SECOND QUARTER REPORT
FISCAL 2015

NARRATIVE DISCUSSION

BASIS OF PRESENTATION

The Royal Canadian Mint (the "Mint") has prepared this report as required by section 131.1 of the *Financial Administration Act*[1] using the standard issued by the Treasury Board of Canada Secretariat. This narrative should be read in conjunction with the unaudited condensed consolidated financial statements.

The Mint has prepared these unaudited condensed consolidated financial statements for the 13 and 26 weeks ended June 27, 2015, and June 28, 2014, in compliance with International Financial Reporting Standards (IFRS).

This report contains forward-looking statements about the Mint's strategy and expected financial and operational results. Forward-looking statements are based on the following broad assumptions: Government of Canada approval of the Mint's 2015-2019 Corporate Plan and no change to the Mint's current mandate. Key risks and uncertainties are described in Risk to Performance and Outlook sections of this report. However, some risks and uncertainties are by definition difficult to predict and beyond our control. They include, but are not limited to, economic, competition, financial, precious metals and base metals, technology and regulatory conditions. These factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

PERFORMANCE

Consolidated results and financial performance
(in CAD $ millions for the periods ended June 27, 2015, and June 28, 2014)

	13 weeks ended				26 weeks ended			
	27-Jun-15	28-Jun-14	$ Change	% Change	27-Jun-15	28-Jun-14	$ Change	% Change
Revenue	$ 572.4	$ 569.7	$ 2.7	0.5%	$ 1,212.6	$ 1,239.1	$ (26.5)	(2.1)%
Profit before taxes	17.0	17.9	(0.9)	(5.0)%	32.7	34.9	(2.2)	(6.3)%
Profit after taxes	12.6	13.4	(0.8)	(6.0)%	24.3	26.2	(1.9)	(7.3)%

	As at			
	27-Jun-15	31-Dec-14	$ Change	% Change
Cash	$ 121.8	$ 104.2	$ 17.6	16.9%
Inventories	92.8	89.0	3.8	4.3%
Capital assets	255.0	259.2	(4.2)	(1.6)%
Total assets	506.1	491.1	15.0	3.1%
Working capital	157.2	139.7	17.5	12.5%

NOTE: The Mint's fiscal year ends on December 31.

[1] *Financial Administration Act*, R.S.C., 1985, c. F-11

CONSOLIDATED OVERVIEW

Consolidated revenue for the 13 weeks ended June 27, 2015, was stable at $572.4 million compared to $569.7 million in the same period in 2014. Increases in revenue experienced in the Alloy Recovery Program (ARP) and the Numismatics and Collectibles Business Line were partly offset by a 36.7% decline in the Foreign Business Line. Revenue in the Bullion, Refinery and ETR Business Line was stable.

Operating expenses for the quarter increased 6.6% to $35.3 million from $33.1 million in the prior year primarily due to increased sales and marketing expenses by $3.5 million. The increase is mainly due to the advertising expenditures on Canada 150 and Canada Flag programs. Offsetting sales and marketing expenses for the 13 weeks ended June 27, 2015 is an estimated $1.6 million distribution charge refund. The refund resulted from excessive weight-based distribution charges by one carrier for prior periods dating from May 2014 to October 2014. The error originated in shipping software provided by a third party due to inadequate integration software testing with the third party. The software error went undetected from implementation (in May 2014) until October 2014. The Corporation is working with the carrier on further process improvements and the refund is expected to be received in the third quarter. The increased sales and marketing expenses offset by $1.4 million decrease in administration expenses resulted from continuous expense management. The increase in operating expenses resulted in a 5% decline in consolidated profit before taxes to $17.0 million for the quarter compared to $17.9 million in the same period in 2014.

Consolidated total assets increased 3.1% to $506.1 million at June 27, 2015 from to $491.1 million at December 31, 2014 as cash increased to $121.8 from $104.2 million at December 31, 2014 and inventory rose to $92.8 million from $89.0 million. Working capital increased to $157.2 from $139.7 million at December 31, 2014. These changes reflect the Mint's operating performance and income during the quarter.

Consolidated revenue for the 26 weeks to June 27, 2015 was $1,212.6 million, a 2.1% decline over revenue in the same period in 2014. Consolidated profits before taxes for the year to date declined 6.3% to $32.7 million from $34.9 million in the same period in 2014 largely as a result of a $9.3 million negative impact of the Memorandum of Understanding which was offset by a $5.9 million increase in numismatic profit before taxes. Profits after taxes declined 7.3% to $24.3 million from $26.2 million.

CORPORATE DEVELOPMENTS

The Mint has transitioned to a new operating model consistent with its recently concluded Memorandum of Understanding (MoU) with the Government of Canada, principally that the Mint should not anticipate a profit on the provision of goods and services to the Government of Canada. The primary impact of the new MOU is a reduction in charges to the Government of Canada from 2014 levels. The changes in reporting and development of key performance metrics will be reflected in the Mint's 2016 Corporate Plan and financial reporting. For fiscal 2015, the Mint will continue to report as it has in prior years.

During the quarter, significant changes to the Mint's rules and policies governing travel and hospitality were made to reflect current Treasury Board guidelines, including the *Directive on Travel, Hospitality, Conference and Event Expenditures*. An Order in Council was issued on

July 16, 2015 pursuant to section 89 of the *Financial Administration Act* to direct the Mint to comply with Treasury Board guidelines and to report on the implementation of the guidelines in the Mint's next corporate plan.

The Mint's senior leadership team launched a review of its strategy and operations in the second quarter of 2015. This review will support the development of the Mint's Corporate Plan for 2016 to be submitted to the Government of Canada in the fourth quarter this year.

The Mint is continuing its work to divest the assets of its MintChip™ development program and is providing the Department of Finance with regular updates on its progress.

PERFORMANCE BY BUSINESS LINE

Revenue by Business Line

(in CAD $ millions for the periods ended June 27, 2015, and June 28, 2014)

	13 weeks Ended				26 weeks Ended			
	27-Jun-15	28-Jun-14	$ Change	Change	27-Jun-15	28-Jun-14	$ Change	Change
Canadian Circulation	$ 32.6	$ 30.0	$ 2.6	8.7%	$ 57.7	$ 60.9	$ (3.2)	(5.3)%
Numismatic and Collectibles	46.4	42.5	3.9	9.2%	91.4	89.9	1.5	1.7%
Foreign	7.6	12.0	(4.4)	(36.7)%	18.0	40.8	(22.8)	(55.9)%
Bullion, Refinery and ETR	485.8	485.2	0.6	0.1%	1,045.5	1,047.5	(2.0)	(0.2)%

Operating Highlights and Analysis of Results

Canadian Circulation

The Mint's core mandate is to produce and manage the distribution of Canada's circulation coinage, a task that includes the constant monitoring and adjustment of coin inventories across the country to ensure sufficient supply in all regions at all times to meet the coinage needs of Canadian consumers. During the second quarter of 2015, this required the positioning of additional inventory in southern Ontario to ensure sufficient supply of coins in the region during the Toronto 2015™ Pan Am/Parapan Am Games.

