THIRD QUARTER FINANCIAL REPORT

FISCAL 2024

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 28, 2024 and September 30, 2023 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 2024, the first 39 weeks included 272 days compared to 273 days in the first 39 weeks of 2023. 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 20, 2024, 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.

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

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.

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 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

New Coin Offerings

New $2 Circulation Coin Commemorates the Royal Canadian Air Force

In September 2024, the Mint issued a $2 circulation coin to highlight the Royal Canadian Air Force (RCAF) 100 years as a distinct military institution defending Canada and preserving its freedoms while also recognizing the service of all RCAF personnel. The coin, depicting aircraft that have played significant roles in supporting the RCAF over the last century, was unveiled at a ceremony held at the Canadian Forces Base in Winnipeg.

New Single Mine Gold Maple Leaf Bullion Coin

On September 20, 2024, the Mint issued its newest Gold Maple Leaf (GML) bullion coin completely sourced from a single mine and it will offer Costco Canada members the first opportunity to acquire one of the world's most popular pure 1 oz. gold bullion coins, sourced and refined under the industry's strictest segregation protocols. The 2024 $50 1 oz. 99.99% Pure Gold Maple Leaf Single Mine bullion coin is entirely composed of gold from Canadian mining giant Agnico Eagle's Detour Lake mine in Northern Ontario.

Coin Awards

A 2023 Pure Silver Coin Wins Coin of the Year Award

The Mint is honoured that its 2023 Pure Silver Coin – Allegory of Peace has captured this year's Coin of the Year Award in the *Most Inspirational category*. Through this prestigious annual awards program, the Mint competes with global industry peers for the world's most coveted recognition of excellence in coin design and manufacturing. This latest recognition of the Mint's creativity and the talent of its artists adds to a growing list of previous numismatic awards.

Environmental, Social and Corporate Governance (ESG) Initiatives

Diversity, Equity and Inclusion (DEI)

The Mint closed out the Diversity, Equity and Inclusion (DEI) "*ALL IN*" action plan. The 3-year plan (2021-2024) with 8 goals, 21 key activities, and 8 expected outcomes focused on embedding DEI in every aspect of the organization by communicating DEI far, wide & often. The Mint has initiated planning for the future state DEI program aligned to the Mint's ESG objective to create a culture where differences are valued and employees are empowered to take active roles in addressing systemic racism, discrimination and barriers to inclusion.

Research & Development(R&D) and Go Green Initiatives

The Mint's research and development team, in collaboration with researchers from McGill University, completed the lab scale phase of the gold refining project that replaces the use of chlorine gas from the process. A patent application of the innovative process has been filed. Work is underway to evaluate the feasibility of scaling the process to production scale. This project is aligned to the Mint's ESG Commitment to embed material sourcing and sustainable process technologies into manufacturing processes.

ISO 9001:2015 certification

Following successful audits, the Ottawa and Winnipeg Mints have maintained their ISO 9001:2015 certifications for 2024. ISO 9001 standards are the world's best-known quality management standards that help the Mint be more efficient and provide our customers with consistent quality products and services. The Mint has been ISO 9001:2015 certified for 25 years – watch for a special feature later this year marking this milestone anniversary.

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 28, 2024	September 30, 2023	$ Change	% Change	**September 28, 2024**	September 30, 2023	$ Change	% Change
Revenue	**$ 252.7**	$ 360.6	(107.9)	(30)	**$ 861.2**	$ 1,841.8	(980.6)	(53)
Profit (loss) for the period	**$ 5.7**	$ (5.8)	11.5	(198)	**$ 24.1**	$ 15.0	9.1	61
Profit (loss) before income tax and other items[1]	**$ 1.4**	$ (8.7)	10.1	(116)	**$ 12.3**	$ 23.4	(11.1)	(47)
Profit (loss) before income tax and other items margin[2]	**0.6%**	(2.4)%			**1.4%**	1.3%		

[1] Profit (Loss) before income tax and other items is a non-GAAP financial measure. A reconciliation from profit (loss) for the period to profit (loss) before income tax and other items is included on page 13.
[2] Profit (Loss) before income tax and other items margin is a non-GAAP financial measure and its calculation is based on profit (loss) before income tax and other items.

Profit (loss) and profit (loss) before income tax and other items increased $11.5 million and $10.1 million, respectively, for the 13 weeks ended September 28, 2024. Results were favourable quarter over quarter due to higher gold market pricing, with record highs recorded in 2024, combined with higher foreign circulation volumes sold and a planned lower level of fixed costs to support the Mint's on-going operations and digital program and business transformation initiatives, while profit (loss) was also impacted by a favourable change on the revaluation of Face Value redemptions liability. The quarter over quarter results were partially offset by lower bullion volumes sold.

For the 39 weeks ended September 28, 2024, profit (loss) increased $9.1 million while profit (loss) before income tax and other items decreased $11.1 million. Year over year results were impacted by the weaker performance of the Mint's Precious Metals business, mainly due to the continued softness in global bullion demand, that started in the second half of 2023. The weaker performance of the Precious Metals business was partially offset by higher gold market pricing, higher foreign circulation coin volumes sold and lower fixed costs, while profit (loss) was also impacted by a favourable change on the revaluation of the Face Value redemptions liability.

	As at			
	September 28, 2024	December 31, 2023	$ Change	% Change
Cash	**$ 58.4**	$ 59.8	(1.4)	(2)
Inventories	**$ 71.5**	$ 68.8	2.7	4
Capital assets	**$ 174.2**	$ 173.0	1.2	1
Total assets	**$ 376.8**	$ 380.4	(3.6)	(1)
Working capital	**$ 99.2**	$ 97.8	1.4	1

Working capital and cash remained steady, compared to December 31, 2023, as cash flows generated from operations were mostly offset by capital investments of $15.4 million and dividend payments of $4.0 million.

Revenue by program and business

	13 weeks ended				39 weeks ended			
	September 28, 2024	September 30, 2023	$ Change	% Change	**September 28, 2024**	September 30, 2023	$ Change	% Change
Canadian Circulation	**$ 21.8**	$ 24.7	(2.9)	(12)	**$ 62.2**	$ 66.3	(4.1)	(6)
Foreign Circulation	**13.3**	7.5	5.8	77	**29.0**	12.6	16.4	130
Total Circulation	**$ 35.1**	$ 32.2	2.9	9	**$ 91.2**	$ 78.9	12.3	16
Bullion Products and Services	**$ 187.9**	$ 294.6	(106.7)	(36)	**$ 671.6**	$ 1,655.6	(984.0)	(59)
Numismatics	**29.7**	33.8	(4.1)	(12)	**98.4**	107.3	(8.9)	(8)
Total Precious Metals	**$ 217.6**	$ 328.4	(110.8)	(34)	**$ 770.0**	$ 1,762.9	(992.9)	(56)
Total revenue	**$ 252.7**	$ 360.6	(107.9)	(30)	**$ 861.2**	$ 1,841.8	(980.6)	(53)

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 28, 2024, revenue from the Canadian Circulation Program decreased by $2.9 million and $4.1 million, respectively, over the same periods in 2023. The quarter over quarter decrease is mainly due to a lower volume of circulation coins sold to the Department of Finance and lower program fees in accordance with the memorandum of understanding with the Department of Finance. The year over year decrease is due to lower program fees and a lower volume of metric tons processed from the Alloy Recovery Program due to the timing of settlements.

