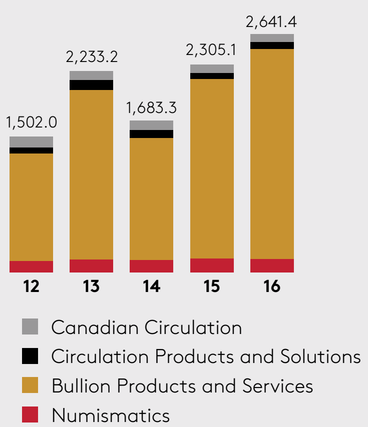
WITH PRIDE AND PURPOSE

ANNUAL REPORT 2016

FINANCIAL AND OPERATING HIGHLIGHTS

	2016	2015 (restated)[1]	% change
Key financial highlights ($ in millions)			
Revenue	**2,641.4**	2,305.1	15
Gross profit	**175.6**	165.3	6
Pre-impairment profit before income tax	**32.9**	27.1	21
Profit (loss) before income tax	**32.9**	(38.4)	186
Profit (loss) after income tax	**24.5**	(28.3)	187
Total assets	**444.1**	469.5	(5)
Shareholder's equity (post impairment net of income tax)	**185.4**	185.3	–
Capital expenditures	**12.8**	17.4	(26)
Cash flow from operting activities	**33.4**	119.0	(72)
Pre-impairment pre-tax return on equity[2]	**18%**	12%	
Pre-tax return on equity	**18%**	(21%)	
Key operating highlights			
Canadian circulation coins produced (in millions of pieces)	**533.0**	350.0	52
Gold bullion coin sales (in thousands of ounces)[3]	**987.6**	953.0	4
Silver bullion coin sales (in millions of ounces)[3]	**32.4**	34.3	(6)
Number of employees (at December 31)	**1,280**	1,202	6

Revenues (segmented)
Restated[1]
($ in millions)



1 2015 figures have been revised to reflect the restatement and reclassifications described in Note 3 to the audited consolidated financial statements.
2 Calculated based on pre-impairment profit and pre-impairment equity.
3 Bullion volumes are presented on a gross basis. Excluding customer inventory deals, gold bullion volumes were 740.1 thousand ounces in 2016 (2015 – 692.3 thousand ounces) and silver bullion volumes were 26.5 million ounces (2015 – 25.9 million ounces).

Contents

Celebrating Canada

In 2016, we proudly supported Canada and Canadians with our outstanding products and through our important role providing coin currency in a cost-effective manner. We generated value for the economy as a thriving global enterprise. We celebrated the people, places and achievements that have made Canada exceptional — and set the stage to celebrate the country's 150th anniversary in 2017.

MESSAGE FROM THE PRESIDENT AND CEO

In 2016, we continued to execute our new business strategy, making clear choices and delivering with excellence.

We are encouraged by the results we have seen so far. The new strategy, together with the strength of our diversified business model, has led us to success in several areas: we achieved a turnaround in our Circulation Products and Solutions business and Bullion continued to exceed expectations.

We demonstrated solid financial performance with strong results in our Bullion and Circulation Products and Solutions businesses offsetting a year of transition in our Numismatics business. We continue to see significant and profitable growth potential in Numismatics but this requires a material change in our tactics and will take some time to fully develop, as seen in our 2016 results.

2017 will be a year like no other for Canada and for Canadians: a time to come together to celebrate Canada's 150th anniversary. Through our coins, we are placing ourselves at the centre of the action, offering Canadians and collectors around the world a way to hold on to this unforgettable moment. Canada 150

circulation coins will start finding their way into pockets and purses across the country in the spring; our innovative and creatively designed numismatic coins are already being offered through our various sales channels. With pride and purpose, Mint employees are excited to be taking part in this momentous anniversary.

Our talented and resourceful employees are at the heart of everything we do. We have the privilege of benefitting from a team with broad experience—from 35-year veterans of our business to new and eager employees who bring a fresh lens to their everyday tasks. With employees' well-being in mind, we introduced an all-encompassing mental health program in 2016 to remove the stigma of mental illness in our workplace.

Our industry is constantly changing and we must adapt. Looking back at the Mint's 109-year history, it is easy to feel proud of the many significant milestones we have reached—and the many Canadian celebrations we have been part of. The knowledge, expertise, artistry and craftsmanship we've developed over these many years have put us on a strong footing for a bright future.

Sandra L. Hanington
President and CEO

CANADA 150 COIN DESIGN CONTEST WINNERS

A ONCE-IN-A GENERATION OPPORTUNITY

"I was a young boy when I received my set of centennial coins by Alex Colville. I thought this was an amazing opportunity to participate in Canada's 150-year celebration."

Gerald Gloade,
Millbrook First Nation,
Nova Scotia
Winner, 5-cent coin design

"Hopefully, one day, the offering of the maple leaf will be as symbolic as the offering of the olive branch."

Amy Choi,
Calgary, Alberta
Winner, 10-cent coin design

To celebrate Canada's 150th anniversary, we held a competition inviting Canadians to submit their designs for 2017 circulation coins.

"I was born here nine years ago. One hundred and fifty years is a very long time. Happy birthday to my beautiful homeland — Canada!"

Joelle Wong,
Richmond Hill, Ontario
Winner, 25-cent coin design

More than 10,000 designs were submitted by Canadians from every province and territory in five thematic categories.

"All these images are in one way or another connected to the railroad, for which all Canadians can be forever grateful."

Wesley Klassen,
St. Catharines, Ontario
Winner, one-dollar coin design

Canadians cast over 1 million votes to select the final coin designs.

The Canada 150 *My Canada, My Inspiration* coins will enter circulation in Spring 2017.

"Traditional Cree philosophy attributes the Northern Lights to a special moment when the Spirits manifest themselves, dancing, to the human eyes and minds below."

Timothy Hsia,
Richmond, BC
Winner, two-dollar coin design

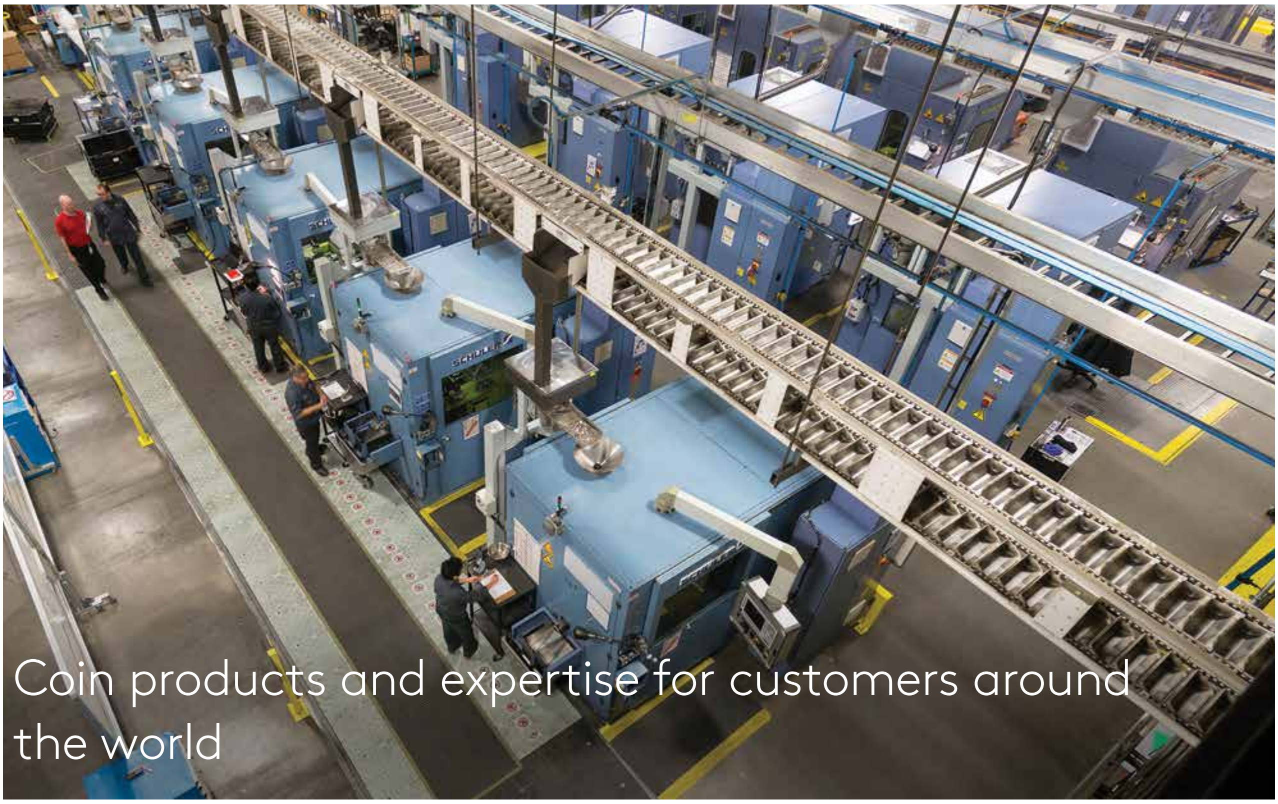
Secure, high-quality and cost-effective coinage for Canadian trade and commerce

The Mint has a proud history of marking significant moments in Canadian history, including honouring the courage and sacrifice of Canadians who served at sea with a special 2016 $2 commemorative circulation coin marking the 75th anniversary of the Battle of the Atlantic.

COINS FOR EVERY DAY — AND FOR EXCEPTIONAL OCCASIONS

Our core mandate is to ensure Canadians have the coins they need for trade and commerce. Last year we continued to do this efficiently and cost-effectively, delivering circulation coins in line with the country's needs while managing the impact of lower coin recycling volumes.

In 2017, we will launch the Canada 150 commemorative circulation coin program, giving Canadians from coast to coast to coast the opportunity to celebrate the country's 150th anniversary in a tangible and memorable way. We will also carry forward our commitment to prudent financial management and operational efficiency and continue to explore the next frontier of circulation coinage.



Coin products and expertise for customers around the world

In 2016, the Mint won a significant new contract with the Central Bank of the UAE for the production of the 50 Fils circulation coin using our multi-ply plated steel technology. Our renewed strategic focus gave us the agility and key resources to respond quickly and meet our customers' circulation coinage needs.

MINTING EXCELLENCE

Changes we made last year contributed to growth and success in Circulation Products and Solutions. Revenues for the foreign circulation business rose by 33 percent over 2015 and a number of key contracts were secured, including an agreement to produce more than one billion coins for a national customer in Africa.

In Canada, we effectively managed an expected slowdown in the Alloy Recovery Program, which replaces older-composition Canadian coins with newer, more durable and secure versions.

By optimizing our supply chain, leveraging the flexibility of cell manufacturing, improving productivity and reducing our fixed-cost structure, we will ensure ongoing competitiveness into 2017—continuing to meet other countries' currency needs, including those looking to adopt 'next-generation' coinage.

CORPORATE SOCIAL RESPONSIBILITY HIGHLIGHTS

OUR CUSTOMERS

Average Order Lifecycle reductions

To enhance our customer experience, we reduced the time between order receipt and delivery of goods from nine days to

3.71 days

and established monitoring mechanisms to respond to challenges.

LBMA compliance

We obtained *LBMA Responsible Gold Guidance certification,* ensuring our operations remain in continuous compliance.

OUR PEOPLE

Mental health initiative

We are creating a culture in which people are comfortable discussing and addressing mental health issues.

Engagement focus

Our goal is to have an engaged and enabled workforce. With engagement survey results below expectations, our focus in 2016 was to develop senior leadership communication of our strategy and results. In 2017, we will take a refreshed approach to the survey to better understand engagement drivers during a period of transformation.

Health and safety program

For a safe and healthy workplace, we completed all planned activities to improve our practices and develop safe behaviour including personal protective equipment training, implementing an audit and inspection program and finalizing our crisis management structure.

CANADA AND CANADIANS

Commemorative program

We launched three commemorative coins featuring themes that reflect Canadian milestones: the 100th anniversary of Women's Right to Vote, the Lucky Loonie and 75th anniversary of the Battle of the Atlantic. A combined

15 million coins

reached Canadians across the country.

Water savings

An annual reduction of 2.9% was achieved, with the plating lines water consumption initiative resulting in a savings of

50,000,000

litres.

MENTAL HEALTH SPOTLIGHT

We are committed to raising awareness and fighting stigma around mental health issues.

By the end of 2016, more than

250

people managers received mental health first aid training.

We launched a People Manager's Resource Kit to build team leaders' awareness of mental health.

Employees Echo Asher (right) from Winnipeg and Ryan Anglehart (below) from Ottawa are both active members of our mental health committee.

1,000

employees have taken part in mental health program activities including webinars and sharing stress-reduction strategies.

In 2017, we will focus on coping with stress through our Monthly Mental Health Conversations and through promotional campaigns to be held during Mental Health Week and Mental Illness Awareness Week.

We engaged employees in conversations about mental health through the *Not Myself Today* program from Partners for Mental Health.

Survey Says

Our May 2016 employee wellness survey found:

76% of respondents reported increased awareness of mental health since the launch of the program.

The majority of employees feel their supervisor cares about their emotional well-being.

The majority feel supported by their peers when feeling overwhelmed, or experiencing stress or other mental health issues.

We promoted mental health awareness through:

Monthly mental health information sharing

Mental Health Awareness Week activities

Mood stickers

Mythbusting

Weekly tips

BRINGING INNOVATION TO DEALERS WORLDWIDE

Demand for our Gold and Silver Maple Leaf bullion products remained near record levels last year. We successfully enrolled industry-leading dealers and distributors representing a significant proportion of the bullion sales market in our Bullion DNA Dealer program. DNA, or Digital Non-destructive Activation, is our anti-counterfeiting technology and a successful approach to differentiating our products and deepening our channel relationships.

Our vertical integration, from refining to storage, gives us cost-effective operational flexibility and the breadth of services to meet our customers' needs.

TM/MC & © DC Comics. (s17).

In June 2016, the Mint released a world-first 1 oz. 99.99% pure silver bullion coin celebrating *Superman*™. The coin features a unique micro-engraved maple leaf security mark containing the numeral "16"—making it a highly secure collectible.

Collectible coins to captivate customers

The Mint issued a silver collector coin that celebrates the Inukshuk, the Inuit stone structure that conveys friendship and guidance—as an iconic representation of Canada and the Canadian spirit. The first reverse gold-plated coin ever produced by the Mint was among the year's 86 numismatic sell-outs.

CONNECTING WITH COLLECTORS IN NEW WAYS

We continued to develop innovative numismatic products throughout 2016, including an illuminated Underwater Reef coin and a concave coin celebrating the 140th anniversary of the Library of Parliament. In the fall, we launched the first coin of our Canada 150 numismatic program—an introductory suite of affordably priced products to delight customers. Moving forward, we will leverage our new approach to replace the Face Value program's role in creating new collectors. Through enhancements to our website and call centre, we are ready and able to execute on the Canada 150 program in 2017 and proud to contribute to this national celebration.

THE MINT'S GLOBAL ROLE

We delivered more than

1.6 billion

coins and blanks to 13 global customers in 2016.

INTERNATIONAL BULLION SALES ACCOUNTED FOR

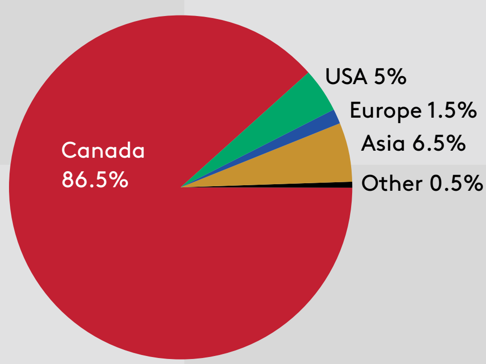
76%

OF THE ROYAL CANADIAN MINT'S TOTAL REVENUE

Our numismatic coins appeal and delight collectors not only in Canada but around the world, like this 2016 pure gold coin featuring wind-blown sugar maple leaves (top).

Sales of Numismatic Coins Canada vs Other countries

(percent of total sales)



Our Centre of Excellence in Winnipeg hosted 16 representatives from 9 central banks to share our leading practices.

Revenues for our foreign circulation business increased

33%

over 2015.

MESSAGE FROM THE CHAIR

The Mint began implementing its new strategic plan in 2016, focused on fulfilling its role as Canada's mint and on maintaining its leadership as a global enterprise. The Board will provide ongoing oversight and direction as that implementation rolls out.

The Corporation performed well throughout the year, with continued market strength in Bullion Products and Services and impressive growth in Circulation Products and Solutions.

We also reinforced our leadership in high-definition coin colouring technology through a long-term, exclusive supplier relationship with Teca Print, which will continue to differentiate and strengthen the Mint's offering to numismatic coin buyers as well as international customers looking for best-in-class coloured circulation coins. The Numismatics business encountered some challenges associated with the accounting for the Face Value program and these have been carefully resolved.

Testament to many years of strong operating results, the Mint returned a $31 million dividend to the federal government for 2016.

At the Board level, we laid the groundwork for membership renewal, as a number of Board member terms have expired. We posted positions and are planning for the appointment of candidates in 2017. In preparation for a review of all Board committees, we began developing a framework to confirm the mandate of the Governance committee last year as well.

It is an honour to serve as Chair of this distinguished and future-minded Corporation, particularly for the opportunities the role brings to connect with Canadians. For example, it was a personal privilege to present a coin commemorating the 100th anniversary of the Battle of Beaumont-Hamel to the people of Newfoundland in St John's last summer.

The Mint is important to Canada not only for its role in making coins for Canadians but also as a contributor to the economy, an international business that employs more than 1,200 people. More than a coin maker, this Corporation is a full-service marketing, sales and manufacturing organization that punches above its weight, competing globally with public and private mints and delivering to the marketplace some of the most secure currency in the world.

I thank everyone whose efforts contributed to the Mint's success in 2016, and to my fellow Board members for their strategic insight throughout the year.

Carman M. Joynt, FCPA, FCA, ICD.D
Chair

CORPORATE GOVERNANCE

The Royal Canadian Mint is committed to maintaining a strong governance framework that allows us to continue our leadership in the global minting industry, maintain and promote our vision and corporate values, and safeguard our long-term viability as a federal Crown corporation.

Enabling effective trade and commerce

Incorporated as a Crown corporation in 1969 under the *Royal Canadian Mint Act*, the Mint is accountable to Parliament through the Minister of Finance. The legislative framework governing the Mint consists of the *Royal Canadian Mint Act* and the *Financial Administration Act* as well as other legislation and regulations applicable to all federal Crown corporations.

The Mint's mandate is to produce and deliver secure, high-quality and cost-effective Canadian circulation coins in support of trade and commerce. Our vision is to "*deliver excellence… through our customer-driven businesses, our talented people and the value we add to Canada and Canadians*"—and we are committed to adhering to the highest standards of business conduct in carrying out that vision. Our Code of Conduct and Ethics Policy provide guidance for our employees and set forth the core values—honesty, respect, pride and passion—that define employee behaviour and support our vision.