The Mint sold 107.9 million coins to the Government of Canada during the quarter compared to 15.0 million in the same quarter in 2014. Production of circulation coins increased 252.6% to 239.1 million from 67.8 million in Q2 2014. The significant variance in sales volume and production reflects historically low volumes in the second quarter of 2014. During most of fiscal 2014 the Winnipeg plant was focused on producing coins and blanks for foreign clients while allowing Canadian inventories to decline from historically high levels established in 2013 to meet a potential jump in demand for 5-, 10- and 25-cent coins upon the removal of the penny from circulation. By the end of 2013 it was apparent that inventory levels did not need to be as high as anticipated and they were allowed to gradually decline over 2014. Current production volumes will also bring inventories up to the limit specified in the MOU; maintaining optimum inventories in each region across the country reduces costs and eases distribution.

The Mint is responsible for the efficient removal of the penny from circulation. During the second quarter of 2015, 163.2 million pennies were recovered and recycled, bringing the total number of pennies recycled since February 2013 to 5.56 billion. The total number of coins recycled during the quarter, including the penny, was 185.5 million coins compared to 202.1 million during the same period in 2014.

Revenues from the ARP increased 28.6% to $6.3 million from $4.9 million in the second quarter of 2014, the primary driver behind the 8.7% increase in revenue for the business line. The volume of nickel and cupronickel recovered during the quarter increased from the same period in 2014 as the Mint begins to recover the one-dollar coins produced between 1989 and 2011. These coins are being replaced with the more secure one-dollar coin that was launched in 2012. The price of nickel continues to decline, but commodity hedges executed in 2014 at nickel prices above current market rates helped mitigate the Mint's exposure. Several shipments of nickel collected during the quarter were postponed to the fourth quarter of 2015 to ensure all hedge requirements can be met.

The Mint takes pride in celebrating Canada's history, culture and values. During the quarter, the Mint issued a 25-cent circulation coin commemorating the 50th anniversary of the Canadian flag. The program is scheduled to produce 12.5 million coins; 6.25 million will be coloured.

The submission phase of the *My Canada, My Inspiration* circulation coin design contest concluded at the end of April. In September, Canadians will be able to vote online for the designs they like the best. The winning designs will appear on Canada's circulation coins in 2017 in celebration of Canada's 150th anniversary.

For the 26 weeks to June 27, 2015, revenue from the business line declined 5.3% to $57.7 million from $60.9 million in the same period in 2014 primarily due to the 7.2% decline in charges to the Government of Canada for the core circulation and commemorative coin programs. During this period, the Mint recovered and sold 308.0 metric tonnes of nickel and 108.0 metric tonnes of cupronickel compared to 343.3 metric tonnes of nickel and 114.0 metric tonnes of cupronickel in the same period in 2014.

Outlook: The Mint anticipates selling the targeted 390 million coins to the Government of Canada this year. Summer demand is expected to be robust with festivals and events such as the Toronto 2015 Pan Am/Parapan Am Games and Calgary Stampede increasing demand for coins. The Mint anticipates revenues to be below last year and the Corporate Plan for fiscal 2015 due to the reduction in charges to the Government of Canada for its core circulation and commemorative coin programs as well as the impact of softening nickel prices on the ARP program.

Numismatics and Collectibles

During the quarter, revenue increased 9.2% to $46.4 million from $42.5 million in the second quarter of 2014. The Mint issued 72 new products during the quarter compared to 64 new products in the previous year. The most notable gold and silver issues were those featuring Looney Tunes™ characters to celebrate the 75th anniversary of Bugs Bunny. The program included a subscription to eight $10 silver coins that will be issued throughout 2015; a 14-karat gold Bugs Bunny and Friends coin; a $2,500 pure gold kilo coin and a $250 silver kilo coin depicting every major character in the Looney Tunes™ pantheon; and a "$20 for $20" silver coin featuring Bugs Bunny.

During the quarter, the Mint also issued coins celebrating FIFA Women's World Cup Canada 2015™, the Toronto 2015 Pan Am/ParaPan Am Games and a new flight of collector coins featuring iconic Superman™ comic book covers. Another notable event was the release of two coins – a one-ounce silver coin and a coloured five-ounce silver coin – to commemorate the 100th anniversary of the publication of John McCrae's war poem In Flanders Fields.

The Mint achieved 19 sellouts during the quarter compared to 16 in the second quarter of 2014. The four Superman™ coins were also very popular.

For the 26 weeks ended June 27, revenue for the business line was $91.4 million compared to $89.9 million in the same period in 2014. The Mint has issued 136 new numismatic coins during the year to date compared to 115 in the same period in 2014.

Outlook: The Mint has developed a robust portfolio of unique new products for release in the second half of 2015. Supported by integrated online and offline promotional campaigns and targeted sales strategies, revenue growth from new and existing customer segments is anticipated.

Foreign

The Mint shipped 226.2 million coins and blanks to seven countries in the second quarter of 2015. During the same period last year, the Mint shipped 408.2 million coins and blanks to five countries. Revenue declined by 36.7% to $7.6 million from $12.0 million in Q2 2014. Although the volume of coins and blanks shipped against two contracts during the quarter were significantly higher than planned, shipments and revenue declined from the same quarter in 2014 due to two factors: the conclusion of a major contract at the end of 2014 and delays in the release of anticipated tenders from countries in Africa, Asia and Latin America.

During the quarter, the Mint hosted several customer events at its Winnipeg production facility. Delegates heading to the 2015 Global Currency Conference in Vancouver as well as six delegations from around the world traveled to Winnipeg to view the breadth of the Mint's technological capabilities and efficiencies. Indonesia became the 34th country to adopt the technology for its domestic circulation; to celebrate the milestone, the Indonesian national flag was raised to join the parade of flags that are displayed at the entrance to the Winnipeg plant.

In the 26 weeks ended June 27, 2015, the Mint produced and shipped 563.5 million coins and blanks to 12 countries compared to 1,408.7 million coins and blanks to eight countries in the same period in 2014. Revenue declined 55.9% to $18.0 million in the year to date compared to $40.8 million in the same period last year. During the 26-week period, the Mint secured nine contracts to produce circulation and numismatic coins for seven countries compared to four contracts with three countries in the same period in 2014.

