

ROYAL CANADIAN MINT  
CANADIAN GOLD RESERVES PROGRAM



CANADIAN GOLD RESERVES  
RÉSERVE D'OR CANADIENNE

**Information Statement**

*This Information Statement (as defined below) has been prepared for the sole purpose of assisting prospective purchasers in making an investment decision with respect to the ETRs (as defined below). The Mint (as defined below) has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the ETRs are true and accurate in all material aspects and that there are no other material facts in relation to the ETRs the omission of which would make any statement herein, whether of fact or opinion, misleading. No person has been authorized to give any information or to make any representations other than those that may be contained in (i) this Information Statement, (ii) any amendments made from time to time to this Information Statement, or (iii) any supplementary terms and conditions provided in any certificate or receipt, in connection with the offering or sale of the ETRs and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Information Statement nor the issue of the ETRs nor any sale thereof shall, under any circumstances, constitute a representation or create any implication that there has been no change to the information herein since the date hereof.*

*This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or invitation. The ETRs may not be offered or sold in any jurisdiction outside of Canada except in circumstances which do not constitute a public offering or distribution under the laws of the jurisdiction where the ETRs are to be offered or sold. The Mint requires persons into whose possession this Information Statement comes to inform themselves of and observe any and all such restrictions. In particular, the ETRs have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the ETRs are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available. See "Plan of Distribution". No securities commission or similar authority has in any way passed upon the merits of the ETRs and any representation to the contrary may be an offence.*

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**Issue Size: 6,000,000 Exchange-Traded Receipts**

This information statement (the "**Information Statement**") describes an issuance of exchange-traded receipts (the "**ETRs**") by the Royal Canadian Mint (the "**Mint**") under the Mint's Canadian Gold Reserves Program (the "**Program**"). Each ETR represents an equal undivided direct legal and beneficial interest in physical gold bullion held in the custody of the Mint at its facilities in Ottawa, Ontario, entitling the holder thereof to physical gold bullion with a minimum purity of 99.99%. The Per ETR Entitlement to Gold (as described herein) of the ETRs offered hereby will be the same as the Per ETR Entitlement to Gold of the ETRs currently outstanding. The Per ETR Entitlement to Gold on September 19, 2013 (the "**Issue Date**") will be 0.0108318 of one fine troy ounce of gold. The Per ETR Entitlement to Gold is reduced daily by a management, storage and custodial fee charged by the Mint of 0.35% per annum (the "**Service Fee**").

The Mint's outstanding ETRs are listed and posted for trading on the Toronto Stock Exchange (the "TSX") in Canadian and U.S. dollars under the symbols "MNT" and "MNT.U", respectively. On September 16, 2013, the last trading day on the TSX prior to the date of this Information Statement, the closing price of the ETRs on the TSX was C\$14.57 and US\$14.07. The Mint has applied to list the ETRs offered hereby on the TSX.

The Mint has established the Program to provide a secure, convenient, and exchange-traded investment that evidences the investors' direct legal and beneficial ownership of physical gold bullion without the complexity that is typical of a direct investment in physical gold bullion.

Subject to the terms of the ETRs, each ETR will constitute a direct unconditional obligation of the Mint, an agent of Her Majesty in right of Canada and as such will constitute a direct unconditional obligation of Her Majesty in right of Canada. Holders of ETRs (each an "**ETR Holder**") will have no recourse to the Mint or the Government of Canada for any loss on their investment. An investor could lose all or a significant portion of his or her investment in the ETRs. See "Risk Factors".

ETRs may be redeemed at the option of the ETR Holder for physical gold bullion or cash on a monthly basis. Notices of physical redemption must be in respect of a minimum of 10,000 ETRs. There is no minimum number of ETRs required for a cash redemption. Expenses relating to the redemption of ETRs, including, in the case of a physical redemption, pick-up and delivery of the gold by industry-recognized armoured carrier, will be the responsibility of the ETR Holder. The redemption of ETRs, including redemption prices and the process for redeeming ETRs, is more fully described in this Information Statement under "Description of ETRs – Redemption of ETRs".

**An investment in the ETRs involves a degree of risk. These risks result primarily from fluctuations in the price of gold. In addition to the other information contained in this document, the risk factors set out under the heading "Risk Factors" below should be carefully considered by prospective investors before deciding whether to invest in the ETRs.**

The ETRs will be issued in the form of one or more gold ETR certificates (the "**Gold ETR Certificate**") which will be held by CDS Clearing and Depository Services Inc. or its nominee ("**CDS**"), and fully registered in the book-based system in the name of CDS. There will be no physical certificates for the ETRs.

