

Royal Canadian Mint
Summary of the 2018 – 2022
Corporate Plan
and 2018 Capital Budget

Forward-looking statements

This Summary of the Corporate Plan contains forward-looking statements that reflect management's expectations regarding the Mint's objectives, plans, strategies, future growth, results of operations, performance and business prospects and opportunities.

Forward-looking statements are typically identified by words or phrases such as "plans", "anticipates", "expects", "believes", "estimates", "intends", and other similar expressions.

These forward-looking statements are not facts, but only estimates regarding expected growth, results of operations, performance, business prospects and opportunities (assumptions).

While management considers these assumptions to be reasonable based on available information, they may prove to be incorrect. These estimates of future results are subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from what the Mint expects.

These risks, uncertainties and other factors include, but are not limited to, those risks and uncertainties set forth in Section B5 Enterprise Risk Management Program (ERM).

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 Summary of the Corporate Plan are made only as of May 29, 2018, 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.

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A INTRODUCTION, MANDATE AND CORPORATE PROFILE

A1 Executive Summary

The Royal Canadian Mint (RCM) is the Crown Corporation responsible for the minting and distribution of Canada's circulation coins. An ISO 9001-2008 certified company, the RCM is recognized as one of the largest and most versatile mints in the world, offering a wide range of specialized, high quality coinage products and related services on an international scale.

The RCM is a strong and vibrant organization with a proud past. It is continuing on the strategic path outlined in the 2017-2021 Corporate Plan, with adjustments for recent developments. Our focus on productivity and results is ongoing, driving improved rigour around capital investments, expenses and head count. The RCM is optimistic about our bright future as a high-performing, productive and innovative manufacturing and marketing entity in Canada.

The RCM's 2018-2022 Corporate Plan has been developed to guide the Corporation in fulfilling our mandate over the next five-year planning period.

A2 RCM Mandate and Legislative Powers

The RCM was originally established as a branch of the United Kingdom's Royal Mint in 1908. It was transferred to the Canadian government in 1931 when an Act of Parliament designated the RCM as a branch of the federal Department of Finance. The RCM changed to an independent Crown corporation with the passage of the *Royal Canadian Mint Act* in 1969, but with limited autonomy and achieved fully commercial Crown corporation status in 1987. Over time, the RCM's mandate was expanded, offering bullion products and services, numismatic coins, medals, as well as providing minting services to foreign countries. As a commercial Crown corporation, the RCM pays federal income tax, dividends and receives no Government of Canada appropriations.

Legislative Powers

The legislative framework governing the RCM consists primarily of the *Royal Canadian Mint Act* and the *Financial Administration Act*.

The *Royal Canadian Mint Act* prescribes the general objective for the RCM, which is to mint coins in anticipation of profit and to carry out other related activities.

The *Act* specifies the RCM's governance structure and the approval process for determining the characteristics (including designs) of circulation and non-circulation coins, and the issuance of these coins.

The RCM is designated a Schedule III – Part II Crown corporation under the *Financial Administration Act*. Additional legislative details and legal entity details are in Annex 1.

A3 Overview of Core Business, Key Results and Key Performance Indicators

A3.1 Mission, Vision and Values

Mission

The RCM is a world-class provider of branded investment, collectible and circulation coin products and services that connect people and inspire celebration.

Vision

Delivering excellence...through our customer-driven businesses, our talented people and the value we add to Canada and Canadians.

Values

Honesty, Respect, Passion and Pride

A3.2 Business Overviews and Key Strategies

The RCM delivers on our core mandate of Canadian Circulation with excellence. This program is complemented by businesses leveraging the RCM key assets and expertise, namely: Foreign Circulation, Numismatics, and Bullion Products and Services.

Canadian Circulation Overview

For the Canadian Circulation Program, the RCM is focused on producing secure and high quality coins to meet the needs of Canadian trade and commerce and the development of new coin technologies for the future. The RCM will continue to exercise prudent financial management and maximize efficiency to deliver a cost-effective program for Canadians.

As well, the RCM develops and manages the Commemorative Coin Program (CCCP) to celebrate Canada's history, culture and values through our special circulation coins, which are enjoyed by Canadians and often retained, improving shareholder seignorage benefits.

Canadian Circulation Strategic Direction

The RCM continues to focus on being a world class, cost-effective and environmentally conscious coinage provider. It also acts as the Government of Canada's advisor on coin-related matters. While coin usage has declined modestly over recent years, a trend that is forecasted to continue, no significant change is expected over the planning period.

In keeping with the Department of Finance's (DOF) Departmental Plan, the program oversees the system to ensure that Canada has an adequate supply of circulating coins to meet the needs of Canadian trade and commerce in addition to supporting the development of commemorative coins. In addition to ensuring availability of coins at all times across the country, there will be ongoing efforts to reduce overall costs through continuous improvements in manufacturing and administration, coupled with effective management of coin inventory levels. Capital investments for the RCM's Winnipeg manufacturing facility continue to be made with this in mind.

As Canadian circulation coins continue to be the best in the world, with no counterfeiting or security issues, the RCM will look for further opportunities to use environmentally sustainable practices in our manufacturing and distribution system.

The RCM will be implementing a multi-year commemorative coin program in 2018 to help recognize and celebrate key events related to Canadian history, culture and values. The RCM will look for opportunities to further support diversity when recommending future coin designs to the Government of Canada.

Foreign Circulation Overview

Foreign Circulation produces and supplies finished coins, coin blanks and tokens to customers around the world, including central banks, mints, monetary authorities and finance ministries. This business leverages the infrastructure and industry-leading expertise in the Mint's Winnipeg manufacturing facility.

The Foreign Circulation business operates in a price-sensitive market, which is characterized by variability in market demand.

Bullion Products and Services Overview

The Bullion Products and Services business provides our customers with market-leading precious metal investment coins and bar products, supported by integrated precious metal refining, storage and exchange traded receipts (ETR) capabilities. These products include the

Maple Leaf family of gold, silver, palladium and platinum coins, and other precious metal products and services for investment and manufacturing purposes.

The Canadian Gold and Silver Reserves ETR products listed on the Toronto Stock Exchange allow retail and institutional investors to access precious metals stored at the RCM.

Numismatic Overview

The RCM has reviewed the market potential for the Numismatics business in light of the wind down of the face value program in early 2017 and has concluded that the business has solid fundamentals for future profit growth. To ensure long-term growth of this business, the emphasis is to build on the solid base of existing customers, while nurturing the potential of newly acquired and previous customers. This requires a more sophisticated marketing approach with careful investment in capabilities and tools.

A3.3 Key Results and KPI's

As a Crown corporation, the RCM focuses on three key success criteria to measure results:

- Successful delivery on our core mandate by meeting coin demand, as outlined in our Memorandum of Understanding (MOU) with the Government of Canada
- Delivery of targeted profits, dividends, and taxes paid as referenced in our Corporate Plan
- Alignment with Government of Canada priorities, which are highlighted in various initiatives such our corporate social responsibility framework and mental health program

A summary of 2017 performance against objectives can be found in section B1. Objectives for 2018 and beyond are in section C.

A4 Organizational Business Model

To maximize efficiency and effectiveness, the RCM has an integrated organizational model with four businesses sharing core services. The RCM's Corporate Office and manufacturing operations for our Bullion and Numismatics businesses are headquartered in Ottawa. The RCM's Winnipeg manufacturing facility is responsible for manufacturing Canadian and Foreign circulation coins. The RCM has retail outlets in Ottawa and Winnipeg. The RCM has both a union and non-union workforce.

A5 Operating Environment and Key Internal and External Risks

The RCM's primary mandate is to deliver circulation coins and related services to the Government of Canada. Changes to the terms of the mandate and governing MOU can have significant impact on the RCM operations and financial performance. The current agreement expired at the end of 2017. A MOU covering the planning period (2018-2022) is under negotiation with the Department of Finance at this time.

The RCM operates both in Canadian and international markets and faces strong competition from world mints and refineries, most of which are state-owned. The markets for the RCM's products and services are heavily influenced by a number of external factors, including: the economy, of both Canada and of other countries, the price of precious and base metals and foreign exchange. Therefore, the corporate plan is developed based on data, analysis and assumptions that although sound, supported and defensible, require monitoring, validation and revisions.

The RCM's success is heavily dependent on our reputation for high quality and secure products and trusted services, often while competing on price. Our operating performance effectiveness and efficiency are, and will continue to be, our principal centre of attention in this corporate plan while enabling growth and sustainability. To continue our focus on efficiencies there has been an extensive review of the Vancouver Boutique operations, including fit with our Numismatic business strategy. As a result, the Vancouver Boutique closed in December 2017 and a transition plan has been put in place.