Ensuring effective governance

The Board of Directors has overall responsibility for overseeing the management of the Mint's business and affairs. It exercises its duty in the best interests of the Mint and the long-term interests of our sole shareholder, the Government of Canada, in accordance with our governing by-laws and applicable legislation.

To fulfill its stewardship responsibilities, the Board establishes and approves the Mint's strategic direction through a five-year Corporate Plan, and reviews and approves major strategies and initiatives. It exercises due diligence by assessing risks and opportunities, monitoring corporate financial performance, ensuring the integrity of financial results, and providing timely reports to the Government of Canada. A new five-year Corporate Plan comes into effect in 2017.

Throughout 2016 and as we entered 2017, the Board consisted of 11 directors, including the President and Chief Executive Officer (CEO). Directors are appointed from different regions across Canada and four of the 11 directors are women. With the exception of the CEO, all directors are independent of the Mint's senior management. The Board and its committees hold in camera sessions with and without the presence of the CEO.

The Board of Directors met six times in 2016. Three standing committees assist the Board in discharging its responsibilities: the Audit Committee, the Governance and Nominating Committee, and the Human Resources and Workplace Health and Safety Committee. In 2016, these committees met a combined total of 12 times.

While the CEO receives an annual salary, the Chair of the Board and each director is paid an annual retainer and *per diem* set by the Governor in Council pursuant to the *Financial Administration Act*. They are reimbursed for all reasonable out-of-pocket expenses incurred while performing their duties related to the Mint, including travel, accommodations and meals. In 2016, the Mint completed its review and implementation of a new Corporate Travel, Hospitality, Conference and Event Policy that is aligned with related Treasury Board policies and directives. Associated expenses for Board members and senior management are posted on the Mint's website.

Director	Total remuneration (annual retainer / *per diem*)	Board meeting attendance[1]	Committee meeting attendance[1]
Carman M. Joynt	$ 43,682	6/6	12/12
Sandra L. Hanington	$ –	6/6	12/12
John K. Bell	$ 14,687	6/6	9/9
Claude F. Bennett	$ 15,657	6/6	8/8
Guy Dancosse	$ 17,112	6/6	4/4
Susan Dujmovic	$ 18,567	5/6	5/5
Ghislain Harvey	$ 13,960	5/6	4/4
Kirk MacRae	$ 17,840	6/6	3/3
N. William C. Ross	$ 14,202	6/6	3/3
Carol Skelton	$ 24,630 [2]	6/6	5/5
Bonnie Staples-Lyon	$ 13,960	4/6	5/7
Total	**$ 194,297**		

Notes:

1 The number of meetings attended compared to the maximum the Director could have attended

2 Includes training for Director certification

Staying connected with the public and our employees

The Mint engages in numerous activities to promote transparency, accountability and accessibility, including hosting an annual public meeting and publishing an annual report that is tabled in Parliament. We solicit feedback from and engage with Canadian consumers and other stakeholders through customer surveys, focus groups and other public opinion research on a variety of topics throughout the year. We also meet regularly with our numismatic and bullion dealers and distributors, and participate in trade conferences and events attended by Mint customers, dealers and distributors.

Meetings were held in the spring and fall of 2016 to update employees on our performance, celebrate achievements and recognize employees' contributions to our success. Managers also held meetings with their direct reports throughout the year to improve communication and promote employee engagement.

BOARD OF DIRECTORS

Carman M. Joynt, FCPA, FCA, ICD.D
President, Joynt Ventures Inc.
Ottawa, Ontario
Chair of the Board

John K. Bell, FCPA, FCA, ICD.D
CEO, Onbelay Capital Inc.
Cambridge, Ontario

Claude F. Bennett
Retired
Ottawa, Ontario

Guy Dancosse, Q.C., ICD.D, CIRC
Dunton Rainville LLP
Montréal, Quebec
Chair, Human Resources and Workplace Health and Safety Committee

Susan Dujmovic, FICB, ICD.D
Head of Regulatory Compliance Retail Banking and Wealth Management
HSBC Bank of Canada
Vancouver, British-Columbia
Vice-Chair, Board
Chair, Audit Committee

Sandra L. Hanington, ICD.D
President and Chief Executive Officer

Ghislain Harvey, CIRC
CEO of Promotion Saguenay Inc.
Saguenay, Quebec

Kirk MacRae, ICD.D
President, R.K.M. Investment Ltd.
Sydney, Nova Scotia
Chair, Governance and Nominating Committee

N. William C. Ross
Senior Counsel
WeirFoulds LLP
Toronto, Ontario

The Honourable Carol Skelton, ICD.D
Retired
Harris, Saskatchewan

Bonnie Staples-Lyon
Director of Public Affairs
Changemakers
Winnipeg, Manitoba

MANAGEMENT DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) provides a narrative discussion outlining the financial results and operations changes for the year ended December 31, 2016, for the Royal Canadian Mint (the Mint). This discussion should be read with the consolidated financial statements and accompanying notes for the year ended December 31, 2016, which were prepared in accordance with International Financial Reporting Standards (IFRS) and are presented in Canadian dollars. Financial results reported in the MD&A are rounded to the nearest million unless otherwise stated. The information in this MD&A is current to March 23, 2017, unless otherwise noted. Management is responsible for the information presented in the annual report and this discussion. The Board of Directors, on the recommendation of its Audit Committee, approved the content of this MD&A and the audited consolidated financial statements.

The Mint celebrated the 140th anniversary of the Library of Parliament with its first ever concave coin, whose ultra-high relief shows off the amazing detail of the Library's architecture, as seen from the inside of its domed ceiling. This coin, which was a quick sell-out, was unveiled before Senators, Members of Parliament and special guests assembled in the Library.

Materiality

In assessing what information is to be provided in the MD&A, management applies the materiality principle as guidance for disclosure. Management considered information material if it is probable that its omission or misstatement would influence decisions that user's make on the basis of the financial information.

Forward-looking statements

Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking statements.

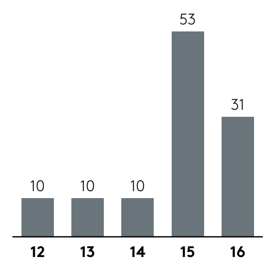
Executive summary

The Royal Canadian Mint is Canada's national mint, whose core mandate is to produce circulation coins for Canada, manage the supporting distribution system and provide advice to the Government of Canada on all matters related to coinage. It accomplishes this mandate through a world-leading coin distribution network and inventory management system and a high-tech high-volume manufacturing, plating and coining facility in Winnipeg. It is also responsible for safeguarding the integrity of Canada's coinage through ongoing research, development and implementation of increasingly sophisticated security features. The Mint's activities also include the production and marketing of bullion and related refinery products and services, numismatic coins, medals and the provision of minting services to foreign countries.

Circulation Products and Solutions (CP&S) produces and supplies finished coins, coin blanks and tokens to customers around the world, including central banks, mints, monetary authorities and finance ministries. These contracts leverage the infrastructure and industry-leading expertise in the Mint's Winnipeg manufacturing facility. CP&S is also responsible for the Alloy Recovery Program (ARP) under which older-composition Canadian coins are removed from circulation and replaced by multi-ply plated steel (MPPS) coins, which are more durable and secure. This systematic replacement of old alloy coins also ensures that there is consistency in the market, which helps to streamline automated coin acceptance transactions.

The Bullion Products and Services business provides its customers with market-leading precious metal investment coin and bar products, supported by integrated precious metal refining, storage and exchange traded receipts (ETR) capabilities. The products include the Maple Leaf family of gold, silver, palladium and platinum coins, and other precious metal products and services for investment and manufacturing purposes. As a market leader in the industry with bullion coins of the highest quality and unprecedented security, the Mint is well positioned to capture a leading share of any increase in demand while sustaining volumes during soft markets. The Canadian Gold and Silver Reserves ETR products listed on the Toronto Stock Exchange allow retail and institutional investors to access precious metals stored at the Mint while reducing Mint lease costs.

Dividends
($ in millions)



The Numismatics business creates and sells collectible coins and medals to customers in Canada and around the world. Due to its world-class designs, the Mint's global leadership in the art and science of minting is consistently recognized with prestigious international awards in large part due to innovative technology enhancements such as holograms, selective plating and stunning colour that allow the Mint to create unique and compelling products. Mint.ca continues to rank among the top destinations for online numismatic coin purchases in Canada and around the world, a direct result of the Mint's focus on building traffic to its website in order to grow direct sales, as well as the secondary market for collector coins.

Significant corporate events

Restatement of Prior Periods – Numismatic Face Value Products

In the course of the preparation of the interim condensed consolidated financial statements for the quarter ended October 1, 2016 (Q3 2016) the Mint identified an adjustment relating to prior periods requiring restatement, relating to the sale of numismatic Face Value products.

In the past, sales of numismatic Face Value products were recorded as revenue, along with a liability for expected redemptions and returns which was based on historical redemption and return patterns for other numismatic products. In 2016, the Mint conducted an extensive review of the Face Value program and redemptions and returns to date. Face Value products have different characteristics than other numismatic products as they have a Face Value equal to their purchase price, which combined with the unlimited redemption and return period permitted by the Mint's current redemption and return policies and practices, make Face Value products significantly more likely to be redeemed or returned than other numismatic products. Consequently, in the Mint's view, the historical redemption and return patterns for other numismatic products cannot be used to estimate the redemptions and returns for Face Value products and no reasonable, reliable alternative method exists.

As a result of this review, it was determined that revenue should not be recognized until a reasonable estimate of redemptions and returns can be made. The Mint believes the primary factors influencing its ability to develop a reliable estimate of redemptions and returns to be the market price of silver and a change in the term over which redemptions and returns may be accepted.

At December 31, 2016, the market price of silver contained in these coins was significantly less than the Face Value of these coins, and it is currently not the intention of the Mint to place an expiry date on the current redemption and return policies. As a result, a liability representing the cumulative value of unredeemed/unreturned Face Value products and the costs of redemptions and returns, net of the value of the corresponding silver content, was recorded in 2016 with retrospective adjustment to the inception of the Face Value program. While the Face Value program ended January 1, 2017, the fulfillment of backorders will increase the net liability. The net liability will also decrease or increase each period as the market price of silver (in U.S. dollars) increases or decreases and the Canadian dollar weakens or strengthens with respect to the U.S. dollar. These movements in the net liability will impact profit (loss) each period.

A silver collector coin was produced to mark the 90th birthday of Her Majesty Queen Elizabeth II. Selling out in less than a week, it features brilliant colour with a glittering effect that adds a realistic sparkle to an engraving of Her Majesty's diamond-encrusted maple leaf brooch.

The consolidated financial statements for the year ended December 31, 2015 have been restated to reflect this change in accounting.

Prior Period Reclassification – Presentation of Revenue and Cost of Sales Relating to Bullion Products and Services

Historically, all of the revenue associated with bullion product sales was presented on a gross basis; however, there are several different sales streams for bullion products. In Q3 2016, the Mint initiated a review of the different bullion sales transaction types during which it was determined that it was more appropriate to present revenue from bullion sales on a net basis when the transaction involves inventory that a customer has on deposit with the Mint to create a product for them of a different format, for instance, a Gold Maple Leaf. As a result, the revenue and cost of precious metals from Bullion sale transactions involving customer inventory on deposit with the Mint ("Customer inventory deals") are now presented on a net basis, with only the commission and incremental value-added manufacturing services continuing to be recognized as revenue. This change in presentation has no impact on profit (loss).

The consolidated statement of comprehensive income for the year ended December 31, 2015 has been adjusted to reflect this change in the presentation of revenue and cost of sales.

The effect of the Face Value restatement, Customer inventory deals reclassification, as well as other reclassifications are shown in the table below:

Consolidated statement of comprehensive income

	Year ended December 31, 2015				
	As previously reported	Face Value restatement	Customer inventory deals reclassification	Other reclassifications[1]	As revised
Revenues	$ 2,974.1	$ (45.6)	$ (625.7)	$ 2.3	$ 2,305.1
Cost of sales	2,770.2	(2.9)	(625.7)	(1.7)	2,139.9
Net foreign exchange gains (losses)	(0.8)	4.9	–	(2.6)	1.5
Administration expenses	60.2	–	–	1.5	61.7
Income tax recovery	0.2	9.9	–	–	10.1
Loss for the period	(0.3)	(28.0)	–	–	(28.3)

1 The Mint modified the classification of certain amounts between revenue, cost of sales and administration expenses to more appropriately reflect their nature.

Customer acquisition program transformation

After five years of acquiring new customers and growing its overall Numismatic business through its Face Value program, the Mint is changing the way it will attract future customers to coin collecting. Effective January 1, 2017 the Mint is no longer selling Face Value coins. Sales continued in Q4 2016 as the Mint prepared to wind down the program. Starting in 2017, the Mint will leverage the considerable appeal of Canada 150 as a prime opportunity to launch new products and programs including a new suite of affordable, entry-level collector coins which will continue to grow its customer base and its Numismatics business. The Mint introduced the first of these coins in the fall of 2016 and more will follow throughout 2017.

The Mint proudly honoured Canada's national heroes with a new silver collector coin series featuring firefighters, paramedics, police and the military. In conjunction with the series, the Mint donated $10,000 to the Red Cross Alberta Fires Appeal (Fort McMurray) as well as $5 from the sale of every "Firefighters" coin, which raised $50,000.

Canadian Circulation returns to for-profit model

On December 15, 2016, Bill C-29, *A Second Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016, and other measures*, received Royal assent. In particular, this *Act* clarifies the Mint's powers and reverses the December 2014 amendment to the *Royal Canadian Mint Act* by removing the restriction that the Mint shall not anticipate profit with respect to the provision of any goods or services to Her Majesty in right of Canada.

In mid-2017, the Mint will negotiate an updated Memorandum of Understanding with the Department of Finance to govern the provision of circulation products and services.

Recycling program

In the past few years, the Mint has been working closely with two service providers to support the recycling program mandated by the Government of Canada. During Q2 and Q3 2016, both suppliers lost the participation of two major financial institutions. In both situations the financial institutions indicated that participating in coin recycling did not align with their corporate priorities. Neither service provider has been able to deploy the existing recycling kiosks to alternate locations. The Mint's senior management met with executives from the main service provider in Q1 2017 and are working on a plan to distribute additional kiosks and to promote and increase coin recycling. The Government of Canada has emphasized that the goal is to re-establish a robust coin recycling program in Canada.

Travel and hospitality expenditure policies and procedures

In July 2015, the Mint was issued a directive (P.C. 2015-1107) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Mint's next Corporate Plan. The Mint has fulfilled this directive and implemented a new integrated Corporate Travel, Hospitality, Conference and Event policy effective February 29, 2016.

Senior executive appointments

A new Vice-President, Marketing and Communications, Francine Hochereau joined the management team on July 4, 2016. Ms. Hochereau has over 25 years of experience in marketing in various roles and industries. Ms. Hochereau brings with her extensive experience in direct marketing, product development, product management and customer lifecycle management with large customer-centric corporations.

Departures and appointments to the Board of Directors

No new board appointments occurred during 2016.

Corporate Plan

On March 23, 2017, the Mint's Board of Directors approved the 2017 – 2021 Corporate Plan.

Performance indicators

To achieve its objectives, the Mint strives to continually improve profitability through prudent financial management and efficient operations. The Mint measures its performance by using metrics meaningful to customers, business partners and employees. The measures below allow the Mint to monitor its capacity to improve performance and create value.

Consolidated results and financial performance

	2016	2015 (restated)	$ change	% change
Revenue	**$ 2,641.4**	$ 2,305.1	$ 336.3	15
Pre-impairment profit before income tax	**32.9**	27.1	5.8	21
Impairment	**–**	(65.5)	65.5	100
Profit (loss) before income tax	**32.9**	(38.4)	71.3	186
Profit (loss) after income tax	**24.5**	(28.3)	52.8	187
Total assets	**444.1**	469.5	(25.4)	(5)
Working capital	**136.1**	128.0	8.1	6
Pre-impairment pre-tax return on equity [1]	**18%**	12%		
Pre-tax return on equity	**18%**	(21%)		
Pre-impairment pre-tax return on assets [1]	**7%**	6%		
Pre-tax return on assets	**7%**	(8%)		

1 Calculated based on pre-impairment profit and pre-impairment equity and assets.

Results of operations

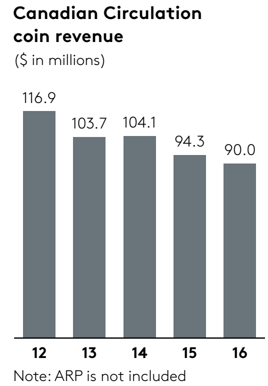
Review of financial performance

Profit before impairment and income taxes for the 52 weeks of fiscal 2016 increased 21% to $32.9 million from $27.1 million in fiscal year 2015. This increase in profit was primarily driven by higher margins across all profit-oriented business, in particular circulation products and solutions, and lower operating expenses.

Revenue by program and business

Revenue by program and business

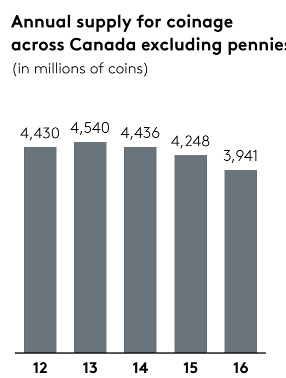
	2016	2015 (revised)	$ change	% change
Canadian Circulation Program	**$ 90.0**	$ 94.3	$ (4.3)	(5)
Circulation Products and Solutions	**74.3**	70.0	4.3	6
Bullion Products and Services	**2330.3**	1,987.9	342.4	17
Numismatics	**146.8**	152.9	(6.1)	(4)



Canadian Circulation Program

Coin supply

(in millions of coins)	2016	2015	Change	%
Financial institutions inventory	**3,097**	3,266	(169)	(5)
Recycled coins	**382**	590	(208)	(35)
Coins sold to financial institutions	**462**	392	70	18
Total coin supply	**3,941**	4,248	(307)	(7)



Department of Finance (DOF) inventory

(in millions of coins)	2016	2015	Change	%
Opening inventory	**227**	269	(42)	(16)
Production	**533**	350	183	52
Coins sold to financial institutions	**(462)**	(392)	(70)	18
Ending inventory	**298**	227	71	31

Revenue for Canadian circulation decreased 5% from 2015 to 2016 primarily as a result of lower fixed costs. Coin supply declined from 4.2 billion coins in 2015 to 3.9 billion in 2016 which represents a 7% decrease in volumes. Demand is met through three main sources of supply and is subject to variability across regions of the country and seasonality depending on time of the year.

The three principal channels to meet demand include:

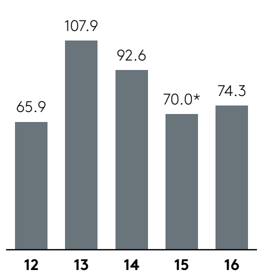
- Coin inventories held by major financial institutions across Canada: This has remained relatively flat as a percentage of overall supply compared to the previous year. In 2016, this comprised approximately 79% of supply.
- Recycled coins: The volume of recycled coins declined from 590 million pieces in 2015 to 382 million pieces in 2016 as two financial institutions have removed their recycling program this year. The service provider is seeking alternate locations for the machines. This channel historically has accounted for approximately 15% of overall supply. With the recent market changes this channel accounted for 10% of supply.
- New coins sold to major financial institutions: The Mint sold 462 million new coins to the financial institutions during 2016 compared to 392 million in the previous year. New coins account for the remaining 11% of supply.