Outlook: Several of the tenders that were anticipated at the beginning of 2015 are now being issued, some with significantly higher volumes than projected. The Mint is well positioned to capture several of these large volume circulation opportunities as well as repeat orders from existing customers, but the delays in tendering will continue to have an impact on the Business Line's performance in fiscal 2015.

Bullion, Refinery and ETR

Bullion, Refinery and ETR revenues were stable at $485.8 million in the second quarter of 2015 compared to $485.2 million in the same period in 2014. Sales volumes and market share were also stable with demand for gold products exceeding expectations. Sales of gold, mostly as Maple Leaf (GML) coins, increased 1.2% to 164 thousand ounces from 161 thousand ounces in the second quarter of 2014. Sales of silver, mostly as Maple Leaf (SML) coins, declined 5.6% to

6.8 million ounces from 7.2 million ounces in the same quarter in 2014. While demand remains steady for the Mint's bullion products, demand for premium refinery products such as kilobars, silver 100-ounce bars and grain softened during the quarter.

During the 26 weeks ended June 27, 2015, Bullion, Refinery and ETR revenue declined a modest 0.2% to $1,045.5 million from $1,047.5 million in the same period in 2014. Sales of gold, mostly as GML coins, rose by 1.8% to 343 thousand ounces from 337 thousand ounces in 2014 while sales of silver, mostly as SML coins, increased 2.0% to 15.7 million ounces from 15.4 million ounces in the previous year.

Outlook: Volatility in the metal price driven by uncertainty over global currencies and economies was having a significant impact on demand for the Mint's bullion products by the end of the second quarter. Demand is expected to remain strong if these conditions persist.

LIQUIDITY AND CAPITAL RESOURCES

Capital expenditures were $3.7 million during the second quarter of 2015 compared to $4.7 million during the same period in 2014. These expenditures included investment in manufacturing improvements and equipment to commercialise R&D investments as well as the refurbishment of infrastructure in Ottawa. The variance from 2014 reflects the completion of several major projects.

During the 26 weeks ended June 27, 2015, capital expenditures were $7.7 million compared to $11.0 million in the same period in 2014.

RISKS TO PERFORMANCE

There has not been any material change in the risks to performance discussed in the Management's Discussion and Analysis in the 2014 Annual Report.

OUTLOOK

The operating and financial results achieved during the 26 weeks ended June 27, 2015, indicate the Corporation is on track to achieve the annual targets established in the 2014-2018 Corporate Plan approved by the Government of Canada in November 2013 as well as the 2015-2019 Corporate Plan which has been recommended by the Minister of Finance and is pending approval from the Government of Canada.

The Mint anticipates the successful achievement of its key performance metrics for the Government of Canada Circulation program for fiscal 2015.

Statement of Management Responsibility by Senior Officials

Management is responsible for the preparation and fair presentation of these condensed consolidated quarterly financial statements in accordance with *IAS 34 Interim Financial Reporting* and requirements in the Treasury Board of Canada *Standard on Quarterly Financial Reports for Crown Corporations* and for such internal controls as management determines is necessary to enable the preparation of condensed consolidated quarterly financial statements that are free from material misstatement. Management is also responsible for ensuring all other information in this quarterly financial report is consistent, where appropriate, with the condensed consolidated quarterly financial statements.

To the best of our knowledge, these unaudited condensed consolidated quarterly financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the corporation, as at the date of and for the periods presented in the condensed consolidated quarterly financial statements.

Sandra L. Hanington

President and Chief Executive Officer

Jennifer Camelon, CPA, CA

Chief Financial Officer and
Vice-President, Finance and Administration

Ottawa, Canada
August 25, 2015

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Unaudited

		As at	
(CAD$ thousands)	Notes	**June 27, 2015**	December 31, 2014
Assets			
Cash	5	**$ 121,780**	$ 104,153
Accounts receivable	6	**24,306**	27,455
Prepaid expenses		**3,536**	1,525
Income taxes receivable		**5,888**	7,633
Inventories	7	**92,807**	89,023
Derivative financial assets	8	**2,574**	1,941
Current assets		**250,891**	231,730
Derivative financial assets	8	**-**	16
Property, plant and equipment	9	**238,069**	241,650
Investment property		**236**	236
Intangible assets	9	**16,876**	17,450
Total assets		**$ 506,072**	$ 491,082
Liabilities			
Accounts payable and accrued liabilities		**$ 71,555**	$ 74,778
Loans payable		**7,521**	7,522
Deferred revenue		**3,319**	1,209
Income taxes payable		**4,820**	3,971
Employee benefits	10	**1,942**	2,088
Derivative financial liabilities	8	**4,545**	2,447
Current liabilities		**93,702**	92,015
Derivative financial liabilities	8	**2,134**	1,946
Loans payable		**34,479**	34,475
Deferred tax liabilities		**17,601**	18,218
Employee benefits	10	**10,611**	10,611
Total liabilities		**158,527**	157,265
Shareholder's equity			
Share capital (authorised and issued 4,000 non-transferable shares)		**40,000**	40,000
Retained earnings		**309,676**	295,421
Accumulated other comprehensive income (losses)		**(2,131)**	(1,604)
Total shareholder's equity		**347,545**	333,817
Total liabilities and shareholder's equity		**$ 506,072**	$ 491,082

Commitments, contingencies and guarantees (note 16).
The accompanying notes are an integral part of these condensed consolidated financial statements.

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Unaudited

		13 weeks ended		26 weeks ended	
(CAD$ thousands)	Notes	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Revenues	11, 15	**$ 572,432**	$ 569,685	**$ 1,212,561**	$ 1,239,101
Cost of goods sold		**520,617**	519,240	**1,111,643**	1,136,401
Gross profit		**51,815**	50,445	**100,918**	102,700
Other operating expenses					
Marketing and sales expenses	13	**21,736**	18,191	**40,548**	38,084
Administration expenses	14	**13,536**	14,952	**28,004**	29,457
Other operating expenses		**35,272**	33,143	**68,552**	67,541
Operating profit		**16,543**	17,302	**32,366**	35,159
Net foreign exchange gains (losses)		**594**	769	**624**	104
Finance income (costs), net					
Finance income		**109**	66	**261**	177
Finance costs		**(236)**	(268)	**(533)**	(535)
Finance income (costs), net		**(127)**	(202)	**(272)**	(358)
Profit before income tax		**17,010**	17,869	**32,718**	34,905
Income tax expense		**4,421**	4,467	**8,463**	8,726
Profit for the period		**12,589**	13,402	**24,255**	26,179
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
hedges		**1,227**	1,068	**(1,412)**	(1,733)
Reclassification of net realized gains (losses) on cash flow hedges transferred from other comprehensive income		**(655)**	(374)	**885**	1,458
tax		**572**	694	**(527)**	(275)
Total comprehensive income		**$ 13,161**	$ 14,096	**$ 23,728**	$ 25,904

The accompanying notes are an integral part of these condensed consolidated financial statements.