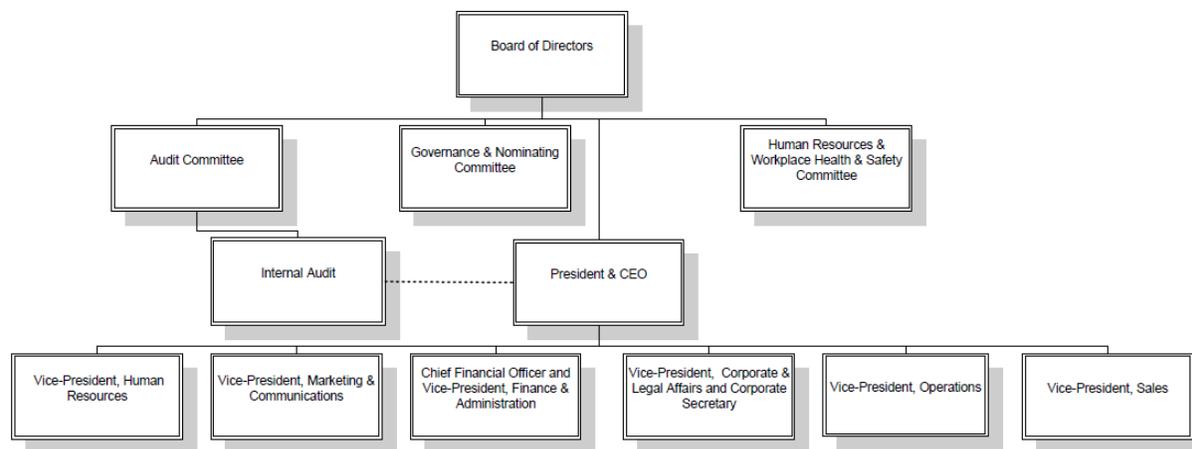
As a Crown corporation, the RCM balances commercial activities while being mindful of reputational risk. This is mostly evident in risk management activities where the reputational impacts to the shareholder and to the RCM are key elements of the assessment process. Furthermore, our approach to addressing risk is based on effective and open communication with the Board of Directors, the shareholder and the public to protect the reputation of both the organization and the Government of Canada.

The RCM is focusing financial performance on profit before taxes and other items in acknowledgement that the periodic revaluation of precious metal to be recovered in the face value provision will vary from year to year and could distort operating performance accordingly.

A6 Major Governance, including Leadership and Accountability Structures

A6.1 Role of the RCM's Board of Directors

Organizational Structure of the RCM – Board of Directors and Senior Officers*



* The RCM has a new Vice-President Sales since July 2017, following the planned retirement of the incumbent.

The Board of Directors

Our Board of Directors has overall responsibility for overseeing the management of the RCM's business and affairs. It exercises its duty with a view to the best interests of the RCM and the long-term interests of our sole shareholder, the Government of Canada, in accordance with the RCM's governing by-laws and various pieces of legislation.

The Board holds management accountable for the RCM's business performance and achievement of our objectives. To fulfill its responsibilities, the Board establishes and approves the RCM's strategic direction through a five-year business plan, and reviews and approves major strategies and initiatives. It exercises due diligence by assessing risks and opportunities, monitoring financial corporate performance, ensuring the integrity of financial results and providing timely reports to the Government of Canada.

Board of Directors Meetings

The RCM's Vice-Presidents are invited to attend all Board meetings; their doing so contributes to a more effective relationship between management and the Board by fostering a shared understanding of the RCM's activities and improving the decision-making process and governance. Other members of the RCM's management team also attend Board meetings as needed.

With the exception of the President and CEO, all directors are independent of the RCM's senior management. At each regular meeting, the Board holds an in-camera session with the President and CEO as well as a separate in-camera session without. The Chair of the Board is an ex-officio voting member on all committees; the President and CEO is also an ex-officio voting member of all standing committees with the exception of the Audit Committee, which the President and CEO attends as an observer. All members of the Board serve on at least one committee.

Standing Board Committees

Three standing committees assist the Board in discharging its responsibilities: the Audit Committee, the Governance and Nominating Committee, and the Human Resources and Workplace Health and Safety Committee. The Audit Committee meets in-camera with the RCM's external and internal auditors. The Board establishes special ad hoc committees, when required, that are dissolved once they have fulfilled their mandate. The Board and its committees may hire independent advisors as necessary to discharge their duties and responsibilities.

Changes during 2017

In August of 2017, the Chair of the RCM Board of Directors resigned and a selection process is underway. At the time of this update, the position of Chair is being held on an interim basis. The terms of seven directors have expired and positions were posted publicly; four were replaced at the time of this update.

Board Education and Composition

New Board directors are oriented to the RCM and its businesses through comprehensive briefings by senior management as well as tours of the Ottawa and Winnipeg facilities. Regular updates on the RCM's activities are also provided at Board meetings as part of ongoing education. Board members are encouraged to participate in ongoing professional development activities in alignment with an assessment of its skills and competency requirements.

A6.2 Communications with Stakeholders and Outreach Activities

The RCM engages in numerous activities to promote transparency, accountability and accessibility. These include hosting an annual public meeting and publishing the Corporation's annual and quarterly reports on our website. The RCM solicits feedback from and engages with Canadian consumers and other stakeholders through surveys, focus groups and other public opinion research. The RCM has also implemented an online customer research panel, CoinTalk, to seek customer feedback and insight. RCM employees meet regularly with numismatic and bullion dealers and distributors and with foreign representatives to inform them about products and services. The RCM attends conferences and trade shows to meet with stakeholders and customers to discuss key issues facing the minting industry. Additionally, the RCM invites public

feedback through our website, social media forums hosted through Facebook and Twitter as well as our 1-800 call centre.

The RCM has regular interactions with the Minister's Office for coin design approvals and updates on developments at the RCM. Key RCM staff also consult with Department of Finance officials at multiple levels to ensure strong delivery on the Canadian Circulation Program and to provide transparency on ongoing RCM activities.

A7 Linkages with Government Priorities

RCM and Government of Canada Priorities

As a Crown corporation, the RCM enhances the country's image and profits domestically and abroad through a number of successful, industry-leading businesses. In fulfilling our mandate, it supports a number of key Government of Canada priorities:

Focus on the Middle Class

The RCM provides high quality jobs to over 1,200 Canadians at our Ottawa and Winnipeg locations while delivering profitability to Canada. This includes 640 quality manufacturing jobs in areas such as skilled trades people (industrial mechanics, electricians, machinists, engravers) and skilled machine operators required in the Minting industry to achieve world-class products. The RCM also employs a variety of highly trained professionals in areas such as finance and accounting, information technology, engineering, sales and marketing, legal and human resources services as well as health, safety and security professionals. In addition, the RCM commissions creative work from diverse Canadian artists each year and products and services from many trusted suppliers across the country.

Open and Transparent Government

In alignment with **transparency** expectations identified in the Minister of Finance's Letter of Expectations, the RCM:

- Informs the shareholder of potential risks in the RCM's reputation, operations or finances with associated mitigation plans and tactics; and
- Shares business information like the Corporate Plan in a timely manner.

In alignment with **prudence** expectations, the RCM:

- Diligently pursues operational efficiencies and opportunities to increase value for the shareholder and demonstrates alignment to the interest of Canadians and Canada; and
- Monitors the successful implementation of enhanced hospitality and travel procedures and continued proactive disclosure of Board and executive travel.

A Clean Environment

An important part of the RCM's business and an ongoing strategic consideration is to continue to advance environmental awareness as well as responsible and sustainable corporate practices. Through 2018-2022, the RCM will continue with the implementation of an Environmental Management System (EMS) with a goal to identify opportunities to further reduce our carbon pollution and other potential environmental impacts. The outputs of the EMS are integrated into the RCM corporate social responsibility framework.

A Strong Economy

In support of the domestic currency system, the RCM is responsible for the production and distribution of circulation coinage to meet the needs of Canadian trade and commerce. The RCM also enhances the efficiency of the distribution system with our partnerships in coin recycling across Canada. The RCM provides advice to the Minister of Finance on all coinage matters and ensures continuous coinage availability across Canada to meet the needs of trade and commerce.

The RCM generated over \$2.1 billion in revenues internationally in 2016 representing 79 percent of total RCM revenue. The RCM has the leading market share for gold bullion coins and the second most popular silver bullion coin globally. In addition, the RCM produces circulation and numismatic coins, blanks, medals, medallions, tokens and related services for customers around the world.

Diversity

The RCM is proud to promote diversity through coin designs featuring Indigenous art and creating a link with many of Canada's communities by celebrating culture on numismatic coins. The RCM will continue to look for opportunities to support diversity in recommending future coin designs. Hiring and talent management practices are regularly reviewed to assess alignment with the Government of Canada's commitment to promoting gender balance and creating better access to opportunities for Indigenous Canadians and minority groups.

Heritage

In alignment with the Department of Canadian Heritage’s mandate to celebrate Canada’s history and heritage, the RCM celebrates the culture and events of Canada through coins and medals. Our commemorative coin and numismatic programs continue to celebrate Canada’s history, culture and values and allow Canadians to connect with their country by delivering compelling themes.

A7.1 Linkages with Government Priorities - Corporate Social Responsibility (CSR)

A CSR framework has been developed to align with the RCM’s vision and strategic objectives while incorporating many best practices used at the RCM in recent years.

RCM Corporate Social Responsibility Framework

	Customer	People	Canada and Canadians
Ongoing Initiatives	<ul style="list-style-type: none"> Maintain Average Order Lifecycle reductions London Bullion Market Association compliance recertification Insight panel launched to survey customers on a regular basis Net Promoter Score (NPS) launched 	<ul style="list-style-type: none"> Deliver on mental health initiative and activities Health & Safety program internal audit recommendations implemented Engagement and enablement focus based on employee survey results 	<ul style="list-style-type: none"> Water consumption targets and monitoring Commemorative programs celebrating Canada as well as targeted Canada 150 coins through My Canada, My Inspiration (MCMI) in five denominations Carbon emissions measurement and target setting
New in 2018	<ul style="list-style-type: none"> NPS Enhancements 	<ul style="list-style-type: none"> Development of Phase 2 of the RCM’s Mental Health initiative Imbed targeted wellness initiatives with existing occupational health and safety strategy 	<ul style="list-style-type: none"> Coin Recycling monitoring

Mental Health

The RCM’s focus on mental health continues to be highly successful. RCM leaders and employees have embraced this corporate focus, which includes mandatory mental health first aid (MHFA) training for people leaders and first responders, which over 250 employees have received.