Coin supply

	13 weeks ended				39 weeks ended			
(in millions of coins)	**September 28, 2024**	September 30, 2023	Change	% Change	**September 28, 2024**	September 30, 2023	Change	% Change
Financial institutions deposits	**375**	409	(34)	(8)	**1,181**	1,239	(58)	(5)
Recycled coins	**31**	33	(2)	(6)	**102**	103	(1)	(1)
Total market supply	**406**	442	(36)	(8)	**1,283**	1,342	(59)	(4)
New coins sold to financial institutions and others	**119**	131	(12)	(9)	**178**	199	(21)	(11)
Total coin supply	**525**	573	(48)	(8)	**1,461**	1,541	(80)	(5)

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 and 39 weeks ended September 28, 2024, demand has decreased 7% from 2023.

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 ended September 28, 2024, financial institution deposits were 8% and 5% lower than the same periods last year, combined with decreases in new coins sold to financial institutions and others in both periods year over year.

Department of Finance Inventory

	As at		
(in millions of dollars)	**September 28, 2024**	September 30, 2023	$ Change
Opening inventory	**$ 90.0**	$ 102.0	(12)
New coins produced and sold to Department of Finance	**79.9**	70.6	9.3
New coins sold to financial institutions and others	**(73.8)**	(81.0)	7.2
Ending inventory	**$ 96.1**	$ 91.6	4.5

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 28, 2024 was $96.1 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 increased 77% and 130% to $13.3 million and $29.0 million, respectively, for the 13 and 39 weeks ended September 28, 2024 compared to $7.5 million and $12.6 million, respectively, in the same periods in 2023. The increase in Foreign Circulation revenue reflects 88% higher volumes produced and shipped quarter over quarter, and 96% higher volumes year over year.

Bullion Products and Services

	13 weeks ended				39 weeks ended			
	September 28, 2024	September 30, 2023	$ Change	% Change	**September 28, 2024**	September 30, 2023	$ Change	% Change
Gross revenue	**$ 519.2**	$ 614.7	(95.5)	(16)	**$ 1,864.7**	$ 3,154.9	(1,290.2)	(41)
Less: customer inventory deals	**(331.3)**	(320.1)	(11.2)	3	**(1,193.1)**	(1,499.3)	306.2	(20)
Net revenue	**$ 187.9**	$ 294.6	(106.7)	(36)	**$ 671.6**	$ 1,655.6	(984.0)	(59)

	13 weeks ended				39 weeks ended			
(thousands of ounces)	**September 28, 2024**	September 30, 2023	$ Change	% Change	**September 28, 2024**	September 30, 2023	$ Change	% Change
Gold	**106.1**	170.1	(64.0)	(38)	**418.4**	828.1	(409.7)	(49)
Less: ounces from customer inventory deals	**(86.0)**	(106.8)	20.8	(19)	**(332.8)**	(525.7)	192.9	(37)
Net gold ounces	**20.1**	63.3	(43.2)	(68)	**85.6**	302.4	(216.8)	(72)
Silver	**2,733.0**	3,412.6	(679.6)	(20)	**11,476.6**	21,482.8	(10,006.2)	(47)
Less: ounces from customer inventory deals	**(1,007.7)**	(1,409.6)	401.9	(29)	**(4,636.6)**	(4,000.8)	(635.8)	16
Net silver ounces	**1,725.3**	2,003.0	(277.7)	(14)	**6,840.0**	17,482.0	(10,642.0)	(61)

Bullion Products and Services net revenue decreased 36% and 59% during the 13 and 39 weeks ended September 28, 2024 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.

Numismatics

Numismatics revenue decreased 12% and 8% during the 13 and 39 weeks ended September 28, 2024, respectively, compared to the same periods in 2023. The quarter over quarter decrease was mainly due to timing of product launches for new products in 2024. The year over year decrease was driven by high demand in 2023 from the *Queen Elizabeth II's Reign* and *King Charles III Coronation* products.

	13 weeks ended				39 weeks ended			
	September 28, 2024	September 30, 2023	$ Change	% Change	**September 28, 2024**	September 30, 2023	$ Change	% Change
Gold	**$ 10.9**	$ 16.0	(5.1)	(32)	**$ 39.9**	$ 45.3	(5.4)	(12)
Silver	**15.5**	14.6	0.9	6	**44.1**	46.0	(1.9)	(4)
Other revenue[1]	**3.3**	3.2	0.1	3	**14.4**	16.0	(1.6)	(10)
Total revenue	**$ 29.7**	$ 33.8	(4.1)	(12)	**$ 98.4**	$ 107.3	(8.9)	(8)

[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 28, 2024**	September 30, 2023	$ Change	% Change	**September 28, 2024**	September 30, 2023	$ Change	% Change
Cost of sales	**$ 217.4**	$ 333.1	(115.7)	(35)	**$ 742.0**	$ 1,723.8	(981.8)	(57)
Operating expenses:								
Marketing and sales	**$ 7.7**	$ 10.3	(2.6)	(25)	**$ 21.2**	$ 23.7	(2.5)	(11)
Administration	**20.6**	25.7	(5.1)	(20)	**67.0**	77.3	(10.3)	(13)
Total operating expenses	**$ 28.3**	$ 36.0	(7.7)	(21)	**$ 88.2**	$ 101.0	(12.8)	(13)
Income tax expense (recovery)	**$ 2.0**	$ (1.9)	3.9	(205)	**$ 8.3**	$ 4.6	3.7	80

Cost of sales for the 13 and 39 weeks ended September 28, 2024 decreased to $217.4 million and $742.0 million, respectively, compared to $333.1 million and $1,723.8 million during the same periods in 2023. The overall decreases in cost of sales reflect decreases of 30% and 53% in the same periods in overall revenue, as well as increases of $4.9 million and $22.9 million in the 13 weeks and 39 weeks ended September 28, 2024, respectively, in the revaluation gain on the Face Value redemptions liability which is recognized in cost of sales, as well as higher proportion of customer inventory deals where the Mint is not the principal in the transaction.