The Mint actively manages inventory levels in response to changes in demand, financial institution deposits and recycling volumes to ensure coinage demand is met throughout the year while minimizing overall inventories. The Mint also works to optimize its logistics operations to reduce overall distribution and storage costs for the Government of Canada. The management of the coinage system is achieved within inventory limits outlined in the Mint's Corporate Plan. To replenish inventories held on behalf of the Department of Finance, the Mint produced 533 million coins in 2016 compared to 350 million in 2015.

The Mint anticipated removing six billion pennies from circulation within three years of the phase out from Canada's coinage system in February 2013. As of December 31, 2016, 6.3 billion pennies had been recovered. The scrap metals were recovered from the coins and the proceeds delivered to the Government of Canada.

The efficient management of the coinage system is achieved hand-in-hand with the celebration of Canada's history, culture and values. During 2016, 15 million commemorative coins were released, including the 100th anniversary of Women's Right to Vote, the Lucky Loonie and the 75th anniversary of the Battle of the Atlantic.

Circulation Products and Solutions revenue
($ in millions)



* Revised

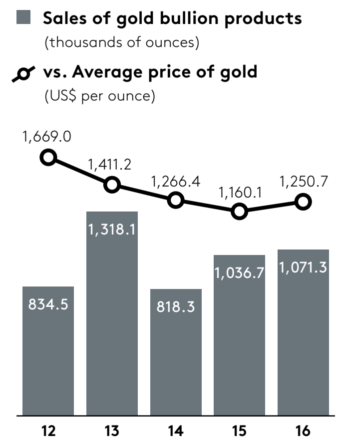
Circulation Products and Solutions (CP&S)

Revenue for the CP&S business was $74.3 million in 2016 compared to revised $70.0 million in 2015. Revenue from foreign sales increased 33% to $63.1 million from revised $47.4 million the previous year due to a significant rebound in global demand for plated steel coins from Southeast Asia, Africa and South American countries. ARP revenue declined to $11.2 million from $22.6 million in 2015. Changes in the Mint's recycling program reduced the Mint's access to coins for recovery. As a result, only 435 metric tons (MT) of nickel was recovered and sold for melt in 2016, compared to 757 MT of nickel in 2015. The average price per MT in 2016 was $13,000 CAD. In 2015, the average overall selling price was $15,806 CAD. The Mint recovered and sold 108 MT of cupronickel in 2016 at an average price of $7,270 CAD; in 2015 179 MT was sold at an average price of $8,338 CAD.

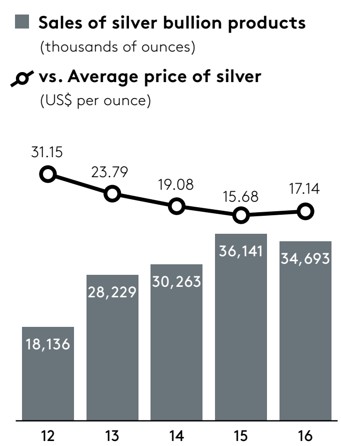
Bullion Products and Services

	2016	2015
Gross revenue	**$ 2,896.5**	$ 2,613.6
Less: Customer inventory deals	**(566.2)**	(625.7)
Net revenue	**2,330.3**	1,987.9

(thousands of ounces)	2016	2015
Gross ounces	**69,134.2**	72,430.8
Less: ounces from Customer inventory deals	**(6,798.6)**	(9,087.1)
Net ounces	**62,335.6**	63,343.7



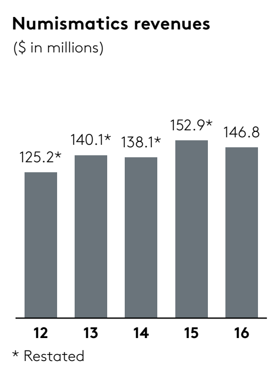
Bullion Products and Services revenues increased 17% to $2.3 billion from revised $2.0 billion in 2015. Sales volumes for gross gold bullion products increased 3% for the year ended December 31, 2016 when compared to the same period in 2015. The average price of gold also increased 8% to an average of 1,250.7 US$ per ounce in 2016 from an average of 1,160.1 US$ per ounce in 2015. The increased volumes and increased prices resulted in higher revenues from gross gold bullion products. Sales volume for gross silver bullion products decreased 4% for the year ended December 31, 2016 when compared to record levels during the same period in 2015, however due to a 9% increase in average price of silver from 2015, revenues generated from the sale of gross silver bullion products also increased. Sales of gold coins increased 3% and sales of silver coins sold decreased 6% for the year ended December 31, 2016 when compared to the same period in 2015.



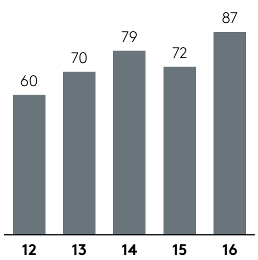
Numismatics

Numismatics revenue declined 4% to $146.8 million from revised $152.9 million in 2015. The decrease in revenue is largely attributable to a decrease in volume sold year over year. The Mint sold 6% fewer numismatic gold products and 13% fewer numismatic silver products in 2016 versus 2015.

	2016	2015
Gold	**$ 39.2**	$ 38.5
Silver	**101.0**	102.7
Non Gold or Silver	**6.6**	11.7
Total revenue	**146.8**	152.9



Numismatic sellouts
(number of coins)



The Mint has addressed the commercial challenge of softer sales through customer-centric marketing and a sales and operational plan that supports growth in demand for commemorative coins. This includes investing in people, processes and systems and aligning product, promotion and sales channels with customer preferences. This marketing strategy will also involve integrating product, price, promotion and placement strategies while leveraging web, digital, social media and call center resources.

Expenses, other income and income tax

Expenses (income)

	2016	2015 (restated)	$ change	% change
Cost of sales	**$ 2,465.8**	$ 2,139.9	$ (325.9)	(15)
Operating expenses				
Marketing and sales expenses	**76.5**	82.6	6.1	7
Administration expenses	**61.7**	61.7	–	–
Impairment losses	**–**	65.5	65.5	100
Net foreign exchange losses (gains)	**2.8**	(1.5)	(4.3)	
Finance costs, net	**2.1**	0.3	(1.8)	
Other income	**(0.4)**	(5.0)	(4.6)	
Income tax expense (recovery)	**8.5**	(10.1)	(18.6)	

Cost of sales increased 15% to $2.5 billion from revised costs of $2.1 billion in 2015.

The increase in cost of sales is in line with the increase in bullion revenues in 2016 compared to 2015. This increase was largely due to the average cost for bullion products which increased by 11% in 2016 over 2015 for both silver and gold. Cost of sales also increased year over year in line with the increase in circulation products and services revenue and decreased year over year in line with decreases in revenue from Canadian circulation and numismatics. The decrease in cost of sales related to numismatics was also impacted by a $4.6 million increase in the precious metal recovery of the liability for Face Value redemptions and returns.

Operating expenses declined 4% to $138.2 million from pre-impairment costs of $144.3 million in 2015. In 2016, marketing and sales expenses decreased as a result of changes to the Mint's co-op marketing program and lower consulting fees. Administration expenses were consistent year to year with increases in information technology spending in 2016 offset by decreases in research and development (R&D) expenses. In 2015, it was determined that the Mint's Winnipeg Circulation Cash Generating Unit, which includes the Canadian Circulation Program and the Circulation Products and Solutions business, was not projected to generate sufficient cash flows to support the related asset base and consequently the Mint recorded a $65.5 million non-cash impairment charge. No impairment or impairment reversal was recorded in 2016.

Net foreign exchange loss increased $4.3 million in 2016 versus 2015 mainly due to a stronger Canadian dollar relative to the U.S. dollar and the resulting negative impact on the translation of U.S. dollar balances, mainly the precious metal recovery component of the liability for Face Value redemptions and returns $5.2 million, to Canadian dollars, combined with the impact of the discontinuance of hedge accounting for foreign currency forward contracts of $3.8 million partially offset by other foreign exchange gains, net, of $4.7 million.

The deep waters off Canada's western shores, teeming with some of the planet's most abundant and amazing marine biodiversity, are brilliantly showcased in their bioluminescent beauty on a silver coin featuring specialized backlit technology, which sold out in only one day.

Other income represents cash received from the divestiture of MintChip™, which occurred in 2015. Other income in 2016 relates to interest received on the promissory note.

Income tax expense increased $18.6 million from 2015 mainly due to a deferred tax recovery of $16.4 million related to the impairment of capital assets recognized in 2015. Excluding the impact of the deferred tax recovery in 2015 the income tax expense increased by $2.2 million year over year. This increase was mainly due to the deferred tax asset related to Face Value redemptions and returns increasing by $5.4 million less year over year. Largely offsetting this increase was the $2.1 million impact of discontinuing hedge accounting for foreign currency forward contracts and lower net adjustments to prior year's tax expense and lower foreign taxes.

Liquidity and Capital Resources

Cash flows

	2016	2015	$ change	% change
Cash, at the end of the period	**$ 114.2**	$ 140.8	$ (26.6)	(19)
Cash flow from operating activities	**33.4**	119.0	(85.6)	(72)
Cash flow used in investing activities	**(14.3)**	(21.0)	6.7	32
Cash flow used in financing activities	**(38.8)**	(60.8)	22.0	36

Cash decreased to $114.2 million at December 31, 2016 from $140.8 million at December 31, 2015. The decrease in cash is mainly attributable to a dividend payment of $31 million to the Government of Canada. Cash flows from operating activities declined to $33.4 million for the year ended December 31, 2016 from $119 million for the year ended December 31, 2015. The decrease is mainly attributable to a decrease in operating assets and liabilities of $58 million combined with a decrease in cash from operations of $18.4 million and an increase in net income taxes paid of $9.2 million.

Cash flows used in investing activities declined to $14.3 million for the year ended December 31, 2016 from $21.0 million for the year ended December 31, 2015. Capital expenditures at the Mint are guided by anticipated growth in sales; new product and technology research, development and production requirements; information technology support and enhancement; and return on investment. Less growth-oriented, but essential, projects include the replacement of aging equipment, building and equipment support, refurbishment and investments in health and safety. These expenditures fell into three categories:

- Building ($4.4 million): Includes plant modernization and improvements in Ottawa and Winnipeg to facilitate efficient plant use while meeting health and safety standards. Expenditures include renovations carried out at the Mint's headquarters for more efficient and modern meeting rooms and working areas.
- Equipment ($6.1 million): Includes investments for reliability, flexibility and capability improvements as well as safety, security and protection of the environment. Two new Concast furnaces were added during 2016 to meet the production of the Mint's blank coin production.
- Information Technology ($2.6 million): Includes computer hardware and software for the ongoing support and development of the computing and communications infrastructure. The main projects for 2016 included the implementation of audio and visual equipment as part of the renovations performed at the Mint's headquarters, and finance business systems implementations.

Recreating the stunning autumn beauty of the maple tree, the Mint captured the season's kaleidoscope of colours allowing one to experience some of Canada's most renowned scenery in a stunning gold coin, which quickly sold out.

Cash flows used in financing activities declined to $38.8 million for the year end December 31, 2016 from $60.8 million for the year ended December 31, 2015. The Mint paid an annual $15.0 million dividend and a special dividend of $16.0 million to the Government of Canada during the first quarter of 2016. The Mint entered 2016 with total outstanding long-term loans of $34.5 million and a long term loan-to-equity ratio of 1:5. During the year, repayments, including fees, of $7.8 million decreased the balance to $27.0 million and the long-term loan-to-equity ratio at 1:7.

Borrowing facilities

See note 17 to the consolidated financial statements page 72, for details on the Mint's borrowing facilities.

Dividends

Financial Benefit to Canada

	2012	2013	2014	2015	2016	**Total**
Fixed dividends paid	10.0	10.0	10.0	10.0	15.0	**55.0**
Special dividends paid	–	–	–	43.0	16.0	**59.0**

For the year ended December 31, 2016, the Mint paid $31.0 million in dividends to its shareholder, the Government of Canada. In 2015, the Mint adopted a more prescriptive framework for dividend payments in order to be consistent with the calculation of ongoing cash reserves and the approach to declaring a special dividend. This approach features a commitment to a fixed dividend on an annual basis, with a bi-annual special dividend of excess cash over a defined reserve.

Contractual obligations and other commercial commitments

See notes 16 and 29 in the consolidated financial statements pages 71 and 84, respectively, for details on the Mint's contractual obligations and other commercial commitments.

Performance against Corporate Plan

The operating and financial results achieved during the year ended December 31, 2016 indicate that the financial goals established in the 2016-2020 Corporate Plan were not met, as a result of changes in the Numismatics business.

Outlook

The Mint is on track to fulfill its core mandate, with enhanced focus on accountability, transparency and prudence while delivering returns to its shareholder, the Government of Canada. New coin demand is expected to increase in 2017 due to Canada 150 and production inventory levels are expected to match demand with year-end inventory levels to remain consistent to 2016 levels.

In the CP&S business, foreign circulation anticipates global demand for circulation coins to strengthen over the coming 12 months, with demand for coin blanks accelerating in the second half of 2018. The decline in recycling volumes is being closely monitored to assess the impact on the supply of both Canadian circulation coins and ARP.

As for the Mint's Numismatics business, fiscal year 2016 has been challenging. The Mint has developed a plan to ensure the successful future growth of the business that includes a robust program to celebrate Canada's 150th anniversary.

Gold and Silver bullion demand rebounded in Q4 after softer demand during the summer. Demand for silver bullion coins softened early into Q1 2017, demand for gold coins remains robust and overall outlook remains cautious for fiscal 2017.

A blessing of good health invokes overall wellness of both mind and body as the solid foundation for a long and fulfilled life. The Mint concluded a unique series that celebrates the traditions of Chinese-Canadian communities, with a scallop-shaped gold coin.

Risks to performance

The Mint's performance is influenced by many factors, including competitive pressures, economic conditions and volatility in financial and commodity markets. To manage these risks, the Mint employs an Enterprise Risk Management (ERM) program to identify, assess, monitor and review key risks. Information related to material risks is regularly reviewed with the Audit Committee, which is the Board committee responsible for risk management.

The operating environment continues to be characterized by economic and geopolitical uncertainty. In addition, the diverse markets in which the Mint operates present a variety of unique risks to future performance. The following risks have been identified as particularly relevant in the current operating environment.

Strategic risks

Mandate and regulatory

The Mint is a Crown corporation solely owned by the Government of Canada and governed primarily under the *Royal Canadian Mint Act* and the *Financial Administration Act*. Changes to shareholder objectives or to legislation could have an impact on performance. The Mint's Memorandum of Understanding (MOU) with the Department of Finance will expire at the end of 2017, which creates uncertainty over the long term. In mid-2017, the Mint will negotiate an updated MOU.

Competition in Numismatics and Bullion Products and Services

These businesses operate in competitive environments where competitor actions can impact the Mint's ability to achieve business objectives. Management regularly assesses the competitive environment, and adjusts business strategies and tactics as necessary. Competitive threats are managed through investment in research and development, emphasis on strategic supply and sales relationships, expansion of innovative product offerings and the continual updating of capabilities, particularly in direct marketing and e-commerce. The Mint has updated its marketing strategy during 2017 to transform the Numismatics business to be increasingly customer-driven. Continued success in the bullion business will require the Mint to offer market-leading bullion products that are sufficiently differentiated from alternative products while remaining price-competitive.

Circulation Products and Solutions contracts

Over the past few years, the increasing number of mints pursuing foreign circulation coinage contracts has contributed to commoditizing the global market. In order to compete effectively and protect the cost base of the Canadian Circulation Program, the Mint has chosen to optimize revenue and contribution by pursuing high volume next generation coin contracts while implementing continuous improvements to maximize operating efficiencies and reduce overhead costs. The ability to acquire the right contracts with the appropriate timing presents uncertainty for the Circulation Products and Solutions business, which is mitigated by active management of sales opportunities and operational costs.

Bullion market volatility

The demand for precious metal investment products, including bullion, is largely determined by market forces beyond the Mint's control. Political changes in Europe and the United States have the potential to impact bullion demand. The risk is managed through active monitoring of market conditions to quickly and efficiently align operations, capacity and supply chain. Diversification of revenue streams beyond core bullion products has been achieved with product and service offerings such as Canadian Gold and Silver Reserves ETRs and refining services. Ongoing focus on efficiency and prudent management of the cost structure is intended to mitigate the unpredictability of this market.

With its handcrafted beauty, rich symbolism and colourful patterns, the pysanka egg is one of the most beloved forms of traditional Ukrainian folk art. On the 125th anniversary of Ukrainian settlement in Canada, the Mint featured this Easter tradition with a sold-out silver coin.

Financial risks

Base and precious metal prices

The Mint purchases precious metals, including gold, silver, platinum and palladium for use in bullion and numismatic coins, as well as base metals and alloys for the production of domestic and foreign circulation coins. Exposure to volatility in metal prices is mitigated by matching the timing of purchase and sales, contractually transferring price risk to suppliers, hedging strategies and/or natural hedges inherent in business activities. Notwithstanding the hedging policy, long-term trends in metal prices might impact sales opportunities, margins and overall profitability. The precious metal recovery of the Face Value redemptions and returns is impacted by movements in the silver price and will cause variability in overall profitability. The Mint also sells base metal collected through the Alloy Recovery Program.

Foreign exchange risk

A significant portion of revenues and costs is denominated in foreign currencies, which exposes the Mint to foreign exchange risk. The Mint mitigates this risk through natural currency hedges and financial instrument hedges. Currency hedging contributes to managing volatility in foreign exchange rates; however the longer-term currency trends can impact results. On balance, a stronger Canadian dollar will have a negative impact on the Mint's profitability as it reduces revenues from bullion products and margin on other products sold in US funds.

Sensitivity table

Key factor	Change	Dominant impact
Canadian dollar is	Weaker	Increases revenue from products sold in US funds Increases US-based costs Reduces Face Value redemptions and returns liability Reduces Canadian-based costs
Gold price/ounce	Increases	Increases product cost for Numismatics
Silver price/ounce	Increases	Increases product cost for Numismatics Reduces Face Value redemptions and returns liability
Nickel price/KG	Increases	Increases revenue for ARP
Bullion lease rates	Increases	Increases product cost for Bullion

The first-ever coin by the Mint with a unique 3D dome effect in the shape of a water droplet celebrated Mother Earth and the precious water she provides. Expertly crafted in 99.99% pure silver with a colour inset of Earth within the droplet, the coin sold out in three days.

Face Value coin redemptions

The Mint will continue to monitor the levels of redemptions and returns of Face Value coins to ensure requisite funding is maintained to satisfy related liabilities as they arise.

