THIRD QUARTER FINANCIAL REPORT

FISCAL 2023

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 and 39 weeks ended September 30, 2023 and October 1, 2022 in compliance with International Financial Reporting Standards (IFRS). Although the Mint's year end of December 31 matches the calendar year end, the Mint's quarter end dates do not necessarily coincide with calendar year quarters; instead, each of the Mint's quarters contains 13 weeks. In 2023, the first 39 weeks included 273 days compared to 274 days in the first 39 weeks of 2022. 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 November 22, 2023, unless otherwise noted.

MATERIALITY

In assessing what information to provide in this narrative, management applies the materiality principle as guidance for disclosure. Management considers information material if its omission or misstatement could reasonably be expected to influence decisions that the primary users make based on the financial information included in this narrative.

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.

NON-GAAP FINANCIAL MEASURES

This narrative includes non-GAAP financial measures which are clearly denoted where presented. Non-GAAP financial measures are not standardized under IFRS and might not be comparable to similar financial measures disclosed by other corporations reporting under IFRS.

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

OVERVIEW OF THE CORE MANDATE AND THE BUSINESS

The Royal Canadian Mint is a Crown corporation owned solely by the Government of Canada. It is required by the *Royal Canadian Mint Act* to mint coins in anticipation of profit and to carry out other related activities. The Mint aims to be an agile, resilient Crown corporation focused on the future and prepared to act on opportunities to create value for Canada. The Mint has two primary businesses: Circulation and Precious Metals.

Circulation Business

The Royal Canadian Mint is Canada's national mint and a global leader in circulation coinage and precious metals. As part of its core mandate, the Mint manages the circulation of Canada's coinage from its weekly forecasting and world-class production to eventual retirement. This end-to-end responsibility, along with the management of inventories across the nation, enables the Mint to effectively deliver a reliable and inclusive payment option for Canadians. Integrating environmental, social and corporate governance (ESG) as a foundation for its coin lifecycle management practices, the Mint recycles and re-distributes coins which reduces the need to produce more coins and extends the life span and usage of those coins already circulating.

On behalf of the Government of Canada, the Mint operates a Commemorative Coin Program (CCP) to celebrate Canada's history, diversity, culture and values. In addition to its core mandate, the Mint is also responsible for the Alloy Recovery Program (ARP) which removes older-composition Canadian coins from the coin pool system and replaces them with more durable and secure multi-ply plated steel (MPPS) coins.

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, allowing countries to strike their own coins. These contracts leverage the infrastructure and industry-leading expertise in the Mint's Winnipeg manufacturing facility.

Precious Metals Business

The Bullion Products & Services business provides critical support to the essential Canadian mining and financial sectors through its 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 and silver 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 quality and security, the Mint is well positioned to capture a leading share of any increase in demand while sustaining volumes during softer markets. The Mint has, in the past, issued ETRs under its Canadian Gold Reserves (TSX: MNT/MNT.U) and Canadian Silver Reserves (TSX: MNS/MNS.U) programs, which provide retail and institutional investors direct legal title and beneficial ownership in physical bullion held in the custody of the Mint at its facilities on an unallocated basis. These programs contribute to the efficient operation of the Mint's production facilities, including reduced precious metal lease requirements, while generating management fee revenue.

The Numismatics business designs, manufactures and sells collectible coins to a loyal customer base in Canada and around the world. The medals division proudly provides medals to many Canadian public institutions to recognize and celebrate outstanding accomplishments of Canadians. The Mint's global leadership in the art and science of minting is consistently recognized around the world. This recognition is largely earned by innovative technology enhancements, such as glow in the dark paint, selective plating, the Opulence line, hybrid and premium bullion products and the use of vibrant colour that allow the Mint to create unique and compelling products. The Mint sold numismatic products through its outbound sales and e-commerce platforms, and through its boutiques in Ottawa and Winnipeg, as well as through its dealers and partners, both domestically and internationally.

SIGNIFICANT CORPORATE EVENTS

Public Service Alliance of Canada (PSAC) union agreement

On September 21, 2023, the tentative four-year collective agreement renewal between the Mint and the Public Service Alliance of Canada (PSAC) locals in Ottawa and Winnipeg was ratified. The renewed collective agreement expires on December 31, 2025. The Mint is currently bargaining with the Amalgamated Transit Union representing the Mint's Protective Services Officers in Ottawa, as well as with the PSAC representing the Mint's Protective Services Officers in Winnipeg. Both collective agreements expired on December 31, 2021.

Coin Awards

On August 10, 2023, the Mint was delighted that its 2022 5 oz. Pure Silver Coin – Canadian Ghost Ship won the Coin of the Year Award in the *Most Innovative* category. Under this annual awards program, the Mint competes with global industry peers for the world's most prestigious recognition of excellence in coin design and manufacturing. This latest endorsement of the Mint's talent and innovation adds to a growing list of previous Coin of the Year awards.

Environmental, Social and Corporate Governance (ESG) Initiatives

ISO 14001:2015 certification

In July 2023, the Mint completed its ISO 14001:2015 certification process with the Ottawa facility joining the Winnipeg plant that was previously certified to the international standard in 2021. ISO 14001 is an environmental management system certification that helps organizations minimize their environmental impact, focus on continuous improvement and ensure compliance through a proven structure consistent with other ISO certifications.

Special Examination Report

In 2023, the Office of the Auditor General of Canada (OAG) completed a Special Examination of the Mint. The OAG concluded that the Mint is a well-managed organization. The report focused on the Mint's corporate management practices, management of operations, and organizational and digital transformation. The Special Examination found no significant deficiencies in these areas. However, it did identify improvement needed in the areas of corporate risk management, operational plan implementation, the environment and sustainable development, information security, and human resource management, as well as in systems and practices related to the Mint's organizational and digital transformation.

The Mint will ensure improvements will continue to be made to address the recommendations by the OAG. For example, the Mint will report its environmental performance, which includes environmental management system information, annually to the Board of Directors beginning in 2024. The recommendations of the OAG Special Examination will be addressed with action plans with completion timelines ranging from the end of 2023 to the end of 2025 as noted in the Mint's management response included in the published Special Examination report.

Organizational updates

Effective October 5, 2023, the Mint's term position for the role of Chief Transformation Officer ended and the position has been removed. Oversight of the remaining projects in the portfolio and responsibilities have been redistributed to other members of the Mint's Leadership Team.

On October 6, 2023, Minister Chrystia Freeland announced the appointment of Cindy Chao and Kevin Darling to the Mint's Board of Directors as well as the reappointment of Pina Melchonnia and Barry Rivelis for four-year terms.

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 by using metrics meaningful to its Shareholder, customers, business partners and employees. The measures below allow the Mint to monitor its capacity to improve performance and create value for its Shareholder and for Canada.

	13 weeks ended				39 weeks ended			
	September 30, 2023	October 1, 2022	$ Change	% Change	**September 30, 2023**	October 1, 2022	$ Change	% Change
Revenue	**$ 360.6**	$ 728.7	(368.1)	(51)	**$ 1,841.8**	$ 2,435.6	(593.8)	(24)
(Loss) profit for the period	**$ (5.8)**	$ 7.8	(13.6)	(174)	**$ 15.0**	$ 24.7	(9.7)	(39)
(Loss) profit before income tax and other items[1]	**$ (8.7)**	$ 12.2	(20.9)	(171)	**$ 23.4**	$ 42.5	(19.1)	(45)
(Loss) profit before income tax and other items margin[2]	**(2.4)%**	1.7%			**1.3%**	1.7%		

[1](Loss) profit before income tax and other items is a non-GAAP financial measure. A reconciliation from (loss) profit for the period to (loss) profit before income tax and other items is included on page 12.

[2] (Loss) profit before income tax and other items margin is a non-GAAP financial measure and its calculation is based on (loss) profit before income tax and other items.

A sudden decline in global bullion demand in the third quarter, resulted in a 64% reduction in overall bullion volumes and a loss of $5.8 million and a loss before income tax and other items of $8.7 million for the 13 weeks ended September 30, 2023. Profit and profit before income tax and other items for the 39 weeks ended September 30, 2023 decreased to $15 million and $23.4 million, respectively. The Mint's profitability in 2023 continues to be impacted by lower circulation coin volumes and by a higher level of operating expenses to support the Mint's on-going operations, including recent collective bargaining agreement outcomes, and the digital program and business transformation initiatives. These results were partially offset by the strong performance of the Mint's Numismatics business mainly driven by sales of *Queen Elizabeth II's Reign, His Majesty King Charles III's Coronation* 2023 products, as well as higher gold market pricing.