Overall, operating expenses for the 13 and 39 weeks ended September 28, 2024 decreased to $28.3 million and $88.2 million compared to $36.0 million and $101.0 million in the same periods in 2023. Administration expenses decreased 20% and 13% respectively, mainly due to the prudent containment of overall operating expenses, which resulted in lower expenses related to consulting and workforce to support on-going operations, as well as expenses related to the digital program and business transformation. The decrease in marketing and sales expenses in both periods was due to the timing of marketing campaigns year over year.

Income tax expense increased $3.9 million and $3.7 million, respectively, for the 13 and 39 weeks ended September 28, 2024 when compared to the same periods in 2023 consistent with the changes in operating income for each period.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows

	13 weeks ended			39 weeks ended		
	September 28, 2024	September 30, 2023	$ Change	**September 28, 2024**	September 30, 2023	$ Change
Cash and cash equivalents, at the end of the period	**$ 58.4**	$ 63.1	(4.7)	**$ 58.4**	$ 63.1	(4.7)
Cash flow from (used in) operating activities	**$ 15.8**	$ (8.8)	24.6	**$ 19.5**	$ 22.3	(2.8)
Cash flow used in investing activities	**$ (5.6)**	$ (7.8)	2.2	**$ (15.4)**	$ (36.6)	21.2
Cash flow used in financing activities	**$ (0.4)**	$ (0.4)	-	**$ (5.4)**	$ (1.3)	(4.1)

Cash from operating activities increased $24.6 million for the 13 weeks ended September 28, 2024, compared to the same period in 2023 primarily due to higher overall net cash inflows from sales activities, lower fixed costs, as well as timing of precious metal purchases and payments received from customers. The decrease of $2.8 million for the 39 weeks ended September 28, 2024 compared to the same period in 2023 was also impacted by lower net cash inflows from bullion sales, partially offset by lower income tax installment payments.

Cash used in investing activities decreased $2.2 million and $21.2 million for the 13 and 39 weeks ended September 28, 2024, as compared to the same periods in 2023, mainly due to investments made in production equipment for the Winnipeg and Ottawa plants as part of the on-going implementation of the One Mint Strategy, many of which will be coming to completion in 2024. The decrease for the 39 weeks ended September 28, 2024 was also impacted by the purchase of a short-term investment in 2023.

Cash used in financing activities increased $4.1 million for the 39 weeks ended September 28, 2024, as compared to the same periods in 2023. The Corporation declared and paid a $4.0 million dividend to the Government of Canada in Q1 2024, which represented the cash balance over a pre-determined cash reserve requirement, for the year ended December 31, 2023, defined in the Mint's Corporate Plan.

Borrowing facilities

See note 17 in the December 31, 2023 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 $18.0 million, which is within the Mint's approved borrowing limit as prescribed by the *Royal Canadian Mint Act*. The Mint entered the period with a long-term debt-to-equity ratio of 1:09 and closed the period with a long-term debt-to-equity ratio of 1:10.

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

Profit (loss) 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 profit (loss) for the period to profit (loss) before income tax and other items is as follows:

	13 weeks ended			39 weeks ended		
	September 28, 2024	September 30, 2023	$ Change	**September 28, 2024**	September 30, 2023	$ Change
Profit (loss) for the period	**$ 5.7**	$ (5.8)	11.5	**$ 24.1**	$ 15.0	9.1
Add (deduct):						
Income tax expense (recovery)	**2.0**	(1.9)	3.9	**8.3**	4.6	3.7
Shareholder directed donations	**-**	0.1	(0.1)	**0.2**	1.0	(0.8)
Net foreign exchange (gain) loss[1]	**-**	0.3	(0.3)	**0.3**	0.5	(0.2)
Face Value revaluation (gain) loss[2]	**(6.3)**	(1.4)	(4.9)	**(20.6)**	2.3	(22.9)
Profit (loss) before income tax and other items	**$ 1.4**	$ (8.7)	10.1	**$ 12.3**	$ 23.4	(11.1)

[1] Net foreign exchange (gain) loss for the 13 and 39 weeks ended September 28, 2024 exclude gains of $0.1 million (2023 - $nil million) and $0.1 million (2023 - $nil 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 a foreign exchange loss of $0.9 million (2023 - $1.3 million gain) and $1.1 million gain (2023 - $nil million) for the 13 and 39 weeks ended September 28, 2024, 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 strategic objectives are identified in the Mint's 2023 Annual Report. Since the end of 2023, an additional risk was added to the risk register as follows:

Geopolitical tensions

The risk that geopolitical relationships deteriorate and negatively impact the Mint's market share, business opportunities or puts at risk its cyber posture.

Legacy technology risk

Furthermore, the definition of Legacy technology risk was amended:

from: The risk that the Mint's legacy applications and/or infrastructure fail and become unavailable to the business teams or cause significant data loss or data integrity issues.

to: The risk that the Mint's legacy applications and/or infrastructure fail and become unavailable to the business teams, cause significant data loss, data integrity issues or impedes our ability to effectively leverage technological evolution in our businesses.

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, 2023 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 28, 2024 for a discussion regarding the adoption of new accounting standards and accounting policy developments.

OUTLOOK

The financial goal for 2024 is a profit before tax and other items of $8.8 million, as approved in the Mint's 2024-2028 Corporate Plan and is expected to be met. The Mint is also committed to meeting the required government spending reductions in its 2024 operating expenses as set out in its Corporate Plan.

The Mint's 2025-2029 Corporate Plan was approved by the Board of Directors on September 18, 2024 and has been submitted to the Minister of Finance. Continuing in 2024 with the implementation of its One Mint Strategy which was approved in 2020, the Mint will continue to evolve its domestic circulation coin lifecycle management practices and will aim to seize the best foreign circulation opportunities. The Mint will continue to build its precious metals capacity, focus its numismatic offerings, and pursue operational efficiencies. The Mint is also making investments in its digital capabilities and ESG initiatives to continue to build its agility and resiliency as it continues to add value for Canada. The Mint is closely monitoring the 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

At an aggregate level, coin demand and supply are expected to remain consistent with last year.

Despite overall volumes being similar, the Mint continues to manage the unique regional requirements across the country to ensure coins are readily available. The dynamic nature of the ecosystem makes it important for the Mint to keep a pulse on changing market needs through consumer surveys, industry stakeholder discussions, and ecosystem scanning activities.

Across the country inventories are being re-balanced in anticipation of the upcoming holiday season.

