,498**	$ 26,160
Consumers, dealers and others	**10,972**	10,704
Governments (including governmental departments and agencies)	**2,694**	1,900
Total trade receivables, net and other receivables	**$ 45,164**	$ 38,764

The Corporation established an allowance for ECLs based on a provision matrix that reflected the estimated impairment of trade receivables and other receivables. The provision matrix was based on historical observed default rates and was adjusted for forward-looking estimates. The Corporation sets different payment terms depending on the customer and product, which results in an average of 30 day payment terms. The Corporation also reviewed its exposure related to contract assets as at March 30, 2019 and evaluated the risk to be minimal as each related contract is subject to a contract specific risk assessment process. As at March 30 2019, the Corporation's rate of credit losses was less than 1% of total trade receivables, other receivables and contract assets.

9.3.2 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.

9.3.3 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 fair value of its financial instruments.

The Corporation uses, from time to time, derivative instruments, such as foreign currency forward contracts, interest rate exchange agreements and commodity swaps 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.

Foreign exchange risk

The Corporation is exposed to foreign exchange risk on sales and purchase transactions and short term cash management requirements that are denominated in foreign currencies, primarily in US dollars and Euros. 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 managing its overall cash requirements.

Interest rate risk

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. There is no interest rate risk related to cash. The Corporation’s Bankers Acceptance interest rate swap loan instruments expose the Corporation to cash flow interest rate risk. The Corporation has fully hedged the exposure to fluctuations in interest rates related to these instruments by entering into corresponding interest rate swaps, where the Corporation pays a fixed interest rate in exchange for receiving a floating interest rate. The interest rate swaps are designated as hedging instruments 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 profit or loss with respect to these fixed rate instruments. The Corporation's interest rate swaps expose the Corporation to fair value interest rate risk.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

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 its 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. For numismatic sales the Corporation enters into short term lease or purchase commitments for precious and base metals to mitigate the commodity price risk (Note 24).

For contracts that are entered into for the purpose of procuring commodities to be used in production, the Corporation applies the normal purchases classification.

The impact of commodity price risk fluctuation on the condensed consolidated financial statements is not significant because the Corporation's un-hedged commodity volume is not significant.

10. PROPERTY, PLANT AND EQUIPMENT

The composition of the net book value of the Corporation's property, plant and equipment, is presented in the following tables:

	As at	
	March 30, 2019	December 31, 2018
Cost	**$ 429,941**	$ 429,019
Accumulated depreciation	**(268,455)**	(264,849)
Net book value	**$ 161,486**	$ 164,170

Net book value by asset class

	As at	
	March 30, 2019	December 31, 2018
Land and land improvements	**$ 3,067**	$ 3,068
Buildings and building improvements	**88,784**	89,573
Equipment	**68,068**	69,172
Capital projects in process	**1,567**	2,357
Net book value	**$ 161,486**	$ 164,170

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

During the 13 weeks ended March 30, 2019, the Corporation acquired $0.9 million (March 31, 2018 - $2.8 million) worth of building and leasehold improvements and equipment. No capital assets have been transferred to different categories within property, plant and equipment.

Included in property, plant and equipment additions for the 13 weeks ended March 30, 2019 is a total accrual of $1.6 million (December 31, 2018 - $2.4 million).

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

No asset is pledged as security for borrowings as at March 30, 2019.

Intangible assets

	As at	
	March 30, 2019	December 31, 2018
Cost	**$ 34,401**	$ 34,217
Accumulated amortization and impairment	**(26,766)**	(25,827)
Net book value	**$ 7,635**	$ 8,390

During the 13 weeks ended March 30, 2019, the Corporation acquired $0.2 million (March 31, 2018 - $0.1 million) worth of software. No capital assets have been transferred to different categories within intangible assets.

Included in intangible asset additions for the 13 weeks ended March 30, 2019 is a total accrual of $0.2 million (December 31, 2018 - $0.1 million).