	As at			
	September 30, 2023	December 31, 2022	$ Change	% Change
Cash and cash equivalents and short-term investment	**$ 78.1**	$ 79.3	(1.2)	(2)
Inventories	**$ 75.2**	$ 56.2	19.0	34
Capital assets	**$ 164.1**	$ 152.5	11.6	8
Total assets	**$ 389.5**	$ 380.2	9.3	2
Working capital	**$ 109.4**	$ 105.3	4.1	4

Working capital increased 4% from December 31, 2022. Cash and cash equivalents and short-term investments decreased 2% from December 31, 2022 due mainly to inventory purchases and capital investments.

Revenue by program and business

	13 weeks ended				39 weeks ended			
	September 30, 2023	October 1, 2022	$ Change	% Change	**September 30, 2023**	October 1, 2022	$ Change	% Change
Canadian Circulation	**$ 24.7**	$ 28.1	(3.4)	(12)	**$ 66.3**	$ 74.3	(8.0)	(11)
Foreign Circulation	**7.5**	13.4	(5.9)	(44)	**12.6**	55.1	(42.6)	(77)
Total Circulation	**$ 32.2**	$ 41.5	(9.3)	(22)	**$ 78.9**	$ 129.4	(50.6)	(39)
Bullion Products and Services	**$ 294.6**	$ 662.8	(368.2)	(56)	**$ 1,655.6**	$ 2,219.6	(563.9)	(25)
Numismatics	**33.8**	24.4	9.4	39	**107.3**	86.6	20.7	24
Total Precious Metals	**$ 328.4**	$ 687.2	(358.8)	(52)	**$ 1,762.9**	$ 2,306.2	(543.2)	(24)
Total revenue	**$ 360.6**	$ 728.7	(368.1)	(51)	**$ 1,841.8**	$ 2,435.6	(593.8)	(24)

The Mint takes an integrated and agile approach to managing the Circulation and Precious Metals businesses. This approach allows the Mint to allocate resources within these businesses in order to respond to customer and market demands.

Canadian Circulation

During the 13 and 39 weeks ended September 30, 2023, revenue from the Canadian Circulation Program decreased by $3.4 million and $8.0 million, respectively, over the same periods in 2022. The decrease is mainly due to lower volumes of circulation coins sold to the Department of Finance, as less coins were required to replenish inventories, partially offset by the timing of the commemorative circulation coin campaigns and program fees in accordance with the memorandum of understanding with the Department of Finance.

During the 13 weeks ended September 30, 2023 and before publication of this report, the Mint issued a $2 commemorative circulation coin honouring the 100th anniversary of the birth of the legendary visual artist Jean Paul Riopelle one of Canada's, and the world's, most influential artists of the 20th century as well as a $1 commemorative circulation coin honouring Elsie MacGill, an exceptional Canadian who broke barriers as an engineer and leading advocate of women's rights.

Coin supply

(in millions of coins)	13 weeks ended				39 weeks ended			
	September 30, 2023	October 1, 2022[1]	Change	% Change	**September 30, 2023**	October 1, 2022[1]	Change	% Change
Financial institutions deposits	409	402	7	2	**1,239**	1,159	80	7
Recycled coins	33	37	(4)	(10)	**103**	99	4	4
Total market supply	442	439	3	1	**1,342**	1,258	84	7
New coins sold to financial institutions and others	131	162	(31)	(19)	**199**	267	(68)	(26)
Total coin supply	573	601	(28)	(5)	**1,541**	1,525	16	1

[1]Restated to reflect coins deposited as opposed to coins received by the Mint.

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. In the 13 week and 39 week periods ended September 30, 2023, demand has decreased 3.5% and increased 1%, respectively from 2022.

Financial institution deposits are the primary coin supply channel that fulfills coin demand and are typically made up of coins from transit, parking, vending, etc. During the 13 and 39 weeks period ended September, 2023 supply was 5% lower and 1% higher respectively compared to the same period last year.

Department of Finance Inventory

(in millions of dollars)	As at		
	September 30, 2023	October 1, 2022[1]	$ Change
Opening inventory	**$ 102.0**	$ 84.9	17.1
New coins produced and sold to Department of Finance	**70.6**	125.7	(55.1)
New coins sold to financial institutions and others	**(81.0)**	(100.6)	19.6
Ending inventory	**$ 91.6**	$ 110.0	(18.4)

[1]Restated to include in ending inventory the coins produced but not yet billed.

The Mint actively manages inventory supply levels from financial institutions deposits, recycling kiosk volumes, and new coin production to ensure coinage demand is met efficiently and cost effectively throughout the year. The face value of the Department of Finance owned inventory at September 30, 2023 was $91.6 million, which was within the inventory limit outlined in the Mint's memorandum of understanding with the Department of Finance.

Foreign Circulation

Revenue from the Foreign Circulation business decreased 44% and 77% to $7.5 million and $12.6 million, respectively, for the 13 and 39 weeks ended September 30, 2023 compared to $13.4 million and $55.1 million, respectively, in the same periods in 2022. While demand for coins and blanks has begun to rebound, the Mint has been successful in winning electroplated blanks, where competition remains limited. The Mint continues to compete for production of coins other than nickel plated steel. The decrease in foreign circulation revenue is due to a change in mix of coin and blank contracts despite 20% higher volumes produced and shipped quarter over quarter, while year over year volumes were 56% lower compared to 2022.

Bullion Products and Services

	13 weeks ended				39 weeks ended			
	September 30, 2023	October 1, 2022	$ Change	% Change	**September 30, 2023**	October 1, 2022	$ Change	% Change
Gross revenue	**$ 614.7**	$ 1,162.6	(547.9)	(47)	**$ 3,155.3**	$ 3,671.5	(516.2)	(14)
Less: customer inventory deals	**(320.1)**	(499.8)	179.7	(36)	**(1,499.7)**	(1,451.9)	(47.8)	3
Net revenue	**$ 294.6**	$ 662.8	(368.2)	(56)	**$ 1,655.6**	$ 2,219.6	(564.0)	(25)

	13 weeks ended				39 weeks ended			
(thousands of ounces)	**September 30, 2023**	October 1, 2022	Change	% Change	**September 30, 2023**	October 1, 2022	Change	% Change
Gold	**170.1**	354.3	(184.2)	(52)	**828.1**	1,078.2	(250.1)	(23)
Less: ounces from customer inventory deals	**(106.8)**	(206.4)	99.6	(48)	**(525.7)**	(571.7)	46.0	(8)
Net gold ounces	**63.3**	147.9	(84.6)	(57)	**302.4**	506.5	(204.1)	(40)
Silver	**3,412.6**	9,612.2	(6,199.6)	(64)	**21,482.8**	28,180.1	(6,697.3)	(24)
Less: ounces from customer inventory deals	**(1,409.6)**	(1,296.2)	(113.4)	9	**(4,000.8)**	(3,973.0)	(27.8)	1
Net silver ounces	**2,003.0**	8,316.0	(6,313.0)	(76)	**17,482.0**	24,207.1	(6,725.1)	(28)

Bullion Products and Services net revenue decreased 56% and 25% during the 13 and 39 weeks ended September 30, 2023 respectively. The decrease in revenue in both periods was mainly driven by lower gold and silver net bullion volumes sold, partially offset by higher gold and silver market pricing and a favourable impact from a stronger US dollar on the Mint's US dollar denominated revenue.

Numismatics

Numismatics revenue increased 39% and 24% to $33.8 million and $107.3 million, respectively, during the 13 and 39 weeks ended September 30, 2023 from $24.4 million and $86.6 million, respectively, during the same periods in 2022. The increase in revenue was primarily due to high demand for *Queen Elizabeth II's Reign* and *King Charles III Coronation* products, partially offset by higher sales related to the Mint's Opulence coin collection in 2022.

