



Earnings Release

ROYAL CANADIAN MINT REPORTS PROFITS AND PERFORMANCE FOR Q3 2020

OTTAWA, ONTARIO – November 23, 2020 – The Royal Canadian Mint (the “Mint”) is pleased to announce its financial results for the third quarter of 2020 that provide insight into our activities, the markets influencing our businesses and our expectations for the next 12 months.

“The Mint has continued to respond to the strong global bullion market with agility while prioritizing the health and safety of its employees in the face of the COVID-19 pandemic,” said Marie Lemay, President and CEO. “The Mint continued to focus on serving the critical mining and financial sectors throughout the third quarter of 2020.”

“The Canadian circulation program has continued to operate well, with no coin shortages during the COVID-19 pandemic,” said Ms. Lemay. “Through the sale of the Recognition Medal, created to give Canadians a tangible way to thank front-line workers fighting the pandemic, the Mint has raised more than \$300,000 to date for the Breakfast Club of Canada’s COVID-19 Fund.”

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

Financial and Operational Highlights

- The Mint increased its revenue by 115% in the third quarter as a result of the strong global market demand for bullion. Consolidated profit before income tax and other items was \$10.2 million for the quarter (2019 – \$6.7 million). The increase was mainly due to higher bullion volumes sold in the quarter, which increased the Mint’s revenue and cost of sales proportionately. The Mint’s profit margin continues to be negatively impacted, albeit to a lesser extent in the third quarter than earlier in 2020, by higher precious metal sourcing costs and lower revenue from the Foreign Circulation and Numismatics businesses.
- Consolidated revenue increased to \$795.4 million in the third quarter of 2020 (2019 - \$370.1 million).
 - Gold volumes were 300.1 thousand ounces (2019 – 96.3 thousand), while silver volumes were 8.2 million ounces (2019 – 6.6 million).
 - Sales of numismatic products were behind 2019, having decreased \$4.0 million or 15% in the third quarter due mainly to the modified production as a result of COVID-19 and a planned smaller, more resonant product portfolio in 2020.
 - Foreign circulation revenue decreased 31% quarter over quarter with production and shipment of 98 million foreign coins and blanks, compared to 350 million coins in 2019.
 - Canadian circulation coins sold to the Department of Finance were 93 million pieces in the quarter (2019 – 178 million pieces).
- Overall operating expenses increased 7% quarter over quarter to \$23.7 million due to the timing of marketing campaigns and higher compensation costs.
- Cash and cash equivalents increased to \$91.1 million at September 26, 2020 (December 31, 2019 - \$65.5 million).

Consolidated results and financial performance

(in CAD \$ millions)

	13 weeks ended				39 weeks ended			
	September 26, 2020	September 28, 2019	\$ Change	% Change	September 26, 2020	September 28, 2019	\$ Change	% Change
Revenue	\$ 795.4	\$ 370.1	\$ 425.3	115%	\$ 1,823.3	\$ 999.2	\$ 824.1	82%
Profit before income tax and other items ⁽¹⁾	\$ 10.2	\$ 6.7	\$ 3.5	52%	\$ 18.5	\$ 25.8	\$ (7.3)	(28%)
Profit before income tax and other items margin	1.3%	1.8%			1.0%	2.6%		
Profit for the period	\$ 16.3	\$ 9.5	\$ 6.8	72%	\$ 25.6	\$ 22.0	\$ 3.6	16%

(1) A reconciliation from profit for the period to profit before income tax and other items is included on page 11.

	As at			
	September 26, 2020	December 31, 2019	\$ Change	% Change
Cash and cash equivalents	\$ 91.1	\$ 65.5	\$ 25.6	39%
Inventories	\$ 58.0	\$ 94.9	\$ (36.9)	(39%)
Capital assets	\$ 162.9	\$ 173.9	\$ (11.0)	(6%)
Total assets	\$ 388.2	\$ 429.9	\$ (41.7)	(10%)
Working capital	\$ 124.7	\$ 102.5	\$ 22.2	22%

As part of its business continuity plan, the Mint continues to actively monitor 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 to the end of 2020.

To read more of the Mint's Third 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 November 18, 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.

For more information, please contact:

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