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Unaudited

13 weeks ended June 27, 2015

(CAD$ thousands)	**Share Capital**	**Retained earnings**	**Accumulated other comprehensive income ("AOCI") (Net losses on cash flow hedges)**	**Total**
Balance as at March 28, 2015	**$ 40,000**	**$ 307,087**	**$ (2,703)**	**$ 344,384**
Profit for the period	**-**	**12,589**	**-**	**12,589**
Other comprehensive income	**-**	**-**	**572**	**572**
Dividend paid	**-**	**(10,000)**	**-**	**(10,000)**
Balance as at June 27, 2015	**$ 40,000**	**$ 309,676**	**$ (2,131)**	**$ 347,545**

13 weeks ended June 28, 2014

(CAD$ thousands)	Share Capital	Retained earnings	Accumulated other comprehensive income ("AOCI") (Net losses on cash flow hedges)	Total
Balance as at March 29, 2014	$ 40,000	$ 277,756	$ (2,761)	$ 314,995
Profit for the period	-	13,402	-	13,402
Other comprehensive losses	-	-	694	694
Dividend paid	-	(10,000)	-	(10,000)
Balance as at June 28, 2014	$ 40,000	$ 281,158	$ (2,067)	$ 319,091

The accompanying notes are an integral part of these condensed consolidated financial statements.

26 weeks ended June 27, 2015

(CAD$ thousands)	**Share Capital**	**Retained earnings**	**Accumulated other comprehensive income (“AOCI”) (Net losses on cash flow hedges)**	**Total**
Balance as at December 31, 2014	**$ 40,000**	**$ 295,421**	**$ (1,604)**	**$ 333,817**
Profit for the period	**-**	**24,255**	**-**	**24,255**
Other comprehensive losses	**-**	**-**	**(527)**	**(527)**
Dividend paid	**-**	**(10,000)**	**-**	**(10,000)**
Balance as at June, 27 2015	**$ 40,000**	**$ 309,676**	**$ (2,131)**	**$ 347,545**

26 weeks ended June 28, 2014

(CAD$ thousands)	Share Capital	Retained earnings	Accumulated other comprehensive income (“AOCI”) (Net losses on cash flow hedges)	Total
Balance as at December 31, 2013	$ 40,000	$ 264,979	$ (1,792)	$ 303,187
Profit for the period	-	26,179	-	26,179
Other comprehensive losses	-	-	(275)	(275)
Dividend paid	-	(10,000)	-	(10,000)
Balance as at June 28, 2014	$ 40,000	$ 281,158	$ (2,067)	$ 319,091

The accompanying notes are an integral part of these condensed consolidated financial statements.

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited

	13 weeks ended		26 weeks ended	
(CAD$ thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Cash flows from operating activities				
Receipts from customers	**$ 448,430**	$ 412,603	**$ 943,106**	$ 868,996
Payments to suppliers and employees	**(458,376)**	(431,309)	**(943,148)**	(893,415)
Interest paid	**(378)**	(367)	**(531)**	(551)
Cash receipts on derivative contracts	**129,310**	111,046	**241,199**	359,850
Cash payments on derivative contracts	**(100,506)**	(88,148)	**(195,925)**	(299,755)
Income taxes paid	**(3,352)**	(2,382)	**(6,547)**	(6,087)
Net cash generated (used) by operating activities	**15,128**	1,443	**38,154**	29,038
Cash flows from investing activities				
Interest received	**163**	112	**574**	177
Cash payments on derivative contracts to acquire property, plant and equipment and intangible assets	**-**	-	**-**	(3,090)
Payments to acquire property, plant and equipment and intangible assets	**(3,797)**	(4,496)	**(11,546)**	(13,694)
Net cash used by investing activities	**(3,634)**	(4,384)	**(10,972)**	(16,607)
Cash flows from financing activities				
Dividend paid	**(10,000)**	(10,000)	**(10,000)**	(10,000)
Repayment of loans and other payables	**-**	-	**4**	(2)
Net cash generated (used) by financing activities	**(10,000)**	(10,000)	**(9,996)**	(10,002)
Net increase/(decrease) in cash	**1,494**	(12,941)	**17,186**	2,429
Cash at the beginning of the period	**120,466**	78,786	**104,153**	63,228
Effects of exchange rate changes on cash held in foreign currencies	**(180)**	(190)	**441**	(2)
Cash at the end of the period	**$ 121,780**	$ 65,655	**$ 121,780**	$ 65,655

The accompanying notes are an integral part of these condensed consolidated financial statements.

1. NATURE AND DESCRIPTION OF THE CORPORATION

The Royal Canadian Mint (the "Mint" or the "Corporation") was incorporated in 1969 by the *Royal Canadian Mint Act* to mint coins and carry out other related activities. The Mint is an agent corporation of Her Majesty named in Part II of Schedule III to the *Financial Administration Act*. It produces all of the circulation coins used in Canada and manages the support distribution system for the Government of Canada.

On December 16, 2014, the *Royal Canadian Mint Act* was amended to specify that although the object of the Mint is to operate in the expectation of profit, it shall no longer anticipate profit with respect to the provision of any goods or services to Her Majesty in right of Canada, including the minting of circulation coins. The impact of this change has started to be reflected in the 2014 Mint's results from the effective date of the legislation.

The Mint is one of the world's foremost producers of circulation, collector and bullion investment coins for the domestic and international marketplace. It is also one of the largest gold refiners in the world. The addresses of its registered office and principal place of business are 320 Sussex Drive, Ottawa, Ontario, Canada, K1A 0G8 and 520 Lagimodière Blvd, Winnipeg, Manitoba, Canada, R2J 3E7.

In 2002, the Mint incorporated RCMH-MRCF Inc., a wholly-owned subsidiary. RCMH-MRCF Inc. has been operationally inactive since December 31, 2008.

The Corporation is a prescribed federal Crown corporation for tax purposes and is subject to federal income taxes under the *Income Tax Act*.

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with *IAS 34 Interim Financial Reporting ("IAS 34")* of the *International Financial Reporting Standards ("IFRS")* and the *Standard on Quarterly Financial Reports for Crown Corporations* issued by the Treasury Board of Canada. As permitted under this standard, these interim condensed consolidated financial statements do not include all of the disclosure requirements for annual consolidated financial statements, and should be read in conjunction with the Corporation's audited consolidated financial statements for its fiscal year ended December 31, 2014.