	13 weeks ended				39 weeks ended			
	September 30, 2023	October 1, 2022	$ Change	% Change	**September 30, 2023**	October 1, 2022	$ Change	% Change
Gold	**$ 16.0**	$ 11.2	4.8	43	**$ 45.3**	$ 39.3	6.0	15
Silver	**13.5**	11.4	2.1	18	**44.9**	39.5	5.4	14
Other revenue[1]	**4.3**	1.8	2.5	139	**17.1**	7.8	9.3	119
Total revenue	**$ 33.8**	$ 24.4	9.4	39	**$ 107.3**	$ 86.6	20.7	24

[1]Other revenue includes base metal coins, medals and other related revenue

Expenses, other income and income tax

	13 weeks ended				39 weeks ended			
Expenses (income)	**September 30, 2023**	October 1, 2022	$ Change	% Change	**September 30, 2023**	October 1, 2022	$ Change	% Change
Cost of sales	**$ 333.1**	$ 688.0	(354.9)	(52)	**$ 1,723.8**	$ 2,315.7	(591.9)	(26)
Operating expenses:								
Marketing and sales	**$ 10.3**	$ 8.4	1.9	23	**$ 23.7**	$ 20.6	3.1	15
Administration	**25.7**	22.2	3.5	16	**77.3**	67.3	10.0	15
Total operating expenses	**$ 36.0**	$ 30.6	5.4	18	**$ 101.0**	$ 87.9	13.1	15
Finance income, net	**$ 1.1**	$ 0.3	0.8	267	**$ 3.0**	$ 0.4	2.6	650
Income tax (recovery) expense	**$ (1.9)**	$ 2.6	(4.5)	(173)	**$ 4.6**	$ 8.1	(3.5)	(43)

Cost of sales for the 13 and 39 weeks ended September 30, 2023 decreased to $333.1 million and $1,723.8 million, respectively, compared to $688.0 million and $2,315.7 million during the same periods in 2022. The overall decreases in cost of sales were in line with decreases of 51% and 24% in the same periods in overall revenue, excluding increases of $3.2 million and $7.6 million in the 13 weeks and 39 weeks ended September 30, 2023, respectively, in the revaluation gain on the Face Value redemptions liability which is recognized in cost of sales.

Overall, operating expenses for the 13 and 39 weeks ended September 30, 2023 increased to $36 million and $101 million compared to $30.6 million and $87.9 million in the same periods in 2022. Administration expenses increased 16% and 15% respectively, mainly due to a planned increase in employee compensation to support our normal operations, as well as a planned temporary increase in consulting expenses to support the digital program and business transformation. The increase in marketing and sales expenses was due to planned increases in marketing campaigns consistent with higher sales of numismatic products and timing of the launch of the 2023 commemorative coin program.

Finance income, net for the 13 weeks and 39 weeks ended September 30, 2023 increased $0.8 million and $2.6 million due to interest earned on cash and cash equivalents and the short-term investment purchased in the first quarter of 2023.

Income tax (recovery) expense for the 13 and 39 weeks ended September 30, 2023 was $4.5 million and $3.5 million lower, respectively, when compared to the same periods in 2022, mainly due to a decrease in taxable income as a result of lower operating income.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

	13 weeks ended				39 weeks ended			
		September 30, 2023	October 1, 2022	$ Change		**September 30, 2023**	October 1, 2022	$ Change
Cash and cash equivalents, at the end of the period	**$**	**63.1**	$ 95.6	(32.5)	**$**	**63.1**	$ 95.6	(32.5)
Cash flow (used in) from operating activities	**$**	**(8.8)**	$ 13.8	(22.6)	**$**	**22.3**	$ 42.3	(20.0)
Cash flow used in investing activities	**$**	**(7.8)**	$ (4.4)	(3.4)	**$**	**(36.6)**	$ (14.7)	(21.9)
Cash flow used in financing activities	**$**	**(0.4)**	$ (0.9)	0.5	**$**	**(1.3)**	$ (1.7)	0.4

Cash (used in) from operating activities decreased $22.6 million and $20 million for the 13 weeks and 39 weeks ended September 30, 2023, respectively, compared to the same periods in 2022 primarily due to lower bullion volumes in 2023 and an increase in inventory purchases, partially offset by lower income tax payments in 2023 relative to 2022.

Cash used in investing activities increased $3.4 million and $21.9 million for the 13 and 39 weeks ended September 30, 2023, as compared to the same periods in 2022, mainly due to investments in production equipment for the Winnipeg and Ottawa plants as part of the on-going implementation of the One Mint Strategy and from the purchase of a short-term investment in the first quarter of 2023.

Borrowing facilities

See note 17 in the December 31, 2022 audited consolidated financial statements for details on the Mint's borrowing facilities. The Mint entered and closed the period with total outstanding long-term loans of $24 million, which is within the Mint's approved borrowing limit as prescribed by the *Royal Canadian Mint Act*. The Mint entered and closed the period with a long-term debt-to-equity ratio of 1:06.

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

(Loss) profit before income tax and other items is a non-GAAP financial measure used by management and other stakeholders to compare the Mint's financial results before the impact of non-cash changes in valuations, taxes and other items. A reconciliation from (loss) profit for the period to (loss) profit before income tax and other items is as follows:

	13 weeks ended			39 weeks ended		
	September 30, 2023	October 1, 2022	$ Change	**September 30, 2023**	October 1, 2022	$ Change
(Loss) profit for the period	**$ (5.8)**	$ 7.8	(13.6)	**$ 15.0**	$ 24.7	(9.6)
Add (deduct):						
Income tax (recovery) expense	**(1.9)**	2.6	(4.5)	**4.6**	8.2	(3.5)
Shareholder directed donations	**0.1**	-	0.1	**1.0**	-	1.0
Net foreign exchange loss (gain) [1]	**0.3**	-	0.3	**0.5**	(0.3)	0.5
Face Value revaluation (gain) loss[2]	**(1.4)**	1.8	(3.2)	**2.3**	9.9	(7.6)
(Loss) profit before income tax and other items	**$ (8.7)**	$ 12.2	(20.9)	**$ 23.4**	$ 42.5	(19.2)

[1] Net foreign exchange loss (gain) for the 13 and 39 weeks ended September 30, 2023 excludes a gain of $nil million (2022 - $nil million) and $nil million (2022 - $0.2 million) respectively, related to the mitigation of the foreign exchange risk for a specific contract.
[2] Face Value revaluation is the non-cash impact of the change in the valuation of the precious metal component of the Face Value redemptions liability which excludes the impact of foreign exchange gains of $1.3 million (2022 - $3.0 million gain) and $nil million (2022 - $3.9 million gain) for the 13 and 39 weeks ended September 30, 2023, respectively.

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 of Directors, the Mint's enterprise risk management process is undertaken by the Mint's Leadership Team. It focuses on the identification, assessment and management, within the risk appetite of the Board of Directors, of the key risks, that could impact the achievement of the Mint's strategic objectives. As part of its oversight process, the Board of Directors approves risk appetite statements, reviews the Mint's corporate risk profile and has input into the broader risk management approach.

The Mint's enterprise risk management framework and practices are consistent with guidance issued by the Treasury Board and is subject to periodic review by its internal auditor. 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 business/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 corporate strategy objectives are identified in the Mint's 2022 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, 2022 for a discussion of critical accounting estimates, as well as note 3 in the accompanying unaudited condensed financial statements for the 39 weeks ended September 30, 2023 for a discussion regarding the adoption of new accounting standards and accounting policy developments.

OUTLOOK

The financial goal for 2023 is a profit before tax and other items of $25.5 million, as approved in the Mint's 2023-2027 Corporate Plan.

The Mint's 2024-2028 Corporate Plan was approved by its Board of Directors on September 21, 2023 and has been submitted to the Minister of Finance. This corporate plan reflects the ongoing implementation of the Mint's long-term strategic vision, introduced in its 2021-2025 Corporate Plan. The Mint continues to evolve the circulation business, ensuring Canada's coin ecosystem remains tightly connected and able to support Canadians' trade and commerce needs into the future. It generates revenue through foreign circulation contracts, with a preference for higher-value bi-metallic coins. It continues building its precious metals capacity and maintaining focused numismatic offerings. In all these areas, the Mint aims to deliver sustainable economic value for Canada in ways that are both socially and environmentally responsible — from its training practices and operational controls to its research and development investments. The Mint is closely monitoring the softening in bullion market demand in the second half of 2023, and the on-going impact of economic and geopolitical events around the globe, including the impact on its global supplier network, and identifies contingency plans when required in order to support the business.

Circulation business

Canadian circulation

The Mint anticipates a steady recovery in coin activity over the next 12 months, marked by a return to in-person shopping, social gatherings, and workplace interactions. This trend is expected to continue despite several recent extreme weather events – wildfires, floods, and intense storms – that have impacted 2023 seasonal tourism in the short-term.

2023 coin requirements are expected to be in line with the preceding year. The landscape remains uncertain during this post-pandemic adjustment phase as businesses and consumers recalibrate their coin usage patterns. Regional disparities in coin activity could emerge as various sector and geographic areas transition to the new normal at different rates.

Throughout this transition, the Mint is committed to collaborating with ecosystem stakeholders to ensure the seamless availability of coins in support of trade and commerce. Leveraging its systems, partnerships, and ongoing surveys, the Mint remains agile in assessing and addressing the evolving coin requirements across different sectors.

