

DATE: August 30, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO (THE "PRINCIPAL JURISDICTION")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS
IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
THE ROYAL CANADIAN MINT (THE "FILER")

DECISION

Background

The securities regulatory authority or regulator in the Principal Jurisdiction (the "**Principal Regulator**") has received an application from the Filer for a decision under the securities legislation of the Principal Jurisdiction (the "**Principal Legislation**") of the Principal Regulator for the following relief (the "**Requested Relief**"):

- (a) pursuant to section 74(1) of the *Securities Act* (Ontario) (the "**Act**"), and the equivalent provisions of the securities legislation of each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Yukon, Northwest Territories and Nunavut (collectively, the "**Non-Principal Jurisdictions**"), that the prospectus requirements in section 53(1) of the Act, and the equivalent provisions of the securities legislation of each of the Non-Principal Jurisdictions (collectively, the "**Prospectus Requirements**"), shall not apply to the Filer in respect of the distribution by the Filer of receipts as described below ("**Receipts**"), including Receipts issuable on the exercise of the right to purchase additional Receipts, to purchasers ("**Purchasers**");
- (b) pursuant to section 13.1 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**"), that the requirements of NI 51-102 (the "**Continuous Disclosure Requirements**") shall not apply to the Filer;
- (c) pursuant to section 4.1 of National Instrument 52-108 - *Auditor Oversight* ("**NI 52-108**"), that the requirements of NI 52-108 (the "**Auditor Oversight Requirements**") shall not apply to the Filer;

- (d) pursuant to section 8.6 of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), that the requirements of NI 52-109 (the "**Certification Requirements**") shall not apply to the Filer;
- (e) pursuant to section 8.1 of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), that the requirements of NI 52-110 (the "**Audit Committee Requirements**") shall not apply to the Filer;
- (f) pursuant to section 3.1 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), that the requirements of Part 2 of NI 58-101 (the "**Corporate Governance Disclosure Requirements**") shall not apply to the Filer;
- (g) pursuant to section 7.1 of National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)* ("NI 13-101"), that the requirements of NI 13-101 (the "**SEDAR Requirements**") shall not apply to the Filer; and
- (h) pursuant to section 6.1 of National Instrument 55-102 – *System for Electronic Disclosure by Insiders (SEDI)* ("NI 55-102"), that sections 2.3 and 2.4 of NI 55-102 (the "**SEDI Requirements**") shall not apply to the Filer.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

- (a) the Ontario Securities Commission is the Principal Regulator for this application; and
- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("MI 11-102") is intended to be relied upon in each of the Non-Principal Jurisdictions.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a Canadian Crown corporation pursuant to the *Royal Canadian Mint Act* (Canada) (the "**Mint Act**").
2. The head office of the Filer is in Ottawa, Ontario.
3. The Filer produces circulation, numismatic (or collectable) and bullion coins for the domestic and international markets. In addition to being responsible for the minting and

distribution of Canada's circulation coins, the Filer operates other businesses on a commercial basis, including secure-storage, full-service gold and silver refineries, and services such as assaying.

4. The Filer is not currently a reporting issuer in any of the provinces or territories of Canada.
5. Under the Mint Act, all of the equity and voting shares of the Filer are held by the Minister of Finance (the "**Minister**"), in trust for Her Majesty in right of Canada. The Mint Act does not permit the Filer to issue shares in its own capital to the public or to issue debt obligations that would result in the Filer having total outstanding borrowed money exceeding \$75 million.
6. The Filer's external auditor, the Auditor General of Canada, audits the consolidated financial statements of the Filer and reports thereon to the Minister.
7. The securities for which the Requested Relief is sought are Receipts to be issued by the Filer and distributed to Purchasers, each Receipt representing an undivided beneficial interest in gold bullion to be held in the custody of the Filer (the "**Program**").
8. Each Receipt will also entitle the holder thereof, on the date that is 12 months after the closing of the offering (the "**Purchase Date**"), to purchase one additional Receipt at a price based on the market price of the underlying gold bullion on the Purchase Date. If unexercised on the Purchase Date, the right to purchase an additional Receipt will expire immediately thereafter.
9. Pursuant to section 3(2) of the Mint Act, the objects of the Filer are "to mint coins in anticipation of profit and to carry out other related activities." In carrying out its objects, the Filer has the rights, powers and privileges and the capacity of a natural person.
10. The distribution of Receipts by the Filer is consistent with the powers and objects of the Filer. In compliance with its objects, the Filer will not engage in any activity, including any capital markets activity, unless it is related to its core business of minting coins.
11. The Filer will offer the Receipts to Purchasers in each of the provinces and territories of Canada through registered dealers and, possibly, in certain jurisdictions outside of Canada.
12. The Filer may, from time to time, issue additional Receipts under the Program.
13. Subject to obtaining the requisite listing approval, the Receipts will be listed and traded on the Toronto Stock Exchange (the "**TSX**").
14. The Receipts will be priced on the basis of the market price of gold bullion, therefore the value of a Receipt will be unrelated to changes in the business, operations or financial condition of the Filer or the Government of Canada.