Employees have already provided compelling evidence of the positive impact the programs are having and over 1000 employees have taken part in mental health related activities.

B ASSESSMENT OF INTERNAL AND EXTERNAL ENVIRONMENTS

B1 OBJECTIVES, PERFORMANCE MEASUREMENT AND RESULTS

The RCM executed our 2017 corporate objectives. Details of this progress are outlined below.

Corporate Objective 1: To Add Value to Canada and Canadians

Demonstrate the ‘added-value’ to Canada by delivering return on investment while reducing costs to Canadian taxpayers, and promoting Canada’s heritage, culture and values.

2017 Objective	Results (YTD)
Execute on the Canada 150 Commemorative Circulation Program with excellence.	Successfully completed.
Maximize returns to the Government of Canada in the form of retained profits, dividends and income taxes through prudent financial management.	Successfully completed.
Ensure an efficient management of the production, storage and distribution of Canada’s coins.	Successfully completed.

Corporate Objective 2: With Talented People

Provide the right tools, training and leadership practices in a safe work environment to attract, retain and enable a skilled, productive and engaged team.

2017 Objective	Results (YTD)
Continue the RCM’s transformation by helping employees through change.	Successfully completed. 2018 internal communications plan includes support for transformation.
Continue to demonstrate a focus on achieving a safe, healthy and productive workplace.	Successfully completed.
Leverage effective talent management strategies to support the implementation of the RCM’s business strategy.	Successfully completed.

Corporate Objective 3: Customer Driven

To drive sustainable profitability, directly link customer insights and business acumen to target marketing, product development, relationship-building and operational excellence

2017 Objective	Results (YTD)
Enable long-term profitable growth in Numismatics by increasing the sophistication of marketing tools to engage and attract new business relationships.	Successfully completed.
Continue with customer-focused foreign circulation strategy to ensure a sustainable CPS business going forward.	Successfully completed.

B2 EXPECTED BUSINESS ENVIRONMENT: MACRO ECONOMIC INDICATORS

B2.1 Economic Trends

The RCM uses economic trend forecasts published by the Bank of Canada and, if not available, the International Monetary Fund.

Economic Growth and Inflation	2017 Corporate Plan	2017 Forecast	2018 Corporate Plan
Canada - Growth	2.2%	2.8%	2.0%
Canada - Inflation	2.1%	1.6%	1.8%
USA - Growth	2.1%	2.2%	2.1%
Global - Growth	3.3%	3.4%	3.4%
China - Growth	6.4%	6.6%	6.3%
Japan - Growth	0.7%	1.1%	0.8%
India - Growth	7.4%	7.2%	7.7%
Europe – Growth	1.2%	1.9%	1.7%
Emerging Markets / Developing Countries	4.6%	4.6%	4.8%
Forecasts from the Bank of Canada Monetary Policy Report July 2017. India and Emerging Markets forecasts from the IMF World Economic Outlook Update July 2017			

Over the planning period and principally in the short term, the Bank of Canada expects the global economic expansion will continue at 3.4% for both 2017 and 2018. The US will grow at 2.1 % for 2018 with continuing slow growth in Europe and in Japan. The Canadian economy is expected to expand by 2.0% in 2018. The forecast also calls for continued strength in major emerging economies with China at 6.3%.

With modest growth forecast for Canada in 2018, it continues to provide adequate market conditions for numismatics, which are regarded as discretionary purchases. Growth in the US will support the Numismatics business although there is a weaker outlook for the smaller European market.

The continued growth in emerging markets can provide a supportive environment for foreign coinage demand associated with increased economic activity.

B2.2 Gold and Silver Price Trends

Precious metal markets inherently have variability and are subject to impacts from macro economic factors. The RCM relies on external sources as basis for our forecasts.

The 2018 Corporate Plan reflects the weighted average of the 2018 forecast and the current hedged volumes.

Precious metal trends impact the RCM's business in three ways: overall market impact on bullion volumes due to market activity for gold and silver; a significant cost of goods sold component for the Numismatics business and impact of price variability on a subset of the Bullion Products and Services revenues.

Our numismatics gold and silver requirements are hedged on a regular basis to manage a key component of the cost of goods sold.

For the refinery, decreasing gold and silver value would be an unfavourable development in that it decreases the RCM's revenues from the refining process. For the bullion business, only 10% of Gold Maple Leaf coins are sold as a percentage of metal prices with margins impacted by gold price variation. There is no impact on Silver Maple Leaf coin revenues as they are sold in US funds at a fixed premium and not as a percentage of the metal price. Please note that fixed premiums apply to all other products.

For precious metal planning assumptions, the RCM will use a weighted average calculation of forecast rate blended with hedges in place at the time the plan is completed. The RCM is evolving to a four quarter rolling forecast and hedging program where prior year efforts focused on Corporate Plan fiscal year only.

B2.3 Gold and Silver Lease Rates

Gold and silver lease rates are a key input to bullion cost of sales. The RCM leases precious metal for bullion business in excess of metal made available through our storage and ETR businesses.

B2.4 Base Metal Price Trends

In 2017, base metals with the exception of nickel have increased in USD from the 2017 Corporate Plan levels. With the exception of nickel, the 2018 Corporate Plan anticipates base metals to increase in USD from 2017 Corporate Plan levels.

The RCM secures and/or hedges planned base metal transactions to support our various business activities in Canadian Circulation, Foreign Circulation and Numismatics.

While nickel has trended down from our record high prices in 2007, the diminishing price differential between nickel/copper alloys and steel provides a less compelling financial justification for customers to consider the use of the RCM's cost-effective multi-ply plated steel (MPPS) versus traditional alloy coins. Reduced nickel prices have a direct and unfavourable impact on Alloy Recovery Program (ARP) revenues. Hedges for nickel are reviewed on a periodic basis based on volumes and operational considerations.

B2.5 Foreign Exchange Rate Trends

Canadian dollar movement has a mixed effect on the RCM's profitability. Currency hedging contributes to managing volatility in foreign exchange rates; however the longer-term currency trends can impact results most notably in the translation of bullion premiums, foreign circulation contracts and numismatics cost of sales. Based on our current mix of business, a stronger Canadian dollar puts cost pressure on our overall business.

The RCM now aggregates our exposure at the corporate level and hedges based on a four quarter rolling forecast basis, in comparison to prior years when the RCM hedged our exposure on an individual business level.

B3 EXPECTED BUSINESS ENVIRONMENT

The RCM took into account the following external market forces when considering the current planning period:

EXTERNAL BUSINESS ENVIRONMENT – CANADIAN CIRCULATION PROGRAM

Impact of Electronic Payments on Coin Demand

The RCM believes that the increasing use of electronic payments is expected to gradually lower the demand for Canadian circulation coinage over the 2018–2022 planning period.

Currently in Canada, 23 per cent of the value and 44 per cent of the volume of all retail transactions are completed using cash¹. Since 2011 the volume of payments in cash has declined by 21 per cent, while the value of payments has seen a slightly greater decline of 25 per cent².

It is difficult to predict the pace at which the demand for coins will decline in the years ahead. Financial Institution demand is forecast to decline at rate of 1-2 percent per annum over the planning period. For there to be a reversal of the trend towards alternate, non-cash methods of payment, there would need to be a significant disruptor such as a natural disaster, an electronic payments system failure, a war or other such activity that would drive citizens toward physical currency. Fee structures and security threats to cyber data are two key elements in the incomplete

¹ Bank of Canada, "*The Use of Cash in Canada*". B. Fung, K.P. Huynh, G. Stuber, 2015

² Payments Canada, "*Canadian Payment Methods and Trends: 2017*". M. Tompkins, V. Galociova, 2017

adoption rate of e-payment systems.

Canada may never become an entirely cashless society. A small portion of the population may continue to have structural inaccessibility to cash alternatives, including unbanked individuals and those residing in rural or remote communities. Finally, some Canadians may simply continue to prefer the anonymity of cash.

Forecast of Demand for Coins over Planning Period

Annual demand for Canadian circulation coins is approximately 3.7 billion pieces per annum with 80 percent of this being met by coins returned to Financial Institutions through deposits with the remainder being supplied through a combination of recycling activity and new coin production.

With the exit of TD Bank Group and the Bank of Montreal (BMO) from recycling coin through their bank networks in Canada in mid-2016, coin recycling volumes are expected to decrease by as much as two thirds versus historical volumes impacting the requirement for production of new coins. The RCM anticipates that the effective management of the Canadian coinage circulation system will reduce the requirement for net new coin production relative to the decline in recycling volumes.

Conclusion:

No significant changes are anticipated in the RCM operations throughout the planning period as a result of the Canadian Circulation program's environment.

EXTERNAL BUSINESS ENVIRONMENT – FOREIGN CIRCULATION

Market Characteristics

The primary focus for Foreign Circulation remains on selling the RCM's innovative multi-ply plated steel (MPPS) technology for international circulation coinage.

