



Speaking Notes for

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**President & CEO
Royal Canadian Mint**

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Thank you all for joining us today.

I am pleased to once again have the opportunity to speak with you about how the Mint has performed, and been managed, over the last year, both as a Crown corporation mandated to operate in anticipation of profit, and as an organization committed to applying an environmental, social and governance focus to every aspect of its operations.

Earlier this year, our shareholder, the Government of Canada, renewed my mandate as President and CEO of the Royal Canadian Mint. I am honoured to have the opportunity to continue to work with our employees, my colleagues on the leadership team and our Board of Directors.

Last year, the Royal Canadian Mint continued to deliver returns to Canadians while ensuring coins were available across Canada for use in trade and commerce. The year presented its share of challenges including a significant downturn in the demand for precious metals. I credit our people and our long-term strategy for our quick response to the volatility in the marketplace driving revenue in new and innovative ways. I will let Francis Mensah, our Chief Financial Officer, expand on this during his remarks.

Over the past year, we pursued our investments in our business transformation, and set ambitious goals for a responsible and sustainable future. This was made possible by the commitment and engagement of our employees in Ottawa and Winnipeg.

My colleagues on the leadership team and I are thankful to the Board of Directors for their guidance and input as we revisited our Strategy in preparation of our 2024-2028 Corporate Plan.

Their validation of our strategic direction confirmed that we are on the right path to ensure the sustained success of the Mint.

A clear priority, and a shareholder expectation, is the embedding of environmental, social and governance (ESG) practices in every aspect of the Mint's management and operations. Our ESG focus has been clearly articulated in our Commitment and Action Plan, published in March 2023. It includes measurable goals to reduce carbon emissions in both facilities and a pledge to have a carbon-neutral circulation business by 2030. The plan also outlines our path to ensure that an inclusive payment ecosystem is maintained in Canada, it lays out our roadmap to creating a diverse, equitable and inclusive workplace and details our commitment to responsible sourcing and manufacturing processes.

Just last month, we published our first-ever Impact Report, transparently accounting for our 2023 ESG performance, and outlining our 2024 targets. This new type of reporting highlights our accomplishments and acknowledges areas for improvement. It also includes stories and testimonials from Mint employees that bring our ESG commitment to life and demonstrate how we embody our goal of being a caring Mint.

Our ability to make a positive difference is demonstrated in many ways, under the social pillar of our ESG Action Plan.

Since launching our diversity, equity and inclusion (DEI) Action Plan in 2021, we have steadily continued to apply a DEI lens to everything we do. In the spirit of making the Mint a more accessible and inclusive workplace, our new Accessibility Action Plan became the first corporate document available in braille. Training on our DEI Lens Toolkit, offered throughout 2023, helped employees navigate everyday situations.

We are also committed to strengthening Indigenous relations in a manner that supports the Truth and Reconciliation Commission's 94 Calls to Action, as well as the United Nations Declaration on the Rights of Indigenous People.

We've been making strides to move beyond simply consulting with Indigenous artists and communities, to working with them as partners on coin concepts. Collaborating every step along the way is an important part of our commitment to not only create meaningful coins, but to do so in a manner that builds genuine relationships.

This was the case with our Truth and Reconciliation Keepsake, which has so far raised over \$150,000 for the National Centre for Truth and Reconciliation's a-mi-quai-ni-mak Community Support Fund, established by the NCTR to assist Survivors and their communities carry out healing and commemoration activities. This initiative has been extended to the end of 2024.

While circulation coins are a unique medium for sharing important stories of Canada's shared history, culture and values, they are also vital instruments for ensuring all Canadians can participate in daily trade and commerce. This goes to the heart of our core mandate: to produce and distribute Canada's coinage.

We take that responsibility very seriously and over the years have worked hard to develop a coin management system that is an example for the world. We continue enhance this system that allows us to monitor coin use in real time, accurately forecast demand and offer resilience through crisis situations.

Working with financial institutions and armoured car companies is essential to managing all the coin-related aspects of Canada's cash ecosystem, from forecasting demand to targeted distribution, and from production to eventual retirement. In 2023, because of the efficient management of the coin system, 88% of the demand in coin was fulfilled through the recirculation of coins, leaving only 12% of demand fulfilled with new coins produced by the Mint in Winnipeg. This is very different than other countries who do not have visibility on coins.

I am pleased that we are further informing our collaboration through annual coin user surveys, which confirm that coins continue to play a vital role in our economy. Our last survey, completed at the end of 2023 reveals that 74 per cent of people living in Canada have no intention of going cashless. In fact, 85 per cent of Canadians report still using cash, with a quarter of those respondents saying they use cash on a regular basis, many of which are elderly, BIPOC, lower income or living in rural or isolated regions. These results, which are very much in line with our 2022 findings, reveal what we like to call "The Cash Paradox": Even though fewer people are using regularly cash as digital payments continue to rise, a strong majority of people in Canada want to continue to have the option of using it when and where they chose to.