These interim condensed consolidated financial statements have not been audited or reviewed by an external auditor.

These interim condensed consolidated financial statements have been approved for public release by the Board of Directors of the Corporation on August 25, 2015.

2.2 Basis of presentation

The interim condensed consolidated financial statements were prepared on the historical cost basis, except for derivative instruments which were measured at fair value and the defined benefit plan and other long-term benefits which were measured at the actuarial valuation amount. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Although the Corporation's year end of December 31 matches the calendar year end, the Corporation's quarter end dates do not necessarily coincide with calendar year quarters; instead, each of the Corporation's quarters contains 13 weeks.

2.3 Consolidation

The interim condensed consolidated financial statements incorporate the interim financial statements of the Corporation and its wholly-owned subsidiary. The subsidiary's accounting policies are in line with those used by the Corporation. All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

2.4 Functional and presentation currency

Unless otherwise stated, all figures reported in the interim condensed consolidated financial statements and disclosures are reflected in thousands of Canadian dollars (CAD$), which is the functional currency of the Corporation.

2.5 Significant accounting policies

Significant accounting policies applied in these interim condensed consolidated financial statements are disclosed in note 2 of the Corporation's annual consolidated financial statements for the year ended December 31, 2014. The accounting policies have been applied consistently in the current and comparative periods.

2.6 Key sources of estimation uncertainty and critical accounting judgments

The preparation of these interim condensed consolidated financial statements requires management to make critical judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses during the reporting period.

In making critical judgements, estimates and using assumptions, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ significantly from the estimates and assumptions. The estimates and underlying assumptions are reviewed on an ongoing basis.

3. Restatement of the consolidated cash flow statement for the quarter ended June 28, 2014

The Corporation reviewed the presentation and classification of its cash flows. As a result, certain derivative cash flows were reclassified between operating and investing activities to better reflect the underlying items being hedged. Also, certain receipts from customers and payments to suppliers related to bullion transactions were revised to more accurately reflect the nature of the net settlements for those transactions. The Corporation has restated the 2014 consolidated statement of cash flows to conform to current year presentation and the changes are summarized in the following tables:

For the 13 weeks ended June 28, 2014 *(CAD$ thousands)*

	As previously reported	Reclassification	Revised amount
Cash flows from operating activities			
Receipts from customers	$ 588,419	$ (175,815)	$ 412,603
Payments to suppliers and employees	(641,281)	209,971	(431,309)
Interest paid	(367)	-	(367)
Cash receipts on derivative contracts	359,648	(248,602)	111,046
Cash payments on derivative contracts	(302,551)	214,404	(88,148)
Income taxes paid	(2,151)	(231)	(2,382)
Net cash generated by operating activities	1,717	(274)	1,443
Cash flows from investing activities			
Interest received	66	46	112
Payments to acquire property, plant and equipment and intangible assets	(4,724)	228	(4,496)
Net cash (used) by investing activities	(4,658)	274	(4,384)
Cash flows from financing activities			
Dividend paid	(10,000)	-	(10,000)
Net cash generated (used in) by financing activities	(10,000)	-	(10,000)
Net increase (decrease) in cash	(12,941)	-	(12,941)
Cash at the beginning of the period	78,786	-	78,786
Effects of exchange rate changes on cash held in foreign currencies	(190)	-	(190)
Cash at the end of the period	$ 65,655	$ -	$ 65,655

For the 26 weeks ended June 28, 2014 *(CAD$ thousands)*

	As previously reported	Reclassification	Revised amount
Cash flows from operating activities			
Receipts from customers	$ 1,255,583	$ (386,584)	$ 868,996
Payments to suppliers and employees	(1,316,582)	423,165	(893,415)
Interest paid	(551)	-	(551)
Cash receipts on derivative contracts	608,250	(248,399)	359,850
Cash payments on derivative contracts	(517,301)	217,546	(299,755)
Income taxes paid	(6,179)	92	(6,087)
Net cash generated by operating activities	23,220	5,819	29,038
Cash flows from investing activities			
Interest received	177	-	177
Cash payments on derivative contracts to acquire property, plant and equipment and intangible assets	-	(3,090)	(3,090)
Payments to acquire property, plant and equipment and intangible assets	(10,966)	(2,729)	(13,694)
Net cash (used) by investing activities	(10,789)	(5,819)	(16,607)
Cash flows from financing activities			
Dividend paid	(10,000)	-	(10,000)
Repayment of loans and other payables	(2)	-	(2)
Net cash generated (used in) by financing activities	(10,002)	-	(10,002)
Net increase (decrease) in cash	2,429	-	2,429
Cash at the beginning of the period	63,227	-	63,228
Effects of exchange rate changes on cash held in foreign currencies	(1)	-	(2)
Cash at the end of the period	$ 65,655	$ -	$ 65,655

4. APPLICATION OF NEW AND REVISED IFRS

4.1 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 26 weeks ended June 27, 2015 that affected amounts reported or disclosed in the interim condensed consolidated financial statements.

4.2 New and revised IFRS in issue but not yet effective

a) The Corporation has reviewed new and 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 38 Intangible Assets ("IAS 38")

IAS 38 was amended in May 2014 for the clarification of acceptable methods of amortisation; it introduces a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate for the same reasons as in IAS 16 with limited circumstances when the presumption can be overcome. The amendment is effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted.

b) The following amendments have been assessed as having a possible impact on the Corporation's consolidated financial statements in the future. The Corporation is currently assessing these amendments and therefore the extent of the impact of the adoption of the amendments is unknown.

Annual improvements to IFRSs 2012-2014

In September 2014, the IASB issued annual improvements during the 2012-2014 cycle. The standards covered by the amendments are: IFRS 5 "Non-current assets held for sale and discontinued operations" which provides guidance on the methods of disposal; IFRS 7 "Financial Instruments: Disclosures" which provides guidance on servicing contracts and the applicability of the amendments to IFRS 7 to condensed interim financial statements. IFRS 19 "Employee benefits" which clarifies how the discount rate is to be determined in a regional market using the same currency; and IAS 34 "Interim Financial Reporting" which discusses disclosures of information elsewhere in the interim financial report. These annual improvements are to be applied for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

IAS 1 Presentation of Financial Statements ("IAS 1")

In December 2014, IASB issued amendments to IAS 1 which clarified the existing presentation and disclosure requirements including the presentation of line items, subtotals and notes and provided guidance to assist in applying judgement in determining what information to disclose and how that information is presented in financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

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.

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 IAS39 "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 retroactively. Early adoption is permitted.

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 was issued in May 2014 and applies to annual reporting period beginning on or after January 1, 2018. IFRS 15 specifies how and when an IFRS reporter will recognise 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. Early adoption is permitted.