Foreign circulation

The international minting industry has experienced significant disruption since the beginning of 2024, as key players have exited the industry or merged. Several markets left without their traditional supplier are looking for new minting partners or suppliers. The Mint expects this to lead to greater opportunity for Canada, as a top-tier mint with the continued ability to address global coinage demand.

Global addressable demand for coins and blanks over the next twelve months is expected to be between 3 and 5 billion pieces. At the same time, many economies continue to experience 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.

Generally, the outlook for the Mint over the coming year appears to be favourable given the reduction of supply and the development of new market and denominational opportunities.

Precious metals business

Bullion products and services

The Mint continues to monitor the slowdown in the Bullion market which started during the second half of 2023 and continues to review the pricing and mix 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, gold refining, gold products and selective storage opportunities in support of its market share.

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 20, 2024, 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 20, 2024

ROYAL CANADIAN MINT

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited (CAD thousands)

	Notes	As at **September 28, 2024**	December 31, 2023
Assets			
Current assets			
Cash		**$ 58,439**	$ 59,825
Trade receivables, net and other receivables	5	**16,078**	16,888
Income tax receivable		**479**	7,947
Prepaid expenses and other advances		**5,603**	3,640
Inventories	6	**71,453**	68,825
Contract assets	7	**25,761**	17,527
Derivative financial assets	8	**1,277**	2,764
Total current assets		**179,090**	177,416
Non-current assets			
Prepaid expenses and other advances		**421**	411
Contract assets	7	**568**	2,908
Derivative financial assets	8	**88**	-
Deferred income tax assets		**22,426**	26,707
Property, plant and equipment	9	**166,405**	163,500
Investment property		**219**	219
Intangible assets	9	**3,363**	3,857
Right-of-use assets	10	**4,229**	5,375
Total non-current assets		**197,719**	202,977
Total assets		**$ 376,809**	$ 380,393
Liabilities			
Current liabilities			
Trade payables, other payables and accrued liabilities	11	**$ 46,407**	$ 51,449
Provisions	12	**4,935**	2,229
Income tax payable		**1,124**	-
Face Value redemptions liability	13	**434**	390
Contract liabilities	7	**15,239**	14,303
Loan payable		**6,116**	6,024
Lease liabilities	10	**1,691**	1,635
Employee benefit obligations		**3,876**	3,595
Derivative financial liabilities	8	**40**	6
Total current liabilities		**79,862**	79,631
Non-current liabilities			
Trade payables, other payables and accrued liabilities	11	**203**	-
Provisions	12	**773**	928
Face Value redemptions liability	13	**94,617**	116,792
Contract liabilities	7	**-**	518
Loan payable		**12,000**	12,000
Lease liabilities	10	**2,873**	4,180
Employee benefit obligations		**11,129**	11,129
Total non-current liabilities		**121,595**	145,547
Total liabilities		**201,457**	225,178
Shareholder's equity			
Share capital (authorized and issued 4,000 non-transferable shares)		**40,000**	40,000
Retained earnings		**135,352**	115,215
Total shareholder's equity		**175,352**	155,215
Total liabilities and shareholder's equity		**$ 376,809**	$ 380,393

Commitments, contingencies and guarantees (Note 20)

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)

		13 weeks ended		39 weeks ended	
	Notes	**September 28, 2024**	September 30, 2023	**September 28, 2024**	September 30, 2023
Revenue	15	**$ 252,716**	$ 360,584	**$ 861,164**	$ 1,841,847
Cost of sales	9,16,17	**217,369**	333,148	**741,978**	1,723,779
Gross profit		**35,347**	27,436	**119,186**	118,068
Marketing and sales expenses	16,17	**7,735**	10,259	**21,237**	23,720
Administration expenses	9,16,17	**20,541**	25,692	**66,995**	77,309
Operating expenses		**28,276**	35,951	**88,232**	101,029
Net foreign exchange gain (loss)		**87**	(284)	**(152)**	(415)
Operating profit (loss)		**7,158**	(8,799)	**30,802**	16,624
Finance income, net		**572**	1,108	**1,607**	3,003
Other income		**2**	1	**-**	3
Profit (loss) before income tax		**7,732**	(7,690)	**32,409**	19,630
Income tax expense (recovery)		**2,016**	(1,910)	**8,272**	4,647
Profit (loss) for the period		**5,716**	(5,780)	**24,137**	14,983
Total comprehensive income (loss)		**$ 5,716**	$ (5,780)	**$ 24,137**	$ 14,983

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 28, 2024

	Notes	**Share capital**	**Retained earnings**	**Total**
Balance as at June 29, 2024		$ 40,000	$ 129,636	$ 169,636
Profit for the period		**-**	**5,716**	**5,716**
Balance as at September 28, 2024		**$ 40,000**	**$ 135,352**	**$ 175,352**

13 weeks ended September 30, 2023

	Notes	Share capital	Retained earnings	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

39 weeks ended September 28, 2024

	Notes	**Share capital**	**Retained earnings**	**Total**
Balance as at December 31, 2023		$ 40,000	$ 115,215	$ 155,251
Profit for the period		**-**	**24,137**	**24,137**
Dividends paid		**-**	**(4,000)**	**(4,000)**
Balance as at September 28, 2024		**$ 40,000**	**$ 135,352**	**$ 175,352**