Foreign circulation

It is expected that over the next twelve months, tenders for approximately 3 billion coins and blanks will be released. While cash demand in advanced economies has reached a relative plateau, demand in emerging economies remains consistent, as everyday trade and commerce is highly dependent on cash. Many economies are experiencing the impacts of inflation and/or currency devaluation, putting pressure on procurement budgets. Inflation has a two-pronged effect on coin demand: demand for lower-value coins is reduced as their spending power erodes, while demand for higher-value coin denominations and opportunities to convert banknotes to coins increase. Many Central Banks are looking for cost-reduction initiatives in their currency programs, and the recent volatility in alloy prices strengthens the business case for plated alternatives. The Mint is focusing on new opportunities as excess supply continues to heightened competitive pressure on pricing in our traditional supply base.

Precious metals business

Bullion products and services

The Mint continues to monitor the slowdown in the Bullion market which started during the third quarter and continues to review the pricing of its bullion products as market conditions evolve. In the next twelve months, the Mint will continue to focus on its customer, market and distribution strategies in support of its market share as well as its focus on gold refining, gold products and selective storage opportunities while carefully managing operating costs. The Mint also expects to operationalize silver bullion blank production in its Winnipeg facility in 2024.

Numismatics

The Mint continues to prioritize being a customer-centric organization focused on enhancing the customer experience and improving the long-term performance of the Numismatics business. The Mint continues to implement and pursue product strategies intended to reach new customers in new and emerging markets.

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 assumptions regarding expected growth, results of operations, performance, business prospects and opportunities. While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These assumptions 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 in this narrative, as well as in Note 8 – 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 November 22, 2023, 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's Directive on Accounting Standards: *GC 5200 Crown Corporations Quarterly Financial Reports* 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.

Based on 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

Francis Mensah, MBA, CFA, CPA, CMA

Vice-President, Finance and Administration
and Chief Financial Officer

Jana Fritz, CPA, CA

Senior Director, Finance and Chief Accountant

Ottawa, Canada

November 22, 2023

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

	Notes	As at September 30, 2023	December 31, 2022
Assets			
Current assets			
Cash and cash equivalents		**$ 63,099**	$ 79,282
Short-term investment	5	**15,000**	-
Trade receivables, net and other receivables	6	**19,962**	26,656
Income tax receivable		**4,268**	6,881
Prepaid expenses		**8,940**	8,599
Inventories	7	**75,170**	56,228
Contract assets	8	**6,898**	18,292
Derivative financial assets	9	**234**	514
Total current assets		**193,571**	196,452
Non-current assets			
Prepaid expenses		**430**	165
Contract assets	8	**1,591**	-
Derivative financial assets	9	**-**	107
Deferred income tax assets		**29,841**	31,027
Property, plant and equipment	10	**154,148**	140,694
Investment property		**236**	236
Intangible assets	10	**3,919**	4,680
Right-of-use assets	11	**5,768**	6,864
Total non-current assets		**195,933**	183,773
Total assets		**$ 389,504**	$ 380,225
Liabilities			
Current liabilities			
Trade payables, other payables and accrued liabilities	12	**$ 51,919**	$ 58,356
Provisions	13	**3,267**	4,568
Face Value redemptions liability	14	**353**	343
Contract liabilities	8	**15,869**	14,107
Loan payable		**6,159**	6,032
Lease liabilities	11	**1,619**	1,558
Employee benefit obligations		**3,559**	3,266
Derivative financial liabilities	9	**1,448**	2,960
Total current liabilities		**84,193**	91,190
Non-current liabilities			
Trade payables, other payables and accrued liabilities	12	**-**	36
Provisions	13	**933**	913
Face Value redemptions liability	14	**117,442**	115,471
Contract liabilities	8	**492**	-
Loan payable		**18,000**	18,000
Lease liabilities	11	**4,531**	5,684
Employee benefit obligations		**10,500**	10,501
Total non-current liabilities		**151,898**	150,605
Total liabilities		**236,091**	241,795
Shareholder's equity			
Share capital (authorized and issued 4,000 non-transferable shares)		**40,000**	40,000
Retained earnings		**113,413**	98,430
Total shareholder's equity		**153,413**	138,430
Total liabilities and shareholder's equity		**$ 389,504**	$ 380,225

Commitments, contingencies and guarantees (Note 23)
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 September 30, 2023	13 weeks ended October 1, 2022	39 weeks ended September 30, 2023	39 weeks ended October 1, 2022
Revenue	16	**$ 360,584**	$ 728,660	**$ 1,841,847**	$ 2,435,564
Cost of sales	17,18,19	**333,148**	687,962	**1,723,779**	2,315,719
Gross profit		**27,436**	40,698	**118,068**	119,845
Marketing and sales expenses	17,18	**10,259**	8,415	**23,720**	20,647
Administration expenses	17,18,19	**25,692**	22,178	**77,309**	67,251
Operating expenses		**35,951**	30,593	**101,029**	87,898
Net foreign exchange (loss) gain		**(284)**	39	**(415)**	406
Operating (loss) profit		**(8,799)**	10,144	**16,624**	32,353
Finance income, net		**1,108**	304	**3,003**	406
Other income, net		**1**	2	**3**	44
(Loss) profit before income tax		**(7,690)**	10,450	**19,630**	32,803
Income tax (recovery) expense	20	**(1,910)**	2,631	**4,647**	8,153
(Loss) profit for the period		**(5,780)**	7,819	**14,983**	24,650
Net unrealized gain on cash flow hedges		**-**	-	**-**	29
Other comprehensive income, net of tax		**-**	-	**-**	29
Total comprehensive (loss) income		**$ (5,780)**	$ 7,819	**$ 14,983**	$ 24,679

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 September 30, 2023

	Notes	Share capital	Retained earnings	Accumulated other comprehensive income	Total
Balance as at July 1, 2023		$ 40,000	$ 119,193	$ -	$ 159,193
Loss for the period		**-**	**(5,780)**	**-**	**(5,780)**
Balance as at September 30, 2023		**$ 40,000**	**$ 113,413**	**$ -**	**$ 153,413**

13 weeks ended October 1, 2022

	Notes	Share capital	Retained earnings	Accumulated other comprehensive income (Net gains on cash flow hedges)	Total
Balance as at July 2, 2022		$ 40,000	$ 119,346	$ 12	$ 159,358
Profit for the period		-	7,819	-	7,819
Other comprehensive gain, net[1]		-	-	-	-
Balance as at October 1, 2022		$ 40,000	$ 127,165	$ 12	$ 167,177

[1]Amounts are net of income tax

39 weeks ended September 30, 2023

	Notes	Share capital	Retained earnings	Accumulated other comprehensive income	Total
Balance as at December 31, 2022		$ 40,000	$ 98,430	$ -	$ 138,430
Profit for the period		**-**	**14,983**	**-**	**14,983**
Balance as at September 30, 2023		**$ 40,000**	**$ 113,413**	**$ -**	**$ 153,413**

39 weeks ended October 1, 2022

	Notes	Share capital	Retained earnings	Accumulated other comprehensive (loss) income (Net gains on cash flow hedges)	Total
Balance as at December 31, 2021		$ 40,000	$ 102,515	$ (17)	$ 142,498
Profit for the period		-	24,650	-	24,650
Other comprehensive gain, net[1]		-	-	29	29
Balance as at October 1, 2022		$ 40,000	$ 127,165	$ 12	$ 167,177

