



Speaking Notes for

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Royal Canadian Mint

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Check against delivery

I would like to advise everyone that certain comments being made today may contain forward-looking statements about the Mint's strategy and expected financial and operational results. Forward-looking statements are based on the assumption that there will be no change to the Mint's current mandate. The main risks are described in the Mint's Annual Report. These factors could cause actual results to differ materially from the expectations expressed or implied by the forward-looking statements.

I am pleased to provide highlights of our 2024 financial results, the evolution of our operating expenses and our outlook for 2025.

Overall, the Mint delivered 18.0 million dollars of profit in 2024, an increase of 1.4 million dollars from last year.

While the softness in the global demand for bullion products continued from the second half of 2023, the weaker performance of the Precious Metals business was partially offset by higher gold market pricing, higher foreign circulation volumes sold and planned lower level of operating expenses to support the Mint's on-going operations, our digital program and business transformation initiatives. Profit before taxes and other items, a non-GAAP measure that the Mint uses to measure its operational performance, was 11.0 million dollars in 2024, exceeding its financial goal of 8.8 million for 2024 as outlined in the Mint's 2024-2028 Corporate Plan.

So, now, let's look at how each line of business performed during the year.

Canadian Circulation revenue was consistent year over year at 87.3 million dollars. Compared to 2023, lower program fees were mostly offset by a higher volume of coins required to replenish inventories due to a decrease in deposits with financial institutions.

Overall demand for coins remained constant at 2.0 billion coins.

Foreign Circulation business revenue was 48.7 million dollars, an increase of 76% from 27.6 million dollars in 2023 which reflects the change in the mix of coins produced and a 61% increase in volumes produced and shipped year over year. As the Mint invested in innovative technologies and processes, giving the us additional leverage in pursuing new opportunities in the foreign circulation market.

Other than circulation coins, the Mint also operates in the Precious Metals sector.

While the bullion market continued to experience soft demand, the Mint worked hard to expand its offering to a wider audience through changes such as smaller gold bullion bar formats and opening more accessible retail sales channels in partnership with our official distributors. More than a century of refining experience led the Mint to a place of leadership and influence in the precious metals industry. In continually advancing our responsible metal sourcing capabilities, we implemented a powerful new solution to track, from mine to mint, the provenance and custody of gold entering our refinery.

The Bullion Products and Services business revenues decreased from 2.0 billion dollars in 2023 to 1.0 billion dollars in 2024. Net sales volumes for gold bullion products decreased 43%, while silver bullion product sales net volumes decreased 36%. The average market price of gold increased 22% compared to 2023, while silver increased 21%.

Numismatics revenue was consistent year over year at 140 million dollars. 2024 featured strong sales from the Commemorative Coin Program, Lunar Year and kilo Gold products, whereas 2023 saw high demand from the late *Queen Elizabeth II's Reign* and His Majesty *King Charles III Coronation* products.

In addition, operating expenses decreased 11% to 119.5 million dollars, compared to 135 million dollars in 2023 due to the effective containment of operating expenses, in particular consulting and workforce costs to support on-going operations as well as expenses related to the digital program and business transformation.

Cash used to fund capital projects decreased to 20.8 million from 32.0 million in 2023, as most of the strategic investments in production equipment for the Winnipeg and Ottawa plants were substantially complete in 2024. The Mint declared and paid a dividend of 1 million dollars to the Government of Canada with respect to 2024.

With the help of our distribution partners, we manage the supply of coins, primarily through inventory redistribution and recycling. As a result of the efficiencies the system has created, we recirculate about 88% of all coins in circulation, limiting new coin production to what is strictly necessary, roughly about 12% of coins in circulation. That is one important way we responsibly deliver on our core mandate. Based on public accounts for the year ended March 31, 2024, the Mint also supported the Government of Canada in earning more than 12 million dollars in seigniorage, on its sales of coins to financial institutions.

Now that I have presented our 2024 results, I will provide some insights for 2025.

Looking forward, the Mint's financial goal for 2025 is profit before taxes and other items of 8.5 million dollars.

In the first quarter of 2025, the Mint's profit was \$2.0 million and a loss before taxes and other items of 8.9 million dollars compared to profit of \$4.6 million and a profit before taxes and other items of 4.8 million dollars in the first quarter of 2024. Geo-political-driven uncertainty has disrupted precious metals markets, resulting in a significant increase in the cost for leasing precious metals required to support the Mint's refinery and production operations. The weaker performance was also due to the continued soft demand on the global bullion market, that started in second half of 2023, as well as higher precious metal purchase costs. Partially offsetting the higher costs of sales were higher revenue from both precious metals and numismatics supported by higher gold market pricing and favourable foreign exchange on our US denominated revenue, as well as a planned lower level of operating expenses to support the Mint's on-going operations.

For the remainder of 2025, the Mint sees a path to a profitable year as we pursue new opportunities in both our circulation and precious metal business areas, supply chain resiliency as well as operational efficiencies. However, it is possible that we will not achieve our profitability target of \$8.5 million.

We have already seen some improvement in precious metal lease costs in the second quarter, and we are actively managing the impact of economic and geopolitical events around the globe, including trade barriers, on the demand for our products, their cost, and on our global supplier network. We have also established contingency plans, when required, to support the business.

Thank you.