



**Speaking Notes for**

**Sandra L. Hanington**

**President and Chief Executive Officer**

**Royal Canadian Mint**

***2016 Annual Public Meeting***

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***Check against delivery***

On behalf of the Royal Canadian Mint and all its employees, I'm very pleased to have the opportunity to comment on the performance of the Mint in 2015, and its future direction in a year that has been defined by achievement and significant change.

I would like to thank the Chair of the Board of Directors, Carman Joynt, and his fellow Directors, for solidly supporting the decision to review the strategic direction of the Mint, and for contributing to an important transformation that will position us for future growth and success for the benefit of Canada, our customers, and our employees.

I also want to recognize the hard work and dedication of Mint employees who have delivered strong results in the midst of a challenging transition year. Their passion for the Mint is unmistakable and I look forward to working with them to build a future Mint which is not only equipped to deal with change, but also profit from it.

The future of the Royal Canadian Mint is bright because of what our employees have accomplished over many years.

The review of our strategy, and the new priorities and vision that flow from it, are a progressive business response to a constantly evolving marketplace.

Understanding the nature of the business issues we face today, we are able to deal with them through a focused, rational approach which makes the best use of our talent and resources.

Our Chief Financial Officer, Jennifer Camelon, will offer a detailed account of our 2015 financial results, but I want to share a few numbers and operational highlights which reveal the foundation upon which the future of the Mint will be built.

Overall, our 2015 financial results clearly show that the Mint is a robust, profitable and growing organization, with the strength to weather challenges and generate real value for Canadians.

In addition to meeting its core responsibility to produce and distribute Canada's circulation coinage, the Mint was able to respond to strong demand in bullion and numismatics to generate almost \$3 billion in revenues and achieved a near-record operating profit of \$65 million.

Though this was profit was offset by a non-cash impairment charge of \$65.5 million to account for changes to our circulation businesses, we continued to generate strong cash from operations and returned significant dividends of \$53 million to the Government of Canada.

At its heart, the Mint is a manufacturer of high-quality coins for daily trade and commerce, as well as for investment and the joy of collecting.

Our Winnipeg, Manitoba facility manufactures all of Canada's circulation coinage, and also supplies customers all over the world with coins that are renowned for their quality, durability and security. I also want to point out that this vital operation and important Manitoba institution is celebrating its 40<sup>th</sup> anniversary this year.

In four decades, our Winnipeg employees have produced over 67 billion circulation coins for Canada and more than 75 countries around the world.

Once again, the Mint answered the needs of Canadian commerce by effectively forecasting demand in all regions of Canada and avoiding shortages of any kind.

We supplied 392 million new circulation coins in 2015 and met overall demand for more than four billion coins through an environmentally responsible mix of new production and coin recycling, as well as by managing the inventories of our major financial institutions.

We continued to honour Canadian history, culture and values with the launch of commemorative circulation coins featuring our new pad-printing colouring technology which brought the 50<sup>th</sup> anniversary of the Canadian flag and the Poppy to life.

Canada's annual remembrance tradition also gave the Mint a great opportunity to commemorate the 100th anniversary of John McCrae's *In Flanders Fields* with a \$2 circulation coin unveiled before the people of Guelph, Ontario, at the McCrae family homestead.

Our Winnipeg facility is poised to play a central role in the celebration of Canada 150 by manufacturing a completely redesigned circulation coin series in honour this historical milestone.

As our Chair mentioned, these 2017 coin designs were solicited from the Canadian public through the *My Canada, My Inspiration* contest, launched in March 2015.

As a pan-Canadian contest which included the participation of prominent Canadians in the selection of finalist designs, it has already proven a powerful engine for celebrating Canadian pride which also places the Mint at the forefront of Canada 150 celebrations.

It is also promising to be a strong platform for engaging Canadians and increasing interest in coin collecting.

Moving on to our circulation coin business, the fulfillment of multi-year foreign contracts in 2015 did have an impact on international coin sales.

2015 was nevertheless punctuated by achievements such as continued business with large-volume customers like Singapore and the Philippines, as well as the signing of our first-ever contract with Indonesia. This major South East Asian country is now the 33<sup>rd</sup> international customer to purchase our multi-ply plated steel technology.

