FIRST QUARTER REPORT FISCAL 2013

NARRATIVE DISCUSSION
PAGE 2
FINANCIAL STATEMENTS AND NOTES
PAGE 9

NARRATIVE DISCUSSION

BASIS OF PRESENTATION

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

The Mint has prepared these unaudited condensed consolidated financial statements for the 13 weeks ended March 30, 2013 and March 31, 2012 in compliance with International Financial Reporting Standards (IFRS).

PERFORMANCE

Consolidated results and financial performance

(in CAD $ millions for the 13 weeks ended March 30, 2013 and March 31, 2012)

	13 weeks ended			
	30-Mar-13	**31-Mar-12**	**$ Change**	**% Change**
Revenue	863.6	542.7	320.9	59.1%
Profit before taxes	10.7	8.6	2.1	24.4%
Profit	8.1	6.5	1.6	24.6%

	31-Dec-12			
	30-Mar-13	**31-Dec-12**	**$ Change**	**% Change**
Cash	38.7	64.5	(25.8)	-40.0%
Inventories	90.6	86.6	4.0	4.6%
Capital assets	238.4	223.8	14.6	6.5%
Total assets	403.3	408.7	(5.4)	-1.3%
Working Capital	105.3	113.2	(7.9)	-7.0%

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

CONSOLIDATED OVERVIEW

Consolidated revenue for the 13 weeks ended March 30, 2013 was $863.6 million compared to $542.7 million in the same period in 2012, an increase of 59.1%. The improvement was driven primarily by increased demand for bullion, supported by a sharp increase in the volume of foreign coins produced and shipped offset by a decline in demand for Canadian circulation coinage.

Consolidated profit before taxes increased 24.4% to $10.7 million from $8.6 million in the same period in 2012. The variance reflects the substantial increase in demand for bullion supported by improved performance in the Foreign Business Line. This was offset by reduced margins and operating profits in the Alloy Recovery Program (ARP) due to lower base metal prices.

Consolidated total assets declined 1.3% to $403.3 million at March 30, 2013 compared to $408.7 million at December 31, 2012. Cash decreased to $38.7 million from $64.5 million at the previous year end mainly due to the increase of capital expenditures. Inventories increased to $90.6 million at March 30, 2013, increasing 4.6% from $86.6 million at December 31, 2012. Capital assets increased 6.5% to $238.4 million from $223.8 million at December 31, 2012.

The Mint’s financial performance in 2012 led to the declaration of a $10.0 million dividend to the Government of Canada, the same amount paid in 2011.

The operating and financial results achieved during the 13 weeks ended March 30, 2013 indicate the Corporation is well on its way to achieve the annual targets established in the 2013 Corporate Plan approved by the Government of Canada in November 2012.

CORPORATE DEVELOPMENTS

On February 4, 2013, the Mint ceased distribution of the penny to financial institutions. With the retirement of the penny, every denomination produced for Canada’s coinage system now costs less than face value to manufacture. For example, the five-cent circulation coin costs 2.5 cents to produce. This cost benefit, made possible by the Mint’s multi-ply plated steel (MPPS) technology, enhances the seigniorage earned by the Government of Canada through the efficient management of Canada’s coinage system. Consumers can still use pennies for cash transactions with businesses that choose to accept them.

The expansion of the Winnipeg plating facility and construction of the Hieu C. Truong Centre of Excellence also situated in Winnipeg are progressing on schedule with anticipated completion in June 2013. The expansion and renewal of the facility will increase production capacity by an additional two billion pieces, provide more efficient storage and significantly enhance the Mint’s research and development capabilities.

The Mint’s artistic and technical abilities were acknowledged internationally in February at Krause Publication’s annual *Coin of the Year* awards where it won the Best Silver Coin award for a $20 pure silver commemorative coin known as 'Canoe'. The award was presented to the Mint on February 2, 2013 at the World Money Fair in Berlin, Germany.

The Mint did not experience any significant change in operations or programs during the period. A reorganization of the executive structure replaced business line executive directors with two new vice president positions: Operations and Sales. The change will strengthen the Mint's evolving international sales and marketing programs while ensuring optimum operating and financial performance as the manufacturing facilities in Winnipeg and Ottawa expand capacity and capabilities to meet continued growth in demand and in the number and complexity of products manufactured.

