



Earnings Release

ROYAL CANADIAN MINT REPORTS PROFITS AND PERFORMANCE FOR Q1 2020

OTTAWA, ONTARIO – May 22, 2020 – The Royal Canadian Mint (the “Mint”) is pleased to announce its financial results for the first quarter of 2020 that provide insight into our activities, the markets influencing our businesses and our expectations for the next 12 months.

“The Mint capitalized on market opportunities in the first quarter. Demand for gold and silver bullion was up, refining volumes were above plan and storage volumes remained steady and healthy”, said Marie Lemay, President and CEO of the Royal Canadian Mint. “In the final weeks of the quarter, the Mint responded to this unprecedented situation with COVID-19 in a proactive way that prioritizes the health and safety of our employees. We have adapted our production to be able to continue delivering critical services in support of essential sectors of the Canadian economy, while adhering to strict new protocols to ensure our work environment is a safe one,” added Marie Lemay, President and CEO of the Royal Canadian Mint.

The financial results should be read in conjunction with the Mint’s 2020 first quarter report available at www.mint.ca. All monetary amounts are expressed in Canadian dollars, unless otherwise indicated.

Financial and Operational Highlights

- In response to the COVID-19 pandemic, the Mint modified its operations and production to focus on delivering critical services in support of the essential mining and financial sectors, and international supply chains. The resulting reduction in operations and production across all of the Mint’s businesses impacted revenue and profitability in first quarter of 2020.
- Consolidated profit before income tax and other items was \$6.5 million for the quarter (2019 – \$10.8 million).
- Consolidated profit was \$1.7 million for the quarter (2019 – \$7.7 million).
- Consolidated revenue increased to \$498.4 million in the first quarter of 2020 (2019 - \$350.7 million). Overall, global market demand for bullion, due to the economic uncertainty surrounding COVID-19, led to higher bullion volumes.
 - Gold volumes were 198.1 thousand ounces (2019 – 123.8 thousand), while silver volumes were 6.6 million ounces (2019 – 5.5 million).
 - Sales of numismatic products were behind 2019, having decreased to \$21.3 million (2019 - \$27.3 million) due to a smaller, more resonant product portfolio in 2020.
 - Foreign circulation revenue increased 31% year over year with production and shipment of 265 million foreign coins and blanks, compared to 194 million coins in 2019.
 - Canadian circulation coins sold to the Department of Finance were 53 million pieces in the quarter (2019 – 32 million pieces).
- Overall operating expenses remained consistent quarter over quarter at \$22 million.
- Cash and cash equivalents increased to \$83.1 million at March 28, 2020 (December 31, 2019 - \$65.5 million).

Consolidated results and financial performance

(in CAD \$ millions)

	13 weeks ended			
	March 28, 2020	March 30, 2019	\$ Change	% Change
Revenue	\$ 498.4	\$ 350.7	\$ 147.7	42%
Profit before income tax and other items ⁽¹⁾	\$ 6.5	\$ 10.8	\$ (4.3)	(40%)
Profit before income tax and other items margin	1.3%	3.1%		
Profit for the period	\$ 1.7	\$ 7.7	\$ (6.0)	(78%)

(1) A reconciliation from Profit for the period to Profit before income tax and other items is included on page 10 of the Mint's 2020 First Quarter Report

	As at			
	March 28, 2020	December 31, 2019	\$ Change	% Change
Cash and cash equivalents	\$ 83.1	\$ 65.5	\$ 17.6	27%
Inventories	\$ 50.8	\$ 94.9	\$ (44.1)	(46%)
Capital assets	\$ 170.1	\$ 173.9	\$ (3.8)	(2%)
Total assets	\$ 400.0	\$ 429.9	\$ (29.9)	(7%)
Working capital	\$ 110.8	\$ 102.5	\$ 8.3	8%

The Mint is expecting to return to full production in the second quarter as it implements further safety measures to allow for a higher number of employees in its production facility per shift and it increases the number of shifts to accommodate the entire workforce. As part of its business continuity plan, the Mint is actively monitoring its global supply chain and logistics networks in support of its continued operations. Despite its best efforts, the Mint expects COVID-19 to continue to affect its performance over the balance of 2020.

To read more of the Mint's First Quarter Report for 2020, please visit www.mint.ca.

About the Royal Canadian Mint

The Royal Canadian Mint is the Crown corporation responsible for the minting and distribution of Canada's circulation coins. The Mint 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. For more information on the Mint, its products and services, visit www.mint.ca. Follow the Mint on [Twitter](#), [Facebook](#) and [Instagram](#).

FORWARD LOOKING STATEMENTS

This Earnings Release 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 the Risks to Performance section of the Narrative Discussion, as well as in Note 10 – Financial Instruments and Financial Risk Management

to our Audited Consolidated Financial Statements for the year ended December 31, 2019. The forward-looking statements included in this Earnings Release are made only as of May 21, 2020, 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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