Our new pad-printing technology, which made its worldwide debut on a New Zealand coin commemorating the centennial of Anzac, also earned an important industry award from the International Association of Currency Affairs. The success of this technology has paved the way for several new coloured circulation coin orders from other countries.

Our Ottawa team maintains responsibility for manufacturing bullion and numismatic coins, in addition to providing other valued services such as the production of military and civilian medals, and the refining of precious metals.

2015 was a busy and phenomenal year for our Bullion Products and Services business. Bullion coin sales business broke records, as we sold an incredible 34 million ounces of silver and 953,000 ounces of gold, all of which came through our Ottawa production line.

Our Sales, Refinery and Production teams outdid themselves to supply a hot bullion market and skillfully meet demand.

Our Gold and Silver Maple Leaf coins remain the #1 and #2 bullion coins in terms of global market share and it was a challenge, although a welcome one, to maintain the supply of these industry leading products to our distributors.

Our Bullion DNA anti-counterfeiting technology also firmly established that the Mint produces the most secure bullion coins in the world.

In addition to placing a powerful anti-counterfeiting tool in the hands of bullion dealers, we have created the Bullion DNA Dealer Program to offer a premium level of marketing support to strengthen our leading role in the marketplace.

Our Bullion DNA Dealer Program is both a technological and marketing innovation that will go a long way in preserving the customer relationships which have made our bullion coins so successful.

Our Numismatics business was equally impressive –and record-breaking, with revenues totaling \$199 million.

Once again, our innovation, our craftsmanship and our compelling themes made us shine before Canadians and customers all over the world.

With 243 different collector coins issued in 2015, of which 72 sold out, the Mint was able to tell a vivid and compelling story of Canada from an incredible variety of perspectives.

We issued the world's first maple leaf-shaped coin, and brought other coins to life with innovations such as our unique photo-luminescent paint applications.

We joined Canadians in celebrating the FIFA Women's World Cup Canada 2015™, the TORONTO 2015 Pan Am and Parapan American Games, and we remembered with them by finely crafting coins honouring the 70<sup>th</sup> anniversary of the Italian Campaign and the 100th anniversary of the publication of *In Flanders Fields*.

We are certainly enthusiastic about supporting the Government of Canada's inclusiveness priorities and commemoration agenda, especially with the rapid approach of Canada 150.

I cannot properly summarize the high points of 2015 without giving credit to our employees doing excellent work in supporting our businesses and operations.

The list is long and by no means exhaustive: from procurement and finance, to protective services and health and safety, to human resources, marketing and many others, multiple teams in both our facilities worked in unison to achieve the impressive results of 2015.

I've said many times that our greatest asset is our people and it was important to ensure they are a focal point of our new vision: "To deliver excellence... through our customer-driven businesses, our talented people and the value we add to Canada and Canadians".

In the spirit of our new vision, we will provide our employees with the right tools, training and leadership practices, in a safe work environment, to attract, retain and enable a skilled, productive and engaged team.

In this respect, the creation of an employee-led working group to promote awareness of mental health and remove its stigma, as well as the completion of mental health first aid training for our first responders and managers of people are already making a difference in both the work and personal lives of our employees.

I am proud that we are committing over the next two years to address a priority that is not only important to the Mint and its people, but to our shareholder as well.

Mental health is such an important subject for us that we want to extend our efforts into Ottawa and Winnipeg, which are the communities in which we operate. I look forward to announcing these programs at a future date.

The past year demonstrates the Mint and its employees have built a strong foundation from which we can continue to meet the needs of our customers, and our obligations to our shareholder and the people of Canada. We will build on the strong profitability of our competitive businesses to achieve future success and sustain the Mint as a pillar of the Canadian economy and a leader of the global minting industry.

Before I close, I want to emphasize that the Mint is committed to openness and transparency and that this annual public meeting is only one of numerous activities in which we engage to promote transparency, accountability and accessibility.

In addition to publishing the Corporation's Annual Report and three quarterly reports every year, we solicit feedback from Canadian consumers and other stakeholders through customer surveys, focus groups and other public opinion research on a variety of topics. We also meet regularly with numismatic and bullion dealers and distributors and participates in trade conferences and shows that are attended by Mint customers, dealers and distributors, as well as our counterparts in the global minting industry.

We are equally open to dialogue when we hold various coin launches across the country and I look forward to continue meeting Canadians as we bring the Mint closer to them, in bringing the celebration of Canada to their communities. Thank you.