[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		39 weeks ended	
		September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Cash flows (used in) from operating activities					
(Loss) profit for the period		**$ (5,780)**	$ 7,819	**$ 14,983**	$ 24,650
Adjustments to reconcile (loss) profit to cash flows from operating activities:					
Depreciation and amortization	17	**4,514**	5,271	**13,707**	14,762
Income tax (recovery) expense	20	**(1,910)**	2,631	**4,647**	8,153
Finance income, net		**(1,109)**	(304)	**(3,003)**	(406)
Other income		**(1)**	(2)	**(3)**	(44)
Net foreign exchange (gain) loss		**(852)**	(733)	**(397)**	1,177
Adjustments to other revenues, net	21	**(7,786)**	(2,274)	**(12,338)**	(14,120)
Changes in Face Value redemptions liability		**(1,544)**	1,662	**1,990**	9,555
Net changes in operating assets and liabilities	21	**(1,884)**	4,330	**1,617**	27,860
Cash (used in) from operating activities before interest and income tax		**(16,352)**	18,400	**21,203**	71,587
Income tax received, net of income tax paid		**6,740**	(5,059)	**(580)**	(29,799)
Interest received, net of interest paid	21	**824**	484	**1,705**	494
Net cash (used in) from operating activities		**(8,788)**	13,825	**22,328**	42,282
Cash flows used in investing activities					
Acquisition of property, plant and equipment		**(7,775)**	(4,217)	**(21,134)**	(12,913)
Acquisition of intangible assets		**(21)**	(173)	**(450)**	(1,790)
Acquisition of short-term investment		**-**		**(15,000)**	-
Net cash used in investing activities		**(7,796)**	(4,390)	**(36,584)**	(14,703)
Cash flows used in financing activities					
Lease principal payments	11	**(442)**	(925)	**(1,324)**	(1,735)
Net cash used in financing activities		**(442)**	(925)	**(1,324)**	(1,735)
Effect of changes in exchange rates on cash and cash equivalents		**167**	442	**(603)**	415
(Decrease) increase in cash and cash equivalents		**(16,859)**	8,952	**(16,183)**	26,259
Cash and cash equivalents at the beginning of the period		**79,958**	86,610	**79,282**	69,303
Cash and cash equivalents at the end of the period		**$ 63,099**	$ 95,562	**$ 63,099**	$ 95,562
Cash and cash equivalents consist of:					
Cash		**$ 43,099**	$ 95,562	**$ 43,099**	$ 95,562
Cash equivalents		**$ 20,000**	$ -	**$ 20,000**	$ -

The accompanying notes are an integral part of these condensed 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 His 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 Canadian circulation coin life cycle for the Government of Canada.

In 2015, the Corporation was issued a directive (P.C. 2015-1107) pursuant to section 89 of the Financial Administration Act to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments in a manner that is consistent with its legal obligations. The directive also requires the Corporation to report on the implementation of this directive in its Corporate Plan. The Corporation has complied with this directive.

The Corporation produces coins for Canadian trade and commerce, manages the country's coin system for optimum efficiency and cost, and is a world-renowned manufacturer of precious metals investment products and collectibles. 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 income 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 *Directive on Accounting Standards: GC 5200 Crown Corporations Quarterly Financial Reports* 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, 2022.

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 November 22, 2023.

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. 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 September 30, 2023 were consistent with those disclosed in Note 3 of the Corporation's audited consolidated financial statements for the year ended December 31, 2022.

4. APPLICATION OF NEW AND REVISED IFRS PRONOUNCEMENTS

4.1 New and revised IFRS pronouncements affecting amounts reported and/or disclosed in the consolidated financial statements for the year ended December 31, 2023.

The Corporation reviewed the new and revised accounting pronouncements that were issued and had mandatory effective dates of annual periods beginning on or after January 1, 2023. The following amendments were adopted by the Corporation on January 1, 2023 and did not have a significant impact on the consolidated financial statements.

International Tax Reform - Pillar Two Model Rules

In May 2023, the IASB issued amendments to IAS 12 – *Income Taxes*. The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. In September 2023, the IASB issued amendments to align IAS 12 for Small and Medium-Sized Entities (SMEs) with the amendments issued in May 2023. The amendments are effective for annual periods beginning on or after January 1, 2023.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In May 2021, the IASB issued amendments to IAS 12 – *Income Taxes*. The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual periods beginning on or after January 1, 2023.

Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 - *Presentation of Financial Statements* (IAS 1) and IFRS Practice Statement 2. The amendments require that an entity disclose only its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023.

Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 – *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates and clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendments are effective for annual periods beginning on or after January 1, 2023.

Insurance Contracts

In May 2017, the IASB issued IFRS 17 - *Insurance Contracts*. The new standard requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. In June 2020, the IASB issued amendments to IFRS 17 targeted to address implementation concerns and challenges raised by stakeholders. IFRS 17 as amended is effective for annual periods beginning on or after January 1, 2023.

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

The Corporation reviewed the revised accounting pronouncements that have been issued, but are not yet effective. The adoption of the following IFRS pronouncements may have an impact on the Corporation’s consolidated financial statements in the future. The Corporation will continue to assess the possible impact through the effective date of each pronouncement.

Sustainability and Climate-Related Disclosures

In June 2023, the International Sustainability Standards Board (ISSB) issued its first two standards, IFRS S1 and IFRS S2, which set out overall requirements for an entity to disclose information about its sustainability-related and climate-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity. The standards are effective for annual periods beginning on or after January 1, 2024 and align with the Mint’s requirements as a Crown corporation to meet the Task Force on Climate Related Financial Disclosure (TCFD) requirements for the year ending December 31, 2024.

Supplier Finance Arrangements

In May 2023, the IASB issued amendments to IAS 7 – *Statement of Cash Flows* and IFRS 7 – *Financial Instruments: Disclosures*. The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. These amendments are effective for annual periods beginning on or after January 1, 2024

Classification of Liabilities as Current or Non-Current

In October 2022, the IASB issued amendments to IAS 1 Presentation of Financial Statements titled *Non-current liabilities with Covenants*. The amendments clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become payable within twelve months. These amendments override but incorporate the previous amendments, *Classification of liabilities as current or non-current*, issued in January 2020, which clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities should be classified as non-current if a company has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024.

Sale and Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 – *Leases*. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual periods beginning on or after January 1, 2024.

Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 – *The Effects of Changes in Foreign Exchange Rates*. The amendments contain guidance to specify when a currency is exchangeable, how to determine the exchange rate when it is not and discloses information that would enable users of its financial statements to evaluate how a currency's lack of exchangeability affects, or is expected to affect, its financial performance, financial position and cash flows. These amendments are effective for annual periods beginning on or after January 1, 2025.

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

5. SHORT-TERM INVESTMENT

	As at			
		September 30, 2023		December 31, 2022
Guaranteed Investment Certificate (GIC)	**$**	**15,000**	$	-
Total short-term investment	**$**	**15,000**	$	-

Short-term investment consists of a non-redeemable $15.0 million GIC bearing a fixed interest rate of 5.4% maturing in December 2023. Interest payments will be received at the maturity date.

6. TRADE RECEIVABLES, NET AND OTHER RECEIVABLES

	As at			
		September 30, 2023		December 31, 2022
Receivables and accruals from contracts with customers	**$**	**12,702**	$	23,328
Receivables from contracts with related parties (Note 22)		**5,171**		2,308
Allowance for expected credit losses		**(10)**		(76)
Trade receivables, net	**$**	**17,863**	$	25,560
Other current financial receivables		**1,989**		1,050
Other receivables		**110**		46
Trade receivables, net and other receivables	**$**	**19,962**	$	26,656

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

The Corporation sub-leased certain of its building office space leases. These sub-lease arrangements, which expired in 2022 had been assessed as finance leases. As at September 30, 2023, the opening and closing balances for the lease receivable balance were nil (December 31, 2022 - $0.3 million opening balance while the closing balance was nil). There was no cash inflow for leases included in lease receivables for the 39 weeks ended September 30, 2023 as the leases expired and were not extended (39 weeks ended October 1, 2022 - $0.2 million).

7. INVENTORIES

	As at			
		September 30, 2023		December 31, 2022
Total inventories	**$**	**75,170**	$	56,228

For the 13 and 39 weeks ended September 30, 2023, the Corporation recognized write-downs of inventory to net realizable value of $0.4 million and $1.3 million, respectively (13 and 39 weeks ended October 1, 2022 – write-downs of $2.0 million and $2.4 million, respectively).

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

8. CONTRACT ASSETS AND LIABILITIES

The contract assets relate to the Corporation's rights to consideration for work completed, but not billed as at September 30, 2023. The Corporation reviewed its credit risk exposure related to contract assets as at September 30, 2023 and evaluated the risk to be minimal as each related contract is subject to a contract specific risk assessment process. The contract liabilities are related to the consideration received in advance from customers for which revenue has not yet been recognized and accrued expenses related to contract assets, as well as amounts relating to customer loyalty programs.

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

	As at September 30, 2023	
	Contract Assets	**Contract Liabilities**
Opening balance	**$ 18,292**	**$ 14,107**
Revenue recognized	**-**	**(2,142)**
Cash received, excluding amounts recognized during the period	**-**	**5,978**
Transfers from contract liabilities to payables	**-**	**(3,136)**
Foreign exchange revaluation	**(272)**	**(42)**
Transfers from contract assets to receivables	**(19,623)**	**-**
Increases resulting from changes in the measure of progress[1]	**10,092**	**1,596**
Closing balance	**$ 8,489**	**$ 16,361**

[1] Increases resulting from changes in the measure of progress includes $0.1 million of contract liabilities related to the Corporation's memorandum of understanding with the Department of Finance (Note 22).