EXTERNAL BUSINESS ENVIRONMENT – BULLION PRODUCTS AND SERVICES

Market and Economic Characteristics

Geo-political volatility and financial market strength are typically key drivers of global bullion investor demand. Global demand for safe-haven investment spiked in 2009 with the financial crisis and had maintained relative strength through 2016 with metal price volatility attractive to

gold and silver coin investors.

The RCM's primary competitors within the global bullion coin market continue to be the US, Austrian, South African, Perth and Royal mints. The RCM consistently ranks first or second in global market share amongst Mints for both gold and silver bullion coins.

EXTERNAL BUSINESS ENVIRONMENT – NUMISMATIC BUSINESS

Market Characteristics

The RCM is the numismatic market leader in Canada and prominent internationally. The RCM products are promoted and sold through complementary Business to Consumer (B2C) and Business to Business (B2B) channels. Composed of retail, web and mobile sites, mobile app and telephone sales, the B2C direct channel allows customers the convenience of browsing and purchasing RCM products wherever they are and through the channel they prefer

B4 EXPECTED INTERNAL ENVIRONMENT

B4.1 Current and Forecasted Human Resources

To support continued improvements in productivity and performance, RCM has made adjustments to workforce to address market dynamics and to set us up for success heading into 2018.

B4.1.1 Hiring, Retention and Succession Planning

To attract and select the best candidates, the recruiting process is given considerable attention at the RCM. A significant effort is placed on developing the selection criteria for all positions, as well as providing candidates with realistic descriptions of positions to ensure long-term fit for both the employee and the RCM.

The retention rate at the RCM is high due to the focus on specific strategies, including access to job-related training, opportunities for professional development and a strong focus on health and safety practices.

In 2016, our emergency succession plan for Vice-Presidents was updated by management and reviewed with the HRWHS committee of the Board. The plan is designed to ensure continuous coverage of executive duties critical to ongoing operations and to sustain execution of the RCM's business strategy and core mandate in the event of the sudden permanent departure of an executive due to resignation, termination, sudden death or unexpected absence exceeding 3 months.

For the corporate planning period, hiring will be focused on key skill sets required to support the successful execution of the RCM's business strategy. The RCM will continue to focus on refining structure to improve team productivity and enablement. This in turn will help to improve the RCM's profitability over the long-term.

B4.1.2 Collective Agreement Updates

Public Service Alliance of Canada (PSAC)

The RCM concluded bargaining with the PSAC on a four-year collective agreement (2014-2017) which represents approximately 90 percent of our unionized employees in Ottawa, Winnipeg and Vancouver. The parties reached an agreement through meaningful dialogue and negotiations. This four-year deal is focused on being competitive and able to adapt in a global marketplace while remaining an employer of choice.

The Protective Services Officers' union in Winnipeg, which was certified in 2013 and affiliated with a separate PSAC local, concluded collective bargaining in March 2017 with a four-year deal (2014-2017). Wage increases are aligned with the PSAC local, while non-monetary clauses provide the necessary operational flexibility.

Amalgamated Transit Union (ATU)

The RCM is continuing collective bargaining with the ATU which represents the Protective Services Officers at the Ottawa facility. The current agreement expired at the end of 2014. In early 2017, an agreement was reached for a three-year contract.

B4.1.3 Employee Engagement and Enablement

The RCM has had lower than industry norm scores for five years on the annual employee engagement and enablement survey. A new survey provider was retained in 2016 to give the RCM significantly more insights and actionable data. Focus areas for improvement include increasing confidence in the RCM's future, removing barriers to doing work well and internal communications to help employees connect with the strategy, corporate plan, objectives, scorecard and vision to support day-to-day work.

B4.2 Capital and Physical Resources

The RCM enters the 2018-2022 planning period having completed a consolidation and update of Ottawa office space to improve densification and provide a more open, collaborative work environment.

The Ottawa plant and related equipment will be maintained to support the RCM's Bullion and Numismatics businesses. Any requests for significant new equipment require a detailed business case prior to approval.

Details of the capital expenditures for the planning period are found in section E1.

B5 ENTERPRISE RISK MANAGEMENT PROGRAM (ERM)

Introduced in 2009, the RCM's ERM program has matured over the years. Following recent external and internal reviews of the program, the RCM has initiated a comprehensive review of the program to further advance our integration into the business. The current program outline is as follows:

ERM and Business Planning

The RCM's senior leadership and the Board of Directors hold an annual strategic planning session where the corporate strategy is reviewed and adapted to reflect in-year changes. Risk is one of the multiple sources of information considered to determine long-term strategic priorities and objectives.

With long-term priorities agreed to by senior management and the Board of Directors, short-term planning is initiated as part of the annual corporate plan submission to the Treasury Board Secretariat.

Risk Monitoring

To ensure it remains current, senior management reviews the organization's risk profile on a quarterly basis. It then provides an update to the Board's Audit Committee. Furthermore, the RCM's Internal Audit and ERM teams continuously share information to identify any gaps in risk coverage and in the interest of efficiency and continuous improvement.

Corporate Risk Profile - Strategic Risks

Shareholder Relations, Regulations and Requirements

The RCM is a Crown corporation solely owned by the Government of Canada and governed under a legislative framework that consists primarily of the *Royal Canadian Mint Act* and the *Financial Administration Act*. Changes made to the *Royal Canadian Mint Act* or to the Chair's Letter of Expectations can have a significant impact on RCM's ability to achieve its Corporate Plan

Numismatics Value Proposition

Numismatics business growth and profitability relied heavily on face value products until the program was discontinued at the end of 2016 and more recently on the success of the Canada 150 products. While the RCM is developing new approaches to profitably grow this business, there is a risk that the performance will not meet planned levels.

Bullion Market Volatility

The demand for precious metal investment products, including bullion, is largely determined by market forces beyond the RCM's control. Geopolitical changes in the US and Europe have the potential to impact bullion demand and are being monitored.

Reliance on Major Foreign Circulation Contracts

The ability to acquire the right contracts at the appropriate time poses risks for the Foreign Circulation business as large contracts are necessary to offset fixed costs.

Corporate Risk Profile - Financial Risks

Financial Market Risks

The RCM's financial results are directly impacted by the fluctuations in financial markets. The purchase cost of precious metals (gold, silver, platinum and palladium) for use in bullion and numismatic coins as well as base metals and alloys in the production of domestic and foreign circulation coins can fluctuate and have material impact on profit margins. Foreign exchange variances also have material impact on the RCM's financial results. Notwithstanding the hedging

policy, trends in metal prices may impact sales opportunities, margins and overall profitability in particular in the longer term.

Corporate Risk Profile - Operational Risks

Precious Metals – Physical Reconciliation, Management and Control

As the RCM's business involves handling of precious metals, best-in-class practices related to security of physical assets are critical.

Business Continuity and Disaster Recovery

The RCM's business is dependent on modern manufacturing facilities, technology and a global supply chain. The RCM's operations may be affected by threats including natural events, pandemics, disruptions to critical infrastructure such as telecommunications or transportation, or events such as fire. Should a disruptive event occur the organization may be incapable of maintaining or resuming operations in an effective, efficient and economical manner.

Cyber Security

Cyber threats and security of corporate data present a risk to all organizations. Technology is a strong enabler of RCM operations, and sensitive information is maintained in our databases and so cyber security is closely managed.

Internal Controls for Financial Reporting

The RCM maintains internal controls for financial reporting, which provides reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements. Management conducted a review of controls in late 2015, which identified areas requiring improvement.

Mitigation: Capabilities were added to the RCM's finance organization in the last quarter of 2016 to strengthen internal controls. There is a multi-year program which substantively began in 2017 with improvements identified for implementation through to 2019.

Change Management

Over the last few years, the RCM has undergone significant changes both organizationally and strategically which has led to the identification of new skills and competencies that are required. The changes also highlighted the need for new or enhanced policies, procedures and systems.

IT Systems Alignment

Current customer-related systems' capability and capacity are not aligned with the new customer-centric marketing approach; timelines for replacement and upgrades may not coincide with marketing plans and available budget. Numismatics business growth relies on a solid integrated customer-focused technological platform to deliver a seamless and customized customer experience that will enhance conversion rate, drive customer retention and increase share of wallet.

C OBJECTIVES, PERFORMANCE MEASUREMENT AND RESULTS

The RCM has established long, mid and short-term objectives that align with our vision pillars. In summary, the RCM's key priorities by pillar for the planning period are:

Value to Canada: Strengthen position of our core mandate

Customers: Create foundation for strong, sustainable performance

People: Support our people to enable them to be successful

The following tables provide the details per corporate pillar:

2018 CORPORATE OBJECTIVES

Corporate Objective 1: To Add Value to Canada and Canadians

Demonstrate the 'added-value' to Canada by delivering return on investment while reducing costs to Canadian taxpayers, and promoting Canada's heritage, culture and values.

Corporate Objective

Canada: Strengthen the position of our core mandate. Achieve profit targets while reducing our cost to Canada and promote Canada's heritage and culture

2018 Objectives

- Effectively meet Canadian coin demand
- Deliver Corporate Plan financial commitments

Corporate Objective 2: Customer-Driven

Directly link customer insights and business acumen to our target marketing, product development, relationship-building and operational excellence to drive strong, sustainable performance.

Corporate Objective

Customer: Create foundation for strong, sustainable performance. Sustainable profitability is enabled across our customer-focused bullion, numismatics and foreign circulation businesses.