# Royal Canadian Mint

## Canadian Gold Reserves Program

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# Royal Canadian Mint

## Canadian Gold Reserves Program

### SUMMARY OF THE OFFERING

*The following is a summary of the terms of the offering of exchange-traded receipts issued by the Royal Canadian Mint under its Canadian Gold Reserves Program and should be read together with the more detailed information contained elsewhere in this Information Statement. Unless otherwise indicated, all references to dollar amounts in this Information Statement are to Canadian dollars.*

- Issuer:** The Mint is a commercial federal Crown corporation producing circulation, numismatic and bullion coins for the domestic and international markets and operating full-service gold and silver refineries with a range of services from refining to assaying and secure storage in anticipation of profit. The Mint's head office is located at 320 Sussex Drive, Ottawa, Ontario. See "Royal Canadian Mint".
- Objective of Program:** The objective of the Program is to provide an exchange-traded investment vehicle that tracks the price of gold and makes investing directly in physical gold available to institutional and retail investors. As of September 16, 2013 there were 30,910,798 ETRs outstanding. See "The Canadian Gold Reserves Program".
- Prior Offerings:** On November 29, 2011, the Mint completed an initial public offering of 30,000,000 ETRs under the Program for gross proceeds of C\$600,000,000. The net proceeds of the initial public offering were applied to the purchase of 327,009.648 fine troy ounces of physical gold bullion on behalf of ETR Holders. On November 30, 2012, the Mint issued 1,585,234 ETRs under the Program following completion of the exercise of purchase rights. See "Prior Sales of ETRs".
- Issue Price:** The Issue Price (in Canadian dollars) is equal to the product of (i) the Gold Price (as defined below) on the Issue Date, (ii) the Canadian dollar noon rate published by the Bank of Canada on the Issue Date, (iii) the Per ETR Entitlement to Gold on the Issue Date and (iv) 1.002 (the expenses of the Offering (as defined below)). See "Description of ETRs – Issue Price".
- Issue Size:** 6,000,000 ETRs.
- Issue Date:** On or about September 19, 2013.
- Offering:** A private placement of additional ETRs under the Program by way of subscription agreement in reliance on relief granted by the Ontario Securities Commission (the "**Offering**").
- ETRs:** Each ETR represents an equal undivided direct legal and beneficial interest in gold bullion held in custody by the Mint. The ETRs offered hereby are identical to and fully fungible with the ETRs currently

outstanding under the Program. The gold bullion is legally and beneficially owned by the ETR Holders and not by the Mint. Pursuant to gold purchase agreements entered into on the Issue Date, physical gold bullion will be acquired by the purchaser of ETRs under this Offering. See "Description of ETRs" and "Use of Proceeds".

**Per ETR Entitlement to Gold:**

The Per ETR Entitlement to Gold of the ETRs offered hereby will be the same as the Per ETR Entitlement to Gold of the ETRs currently outstanding. The Per ETR Entitlement to Gold on the Issue Date will be 0.0108318 of one fine troy ounce of gold. The Per ETR Entitlement to Gold is reduced daily by the Service Fee of 0.35% per annum and is posted daily to the Program Website (as defined below).

**Listing:**

The ETRs are listed on the TSX in Canadian and U.S. dollars under the symbols "MNT" and "MNT.U", respectively. On September 16, 2013, the last trading day on the TSX prior to the date of this Information Statement, the closing price of the ETRs on the TSX was C\$14.57 and US\$14.07. The Mint has applied to list the ETRs offered hereby on the TSX.

**Gold Price:**

The Gold Price is defined as the London P.M. fix gold price and is expressed in U.S. dollars per fine troy ounce of gold. For further information, see "Summary Information Regarding Gold – Operation of the Gold Bullion Market – The London Bullion Market". The Gold Price is used to establish the Program's NAV and the NAV per ETR. See "Computation of Net Asset Value".

**Use of Proceeds:**

The net proceeds of the Offering will be applied to the purchase of gold bullion from third party suppliers by the purchaser of ETRs hereunder. Such gold bullion will be delivered to the Mint's facilities on the Issue Date and will be held in the custody of the Mint together with the gold bullion evidencing the existing ETRs, on an unallocated basis. All costs associated with the Offering including the listing fees of the TSX, legal expenses, financial advisory expenses and applicable gold purchase expenses will be paid from the gross proceeds of the Offering. See "Use of Proceeds".