PERFORMANCE BY BUSINESS LINE

Revenue by Business Line

(in CAD $ millions for the 13 weeks ended March 30, 2013 and March 31, 2012)

	13 weeks Ended			
	30-Mar-13	**31-Mar-12**	**$ Change**	**% Change**
Canadian Circulation	30.2	36.3	(6.1)	-16.8%
Numismatic and Collectibles	41.3	44.3	(3.0)	-6.8%
Foreign	12.2	4.7	7.5	159.6%
Bullion, Refinery and ETR	779.7	457.3	322.4	70.5%

Operating Highlights and Analysis of Results

Canadian Circulation: The Mint sold 12.9 million coins during the 13 weeks ended March 30, 2013, down from 258.7 million coins sold in the same period in 2012. Revenue from the business line declined 16.8% to $30.2 million for the quarter from $36.3 million in the same period in 2012. The decline in volume and revenue reflects the scheduling of domestic and foreign coin production in 2012 and 2013 and the impact of eliminating the penny from circulation on February 4, 2013. The Mint sold only 20 million pennies to financial institutions during the first quarter of 2013 compared to 136.3 million in the same period in 2012. At the same time, the elimination of the penny triggered a sharp increase in the volume of coins of all denominations delivered to the Mint for recycling. Recycling volumes jumped 43.5% to 393.5 million coins during first quarter of 2013 compared to 274.3 million coins in the same period in 2012. The installation of coin-counting machines by a financial institution in more than 300 branches across Canada during the quarter is expected to support increased recycling volumes throughout 2013.

The Mint marked the end of the penny by offering special rolls of coins made from the last million pennies made for distribution. The rolls, which quickly sold out on March 15, were packaged in a commemorative wrap and sealed with a holographic label. During the quarter, the Mint also released a 25-cent coin commemorating one of the heroes of the War of 1812, Lieutenant Colonel Charles-Michel de Salaberry.

The Alloy Recovery Program (ARP) continues to generate substantial revenue, but margins and operating profits have been compressed by the decline in the price of nickel. The Mint recovered and sold 324.8 metric tonnes of nickel and 57.0 metric tonnes of cupronickel during the 13 weeks ended March 30, 2013 compared to 161.0 metric tonnes of nickel and 58.0 metric tonnes of cupronickel in the same period in 2012. The 74.3% increase in tonnage caused ARP revenue for the quarter to increase 21.9% to $7.8 million compared to $6.4 million in the same period in 2012. The average price of nickel declined 26.7% to $16,200 per tonne during the first quarter of 2013 from $22,100 per tonne during the same period in 2012. The average price of cupronickel was relatively stable at $9,400 per tonne.

Numismatics and Collectibles: Demand for the Mint’s numismatic products remains strong with revenue declining modestly by 6.8% to $41.3 million for the 13 weeks ended March 30, 2013 from $44.3 million in the same period in 2012. The Mint issued 53 new products during the quarter compared to 45 in the first quarter of 2012.

The most notable products issued during the period included a series of four fine silver and three pure gold coins commemorating the 2013 World Baseball Classic™; a $200 pure gold coin celebrating French explorer Jacques Cartier; a $50 pure gold coin celebrating Inuit Art and the centennial of the Winnipeg Art Gallery; and a series of silver coins commemorating the watershed discoveries of the 1913 Canadian Arctic expedition. The second coin in a series that made headlines around the world in 2012 is the glow-in-the-dark dinosaur coin featuring a painted illustration of *Quetzalcoatlus* with a glow-in-the-dark skeletal structure of this prehistoric animal.

There were 12 sell-outs during the quarter compared to eight in the same period in 2012.

The Mint continues to enjoy sustained growth in its customer base, particularly through customer acquisition programs such as the “20 for 20” program. To solidify this growth, the Mint has expanded its focus on developing programs to ensure new customers remain engaged with the Mint and its products. Demand for the Mint’s numismatic products continues to strengthen in Europe and China.

Foreign: The Mint produced and shipped 279.8 million coins and blanks to five countries in the 13 weeks ended March 30, 2013 compared to 177.1 million coins and blanks to three countries in the same period in 2012. Revenue increased 159.6% to $12.2 million in the quarter from $4.7 million in the same period in 2012. The variance is due in part to the timing of shipments originally scheduled for delivery in 2012 along with the establishment of new relationships with countries in Africa and Asia.