2018 Objectives

- Become customer-focused in Numismatics marketing
- The RCM consistently ranks first or second in global market share amongst Mints for both gold and silver bullion coins. (These market-share results exclude Africa as it is not an addressable market).
- Continue Foreign Circulation market leadership

Corporate Objective 3: With Talented People

Provide the right tools, training and leadership practices in a safe work environment to attract, retain and enable a skilled, productive and engaged team.

Corporate Objective

People: Support our people to enable them to be successful. A safe, healthy and engaged workplace with staffing capacity and capability to support the achievement of our strategy and business objectives

2018 Objectives

- Continue equity and diversity focus
- Launch next phase of mental health strategy
- Enable people leaders to confidently communicate future direction and business

2020 MID-TERM CORPORATE OBJECTIVES

Since the RCM will continue to be in a growth strategy, the objectives are consistent with the short-term with the exception of foreign where there will be an increased focus on product differentiation. Furthermore the RCM continues to focus on mandate per the *Royal Canadian Mint Act* to mint coins in anticipation of profit and to carry out other related activities.

Corporate Objective

Canada: Strengthen position of our core mandate. Achieve profit targets while reducing our cost to Canada and promote Canada's heritage and culture.

2020 Midterm Objectives

- Effectively meet Canadian coin demand
- Deliver Corporate Plan financial commitments.

Customer: *Create foundation for strong, sustainable performance. Sustainable profitability is enabled across our customer-focused bullion, numismatics and foreign circulation businesses.*

2020 Midterm Objectives

- Demonstrate profitable improvements in customer experience
- Maintained Bullion market share
- Foreign Circulation is a technology and innovation leader

People: Support our people to enable them to be successful. A safe, healthy and engaged workplace with staffing capacity and capability to support the achievement of our strategy and business objectives.

2020 Midterm Objectives

- Develop inclusivity strategy
- Execute on business case for further investment in resources to support Mental Health
- Employee engagement and enablement score improvement

2022 LONG-TERM CORPORATE OBJECTIVES

On the long-term the RCM will aim to solidify the growth of the previous years and continue to focus on mandate per the *Royal Canadian Mint Act* to mint coins in anticipation of profit and to carry out other related activities.

Corporate Objective

Canada: Strengthen position of our core mandate. Achieve profit targets while reducing our cost to Canada and promote Canada's heritage and culture.

2022 Long-term Objectives

- Effectively meet Canadian coin demand
- Deliver Corporate Plan financial commitments .

Customer: *Create foundation for strong, sustainable performance. Sustainable profitability is enabled across our customer-focused bullion, numismatics and foreign circulation businesses.*

2022 Long-term Objectives

- Sustain customer driven product portfolio and integrated marketing
- Maintained Bullion market share
- Foreign Circulation is a technology and innovation leader

People: Support our people to enable them to be successful. A safe, healthy and engaged workplace with staffing capacity and capability to support the achievement of our strategy and business objectives.

2022 Long-term Objectives

- The RCM is recognized as a diverse and inclusive employer
- The RCM is recognized for best in class work place mental health programs
- Continued improvement in employee engagement and enablement score

D FINANCIAL REPORTING & ANALYSIS

D1 Introduction Background

The RCM has also outlined key financial principles for the planning period which are reflected in our corporate objectives and financial plans. These principles are to:

- Demonstrate continuous focus on improving productivity and performance
- Operate each of our businesses to generate a solid gross margin
- Demonstrate discipline in managing our operating expenses well
- Be measured in our capital spending
- Active management of our working capital

D1.2 Comparison of 2017 Consolidated Corporate Plan to Forecast

This section reviews 2017 forecast against the plan included in the 2017-2021 Corporate Plan. The RCM is on track to exceed our corporate plan targets for 2017.

	2017 Corporate Plan	2017 Forecast
	\$MM	\$MM
Revenues	1,978.1	1,648.0
Operating Costs	1,953.1	1,607.9
Profit (loss) before income taxes	25.0	40.1
Income tax	(7.4)	(6.2)
Profit (loss)	17.6	33.9
Other comprehensive income, (losses) net of tax	0.2	0.2
Total Comprehensive Income (Loss)	17.8	34.1
Capital Expenditures	25	14.1

The RCM expects to be above the profitability target for performance management due to stronger than planned results for Numismatics and Foreign Circulation.

Canadian Circulation Program

- New coin demand is expected to be slightly ahead of target for 2017.
- Recycling volumes of 0.2 billion are below target, largely due to the decrease in coin recycling machines at financial institutions.
- Canadian Circulation costs continue to be well managed.

Foreign Circulation

- Foreign Circulation profit is tracking to be ahead of plan.

Numismatics Business

- The Numismatic business has delivered solid results, particularly for Canada 150 themed products.

Bullion Products and Services

- Both silver and gold volumes are below plan levels.
- Revenue is trending below target and overall profit is expected to be below target for the year.

Capital Expenditures

- Forecasted capital spending of \$14.1 MM is below plan of \$25 MM. Capacity and capability challenges relating to enterprise applications combined with procurement cycle times have resulted in delays in planned IT projects.
- Capital expenditures for 2017 are forecast to include the following:
 - Building (\$6.1 MM): This includes plant and office modernization and improvements in Ottawa and Winnipeg, to facilitate efficient plant use while meeting health and safety standards.
 - Equipment (\$3.9 MM): Includes investments for reliability, flexibility and capability improvements as well as safety, security and environment. These projects are dedicated to optimizing processes, equipment and layout to ensure a high level of manufacturing efficiency and responsiveness. They also ensure the health and safety of employees, the security of the RCM's assets, and compliance with environmental requirements including carbon emissions monitoring.
 - Information Technology (\$4.1 million): Includes computer hardware and software for the ongoing support, development and security of the computing and communications infrastructure and business applications and customer-facing systems.
- Income tax expense is below plan due to recovery of foreign tax credits paid in prior years.

D1.3 Key Planning Assumptions and Risks to the Assumptions

Planning Assumptions	2018
Inflation	1.8%
Effective income tax rate	25%

Other Assumptions

The 2018-2022 Corporate Plan is currently based on the existing MOU and proposed dividend framework. Subject to change based on new MOU.

D1.4 Volatility and Sensitivity Analysis of Key Assumptions

Gold and Silver Prices

The RCM operates in the volatile commodity and currency markets and is aware that changes in external factors can affect the gross profit prospects for each business.

Evidence of these markets' volatility includes:

Gold Prices

- Between 2007 and 2016, the price of gold fluctuated from a low of \$608 US in 2007 to a high of \$1,895 US in 2011, while averaging \$1,209 US over the 10-year period.
- At the time of writing in 2017, gold has averaged \$1,257 US after opening the year at \$1,151 US and reaching a high of \$1,346 US in September.

Silver Prices

- Between 2007 and 2016, the price of silver fluctuated from a low of \$8.08 US in 2008 to a high of \$48.70 US in 2011, while averaging \$20.52 US over the 10-year period.
- At the time of writing in 2017, silver has averaged \$17.04 US after opening the year at \$15.95 US and reaching a high of \$18.56 US in April.

Foreign Exchange rates:

- Over the past 10 years, the Canadian dollar averaged \$1.11/\$1.00 US, with a high of \$1.45/\$1.00 US in 2016 and a low of \$0.92/\$1.00 US in 2007.
- At the time of writing in 2017, the Canadian dollar has averaged \$1.30/\$1.00 US against the RCM planning estimate of \$1.31/\$1.00 US.

D1.5 Significant Accounting Policies

Basis of reporting

The consolidated financial statements are prepared in accordance with IFRS, applying the IFRS standards in effect on January 1, 2017.

Quarterly Financial Reporting

The *Financial Administration Act* requires that all departments and parent Crown corporations prepare and make public a quarterly financial report within 60 days after the end of the fiscal quarter to which the report relates. This standard is issued by the Treasury Board Secretariat.

New and revised IFRS affecting amounts reported and/or disclosed in the consolidated financial statements

There were no new or revised IFRS issued by the International Accounting Standards Board (IASB) that became effective during the year ended December 31, 2017 that affected amounts reported or disclosed in the interim condensed consolidated financial statements.

New and revised IFRS pronouncements issued but not yet effective

- a) The Corporation has reviewed the revised accounting pronouncements that have been issued but are not yet effective. The adoption of the following amendments is not expected to have a material impact on the Corporation's consolidated financial statements.

IAS 40 Transfers of Investment Property (“IAS 40”)

An amendment was released in December 2016 to IAS 40 Transfers of Investment Property which states that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if the property meets, or ceases to meet, the definition of investment property. A change in management’s intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence is now presented as a non- exhaustive list of examples instead of the previous exhaustive list. The amendment is effective for annual periods beginning on or after January 1, 2018.

Annual improvements to IFRSs 2014-2016

In December 2016, the International Accounting Standards Board (IASB) issued annual improvements during the 2014-2016 cycles. The standards covered by the amendments are: IFRS 1 – First adoption of IFRS which deletes the short-term exemptions in paragraphs E3-E7 because they have now served their intended purpose; IAS 28 – Investments in Associates which clarifies the election to measure at fair value through profit or loss on investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or

other qualifying entity, is available for each investment in an associate or joint-venture on an investment-by-investment basis, upon initial recognition. The annual improvements for IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after January 1, 2018.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration

The interpretation addresses foreign currency transactions or parts of transactions where: there is consideration that is denominated or priced in a foreign currency; the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepayment asset or deferred income liability is non-monetary. The committee concluded the date of the transaction for the purpose of determining the exchange rate is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. This interpretation is to be applied to annual reporting periods beginning on or after January 1, 2018.