11. RIGHT-OF-USE ASSETS

The following represents a reconciliation of the opening and closing balance of the right-of-use assets:

	Right-of-use Assets		
	Building and building improvements	**Equipment**	**Total**
Balance as at January 1, 2019	**$ 7,223**	**$ 3,753**	**$ 10,976**
Depreciation	**(225)**	**(287)**	**(512)**
Balance as at March 30, 2019	**$ 6,998**	**$ 3,466**	**$ 10,464**

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED LIABILITIES

	As at	
	March 30, 2019	December 31, 2018
Trade payables	**$ 5,380**	$ 4,007
Other current financial liabilities[1]	**41,163**	40,828
Other accounts payable and accrued liabilities	**2,134**	4,164
Total current trade payable, other payables and accrued liabilities	**$ 48,677**	$ 48,999
Other non-current financial liabilities	**259**	274
Total non-current trade payables, other payables and accrued liabilities	**$ 259**	$ 274
Trade payables, other payables and accrued liabilities	**$ 48,936**	$ 49,273

[1] Other current financial liabilities include payables that are not trade in nature, as well as various operating and capital accruals.

13. PROVISIONS

The following table presents the changes in the provisions:

	As at	
	March 30, 2019	December 31, 2018
Carrying amount at the beginning of the year	**$ 7,920**	$ 6,749
Additional provisions recognized	**410**	4,043
Payments	**(774)**	(1,092)
Derecognition of provisions[1]	**(1,176)**	(1,780)
Foreign exchange loss	**(14)**	-
Carrying amount at the end of the year	**$ 6,366**	$ 7,920

[1] Derecognition of provisions includes $0.9 million of onerous lease provisions which were reclassified against right–of-use assets on January 1, 2019 as disclosed in note 3.2 to these condensed consolidated financial statements.

Provisions include the following:

	As at	
	March 30, 2019	December 31, 2018
Sales returns and warranty	**$ 2,365**	$ 2,264
Restructuring and other employee compensation	**3,011**	3,374
Other provisions	**990**	2,282
Total provisions	**$ 6,366**	$ 7,920

	As at	
	March 30, 2019	December 31, 2018
Current portion	**$ 4,999**	$ 5,784
Non-current portion	**1,367**	2,136
Total provisions	**$ 6,366**	$ 7,920

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

14. FACE VALUE REDEMPTIONS

	As at	
	March 30, 2019	December 31, 2018
Face Value redemptions	**$ 179,742**	$ 180,224
Precious metal recovery	**(38,544)**	(40,405)
Face Value redemptions, net	**141,198**	139,819
Less: Current portion	**(1,305)**	(1,292)
Non-current Face Value redemptions, net	**$ 139,893**	$ 138,527

	As at	
	March 30, 2019	December 31,2018
Opening balance	**$ 139,819**	$ 141,135
Redemptions, net	**(380)**	(1,455)
Revaluation	**1,759**	139
Ending balance	**$ 141,198**	$ 139,819

As at March 30, 2019, the Corporation determined that it continues to be unable to reliably estimate the redemptions of Face Value coins.

Face Value redemptions represent the expected cash outflows if all Face Value coins are redeemed, including the costs of redemptions offset by the precious metal content that will be reclaimed by the Corporation when the coins are redeemed. The precious metal recovery component of the liability is based on the market value of silver as at each financial statement reporting date. The impact of the revaluation of the precious metal component of the liability, including the impact of the foreign currency balance sheet revaluation, was an increase of $1.8 million for the 13 weeks ended March 30, 2019 (March 31, 2018 – an increase of $0.3 million).

The current portion of the liability for Face Value redemptions is based on the redemptions for the last 12 months, as the Corporation continues to determine that it is unlikely that all outstanding Face Value coins will be redeemed in the next 12 months as Face Value coins are widely held and the redemption process takes time to complete.

The Corporation continues to monitor the redemption levels of Face Value coins to ensure requisite funding for future redemptions is maintained.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

15. LEASE LIABILITIES

The following represents a reconciliation of the opening and closing balance of the lease liability balance:

	Lease Liabilities		
	Building and building improvements	**Equipment**	**Total**
Balance as at January 1, 2019	$ 8,198	$ 3,753	$ 11,951
Interest expense	51	31	82
Lease payments	(344)	(304)	(648)
Balance as at March 30, 2019	$ 7,905	$ 3,480	$ 11,385

	Lease Liabilities		
	Building and building improvements	**Equipment**	**Total**
Current	$ 1,228	$ 1,110	$ 2,338
Non-current	6,677	2,370	9,047
Balance as at March 30, 2019	$ 7,905	$ 3,480	$ 11,385

Total cash outflow for leases included in lease liabilities for the 13 weeks ended March 30, 2019 is $0.6 million.