**Custodial Service:**

The Mint acts as custodian of the gold bullion on behalf of ETR Holders and holds the gold bullion in its facilities in Ottawa, Ontario. Legal and beneficial ownership of the gold bullion at all times remains with ETR Holders. The gold bullion evidenced by the ETRs is stored by the Mint on an unallocated basis, such that the gold bullion owned by an ETR Holder is not held separately from the other unallocated gold bullion held at the Mint, including the unallocated gold bullion evidenced by other ETRs. The Mint at all times maintains in its facilities unallocated gold bullion in an amount that is equal to or exceeds the amount owned in aggregate by ETR Holders. The Mint has been providing precious metals storage services since its founding in 1908. See "Royal Canadian Mint".

<b>Crown Obligation:</b>	Subject to the terms of the ETRs, the ETRs constitute direct unconditional obligations of the Mint, an agent of Her Majesty in right of Canada and, as such, constitute direct unconditional obligations of Her Majesty in right of Canada. ETR Holders have no recourse to the Mint or the Government of Canada for any loss on their investment.
<b>Investment Eligibility:</b>	ETRs are qualified investments for registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts. See "Eligibility Under the Tax Act for Investment by Canadian Exempt Plans". ETRs are permitted investments for mutual funds regulated under National Instrument 81-102 – <i>Mutual Funds</i> subject to compliance with restrictions of general application.
<b>Qualifying Jurisdictions:</b>	All of the provinces and territories of Canada.
<b>Redemption:</b>	ETRs are redeemable at the option of the ETR Holder for cash or for physical gold bullion on the 15 <sup>th</sup> day of each month (or, if not a business day, on the next succeeding business day) (each, a " <b>Redemption Date</b> "). See "Description of ETRs – Redemption of ETRs".
<b>Redemption for Cash:</b>	<p>The cash redemption price (the "<b>Cash Redemption Price</b>") per ETR paid by the Mint will be equal to 95% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the net asset value ("<b>NAV</b>") per ETR on the Redemption Date. The NAV per ETR on any day will be determined by multiplying the Per ETR Entitlement to Gold by the Gold Price on that day.</p> <p>The Cash Redemption Price will be remitted to a redeeming ETR Holder within 10 business days following the Redemption Date. See "Description of ETRs – Redemption of ETRs – Redemptions for Cash".</p>
<b>Redemption for Physical Gold Bullion:</b>	<p>Notices of physical redemption must be in respect of a minimum of 10,000 ETRs. ETRs representing less than 10 fine troy ounces of physical gold bullion will be paid in cash by the Mint at the NAV per ETR on the Redemption Date.</p> <p>Subject to the minimum redemption amount, ETRs may be redeemed for physical gold bullion, at the option of the ETR Holder, in the form of one or more of the following Mint products with a minimum purity of 99.99%: one fine troy ounce gold Maple Leaf coins (in increments of 10); Kilobars; and London Good Delivery bars. A Kilobar contains approximately 32.15 fine troy ounces and a London Good Delivery bar contains between 350 and 430 fine troy ounces of gold.</p> <p>An ETR Holder redeeming for physical gold bullion is responsible for arranging pick-up and delivery from the Mint's facilities by an industry-recognized armoured carrier, as set out on the Program Website, at its own expense. Any fractional cash amount will be remitted to a redeeming ETR Holder within 10 business days of the Redemption Date.</p>

See "Description of ETRs – Redemption of ETRs – Redemptions for Physical Gold Bullion".

The Mint intends to offer an optional service under the physical redemption program to facilitate the liquidation of physical gold bullion on behalf of a redeeming ETR Holder, at an additional fee to such holder. The "Facilitation Fee" will be approximately 0.13% of the physical gold bullion liquidated (subject to a minimum fee amount). This Facilitation Fee would be in addition to other fees incurred pursuant to a physical redemption. The service would be offered by the Mint commencing March 17, 2014 and will be available to all ETR holders opting for a physical redemption.

**Summary of Fees and Expenses:**

This table lists the fees and expenses payable in connection with this Offering and the fees and expenses that you may have to pay if you own ETRs. The fees and expenses paid in connection with this Offering will reduce the proceeds of the Offering applied to the purchase of gold bullion from third party gold suppliers. See "Fees and Expenses".

*Fees and Expenses in Connection with this Offering*

<u>Type of Fee</u>	<u>Amount and Description</u>
Expenses of the Offering:	All costs associated with the Offering including the listing fees of the TSX, legal expenses, financial advisory expenses and applicable gold purchase expenses will be paid from the gross proceeds of the Offering. The expenses of the Offering are 0.2% of the gross proceeds of the Offering.