- b) The Corporation has reviewed the revised IFRS pronouncements that have been issued, but are not yet effective. The adoption of the following amendments is expected to have an impact on the Corporation's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”)

IFRS 15 was issued in May 2014 and specifies how and when an IFRS reporter will recognize revenue, as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Entities can elect to use either a full or modified retrospective approach when adopting this standard.

Based on the assessment work completed to date, RCM expects the most significant impact of the new revenue standard to be on the Canadian Circulation Program and Foreign Circulation Business as revenue may be recognized earlier and/or contract-related expenses may be deferred and recognized over the term of the contract under IFRS 15, in certain cases. RCM does not expect any changes to the accounting for Face Value coins or bullion customer inventory deals, although RCM is still assessing the impact of the expanded financial statement presentation and disclosure requirements under IFRS 15. The final impact will be determined as of fiscal year end December 31, 2017 and as such, no changes to corporate plan financial numbers have been included at this time.

Based on the IFRS 15 assessment, the Corporation has decided to adopt the modified retrospective method when implementing IFRS 15. Under the modified retrospective method

the Corporation will apply the standard retrospectively to only to the most current period presented in the financial statements, and only contracts that have undelivered performance obligations as at January 1, 2018 will be assessed under IFRS 15. The Corporation will recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of retained earnings (or other appropriate components of equity) at the date of initial application. As a result, any adjustment required to the revenue previously recognized in 2017 under current IFRS revenue guidance would be recognized as an opening retained earnings adjustment on January 1, 2018.

IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)

An amendment was released in December 2011 to IFRS 7 regarding requiring disclosures about the initial application of IFRS 9 which has an effective date of January 1, 2018. The amendments are to be applied retrospectively.

An additional amendment was released in November 2013 to IFRS 7 regarding additional hedge accounting disclosures resulting from the introduction of the hedge accounting section of IFRS 9 which has an effective date of January 1, 2018. The amendments are to be applied retrospectively.

Based on the assessment work completed to date, IFRS 7 will not have a significant impact on the Corporation’s consolidated financial statements.

IFRS 9 Financial Instruments (“IFRS 9”)

In July 2014, the IASB issued the final version of IFRS 9, which incorporates the classification and measurement, impairment and hedge accounting phases of the project to replace the existing standards under IAS 39 “Financial Instruments: Recognition and Measurement”. The new IFRS 9 standard is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 9 does not required restatement of comparative period financial statements, except in limited circumstances. The Corporation has decided not to restate its comparative consolidated financial statements and will adjust its consolidated balance sheet as at January 1, 2018 to reflect the application of the new requirements, if any.

Based on the assessment work completed to date, RCM expects the impact of IFRS 9 to be limited to the classification and measurement of certain financial assets. In particular, IFRS 9 revises the measurement categories for financial assets and includes a framework for evaluating expected credit losses. The final impact will be determined as of fiscal year end December 31, 2017 and as such, no changes to corporate plan financial numbers have been included at this time.

- c) The following new IFRS pronouncement has been assessed as having a possible impact on the Corporation’s consolidated financial statements in the future. The Corporation is currently assessing IFRS 16 and therefore the extent of the impact on its adoption is unknown.

IFRS 16 Leases (“IFRS 16”)

IFRS 16 was issued in January 2016 to replace IAS 17 Leases. The new standard requires that leases be brought onto companies’ balance sheets, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases for lessees as either operating leases or finance leases, treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) will have an optional exemption from the requirements. For lessors, IFRS 16 substantially carries forward the requirements of IAS 17 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted (as long as the recently issued revenue Standard, IFRS 15 Revenue from Contracts with Customers is also adopted). Entities can elect to use either a retrospective approach with a restatement of comparative information or a retrospective approach with the cumulative effect of initial application shown in retained earnings instead of the restatement of the comparative information. The Corporation is currently evaluating the impact of IFRS 16 on consolidated financial statements.

Based on the assessment work completed to date, RCM expects the most significant impact of the new lease standard to be on our existing and future equipment and property leases which will be capitalized on the balance sheet under IFRS 16. Under IFRS 16 short-term leases are not required to be accounted for as a finance lease, and as a result, RCM does not expect to have to capitalize our precious metal leases as these leases are generally entered into on a call basis or have a fixed lease term of less than 12 months. RCM is still in the process of completing a full assessment of all existing leases under IFRS 16 as well as assessing the impact of the financial statement presentation and disclosure requirements under IFRS 16, and is actively coordinating with other government agencies and departments.

D2 Financial Statements

The outlook for the RCM during the planning period, as represented in the following financial statements, indicates a reasonable level of profitability within our legislative mandate.

D2.1 Consolidated Statement of Financial Position

Actual 2016 and six-year forecast through 2022

\$MM

	Actual 2016	Plan 2017	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Current Assets								
Cash ³	114.2	93.3	67.4	58.8	58.4	55.2	52.1	49.0
Accounts receivable	24.9	23.7	26.3	25.3	24.5	24.6	24.5	24.4
Prepaid expenses	4.0	4.0	4.0	2.2	2.2	2.2	2.2	2.2
Income taxes receivable	4.2	1.3	1.3	1.3	1.3	1.3	1.3	1.3
Inventories	79.0	78.2	67.6	71.4	71.4	71.4	71.4	71.3
Derivative financial assets	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	226.7	200.5	166.6	159.0	157.8	154.7	151.5	148.2
Non-current assets								
Prepaid expenses	1.7	0.0	2.0	1.8	0.0	0.0	0.0	0.0
Derivative financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred tax asset	33.2	33.6	33.7	32.7	31.9	31.0	30.1	29.3
Property, plant and equipment	170.3	171.3	164.2	164.1	164.0	161.1	157.7	154.7
Investment property	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Intangible assets	12.0	17.6	7.9	9.5	10.6	11.0	10.2	9.7
Total non-current assets	217.4	222.7	208.0	208.3	206.7	203.3	198.2	193.9
Total assets	444.1	423.2	374.6	367.3	364.5	358.0	349.7	342.1
Current Liabilities								
Accounts payable and accrued liabilities	59.3	63.6	58.5	50.0	49.7	49.6	49.3	49.2
Loans payable	7.5	7.5	7.5	3.0	3.0	3.0	3.0	0.0
Face Value redemptions and returns ⁴	3.2	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Deferred revenue	13.1	9.0	13.1	13.1	13.1	13.1	13.1	13.1
Income taxes payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Employee benefits	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9
Derivative financial liabilities	4.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	90.6	86.5	85.5	72.5	72.2	72.1	71.8	68.7
Non-current liabilities								
Derivative financial liabilities	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable and accrued liabilities	0.4	0.0	0.3	0.3	0.3	0.2	0.1	0.0
Loans payable	19.5	12.0	12.0	9.0	6.0	3.0	0.0	0.0
Face Value redemptions and returns	137.9	139.5	140.4	134.8	131.2	127.6	124.1	120.7
Employee benefits	10.1	11.0	10.1	10.1	10.1	10.1	10.1	10.1
Total non-current liabilities	168.1	162.5	162.8	154.2	147.6	140.9	134.3	130.8
Total liabilities	258.7	249.0	248.3	226.7	219.8	213.0	206.1	199.5
Shareholder's equity								
Share capital (authorised and issued 4,000 non-transferable shares)	40.0	40.0	40.0	40.0	40.0	40.0	40.0	40.0
Retained earnings	145.6	134.2	86.3	100.6	104.7	105.0	103.6	102.6
Accumulated other comprehensive loss	(0.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total shareholder's equity	185.4	174.2	126.3	140.6	144.7	145.0	143.6	142.6
Total liabilities and shareholder's equity	444.1	423.2	374.6	367.3	364.5	358.0	349.7	342.1

³ As part of its dividend policy the RCM retains a defined cash reserve. Note dividends are paid after year end in Q1 annually

⁴ The RCM uses a planning assumption of 44,000 ounces of face value program silver will be returned annually over the planning period

Variance Analysis of Balance Sheet Components over the Plan Period

2018

Cash is expected to decrease in 2018 mainly as a result of the forecasted payment in dividends of \$9.9 MM. The overall cash earned from operating activities in 2018 of \$28.8 MM are offset by payments for capital additions of \$20 MM as well as repayment of debt for \$7.5 MM.

Accrued liabilities for this period decreases mainly as a result of the release of accruals amounting to \$6.7 MM.

2019

Cash is expected to remain flat in 2019 as a result of forecasted increase in cash earned from operating activities of \$48.8 MM offset by dividend payments of \$26.2 MM, capital asset additions of \$20 MM and loan repayments of \$3 MM.

2020 - 2022

Cash is expected to remain fairly consistent for these periods due to positive cash generated from operating activities which are offset by forecasted dividends, capital asset additions and loan repayments.

D2.2 Consolidated Statement of Comprehensive Income

Actual 2016 and six-year forecast through 2022

\$MM

	Actual 2016	Plan 2017	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Revenue	2,641.4	1,978.1	1,648.0	1,664.4	1,678.9	1,680.1	1,679.0	1,677.3
Operating Costs	2,608.5	1,953.1	1,607.9	1,631.8	1,638.5	1,637.0	1,634.3	1,633.4
Profit (loss) before income tax	32.9	25.0	40.1	32.6	40.4	43.1	44.7	43.9
Income tax (expense) recovery	(8.4)	(7.4)	(6.2)	(8.4)	(10.1)	(10.8)	(11.2)	(11.0)
Profit (loss) for the period	24.5	17.6	33.9	24.2	30.3	32.3	33.5	32.9
Other comprehensive income (loss), net of tax	6.5	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Total comprehensive income (loss)	31.0	17.8	34.1	24.2	30.3	32.3	33.5	32.9

Due to rounding, numbers presented above may not add up precisely to the totals provided.