Operational risks

Precious metals physical security and reconciliation

The Mint's business involves handling of currency and precious metals making best-in-class practices related to security of physical assets critical. The Mint is continuously improving its physical security program and tools and internal threat mitigation practices. The Mint has augmented its controls surrounding precious metals through improvements in its organizational structure, the introduction of a perpetual dollar and unit inventory system, and implementation of recommendations from external experts in refining processes.

Business continuity and disaster recovery

The Mint's business is dependent on modern manufacturing facilities, technology and a global supply chain. The Mint's operations may be affected by threats including natural events, pandemics, disruptions to critical infrastructure such as telecommunications or transportation, or events such as fire. Business Continuity Planning (BCP) aims to reduce the risk associated with such potential disruptions. To increase assurance of continuity of the Mint's essential services to Canadians, the BCP program targets preparedness, reduction of impacts of potentially disruptive events, and effective recovery plans. Current continuity efforts are focused on improving business continuity documentation and recovery plans, and alignment of information technology recovery capabilities.

The Mint launched collectibles celebrating the 50th anniversary of *Star Trek: The Original Series*™. The Delta Shield insignia, which is one of the most recognized emblems of the iconic TV show, was produced in 99.99% pure gold on the world's first delta-shaped coin and was snapped up by collectors in just one day.

Cyber Security

Cyber threats and security of corporate data present a risk for all organizations. The Mint employs security tools and controls and follows industry practices to safeguard information systems and corporate data. An assessment of the Mint's readiness posture was completed in mid-2015. Recommendations continue to be implemented relating to the Mint's incident response management, cyber security governance and increasing the maturity of cyber security processes.

Internal Controls for Financial Reporting

The Mint maintains internal controls for financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements. Management conducted a review of controls in late 2015 and identified areas that were assessed as requiring improvement. These improvements continue to be implemented to strengthen internal controls, and additional internal resources have been added to facilitate this implementation.

Health, Safety and the Environment

The Mint's operations and business activities present a variety of risks related to health, safety and environment. All change initiatives are subject to a structured review to ensure that risks are identified, assessed and managed. Health and safety orientation, ongoing training, wellness programs and a formal hazard prevention program contribute to the reduction of this risk. In addition to the regular assessment and management of environmental risks, the Mint seeks to continue to advance environmental awareness and corporate practices.

Critical accounting estimates, adoption of new accounting standards and accounting policy developments

See notes 4 and 5 in the consolidated financial statements pages 49 and 53, respectively, for a discussion of critical accounting estimates, adoption of new accounting standards and accounting policy developments.

Forward-looking statements

This annual report, including this MD&A, 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 above in the Risks to Performance, as well as in Note 10 – Financial Instruments and Financial Risk Management to the Mint's financial statements.

To the extent the Mint provides future-oriented financial information or a financial outlook, such as future growth and financial performance, the Mint is providing this information for the purpose of describing its future expectations. Therefore, readers are cautioned that this information may not be appropriate for any other purpose. Furthermore, future-oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks.

Readers are urged to consider these factors carefully when evaluating these forward-looking statements. In light of these assumptions and risks, the events predicted in these forward-looking statements may not occur. The Mint cannot assure that projected results or events will be achieved. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

The forward-looking statements included in this annual report are made only as of March 23, 2017, 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.

On January 22, 1992, Dr. Roberta Bondar, M.D., Ph.D., became Canada's first woman astronaut. The Mint was proud to celebrate the 25th anniversary of Dr. Bondar's historic mission with the world's first ever curved glow-in-the-dark silver coin, which recreates a breathtaking view of Earth from space.

MANAGEMENT REPORT

The consolidated financial statements contained in this annual report have been prepared by Management of the Royal Canadian Mint in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board using the best estimates and judgements of Management, where appropriate. The integrity and objectivity of the data in these consolidated financial statements are Management's responsibility. Management is also responsible for all other information in this annual report and for ensuring that this information is consistent, where appropriate, with the information and data contained in the consolidated financial statements.

In support of its responsibility, Management has developed and maintains books of account, records, financial and management controls, information systems and management practices. These are designed to provide reasonable assurance as to the reliability of financial information, that assets are safeguarded and controlled, and that transactions of the Corporation and of its wholly-owned subsidiary are in accordance with the *Financial Administration Act*, including directive (P.C. 2015–1107) pursuant to section 89 of this Act, and regulations and, as appropriate, the *Royal Canadian Mint Act*, the by-laws of the corporation and the charter and the by-laws of its wholly-owned subsidiary.

The Board of Directors is responsible for ensuring that Management fulfils its responsibilities for financial reporting and internal control. The Board exercises its responsibilities through the Audit Committee. The Committee meets with Management, the internal auditor and the independent external auditor to review the manner in which the Corporation is performing their responsibilities and to discuss auditing, internal controls and other relevant financial matters. The Audit Committee meets to review the consolidated financial statements with the internal and external auditors and submits its report to the Board of Directors. The Board of Directors reviews and approves the consolidated financial statements.

The Corporation's external auditor, the Auditor General of Canada, audits the consolidated financial statements and reports thereon to the Minister responsible for the Royal Canadian Mint.

Sandra L. Hanington
President and Chief Executive Officer

Jennifer Camelon, CPA, CA
Chief Financial Officer and
Vice President, Finance and Administration

Ottawa, Canada
March 23, 2017

INDEPENDENT AUDITOR'S REPORT

To the Minister of Finance

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Royal Canadian Mint, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income (loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Royal Canadian Mint as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

As required by the *Financial Administration Act*, I report that, in my opinion, the accounting principles in International Financial Reporting Standards have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Royal Canadian Mint and its wholly-owned subsidiary that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with Part X of the *Financial Administration Act* and regulations, the *Royal Canadian Mint Act* and regulations, the charter and by-laws of the Royal Canadian Mint and its wholly-owned subsidiary, and the directive issued pursuant to section 89 of the *Financial Administration Act*.

Karen Hogan, CPA, CA
Principal
for the Auditor General of Canada

23 March 2017
Ottawa, Canada

Consolidated Statement of Financial Position

Audited (CAD$ thousands)	Notes	December 31, 2016	December 31, 2015 restated (Note 3)	January 1, 2015 restated (Note 3)
			As at	
Assets				
Current Assets				
Cash	6	**$ 114,185**	$ 140,776	$ $104,153
Accounts receivable	7	**24,938**	22,946	27,455
Prepaid expenses	8	**4,012**	4,821	1,525
Income taxes receivable		**4,222**	2,891	7,633
Inventories	9	**78,929**	79,055	88,020
Derivative financial assets	10	**425**	756	1,941
Total current assets		**226,711**	251,245	230,727
Non-current Assets				
Prepaid expenses	8	**1,669**	–	–
Derivative financial assets	10	**17**	–	16
Deferred tax asset	19	**33,206**	30,188	2,606
Property, plant and equipment	11	**170,254**	172,597	241,650
Investment property	12	**236**	236	236
Intangible assets	13	**12,004**	15,211	17,450
Total non-current assets		**217,386**	218,232	261,958
Total assets		**$ 444,097**	$ 469,477	$ 492,685
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	16	**$ 59,384**	$ 84,516	$ 73,859
Loans payable	10, 17	**7,516**	7,526	7,522
Face Value redemptions and returns	15	**3,153**	3,583	2,460
Deferred revenue	18	**13,078**	8,656	1,209
Income taxes payable		**–**	4,828	3,971
Employee benefits	20	**2,866**	2,697	2,088
Derivative financial liabilities	10	**4,620**	11,414	2,447
Total current liabilities		**90,617**	123,220	93,556
Non-current Liabilities				
Derivative financial liabilities	10	**268**	4,096	1,946
Accounts payable and accrued liabilities	16	**401**	–	–
Loans payable	10, 17	**19,490**	26,987	34,475
Face Value redemptions and returns	15	**137,864**	119,426	80,837
Employee benefits	20	**10,101**	10,439	10,611
Total non-current liabilities		**168,124**	160,948	127,869
Total liabilities		**258,741**	284,168	221,425
Shareholder's equity				
Share capital (authorised and issued 4,000 non-transferable shares)		**40,000**	40,000	40,000
Retained earnings		**145,617**	152,138	232,864
Accumulated other comprehensive loss		**(261)**	(6,829)	(1,604)
Total shareholder's equity		**185,356**	185,309	271,260
Total liabilities and shareholder's equity		**$ 444,097**	$ 469,477	$ 492,685

Commitments, contingencies and guarantees (Note 29).
The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board of Directors	Approved on behalf of the Audit Committee	Approved on behalf of Management	
Carman M. Joynt, FCPA, FCA, ICD.D	Susan Dujmovic, FICB, ICD.D	Sandra L. Hanington,	Jennifer Camelon, CPA, CA
Chair, Board of Directors	*Chair, Audit Committee*	*President and Chief Executive Officer*	*Chief Financial Officer and Vice-President of Finance and Administration*

Consolidated Statement of Comprehensive Income (Loss)

For the year ended December 31 (audited) *(CAD$ thousands)*

	Notes	**2016**	2015 restated (Note 3)
Revenue	21	**$ 2,641,415**	$ 2,305,141
Cost of sales	22, 23	**2,465,817**	2,139,852
Gross profit		**175,598**	165,289
Marketing and sales expenses	22, 23	**76,478**	82,633
Administration expenses	22, 23, 24	**61,745**	61,700
Impairment losses	14	**–**	65,512
Operating expenses		**138,223**	209,845
Net foreign exchange (losses) gains		**(2,812)**	1,455
Operating profit (loss)		**34,563**	(43,101)
Finance costs, net		**(2,069)**	(290)
Other Income	28	**444**	5,000
Profit (loss) before income tax		**32,938**	(38,391)
Income tax (expense) recovery	19	**(8,450)**	10,114
Profit (loss) for the period		**24,488**	(28,277)
Items that will be reclassified subsequently to profit or loss:			
Net unrealized gains (losses) on cash flow hedges		**4,622**	(7,108)
Reclassification of net realized losses on cash flow hedges transferred from other comprehensive income		**1,946**	1,883
Items that will not be reclassified subsequently to profit or loss:			
Net actuarial (losses) gains on defined benefit plans		**(9)**	552
Other comprehensive income (loss), net of tax		**6,559**	(4,673)
Total comprehensive income (loss)		**$ 31,047**	$ (32,950)

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

Consolidated Statement of Changes In Equity

For the year ended December 31 (audited) *(CAD$ thousands)*

	Share Capital	Retained earnings restated (Note 3)	Accumulated other comprehensive loss ("AOCI") (Net gains (losses) on cash flow hedges)	Total restated (Note 3)
Balance as at December 31, 2014	$ 40,000	$ 232,863	$ (1,604)	$ 271,259
Loss for the period	-	(28,277)	–	(28,277)
Other comprehensive income (loss), net of tax	-	552	(5,225)	(4,673)
Dividend paid (Note 10.1)	-	(53,000)	–	(53,000)
Balance as at December 31, 2015	$ 40,000	$ 152,138	$ (6,829)	$ 185,309
Profit for the period	**-**	**24,488**	**–**	**24,488**
Other comprehensive (loss) income, net of tax	**-**	**(9)**	**6,568**	**6,559**
Dividends paid (Note 10.1)	**-**	**(31,000)**	**–**	**(31,000)**
Balance as at December 31, 2016	**$ 40,000**	**$ 145,617**	**$ (261)**	**$ 185,356**

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

Consolidated Statement of Cash Flows

For the year ended December 31 (audited) *(CAD$ thousands)*

	Notes	**2016**	2015 (Note 3)
Cash flows from operating activities			
Profit (loss)		**$ 24,488**	$ (28,277)
Adjustments to reconcile profit (loss) to cash flows from operating activities			
Depreciation and amortization	22	**18,235**	21,935
Tax expense (recovery)	19	**8,450**	(10,114)
Finance costs, net		**2,069**	290
Other income	28	**(444)**	–
Loss on foreign exchange		**6,594**	2,035
Impairment losses	14	**–**	65,512
Loss on disposal of assets		**73**	1,247
Adjustments to other expenses (revenues), net	25	**721**	(3,199)
Changes in liability for Face Value redemptions and returns		**12,925**	42,797
Net changes in operating assets and liabilities	25	**(21,033)**	36,273
Cash provided by operations before interest and tax		**52,078**	128,499
Income taxes paid, net of income taxes received	25	**(19,100)**	(9,921)
Interest received, net of interest paid	25	**436**	426
Net cash from operating activities		**33,414**	119,004
Cash flows used in investing activities			
Acquisition of property, plant and equipment and intangible assets		**(13,125)**	(20,436)
Settlements of derivative contracts to acquire property, plant and equipment, net		**(1,189)**	(580)
Net cash used in investing activities		**(14,314)**	(21,016)
Cash flows from financing activities			
Dividend paid	10.1	**(31,000)**	(53,000)
Repayment of loans		**(7,785)**	(7,848)
Net cash used in financing activities		**(38,785)**	(60,848)
Effect of changes in exchange rates on cash		**(6,906)**	(517)
Decrease (increase) in cash		**(26,591)**	36,623
Cash at the beginning of the period		**140,776**	104,153
Cash at the end of the period		**$ 114,185**	$ 140,776

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016 (audited)

(In thousands of Canadian dollars, unless otherwise indicated)

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 Corporation 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.

In July 2015, the Corporation was issued a directive (P.C. 2015-1107) pursuant to section 89 of the *Financial Administration Act* to align its travel, hospitality, conference and event expenditure policies, guidelines and practices with Treasury Board policies, directives and related instruments on travel, hospitality, conference and event expenditures in a manner that is consistent with its legal obligations, and to report on the implementation of this directive in the Corporation's next Corporate Plan. The Corporation has fulfilled this directive and implemented a new integrated Corporate Travel, Hospitality, Conference and Event policy effective February 29, 2016.

On December 15, 2016, Bill C-29, Budget Implementation Act 2016, no. 2, *A Second Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016, and other measures*, received Royal assent. In particular, this Act amends the *Royal Canadian Mint Act* to clarify the Corporation's powers, and to enable the Corporation to anticipate profit with respect to the provision of all goods or services, and removes the restriction that the Corporation shall not anticipate profit with respect to the provision of any goods or services to Her Majesty in right of Canada.

The Corporation 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 Corporation 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*.

While not subject to United States of America federal income taxes, the Corporation is subject in some states to state income taxes.

2. Significant accounting policies

2.1 Basis of presentation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The policies set out below have been consistently applied to all the periods presented.

These consolidated financial statements have been approved for public release by the Board of Directors of the Corporation on March 23, 2017.

2.2 Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and its wholly-owned subsidiary. The subsidiary adopted IFRS at the same time as the Corporation and its accounting policies are in line with those used by the Corporation. All intercompany transactions, balances, income and expenses are eliminated in full on consolidation.

2.3 Foreign currency translation

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

Transactions in currencies other than the Corporation's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated to Canadian dollars using the exchange rate at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for exchange differences on transactions applying hedge accounting which are recognized in other comprehensive income.

2.4 Inventories

Inventories consist of raw materials and supplies, work in process and finished goods, and they are measured at the lower of cost and net realizable value. Cost of inventories includes all costs of purchase, all costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventory is determined by the weighted average cost method. Net realizable value represents the estimated selling price of inventory in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.5 Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

2.5.1 Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating interest income and expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.6 Financial assets

The Corporation's financial assets are classified into the following specified categories: financial assets at "fair value through profit or loss" (FVTPL) and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular purchases or sales of financial assets are recognized and derecognized on a trade date basis.

All derivative financial assets are classified in the FVTPL category, except those designated and effective as hedging instruments, for which hedge accounting requirements apply (see Note 2.8.1).

2.6.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment write downs. Assets in this category include accounts receivables and are classified as current assets in the consolidated statement of financial position.

Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be insignificant.

2.6.2 Financial assets at fair value through profit or loss

Financial assets are classified at FVTPL when the financial asset is either held for trading or it is designated at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Corporation manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated or effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at FVTPL upon initial recognition.

Financial assets at FVTPL are presented at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 10.2.1.

2.6.3 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the debtor; or
- breach of contract, such as a default or delinquency in payments; or
- it becoming probable that the debtor will enter bankruptcy or financial re-organization; or
- significant decrease in creditworthiness of the debtor.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment does not exceed what the amortized cost would have been had the impairment not been recognized.

2.6.4 Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

2.7 Financial liabilities

Financial liabilities are classified as either financial liabilities at "FVTPL" or "other financial liabilities".

All derivative financial liabilities are classified in the FVTPL category, except those designated and effective as hedging instruments, for which hedge accounting requirements apply (see Note 2.8.1).

2.7.1 Financial liabilities at fair value through profit or loss

Financial liabilities are classified at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading using the same criteria described in Note 2.6.2 for a financial asset classified as held for trading.

Financial liabilities at FVTPL are presented at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 10.2.1.

2.7.2 Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

2.7.3 Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when, and only when, the Corporation's obligations are discharged, cancelled or they expire.

2.8 Derivative financial instruments

The Corporation selectively utilizes derivative financial instruments, primarily to manage financial risks and to manage exposure to fluctuations in foreign exchange rates, interest rates and commodity prices. The Corporation's policy is not to enter into derivative instruments for trading or speculative purposes.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Attributable transaction costs are recognized in profit or loss as incurred. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedging relationship.

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability on the consolidated statement of financial position if the remaining contractual maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(In thousands of Canadian dollars, unless otherwise indicated)

2.8.1 Hedge accounting

The Corporation designates certain derivatives as hedges of highly probable forecasted transactions or hedges of firm commitments (cash flow hedges). Hedge accounting is applied when the derivative is designated as a hedge of a specific exposure. All designated hedges are formally documented at inception, detailing the particular risk management objective and the strategy undertaking the hedge transaction.

The documentation identifies the specific asset or liability being hedged, the risk that is being hedged, the type of derivative used and how effectiveness will be assessed. The Corporation assesses whether the derivatives are highly effective in accomplishing the objective of offsetting changes in forecasted cash flows attributable to the risk being hedged both at inception and over the life of the hedge. Furthermore, accumulated ineffectiveness is measured over the life of the hedge.

The gain or loss relating to the changes in the fair value of the effective portion of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income are transferred to net income in the period when the hedged item is recognized in the consolidated statement of comprehensive income (loss).

Hedge accounting is discontinued prospectively when the hedging instrument is terminated, exercised, matured or when the derivative no longer qualifies for hedge accounting. As at December 31, 2016, the Corporation discontinued hedge accounting for forward foreign currency contract derivatives, but will continue hedge accounting for interest rate swaps.

2.9 Property, plant and equipment

2.9.1 Asset recognition

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

2.9.2 Depreciation

Depreciation of property, plant and equipment begins when the asset is available for use by the Corporation. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, which are estimated as follows:

Land improvements	40 years
Buildings & improvements	10–60 years
Equipment	3–35 years

Capital projects in process for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Corporation's accounting policy. Depreciation of these assets commences when the assets are available for their intended use.

Freehold land is not depreciated.