16. EMPLOYEE COMPENSATION AND BENEFITS

Pension benefits

The Corporation made total contributions of $2.2 million in the 13 weeks ended March 30, 2019 (March 31, 2018 - $2.3 million).

See Note 19 in the audited consolidated financial statements for the year ended December 31, 2018 for details on the Corporation's pension and other post-employment benefit plans.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

17. REVENUE

17.1 Revenue by performance obligation

	13 weeks ended	
	March 30, 2019	March 31, 2018[1]
Performance obligations satisfied at a point in time		
Sale of goods	**$ 314,240**	$ 302,550
Rendering of services	**6,035**	2,581
Total revenue recognized at a point in time	**$ 320,275**	$ 305,131
Performance obligations satisfied over time		
Sale of goods	**6,416**	11,398
Rendering of services	**24,016**	24,350
Total revenue recognized over time	**$ 30,432**	$ 35,748
Total revenue	**$ 350,707**	$ 340,879

[1] Prior year figures have been reclassified to align with this years presentation and to move $20.1 million of Canadian Circulation services from sale of goods to rendering of services

Revenue from the sale of goods is presented net of cost of sales in cases where the Corporation is not the principal in the transaction (“Customer inventory deals”). The following is a reconciliation of the gross revenue from the sale of goods and the net revenue presented:

	13 weeks ended	
	March 30, 2019	March 31, 2018[1]
Gross revenue from the sale of goods	**$ 425,664**	$ 376,355
Less: Customer inventory deals	**(105,008)**	(62,407)
Net revenue from the sale of goods	**$ 320,656**	$ 313,948

[1] Prior year figures have been reclassified to move $20.1 million of Canadian Circulation services from sale of goods to rendering of services

17.2 Disaggregation of Revenue

In the following table, revenue is disaggregated by primary geographical region, business and timing of revenue recognition.

	13 weeks ended	
Primary Geographic Regions	**March 30, 2019**	March 31, 2018
North America[1]	**$ 233,085**	$ 186,672
Europe, Middle East & Africa[1]	**94,853**	119,416
Asia & Australia	**17,828**	28,021
Latin America & Caribbean	**4,941**	6,770
Total revenue	**$ 350,707**	$ 340,879

[1] Prior year figures have been reclassified to move $3.3 million of revenue related to Bullion compensation arrangements from Europe, Middle East & Africa to North America.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

	13 weeks ended	
Business	**March 30, 2019**	March 31, 2018
Canadian Circulation	**$ 21,431**	$ 22,586
Foreign Circulation	**8,667**	18,559
Bullion Products and Services	**293,303**	271,696
Numismatics	**27,306**	28,038
Total revenue	**$ 350,707**	$ 340,879

17.3 Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) as at March 30, 2019.

	2019	**2020**	**2021**	**Total**
Total revenue	**$ 95,278**	**$ 73,470**	**$ 71,433**	**$ 240,181**

The Corporation has other contracts with terms longer than 12 months that include unsatisfied performance obligations that are dependent on volumes. These contracts are excluded from the table above as the Corporation cannot reliably measure the unsatisfied performance obligations. Under these contracts, customers have the option to increase or decrease the volume over the terms of their respective contracts and therefore, the unsatisfied performance obligation, would be impacted by this decision.

18. DEPRECIATION AND AMORTIZATION EXPENSE

	13 weeks ended	
	March 30, 2019	March 31, 2018
Depreciation of property, plant and equipment	**$ 3,606**	$ 3,400
Amortization of intangible assets	**938**	924
Depreciation of right-of-use assets	**512**	-
Total depreciation and amortization expense	**$ 5,056**	$ 4,324

Depreciation and amortization expense were reclassified to operating expense as follows:

	13 weeks ended	
	March 30, 2019	March 31, 2018
Cost of sales	**$ 3,065**	$ 2,599
Marketing and sales expenses	**717**	696
Administration expenses	**1,274**	1,029
Total depreciation and amortization expense	**$ 5,056**	$ 4,324