39 weeks ended September 30, 2023

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

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 September 28, 2024	13 weeks ended September 30, 2023	39 weeks ended September 28, 2024	39 weeks ended September 30, 2023
Cash flows from (used in) operating activities					
Profit (loss) for the period		**$ 5,716**	$ (5,780)	**$ 24,137**	$ 14,983
Adjustments to reconcile profit to cash flows from operating activities:					
Depreciation and amortization	16	**4,413**	4,514	**13,299**	13,707
Income tax expense (recovery)		**2,017**	(1,910)	**8,272**	4,647
Finance income, net		**(572)**	(1,109)	**(1,607)**	(3,003)
Other income, net		**(2)**	(1)	**-**	(3)
Net foreign exchange loss (gain)		**59**	(852)	**(107)**	(397)
Adjustments to other revenues and expenses	18	**(3,466)**	(7,786)	**(15,471)**	(12,338)
Changes in contract assets		**(1,547)**	-	**(5,387)**	-
Changes in contract liabilities		**1,856**	-	**418**	-
Changes in provisions		**623**	-	**2,551**	-
Changes in Face Value redemptions liability		**(6,480)**	(1,544)	**(21,002)**	1,990
Net changes in operating assets and liabilities	18	**5,636**	(1,884)	**7,715**	1,617
Cash from (used in) operating activities before interest and income tax		**8,253**	(16,352)	**12,818**	21,203
Income tax received, net of income tax paid		**6,882**	6,740	**4,922**	(580)
Interest received, net of interest paid		**693**	824	**1,741**	1,705
Net cash from (used in) operating activities		**15,828**	(8,788)	**19,481**	22,328
Cash flows used in investing activities					
Acquisition of property, plant and equipment and advances on property, plant and equipment purchases		**(5,514)**	(7,775)	**(15,152)**	(21,134)
Acquisition of intangible assets		**(118)**	(21)	**(247)**	(450)
Acquisition of short-term investment		**-**	-	**-**	(15,000)
Proceeds from sales of property, plant and equipment		**14**	-	**14**	-
Net cash used in investing activities		**(5,618)**	(7,796)	**(15,385)**	(36,584)
Cash flows used in financing activities					
Dividends paid	8.1	**-**	-	**(4,000)**	-
Lease principal payments	10	**(447)**	(442)	**(1,392)**	(1,324)
Net cash used in financing activities		**(447)**	(442)	**(5,392)**	(1,324)
Effect of changes in exchange rates on cash and cash equivalents		**(49)**	167	**(90)**	(603)
Increase (decrease) in cash and cash equivalents		**9,714**	(16,859)	**(1,386)**	(16,183)
Cash and cash equivalents at the beginning of the period		**48,725**	79,958	**59,825**	79,282
Cash and cash equivalents at the end of the period		**$ 58,439**	$ 63,099	**$ 58,439**	$ 63,099
Cash and cash equivalents consist of					
Cash		**$ 58,439**	$ 43,099	**$ 58,439**	$ 43,099
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, 2023.

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 20, 2024.

2.3 Consolidation

These condensed consolidated financial statements incorporate the financial statements of the Corporation and its wholly-owned subsidiary RCMH-MRCF Inc. which 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 28, 2024 were consistent with those disclosed in Note 3 of the Corporation's audited consolidated financial statements for the year ended December 31, 2023.

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, 2024.

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, 2024. The following amendments were adopted by the Corporation on January 1, 2024 and did not have an impact on the consolidated financial statements.

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.

Non-current Liabilities with Covenants

In October 2022, the IASB issued amendments to IAS 1 – *Presentation of Financial Statements* to 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.

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.

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 not exchangeable, how to determine the exchange rate and to require disclosure of 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. The Corporation does not anticipate the adoption of these amendments to significantly impact the consolidated financial statements.

Classification and Measurement Requirements of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9 – *Financial Instruments* and IFRS 7 – *Financial Instruments Disclosures* to address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9. The amendments address requirements related to settling financial liabilities using an electronic payment system and assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance-linked features. These amendments have an effective date for annual periods beginning on or after January 1, 2026. The Corporation does not anticipate the adoption of these amendments to significantly impact the consolidated financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued *Annual Improvement to IFRS accounting standards – Volume 11.* It contains amendments to five standards: 1) IFRS 1 - *First-time Adoption of International Financial Reporting Standards*; 2) IFRS 7 - *Financial Instruments: Disclosures*;

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

3) IFRS 9 - *Financial Instruments;* 4) IFRS 10 - *Consolidated Financial Statements and 5)* IAS 7 - *Statement of Cash Flows*. These amendments have an effective date for annual periods beginning on or after January 1, 2026. The Corporation does not anticipate the adoption of these amendments to significantly impact the consolidated financial statements.

Primary Financial Statements

In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* to replace IAS 1 - *Presentation of Financial Statements*. IFRS 18 improves the reporting of financial performance through the addition of detailed requirements for subtotals in the statement of profit and loss, disclosures about management-defined performance measures and adding new principles for the aggregation and disaggregation of information. These amendments have an effective date for annual periods beginning on or after January 1, 2027. The Corporation is currently assessing the potential impact from the adoption of these amendments on its consolidated financial statements.

5. TRADE RECEIVABLES, NET AND OTHER RECEIVABLES

	As at	
	September 28, 2024	December 31, 2023
Receivables and accruals from contracts with customers	**$ 14,334**	$ 14,795
Receivables from contracts with related parties (Note 19)	**1,213**	1,486
Allowance for expected credit losses	**(17)**	(21)
Trade receivables, net	**$ 15,530**	$ 16,260
Other current financial receivables	**447**	510
Other receivables	**101**	118
Trade receivables, net and other receivables	**$ 16,078**	$ 16,888

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

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

6. INVENTORIES

	As at	
	September 28, 2024	December 31, 2023
Total inventories	**$ 71,453**	$ 68,825

For the 13 and 39 weeks ended September 28, 2024, the Corporation recognized write-downs of inventory to net realizable value of $0.8 million and $0.9 million, respectively (13 and 39 weeks ended September 30, 2023 - write-downs of $0.4 million and $1.3 million, respectively).

7. CONTRACT ASSETS AND CONTRACT LIABILITIES

The contract assets are related to the Corporation's rights to consideration for work completed, but not billed as at September 28, 2024. The Corporation reviewed its credit risk exposure related to contract assets as at September 28, 2024 and evaluated the risk to be minimal as each 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, as well as amounts relating to customer loyalty programs.

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

	As at September 28, 2024	
	Contract Assets	**Contract Liabilities**
Opening balance	**$ 20,435**	**$ 14,821**
Revenue recognized	**-**	**(9,926)**
Cash received, excluding amounts recognized during the period[1]	**-**	**13,265**
Transfers from contract liabilities to payables	**-**	**(2,921)**
Foreign exchange revaluation	**507**	**-**
Transfers from contract assets to receivables	**(16,648)**	**-**
Increases resulting from changes in the measure of progress[2]	**22,035**	**-**
Closing balance	**$ 26,329**	**$ 15,239**

[1] Cash received, excluding amounts recognized during the period includes $0.4 million related to the Corporation's memorandum of understanding with the Department of Finance (Note 19).
[2] Increases resulting from changes in the measure of progress includes $0.7 million related to the Corporation's memorandum of understanding with the Department of Finance (Note 19).

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

	As at December 31, 2023	
	Contract Assets	Contract Liabilities
Opening balance	$ 18,292	$ 14,107
Revenue recognized	-	(1,961)
Cash received, excluding amounts recognized during the period	-	3,732
Transfers from contract liabilities to payables	-	(3,250)
Foreign exchange revaluation	(820)	(107)
Transfers from contract assets to receivables	(20,277)	-
Increases resulting from changes in the measure of progress	23,240	2,300
Closing balance	$ 20,435	$ 14,821

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

8.1 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 28, 2024 and year ended December 31, 2023, 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 28, 2024 and December 31, 2023, 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, 2023.

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 28, 2024 or December 31, 2023.