Useful lives, residual values and depreciation methods are reviewed at each year end and necessary adjustments are recognized on a prospective basis as changes in estimates.

2.9.3 Subsequent costs

Day-to-day repairs and maintenance costs are expensed when incurred.

Costs incurred on a replacement part for property, plant and equipment are recognized in the carrying amount of the affected item when the costs are incurred. The carrying amount of the part that was replaced is derecognized.

Cost of major inspections or overhauls are recognized in the carrying amount of the item or as a replacement. Any remaining carrying amount of the cost of the previous inspection is derecognized.

2.9.4 Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no further future economic benefits are expected from its use or disposal. The gain or loss on disposal or retirement of an item is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss when the item is derecognized.

2.10 Investment property

Investment property is property held to earn rental income or for capital appreciation, or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

The Corporation's investment property is measured at cost and relates to vacant land in the Corporation's Winnipeg location. The fair value of the investment property is disclosed in Note 12. If in management's judgement, it is likely that there is significant change in the market price of the investment property, a new valuation will be carried out.

2.11 Intangible Assets

2.11.1 Software

The Corporation's intangible assets include software for internal use or for providing services to customers. These assets are carried at cost, less any accumulated amortization and any accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful lives of intangible assets are from 5 to 7 years. The estimated useful life and amortization method are reviewed at each year end with necessary adjustments being recognized on a prospective basis as changes in estimates.

2.11.2 Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete the development and to use or sell the asset. The expenditures capitalized include the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in profit or loss as incurred.

2.12 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Corporation. All other leases are classified as operating leases. The Corporation has no finance leases at the end of the reporting period.

The operating lease payments are recognized on a straight-line basis over the lease term.

2.13 Impairment of tangible and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized as expenses in profit or loss in the period in which they are incurred.

2.15 Income tax

Income tax expense comprises the sum of the tax currently payable and deferred tax.

2.15.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income (loss) because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Corporation's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.15.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.15.3 Current and deferred tax for the period

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

2.15.4 Scientific Research and Development Investment Tax Credit

The Corporation deducts any scientific research and development investment tax credits from related research and development expenses. Only scientific research and development investment tax credits that are reasonably assured are recognized in the period.

2.16 Employee benefits

2.16.1 Short-term employee benefits

Short-term employee benefits are the employee benefits that are expected to be settled within twelve months after the end of the period in which the employees render the related service. The Corporation's short-term employee benefits include wages and salaries, annual leave and other types of short-term benefits.

The Corporation recognizes the undiscounted amount of short-term employee benefits earned by an employee in exchange for services rendered during the period as a liability in the consolidated statement of financial position, after deducting any amounts already paid and as an expense in profit or loss.

2.16.2 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 to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees render service and represent the total pension obligation of the Corporation.

2.16.3 Other post-employment benefits

Other post-employment benefits include severance benefits and supplementary retirement benefits including post-retirement benefits and post-retirement insurance benefits for certain employees and former employees. The benefits are accrued as the employees render the services necessary to earn them.

The accrued benefit obligation is actuarially determined by independent qualified actuaries using the projected unit credit actuarial valuation method based upon a current market-related discount rate and other actuarial assumptions, which represent management's best long-term estimates of factors such as future wage increases and employee termination rates.

Actuarial gains and losses arise when actual results differ from results which are estimated based on the actuarial assumptions. Actuarial gains and losses are reported in retained earnings in Shareholder's equity in the year that they are recognized as other comprehensive income in the consolidated statement of comprehensive income (loss).

When past service costs occur, they are recognized at the earliest of when the amendment or curtailment occurs or when the Corporation recognizes the related restructuring or termination costs.

2.16.4 Other long-term employee benefits

Other long-term employee benefits are employee benefits (other than post-employment benefits) that are not expected to be settled within twelve months after the end of the period in which the employees render the related service.

The Corporation's other long-term employee benefits include benefits for employees in receipt of long-term disability benefits, sick leave and special leave benefits and worker's compensation benefits.

The Corporation's sick leave and special leave benefits that are accumulated but not vested are accounted for as other long-term employee benefits and presented as current liabilities in the consolidated statement of financial position as the Corporation does not have the right to defer settlement of these liabilities.

Long-term disability benefits, sick leave benefits and special leave benefits are accrued as the employees render the services necessary to earn them. The accrued benefit obligation is actuarially determined by independently qualified actuaries using discounted estimated future benefit payments.

The Corporation is subject to the *Government Employees Compensation Act* and, therefore, is self-insured. As a self-insured employer, the Corporation is accountable for all such liabilities incurred since incorporation. The accrued benefit obligation for workers' compensation benefits is actuarially determined based on known awarded disability and survivor pensions and other potential future awards in respect of accidents that occurred up to the measurement date. The benefit entitlements are based upon relevant provincial legislations in effect on that date.

All other long-term employee benefits, past service costs and actuarial gains and losses are recognized immediately in profit or loss on the consolidated statement of comprehensive income (loss), as is the effect of curtailments and settlements, if applicable.

2.17 Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.18 Share capital

In 1987, the revised *Royal Canadian Mint Act* provided the Corporation with an authorized share capital of $40 million divided into 4,000 non-transferable shares, redeemable at their issue price of $10,000 each. In 1989, the Minister of Supply and Services purchased the 4,000 shares in the Corporation. This was a part of a financial structuring that allows the Corporation to apply its net earnings to meet operational requirements, replace capital assets, generally ensure its overall financial stability and pay a reasonable dividend to the shareholder. The shares are currently held in trust by the Minister of Finance on behalf of the Government of Canada.

2.19 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates and other similar allowances.

2.19.1 Sale of goods

Revenue from the sale of goods is recognized when:

- the Corporation has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Corporation retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Corporation.

When the Corporation cannot reliably estimate customer returns, rebates and other similar allowances, revenue is not recognized until a reliable estimate can be made. In these cases, a liability for the expected net cash outflows is recorded including the estimated costs of redemption which are reduced by the market value of the precious metal content of the coins that will be recovered by the Corporation when the coins are returned.

The Corporation recognizes revenue in certain circumstances in which the delivery of the goods is delayed at the buyer's request, but the buyer takes title and accepts billing. The revenue is recognized provided that it is probable that the delivery will be made, the item is on hand, identifiable and ready for delivery at the time of the sale and that usual payment terms will apply.

Transactions for the sale of goods are evaluated to determine whether the Corporation is the principal, as well as whether the transactions should be recorded on a gross or net basis. In situations where the Corporation is not the principal in a transaction, revenue and cost of sales are recorded on a net basis.

2.19.2 Rendering of services

Revenue from the rendering of services is recognized by reference to the stage of completion of contracts at the reporting date. The revenue is recognized when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Corporation.

The stage of completion of contracts at the reporting date is determined by reference to the costs incurred to date as a percentage of the estimated total costs of the contract.

2.19.3 Deferred revenue

Payments received in advance on sales are not recognized as revenue until the products are shipped or the services are rendered. As such, deferred revenue is initially recognized within liabilities on the consolidated statement of financial position.

2.19.3 Interest revenue

Interest revenue is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis and recognized by using the effective interest method.

3. Restatement and reclassification of prior periods

Restatement of prior periods relating to numismatic Face Value products

In the course of the preparation of the interim condensed consolidated financial statements for the quarter ended October 1, 2016 (Q3 2016), the Corporation identified an adjustment relating to prior periods requiring restatement, relating to the sale of numismatic Face Value products.

In the past, sales of numismatic Face Value products were recorded as revenue, along with a liability for expected redemptions and returns which was based on historical redemption and return patterns for other numismatic products. In 2016, the Corporation conducted an extensive review of the Face Value program and redemptions and returns to date. Face value products have different characteristics than other numismatic products as they have a Face Value equal to their purchase price, which combined with the unlimited redemption and return period permitted by the Corporation's current redemption and return policies and practices, make Face Value products significantly more likely to be redeemed or returned than other numismatic products. Consequently, in the Corporation's view, the historical redemption and return patterns for other numismatic products cannot be used to estimate the redemptions and returns for Face Value products and no reasonable, reliable alternative method exists. As a result of this review, it was determined that revenue should not be recognized until a reasonable estimate of redemptions and returns can be made.

The Corporation believes the primary factors influencing its ability to develop a reliable estimate of redemptions and returns to be the market price of silver and a change in the term over which redemptions and returns may be accepted.

At December 31, 2016, the market price of silver contained in these coins was significantly less than the Face Value of these coins, and it is currently not the intention of the Corporation to place an expiry date on the current redemption and return policies. As a result, a liability representing the cumulative value of unredeemed/unreturned Face Value products and the costs of redemptions and returns, net of the value of the corresponding silver content, was recorded in Q3 2016 with retrospective adjustment to the inception of the Face Value program. While the Face Value program ended January 1, 2017, the fulfillment of backorders will increase the net liability. The net liability will also decrease or increase each period as the market price of silver (U.S. dollars) increases or decreases and the Canadian dollar weakens or strengthens with respect to the U.S. dollar. These movements in the net liability will impact profit (loss) each period.

(In thousands of Canadian dollars, unless otherwise indicated)

The consolidated financial statements for the year ended December 31, 2015 have been restated to reflect this change in accounting.

The effect of the restatement is shown in the tables below:

Restatement of 2015 opening statement of financial position

	As at January 1, 2015		
Increase (decrease)	As previously reported	Restatements	As restated
Inventories	$ 89,023	$ (1,003)	$ 88,020
Deferred tax (liability) asset	(18,218)	20,824	2,606
Face Value redemptions and returns	–	83,297	83,297
Accounts payable and accrued liabilities	74,778	(919)	73,859
Retained earnings	295,421	(62,557)	232,864

Restatement of 2015 ending statement of financial position

	As at December 31, 2015		
Increase (decrease)	As previously reported	Restatements	As restated
Inventories	$ 78,570	$ 485	$ 79,055
Deferred tax (liability) asset	(564)	30,752	30,188
Face Value redemptions and returns	–	123,009	123,009
Accounts payable and accrued liabilities	85,771	(1,255)	84,516
Retained earnings	242,655	(90,517)	152,138

Reclassification of prior periods

Presentation of revenue and cost of sales relating to bullion products

Historically, all of the revenue associated with bullion product sales was presented on a gross basis; however there are several different sales streams for bullion products. In Q3 2016, the Corporation initiated a review of the different bullion sales transaction types during which it was determined that it was more appropriate to present revenue from bullion sales on a net basis when the transaction involves inventory that a customer has on deposit with the Corporation to create a product for them of a different format, for instance, a Gold Maple Leaf. As a result, the revenue and cost of precious metals from Bullion sale transactions involving customer inventory on deposit with the Corporation ("Customer inventory deals") are now presented on a net basis, with only the commission and incremental value-added manufacturing services continuing to be recognized as revenue. This change in presentation has no impact on profit (loss).

(In thousands of Canadian dollars, unless otherwise indicated)

The consolidated statement of Comprehensive income (loss) for the year ended December 31, 2015 has been adjusted to reflect this change in the presentation of revenue and cost of sales.

Other reclassifications

During the current year the Corporation modified the consolidated statement of comprehensive income classification for certain amounts between revenue, cost of sales and administration expenses to more appropriately reflect their nature. Comparative amounts in these consolidated financial statements were reclassified for consistency.

The following table shows the combined impact of the prior period restatement and reclassifications:

	Year ended December 31, 2015				
Increase (decrease)	As previously reported	Face Value restatement	Customer inventory deals reclassification	Other reclassifications	As revised
Revenue	$ 2,974,148	$ (45,681)	$ (625,691)	$ 2,365	$ 2,305,141
Cost of sales	2,770,210	(2,884)	(625,691)	(1,783)	2,139,852
Net foreign exchange (losses) gains	(757)	4,910	–	(2,698)	1,455
Administration expenses	60,250	–	–	1,450	61,700
Income tax recovery	186	9,928	–	–	10,114
Loss for the period	(318)	(27,959)	–	–	(28,277)

Presentation of the Statement of Cash Flows

For the year ended December 31, 2016, the Corporation changed the presentation of its consolidated statement of cash flows to present the cash flows from operating activities using the indirect method available under IAS 7 – Statement of Cash Flows which the Corporation has concluded will result in more relevant and reliable information about the Corporation's cash flows. Under the indirect method, profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. The comparative amounts provided for the prior period were reclassified for consistency.

None of the other reclassifications or changes made to the Consolidated Statement of Cash Flows had any impact on the Consolidated Statements of Financial Position or Comprehensive Income (Loss).

4. Key sources of estimation uncertainty and critical judgments

4.1 Key sources of estimation uncertainty

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

In making estimates and using assumptions, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. The 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. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The most significant items where estimates and assumptions are used are the Face Value redemptions and returns, estimated useful lives of property, plant and equipment, impairment of capital assets, employee benefits liabilities, the precious metal reconciliation process including the expected precious metal content in refinery by-products, inventory valuation allowance and income taxes.

4.1.1 Face Value redemptions and returns

The liability for Face Value redemptions and returns includes an estimate of the value of the precious metal content of outstanding Face Value coins based on the current market price of silver, as well as an estimate of the costs to redeem or return outstanding Face Value coins based on current shipping costs. Changes in these estimates would affect the carrying value of Face Value redemptions and returns. These estimates are reviewed at the end of each reporting period. The carrying amount of the Face Value redemptions and returns is included in Note 15.

4.1.2 Capital assets

Capital assets, comprising property, plant and equipment with finite useful lives, are depreciated over their useful lives. Useful lives are based on management's estimates of the periods of service provided by the assets. The useful lives of these assets are reviewed annually for continued appropriateness. Changes to the useful life estimates would affect the timing of future depreciation expense and the future carrying value of assets. The carrying amounts of the capital assets as at the end of the reporting periods are included in Note 11.

Determining whether capital assets are impaired requires an estimation of the recoverable amount of the assets or of the cash-generating units that displayed impairment indicators. The recoverable amount of the assets or of the cash-generating units is determined based on the higher of fair value less cost of disposal or the value in use, whereby the undiscounted future cash flows expected to arise from the cash-generating units is estimated and a discount rate represented by the weighted average costs of capital is used in order to calculate the present value of the cash flows. The key estimates applied in determining the recoverable amount normally includes estimated future metal prices, expected future revenues, future costs and discount rates. Changes to these estimates will affect the recoverable amounts of the cash-generating units and individual assets and may then require a material adjustment to their related carrying value. Details of the impairment loss recorded by the Corporation in 2015 is described in Note 14.

4.1.3 Employee benefits liabilities

The present value of the other post-employment and other long-term employee benefits liabilities to be settled in the future depends on a number of factors that are determined on an actuarial basis using a number of assumptions, such as discount rates, long-term rates of compensation increase, retirement age, future health-care and dental costs and mortality rates. The Corporation consults with external actuaries regarding these assumptions annually. Any changes in these assumptions will impact the carrying amount of the pension, other post-employment and other long-term employee benefits liabilities. The carrying amount of the employee benefits liabilities as at the end of the reporting periods is included in Note 20.

4.1.4 Precious metal inventory and reconciliation

Certain refinery by-products with precious metal content which cannot be processed by the Corporation are shipped to contract refineries to determine the actual precious metal content. Due to the varying degrees of the physical homogeneity of these materials the Corporation relies on the best available sampling and assay methodologies to arrive at its best estimate of the precious metal content when materials are shipped. Once final settlements are reached with the contract refineries and the actual precious metal content is known these estimates are replaced by the actual values. The Corporation also refines by-products internally which requires estimates of precious metal content using the same methodology as described above. Due to this, the Corporation minimizes the amount of unrefined by-products in inventory to reduce the variability in the precious metal reconciliation results.

Management may be required to use estimates at other points in the precious metal reconciliation process based on varying conditions. If estimates are required, historical experience and other factors are applied.

Any changes in these estimates will impact the carrying amount of the inventory. The carrying amount of the inventory as at the end of the reporting periods is included in Note 9.

4.1.5 Inventory valuation allowance

Inventory valuation allowance is estimated for slow moving or obsolete inventories. Management reviews the estimation regularly. Any change in the estimation will impact the inventory valuation allowance. The carrying amount of the inventory as at the end of the reporting periods is included in Note 9.

4.1.6 Income taxes

The Corporation operates in a jurisdiction which requires calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Liabilities are recognized for anticipated tax exposures based on estimates of the additional taxes that are likely to become due. Where the final tax outcome of these matters is different from the amount that was initially recorded, such differences will affect the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities are composed of temporary differences between the carrying values and tax basis of assets and liabilities. Deferred tax assets are only recorded to the extent that it is probable that they will be realized. The timing of the reversal of the temporary differences may take many years and the related deferred tax is calculated using substantively enacted tax rates for the related period.

If future outcomes were to adversely differ from management's best estimate of future results from operations affecting the timing of reversal of deductible temporary differences, the Corporation could experience material deferred income tax adjustments. Such deferred income tax adjustments would not result in an immediate cash outflow nor would they affect the Corporation's immediate liquidity.

4.2 Critical judgements

The critical judgements that the Corporation's management has made in the process of applying the Corporation's accounting policies, apart from those involving estimations, that have the most significant effects on the amounts recognized in the Corporation's consolidated financial statements are as follows:

4.2.1 Face Value redemptions and returns

The Corporation's accounting policy for revenue recognition is described in Note 2. In making the judgement on the appropriate revenue recognition for Face Value coins, the Corporation considered whether it could estimate the redemptions and returns of Face Value coins. Face Value coins have different characteristics than other numismatic products as these products have a Face Value equal to their purchase price which, combined with the unlimited redemption and return period permitted by the Corporation's current redemption and return policies and practices make Face Value coins significantly more likely to be redeemed or returned than other numismatic products. Consequently, the historical return patterns for other numismatic products cannot be used to estimate the redemptions and returns for Face Value products. The Corporation determined that revenue could not be recognized on the sale of Face Value products as a reliable estimate of redemptions or returns could not be determined at December 31, 2016. The primary indicators influencing the Corporation's ability to develop a reliable estimate of redemptions and returns are the market price of silver and the term over which redemptions and returns may be accepted. When the Corporation determines it can reliably estimate the redemptions and returns of Face Value products this could have a material impact on the carrying value of Face Value redemptions and returns.

4.2.2 Impairment indicators of capital assets

Capital assets with finite useful lives are required to be tested for impairment only when indication of impairment exists. Management is required to make a judgement with respect to the existence of impairment indicators at the end of each reporting period.

In 2016 indicators of impairment were observed for two of the Corporation's three cash generating units and these cash generating units were tested for impairment at December 31, 2016, but the Corporation concluded that no impairment had occurred. In 2015 indicators of impairment were observed for two of the Corporation's three cash generating units and these cash generating units were tested for impairment and the Corporation recorded an impairment loss. Details of these impairment loss calculation are included in Note 14.