The economic crisis in Europe continues to reduce demand for coinage and exacerbate an already intensely competitive international marketplace, but the Mint is competing aggressively to expand its share of the foreign circulation coinage market. During the first quarter of 2013, it secured contracts to produce 2.1 billion coins for four countries, including one contract that represents multi-year commitments.

Bullion, Refinery and ETR: Bullion, Refinery and ETR revenues increased 70.5% to $779.7 million in the 13 weeks ended March 30, 2013 from $457.3 million in the same period in 2012. Sales of Gold Maple Leaf (GML) coins increased 96.4% to 269 thousand ounces compared to 137 thousand ounces in the same period in 2012. Sales of Silver Maple Leaf (SML) coins increased 65% to 6.6 million ounces during the quarter from 4 million ounces in the same period last year. The price of gold declined sharply during the first quarter of 2013 from a high of US$1,787.00 per ounce in the fourth quarter of 2012 to a low of $1,576.50, stimulating demand among institutional and retail investors. Margins on products were maintained during the period. The steady growth in precious metals storage also provides a growing contribution to the Mint's profitability.

A notable coin issued during the quarter was the one-ounce silver coin featuring the Wood Bison issued in February. The launch of this coin brings the popular Canadian Wildlife silver bullion coin series to an end.

The Mint's refinery supports the production of the Mint's bullion and numismatic coins with refined precious metals. When evaluating external deposits from both primary and secondary sources as well as refining of internal production by-products, the volume of precious metals refined was stable quarter over quarter. Strong demand for the Mint's premium refinery products, such as 100 troy ounce silver bars and 1 kg gold bars, has been a significant contributing factor to the refinery's profitability.

The Canadian Gold Reserves Exchange Traded Receipts (ETRs) program launched in the fall of 2011 and Silver ETR program launched in 2012 are generating a steady stream of revenue from management fees. The Mint is prepared to issue more ETRs when market conditions are appropriate.

LIQUIDITY AND CAPITAL RESOURCES

Capital expenditures were $18.6 million during the 13 weeks to March 30, 2013 compared to $12.3 million in the same period in 2012. Approximately $14.1 million was related to the expansion and renewal of the plating plant and the construction of the Hieu C. Truong Centre of Excellence in Winnipeg. The remaining $4.5 million was expended on the Enterprise Resource Planning (ERP) and human resources system upgrades, renovations to the Mint's new office building at 100 Murray Street in Ottawa, and improvements at the Winnipeg and Ottawa facilities.

The Mint has the financial capacity through current cash flow and established access to capital to fund the substantial anticipated expenditures for the plating plant expansion.

RISKS TO PERFORMANCE

There has not been any material change in the risks to performance discussed in the Management's Discussion and Analysis in the 2012 Annual Report.

OUTLOOK

The robust numismatic sales experienced throughout 2011 and 2012 have continued into 2013. The Mint is scheduled to release more than 200 new coins during the year and continues to build its customer base in existing markets and open new markets. The Mint cannot predict trends in the precious metals markets, but while global economic uncertainty persists it does expect the robust performance of the Bullion, Refinery and ETR business to continue. The Foreign Business Line remains challenged by the crisis in Europe, but will continue to work to secure sales on the strength of superior product and services. Despite the decline in Canadian circulation coinage sales in the first quarter, total sales for 2013 are not expected to vary significantly from 2012.

Statement of Management Responsibility by Senior Officials

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

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

Ian E. Bennett
President and
Chief Executive Officer

André Aubrey, CPA, CA
Acting Vice-President Finance &
Administration

Ottawa, Canada
May 23, 2013

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(unaudited)