*Fees and Expenses Payable by ETR Holders*

<u>Type of Fee</u>	<u>Amount and Description</u>
Service Fee:	<p>The Mint charges a Service Fee in respect of its management, storage and custodial services. The Service Fee is calculated and accrued daily at an annual rate of 0.35% of the Per ETR Entitlement to Gold on each day of all outstanding ETRs and paid monthly in arrears on the 15<sup>th</sup> day of each month (or if not a business day, on the next succeeding business day). On such day each month, the Mint withdraws the amount of gold bullion necessary to satisfy the Service Fee in respect of the ETRs for the preceding month. Accordingly, the amount of gold bullion evidenced by each ETR decreases daily over time as the Service Fee is accrued. The Service Fee may be varied by the Mint on not less than 90 days' advance notice to ETR Holders. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee. See "Fees and Expenses – Service Fee".</p>
Cash Redemption Fee:	<p>ETR Holders will not be charged a fee in respect of cash redemptions. However, in accordance with the formula described under "Redemptions for Cash" the Mint will retain 5% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV per ETR on the Redemption Date.</p>
Physical Redemption Fees and Expenses:	<p>For physical redemptions, there is a redemption fee of C\$100 per redemption request and a fabrication fee of (i) 5% of the Gold Price on the Redemption Date for Gold Maple Leaf coins, (ii) US\$15 per fine troy ounce for Kilobars and (iii) US\$1.00 per fine troy ounce for the first 10,000 fine troy ounces per redemption request and US\$0.25 per fine troy ounce thereafter for London Good Delivery bars (the "<b>Physical Redemption Fees</b>").</p> <p>The Mint will deduct such Physical Redemption Fees from the cash portion of the amount payable to the redeeming ETR Holder on redemption of physical gold bullion. If such cash payable is insufficient to cover the Physical Redemption Fees, the amount of physical gold bullion made available on a redemption will be reduced by the amount</p>

required to be sold to pay the balance of the Physical Redemption Fees.

All such fees may be varied by the Mint on not less than 90 days' advance notice to ETR Holders.

An ETR Holder redeeming ETRs for physical gold bullion will be responsible for arranging pick-up and delivery of the physical gold bullion from the Mint by an industry-recognized armoured carrier, as set out on the Program Website. The redeeming ETR Holder will bear all expenses and taxes relating to transporting the physical gold bullion from the Mint to the location it determines. See "Fees and Expenses – Redemption Fees".

Other Fees and Expenses: No other charges apply. If applicable, ETR Holders may be subject to brokerage or other fees associated with trading the ETRs. The Mint is responsible for all costs and expenses incurred in connection with the on-going operation and administration of the Program including regulatory compliance and legal expenses.

**Termination:**

The Program does not have a fixed termination date but may be terminated by the Mint, at its sole discretion, upon the occurrence of one of the following termination events: (i) a change in the Mint Act, the Financial Administration Act, regulatory requirements, customs duties, other taxes, securities or other laws that changes the Mint's mandate or would adversely affect the ETRs or impair the Mint's ability to operate the Program; (ii) a decision by the Government of Canada to privatize the Mint; (iii) significant or catastrophic loss of the gold bullion evidenced by the ETRs due to, among other things, theft, loss, damage or destruction; (iv) market conditions such that it is no longer economically feasible to continue the Program; (v) the ETRs are delisted from the TSX or other principal stock exchange on which the ETRs are traded; (vi) the Per ETR Entitlement to Gold or the number of outstanding ETRs declines to a level where the Mint determines, in its sole discretion, that the liquidity of the outstanding ETRs is impaired; (vii) one or more redemption suspensions has been declared and has continued for a period of 90 days; and (viii) CDS notifies the Mint that it is unwilling or unable to continue as depository in connection with the Gold ETR Certificate or ceases to be recognized as a clearing agency under applicable Canadian securities legislation at a time when it is required to be, and no successor depository has been appointed by the Mint.

In the event that the Mint elects to terminate the Program, the Mint will endeavour to provide ETR Holders with 90 days' advance notice or such other notice as is practicable in the circumstances. Unless otherwise stated in the termination notice, ETR Holders will be entitled to redeem

ETRs for physical gold bullion or cash until the date that is one month prior to the termination date, and each ETR outstanding on the termination date will be redeemed for cash in U.S. dollars equal to the NAV per ETR determined on the termination date less the per ETR share of the Mint's costs associated with termination. Payment will be made within 10 business days of the termination date, or as soon thereafter as is practicable in the circumstances. See "Description of ETRs – Termination of the Program".