4.2.3 Provisions and contingent liabilities

In determining whether a liability should be recorded in the form of a provision, management is required to exercise judgement in assessing whether the Corporation has a present legal or constructive obligation as a result of a past event, whether it is probable that an outflow of resources will be required to settle the obligation, and whether a reasonable estimate can be made of the amount of the obligation. In making this determination, management may use past experience, prior external precedents and the opinions and views of legal counsel. If management determines that the above three conditions are met, a provision is recorded for the obligation. Alternatively, a contingent liability is disclosed in the notes to the consolidated financial statements if management determines that any one of the above three conditions is not met, unless the possibility of outflow in settlement is considered to be remote.

4.2.4 Divestiture of MintChip™

In December 2015, the Company closed the sale of MintChip™ for a cash consideration of $5 million paid at closing and an $11 million, 4% interest-bearing, secured promissory note with interest payments due semi-annually and the principal amount due on December 16, 2022. Management is required to make a judgement with respect to the uncertainty over the collectability of the promissory note. At December 31, 2016 and 2015, it was determined that no asset would be recorded in the consolidated financial statements and any additional future consideration related to interest and principal repayments will be recognized as other income upon receipt of cash.

5. Application of new and revised IFRS pronouncements

5.1 New and revised IFRS pronouncements affecting amounts reported and/or disclosed in the consolidated financial statements

There were no new or revised IFRS issued and that became effective for annual periods beginning on or after January 1, 2016 that affected amounts reported or disclosed in the consolidated financial statements.

5.2 New and revised IFRS pronouncements issued but not yet effective

a) The Corporation has reviewed the 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 12 Income Taxes ("IAS 12")
An amendment was released in January 2016 to IAS 12 regarding the recognition of deferred tax assets for unrealized losses. The amendment is effective for annual periods beginning on or after January 1, 2017.

IAS 7 Statement of Cash Flows ("IAS 7")
An amendment was released in January 2016 to IAS 7 Statement of Cash Flows which clarified that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is effective for annual periods beginning on or after January 1, 2017.

IAS 40 Transfers of Investment Property ("IAS 40")
An amendment was released in December 2016 to IAS 40 Transfers of Investment Property which states that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if the property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence is now presented as a non-exhaustive list of examples instead of the previous exhaustive list. The amendment is effective for annual periods beginning on or after January 1, 2018.

Annual improvements to IFRSs 2014-2016
In December 2016, the International Accounting Standards Board (IASB) issued annual improvements during the 2014-2016 cycle. The standards covered by the amendments are: IFRS 1 – First adoption of IFRS which deletes the short-term exemptions in paragraphs E3-E7 because they have now served their intended purpose; IFRS 12 – Disclosure of Interests in Other Entities which clarifies the scope of the standard by specifying the disclosure requirements in the standard apply to an entities' interest listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations; IAS 28 – Investments in Associates which clarifies the election to measure at fair value through profit or loss on investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint-venture on an investment-by-investment basis, upon initial recognition. The annual improvements for IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after January 1, 2018 while the improvements to IFRS 12 are to be applied for annual periods beginning on or after January 1, 2017.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration
The interpretation addresses foreign currency transactions or parts of transactions where: there is consideration that is denominated or priced in a foreign currency; the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepayment asset or deferred income liability is non-monetary. The committee concluded the date of the transaction for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. This interpretation is to be applied to annual reporting periods beginning on or after January 1, 2018.

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

IFRS 15 Revenue from Contracts with Customers ("IFRS 15")
IFRS 15 was issued in May 2014 and specifies how and when an IFRS reporter will recognize 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. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Entities can elect to use either a full or modified retrospective approach when adopting this standard. The Corporation is currently evaluating the impact of IFRS 15 on its consolidated financial statements.

IFRS 16 Leases ("IFRS 16")
IFRS 16 was issued in January 2016 to replace IAS 17 Leases. The new standard requires that leases be brought onto companies' balance sheets, increasing the visibility of their assets and liabilities. IFRS 16 removes the classification of leases for lessees as either operating leases or finance leases, treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) will have an optional exemption from the requirements. For lessors, IFRS 16 substantially carries forward the requirements of IAS 17 Leases. The new standard is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted (as long as the recently issued revenue Standard, IFRS 15 Revenue from Contracts with Customers is also adopted). Entities can elect to use either a retrospective approach with a restatement of comparative information or a retrospective approach with the cumulative effect of initial application shown in retained earnings instead of the restatement of the comparative information. The Corporation is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

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.

(In thousands of Canadian dollars, unless otherwise indicated)

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. The Corporation is currently evaluating the impact of IFRS 7 on its consolidated financial statements.

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 IAS 39 "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. The Corporation is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

6. Cash

As at December 31

		2016		2015
Canadian dollars	**$**	**106,974**	$	128,676
US dollars		**6,845**		11,146
Euros		**366**		954
Total cash	**$**	**114,185**	$	140,776

7. Accounts receivable

As at December 31

		2016		2015[1]
Trade receivables and accruals	**$**	**20,029**	$	12,522
Trade receivables due from related parties (Note 26)		**3,167**		8,110
Allowance for doubtful accounts		**(47)**		(81)
Net trade receivables		**23,149**		20,551
Other current financial receivables		**851**		1,339
Other receivables		**938**		1,056
Total accounts receivable	**$**	**24,938**	$	22,946

1 Comparative figures have been revised to distinguish between financial and non-financial assets.

The Corporation's accounts receivable are denominated in the following currencies:

As at December 31

		2016		2015
Canadian dollars	**$**	**10,939**	$	15,067
US dollars		**13,999**		7,873
Euros		**–**		6
Total accounts receivable	**$**	**24,938**	$	22,946

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

(In thousands of Canadian dollars, unless otherwise indicated)

8. Prepaid expenses

As at December 31

		2016		2015
Total prepaid expenses current	**$**	**4,012**	$	4,821
Total prepaid expenses non-current	**$**	**1,669**	$	–

Included in prepaid expenses is $1.8 million (2015 - $nil) related to a five year Intellectual property and research and development agreement. Included in prepaid expenses non-current are $1.5 million (2015 – $nil) related to this same agreement. This agreement also requires additional pre-payments of $2.4 million and $1.6 million on December 31, 2017 and December 31, 2018 respectively. These amounts will be amortized over the term of the agreement.

9. Inventories

As at December 31

		2016		2015 restated (Note 3)
Raw materials and supplies	**$**	**21,114**	$	10,976
Work in process		**24,696**		20,286
Finished goods		**33,119**		47,793
Total inventories	**$**	**78,929**	$	79,055

The amount of inventories recognized as cost of sales in 2016 is $2.5 billion (2015 - $2.2 billion).

The cost of inventories recognized as cost of sales in 2016 includes $7.5 million write-downs of inventory to net realizable value (2015 - $4.3 million).

The comparative figure for finished goods inventory has been adjusted to reflect the impact of the restatements for Face Value redemptions and returns described in Note 3.

No inventory is pledged as security for borrowings as at December 31, 2016 or 2015.

10. Financial instruments and financial risk management

10.1 Capital risk management

The Corporation's objectives in managing capital are to safeguard its ability to continue as a going concern and pursue its strategy of organizational growth to provide returns to its sole shareholder, the Government of Canada, and benefits to other stakeholders. The Corporation's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2015.

The capital structure of the Corporation consists of loans payable as detailed in Note 17 and shareholder's equity which is composed of issued capital, accumulated other comprehensive income and retained earnings.

(In thousands of Canadian dollars, unless otherwise indicated)

The Corporation's senior management reviews the Corporation's capital structure periodically. As part of the review, senior management considers the cost of the capital and the associated risks in order to comply with the borrowing limits stipulated by the *Royal Canadian Mint Act*. The Corporation manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Corporation's working capital requirements. The timing, terms and conditions of all borrowing transactions are approved by the Minister of Finance.

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 year ended December 31, 2016, approved short-term borrowings for specified working capital needs within this limit, were not to exceed $25.0 million (2015 - $15.0 million) or its US Dollar equivalent.

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 December 31, 2016 or 2015.

The Corporation also monitors debt leverage ratios as part of the management of liquidity to ensure it is properly financed and leveraged to facilitate planned objectives. See below the debt leverage ratios at the end of the reporting period.

Debt to Equity ratio

As at December 31

		2016		2015 restated (Note 3)
Loans payable (current and non-current)	**$**	**27,006**	$	34,513
Shareholder's equity[1]		**185,356**		185,309
Debt to Equity ratio		**1:7**		1:5

Debt to Assets ratio

As at December 31

		2016		2015 restated (Note 3)
Loans payable (current and non-current)	**$**	**27,006**	$	34,513
Total assets[1]		**444,097**		469,477
Debt to Asset ratio		**1:16**		1:14

1 Shareholder's equity and Total assets as at December 31, 2015 have been restated for Face Value redemptions and returns (Note 3).

(In thousands of Canadian dollars, unless otherwise indicated)

In order to maintain or adjust its capital structure, the Corporation may adjust the amount of dividends paid to the shareholder, issue new shares, issue new debt or repay existing debt. Any such activities are approved by the Board of Directors and subject to the stipulations of the *Royal Canadian Mint Act*.

The Corporation has remitted a total dividend of $31 million (2015 - $53 million) to the Government of Canada in 2016.

10.2 Classification and fair value measurements of financial instruments

10.2.1 Carrying amount and fair value of financial instruments

The classification, as well as the carrying amount and fair value of the Corporation's financial assets and financial liabilities are as follows:

As at December 31

	2016		2015[1]	
	Carrying Amount	**Fair value**	Carrying Amount	Fair value
Financial Assets				
Held for Trading				
Cash	**$ 114,185**	**$ 114,185**	$ 140,776	$ 140,776
Derivative financial assets	**442**	**442**	756	756
Loans and receivables				
Accounts receivable	**24,000**	**24,000**	21,890	21,890
Financial Liabilities				
Held for Trading				
Derivative liabilities	**4,888**	**4,888**	15,510	15,510
Other Financial Liabilities				
Accounts payable and accrued liabilities	**57,694**	**57,694**	82,334	82,334
Loans payable	**27,006**	**27,145**	34,513	34,829

1 Comparative figures have been revised to remove non-financial assets and liabilities from this disclosure.

The Corporation did not have any held-to-maturity or available-for-sale financial assets at the end of the reporting periods presented.

The Corporation 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 payable have been estimated based on a discounted cash flow approach using current market rates.
iii) The fair values of the Corporation's foreign currency forward contracts and other derivative instruments are based on estimated credit-adjusted forward market prices. The Corporation takes counterparty credit risk and its own credit risk into consideration for the fair value of financial instruments.

(In thousands of Canadian dollars, unless otherwise indicated)

10.2.2 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 is classified as level 1 of the fair value hierarchy as at December 31, 2016 and 2015. 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 December 31, 2016 and 2015. There were no transfers of financial instruments between levels during 2016.

10.2.3 Interest income and expense

The Corporation has recorded interest income and expense in relation to the following financial instruments:

For the year ended December 31

		2016		2015[1]
Financial assets held for trading				
Interest income earned on cash	**$**	**591**	$	747
Other financial liabilities				
Interest expense on loans and other payables	**$**	**755**	$	929

1 Comparative figures have been revised to exclude interest on taxes

10.3 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 financial risk management policies. The Audit Committee reports regularly to the Board of Directors on its activities.

10.3.1 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 consolidated financial statements represents the maximum credit exposure.

(In thousands of Canadian dollars, unless otherwise indicated)

Accounts receivable

The Corporation's exposure to credit risk associated with accounts receivable is influenced mainly by the individual characteristics of each customer, however the Corporation also considers the demographics of the Corporation's customer base, including the risk associated with the type of customer and country in which customers operate.

The Corporation manages this risk by monitoring the creditworthiness of customers and obtaining pre-payment or other forms of payment security from customers with an unacceptable level of credit risk. The Corporation has established processes over contracting with foreign customers in order to manage the risk relating to foreign customers. The Corporation's management reviews the detailed accounts receivable listing on a regular basis for changes in customer balances which could present collectability issues. An accrual is provided for accounts with collectability issues when needed.

The maximum exposure to credit risk for accounts receivable by geographic regions was as follows:

As at December 31

		2016		2015[1]
Canada	**$**	**10,456**	$	15,991
Africa		**9,298**		24
Asia		**1,433**		3,054
Other		**3,751**		3,877
	$	**24,938**	$	22,946

1 The comparative figures have been revised to conform with the geographic regions disclosed in the current year.

The maximum exposure to credit risk for accounts receivable by type of customer was as follows:

As at December 31

		2016		2015
Central and institutional banks	**$**	**12,453**	$	665
Governments (including governmental departments and agencies)		**7,467**		15,668
Consumers, dealers and others		**5,018**		6,613
Total accounts receivable	**$**	**24,938**	$	22,946

The Corporation establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivables. The allowance is based on specific accounts and is determined by considering the Corporation's knowledge of the financial condition of its customers, the aging of accounts receivables, current business and geopolitical climate, customers and industry concentrations and historical experience. The Corporation sets different payment terms depending on the customer and product, which results in an average of 30 day payment terms.

(In thousands of Canadian dollars, unless otherwise indicated)

The aging of accounts receivable was as follows:

As at December 31

	2016		2015	
	Accounts Receivable	**Allowance for doubtful accounts**	Accounts Receivable	Allowance for doubtful accounts
Current				
0–30 days	**$ 15,415**	**$ –**	$ 19,450	$ –
31–60 days	**3,994**	**–**	2,012	–
61–90 days	**2,322**	**–**	350	–
Over 90 days	**3,254**	**47**	1,215	81
Total	**$ 24,985**	**$ 47**	$ 23,027	$ 81
Net		**$ 24,938**		$ 22,946

The change in the allowance for doubtful accounts was as follows:

As at December 31

	2016	2015
Balance at beginning of year	**$ 81**	$ 133
Additions	**359**	8
Write-offs	**(393)**	(60)
Balance at end of year	**$ 47**	$ 81

Cash

The Corporation's surplus funds are maintained in commercial bank accounts or invested to earn investment income when needed while maintaining safety of principal and providing adequate liquidity to meet cash flow requirements. The Corporation manages its credit risk relating to cash by utilizing a short-term investment policy to guide investment decisions. Investments must maintain a credit rating from at least one of the following credit agencies, meeting the following minimum criteria:

Dominion Bond Rating Service (DBRS) rating of R1 Low
Moody's rating of P1
Standard and Poor's (S&P) rating of A1

The Corporation regularly reviews the credit rating of issuers with whom the Corporation holds investments, and disposes of investments at the prevailing market rate when the issuer's credit rating declines below acceptable levels.

At each of the reporting dates presented, the Corporation did not hold any investments of this nature.

Derivative instruments

Credit risk relating to foreign currency forward contracts and other derivative instruments arises from the possibility that the counterparties to the agreements may default on their respective obligations under the agreements in instances where these agreements have positive fair value for the Corporation. These counterparties are large international financial institutions and to date, no such counterparty has failed to meet its financial obligation to the Corporation. Additionally, the Corporation manages its exposure by contracting only with creditworthy counterparties in accordance with the Minister of Finance's *Financial Risk Management Guidelines for Crown Corporations*.

(In thousands of Canadian dollars, unless otherwise indicated)

10.3.2 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.

The following table presents the contractual terms to maturity of non-derivative financial liabilities and derivative instruments, reflecting undiscounted net disbursements, owed by the Corporation:

As at December 31, 2016

	Carrying amount	**Contractual Cash flows**	**Less than 1 year**	**1 to 2 years**	**2 to 5 years**	**More than 5 years**
Non-derivative financial liabilities						
Accounts payable and accrued liabilities	**$ (57,694)**	**$ (57,694)**	**$ (52,675)**	**$ (593)**	**$ (1,787)**	**$ (2,639)**
Loans payable	**(27,006)**	**(28,451)**	**(8,052)**	**(7,874)**	**(9,481)**	**(3,044)**
Derivative instruments						
Foreign currency forwards	**(4,098)**	**46,755**	**48,330**	**(1,575)**	**-**	**-**

As at December 31, 2015[1]

	Carrying amount	Contractual Cash flows	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
Non-derivative financial liabilities						
Accounts payable and accrued liabilities	$ (82,334)	$ (82,334)	$ (77,203)	$ (513)	$ (1,539)	$ (3,079)
Loans payable	(34,513)	(36,660)	(8,229)	(8,036)	(14,248)	(6,147)
Derivative instruments						
Foreign currency forwards	(14,069)	85,763	71,378	14,385	–	–

1 Comparative figures have been revised to remove non-financial liabilities from this disclosure.

10.3.3 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, from time to time, 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.

(In thousands of Canadian dollars, unless otherwise indicated)

Foreign exchange risk
The Corporation is exposed to foreign exchange risk on sales and purchase transactions and short term cash management requirements that are denominated in foreign currencies, primarily in US dollar 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. As of December 31, 2016, the Corporation is no longer applying hedge accounting to foreign currency forward contracts. The Corporation also uses such contracts in managing its overall cash requirements.

The Corporation's exposure to foreign currency risk was as follows based on Canadian dollar equivalent amount:

As at December 31, 2016

	USD	**EURO**	**GBP**	**AUD**
Cash	**$ 6,845**	**$ 366**	**$ –**	**$ –**
Accounts receivable	**13,999**	**–**	**–**	**–**
Accounts payable and accrued liabilities	**(7,949)**	**(589)**	**(137)**	**(147)**
Gross exposure excluding financial derivatives	**12,895**	**(223)**	**(137)**	**(147)**
Hedged forecasted sales	**98,281**	**–**	**–**	**–**
Hedged forecasted purchases	**(34,756)**	**(1,188)**	**(203)**	**–**
Gross exposure	**76,420**	**(1,411)**	**(340)**	**(147)**
Forward exchange contracts	**(51,139)**	**–**	**201**	**–**
Net exposure	**$ 25,281**	**$ (1,411)**	**$ (139)**	**$ (147)**

As at December 31, 2015

	USD	EURO	GBP	AUD
Cash	$ 11,146	$ 954	$ –	$ –
Accounts receivable	7,873	6	–	–
Accounts payable and accrued liabilities	(9,078)	(610)	(308)	(247)
Gross exposure excluding financial derivatives	9,941	(350)	(308)	(247)
Hedged forecasted sales	140,019	–	–	–
Hedged forecasted purchases	(42,843)	(885)	(102)	–
Gross exposure	107,117	(535)	(410)	(247)
Forward exchange contracts	(99,984)	–	–	–
Net exposure	$ 7,133	$ (535)	$ (410)	$ (247)

Based on the forward exchange contracts as at December 31, 2016, and assuming that all other variables remain constant, a hypothetical 10% appreciation in the Canadian dollar against the currencies above would result in increases in profit for the year by the amounts shown below. A hypothetical 10% weakening in the Canadian dollar against the currencies would have the equal but opposite effect.

(In thousands of Canadian dollars, unless otherwise indicated)

For the year ended December 31

	2016		2015	
	Other comprehensive income	**Profit (loss) for the period**	Other comprehensive income	Profit (loss) for the period
US dollars	**$ –**	**$ 3,487**	$ 5,629	$ 1,188
GBP	**–**	**(90)**	–	–

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 described in Note 17 expose the Corporation to cash flow interest rate risk. The Corporation has fully hedged 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. An increase of 50 basis points in interest rates at the reporting date will increase the fair value of the swap liabilities and decrease other comprehensive income by approximately $0.3 million (2015 – $0.4 million). A decrease of 50 basis points in interest rates will have the opposite result.