		As at	
(CAD$ thousands)	Notes	**March 30, 2013**	December 31, 2012
Assets			
Cash	4	**$ 38,686**	$ 64,514
Accounts receivable	5	**31,473**	28,090
Prepaid expenses		**2,610**	1,321
Income taxes receivable		**-**	1,199
Inventories	6	**90,611**	86,583
Derivative financial assets	7	**1,232**	2,975
Current assets		**164,612**	184,682
Derivative financial assets	7	**13**	14
Property, plant and equipment	8	**225,745**	211,891
Investment property		**236**	236
Intangible assets	8	**12,675**	11,885
Total assets		**$ 403,281**	$ 408,708
Liabilities			
Accounts payable and accrued liabilities		**$ 49,526**	$ 56,317
Loans payable		**4,512**	4,514
Deferred revenue		**1,619**	6,789
Income taxes payable		**252**	-
Employee benefits	9	**1,900**	2,071
Derivative financial liabilities	7	**1,494**	1,776
Current liabilities		**59,303**	71,467
Derivative financial liabilities	7	**270**	309
Loans payable		**34,464**	34,466
Deferred tax liabilities		**13,310**	13,657
Employee benefits	9	**10,455**	10,455
Total liabilities		**117,802**	130,354
Shareholder's equity			
Share capital (authorised and issued 4,000 non-transferable shares)		**40,000**	40,000
Retained earnings		**246,660**	238,600
Accumulated other comprehensive income		**(1,181)**	(246)
Total shareholder's equity		**285,479**	278,354
Total liabilities and shareholder's equity		**$ 403,281**	$ 408,708

Commitments, Contingencies and Guarantees (note 14)

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

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(unaudited)

		13 weeks ended	
(CAD$ thousands)	Notes	**March 30, 2013**	March 31, 2012
Revenues	10, 13	**$ 863,554**	$ 542,693
Cost of goods sold		**822,324**	504,640
Gross profit		**41,230**	38,053
Other operating expenses			
Marketing and sales expenses		**18,028**	17,245
Administration expenses	12	**12,268**	11,913
Other operating expenses		**30,296**	29,158
Operating profit		**10,934**	8,895
Net foreign exchange losses		**(27)**	(344)
Finance income (costs), net			
Finance income		**49**	125
Finance costs		**(210)**	(65)
Finance income (costs), net		**(161)**	60
Profit before income tax		**10,746**	8,611
Income tax expense		**2,686**	2,153
Profit for the period		**8,060**	6,458
Other comprehensive income			
Net unrealized gains (losses) on cash flow hedges		**(1,046)**	689
Net realized losses (gains) on cash flow hedges transferred out of other comprehensive income		**111**	(135)
Other comprehensive income (losses), net of tax		**(935)**	554
Total comprehensive income		**$ 7,125**	$ 7,012

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

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(unaudited)

13 weeks ended March 30, 2013

(CAD$ thousands)		**Share Capital**		**Retained earnings**		**Accumulated other comprehensive income ("AOCI") (Net gains (losses) on cash flow hedges)**		**Total**
Balance as at December 31, 2012	**$**	**40,000**	**$**	**238,600**	**$**	**(246)**	**$**	**278,354**
Profit for the period		**-**		**8,060**		**-**		**8,060**
Other comprehensive income		**-**		**-**		**(935)**		**(935)**
Balance as at March 30, 2013	**$**	**40,000**	**$**	**246,660**	**$**	**(1,181)**	**$**	**285,479**

13 weeks ended March 31, 2012

(CAD$ thousands)		Share Capital		Retained earnings		Accumulated other comprehensive income ("AOCI") (Net gains(losses) on cash flow hedges)		Total
Balance as at December 31, 2011 (restated)	$	40,000	$	219,775	$	(2,277)	$	257,498
Profit for the period		-		6,458		-		6,458
Other comprehensive income		-		-		554		554
Balance as at March 31, 2012	$	40,000	$	226,233	$	(1,723)	$	264,510

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

ROYAL CANADIAN MINT
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	13 weeks ended	
(CAD$ thousands)	**March 30, 2013**	March 31, 2012
Cash flows from operating activities		
Receipts from customers	**$ 855,489**	$ 531,801
Payments to suppliers and employees	**(880,162)**	(525,297)
Interest paid	**(212)**	(65)
Cash receipts on derivative contracts	**107,273**	330,745
Cash payments on derivative contracts	**(88,161)**	(329,587)
Income taxes paid	**(1,582)**	(2,781)
Net cash generated (used) by operating activities	**(7,355)**	4,816
Cash flows from investing activities		
Interest received	**49**	125
Payments to acquire property, plant and equipment and intangible assets	**(18,568)**	(12,297)
Net cash used by investing activities	**(18,519)**	(12,172)
Cash flows from financing activities		
Repayment of loans and other payables	**(2)**	-
Net cash generated by financing activities	**(2)**	-
Net decrease in cash	**(25,876)**	(7,356)
Cash at the beginning of the period	**64,514**	78,930
Effects of exchange rate changes on cash held in foreign currencies	**48**	(78)
Cash at the end of the period	**$ 38,686**	$ 71,496

