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# Earnings Release

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## ROYAL CANADIAN MINT REPORTS PROFITS AND PERFORMANCE FOR Q1 2021

**OTTAWA, ONTARIO – May 21, 2021** – The Royal Canadian Mint (the “Mint”) is pleased to announce its financial results for the first quarter of 2021 that provide insight into our activities, the markets influencing our businesses and our expectations for the next 12 months.

“The Mint’s strong performance in the first quarter is a testament to the dedication, resilience and flexibility of its employees,” said Marie Lemay, President and CEO of the Royal Canadian Mint. “Throughout the COVID-19 pandemic, the Mint has continued to prioritize the health and safety of its employees while ensuring that critical services it provides to the essential mining and financial sectors continued uninterrupted. In the shadow of its pandemic response, the Mint began implementing a new long-term strategy, laying the groundwork for sustained profitability in the years to come.”

The financial results should be read in conjunction with the Mint’s 2021 first quarter report available at [www.mint.ca](http://www.mint.ca). All monetary amounts are expressed in Canadian dollars, unless otherwise indicated.

### **Financial and Operational Highlights**

- The Mint increased its revenue by 81% in the first quarter of 2021 and consolidated profit before income tax and other items was \$26.0 million (2020 – \$6.5 million) for the quarter. The Mint saw increases in revenue across both its Precious Metal and Circulation businesses. 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 percentage improved 1.6% quarter over quarter mainly due to stronger performance from the sales of numismatic products and foreign circulation coins in 2021.
- Consolidated revenue increased to \$902.8 million in 2021 (2020 - \$498.4 million). Revenue from Precious metal businesses increased to \$852 million in 2021 (2020 - \$465.2 million):
  - Gold bullion volumes increased more than 65% quarter over quarter and were 328.5 thousand ounces (2020 – 198.1 thousand ounces) while silver bullion volumes increased 52% and were 9.9 million ounces (2020 – 6.6 million ounces).
  - Sales of numismatic products increased to \$31.5 million in 2021 (2020 - \$21.3 million) as a result of an increase in sales of gold products in 2021 and the temporary suspension, in 2020, of numismatic product production as a result of COVID-19 pandemic.

Revenue from Circulation businesses increased to \$50.8 million in 2021 (2020 - \$33.1 million):

- Revenue from the Foreign Circulation business increased 162% quarter over quarter with production and shipment of 319 million foreign coins and blanks, compared to 265 million coins in 2020.

- Canadian circulation coins produced and sold to the Department of Finance for inventory were 77 million pieces in the quarter (2020 – 76 million pieces).
- Overall, operating expenses increased 15% quarter over quarter to \$25.6 million due mainly to planned consulting and contingent workforce costs related to the implementation of the Mint's business transformation initiatives.
- Cash and cash equivalents increased to \$91.1 million (December 31, 2020 - \$67.3 million).

## Consolidated results and financial performance

(in CAD \$ millions)

	13 weeks ended			
	April 3, 2021	March 28, 2020	\$ Change	% Change
Revenue	\$ 902.8	\$ 498.4	404.4	81
Profit before income tax and other items <sup>(1)</sup>	\$ 26.0	\$ 6.5	19.5	300
Profit before income tax and other items margin	2.9%	1.3%		
Profit for the period	\$ 13.8	\$ 1.7	12.1	712

(1) A reconciliation from Profit for the period to Profit before income tax and other items is included on page 11 of the Mint's 2021 First Quarter Report

	As at			
	April 3, 2021	December 31, 2020	\$ Change	% Change
Cash and cash equivalents	\$ 91.1	\$ 67.3	23.8	35
Inventories	\$ 60.8	\$ 57.6	3.2	6
Capital assets	\$ 159.1	\$ 161.1	(2.0)	(1)
Total assets	\$ 408.8	\$ 379.4	29.4	8
Working capital	\$ 134.2	\$ 112.9	21.3	19

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 in 2021 especially in light of the declaration of emergency and province wide stay-at-home order in Ontario which began on April 8, 2021. The situations in Ontario and Manitoba continue to be monitored and the Mint will adapt its operations accordingly.

To read more of the Mint's First Quarter Report for 2021, please visit [www.mint.ca](http://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](http://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 Management Discussion and Analysis in the Mint's 2020 annual report, as well as in Note 9 – Financial Instruments and Financial Risk Management to the Mint's Audited Consolidated Financial Statements for the year ended December 31, 2020. The forward-looking statements included in this Earnings Release are made only as of May 20, 2021, 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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