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. For numismatic sales the Corporation enters into short term lease or purchase commitments for precious and base metals to mitigate the commodity price risk (Note 29.1 and Note 29.2).

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 volume is not significant.

(In thousands of Canadian dollars, unless otherwise indicated)

10.4 Foreign currency forwards and interest rate swaps

The notional and fair values of the derivative instruments designated as hedges are as follows:

As at December 31, 2016

	Maturities	**Notional value**	**Fair value**
Derivative financial liabilities			
Current			
Interest rate swaps	**2017**	**$ 4,500**	**$ 80**
Non-current			
Interest rate swaps	**2022**	**16,500**	**268**
		$ 21,000	**$ 348**

As at December 31, 2015

	Maturities	Notional value	Fair value
Derivative financial assets			
Current			
Foreign currency forwards	2016	$ 7,101	510
		$ 7,101	$ 510
Derivative financial liabilities			
Current			
Foreign currency forwards	2016	$ 63,880	$ 8,264
Interest rate swaps	2016	4,500	125
Non-current			
Foreign currency forwards	2017	14,385	3,537
Interest rate swaps	2022	21,000	559
		$ 103,765	$ 12,485

The gains/losses on derivatives designated as cash flow hedges will be reclassified from accumulated other comprehensive income to profit or loss during the periods when the hedged gains/losses are realized. The amounts will be reclassified to net income over periods up to 6 years of which approximately $0.1 million losses (2015 - $7.9 million losses) will be reclassified during the next 12 months.

(In thousands of Canadian dollars, unless otherwise indicated)

The notional and fair values of the derivative instruments not designated as hedges are as follows:

As at December 31, 2016

	Maturities	**Notional value**	**Fair value**
Derivative financial assets			
Current			
Foreign currency forwards	**2017**	**$ 13,096**	**$ 425**
Non-current			
Foreign currency forwards	**2018**	**$ 1,575**	**$ 17**
		$ 14,671	**$ 442**
Derivative financial liabilities			
Current			
Foreign currency forwards	**2017**	**$ 55,355**	**$ 4,540**
		$ 55,355	**$ 4,540**

As at December 31, 2015

	Maturities	Notional value	Fair value
Derivative financial assets			
Current			
Foreign currency forwards	2016	$ 15,532	$ 246
		$ 15,532	$ 246
Derivative financial liabilities			
Current			
Foreign currency forwards	2016	$ 65,601	$ 3,025
		$ 65,601	$ 3,025

For the year ended December 31, 2016, the amounts recorded in the consolidated statement of comprehensive income resulting from the net change in fair value of the derivative instruments not designated as hedges amount to a gain of $2.2 million (2015 – loss of $2.7 million). These amounts are included in net foreign exchange gains (losses).

11. 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 December 31

	2016	2015
Cost	**$ 417,266**	$ 407,413
Accumulated depreciation	**(247,012)**	(234,816)
Net book value	**$ 170,254**	$ 172,597
Net book value by asset class		
Land and land improvements	**$ 3,075**	$ 2,922
Buildings and improvements	**91,109**	93,302
Equipment	**73,775**	73,215
In process capital projects	**2,295**	3,158
Net book value	**$ 170,254**	$ 172,597

(In thousands of Canadian dollars, unless otherwise indicated)

Reconciliation of the opening and closing balances of property, plant and equipment for 2015 and 2016:

	Land and land improvements	Buildings and improvements	Equipment	Capital projects in process	Total
Cost					
Balance at December 31, 2014	$ 4,094	$ 150,240	$ 244,968	$ 9,733	$ 409,035
Additions	–	3,451	7,899	2,890	14,240
Transfers	–	2,003	7,462	(9,465)	–
Derecognition	–	–	(11,398)	–	(11,398)
Disposals	–	–	(4,464)	–	(4,464)
Balance at December 31, 2015	4,094	155,694	244,467	3,158	407,413
Additions	**–**	**2,631**	**6,893**	**2,145**	**11,669**
Transfers	**–**	**187**	**2,821**	**(3,008)**	**–**
Disposals	**–**	**(64)**	**(1,752)**	**–**	**(1,816)**
Balance at December 31, 2016	**$ 4,094**	**$ 158,448**	**$ 252,429**	**$ 2,295**	**$ 417,266**
Accumulated depreciation					
Balance at December 31, 2014	$ 955	$ 17,480	$ 148,950	$ –	$ $167,385
Depreciation	(8)	5,622	11,519	–	17,133
Derecognition	–	–	(11,398)	–	(11,398)
Disposals	–	–	(3,213)	–	(3,213)
Impairment (Note 14)	225	39,290	25,394	–	64,909
Balance at December 31, 2015	1,172	62,392	171,252	–	234,816
Depreciation	**3**	**4,825**	**9,111**	**–**	**13,939**
Disposals	**–**	**(34)**	**(1,709)**	**–**	**(1,743)**
Transfers	**(156)**	**156**	**–**	**–**	**–**
Balance at December 31, 2016	**$ 1,019**	**$ 67,339**	**$ 178,654**	**$ -**	**$ $247,012**
Net book value at December 31, 2016	**$ 3,075**	**$ 91,109**	**$ 73,775**	**$ 2,295**	**$ $170,254**

No asset is pledged as security for borrowings as at December 31, 2016 or 2015.

Included in capital additions is a total accrual of $1.2 million (2015 – $1.5 million).

(In thousands of Canadian dollars, unless otherwise indicated)

12. Investment property

As at December 31

		2016		2015
Cost	**$**	**236**	$	236

The fair value of the land is $2.6 million (2015 - $2.6 million). The fair value measurement of the investment property is classified as level 2 of the fair value hierarchy (see Note 10.2.2 for definitions). The valuation was performed using a market approach using market prices for similar properties in the relevant location as observable inputs. A new valuation will be carried out when there is significant change in the market price.

No indicators of impairment were found for investment property as at December 31, 2016 or 2015.

The Corporation's investment property is held under freehold interests.

13. Intangible assets

As at December 31

		2016		2015
Cost	**$**	**30,678**	$	29,589
Accumulated amortization		**(18,674)**		(14,378)
Net book value	**$**	**12,004**	$	15,211

Reconciliation of the opening and closing balances of intangibles for 2015 and 2016:

		Software		Value-in-kind		Capital projects in process		Total
Cost								
Balance at December 31, 2014	$	40,546	$	–	$	1,019	$	41,565
Additions		758		1,362		1,046		3,166
Transfers		584		–		(584)		–
Derecognition		(13,780)		(1,362)		–		(15,142)
Balance at December 31, 2015		28,108		–		1,481		29,589
Additions		**911**		**–**		**178**		**1,089**
Transfers		**1,481**		**–**		**(1,481)**		**–**
Balance at December 31, 2016	**$**	**30,500**	**$**	**–**	**$**	**178**	**$**	**30,678**
Accumulated amortization								
Balance at December 31, 2014	$	24,115	$	-	$	–	$	24,115
Amortization		3,440		1,362		–		4,802
Derecognition		(13,780)		(1,362)		–		(15,142)
Impairment (Note 14)		603		–		–		603
Balance at December 31, 2015		14,378		–		–		14,378
Amortization		**4,296**		**–**		**–**		**4,296**
Balance at December 31, 2016	**$**	**18,674**	**$**	**–**	**$**	**–**	**$**	**18,674**
Net book value at December 31, 2016	**$**	**11,826**	**$**	**–**	**$**	**178**	**$**	**12,004**

Included in capital additions is a total accrual of $0.1 million (2015 - $0.1 million).

(In thousands of Canadian dollars, unless otherwise indicated)

14. Impairment of capital assets

At the end of each reporting period, the Corporation assesses whether there are events or circumstances indicating that an asset may be impaired. According to *IAS 36 Impairment of Assets*, such events or circumstances notably include material adverse changes which in the long-term impact the economic environment or the Corporation's assumptions or objectives.

As at December 31, 2016, impairment indicators were observed for two of the Corporation's three cash generating units (CGUs): Winnipeg Circulation and Ottawa Plant. These two CGUs were tested for impairment, and the Corporation concluded that no impairment had occurred.

As a result of the Corporation's strategic review in 2015, the Corporation performed tests of impairment after indicators of impairment were observed related to the two of its three CGUs: Winnipeg Circulation and Ottawa Refinery. The Corporation used the value in use method to estimate the recoverable amount of the tangible and intangible assets for the two CGUs that displayed impairment indicators. The impairment review concluded that the Ottawa Refinery CGU was not impaired however the Winnipeg Circulation CGU was impaired.

The Winnipeg Circulation CGU is composed of the Canadian Circulation Program and the Circulation Products and Solution business. The Corporation identified the recent decline in the Circulation CGU's revenues, the generation of operating losses and the decrease in cash inflows from operations as indicators of impairment.

As a result of the impairment test, the Corporation recorded an impairment loss in the third quarter of 2015 in the amount of $65.5 million. The impairment loss is included in operating expenses on the consolidated statement of comprehensive income (loss).

Impact to property, plant and equipment (*CAD $ millions*)

Impairment		
Land, building and improvements		39.5
Equipment		25.4
Intangible		0.6
Total impairment	$	65.5

The recoverable amount of the Winnipeg Circulation CGU was determined based on the value in use method, generally determined using the Corporation's forecasted future net cash inflows in a discounted cash flow model. The recoverable amount is greater than half of the carrying value of the circulation assets prior to the impairment charge. The estimated future cash inflows for the first 5 years, including the terminal amount, are based on the corporate and strategic plan developed in 2015.

The forecasted future net cash inflows are based on the non-profit financials for Canadian Circulation program as well as the Corporation's estimate of Circulation Products and Solutions future sales under existing firm orders and expected future orders adjusted for any future currency and base metal price movements after 2015, procurement costs based on existing contracts with suppliers, normalized future labour costs, general market conditions, increases or decreases in non-cash working capital and a sustained level of capital expenditures in future periods.

(In thousands of Canadian dollars, unless otherwise indicated)

Another estimate used to determine the recoverable amount was the applicable discount rate. The inputs used in the discounted cash flow model are Level 3 inputs (inputs that are not based on observable market data). The discount rate used to discount the future cash flows under the value in use method was calculated using a weighted average cost of capital of 12% determined to be the midpoint of the range calculated using the build-up method. This method incorporates risk premiums to arrive at a risk adjusted rate.

The key assumptions in determining the discount rate under the build up method were:
- A cost of equity was calculated in the range of 18.9% to 19.9% as no publically traded companies exist that are in a coin circulation business similar to the Corporation;
- The pre-tax cost of debt was calculated in the range of 4.7% to 5.7% using the Bank of Canada prime rate plus a company specific premium of 2.0% to 3.0%;
- A debt-to-capital weighting in the range of 45% to 50% was used, which approximates notional debt of 2.0 to 2.5 times of 2015 net earnings; and
- A 0% growth rate was considered when determining the terminal value.

In regards to the impact on income taxes, the $65.5 million of impairment losses increased the deductible temporary difference by the same amount, resulting in an increase in the deferred tax asset. This resulted in a deferred tax recovery of approximately $16.4 million in 2015 at the applicable tax rate of 25% (Note 19).

Sensitivity Analysis
The following analyses are presented in isolation from one another i.e. all other estimates left unchanged:

A 10% decrease or increase in the expected future net cash inflows for the Winnipeg Circulation CGU evenly distributed over future periods, would result in an additional impairment loss or the reduction of the impairment loss by approximately $8.4 million in 2015.

An increase of 100-basis points in the discount rate used to perform the impairment test would result in an additional impairment loss of approximately $5.9 million in 2015.

A decrease of 100-basis points in the discount rate used to perform the impairment test would result in a decrease in the impairment loss of approximately $7.0 million in 2015.

15. Face Value redemptions and returns

As at December 31

	2016	2015 (Note 3)
Face Value redemptions and returns	**$ 183,672**	$ 154,616
Precious metal recovery	**(42,655)**	(31,607)
Face Value redemptions and returns, net	**141,017**	123,009
Less: Current portion	**(3,153)**	(3,583)
Non-current Face Value redemptions and returns, net	**$ 137,864**	$ 119,426

As at December 31

	2016	2015
Opening balance	**$ 123,009**	$ 83,297
Additions, net	**26,204**	42,532
Redemptions and returns, net	**(3,820)**	(2,686)
Revaluation	**(4,376)**	(134)
Ending balance	**$ 141,017**	$ 123,009

(In thousands of Canadian dollars, unless otherwise indicated)

As at December 31, 2016, the Corporation determined that it cannot reliably estimate the redemptions and returns of Face Value coins.

Face Value redemptions and returns represents the expected cash outflows if all Face Value coins are redeemed or returned, including the costs of redemptions and returns offset by the precious metal content that will be reclaimed by the Corporation when the coins are redeemed or returned. The precious metal recovery component of the liability is based on the market value of silver as at each balance sheet date.

The current portion of the Face Value redemptions and returns is based on the redemptions and returns for the last 12 months, as the Corporation determined that it is unlikely that all outstanding Face Value coins will be redeemed/returned in the next 12 months as Face Value coins are widely held and the redemption/return process takes time to complete.

As of January 1, 2017, the Corporation is no longer selling Face Value coins but back-orders will continue to be filled in the first quarter of 2017.

16. Accounts payable and accrued liabilities

As at December 31

		2016		2015 restated (Note 3)
Trade payables	**$**	**5,475**	$	3,623
Other current financial liabilities[1]		**37,012**		63,182
Other payables and accrued liabilities[2]		**2,091**		2,182
Other payables and accrued liabilities due to related parties (Note 26)		**14,806**		15,529
Total Current accounts payable and accrued liabilities	**$**	**59,384**	$	84,516
Non-current accounts payable and accrued liabilities		**401**		–
Total accounts payable and accrued liabilities	**$**	**59,785**	$	84,516

1 Other current financial liabilities include payables that are not trade in nature, as well as various operating and capital accruals. Comparative figures have been restated for Face value redepmtions and returns (Note 3).

2 Other payables and accrued liabilities include amounts due for withholding and sales tax. Also included is an accrual for a $1.6 million penalty, the majority of which was due to undercharged sales tax to the Department of Finance (Note 26).

As at December 31

		2016		2015 restated (Note 3)
Canadian dollars	**$**	**50,962**	$	74,267
US dollars		**7,949**		9,078
Euros		**589**		610
Other currencies		**285**		561
Total accounts payable and accrued liabilities	**$**	**59,785**	$	84,516

Included in accrued liabilities at December 31, 2016 is a net $1.0 million (2015 - $0.8 million) provision for estimated sales returns and allowances. During the year the provision was reduced by $0.8 million for actual sales returns and increased by $1.0 million for estimated future sales returns.

(In thousands of Canadian dollars, unless otherwise indicated)

17. Loans payable

As at December 31

		2016		2015
Loans	**$**	**26,990**	$	34,487
Accrued interest		**16**		26
Total loans payable	**$**	**27,006**	$	34,513
Current	**$**	**7,516**	$	7,526
Non-current		**19,490**		26,987
Total loans payable	**$**	**27,006**	$	34,513

The loans payable are unsecured and consist of the following borrowing facilities:

A 10 year $15 million Bankers' Acceptance/Interest rate swap loan bearing an interest rate at 2.67% with maturity in 2018. The Corporation hedges the loan for interest rate risk via an interest rate swap exchanging fixed rate interest for variable rate interest. The structure of the loan involves the use of a revolving 3 month Bankers Acceptances and an Interest Rate Swap to lock in the BA refinancing. The loan gets paid down $1.5 million per year for 10 years. As at December 31, 2016 the balance of the principal is $3.0 million (2015 – $4.5 million) and the fair value of the Bankers' Acceptance is $3.0 million (2015 – $4.5 million).

A 10 year $30 million Bankers' Acceptance/Interest rate swap loan bearing an interest rate at 2.06% with maturity in 2022. The Corporation hedges the loan for interest rate risk via an interest rate swap exchanging fixed rate interest for variable rate interest. The structure of the loan involves the use of a revolving 1 month Bankers Acceptances and an Interest Rate Swap to lock in the BA refinancing. The loan gets paid down $3 million per year for 10 years. As at December 31, 2016 the balance of the principal is $18.0 million (2015 - $21.0 million) and the fair value of the Bankers' Acceptance is $18.0 million (2015 – $21 million).

A 5 year $15 million loan bearing a fixed interest rate of 2.35% with maturity in 2018. Interest payments are paid semi-annually and the loan gets paid down $3 million per year for 5 years. As at December 31, 2016 the balance of the principal is $6.0 million (2015 – $9.0 million) and the fair value of the loan is $6.2 million (2015 – $9.3 million).

18. Deferred revenue

As at December 31

		2016		2015
Customer prepayment	**$**	**10,533**	$	8,656
Deferred revenue		**2,545**		–
Total deferred revenue	**$**	**13,078**	$	8,656

Customer prepayments arise when customers prepay the cost of purchasing materials in order to lock the purchasing price, primarily of the metals. The prepayments will be recognized as revenue when the shipments are made. Deferred revenue represents the liability for the Corporation's Masters Club program under which members receive rewards points which can be redeemed on purchases for a limited period of time from their issuance.