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

1. NATURE AND DESCRIPTION OF THE CORPORATION

The Royal Canadian Mint (the "Mint" or the "Corporation") was incorporated in 1969 by the *Royal Canadian Mint Act* to mint coins in anticipation of profit and carry out other related activities. The Mint is an agent corporation of Her Majesty named in Part II of Schedule III to the *Financial Administration Act*. It produces all of the circulation coins used in Canada and manages the support distribution system for the Government of Canada. The Mint is one of the world's foremost producers of circulation, collector and bullion investment coins for the domestic and international marketplace. It is also one of the largest gold refiners in the world. The addresses of its registered office and principal place of business are 320 Sussex Drive, Ottawa, Ontario, Canada, K1A 0G8 and 520 Lagimodière Blvd, Winnipeg, Manitoba, Canada, R2J 3E7.

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

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

2. BASIS OF PRESENTATION

2.1 Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with *IAS 34 Interim Financial Reporting ("IAS 34")* of the International Financial Reporting Standards *("IFRS")* and the *Standard on Quarterly Financial Reports for Crown Corporations* issued by the Treasury Board of Canada. As permitted under this standard, these interim condensed consolidated financial statements do not include all of the disclosure requirements for annual consolidated financial statements, and should be read in conjunction with the Corporation's audited consolidated financial statements for its fiscal year ended December 31, 2012.

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

These interim condensed consolidated financial statements have been approved for public release by the Board of Directors of the Corporation on May 23, 2013.

2.2 Basis of presentation

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

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

2.3 Consolidation

The interim condensed consolidated financial statements incorporate the interim financial statements of the Corporation and its wholly-owned subsidiary. The subsidiary 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.

2.4 Functional and presentation currency

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

2.5 Significant accounting policies

Significant accounting policies applied in these interim condensed consolidated financial statements are disclosed in note 2 of the Corporation's annual consolidated financial statements for the year ended December 31, 2012. The accounting policies have been applied consistently in the current and comparative periods.

2.6 Key sources of estimation uncertainty and critical accounting judgments

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

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

2.7 Prior period restatement

As discussed in note 5 of the annual consolidated financial statements for the year ended December 31, 2012, there was a prior period adjustment affecting inventory and cost of goods sold. The opening retained earnings for the year ended December 31, 2012 was restated by $1.4 million.

3. FUTURE CHANGES IN ACCOUNTING POLICIES

The Corporation has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following may have an impact on the Corporation's consolidated financial statements in future years.

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 with effective date on or after January 1, 2015 (or otherwise when IFRS 9 is first applied). The amendments are to be applied retrospectively. The adoption of these amendments is not expected to have a material impact on the Corporation's condensed consolidated financial statements.

IFRS 9 Financial Instruments ("IFRS 9")

The mandatory application date of IFRS 9 was amended in December 2011. The Corporation will be required to retrospectively adopt IFRS 9 on January 1, 2015, which is the result of the IASB's project to replace IAS 39, "Financial Instruments: Recognition and Measurement". The new standard defines the classification, recognition, derecognition and measurement guidance for financial assets and financial liabilities. The adoption of this standard is not expected to have a material impact on the Corporation's condensed consolidated financial statements.

4. CASH

	As at	
(CAD$ thousands)	**March 30, 2013**	December 31, 2012
Canadian dollars	**$ 34,640**	$ 52,822
US dollars	**2,761**	8,587
Euros	**1,285**	3,105
Total cash	**$ 38,686**	$ 64,514

In accordance with the construction contract for the Winnipeg plant expansion and the Builder's Lien Act of Manitoba, the Corporation is required to holdback 7.5% of progress billings. These amounts are restricted in nature and recorded as an asset and a liability. The restricted funds will be paid out upon certified completion of the subcontracts in accordance with the Builder's Lien Act of Manitoba during 2013. The total holdback cash account balance and related liability at March 30, 2013 was $3.1 million (December 31, 2012 - $2.3 million).