	As at December 31, 2022	
	Contract Assets	Contract Liabilities
Opening balance	$ 40,631	$ 12,894
Revenue recognized	-	(1,979)
Cash received, excluding amounts recognized during the period	-	2,750
Transfers from contract liabilities to payables	-	(5,253)
Foreign exchange revaluation	3,023	272
Transfers from contract assets to receivables	(85,800)	-
Increases resulting from changes in the measure of progress[1]	60,438	5,423
Closing balance	$ 18,292	$ 14,107

[1] Revenue recognized includes $0.5 million related to the Corporation's memorandum of understanding with the Department of Finance (Note 22).

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

Contract assets and contract liabilities were allocated to the balance sheet as follows:

	As at September 30, 2023	
	Contract Assets	**Contract Liabilities**
Short term	**$ 6,898**	**$ 15,869**
Long term	**1,591**	**492**
Total	**$ 8,489**	**$ 16,361**

	As at December 31, 2022	
	Contract Assets	Contract Liabilities
Short term	$ 18,292	$ 14,107
Long term	-	-
Total	$ 18,292	$ 14,107

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 term and conditions. Since March 1999, following the enactment of changes to the *Royal Canadian Mint Act*, the total aggregate borrowings by the Corporation and outstanding at any time shall not exceed $75 million. For the 39 weeks ended September 30, 2023 and year ended December 31, 2022, approved short-term borrowings for working capital needs within this limit were not to exceed $25 million or the US dollar equivalent. From time to time, the Corporation may seek approval for new long-term borrowings. As at September 30, 2023 and December 31, 2022, the Corporation had no approvals for any new long-term borrowings for those ending fiscal periods. The Corporation’s long-term borrowings are described in note 17 of its audited consolidated financial statements for the year ended December 31, 2022.

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 September 30, 2023 or December 31, 2022.

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

The Corporation employs a dividend framework to calculate dividends payable to its Shareholder. The calculated dividend amount represents projected excess year end cash over a pre determined cash reserve requirement and is generally 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 carrying amount and fair value of the Corporation's financial assets and financial liabilities are presented in the following table:

	As at			
	September 30, 2023		December 31, 2022	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	**$ 63,099**	**$ 63,099**	$ 79,282	$ 79,282
Short-term investment	**$ 15,000**	**$ 15,000**	$ -	$ -
Trade receivables, net and other receivables	**$ 19,852**	**$ 19,852**	$ 26,610	$ 26,610
Derivative financial assets:				
Foreign currency forwards	**$ 234**	**$ 234**	$ 621	$ 621
Financial Liabilities				
Trade payables, other payables and accrued liabilities	**$ 51,673**	**$ 51,673**	$ 58,048	$ 58,048
Loan payable	**$ 24,159**	**$ 23,204**	$ 24,032	$ 23,140
Derivative financial liabilities:				
Foreign currency forwards	**$ 1,448**	**$ 1,448**	$ 2,960	$ 2,960

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).

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

The fair value measurement of cash and cash equivalents was classified as level 1 of the fair value hierarchy as at September 30, 2023 and December 31, 2022. The fair value measurements of all other financial instruments held by the Corporation were classified as level 2 of the fair value hierarchy as at September 30, 2023 and December 31, 2022. There were no transfers of financial instruments between levels for the 39 weeks ended September 30, 2023.

9.2.3 Classification and fair value techniques of financial instruments

The Corporation holds financial instruments in the form of cash and cash equivalents, short-tern investment, trade receivables, net and other receivables, derivative assets, trade payables, other payables and accrued liabilities, loan payable and derivative liabilities.

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

i) The carrying amounts of cash and cash equivalents, short-term investment, trade receivables, net and other receivables and trade payables, other payables 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 the loan payable is estimated based on a discounted cash flow approach using current market rates.

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

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

	As at	
	September 30, 2023	December 31, 2022
Derivative financial assets		
Foreign currency forwards	**$ 234**	$ 621
	$ 234	$ 621
Derivative financial liabilities		
Foreign currency forwards	**$ 1,448**	$ 2,960
	$ 1,448	$ 2,960

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 accountability for the establishment and oversight of the Corporation's financial risk management framework. The Audit Committee is mandated by the Board of Directors and is responsible for the 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 cash equivalents, short-term investment 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 consolidated financial statements represents the Corporation's maximum credit exposure.

9.3.1.1 Credit risk management of receivables from customers

The Corporation's exposure to credit risk associated with trade receivables, net and other financial receivables is influenced mainly by the individual characteristics of each customer, however the Corporation also considers the demographics of its customer base, including the risk associated with the type of customer and country in which the customer operates.

The Corporation manages this risk by monitoring the credit worthiness of customers and obtaining prepayment or other forms of payment security from customers with a high level of credit risk. The Corporation has established processes over contracting with foreign customers in order to manage the risk relating to these customers. The Corporation's management reviews the detailed trade receivable listing on a regular basis for changes in the factors that impact a customer's ability to pay outstanding receivable balances, including changes in a customer business and the overall economy. An allowance for expected credit losses (ECL) is provided for customer accounts that could present collectability issues.

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

The Corporation's maximum exposure to credit risk for trade receivables and other financial receivables by geographic regions was as follows:

	As at	
	September 30, 2023	December 31, 2022
Canada	**$ 14,644**	$ 11,069
Latin America and Caribbean	**2,019**	611
Asia and Australia	**1,513**	14,431
United States	**962**	389
Europe, Middle East and Africa	**714**	110
Trade receivables, net and other financial receivables	**$ 19,852**	$ 26,610

The maximum exposure to credit risk for trade receivables, net and other financial receivables by type of customer was as follows:

	As at	
	September 30, 2023	December 31, 2022
Consumers, dealers and others	**$ 7,296**	$ 4,459
Governments (including governmental departments and agencies)	**6,897**	6,663
Central and institutional banks	**5,659**	15,488
Trade receivables, net and other financial receivables	**$ 19,852**	$ 26,610

The Corporation established an allowance for ECLs based on a provision matrix that reflected the estimated impairment of trade receivables, net and other financial receivables at the end of the reporting period. 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, and excluding prepayments, the Corporation's standard payment terms are generally 30 days. As at September 30, 2023, the Corporation's rate of credit losses was less than 1% (2022 – less than 1%) of trade receivables, net and other financial receivables.

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 swap and forward contracts to manage its 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. In accordance with the Corporation's policies, derivative instruments are not used 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. 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 and cash equivalents, the short-term investment or loan payable which bear interest at fixed rates.

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 fixed-price purchase commitments for precious and base metals to mitigate the commodity price risk (Note 23).

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 exposure is not significant.

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

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		
		September 30, 2023		December 31, 2022
Cost	**$**	**451,916**	$	427,104
Accumulated depreciation and impairment		**(297,767)**		(286,410)
Net book value	**$**	**154,149**	$	140,694

Net book value by asset class

		As at		
		September 30, 2023		December 31, 2022
Land and land improvements	**$**	**3,133**	$	3,138
Buildings and building improvements		**72,322**		75,238
Equipment		**53,405**		55,055
Capital projects in process		**25,289**		7,263
Net book value	**$**	**154,149**	$	140,694

During the 39 weeks ended September 30, 2023, the Corporation acquired $24.9 million (39 weeks ended October 1, 2022 - $11.8 million) worth of building and building improvements and equipment. No capital assets were transferred to different categories within property, plant and equipment.

Included in property, plant and equipment additions for the 39 weeks ended September 30, 2023 is a total accrual of nil (December 31, 2022 - $0.6 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 September 30, 2023.

Intangible assets

		As at		
		September 30, 2023		December 31, 2022
Cost	**$**	**40,201**	$	39,835
Accumulated amortization and impairment		**(36,282)**		(35,155)
Net book value	**$**	**3,919**	$	4,680

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

During the 39 weeks ended September 30, 2023, the Corporation acquired $0.4 million (39 weeks ended October 1, 2022 - $1.9 million) worth of software. No capital assets were transferred to different categories within intangible assets.

Included in intangible asset additions for the 39 weeks ended September 30, 2023 is a total accrual of nil (December 31, 2022 - $0.1 million).