The Corporation declared and paid a dividend of $4.0 million, related to the year ended December 31, 2023, to the Government of Canada in the 39 weeks ended September 28, 2024 (39 weeks ended September 30, 2023 – nil). The Corporation employs a dividend framework to calculate dividends payable to its Shareholder. The 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.

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

8.2 Classification and fair value measurements of financial instruments

8.2.1 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 28, 2024		December 31, 2023	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial Assets				
Cash	**$ 58,439**	**$ 58,439**	$ 59,825	$ 59,825
Trade receivables, net and other receivables	**$ 15,977**	**$ 15,977**	$ 16,770	$ 16,770
Derivative financial assets:				
Foreign currency forwards	**$ 1,366**	**$ 1,366**	$ 2,764	$ 2,764
Financial Liabilities				
Trade payables, other payables and accrued liabilities	**$ 45,811**	**$ 45,811**	$ 50,634	$ 50,634
Loan payable	**$ 18,116**	**$ 17,920**	$ 18,024	$ 17,453
Derivative financial liabilities:				
Foreign currency forwards	**$ 40**	**$ 40**	$ 6	$ 6

8.2.2 Fair value hierarchy

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

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

The fair value measurement of cash was classified as level 1 of the fair value hierarchy as at September 28, 2024 and December 31, 2023. 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

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

September 28, 2024 and December 31, 2023. There were no transfers of financial instruments between levels for the 39 weeks ended September 28, 2024.

8.2.3 Classification and fair value techniques of financial instruments

The Corporation holds financial instruments in the form of cash, 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, 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 28, 2024	December 31, 2023
Derivative financial assets		
Foreign currency forwards	**$ 1,365**	$ 2,764
	$ 1,365	$ 2,764
Derivative financial liabilities		
Foreign currency forwards	**$ 40**	$ 6
	$ 40	$ 6

8.3 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.

8.3.1 Credit risk management

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Corporation's receivables from customers, cash and derivative instruments. The Corporation has a defined know your client and credit assessment process that evaluates the creditworthiness of counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

The carrying amount of financial assets recorded in the condensed consolidated financial statements represents the Corporation's maximum credit exposure.

8.3.1.1 Credit risk management of receivables from customers

The Corporation's exposure to credit risk associated with financial 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 financial trade receivables, net and other financial receivables by geographic regions was as follows:

	As at	
	September 28, 2024	December 31, 2023
Canada	**$ 9,005**	$ 14,927
Asia and Oceania	**4,447**	13
Europe, Middle East and Africa	**1,153**	388
United States	**1,129**	1,092
Latin America and Caribbean	**243**	350
Total financial trade receivables, net and other financial receivables	**$ 15,977**	$ 16,770

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

	As at	
	September 28, 2024	December 31, 2023
Consumers, dealers and others	**$ 6,420**	$ 9,710
Central and institutional banks	**5,682**	1,241
Governments (including governmental departments and agencies)	**3,875**	5,819
Total financial trade receivables, net and other financial receivables	**$ 15,977**	$ 16,770

The Corporation established an allowance for ECLs based on a provision matrix that reflected the estimated impairment of financial 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 28, 2024, the Corporation's rate of credit losses was less than 1% (2023 – less than 1%) of total financial trade receivables, net and other financial receivables.

8.3.2 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.

8.3.3 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.

8.3.3.1 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 within the guidelines set out in established policies. The Corporation also uses such contracts in managing its overall cash requirements.

8.3.3.2 Interest rate risk

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. As at September 28, 2024, there was no variable interest rate exposure.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Corporation’s cash and loan payable expose the Corporation to fair value interest rate risk.

8.3.3.3 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 fixed-price purchase commitments for precious and base metals to mitigate the commodity price risk (Note 20.1).

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

Contracts and transactions that are entered into for the purpose of procuring commodities to be used in production are classified as normal course of business. The Corporation does not procure commodities for trading or speculative purposes.

The impact of commodity price risk fluctuation on the condensed consolidated financial statements is not significant because none of the Corporation's financial assets or liabilities are directly exposed to commodity price risks.

9. 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 28, 2024	December 31, 2023
Cost	**$ 463,344**	$ 453,892
Accumulated depreciation and impairment	**(296,939)**	(290,392)
Net book value	**$ 166,405**	$ 163,500

Net book value by asset class

	As at	
	September 28, 2024	December 31, 2023
Land and land improvements	**$ 3,143**	$ 3,149
Buildings and improvements	**68,259**	71,203
Equipment	**60,924**	60,132
Capital projects in process	**34,079**	29,016
Net book value	**$ 166,405**	$ 163,500

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

During the 39 weeks ended September 28, 2024, the Corporation acquired $14.4 million (39 weeks ended September 30, 2023 - $24.9 million) worth of building and 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 28, 2024 is a total accrual of $3.0 million (December 31, 2023 - $1.5 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 28, 2024.

Intangible assets

	As at	
	September 28, 2024	December 31, 2023
Cost	**$ 39,374**	$ 39,126
Accumulated amortization and impairment	**(36,011)**	(35,269)
Net book value	**$ 3,363**	$ 3,857

During the 39 weeks ended September 28, 2024, the Corporation acquired $0.2 million (39 weeks ended September 30, 2023 - $0.4 million) worth of software. No capital assets were transferred to different categories within intangible assets.

No accrual is included in intangible asset additions as at September 28, 2024 or December 31, 2023.

During the 39 weeks ended September 28, 2024, the Corporation spent $3.3 million (39 weeks ended September 30, 2023 - $3.7 million) in research and development expenses all of which are included in cost of sales and administration expenses.

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

10. 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 28, 2024	December 31, 2023
Cost	**$ 10,701**	$ 10,701
Lease additions and renewals	**27**	-
Accumulated depreciation	**(6,499)**	(5,326)
Net book value	**$ 4,229**	$ 5,375

Net book value by right-of-use asset class

	As at	
	September 28, 2024	December 31, 2023
Buildings	**$ 2,427**	$ 2,993
Equipment	**1,802**	2,382
Net book value	**$ 4,229**	$ 5,375

Lease liabilities

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

As at September 28, 2024

	Buildings	**Equipment**	**Total**
Opening balance, January 1, 2024	**$ 3,309**	**$ 2,506**	**$ 5,815**
Interest expense	**64**	**50**	**114**
Lease payments	**(736)**	**(656)**	**(1,392)**
Lease additions and renewals	**-**	**27**	**27**
Closing balance	**$ 2,637**	**$ 1,927**	**$ 4,564**