5. CASH

	As at	
(CAD$ thousands)	**June 27, 2015**	December 31, 2014
Canadian dollars	**$ 113,269**	$ 97,789
US dollars	**7,839**	4,746
Euros	**672**	1,618
Total cash	**$ 121,780**	$ 104,153

6. ACCOUNTS RECEIVABLE

	As at	
(CAD$ thousands)	**June 27, 2015**	December 31, 2014
Trade receivables and accruals	**$ 20,344**	$ 21,078
Allowance for doubtful accounts	**(125)**	(133)
Net trade receivables	**20,219**	20,945
Other receivables	**4,087**	6,510
Total accounts receivable	**$ 24,306**	$ 27,455

Accounts receivable by type of customer was as follows:

	As at	
(CAD$ thousands)	**June 27, 2015**	December 31, 2014
Governments (including governmental departments and agencies)	**$ 7,045**	$ 8,040
Consumers, dealers and others	**12,243**	6,076
Central and institutional banks	**5,018**	13,339
Total accounts receivable	**$ 24,306**	$ 27,455

Accounts receivables are classified as loans and receivables and are measured at amortized cost.

The Corporation does not hold any collateral in respect of trade and other receivables.

7. INVENTORIES

	As at	
(CAD$ thousands)	**June 27, 2015**	December 31, 2014
Raw materials and supplies	**$ 22,372**	$ 21,797
Work in process	**18,355**	22,540
Finished goods	**52,080**	44,686
Total inventories	**$ 92,807**	$ 89,023

The amount of inventories recognized as cost of goods sold for the 26 weeks ended June 27, 2015 is $1.1 billion (26 weeks ended – June 28, 2014 $1.2 billion).

The cost of inventories recognized as cost of goods sold for the 26 weeks ended June 27, 2015 includes $0.8 million of write-downs of inventory to net realisable value (26 weeks ended June 28, 2014 - $2.6 million).

There is no pledged collateral in respect of inventory.

8. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

8.1 Classification and fair value measurements of financial instruments

8.1.1 Classification and fair value techniques of financial instruments

The Corporation holds financial instruments in the form of cash, accounts receivable, derivative assets, accounts payable and accrued liabilities, loans payable and derivative liabilities.

The Corporation has estimated the fair values of its financial instruments as follows:

i) The carrying amounts of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values as a result of the relatively short-term nature of these financial instruments.

ii) The fair values of loans payables have been estimated based on a discounted cash flow approach using current market rates appropriate as at the respective date presented.

iii) The fair values of the Corporation's foreign currency forward contracts, commodity swap and forward contracts and other derivative instruments are based on estimated credit-adjusted forward market prices. The Corporation takes counterparty risk and its own risk into consideration for the fair value of financial instruments.

The table below details the types of derivative financial instruments carried at fair value:

	As at	
(CAD$ thousands)	**June 27, 2015**	December 31, 2014
Derivative financial assets		
Foreign currency forwards	**$ 548**	$ 265
Commodity swaps	**2,026**	1,692
	$ 2,574	$ 1,957
Derivative financial liabilities		
Foreign currency forwards	**$ 6,273**	$ 4,252
Interest rate swaps	**406**	141
	$ 6,679	$ 4,393

8.1.2 Fair value hierarchy

Financial instruments, other than those that are not subsequently measured at fair value and for which fair value approximates carrying value, whether or not they are carried at fair value in the consolidated statement of financial position, must disclose their fair value and be classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value measurement of cash and equivalents is classified as level 1 of the fair value hierarchy as at June 27, 2015 and December 31, 2014 The fair value measurements of all other financial instruments held by the Corporation are classified as level 2 of the fair value hierarchy as at June 27, 2015 and December 31, 2014. There were no transfers of financial instruments between levels for the 26 weeks ended June 27, 2015.

8.2 Financial risk management objectives and framework

The Corporation is exposed to credit risk, liquidity risk and market risk from its use of financial instruments.

The Board of Directors has overall responsibility for the establishment and oversight of the Corporation’s risk management framework. The Audit Committee assists the Board of Directors and is responsible for review, approval and monitoring the Corporation’s risk management policies including the development of an Enterprise Risk Management program which involves establishing corporate risk tolerance, identifying and measuring the impact of various risks, and developing risk management action plans to mitigate risks that exceed corporate risk tolerance. The Audit Committee reports regularly to the Board of Directors on its activities.

8.2.1 Credit risk management

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Corporation's receivables from customers, cash and derivative instruments. The Corporation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Corporation's exposure and the credit ratings of its counterparties are continuously monitored.

The carrying amount of financial assets recorded in the interim condensed consolidated financial statements represents the maximum credit exposure.

8.2.2 Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk by continuously monitoring actual and forecasted cash flows to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Corporation's reputation.

8.2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates or commodity price changes will affect the Corporation's income or the fair value of its financial instruments.

The Corporation uses derivative instruments, such as foreign currency forward contracts, interest rate exchange agreements and commodity swap and forward contracts to manage the Corporation's exposure to fluctuations in cash flows resulting from foreign exchange risk, interest rate risk and commodity price risk. The Corporation buys and sells derivatives in the ordinary course of business and all such transactions are carried out within the guidelines set out in established policies. The Corporation's policy is not to enter into derivative instruments for trading or speculative purposes.

Foreign exchange risk

The Corporation is exposed to foreign exchange risk on sales and purchase transactions that are denominated in foreign currencies primarily including US dollars and Euros. The Corporation manages its exposure to exchange rate fluctuations between the foreign currency and the Canadian dollar by entering into foreign currency forward contracts and by applying hedge accounting to certain qualifying contracts to minimize the volatility to profit or loss. The Corporation also uses such contracts in the process of managing its overall cash requirements.

Interest rate risk

Financial assets and financial liabilities with variable interest rates expose the Corporation to cash flow interest rate risk. There is no interest rate risk related to cash as there are no short-term investments as at the dates presented. The Corporation's Bankers Acceptance interest rate swap loan instruments expose the Corporation to cash flow interest rate risk. The Corporation has hedged 100% of the exposure to fluctuations in interest rates related to these instruments by entering into corresponding interest rate swaps, where the Corporation pays a fixed interest rate in exchange for receiving a floating interest rate. The interest rate swaps are designated as hedging instruments under the cash flow hedge accounting model.

Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Corporation does not account for its fixed rate debt instruments as held for trading; therefore, a change in interest rates at the reporting date would not affect profit or loss with respect to these fixed rate instruments. The Corporation's interest rate swaps expose the Corporation to fair value interest rate risk.