11. LEASES

Right-of-use assets

The composition of the net book value of the Corporation's right-of-use assets, is presented in the following table:

	As at			
		September 30, 2023		December 31, 2022
Cost	**$**	**14,657**	$	14,657
Renewals		**84**		-
Accumulated depreciation		**(8,973)**		(7,793)
Net book value	**$**	**5,768**	$	6,864

Net book value by right-of-use asset class

	As at			
		September 30, 2023		December 31, 2022
Buildings	**$**	**3,182**	$	3,748
Equipment		**2,586**		3,116
Net book value	**$**	**5,768**	$	6,864

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

Lease liabilities

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

As at September 30, 2023

	Buildings	Equipment	Total
Opening balance, January 1, 2023	**$ 4,036**	**$ 3,206**	**$ 7,242**
Interest expense	**83**	**65**	**148**
Lease payments	**(673)**	**(651)**	**(1,324)**
Renewal	**-**	**84**	**84**
Closing balance	**$ 3,446**	**$ 2,704**	**$ 6,150**

As at December 31, 2022

	Buildings	Equipment	Total
Opening balance, January 1, 2022	$ 5,253	$ 529	$ 5,782
Interest expense	140	105	245
Lease payments	(1,357)	(861)	(2,218)
Renewal	-	3,433	3,433
Closing balance	$ 4,036	$ 3,206	$ 7,242

	As at	
	September 30, 2023	December 31, 2022
Buildings	**$ 809**	$ 789
Equipment	**810**	769
Current	**$ 1,619**	$ 1,558
Buildings	**2,637**	3,247
Equipment	**1,894**	2,437
Non-current	**$ 4,531**	$ 5,684
Total lease liabilities	**$ 6,150**	$ 7,242

Total cash outflow for leases included in lease liabilities for the 13 weeks and 39 weeks ended September 30, 2023 is $0.4 million and $1.3 million (13 weeks and 39 weeks ended October 1, 2022 is $0.9 and $1.7 million, respectively)

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

12. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED LIABILITIES

	As at			
		September 30, 2023		December 31, 2022
Trade payables	**$**	**11,044**	$	10,563
Employee compensation payables and accrued liabilities		**26,209**		29,640
Other current financial liabilities[1]		**14,420**		17,809
Other accounts payable and accrued liabilities		**246**		344
Total current trade payables, other payables and accrued liabilities	**$**	**51,919**	$	58,356
Other non-current financial liabilities[1]		**-**		36
Total non-current trade payables, other payables and accrued liabilities	**$**	**-**	$	36
Trade payables, other payables and accrued liabilities	**$**	**51,919**	$	58,392

[1] Other 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			
		September 30, 2023		December 31, 2022
Opening balance	**$**	**5,481**	$	3,009
Additional provisions recognized		**7,847**		3,313
Payments		**(73)**		(222)
De-recognition of provisions		**(9,075)**		(606)
Foreign exchange revaluation		**20**		(13)
Closing balance	**$**	**4,200**	$	5,481

Provisions include the following:

	As at			
		September 30, 2023		December 31, 2022
Sales returns and warranty	**$**	**2,952**	$	2,903
Employee compensation		**577**		1,831
Other provisions		**671**		747
Total provisions	**$**	**4,200**	$	5,481

	As at			
		September 30, 2023		December 31, 2022
Current portion	**$**	**3,267**	$	4,568
Non-current portion		**933**		913
Total provisions	**$**	**4,200**	$	5,481

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

14. FACE VALUE REDEMPTIONS LIABILITY

	As at	
	September 30, 2023	December 31, 2022
Face Value redemptions liability	**$ 176,128**	$ 176,616
Precious metal recovery	**(58,333)**	(60,802)
Face Value redemptions liability, net	**$ 117,795**	$ 115,814
Less: Current portion	**(353)**	(343)
Non-current Face Value redemptions liability, net	**$ 117,442**	$ 115,471

	As at	
	September 30, 2023	December 31, 2022
Opening balance	**$ 115,814**	$ 121,906
Redemptions, net	**(328)**	(163)
Revaluation	**2,309**	(5,929)
Closing balance	**$ 117,795**	$ 115,814

As at September 30, 2023, the Corporation determined that it continues to be unable to reliably estimate the redemptions of Face Value coins.

The Face Value redemptions liability represents 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 the end of each reporting period. The impact of the revaluation of the precious metal component of the liability was a decrease of $2.7 million and an increase of $2.3 million, respectively, for the 13 and 39 weeks ended September 30, 2023 (13 and 39 weeks ended October 1, 2022 – a decrease of $1.2 million and an increase of $6.0 million). Based on the Face Value redemptions liability as at September 30, 2023, and assuming that all other variables remain constant, a hypothetical 10% appreciation in the market value of silver in Canadian dollars would increase profit for the year by $5.8 million (October 1, 2022 - $4.9 million). A hypothetical 10% weakening in the market value of silver in Canadian dollars would have the equal, but opposite effect.

The current portion of Face Value redemptions liability is based on the redemptions for the last 12 months, as the Corporation determined that it continues to be 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. EMPLOYEE BENEFITS

Pension benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension plan, a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. The Corporation made total contributions of $2.5 million and $9.1 million in the 13 and 39 weeks ended September 30, 2023 (13 and 39 weeks ended October 1, 2022 was $2.4 million and $9.1 million).

See Note 18 in the audited consolidated financial statements for the year ended December 31, 2022 for details on the Corporation's pension and other post-employment benefit plans, including the sensitivity analysis of the impact of changes in the discount rate on the employee benefits liabilities.

16. REVENUE

16.1 Revenue by performance obligation

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Performance obligations satisfied at a point in time				
Sale of goods	**$ 318,507**	$ 678,172	**$ 1,718,489**	$ 2,275,439
Rendering of services	**12,573**	13,827	**42,048**	37,693
Total revenue recognized at a point in time	**$ 331,080**	$ 691,999	**$ 1,760,537**	$ 2,313,132
Performance obligations satisfied over time				
Sale of goods	**$ 5,791**	$ 13,311	**$ 10,092**	$ 53,328
Rendering of services	**23,713**	23,350	**71,218**	69,104
Total revenue recognized over time	**$ 29,504**	$ 36,661	**$ 81,310**	$ 122,432
Total revenue	**$ 360,584**	$ 728,660	**$ 1,841,847**	$ 2,435,564

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

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		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Gross revenue from the sale of goods	**$ 664,369**	$ 1,191,285	**$ 3,227,923**	$ 3,780,642
Less: Customer inventory deals	**(320,071)**	(499,802)	**(1,499,342)**	(1,451,875)
Net revenue from the sale of goods	**$ 324,298**	$ 691,483	**$ 1,728,581**	$ 2,328,767

16.2 Disaggregation of Revenue

The following table shows revenue disaggregated by primary geographical region and program or business:

	13 weeks ended		39 weeks ended	
Primary Geographic Regions	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
North America	**$ 291,660**	$ 568,973	**$ 1,632,490**	$ 1,787,421
Europe, Middle East and Africa	**44,201**	119,168	**157,896**	563,442
Asia and Australia	**21,999**	37,768	**44,276**	81,065
Latin America and Caribbean	**2,724**	2,751	**7,185**	3,636
Total revenue	**$ 360,584**	$ 728,660	**$ 1,841,847**	$ 2,435,564

	13 weeks ended		39 weeks ended	
Programs and Businesses	**September 30, 2023**	October 1, 2022	**September 30, 2023**	October 1, 2022
Canadian Circulation program	**$ 24,720**	$ 28,111	**$ 66,324**	$ 74,284
Foreign Circulation	**7,462**	13,365	**12,608**	55,093
Total Circulation	**32,182**	41,476	**78,932**	129,377
Bullion Products and Services	**294,627**	662,814	**1,655,575**	2,219,547
Numismatics	**33,775**	24,370	**107,340**	86,640
Total Precious Metals	**328,402**	687,184	**1,762,915**	2,306,187
Total revenue	**$ 360,584**	$ 728,660	**$ 1,841,847**	$ 2,435,564

For the 13 weeks and 39 weeks ended September 30, 2023, one and two (13 weeks and 39 weeks ended October 1, 2022 – two and three) customers each made up 10% or more of the Corporation's revenue.

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

The revenue earned from significant customers was reported in the Precious Metals business for the 13 and 39 weeks ended September 30, 2023 and October 1, 2022, and in the primary geographic regions of North America for the 13 and 39 weeks ended September 30, 2023 (North America and Europe, Middle East and Africa - October 1, 2022).

15.3 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 were unsatisfied (or partially unsatisfied) as at September 30, 2023:

	2023	2024	2025	Total
Total revenue	**$ 46,192**	**$ 80,185**	**$ 60,431**	**$ 186,808**

The Corporation has other contracts with terms longer than 12 months that include unsatisfied performance obligations that are dependent on volumes. These contracts, as well as any volume dependent components in other 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.