D2.2.1 Volume Sensitivity Analysis

Diversified Business Approach

Through its diverse set of businesses and two manufacturing facilities in Ottawa and Winnipeg, RCM actively manages overall performance to deliver on the corporate profitability target. RCM has adopted a flexible workforce model in manufacturing operations and is diligently working to improve productivity in overhead expenses and capital investments to deliver strong, sustainable performance.

D3 Consolidated Statement of Cash Flows

Forecast / Actual 2016 and six-year forecast through 2022

\$MM

	Actual 2016	Plan 2017	Forecast 2017	Forecast 2018	Forecast 2019	Forecast 2020	Forecast 2021	Forecast 2022
Cash flows from operating activities								
Profit (loss)	24.5	17.6	33.9	24.2	30.3	32.3	33.5	32.9
Adjustments to reconcile profit (loss) to cash flows from operating activities								
Depreciation and Amortization	18.2	20.1	24.2	18.5	19.0	19.1	19.4	19.2
Tax expense (recovery)	8.5	7.4	6.2	8.4	10.1	10.8	11.2	11.0
Finance costs, net	2.1	0.2	(0.4)	(0.6)	(0.7)	(0.8)	(0.8)	(0.8)
Other income	(0.4)	-	0.3	0.7	0.7	0.7	0.7	0.6
Loss on foreign exchange	6.6	-	0.0	0.0	0.0	0.0	0.0	0.0
Adjustments to other expenses (revenues), net	0.7	(3.5)	(3.1)	(1.5)	(3.4)	(5.1)	(5.2)	(5.2)
Changes in liability for Face Value redemptions and returns	12.9	2.1	2.9	(5.5)	(3.5)	(3.5)	(3.5)	(3.5)
Net changes in operating assets and liabilities	(21.0)	4.7	10.6	(7.7)	5.5	4.8	5.0	5.3
Cash provided by operations before interest and tax	52.1	48.6	74.6	36.5	58.0	58.3	60.3	59.5
Income taxes paid, net of income taxes received	(19.1)	(7.8)	(6.7)	(7.6)	(9.2)	(9.9)	(10.3)	(10.1)
Interest received, net of interest paid	0.4	(0.2)	0.1	(0.1)	0.0	0.1	0.1	0.2
Net cash from operating activities	33.4	40.6	68.0	28.8	48.8	48.5	50.1	49.6
Cash flows used in investing activities								
Acquisition of property, plant and equipment and intangible assets	(13.1)	(25.0)	(14.1)	(20.0)	(20.0)	(16.7)	(15.3)	(15.8)
Settlements of derivative contracts to acquire property, plant and equipment, net	(1.2)							
Net cash used in investing activities	(14.3)	(25.0)	(14.1)	(20.0)	(20.0)	(16.7)	(15.3)	(15.8)
Cash flows used in financing activities								
Dividends paid	(31.0)	(29.0)	(93.2)	(9.9)	(26.2)	(32.0)	(34.9)	(33.9)
Repayment of loans	(7.8)	(7.5)	(7.5)	(7.5)	(3.0)	(3.0)	(3.0)	(3.0)
Net cash used in financing activities	(38.8)	(36.5)	(100.7)	(17.4)	(29.2)	(35.0)	(37.9)	(36.9)
Effect of changes in exchange rates on cash	(6.9)	-	-	-	-	-	-	-
(Decrease) increase in cash	(26.6)	(20.9)	(46.8)	(8.6)	(0.4)	(3.2)	(3.1)	(3.1)
Cash at the beginning of the period	140.8	114.2	114.2	67.4	58.8	58.4	55.2	52.1
Cash at the end of the period	114.2	93.3	67.4	58.8	58.4	55.2	52.1	49.0

* Dividends are approved by the Board of Directors on a yearly basis after the review of the audited financial statements, and are based on the proposed Framework for Dividend Payment.

D4 Consolidated Statement of Changes in Equity

Actual 2016 and six-year forecast through 2022

\$MM

	Share Capital	Retained Earnings	AOCI*	Total
Balance beginning of 2016	40	152.1	-6.8	185.3
Profit (loss) for the year	0	24.5	0	24.5
Other comprehensive income (loss)	0	0	6.6	6.6
Dividend**	0	-31	0	-31
Balance end of year 2016	40	145.6	-0.2	185.4
Balance beginning of 2017	40	145.6	-0.2	185.4
Profit (loss) for the year	0	33.9	0	33.9
Other comprehensive income (loss)	0	0	0.2	0.2
Dividend**	0	-93.2	0	-93.2
Balance end of year 2017	40	86.3	0	126.3
Balance beginning of 2018	40	86.3	0	126.3
Profit (loss) for the year	0	24.2	0	24.2
Other comprehensive income (loss)	0	0	0	0
Dividend**	0	-9.9	0	-9.9
Balance end of year 2018	40	100.6	0	140.6
Balance beginning of 2019	40	100.6	0	140.6
Profit (loss) for the year	0	30.3	0	30.3
Other comprehensive income (loss)	0	0	0	0
Dividend**	0	-26.2	0	-26.2
Balance end of year 2019	40	104.7	0	144.7
Balance beginning of 2020	40	104.7	0	144.7
Profit (loss) for the year	0	32.3	0	32.3
Other comprehensive income (loss)	0	0	0	0
Dividend**	0	-32	0	-32
Balance end of year 2020	40	105	0	145
Balance beginning of 2021	40	105	0	145
Profit (loss) for the year	0	33.5	0	33.5
Other comprehensive income (loss)	0	0	0	0
Dividend**	0	-34.9	0	-34.9
Balance end of year 2021	40	103.6	0	143.6
Balance beginning of 2022	40	103.6	0	143.6
Profit (loss) for the year	0	32.9	0	32.9
Other comprehensive income (loss)	0	0	0	0
Dividend**	0	-33.9	0	-33.9
Balance end of year 2022	40	102.6	0	142.6

Due to rounding, numbers presented above may not add up precisely to the totals provided.

* AOCI: Accumulated other comprehensive income (net gains (losses) on cash flow hedges).

** Dividends are approved by the Board of Directors on a yearly basis after the review of the audited financial statements, and are based on the proposed Framework for Dividend Payment.

D4.1 Dividend Proposal and Capital Framework

The RCM has completed a review of our capital structure with the Department of Finance. The debt to equity ratio is currently higher than industry comparables and as such no additional debt is contemplated in this year's corporate plan. Some of the more notable principles being contemplated in the RCM's capital framework include:

Criteria for Issuance of Dividend

The RCM is targeting an annual dividend payment each year made up of excess cash over a defined cash reserve.

D4.2 Reinvestment Plans for Retained Earnings

For the planning period, there is no requirement to borrow the additional funds as indicated in the borrowing plan. RCM will continue to monitor debt to equity ratio and consider borrowing from the CRF to fund future capital expenditures as appropriate to remain within a reasonable range of industry comparables. RCM will otherwise self-finance our growth from our retained earnings.

E 2018 CAPITAL BUDGET AND 2019-2022 CAPITAL EXPENDITURE PLAN

E1 Overview / Description by Major Project

Capital Budget 2018 and Capital Expenditure Plan 2019-2022

The Capital Budget for 2018 and the Capital Expenditure Plan for 2019-2022 represent the major investments are planned in equipment, facilities and technology which will protect the RCM’s productivity and customer service, and enhance profitable growth opportunities. Investments that are required to maintain reliability, flexibility and capability of the RCM equipment as well as to protect employee health and safety and the environment are also included.

The Capital Committee structure ensures effective capital investment in areas that drive value for the business and the shareholder. The Committee’s key responsibilities include overseeing the preparation of the capital investment plan, business case approvals and the reallocation of funds where necessary.

Key elements of the Committee include business case-based decision making, transparency and alignment, progress tracking, post-implementation monitoring, communication, timeliness and tools and processes.

Our capital budget is managed in aggregate; often making in-year prioritizations. As a result of this practice, combined with the multi-year nature of certain projects, it is possible that the actual spend by asset category can vary from that presented in the 2018 Capital Budget and 2019-2022 Capital Expenditure Plan.

**Capital Budget 2018 and
Capital Expenditure Plan 2019-2022**
\$MM

	2016A	2017F	2018	2019	2020	2021	2022
Total	12.8	14.1	20.0	20.0	16.7	15.2	15.8

E2 Selection criteria

All capital projects are categorized as Strategic, Operating/Refurbishment, or Compliance. See definitions below:

1. *Strategic*

- Directly linked to meeting corporate targets: revenue, profit, etc.
 - Significant impact on market share, customer satisfaction, product innovation, cost, quality, speed-to-market, etc.
 - Large-scale facilities projects: expansion to support growth or re-purposing of space to align with strategy
2. *Operating/Refurbishment*
- Sustain day-to-day operations by replacing aging assets
 - Process improvement projects, e.g., automation
 - Building improvement projects that extend asset life or maintain standard of work environment
 - Reduce a hazard or threat to health, safety, security, environment
 - Employee wellness and satisfaction
3. *Compliance*
- Meet statutory requirements: building code, Health & Safety, environmental where compliance is the primary driver

With consideration of the above categories, capital projects are evaluated as essential, advised or able to defer. This enables prioritization of projects relative to the overall capital budget. Prior to proceeding, significant capital projects over \$250,000 are carefully evaluated at the executive level and projects over \$2 million are submitted for final approval of the Board of Directors, ensuring major projects outline planned objectives and success criteria. Projects relating to health and safety receive priority consideration.