Commodity price risk

The Corporation is exposed to commodity price risk on its purchase and sale of precious metals including gold, silver, platinum and palladium and base metals including nickel, copper and steel.

The Corporation is not exposed to precious metal price risk related to the bullion sales program because the purchase and sale of precious metals used in this program are completed on the same date, using the same price basis in the same currency.

The Corporation manages its exposure to commodity price fluctuations by entering into sales or purchase commitments or by entering into commodity swap and forward contracts that fix the future commodity price.

Hedge accounting may be applied to the derivative contracts to minimize the volatility to profit or loss. For contracts that are entered into for the purpose of procuring commodities to be used in production the Corporation applies the normal purchases classification.

The impact of commodity price risk fluctuation on the consolidated financial statements is not significant because the Corporation's un-hedged commodity price risk is not significant.

9. CAPITAL ASSETS

9.1 Property, plant and equipment

The composition of the net book value of the Corporation's property, plant and equipment, is presented in the following tables:

	As at	
(CAD$ thousands)	**June 27, 2015**	December 31, 2014
Cost	**$ 414,046**	$ 409,035
Accumulated depreciation	**(175,977)**	(167,385)
Net book value	**$ 238,069**	$ 241,650

Net book value by asset class		
Land and land improvements	**$ 3,137**	$ 3,139
Buildings and improvements	**133,529**	132,760
Equipment	**94,492**	96,018
In process capital projects	**6,911**	9,733
Net book value	**$ 238,069**	$ 241,650

Reconciliation of the opening and closing balances of property, plant and equipment for June 27, 2015:

(CAD$ thousands)	Land and land improvements	Buildings and improvements	Equipment	Capital projects in process	Total
Cost					
Balance at December 31, 2013	$ 4,094	$ 141,120	$ 233,542	$ 11,041	$389,797
Additions	-	6,574	6,892	8,091	21,557
Transfers	-	2,968	6,431	(9,399)	-
Disposals	-	(422)	(1,897)	-	(2,319)
Balance at December 31, 2014	4,094	150,240	244,968	9,733	409,035
Additions	**-**	**1,685**	**2,017**	**2,043**	**5,745**
Transfers	**-**	**1,566**	**3,299**	**(4,865)**	**-**
Disposals	**-**	**397**	**(1,131)**	**-**	**(734)**
Balance at June 27, 2015	**$ 4,094**	**$ 153,888**	**$ 249,153**	**$ 6,911**	**$414,046**
Accumulated depreciation					
Balance at December 31, 2013	$ 951	$ 12,087	$ 138,544	$ -	$151,582
Depreciation	4	5,428	12,074	-	17,506
Disposals	-	(35)	(1,668)	-	(1,703)
Balance at December 31, 2014	955	17,480	148,950	-	167,385
Depreciation	**2**	**2,879**	**6,067**	**-**	**8,948**
Disposals	**-**	**-**	**(356)**	**-**	**(356)**
Balance at June 27, 2015	**$ 957**	**$ 20,359**	**$ 154,661**	**$ -**	**$175,977**
Net book value at June 27, 2015	**$ 3,137**	**$ 133,529**	**$ 94,492**	**$ 6,911**	**$238,069**

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

No indicators of impairment were found for property, plant and equipment as at June 27, 2015

No asset is pledged as security for borrowings as at June 27, 2015.

9.2 Intangible assets

The Corporation's intangible assets contain mainly software for internal use or for providing services to customers.

Reconciliation of the opening and closing balances of intangibles for June 27, 2015:

(CAD$ thousands)	Software	Capital projects in process	Total
Cost			
Balance at December 31, 2013	$ 24,495	$ 13,256	$ 37,751
Additions	2,923	891	3,814
Transfers	13,128	(13,128)	-
Balance at December 31, 2014	40,546	1,019	41,565
Additions	**1,616**	**313**	**1,929**
Transfers	**475**	**(475)**	**-**
Balance at June 27, 2015	**$ 42,637**	**$ 857**	**$ 43,494**
Accumulated amortization			
Balance at December 31, 2013	$ 20,565	$ -	$ 20,565
Depreciation	3,550	-	3,550
Balance at December 31, 2014	24,115	-	24,115
Amortization	**2,503**	**-**	**2,503**
Balance at June 27, 2015	**$ 26,618**	**$ -**	**$ 26,618**
Net book value at June 27, 2015	**$ 16,019**	**$ 857**	**$ 16,876**

No indicators of impairment were found for intangible assets as at June 27, 2015.

10. EMPLOYEE BENEFITS

10.1 Pension benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. Total contributions of $6.4 million were recognized as an expense in the 26 weeks ended June 27, 2015 (26 weeks ended June 28, 2014 - $6.6 million).

10.2 Other post-employment benefits

The Corporation provides severance benefits to its employees and also provides supplementary retirement benefits including post-retirement benefits and post retirement insurance benefits to certain employees. The benefits are accrued as the employees render the services necessary to earn them. These benefits plans are unfunded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

There was no settlement losses recognized in the 26 weeks ended June 27, 2015 or June 28, 2014. There were no past service costs or curtailments in the 26 weeks ended June 27, 2015 or June 28, 2014.

10.3 Other long-term employee benefits

The Corporation's other long-term benefits include benefits for employees in receipt of long-term disability benefits, sick leave and special leave benefits and worker's compensation benefits. These benefits plans are unfunded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

11. REVENUE

	13 weeks ended		26 weeks ended	
(CAD$ thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Revenue from the sale of goods	**$ 568,631**	$ 565,790	**$ 1,204,959**	$ 1,230,702
Revenue from the rendering of services	**3,801**	3,895	**7,602**	8,399
Total Revenue	**$ 572,432**	$ 569,685	**$ 1,212,561**	$ 1,239,101

12. DEPRECIATION AND AMORTIZATION EXPENSES

	13 weeks ended		26 weeks ended	
(CAD$ thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Depreciation of property, plant and equipment	**$ 4,532**	$ 4,341	**$ 8,948**	$ 8,608
Amortization of intangible assets	**1,392**	947	**2,503**	1,369
Total depreciation and amortization expenses	**$ 5,924**	$ 5,288	**$ 11,451**	$ 9,977

Depreciation and amortization expenses were reclassified to other operating expenses as follows:

	13 weeks ended		26 weeks ended	
(CAD$ thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Cost of goods sold	**$ 3,782**	$ 3,596	**$ 7,474**	$ 7,184
Marketing and sales expenses	**1,029**	677	**1,763**	1,117
Administration expenses	**1,113**	1,015	**2,214**	1,676
Total depreciation and amortization expenses	**$ 5,924**	$ 5,288	**$ 11,451**	$ 9,977

13. MARKETING AND SALES EXPENSES

Marketing and sales expenses for the 13 weeks ended June 27, 2015 includes an estimated $1.6M distribution charge refund. The refund resulted from excessive weight-based distribution charges by one carrier for prior periods dating from May 2014 to October 2014. The error originated in shipping software provided by a third party due to inadequate integration software testing with the third party. The software error went undetected from implementation (in May 2014) until October 2014. Management evaluated the error considering quantitative and qualitative criteria and determined that it was not material to any one of the prior reporting periods affected and, therefore, amendment of previously filed reports is not required. The refund is expected to be received in the third quarter.

14. SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT EXPENSES, NET

	13 weeks ended		26 weeks ended	
(CAD$ thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Research and development expenses	**$ 1,549**	$ 2,417	**$ 3,135**	$ 4,864
Scientific research and development investment tax credit	**(552)**	(200)	**(752)**	(400)
Research and development expenses, net	**$ 997**	$ 2,217	**$ 2,383**	$ 4,464

The net expenses of research and development are included in the administration expenses in the consolidated statement of comprehensive income.

15. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of Canada owned entities. The Corporation enters into transactions with these entities in the normal course of business, under the same terms and conditions that apply to unrelated parties. In accordance with disclosure exemption regarding “government related entities”, the Corporation is exempt from certain disclosure requirements of IAS 24 relating to its transactions and outstanding balances with:

- a government that has control, joint control or significant influence over the reporting entity; and
- another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity.

Transactions with related parties that are considered to be individually or collectively significant include transactions with the Government of Canada, and departments thereof and all federal Crown Corporations.

The majority of transactions were with the Department of Finance ("DOF") related to the production, management and delivery of Canadian circulation coins are negotiated and measured at fair value under a three year Memorandum of Understanding, where pricing is agreed to annually in the normal course of operations.

The revenues related to the transactions with Department of Finance are as follows:

	13 weeks ended		26 weeks ended	
(CAD$ thousands)	**June 27, 2015**	June 28, 2014	**June 27, 2015**	June 28, 2014
Revenue from DOF	**$ 26,309**	$ 25,152	**$ 47,431**	$ 51,121

Due to the retrospective application of IAS 16 at the date of transition to IFRS on January 1st, 2010, depreciation expenses that have been charged under Canadian GAAP to the Department of Finance at a rate in excess of actual depreciation expenses incurred under IAS 16 have been adjusted by the amount of $8.2 million at that time. This amount was included in accounts payable and accrued liabilities on the consolidated statement of financial position since it could be reimbursable on demand to DOF. Starting in 2011, the Corporation began reducing the billing to the Department of Finance by $0.5 million annually and the remainder of $6.2 million as at June 27, 2015 (December 31, 2014 - $6.2 million) will be deducted in future billings over the next 12 years.

16. COMMITMENTS, CONTINGENCIES AND GUARANTEES

16.1 Precious metal leases

In order to facilitate the production of precious metal coins and manage the risks associated with changes in metal prices, the Corporation may enter into firm fixed price purchase commitments, as well as precious metals leases. As at June 27, 2015, the Corporation had $11.0 million outstanding precious metal purchase commitments (December 31, 2014 – $26.8 million). At the end of the period, the Corporation had entered into precious metal leases as follows:

	As at	
Ounces	**June 27, 2015**	December 31, 2014
Gold	**160,844**	31,564
Silver	**5,544,749**	6,640,171
Palladium	**10,965**	465
Platinum	**10,059**	6,763

The fees for these leases are based on market value. The precious metal lease payment expensed for the 26 weeks ended June 27, 2015 is $1.9 million (26 weeks ended June 28, 2014 - $1.3 million). The value of the metals under these leases has not been reflected in the Corporation's consolidated financial statements since the Corporation intends to settle these commitments through receipt or delivery of the underlying metal.

16.2 Base metal commitments

In order to facilitate the production of circulation and non-circulation coins (for Canada and other countries) and manage the risks associated with changes in metal prices, the Corporation may enter into firm fixed price purchase commitments. As at June 27, 2015, the Corporation had $34.7 million (December 31, 2014 - $ 21.8 million) in purchase commitments outstanding.

16.3 Trade finance bonds and bank guarantees

The Corporation has various outstanding bank guarantees and trade finance bonds associated with the production of foreign circulation coin contracts. These were issued in the normal course of business. The guarantees and bonds are delivered under standby facilities available to the Corporation through various financial institutions. Performance guarantees generally have a term up to one year depending on the applicable contract, while warranty guarantees can last up to five years. Bid bonds generally have a term of less than three months, depending on the length of the bid period for the applicable contract. The various contracts to which these guarantees or bid bonds apply generally have terms ranging from one to two years. Any potential payments which might become due under these commitments would relate to the Corporation's non-performance under the applicable contract. The Corporation does not anticipate any material payments will be required in the future. As of June 27, 2015, under the guarantees and bid bonds, the maximum potential amount of future payments is $9.2 million (December 31, 2014 - $10.0 million).

16.4 Other commitments and guarantees

The Corporation may borrow money from the Consolidated Revenue Fund or any other source, subject to the approval of the Minister of Finance with respect to the time and terms and conditions. Since March 1999, following the enactment of changes to the *Royal Canadian Mint Act*, the aggregate of the amounts loaned to the Corporation and outstanding at any time shall not exceed $75 million. For the 26 weeks ended June 27, 2015, approved short-term borrowings for working capital within this limit, were not to exceed $25.0 million (June 28, 2014 - $25.0 million).

To support such short-term borrowings as may be required from time to time, the Corporation has various commercial borrowing lines of credit, made available to it by Canadian financial institutions. These lines are unsecured and provide for borrowings up to 364 days in term based on negotiated rates. No amounts were borrowed under these lines of credit as at June 27, 2015 or June 28, 2014.

The Corporation has committed as at June 27, 2015 to spend approximately $11.8 million (December 31, 2014 - $12.8 million) on capital projects.

As of June 27, 2015, the Corporation has future commitments of $22.0 (December 31, 2014 - $24.0 million) related to lease obligations and $25.8 million (December 31, 2014 - $22.5 million) in other contractual purchase obligations for goods and services. These commitments will be completed by June 2027 (2015 - $27.0 million, 2016 - $3.5 million, 2017 - $3.1 million, 2018 - $2.8 million, 2019 - $2.8 million and thereafter $8.6million).

There are various legal claims against the Corporation. Claims that are uncertain in terms of the outcome or potential outflow or that are not measurable are considered to be a contingency and are not recorded in the Corporation's consolidated financial statements. There is no contingent liability as of June 27, 2015 or December 31, 2014.

There have been no other material changes to the Corporation's commitments, contingencies and guarantees since December 31, 2014.