17. DEPRECIATION AND AMORTIZATION EXPENSE

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Depreciation of property, plant and equipmen	**$ 3,805**	$ 3,953	**$ 11,400**	$ 11,875
Amortization of intangible assets	**315**	549	**1,127**	1,598
Depreciation of right-of-use assets	**394**	769	**1,180**	1,289
Total depreciation and amortization expense	**$ 4,514**	$ 5,271	**$ 13,707**	$ 14,762

Depreciation and amortization expense were allocated to the following expense categories:

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Cost of sales	**$ 3,073**	$ 3,584	**$ 9,166**	$ 9,800
Marketing and sales expenses	**373**	447	**1,184**	1,320
Administration expenses	**1,068**	1,240	**3,357**	3,642
Total depreciation and amortization expense	**$ 4,514**	$ 5,271	**$ 13,707**	$ 14,762

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

18. EMPLOYEE COMPENSATION EXPENSES

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Included in cost of sales:				
Salaries and wages including short term employee benefits	**$ 9,033**	$ 8,425	**$ 26,707**	$ 24,488
Pension costs	**1,197**	1,265	**4,036**	4,320
Other long term employee and post-employment benefits	**830**	703	**2,453**	2,157
Termination benefits	**-**	-	**217**	-
Included in marketing and sales expenses:				
Salaries and wages including short term employee benefits	**3,922**	3,510	**11,316**	10,432
Pension costs	**367**	350	**1,285**	1,324
Other long term employee and post-employment benefits	**158**	129	**460**	371
Included in administration expenses:				
Salaries and wages including short term employee benefits	**12,797**	10,988	**37,276**	32,679
Pension costs	**1,188**	1,043	**4,012**	3,780
Other long term employee and post-employment benefits	**678**	454	**2,172**	1,456
Termination benefits	**59**	79	**80**	90
Total employee compensation and benefits expense	**$ 30,229**	$ 26,946	**$ 90,014**	$ **81,097**

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

19. SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT EXPENSE, NET

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Scientific research and experimental development expense	**$ 1,453**	$ 1,313	**$ 4,402**	$ 3,874
Scientific research and experimental development investment tax credit	**(170)**	(125)	**(707)**	(569)
Scientific research and experimental development expense, net	**$ 1,283**	$ 1,188	**$ 3,695**	$ 3,305

The net expense of scientific research and experimental development was allocated to the following expense categories:

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Cost of sales	**$ 485**	$ 539	**$ 1,438**	$ 1,507
Administration expenses	**798**	649	**2,257**	1,798
Scientific research and experimental development expense, net	**$ 1,283**	$ 1,188	**$ 3,695**	$ 3,305

20. INCOME TAX

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Current income tax (recovery) expense	**$ (2,424)**	$ 4,409	**$ 3,461**	$ 14,086
Deferred income tax expense (recovery)	**514**	(1,778)	**1,186**	(5,933)
Income tax (recovery) expense	**$ (1,910)**	$ 2,631	**$ 4,647**	$ 8,153

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% (2022 – 25%). The difference in the tax expense is due to temporary differences between accounting and taxable income.

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

21. SUPPLEMENTAL CASH FLOW INFORMATION

Adjustments to other revenues, net, were comprised of the following:

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Expenses				
Employee benefits expenses	**$ 2,744**	$ 2,662	**$ 9,301**	$ 9,313
Employee benefits paid	**(2,521)**	(2,444)	**(9,057)**	(9,070)
Inventory (reversals) write-downs	**(311)**	1,118	**(312)**	915
Provisions	**(4,177)**	710	**(1,281)**	1,149
Loss on disposal of assets	**-**	-	**31**	406
Other non-cash expenses, net	**(236)**	(127)	**(773)**	(571)
Revenue				
Foreign circulation revenue	**(1,173)**	(1,611)	**(1,934)**	(9,035)
Bullion service revenue	**(1,922)**	(2,582)	**(6,171)**	(7,227)
Numismatics revenue	**(190)**	-	**(2,142)**	-
Adjustments to other revenues, net	**$ (7,786)**	$ (2,274)	**$ (12,338)**	$ (14,120)

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		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Trade receivables, net and other receivables	**$ (2,227)**	$ (15,105)	**$ 27,972**	$ 8,541
Inventories	**(7,936)**	16,345	**(18,957)**	30,012
Prepaid expenses	**(900)**	1,054	**(5,061)**	129
Trade payables, other payables and accrued liabilities	**8,366**	602	**(8,242)**	(14,631)
Contract liabilities	**871**	1,434	**5,978**	4,006
Provisions	**(58)**	-	**(73)**	(197)
Net change in operating assets and liabilities	**$ (1,884)**	$ 4,330	**$ (1,617)**	$ 27,860

Income tax received, net of income tax paid was comprised of the following:

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Income tax received	**$ 8,881**	$ (5,102)	**$ 8,881**	$ (29,842)
Income tax paid	**(2,141)**	43	**(9,461)**	43
Income tax received, net of income tax paid	**$ 6,740**	$ (5,059)	**$ (580)**	$ (29,799)

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

Interest received, net of interest paid was comprised of the following:

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September 30, 2023**	October 1, 2022
Interest received	**$ 826**	$ 503	**$ 1,958**	$ 861
Interest paid	**(2)**	(19)	**(253)**	(367)
Interest received, net of interest paid	**$ 824**	$ 484	**$ 1,705**	$ 494

22. 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 – Related Party Disclosures* 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 related to the production, management and delivery of Canadian circulation coins which are governed by the terms outlined in the memorandum of understanding which is effective from January 1, 2022 to December 31, 2025.

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

The transactions with the Department of Finance were as follows:

	13 weeks ended		39 weeks ended	
	September 30, 2023	October 1, 2022	**September, 30, 2023**	October 1, 2022
Revenue	**$ 23,912**	$ 26,965	**$ 62,910**	$ 69,529

	As at	
	September 30, 2023	December 31, 2022
Trade receivable (Note 6)	**$ 5,171**	$ 2,308
Contract liability (Note 8)	**$ 132**	$ -

During the 39 weeks ended September 30, 2023 and October 1, 2022, the majority of transactions with Crown corporations were for the sale of numismatic products.

23. COMMITMENTS, CONTINGENCIES AND GUARANTEES

23.1 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 metal leases and supply arrangements for precious metal bullion products. As at September 30, 2023, the Corporation had $34.5 million in outstanding firm fixed-price precious metal purchase commitments and firm commitments for precious metal bullion product supply arrangements (December 31, 2022 – $21.9 million).

The Corporation had entered into precious metal leases as follows:

	As at	
Ounces	**September 30, 2023**	December 31, 2022
Gold	**403,374**	539,650
Silver	**21,504,909**	16,125,614
Platinum	**23,080**	22,442

The fees for these leases are based on the market value. The precious metal lease payments expensed for the 13 and 39 weeks ended September 30, 2023 were $5.4 million and $13.6 million (October 1, 2022 - $5.8 million and $14.4 million), respectively. The value of the precious metals under these leases is not reflected in the Corporation’s condensed consolidated financial statements as stated in note 3.2.5 of the audited consolidated financial statements for the year ended December 31, 2022.

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

23.2 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 have remaining terms of between eighteen to twenty-five months depending on the applicable contract, while warranty guarantees have remaining terms of between one to thirteen months. Bid bonds have remaining terms of up to 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. An advance payment guarantee has a remaining term of eighteen months. Any potential payments that 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 September 30, 2023, under the guarantees and bid bonds, the maximum potential amount of future payments is $9.1 million (December 31, 2022 - $15.4 million).

23.3 Other commitments and contingencies

As at September 30, 2023, the total estimated minimum remaining future commitments were as follows:

	2023	2024	2025	2026	2027	2028 and thereafter	Total
Other commitments	$ 36,589	$ 10,545	$ 4,030	$ 1,381	$ 546	$ 28	$ 53,119
Base metal commitments	4,154	3,853	-	-	-	-	8,007
Capital commitments	11,073	5,837	-	-	-	-	16,910
Total	$ 51,816	$ 20,235	$ 4,030	$ 1,381	$ 546	$ 28	$ 78,036

Other commitments include firm contracts with suppliers for goods and services, excluding precious metals commitments, as well as the non-lease components of leases of right-of-use assets.

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

The Corporation committed to spend approximately $16.9 million as at September 30, 2023 (December 31, 2022 - $18.8 million) in 2023 and 2024 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 $0.7 million provision for potential legal obligations is included in other provisions (Note 13) as at September 30, 2023 (December 31, 2022 - $0.7 million). The amount and timing of the settlement of the provision is uncertain.

Other than the changes noted above, there have been no other material changes to the Corporation's commitments, contingencies and guarantees since December 31, 2022.