This means that the Mint's role of effectively managing Canada's circulation coinage through our unique coin management system is more important than ever. It facilitates trade and commerce cost-efficiently and productively, and ensures that Canadians have access to coins when and where they are needed, without any shortages of any kind.

I have to note the major transformation that our coinage underwent last year and commend our employees, in Ottawa and Winnipeg, who made it possible.

They took on the historic task of producing the effigy of His Majesty King Charles III, following the Government of Canada's announcement, on May 6, that His Majesty's image would grace the obverse of future Canadian coins. The team worked tirelessly to expedite design, approval and production processes to ensure the Mint could start circulating coins bearing the new royal effigy in 2023.

I was honoured to unveil the portrait of His Majesty King Charles III, the first new monarch to appear on Canadian coins in 70 years, and to strike the first circulation coin bearing his image at our Winnipeg facility. It was a pleasure to do so in the company of Canadian portrait artist Steven Rosati, who designed the new effigy. It was equally gratifying to witness the public's and the media's enthusiastic response to these new coins.

The transformation of our coins was achieved on top of delivering a new slate of coins defining our 2023 Commemorative Circulation Program: The National Indigenous Peoples' Day \$2 coin, the commemorations of noted engineer Elsie MacGill and the famous artist Jean Paul Riopelle.

While economic and geopolitical uncertainty continued to impact demand for the production of foreign circulation coinage in 2023, we are seeing Foreign Business return to the Mint. New contracts, as well our first two-sided painted coin, launched by the Central Bank of Bahamas, just a few weeks ago, set the stage for new growth in this important segment of our Circulation business.

Despite last year's pressure on the precious metals market, our Bullion and Refinery business achieved an important milestone with a record of over 5 million ounces of gold refined at our Ottawa facility.

This is a testament to the concerted efforts of our Commercial and Refinery Operations teams to prioritize our refining capacity to North American to provide and sustain strategic support to Canada's mining and financial industries.

In addition to customer retention and new refining contracts, new distributor and retail agreements helped weather the precious metals downturn. We are pleased at the strong sales of our gold bullion products through Costco in Canada and the US, and look forward to benefiting more from this new relationship forged between Costco and some of our longstanding bullion distributors.

Our Bullion and Refinery strategy is supported by a multi-pronged approach to responsibly sourcing precious metals. After implementing a responsible sourcing policy for precious metals, we have procured a distributed ledger technology platform that is now tracking gold entering our Refinery along the full chain of custody. This solution gives our Refinery customers the ability to demonstrate transparency and trust, giving their buyers more confidence in the history and provenance of their products.

As a Good Delivery refiner since 1919, delivering end-to-end service to the bullion sector -from refining precious metals to bullion manufacturing, as well as providing liquidity in the London Bullion Market- we became a full member of the London Bullion Market Association in 2023. In addition to offering our refining customers access to multiple markets, we are gaining a greater voice within our industry by having a seat at several LBMA working committees.

Our numismatics business grew in 2023, thanks in part to popular programs such as the collection honouring the reign of the late Queen Elizabeth II, His Majesty King Charles III's Coronation Suite, and the launch of new releases from the Opulence Collection.

I was pleased to attend our new Opulence Collection launch, where I could personally connect with some of our most loyal customers, as well as join Board Chair Phyllis Clark in engaging face to face with area Masters Club members for the first time since the pandemic.

Our 2024 numismatic program is off to a strong start with a robust and diverse program that has included the continuation of Commemorating Black History Series, honouring the Black settlers of Alberta's Amber Valley, an extensive collection celebrating the Royal Canadian Air Force Centennial. I was honoured to welcome General Lieutenant-General Eric Kenny, RCAF Commander and his staff to our Ottawa facility earlier this year, where they witnessed the production of a \$20 fine silver coin launched this past April.

We were also pleased to showcase our technology and innovation to international peers during the 2023 Mint Directors Conference (MDC), which we had the honour of hosting in Ottawa. The two-day business program, focused on the future of coins and sustainability, bringing together mints, dealers and suppliers to discuss and exchange ideas on the opportunities, challenges and priorities facing our industry.

Planning for the future must always include planning for our people. We continue to remain focused on health and safety, with employee-led Health and Safety Committees in Ottawa and Winnipeg helping us determine the next steps in our journey to fostering a safer workplace. Robust mandatory and elective training programs provide valuable tools to support our strategic goals and further employee development.

I was proud that the Mint was named one of the National Capital Region's Top Employers in 2023. While we received this award because we are headquartered in Ottawa, it recognizes collective efforts in Ottawa and Winnipeg.

We will continue to invest in our people and the tools needed to help the Mint perform at its best. We are in the midst of an important digital program that will enhance customer relationship management.

I look forward to embracing and seizing opportunities as we continue to strike a balance between all of our priorities in 2024 and beyond. Through peaks and valleys, we will remain agile and correct our course as needed so that we may deliver the best possible value to Canada and Canadians.

Thank you.