5. ACCOUNTS RECEIVABLE

	As at	
(CAD$ thousands)	**March 30, 2013**	December 31, 2012
Trade receivables and accruals	**$ 24,898**	$ 24,086
Allowance for doubtful accounts	**(107)**	(110)
Net trade receivables	**24,791**	23,976
Other receivables	**6,682**	4,114
Total accounts receivable	**$ 31,473**	$ 28,090

Accounts receivable by type of customer was as follows:

	As at	
(CAD$ thousands)	**March 30, 2013**	December 31, 2012
Consumers, dealers and others	**$ 12,177**	$ 9,402
Governments (including governmental departments and agencies)	**9,901**	11,544
Banking institutions	**9,395**	7,144
Total accounts receivable	**$ 31,473**	$ 28,090

6. INVENTORIES

	As at	
(CAD$ thousands)	**March 30, 2013**	December 31, 2012
Raw materials and supplies	**$ 15,100**	$ 9,319
Work in process	**26,903**	25,861
Finished goods	**48,608**	51,403
Total inventories	**$ 90,611**	$ 86,583

The amount of inventories recognized as cost of goods sold for the 13 weeks ended March 30, 2013 is $834 million (13 weeks ended March 31, 2012 - $505 million).

The cost of inventories recognized as cost of goods sold for the 13 weeks ended March 30, 2013 includes $0.4 million write-downs of inventory to net realisable value (13 weeks ended March 31, 2012 - $0.8 million).

There is no pledged collateral in respect of inventory.

7. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

7.1 Classification and valuation techniques of financial instruments

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

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

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

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

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

7.2 Financial risk management objectives and framework

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

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

7.2.1 Credit risk management

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

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

7.2.2 Liquidity risk

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

7.2.3 Market risk

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

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

Foreign exchange risk

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

Interest rate risk

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

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

Commodity price risk

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

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

The Corporation manages its exposure to commodity price fluctuations by entering into sales or purchase commitments that fix the future price or by entering into commodity swap and forward contracts that fix the future commodity price and by applying hedge accounting to these contracts to minimize the volatility to profit or loss.

Derivatives designated as a hedge of an anticipated or forecasted transaction are accounted for as cash flow hedges. The Corporation applies the normal purchases classification to certain contracts that are entered into for the purpose of procuring commodities to be used in production.

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

7.3 Fair value measurements recognized in the condensed consolidated statement of financial position

The table below analyzes financial instruments carried at fair value, by valuation method. All the derivatives the Corporation has are classified as level 2 financial instruments. The different levels have been defined as follows:

- 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)

	As at	
(CAD$ thousands)	**March 30, 2013**	December 31, 2012
Derivative financial assets		
Foreign currency forwards	**$ 1,043**	$ 2,561
Commodity swaps	**190**	428
Interest rate swaps	**12**	-
	$ 1,245	$ 2,989
Derivative financial liabilities		
Foreign currency forwards	**$ 1,101**	$ 1,486
Commodity swaps	**399**	304
Interest rate swaps	**264**	295
	$ 1,764	$ 2,085

8. CAPITAL ASSETS

8.1 Property, plant and equipment

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

	As at	
(CAD$ thousands)	**March 30, 2013**	December 31, 2012
Cost	**$ 366,580**	$ 349,214
Accumulated depreciation	**(140,835)**	(137,323)
Net book value	**$ 225,745**	$ 211,891

Net book value by asset class		
Land and land improvements	**$ 3,163**	$ 3,170
Buildings	**70,727**	69,986
Plant and equipment	**81,161**	83,398
In process capital projects	**70,694**	55,337
Net book value	**$ 225,745**	$ 211,891

Reconciliation of the opening and closing balances of property, plant and equipment for March 30, 2013:

(CAD$ thousands)	Land and land improvements	Buildings	Plant and equipment	Capital projects in process	Total
Cost					
Balance at December 31, 2011	$ 4,094	$ 70,660	$ 195,639	$ 17,052	$ 287,445
Additions	-	3,454	10,100	51,283	64,837
Transfers	-	4,094	8,904	(12,998)	-
Disposals	-	(84)	(2,984)	-	(3,068)
Balance at December 31, 2012	4,094	78,124	211,659	55,337	349,214
Additions	**-**	**298**	**-**	**17,088**	**17,386**
Transfers	**-**	**1,217**	**514**	**(1,731)**	**-**
Disposals	**-**	**-**	**(20)**	**-**	**(20)**
Balance at March 30, 2013	**$ 4,094**	**$ 79,639**	**$ 212,153**	**$ 70,694**	**$ 366,580**
Accumulated depreciation					
Balance at December 31, 2011	$ 903	$ 5,221	$ 119,857	-	$ 125,981
Depreciation	21	2,917	10,407	-	13,345
Disposals	-	-	(2,003)	-	(2,003)
Balance at December 31, 2012	924	8,138	128,261	-	137,323
Depreciation	**7**	**774**	**2,731**	**-**	**3,512**
Disposals	**-**	**-**	**-**	**-**	**-**
Balance at March 30, 2013	**$ 931**	**$ 8,912**	**$ 130,992**	**-**	**$ 140,835**
Net book value at March 30, 2013	**$ 3,163**	**$ 70,727**	**$ 81,161**	**$ 70,694**	**$ 225,745**

No indicators of impairment were found for property, plant and equipment as at March 30, 2013.

No asset is pledged as security for borrowings as at March 30, 2013.

8.2 Intangible assets

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

Reconciliation of the opening and closing balances of intangibles for March 30, 2013:

(CAD$ thousands)	**Software**	**Capital projects in process**	**Total**
Cost			
Balance at December 31, 2011	$ 21,017	$ 3,150	$ 24,167
Additions	267	6,397	6,664
Transfers	202	(202)	-
Balance at December 31, 2012	21,486	9,345	30,831
Additions	**267**	**935**	**1,202**
Transfers	**157**	**(157)**	**-**
Balance at March 30, 2013	**$ 21,910**	**$ 10,123**	**$ 32,033**
Accumulated amortization			
Balance at December 31, 2011	$ 16,653	-	$ 16,653
Depreciation	2,293	-	2,293
Balance at December 31, 2012	18,946	-	18,946
Amortization	**412**	**-**	**412**
Balance at March 30, 2013	**19,358**	**-**	**19,358**
Net book value at March 30, 2013	**$ 2,552**	**$ 10,123**	**$ 12,675**
Net book value at December 31, 2012	$ 2,540	$ 9,345	$ 11,885

No indicators of impairment were found for intangible assets as at March 30, 2013.

9. EMPLOYEE BENEFITS

9.1 Pension benefits

Substantially all of the employees of the Corporation are covered by the Public Service Pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. Total contributions of $2.4 million were recognized as an expense in the 13 weeks ended March 30, 2013 (13 weeks ended March 31, 2012 - $2.6 million).

9.2 Other post-employment benefits

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

There were no settlement losses recognized in the 13 weeks ended March 30, 2013 or March 31, 2012. There were no past service costs or curtailments in the 13 weeks ended March 30, 2013 or March 31, 2012.

9.3 Other long-term employee benefits

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

10. REVENUE

	13 weeks ended	
(CAD$ thousands)	**March 30, 2013**	March 31, 2012
Revenue from the sale of goods	**$ 859,947**	$ 538,660
Revenue from the rendering of services	**3,607**	4,033
Total Revenue	**$ 863,554**	$ 542,693

11. DEPRECIATION AND AMORTIZATION EXPENSES

	13 weeks ended	
(CAD$ thousands)	**March 30, 2013**	March 31, 2012
Depreciation of property, plant and equipment	**$ 3,512**	$ 3,166
Amortization of intangible assets	**412**	716
Total depreciation and amortization expenses	**$ 3,924**	$ 3,882

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

	13 weeks ended	
(CAD$ thousands)	**March 30, 2013**	March 31, 2012
Cost of goods sold	**$ 2,849**	$ 2,696
Marketing and Sales expenses	**430**	474
Administration expenses	**645**	712
Total depreciation and amortization expenses	**$ 3,924**	$ 3,882

12. SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT EXPENSES, NET

	13 weeks ended	
(CAD$ thousands)	**March 30, 2013**	March 31, 2012
Research and development expenses	**$ 1,918**	$ 1,856
Scientific research and development credit	**(375)**	(150)
Research and development expenses, net	**$ 1,543**	$ 1,706

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

13. RELATED PARTY TRANSACTIONS

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

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

Based on this exemption, as the Corporation has not entered into any transactions with these related parties which are considered to be individually or collectively significant, the Corporation has not disclosed any details of its transactions with:

- The Government of Canada, and departments thereof
- All federal Crown corporations

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

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

	13 weeks ended	
(CAD$ thousands)	**March 30, 2013**	March 31, 2012
Revenue from DOF	**$ 22,410**	$ 29,883

Due to the retrospective application of IAS 16 at the date of transition to IFRS on January 1st, 2010, depreciation expenses that had been charged under Canadian GAAP to the Department of Finance at a rate in excess of actual depreciation expenses incurred under IAS 16 were adjusted by the amount of $8.2 million at that time. This amount was included in accounts payable and accrued liabilities on the condensed consolidated statement of financial position since it could be reimbursable on demand to DOF. Starting in 2011, the Corporation has been reducing the billing to the Department of Finance by $0.5 million and the remainder of $7.2 million (December 31, 2012 - $7.2 million) will be deducted in future billings over the next 14 years.

14. COMMITMENTS, CONTINGENCIES AND GUARANTEES

14.1 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 March 30, 2013, the Corporation had $73.8 million precious metal purchase commitments outstanding (December 31, 2012 – $63.8 million). At the end of the period, the Corporation had entered into precious metal leases as follows:

	As at	
Ounces	**March 30, 2013**	December 31, 2012
Gold	**6,000**	6,000
Silver	**2,101,788**	2,540,498
Platinum	**8,653**	5,751

The fees for these leases are based on market value. The precious metal lease payment expensed for the 13 weeks ended March 30, 2013 is $0.8 million (13 weeks ended March 31, 2012 - $3.0 million). The value of the metals under these leases has not been reflected in the Corporation's condensed consolidated financial statements since the Corporation intends to settle these commitments through receipt or delivery of the underlying metal.

14.2 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 March 30, 2013, the Corporation had $22.6 million (December 31, 2012 - $22.2 million) in purchase commitments outstanding.

14.3 Trade finance bonds and bank guarantees

The Corporation has various outstanding bank guarantees and trade finance bonds associated with the production of foreign circulation coin contracts. These were issued in the normal course of business. The guarantees and bonds are delivered under standby facilities available to the Corporation through various financial institutions. Performance guarantees generally have a term up to one year depending on the applicable contract, while warranty guarantees can last up to five years. Bid bonds generally have a term of less than three months, depending on the length of the bid period for the applicable contract. The various contracts to which these guarantees or bid bonds apply generally have terms ranging from one to two years. Any potential payments which might become due under these commitments would relate to the Corporation's non-performance under the applicable contract. The Corporation does not anticipate any material payments will be required in the future. As of March 30, 2013, under the guarantees and bid bonds, the maximum potential amount of future payments is $5.7 million (December 31, 2012 - $6.1 million).

14.4 Other commitments and guarantees

The Corporation may borrow money from the Consolidated Revenue Fund or any other source, subject to the approval of the Minister of Finance with respect to the time and terms and conditions. Since March 1999, following the enactment of changes to the *Royal Canadian Mint Act*, the aggregate of the amounts loaned to the Corporation and outstanding at any time shall not exceed $75 million. For the 13 weeks ended March 30, 2013, approved short-term borrowings for working capital within this limit were not to exceed $25.0 million (March 31, 2012 - $25.0 million).

To support such short-term borrowings as may be required from time to time, the Corporation has various commercial borrowing lines of credit, made available to it by Canadian financial institutions. These lines are unsecured and provide for borrowings up to 364 days in term based on negotiated rates. No amounts were borrowed under these lines of credit as at March 30, 2013 or March 31, 2012.

The Corporation has committed as at March 30, 2013 to spend approximately $9.5 million (December 31, 2012 - $26.2 million) on capital projects.

The Corporation has other various lease and contractual purchase obligations for goods and services. As of March 30, 2013 these future commitments are $30.5 million in total (December 31, 2012 - $24.8 million). These commitments will be completed by June 2027 (2013 - $25.0 million, 2014 – $0.6 million, 2015 - $0.7 million, 2017 - $0.8 million, 2018 - $0.2, 2027 - $3.2 million).

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 condensed consolidated financial statements. There is no contingent liability as of March 30, 2013 or December 31, 2012.

There have been no other material changes to the Corporation’s commitments, contingencies and guarantees since December 31, 2012.