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

19. EMPLOYEE COMPENSATION EXPENSES

	13 weeks ended	
	March 30, 2019	March 31, 2018[1]
Included in cost of sales:		
Salaries and wages including short term employee benefits	**$ 8,925**	$ 8,584
Pension costs	**1,108**	1,185
Other long term employee and post-employment benefits	**615**	718
Termination benefits	**(26)**	37
Included in marketing and sales expenses:		
Salaries and wages including short term employee benefits	**4,037**	4,354
Pension costs	**295**	336
Other long term employee and post-employment benefits	**100**	171
Termination benefits	**(16)**	(33)
Included in administration expenses:		
Salaries and wages including short term employee benefits	**8,645**	7,793
Pension costs	**674**	625
Other long term employee and post-employment benefits	**370**	374
Termination benefits	**13**	89
Total employee compensation and benefits expense	**$ 24,740**	$ 24,233

[1] Prior year figures have been reclassified to conform to current year presentation.

20. SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT (SRED) EXPENSES, NET

	13 weeks ended	
	March 30, 2019	March 31, 2018
SRED expenses	**$ 1,371**	$ 950
SRED investment tax credit	**(170)**	(119)
SRED expenses, net	**$ 1,201**	$ 831

The net expenses for scientific research and experimental development are included in the administration expenses in the condensed consolidated statement of comprehensive income.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

21. INCOME TAXES

	13 weeks ended	
	March 30, 2019	March 31, 2018
Current income tax expense	**$ 1,986**	$ 3,198
Deferred income tax recovery	**(370)**	(569)
Income tax expense	**$ 1,616**	$ 2,629

The Corporation's effective income tax expense on profit before income tax differs from the amount that would be computed by applying the federal statutory income tax rate of 25% (2018 – 25%). The Corporation's effective income tax rate was 17% for the 13 weeks ended March 30, 2019 due to a decrease in taxable income as a result of temporary differences between income for accounting and tax purposes.

22. SUPPLEMENTAL CASH FLOW INFORMATION

22.1 Reclassification

The Corporation modified its consolidated statement of cash flows for the year ended December 31, 2018 to better represent the movements in provisions, prepaid expenses and foreign exchange that were reclassified within operating activities. For more information on this reclassification refer to note 29 in the Corporation`s audited consolidated financial statements for the year ended December 31, 2018.

The following table shows the combined impact of these reclassifications:

	13 weeks ended		
	March 31, 2018		
Increase (decrease)	As previously reported	Reclassification	As reclassified
Net foreign exchange gain	$ (1,180)	$ (574)	$ (1,754)
Adjustments to other (revenues) expenses, net	(1,427)	2,608	1,181
Net changes in operating assets and liabilities	(8,636)	(2,608)	(11,244)

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

22.2 Supplemental cash flow information

Adjustments to other (revenue) expenses, net, were comprised of the following:

	13 weeks ended	
	March 30, 2019	March 31, 2018[1]
Expenses		
Employee benefits expenses	**$ 2,073**	$ 2,117
Employee benefits paid	**(2,232)**	(2,242)
Inventory write-downs	**(94)**	(568)
Provisions	**(580)**	2,153
Prepaid expenses[1]	**439**	455
Other non-cash expenses, net[1]	**140**	119
Revenue		
Foreign circulation revenue	**6,782**	319
Bullion service revenue	**(403)**	(1,172)
	$ 6,125	$ 1,181

[1] Prior year figures have been reclassified to conform to current year presentation.

The net change in operating assets and liabilities shown in the condensed consolidated statement of cash flow was comprised of the following:

	13 weeks ended	
	March 30, 2019	March 31, 2018[1]
Trade receivables, net and other receivables	$ **(6,166)**	$ (5,416)
Inventories	**12,537**	5,677
Prepaid expenses	**(2,181)**	(1,735)
Trade payables, other payables and accrued liabilities	**(511)**	(9,071)
Contract liability	**(1,116)**	(699)
	$ 2,563	$ (11,244)

[1] Prior year figures have been reclassified to conform to current year presentation.

Income tax paid, was comprised of the following:

	13 weeks ended	
	March 30, 2019	March 31, 2018
Income tax paid	**$ (2,748)**	$ (2,795)
	$ (2,748)	$ (2,795)

Interest received, net, was comprised of the following:

	13 weeks ended	
	March 30, 2019	March 31, 2018
Interest received	**$ 369**	$ 310
Interest paid	**(141)**	(89)
	$ 228	$ 221

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

23. 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. In accordance with the disclosure exemption regarding "government related entities", the Corporation is exempt from certain disclosure requirements of IAS 24 relating to its transactions and outstanding balances with:

- a government that has control, joint control or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Transactions with related parties that are considered to be individually or collectively significant, include transactions with the Government of Canada, and departments thereof and all federal Crown corporations.