(In thousands of Canadian dollars, unless otherwise indicated)

19. Income taxes

Current tax expense

For the year ended December 31

		2016		2015
Current income tax expense	**$**	**13,132**	$	14,612
Foreign taxes expense		**116**		10
Adjustments for prior years		**405**		120
Total current tax expense	**$**	**13,653**	$	14,742

For the year ended December 31

		2016		2015 restated (Note 3)
Origination and reversal of temporary differences	**$**	**(4,211)**	$	(24,879)
Adjustments for prior years		**(992)**		23
Total deferred tax recovery	**$**	**(5,203)**	$	(24,856)

Income tax expense on profit before income tax differs from the amount that would be computed by applying the Federal statutory income tax rate of 25% (2015 – 25%). The expense for the year can be reconciled to the accounting profit before tax as follows:

For the year ended December 31

		2016		2015 restated (Note 3)
Profit (loss) before tax for the year	**$**	**32,938**	$	(38,391)
Income tax rate		**25.0%**		25.0%
Computed tax expense (recovery)		**8,235**		(9,598)
Non-deductible expense		**622**		(914)
Impact of foreign taxes		**116**		222
Adjustments for prior years		**(587)**		120
Other net amounts		**64**		56
Income tax expense (recovery) recognized in profit or loss	**$**	**8,450**	$	(10,114)

(In thousands of Canadian dollars, unless otherwise indicated)

Deferred tax recognized in other comprehensive income

The tax effects of temporary differences that give rise to deferred tax assets and liabilities in 2016 and 2015 are presented below:

For the year ended December 31

	2016			2015		
	Before tax	**Tax benefit (expense)**	**Net of Tax**	Before tax	Tax benefit (expense)	Net of Tax
Net unrealised gains (losses) on cash flow hedges	**$ 6,163**	**$ (1,541)**	**$ 4,622**	$ (9,477)	$ 2,369	$ (7,108)
Reclassification of net realised losses on cash flow hedges transferred from other comprehensive income	**2,593**	**(647)**	**1,946**	2,511	(628)	1,883
Net actuarial gains (losses) on defined benefit plan	**(12)**	**3**	**(9)**	736	(184)	552
Total	**$ 8,744**	**$ (2,185)**	**$ 6,559**	$ (6,230)	$ 1,557	$ (4,673)

The tax effects of temporary differences that give rise to deferred tax assets and liabilities in 2016 and 2015 are presented below:

As at December 31, 2016

	Opening balance restated (Note 3)	**Recognized in profit (loss)**	**Recognized in OCI**	**Closing balance**
Deferred tax assets				
Employee benefits	**$ 3,289**	**$ (51)**	**$ 3**	**$ 3,241**
Accounts payable	**2,152**	**2,100**	**–**	**4,252**
Face Value redemptions/returns	**30,752**	**4,502**	**–**	**35,254**
Derivative financial assets	**2,995**	**306**	**(2,188)**	**1,113**
Deferred tax liabilities				
Capital assets	**(4,965)**	**(2,507)**	**–**	**(7,472)**
Intangible assets	**(3,795)**	**794**	**–**	**(3,001)**
Investment tax credits	**(240)**	**59**	**–**	**(181)**
Net deferred tax asset	**$ 30,188**	**$ 5,203**	**$ (2,185)**	**$ 33,206**

(In thousands of Canadian dollars, unless otherwise indicated)

As at December 31, 2015

	Opening balance restated (Note 3)	Recognized in profit (loss) restated (Note 3)	Recognized in OCI	Closing balance restated (Note 3)
Deferred tax assets				
Employee benefits	$ 3,173	$ 300	$ (184)	$ 3,289
Accounts payable	1,727	425	–	2,152
Face Value redemptions/returns	20,824	9,928	–	30,752
Derivative financial assets	581	(496)	2,910	2,995
Deferred tax liabilities				
Capital assets	(19,157)	14,192	–	(4,965)
Intangible assets	(4,359)	564	–	(3,795)
Investment tax credits	(183)	(57)	–	(240)
Net deferred tax asset	$ 2,606	$ 24,856	$ 2,726	$ 30,188

20. Employee benefits

i) 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 employee's 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. The required employer contribution rate for 2016 was dependent on the employee's employment start date. For employment start dates before January 1, 2013, the Corporation's contribution rate was 1.15 times (2015 – 1.28) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate was 1.11 (2015 – 1.28) times the employee's contribution.

The Corporation made total contributions of $11.4 million in 2016 (2015 – $11.5 million). The estimated contribution for 2017 is $10.1 million.

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

ii) 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.

iii) 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.

(In thousands of Canadian dollars, unless otherwise indicated)

Employee benefits obligation at reporting date:

As at December 31

		2016		2015
Post employment benefits	**$**	**10,155**	$	9,863
Other long-term employee benefits		**2,812**		3,273
Total employee benefits obligation	**$**	**12,967**	$	13,136

Movements of employee benefits obligation were as follows:

As at December 31

	Post employment benefits				**Other long-term employment benefits**				**Totals**			
		2016		2015		**2016**		2015		**2016**		2015
Beginning of the year	**$**	**9,863**	$	10,157	**$**	**3,273**	$	2,542	**$**	**13,136**	$	12,699
Current service cost		**575**		647		**3,372**		2,601		**3,947**		3,248
Interest cost		**386**		390		**125**		91		**511**		481
Benefits paid		**(557)**		(595)		**(3,535)**		(3,272)		**(4,092)**		(3,867)
Actuarial losses (gains) from demographic assumptions		**(413)**		(571)		**(404)**		1,314		**(817)**		743
Actuarial losses(gains) from financial assumptions		**301**		(165)		**(19)**		(3)		**282**		(168)
End of the year	**$**	**10,155**	$	9,863	**$**	**2,812**	$	3,273	**$**	**12,967**	$	13,136

Included in actuarial losses (gains) from demographic assumptions are the experience adjustments, which are the effect of differences between the previous actuarial assumptions and what has actually occurred, and the effects of changes in actuarial assumptions.

Included in the actuarial gains from financial assumptions are the adjustments due to the effect of the discount rate applied to the employee benefits obligation.

(In thousands of Canadian dollars, unless otherwise indicated)

Employee benefits expenses were as follows:

For the year ended December 31		2016		2015[1]
Pension benefits contribution	**$**	**11,433**	$	11,530
Other post employment benefits		**961**		1,037
Other long-term employee benefits		**3,074**		4,003
Total employee benefits expenses	**$**	**15,468**	$	16,570

1 Comparative figures have been revised to exclude benefit payments of $3.9 million and actuarial gains of $0.7 million.

Amounts recognized in the consolidated statement of comprehensive income were as follows:

For the year ended December 31		2016		2015
In Profit or Loss				
Pension benefits contribution	**$**	**11,433**	$	11,530
Current service cost		**3,947**		3,248
Interest cost		**511**		481
Actuarial (gain) loss for other long term employee benefits		**(423)**		1,311
		15,468		16,570
In Other Comprehensive Income				
Actuarial gain for post-employment benefits		**(112)**		(736)
		(112)		(736)
Total amounts recognized in the consolidated statement of comprehensive income	**$**	**15,356**	$	15,834

The principal actuarial assumptions used at the end of the reporting period were as follows (weighted average):

As at December 31	2016	2015
Accrued benefit obligation		
Discount rate	**3.5%**	3.5%
Rate of compensation increase	**2.5%**	2.5%
Benefit costs for the year ended		
Discount rate	**3.3%**	3.5%
Rate of compensation increase	**2.5%**	3.0%
Assumed health care cost trend rates		
Initial health care cost trend rate	**6.0%**	6.0%
Cost trend rate declines to	**5.0%**	4.9%

If all other assumptions are held constant, a hypothetical increase of one percentage point in the following assumed rates will increase (decrease) the current service cost, interest cost and defined benefit obligation by the amount in the table below. The effect of a hypothetical decrease of one percentage point in the assumed rates will have approximately the opposite result.

(In thousands of Canadian dollars, unless otherwise indicated)

For the year ended December 31

		2016		2015
Medical cost trend rates:				
Current service cost and interest cost	**$**	**95**	$	100
Defined benefit obligation		**525**		525
Discount rates:				
Current service cost and interest cost	**$**	**(7)**	$	(41)
Defined benefit obligation		**(1,253)**		(1,304)
Salary rates:				
Current service cost and interest cost	**$**	**68**	$	82
Defined benefit obligation		**492**		535

The weighted average duration of the defined benefit obligation is 12 years (2015 – 10 years). The distribution of the timing of benefit payments is shown in the table below:

For the year ended December 31, 2016

		Within 1 Year		2 to 5 Years		5 to 12 Years
Expected pension benefit payments	**$**	**3,977**	**$**	**4,367**	**$**	**4,415**

For the year ended December 31, 2015

		Within 1 Year		2 to 5 Years		5 to 10 Years
Expected pension benefit payments	$	3,713	$	4,388	$	4,380

(In thousands of Canadian dollars, unless otherwise indicated)

21. Revenue

For the year ended December 31

	2016	2015 restated (Note 3)
Revenue from the sale of goods	**$ 2,604,084**	$ 2,266,416
Revenue from the rendering of services	**37,331**	38,725
Total revenue	**$ 2,641,415**	$ 2,305,141

Revenue from the sale of goods is presented net of cost of sales in cases where the Corporation is not the principal in the transaction ("Customer inventory deals"). The following is a reconciliation of the gross revenue from the sale of goods and the net revenue presented:

For the year ended December 31

	2016	2015
Gross revenue from the sale of goods	**$ 3,170,301**	$ 2,892,107
Less: Customer inventory deals	**(566,217)**	(625,691)
Net revenue from the sale of goods	**$ 2,604,084**	$ 2,266,416

22. Depreciation and amortization expenses

For the year ended December 31

	2016	2015
Depreciation of property, plant and equipment	**$ 13,939**	$ 17,133
Amortization of intangible assets	**4,296**	4,802
Total depreciation and amortization expenses	**$ 18,235**	$ 21,935

Depreciation and amortization expenses were allocated to operating expenses as follows:

For the year ended December 31

	2016	2015
Cost of sales	**$ 10,608**	$ 14,082
Marketing and sales expenses	**2,753**	3,966
Administration expenses	**4,874**	3,887
Total depreciation and amortization expenses	**$ 18,235**	$ 21,935

(In thousands of Canadian dollars, unless otherwise indicated)

23. Employee compensation expenses

For the year ended December 31

		2016		2015[1]
Included in cost of sales:				
Salaries and wages including short term employee benefits	**$**	**31,241**	$	40,251
Pension costs		**5,487**		5,870
Long term employee benefits and Post-employment benefits other than pensions		**1,674**		3,122
Termination benefits		**–**		384
Included in marketing and sale expenses:				
Salaries and wages including short term employee benefits		**18,528**		16,088
Pension costs		**1,870**		1,432
Long term employee benefits and Post-employment benefits other than pensions		**404**		571
Termination benefits		**–**		1,692
Included in cost of administration:				
Salaries and wages including short term employee benefits		**29,411**		28,866
Pension costs		**4,076**		4,411
Long term employee benefits and Post-employment benefits other than pensions		**1,568**		1,353
Termination benefits		**500**		2,339
Total employee compensation and benefits expenses	**$**	**94,759**	$	106,379

1 Comparative figures have been revised to conform with the current cost center alignment.

24. Scientific research and experimental development expenses, net

For the year ended December 31

		2016		2015
Research and development expenses	**$**	**5,012**	$	6,774
Scientific research and development investment tax credit		**(550)**		(1,126)
Research and development expenses, net	**$**	**4,462**	$	5,648

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

(In thousands of Canadian dollars, unless otherwise indicated)

25. Supplemental cash flow Information

Adjustments to other expenses (revenue), net was comprised of the following:

For the year ended December 31

		2016		2015
Expenses				
Employee benefits expenses	**$**	**15,468**	$	16,570
Employee benefits paid		**(15,525)**		(15,396)
Inventory write-downs		**3,705**		(24)
Other non-cash expenses		**2,459**		358
Revenue		**(5,386)**		(4,707)
	$	**721**	$	(3,199)

Income taxes paid, net of income taxes received was comprised of the following:

		2016		2015
Income taxes paid	**$**	**(19,413)**	$	(15,197)
Income taxes received		**313**		5,276
	$	**(19,100)**	$	(9,921)

Interest received, net of interest paid was comprised of the following:

		2016		2015
Interest received	**$**	**1,057**	$	993
Interest paid		**(621)**		(567)
	$	**436**	$	426

The net change in operating assets and liabilities shown in the consolidated statement of cash flow was comprised of the following:

		2016		2015
Accounts receivable	**$**	**(2,756)**	$	3,839
Inventories		**958**		15,208
Prepaid expenses		**(860)**		(3,294)
Accounts payable and accrued liabilities		**(22,797)**		13,073
Deferred revenue		**4,422**		7,447
	$	**(21,033)**	$	36,273

(In thousands of Canadian dollars, unless otherwise indicated)

26. Related party transactions

Government of Canada

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

The revenue related to the transactions with Department of Finance is as follows:

For the year ended December 31

	2016	2015
Revenue from DOF	**$ 90,015**	$ 94,340

As at December 31

	2016	2015[1]
Receivable from DOF	**$ 3,167**	$ 8,110
Payable to DOF	**14,806**	15,529

1 Comparative figures have been revised to present the gross receivable and payable due to/from DOF.

During the year, the majority of transactions with Crown corporations were for the sales of numismatic product.

Included in accounts payable and accrued liabilities on the consolidated statement of financial position is an accrual for a $1.6 million penalty, the majority of which is due to undercharged sales tax to the Department of Finance. The Corporation is awaiting the final assessment of the sales tax owed and will bill the Department of Finance for the undercharged sales tax of $32 million which the Corporation will in turn remit to the Canada Revenue Agency. This amount is not included in the consolidated statement of financial position.

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. During 2016, the Corporation reduced the billing to the Department of Finance by \$0.5 million (2015 - \$0.5 million) and the remainder of \$5.2 million (2015 - \$5.7 million) will be deducted in future billings over the next 10 years.

(In thousands of Canadian dollars, unless otherwise indicated)

Key management personnel

Key management personnel include all members of the Board of Directors and executive officers including all VPs, who have the authorities and responsibilities for planning, directing and controlling the activities of the Corporation.

Compensation of key management personnel was as follows:

For the year ended December 31

		2016		2015
Wages, bonus and short-term benefits	**\$**	**2,587**	\$	2,979
Post-employment and termination benefits		**1,147**		2,653
Other long-term benefits		**120**		101
Total compensation	**\$**	**3,854**	\$	5,733

27. Reorganization

In mid-2015, the Corporation conducted a strategy review to identify opportunities to maximize profitable growth and adapt to the changing market. The review was completed in the third quarter. As a result, the Corporation reorganized its organizational structure in October 2015. Employees impacted as a result of the reorganization were offered severance or other internal job opportunities, as appropriate. The total cost related to involuntary terminations expensed in 2015 is approximately \$2.8 million. Out of the \$2.8 million cost, \$0.4 million was included in the cost of sales, \$1.7 million was included in the marketing and sales expenses and \$0.7 million was included in the administration expenses. The severance amounts were paid in 2015 and 2016.

28. Divestiture of MintChip™

MintChip™ project was launched in 2012. In February 2014, it was decided that further development and commercialization of MintChip™ should be accomplished through the private sector. In December 2015, the Company closed the sale of MintChip™ for a cash consideration of \$5 million paid at closing and an \$11 million, 4% interest-bearing, secured promissory note with interest payments due semi-annually and the principal amount due on December 16, 2022. During the year ended December 31, 2016, the Company recorded \$0.4 million in interest income as other income. The cash paid at closing as well as repayments of principal net of taxes and fees will be returned to the Government of Canada through incremental dividend payments the year following the cash being received.

The sale resulted in other income of \$3.75 million, net of tax (\$5 million pre-tax) and was presented as part of net loss from continuing operations in the consolidated statement of comprehensive (loss) income for the year ended December 31, 2015. Due to uncertainty over the collectability of the promissory note, no asset has been recorded in the consolidated financial statements and any additional future consideration related to interest and principal repayments will be recognized as other income upon receipt of cash.

(In thousands of Canadian dollars, unless otherwise indicated)

29. Commitments, contingencies and guarantees

29.1 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 December 31, 2016 the Corporation had $51.2 million outstanding precious metal purchase commitments (2015 – $47.0 million).

At the end of the period, the Corporation had entered into precious metal leases as follows:

As at December 31 *(ounces)*

	2016	2015
Gold	**34,451**	321,747
Silver	**9,524,890**	6,746,665
Palladium	**4,388**	8,594
Platinum	**18,241**	13,042

The fees for these leases are based on market value. The precious metal lease payment expensed for 2016 is $5.7 million (2015 - $5.1 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.

29.2 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 December 31, 2016, the Corporation had $12.4 million (2015 - $22.5 million) in purchase commitments outstanding.

29.3 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 at December 31, 2016, under the guarantees and bid bonds, the maximum potential amount of future payments is $12.8 million (December 31, 2015 - $14.4 million).

(In thousands of Canadian dollars, unless otherwise indicated)

29.4 Other commitments, guarantees and contingencies

The Corporation has committed as at December 31, 2016 to spend approximately $4.0 million (December 31, 2015 - $4.3 million) on capital projects in the coming year.

Total estimated minimum remaining future commitments are as follows:

As at December 31

	2017	2018	2019	2020	2021	2022 and Thereafter	Total
Operating leases	$ 4,766	$ 4,477	$ 2,009	$ 1,777	$ 1,673	$ 5,625	$ 20,327
Other commitments (no leases)	27,135	4,162	2,330	1,636	1,252	45	36,560
Total	$ 31,901	$ 8,639	$ 4,339	$ 3,413	$ 2,925	$ 5,670	$ 56,887

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. A $0.7 million provision for potential legal obligations is included in accounts payable and accrued liabilities (Note 16) as at December 31, 2016 (December 31, 2015 - $0.7 million). The amount and timing of the settlement of the provision is uncertain.

There have been no other material changes to the Corporation's commitments, contingencies and guarantees since December 31, 2015.

STATISTICS

Table 1 — Canadian circulation coinage

Production in 2014, 2015 and 2016

	2016 Total Pieces	2015 Total Pieces	2014 Total Pieces
Coinage dated 2015			
$2	**–**	30,378,500	2,150,000
$1	**–**	22,140,000	–
50¢	**–**	625,000	–
25¢	**–**	97,320,000	–
10¢	**–**	112,475,000	–
5¢	**–**	87,360,000	–
1¢	**–**	–	–
Coinage dated 2016	**–**	–	–
$2	**25,669,000**	–	–
$1	**38,764,000**	–	–
50¢	**800,000**	–	–
25¢	**106,880,000**	–	–
10¢	**220,000,000**	–	–
5¢	**140,952,000**	–	–
1¢	**–**	–	–

Table 2 — Canadian circulation coinage

Cumulative production up to December 31, 2016

	2016	2015	2014
$2	**25,669,000**	30,378,500	16,305,000
$1	**38,764,000**	22,140,000	24,978,000
50¢	**800,000**	625,000	500,000
25¢	**106,880,000**	97,320,000	97,440,000
10¢	**220,000,000**	112,475,000	153,450,000
5¢	**140,952,000**	87,360,000	66,364,000
1¢	**–**	–	–

Table 3 — Canadian circulation coinage

Commemorative/regular designs and plated/non-plated coins production in 2014-2016

	2016	2015	2014
5 cents	**140,952,000**	87,360,000	66,364,000
10 cents	**220,000,000**	112,475,000	153,450,000
25 cents - 50th Anniversary of the Canadian Flag	**–**	12,500,000	–
25 cents - Caribou	**106,880,000**	72,320,000	97,440,000
25 cents - Poppy	**–**	12,500,000	–
One dollar (P)	**28,764,000**	22,140,000	20,945,000
One dollar - Lucky Loonie	**5,000,000**	–	4,033,000
One dollar - 100th Anniversary of Canadian Women's Right to Vote	**5,000,000**	–	–
Two dollars (P)	**20,669,000**	22,528,500	11,305,000
Two dollars - 75th Anniversary of the Battle of the Atlantic	**5,000,000**	–	–
Two dollars - 100th Anniversary of the Writing of *In Flanders Fields*	**–**	5,000,000	–
Two dollars - 200th Anniversary of the Birth of Sir John A. MacDonald	**–**	2,850,000	2,150,000
Two dollars - 75th Anniversary of the Declaration of the Second World War - Wait for me, Daddy	**–**	–	5,000,000

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Vice-President, Human Resources

Sean Byrne
Vice-President, Operations

Jennifer Camelon, CPA, CA
Chief Financial Officer and
Vice-President of Finance
and Administration

Francine Hochereau
Vice-President, Marketing and
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Vice-President, General Counsel
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