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

As at December 31, 2023

	Buildings	Equipment	Total
Opening balance, January 1, 2023	$ 4,036	$ 3,206	$ 7,242
Interest expense	107	85	192
Lease payments	(834)	(869)	(1,703)
Lease additions and renewals	-	84	84
Closing balance	$ 3,309	$ 2,506	$ 5,815

	As at	
	September 28, 2024	December 31, 2023
Buildings	**$ 836**	$ 815
Equipment	**855**	820
Current	**$ 1,691**	$ 1,635
Buildings	**1,801**	2,494
Equipment	**1,072**	1,686
Non-Current	**$ 2,873**	$ 4,180
Total lease liabilities	**$ 4,564**	$ 5,815

Total cash outflow for leases included in lease liabilities for the 13 weeks and 39 weeks ended September 28, 2024 is $0.4 million and $1.4 million (13 weeks and 39 weeks ended September 30, 2023 is $0.4 and $1.3 million, respectively)

11. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED LIABILITIES

	As at	
	September 28, 2024	December 31, 2023
Trade payables	**$ 8,320**	$ 9,649
Employee compensation payables and accrued liabilities	**18,469**	26,145
Other current financial liabilities[1]	**18,819**	14,840
Other accounts payable and accrued liabilities	**799**	815
Total current trade payables, other payables and accrued liabilities	**$ 46,407**	$ 51,449
Other non-current financial liabilities[1]	**203**	-
Total non-current trade payables, other payables and accrued liabilities	**$ 203**	$ -
Trade payables, other payables and accrued liabilities	**$ 46,610**	$ 51,449

[1] Other financial liabilities include various accrued liabilities related to operating and capital accruals.

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

12. PROVISIONS

The following table presents the changes in the provisions:

	As at	
	September 28, 2024	December 31, 2023
Opening balance	**$ 3,157**	$ 5,481
Additional provisions recognized	**6,518**	9,727
Payments	**(3,053)**	(10,288)
De-recognition of provisions	**(791)**	(1,777)
Foreign exchange revaluation	**(123)**	14
Total provisions	**$ 5,708**	$ 3,157

Provisions include the following**:**

	As at	
	September 28, 2024	December 31, 2023
Sales returns and warranty	**$ 2,541**	$ 2,423
Customer contract commitments	**3,166**	-
Employee compensation	**-**	686
Other provisions	**1**	48
Total provisions	**$ 5,708**	$ 3,157

13. FACE VALUE REDEMPTIONS LIABILITY

	As at	
	September 28, 2024	December 31, 2023
Face Value redemptions liability	**$ 175,223**	$ 175,960
Precious metal recovery	**(80,172)**	(58,778)
Face Value redemptions liability, net	**$ 95,051**	$ 117,182

	As at	
	September 28, 2024	December 31, 2023
Opening balance	**$ 117,182**	$ 115,814
Redemptions, net	**(449)**	(441)
Precious metal and foreign exchange revaluation	**(21,682)**	1,809
Closing balance	**$ 95,051**	$ 117,182

As at September 28, 2024 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 $5.4 million and a decrease of $21.7 million, respectively, for the 13 and 39 weeks ended September 28, 2024 (13 and 39 weeks ended September 30, 2023 – a decrease of $2.7 million and an increase of $2.3 million). Based on the Face Value redemptions liability as at September 28, 2024, 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 $8.0 million (September 30, 2023 - $5.8 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 the 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.

14. EMPLOYEE COMPENSATION AND 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 $8.7 million in the 13 and 39 weeks ended September 28, 2024 (13 and 39 weeks ended September 30, 2023 was $2.5 million and $9.1 million).

See Note 18 in the audited consolidated financial statements for the year ended December 31, 2023 for details of 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 benefit liabilities.

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

15. REVENUE

15.1 Revenue by performance obligation

	13 weeks ended		39 weeks ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Performance obligations satisfied at a point in time				
Sale of goods	**$ 210,060**	$ 318,507	**$ 731,735**	$ 1,718,489
Rendering of services	**8,971**	12,573	**37,718**	42,048
Total revenue recognized at a point in time	**$ 219,031**	$ 331,080	**$ 769,453**	$ 1,760,537
Performance obligations satisfied over time				
Sale of goods	**$ 10,041**	$ 5,791	**$ 20,147**	$ 10,092
Rendering of services	**23,644**	23,713	**71,564**	71,218
Total revenue recognized over time	**$ 33,685**	$ 29,504	**$ 91,711**	$ 81,310
Total revenue	**$ 252,716**	$ 360,584	**$ 861,164**	$ 1,841,847

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 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Gross revenue from the sale of goods	**$ 551,438**	$ 644,369	**$ 1,944,987**	$ 3,227,923
Less: Customer inventory deals	**(331,337)**	(320,071)	**(1,193,105)**	(1,499,342)
Net revenue from the sale of goods	**$ 220,101**	$ 324,298	**$ 751,882**	$ 1,728,581

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

15.2 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 28, 2024**	September 30, 2023	**September 28, 2024**	September 30, 2023
North America	**$ 199,079**	$ 291,660	**$ 651,189**	$ 1,632,490
Europe, Middle East and Africa	**35,540**	44,201	**145,239**	157,896
Asia and Australia	**14,998**	21,999	**59,130**	44,276
Latin America and Caribbean	**3,099**	2,724	**5,606**	7,185
Total revenue	**$ 252,716**	$ 360,584	**$ 861,164**	$ 1,841,847

	13 weeks ended		39 weeks ended	
Program and Businesses	**September 28, 2024**	September 30, 2023	**September 28, 2024**	September 30, 2023
Canadian Circulation program	**$ 21,835**	$ 24,720	**$ 62,228**	$ 66,324
Foreign Circulation	**13,312**	7,462	**28,953**	12,608
Total Circulation	**35,147**	32,182	**91,181**	78,932
Bullion Products and Services	**187,927**	294,627	**671,580**	1,655,575
Numismatics	**29,642**	33,775	**98,403**	107,340
Total Precious Metals	**217,569**	328,402	**769,983**	1,762,915
Total revenue	**$ 252,716**	$ 360,584	**$ 861,164**	$ 1,841,847

For the 13 weeks and 39 weeks ended September 28, 2024, two and one customers, respectively (13 weeks and 39 weeks ended September 30, 2023 – one and two customers, respectively) made up 10% or more of the Corporation's revenue.

The revenue earned from significant customers was reported in the Precious Metals business for the 13 and 39 weeks ended September 28, 2024 and September 30, 2023, and in the primary geographic region of North America for the 13 and 39 weeks ended September 28, 2024 (North America - September 30, 2023).

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

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 28, 2024:

	2024	**2025**	**Total**
Total revenue	**$ 45,717**	**$ 85,896**	**$ 131,613**

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.