The majority of transactions with the Government of Canada were with the Department of Finance ("DOF") related to the production, management and delivery of Canadian circulation coins which are negotiated and measured at fair value under a Memorandum of Understanding, where pricing is agreed annually in the normal course of operations.

The transactions with DOF are as follows:

	13 weeks ended	
	March 30, 2019	March 31, 2018
Revenue from DOF	**$ 19,622**	$ 20,452

	As at	
	March 30, 2019	December 31, 2018
Receivable from DOF	**$ 1,824**	$ 443
Contract liability	**1,086**	509

The majority of transactions with Crown corporations were for the sales of numismatic product.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

24. COMMITMENTS, CONTINGENCIES AND GUARANTEES

24.1 Precious metal commitments

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 March 30, 2019, the Corporation had $15.7 million in outstanding precious metal purchase commitments (December 31, 2018 – $16.1 million).

As at March 30, 2019, the Corporation had entered into precious metal leases as follows:

	As at	
Ounces	**March 30, 2019**	December 31, 2018
Gold	**247,231**	262,843
Silver	**5,878,537**	5,785,450
Platinum	**13,171**	18,781

The fees for these leases are based on market value. The precious metal lease payment expensed for the 13 weeks ended March 30, 2019 was $0.6 million (March 31, 2018 - $0.6 million). The value of the metals under these leases has not been reflected in the Corporation's condensed consolidated financial statements since the Corporation intends to settle these commitments through receipt or delivery of the underlying metal.

24.2 Trade finance bonds and bank guarantees

The Corporation has various outstanding bank guarantees and trade finance bonds associated with the production of foreign circulation coin contracts. These were issued in the normal course of business. The guarantees and 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 at March 30, 2019, under the guarantees and bid bonds, the maximum potential amount of future payments is $16.2 million (December 31, 2018 - $16.1 million).

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

24.3 Other commitments and contingencies

Total estimated minimum remaining future commitments are as follows:

	2019	2020	2021	2022	2023	2024 and thereafter	Total
Operating leases[1]	$ 428	$ 107	$ -	$ -	$ -	$ -	$ 535
Other commitments	24,616	4,805	1,029	21	15	17	30,503
Base metal commitments	10,836	-	-	-	-	-	10,836
Capital commitments	2,778	-	-	-	-	-	2,778
Total	**$ 38,658**	**$ 4,912**	**$ 1,029**	**$ 21**	**$ 15**	**$ 17**	**$ 44,652**

[1] Operating leases include low value leases and leases with a term of 12 months or less.

Other commitments include firm contracts with suppliers for goods and services, excluding precious metals commitments and operating leases.

Base metal commitments are firm fixed-price purchase commitments which are entered into in order to facilitate the production of circulation and non-circulation coins (for Canada and other countries) and manage the risks associated with changes in metal prices.

The Corporation has committed as at March 30, 2019 to spend approximately $2.8 million (December 31, 2018 - $2.2 million) in 2019 and 2020 on capital projects.

In addition, there are various legal claims against the Corporation. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation’s condensed consolidated financial statements. A $0.9 million provision for potential legal obligations is included in other provisions (Note 13) as at March 30, 2019 (December 31, 2018 - $0.9 million). The amount and timing of the settlement of the provision is uncertain.

There have been no other material changes to the Corporation’s commitments, contingencies and guarantees since December 31, 2018.

(Unaudited) (In thousands of Canadian dollars, unless otherwise indicated)

25. RECLASSIFICATIONS

In 2018, the Corporation modified the condensed consolidated statement of comprehensive income classification for certain amounts between marketing and sales expenses and administration expenses to more appropriately reflect their nature. Comparative amounts in these condensed consolidated financial statements were reclassified for consistency.

The following table shows the combined impact of these reclassifications:

		13 weeks ended	
		March 31, 2018	
Increase (Decrease)	As reported	Reclassifications	As reclassified
Marketing and sales expenses	**$** 8,745	**$** (303)	**$** 8,442
Administration expenses	13,612	303	13,915