15. The net proceeds of the offering of Receipts will be applied on behalf of the Purchasers to the purchase of gold bullion from third party suppliers for delivery to the Filer's storage facilities on the closing date of the offering.
16. The Filer will act as custodian of the gold bullion on behalf of the Purchasers and will hold the gold bullion on an unallocated basis in its facilities. Beneficial ownership of the gold bullion will at all times remain with the Purchasers.
17. The Receipts will be redeemable for gold bullion or cash at the election of the holder.
18. The Filer's obligations under the Receipts are to securely store the underlying gold bullion and, on redemption or termination, to make available for physical delivery the applicable amount of gold bullion upon the request of a holder of a Receipt or to deliver the cash redemption amount. The Filer will at all times maintain in its storage facilities gold bullion in an amount that is equal to or exceeds the amount owned in aggregate by holders of the Receipts.
19. The Filer is for all purposes an agent of Her Majesty in right of Canada. The Receipts will constitute direct unconditional obligations of the Filer and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. Accordingly, the Filer's obligations under the Receipts will be backed by the full faith and credit of the Government of Canada. If the Filer fails to deliver gold bullion or cash in connection with a redemption, or gold bullion at the termination of the Program, the holders of the Receipts would be able to enforce their rights against the Government of Canada.
20. The distribution of the Receipts by the Filer will be made pursuant to an information statement (the "**Information Statement**") that contains disclosure (the "Information Statement Disclosure") of:
 - (a) aspects of the Filer's business that relate to the Receipts, such as its gold bullion storage business;
 - (b) the use of the proceeds from the sale of Receipts;
 - (c) the terms of the Receipts (including the issue price);
 - (d) the plan of distribution of the Receipts;
 - (e) the fact that the Receipts will be listed and traded on the TSX, subject to obtaining the requisite listing approval;
 - (f) the risks that relate to (i) the Program and the Receipts, (ii) the gold market, and (iii) the Filer;
 - (g) material contracts of the Filer insofar as they establish the terms of the Receipts or impose fees upon holders of Receipts;
 - (h) the nature of the gold market, including historical gold price performance;

- (i) the manner in which notices will be given to holders of Receipts;
 - (j) information relating to the transfer agent and registrar;
 - (k) tax consequences to holders; and
 - (l) all fees associated with the Receipts.
21. The Filer will maintain, by way of continuous disclosure (the "Program Website Disclosure"), a website for the Program on which it will post:
- (a) the Information Statement;
 - (b) a daily calculation of the per Receipt entitlement to gold, calculated as approximately 1/100th of one fine troy ounce of gold on the date of issuance and reduced daily by a management, storage and custodial fee charged by the Filer;
 - (c) a daily calculation of the adjusted net asset value of the Receipts;
 - (d) the current trading price of the Receipts;
 - (e) the historical trading prices of the Receipts;
 - (f) the daily London pm fix gold price;
 - (g) the fees associated with the Receipts for the last three years (or period available) and any changes to such fees, for which there will be not less than 90 days' advance notice;
 - (h) material change reports, being reports of any change in the business, operations or capital of the Filer or, if known by the Filer, the Government of Canada, that would reasonably be expected to have a significant effect of the market price of value of the Receipts; and
 - (i) any document that it delivers to holders of Receipts.
22. Notice of any increase to the fees associated with the Receipts will also be delivered to the transfer agent and registrar for the Receipts on behalf of the holders of Receipts.

Decision

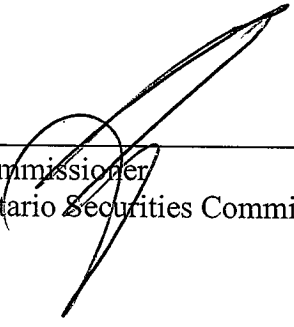
The Principal Regulator is satisfied that the decision meets the test set out in the Principal Legislation for the Principal Regulator to make the decision.

The Requested Relief

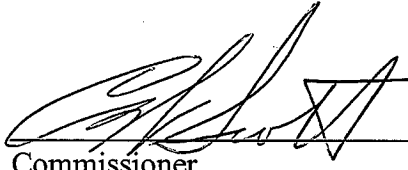
The decision of the Principal Regulator under the Principal Legislation is that the Requested Relief in respect of the Prospectus Requirements, the Continuous Disclosure Requirements, the Auditor Oversight Requirements, the Certification Requirements, the Audit Committee

Requirements, the Corporate Governance Disclosure Requirements, the SEDAR Requirements and the SEDI Requirements is granted, provided that the following conditions are satisfied:

- (a) the Filer continues to be a Crown corporation pursuant to the Mint Act;
- (b) the Filer provides each Purchaser with a copy of an Information Statement, prior to or at the time of an agreement of purchase and sale being entered into in respect of the Receipts, that includes the Information Statement Disclosure; and
- (c) the Filer maintains a website on which it posts the Program Website Disclosure.



Commissioner
Ontario Securities Commission



Commissioner
Ontario Securities Commission