16. DEPRECIATION AND AMORTIZATION EXPENSE

	13 weeks ended		39 weeks ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Depreciation of property, plant and equipment	**$ 3,770**	$ 3,805	**$ 11,384**	$ 11,400
Amortization of intangible assets	**248**	315	**742**	1,127
Depreciation of right-of-use assets	**395**	394	**1,173**	1,180
Total depreciation and amortization expenses	**$ 4,413**	$ 4,514	**$ 13,299**	$ 13,707

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

	13 weeks ended		39 weeks ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Cost of sales	**$ 3,091**	$ 3,073	**$ 9,300**	$ 9,166
Marketing and sales expenses	**339**	373	**1,024**	1,184
Administration expenses	**983**	1,068	**2,975**	3,357
Total depreciation and amortization expenses	**$ 4,413**	$ 4,514	**$ 13,299**	$ 13,707

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

17. EMPLOYEE COMPENSATION EXPENSES

	13 weeks ended		39 weeks ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Included in cost of sales:				
Salaries and wages including short-term employee benefits	**$ 9,170**	$ 9,033	**$ 27,938**	$ 26,707
Pension costs	**1,291**	1,197	**3,999**	4,036
Other long-term employee and post-employment benefits	**561**	830	**1,751**	2,453
Termination benefits	**41**	-	**91**	217
Included in marketing and sales expenses:				
Salaries and wages including short-term employee benefits	**3,834**	3,922	**11,304**	11,316
Pension costs	**373**	367	**1,242**	1,285
Other long-term employee and post-employment benefits	**135**	158	**402**	460
Termination benefits	**-**	-	**19**	-
Included in administration expenses:				
Salaries and wages including short-term employee benefits	**11,676**	12,797	**36,860**	37,276
Pension costs	**1,079**	1,188	**3,901**	4,012
Other long-term employee and post-employment benefits	**562**	678	**1,678**	2,172
Termination benefits	**38**	59	**97**	80
Total employee compensation and benefits expense	**$ 28,760**	$ 30,229	**$ 89,282**	$ 90,014

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

18. SUPPLEMENTAL CASH FLOW INFORMATION

Adjustments to other revenues and expenses were comprised of the following:

	13 weeks ended		39 weeks ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Expenses				
Employee benefits expenses	**$ 2,724**	$ 2,744	**$ 8,975**	$ 9,301
Employee benefits paid	**(2,496)**	(2,521)	**(8,729)**	(9,057)
Inventory write-downs (reversals)	**242**	(311)	**(446)**	(312)
Provisions	**-**	(4,177)	**-**	(1,281)
Loss on disposal of assets, net	**27**	-	**116**	31
Other non-cash expenses, net	**(153)**	(236)	**(632)**	(773)
Non-cash revenue, net				
Foreign circulation revenue	**-**	(1,173)	**-**	(1,934)
Bullion service revenue	**(3,810)**	(1,922)	**(14,755)**	(6,171)
Numismatics revenue	**-**	(190)	**-**	(2,142)
Adjustments to other revenues and expenses	**$ (3,466)**	$ (7,786)	**$ (15,471)**	$ (12,338)

The 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 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Trade receivables, net and other receivables	**$ 1,400**	$ (2,227)	**$ 956**	$ 27,972
Inventories	**(3,959)**	(7,936)	**12,535**	(18,957)
Prepaid expenses and other advances	**432**	(900)	**(2,316)**	(5,061)
Trade payables, other payables and accrued liabilities	**7,763**	8,366	**(3,460)**	(8,242)
Contract liabilities	**-**	871	**-**	5,978
Provisions	**-**	(58)	**-**	(73)
Change in operating assets and liabilities	**$ 5,636**	$ (1,884)	**$ 7,715**	$ (1,617)

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

19. 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.

The transactions with Department of Finance were as follows:

	13 weeks ended		39 weeks ended	
	September 28, 2024	September 30, 2023	**September 28, 2024**	September 30, 2023
Revenue	**$ 20,908**	$ 23,912	**$ 59,755**	$ 62,910

	As at	
	September 28, 2024	December 31, 2023
Trade receivable (Note 5)	**$ 1,213**	$ 1,486
Contract liabilities (Note 7)	**$ 417**	$ -

During the 39 weeks ended September 28, 2024 and September 30, 2023, the majority of transactions with Crown corporations were for the sale of numismatic products.

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

20. COMMITMENTS, CONTINGENCIES AND GUARANTEES

20.1 Precious metal and other 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 28, 2024, the Corporation had $30.4 million in outstanding firm fixed-price precious metal purchase commitments and firm commitments for precious metal bullion product supply arrangements, including sourcing costs (December 31, 2023 – $28.2 million).

At the end of the period, the Corporation had entered into precious metal leases as follows:

	As at	
Ounces	**September 28, 2024**	December 31, 2023
Gold	**466,900**	578,397
Silver	**16,761,193**	22,492,819
Platinum	**20,336**	29,203

The fees for these leases are based on the market value. The precious metal lease payments recognized through cost of sales for the 13 and 39 weeks ended September 28, 2024 were $1.7 million and $4.7 million (September 30, 2023 - $5.4 million and $13.6 million), respectively. The value of the 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, 2023.

As at September 28, 2024, the total estimated minimum remaining future commitments were as follows:

	2024	**2025**	**2026**	**2027**	**2028**	**2029 and thereafter**	**Total**
Other commitments	**$ 25,802**	**$ 12,834**	**$ 3,694**	**$ 981**	**$ 103**	**$ 28**	**$ 43,442**
Base metal commitments	**7,218**	**4,361**	**-**	**-**	**-**	**-**	**11,579**
Capital commitments	**5,473**	**50**	**-**	**-**	**-**	**-**	**5,523**
Total	**$ 38,493**	**$ 17,245**	**$ 3,694**	**$ 981**	**$ 103**	**$ 28**	**$ 60,544**

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 $5.5 million as at September 28, 2024 (December 31, 2023 - $9.9 million) in 2024 and 2025 on capital projects.

20.2 Trade finance bonds, bank guarantees and contingencies

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 six to thirty-one months depending on the applicable contract, while warranty guarantees have remaining terms of up to seventeen months. Bid bonds have remaining terms of up to four 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 eight 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 28, 2024, under the guarantees and bid bonds, the maximum potential amount of future payments is $12.9 million (December 31, 2023 - $5.8 million).

In addition, from time to time, 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. There was no provision for potential legal obligations as at September 28, 2024 and December 31, 2023.

Other than the changes noted above, there have been no other material changes to the Corporation's commitments, contingencies and guarantees since December 31, 2023.