F BORROWING AND INVESTMENT PLANS

F1 Borrowing Authority

The RCM's funding activities are governed by section 20 of the *Royal Canadian Mint Act* and section 127 of the *Financial Administration Act*.

Under subsection 20(1) of the *Royal Canadian Mint Act*, the RCM is subject to a statutory borrowing authority constraint which limits total amount outstanding at any time at \$75 million, or such greater amount as may be specified in an appropriation Act.

In accordance with subsections 20(3) of the *Royal Canadian Mint Act* and 127(3) of the *Financial Administration Act*, the RCM requires the approval of the Minister of Finance to enter into any particular transaction to borrow money, including the time and the terms and conditions of the transaction. The borrowing plan that will be submitted to the Minister of Finance for approval is described in sections 8.4.2 and 8.4.3.

F2 Short-Term Borrowings to be undertaken in 2018

The RCM anticipates minimal, if any, short-term borrowings in 2018. Access to short-term funding facilities is needed, however, to address potential working capital requirements and to address potential bank overdraft positions that could stem from inaccurate cash forecasts and delays in receiving large-value payments from customers. The amount of short-term borrowings outstanding at any time will not exceed \$25 MM (Canadian or equivalent US Dollar).

F3 Long-Term Borrowings to be undertaken in 2018

No long-term borrowing is anticipated for 2018.

F4 Borrowing related to foreign exchange and interest rate risks

At this time, no borrowing related to foreign exchange and interest rate risks are anticipated for this corporate plan.

F5 Capital Lease Transactions requiring Minister of Finance approval

At this time, no new capital lease transactions requiring Minister of Finance approval are anticipated for this corporate plan. The RCM's assessment of IFRS 16 is ongoing. Based on operating lease commitments at December 31, 2017 we do not anticipate the capitalization of leases will impact the RCM's borrowing limit. In the 2019-2023 Corporate Plan we will include the lease liability capitalized under IFRS 16 for approval.

F6 Total Borrowings – New and Outstanding

Short-term borrowings reflect actual U.S. Dollar bank overdrafts in 2015, 2016 and 2017 and projections for 2018 and beyond allow for minimal use of short-term funding facilities.

F7 Investment Plans

The RCM may hold investments in the form of short-term money market products that comply with the Board of Directors' approved investment policy. This policy is consistent with the Minister of Finance Financial Risk Management Guidelines for Crown Corporations.

ANNEX 1: Legislative Powers

To fulfill our mandate, the RCM possesses the rights, powers, privileges and capacity of a natural person and may, if necessary:

- a) procure the incorporation, dissolution or amalgamation of subsidiaries and acquire or dispose of any shares in them;
- (b) acquire and dispose of any interest in any entity by any means;
- (c) produce and arrange for the production and supply of coins of the currency of Canada;
- (d) produce and arrange for the production of coins of the currency of countries other than Canada;
- (e) make medals, plaques, tokens and other objects;
- (f) melt, assay and refine gold, silver and other metals;
- (g) lease or acquire gold, silver and other metals;
- (h) lend, lease or dispose of gold, silver and other metals;
- (i) issue, promote, deal in or trade in financial services and products relating to gold, silver and other metals, subject to the approval of the Minister and in a manner consistent with the RCM's last corporate plan as approved under section 122 of the *Financial Administration Act*;
- (j) securely store and securely ship coins, gold, silver and other metals or arrange for their secure storage and shipment;
- k) market minting equipment developed by, or on behalf of, the Mint;
- (l) acquire or provide consulting services relating to any activity referred to in paragraphs (c) to (k);
- (m) obtain, acquire, license, sell, or otherwise make available or dispose of any patent, copyright, industrial design, trademark or other similar property right, or any licence to any of them, relating to any activity referred to in paragraphs (c) to (k);
- (n) engage in marketing, promotion and research and in development activities relating to any activity referred to in paragraphs (c) to (k);
- (o) do any of the activities referred to in paragraphs (d) to (f) and (j) on behalf of any

person or entity; and

(p) subject to the approval of the Minister and in a manner consistent with the RCM's last corporate plan as approved under section 122 of the Financial Administration Act, engage in any other activity.

Throughout various points of sale, the RCM markets other products to enhance overall customer experience and expectations, and support/stimulate sales of the RCM products.

Legal Entity Structure

In 2001, the RCM set up RCMH-MRCF to support a specific joint venture. The TGM joint venture was wound down in 2009. There is no activity being undertaken by RCMH-MRCF Inc. at this point in time.

ANNEX 2: Update on Implementation of Travel Guidelines

The RCM has been recognized by the Department of Finance through the Letter of Expectations received in May 2016 for being fully supportive with regard to the implementation of this government-wide initiative to follow Treasury Board policies, directives and related instruments for travel, hospitality, conference and event expenditures. Consequently, the RCM made changes to our policies, processes and systems with the RCM's compliant Corporate Travel, Hospitality, Conference and Event Policy coming into effect on February 29, 2016.

The Treasury Board of Canada issued amended requirements for the Directive on Travel, Hospitality, Conference and Event Expenditures effective April 1, 2017. The principal changes include additional emphasis on the Chief Financial Officer, senior departmental managers and delegated managers' responsibilities, as well as additional reporting requirements and an increased threshold for hospitality where ministerial or deputy head approval is required. The RCM will be making the necessary changes to our policies, processes and systems to comply.

Transparency and Communications

The RCM continues to post Director and Officer travel and hospitality expenses on our website. The RCM's revised Corporate Travel, Hospitality, Conference and Event Policy is posted on our website and reinforces the RCM's alignment with the Treasury Board and commitment to good governance by ensuring enhanced transparency and improving communication of travel and hospitality expenditures to the public.

ANNEX 3: Special Examination of the Auditor General of Canada Updates

Section 138 of the *Financial Administration Act* requires the RCM to have a special examination carried out at least once every 10 years. In 2013, a special examination was performed by the Office of the Auditor General of Canada. The special examination found there were no significant deficiencies in the RCM's systems and practices that were selected for examination. It also noted the RCM has maintained these systems and practices in a manner that provides it with reasonable assurance that our assets are safeguarded and controlled, our resources are managed economically and efficiently, and our operations are carried out effectively.

There were a number of recommendations and suggestions made. All recommendations contained in the Auditor General of Canada 2014 Special Examination Report of the RCM have been accepted. The majority of recommendations were implemented by year-end 2015. Enterprise Risk Management (ERM), Business Continuity Plans (BCP) and Information Technology Disaster Recovery (DR) will require further time to complete at a reasonable level for the RCM. The approach for ERM, BCP and DR programs is to make targeted progress while addressing the systematic implementation of sustainable programs. The RCM is focusing on training and development for staff and the RCM leaders to better equip them to execute these parts of their responsibilities. The full 2014 Special Examination Report is posted on the RCM's website.

ANNEX 4: Links to Accountability Reports

Travel and Hospitality Expenses: <http://www.mint.ca/store/mint/about-the-mint/travel-and-hospitality-expenses-1400010#.WdZcEGyWxC0>

Reports: Annual Report, Quarterly Report, Summary of Corporate Plan, OAG Special Examination and Annual Public Meeting

<http://www.mint.ca/store/mint/about-the-mint/reports-1400016#.WdZfQGyWxC0>

Access to Information and Privacy: <http://www.mint.ca/store/mint/about-the-mint/access-to-information-and-privacy-at-the-mint-6300002#.WdZgV2yWxCp>

Info Source: <http://www.mint.ca/store/mint/about-the-mint/--info-source-8700012#.WdZgKgyWxC0>

ANNEX 5: Glossary of Terms

AOCI – Accumulated Other Comprehensive Income
ARP – Alloy Recovery Program
ATU – Amalgamated Transit Union
B2B – Business to Business
B2C – Business to Consumer
BCP – Business Continuity Planning
BPS – Broad Public Sector
Bullion DNA – Bullion Digital Non-Reactive Activation
CAD – Canadian Dollar
CGU – Cash Generating Unit
CHSE – Corporate Health, Safety and Environment
CP&S – Circulation Products & Solutions
CSR – Corporate Social Responsibility
DAX – Dynamics AX (ERP system)
EMS – Environmental Management System
ERM – Enterprise Risk Management
ERP – Enterprise Resource Planning
ETR – Exchange Traded Receipt
FTE – Full-time Equivalent (employee)
FX – Foreign Exchange
HR – Human Resources
IASB – International Accounting Standards Board
IAS – International Accounting Standard
IFRS – International Financial Reporting Standards
IT – Information Technology
KPI – Key Performance Indicator
LBMA – London Bullion Market Association
M – Thousand
MM – Million
MHFA – Mental Health First Aid
MPPS – Multi-Ply Plated Steel
NGC – Next Generation Coin

OCI – Other Comprehensive Income
P&L – Profit and Loss
PSAC – Public Service Alliance of Canada
PSPP – Public Service Pension Plan
PSHCP – Public Service Health Care Plan
R&D – Research & Development
RCM – Royal Canadian Mint
USD – United States Dollar
YTD – Year to Date