**Canadian Income Tax Considerations:**

ETR Holders resident in Canada who dispose of ETRs held as capital property (including upon a redemption of the ETRs for cash proceeds) (or who dispose of underlying physical gold in payment of the Service Fee) should generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the ETRs (or the fair market value of the gold bullion disposed of), net of any costs of disposition, exceed (or are less than) the adjusted cost base of the ETRs (or the gold bullion disposed of). However, the redemption of ETRs for gold bullion generally will not be considered to give rise to a disposition except to the extent cash is received on the redemption (in lieu of receiving a fractional amount of proceeds under 10 fine troy ounces), or to the extent that gold bullion is applied to cover redemption expenses. An ETR Holder will be considered to have disposed of gold bullion to the extent that the quantity of gold bullion evidenced by that holder's ETRs decreases in order to fund the Service Fee or to the extent that the gold bullion otherwise available to the ETR Holder on a physical redemption is reduced in order to pay redemption fees. See "Canadian Federal Income Tax Considerations".

**Risk Factors:**

Losses may be incurred both as a result of gold price diminution and if any price gains do not exceed applicable fees described herein. An investor could lose all or a significant portion of his or her investment in the ETRs. Accordingly, the investment may not be suitable for persons unfamiliar with the gold market, or unwilling or unable to bear the risk attendant to a security of this type.

Prospective investors should consider carefully the factors set out under "Risk Factors" before reaching a decision to buy ETRs.

**Transfer Agent and Registrar:**

Computershare Investor Services Inc. in Toronto, Ontario is the transfer agent and registrar for the ETRs (in such capacity, the "**Transfer Agent**").

**Book-Based Registration:**

The ETRs will be represented by one or more Gold ETR Certificates fully registered in the book-based system to be held by or on behalf of CDS. ETR Holders will have a beneficial interest in one or more of the Gold ETR Certificates. ETR Holders will not be entitled to receive certificates evidencing the ETRs in definitive form. For further information, see "Description of ETRs – Form and Registration".

## **ANSWERS TO FREQUENTLY ASKED QUESTIONS**

*The following questions and answers have been prepared to provide potential investors with a brief summary of some of the features of the ETRs. The information given in such answers is subject to, and should be read in conjunction with, the other sections of this Information Statement.*

### **Who is the issuer and what are its obligations under the Canadian Gold Reserves Program?**

The issuer of the ETRs is the Royal Canadian Mint.

The Mint is for all purposes an agent of Her Majesty in right of Canada. Subject to the terms of the ETRs, the ETRs constitute direct unconditional obligations of the Mint and as such constitute direct unconditional obligations of Her Majesty in right of Canada. Accordingly, the Mint's obligations under the ETRs are backed by the full faith and credit of the Government of Canada. If the Mint fails to make available gold bullion or cash in connection with a redemption, or cash in connection with a termination of the Program, ETR Holders would be entitled to enforce their rights against the Government of Canada. See "Royal Canadian Mint".

The obligations of the Mint are to securely store the gold bullion evidenced by the ETRs in its facilities in Ottawa, Ontario and, on redemption, to make available the applicable amount of gold bullion for physical delivery upon the request of an ETR Holder or to deliver the cash redemption amount. The gold bullion is stored by the Mint on an unallocated basis, such that the gold bullion owned by an ETR Holder is not held separately from the other unallocated gold bullion held at the Mint, including the gold bullion evidenced by other ETRs. See "The Canadian Gold Reserves Program".

### **What does each ETR represent?**

Each ETR represents an equal undivided direct legal and beneficial interest in physical gold bullion held for the account of the ETR Holder in custody by the Mint. The Per ETR Entitlement to Gold of the ETRs offered hereby will be the same as the Per ETR Entitlement to Gold of the ETRs currently outstanding. The Per ETR Entitlement to Gold on the Issue Date will be 0.0108318 of one fine troy ounce of gold. The Per ETR Entitlement to Gold is reduced daily by the Service Fee charged by the Mint. See "Description of ETRs".

### **Who owns the gold bullion evidenced by the ETRs?**

The gold bullion evidenced by the ETRs is legally and beneficially owned by the ETR Holders and not by the Mint. The net proceeds of the Offering will be applied to the purchase of gold bullion from third party suppliers by the purchaser of ETRs hereunder. The gold bullion so purchased will be delivered to the Mint's facilities on the Issue Date and will be held together with the gold bullion evidencing the existing ETRs, on an unallocated basis. The Mint acts as custodian of the gold bullion on behalf of the ETR Holders and holds the gold bullion in its facilities in Ottawa, Ontario. Legal and beneficial ownership of the gold bullion at all times remains with the ETR Holders. In the ordinary course of its business of gold refining and coin manufacturing the Mint uses gold bullion held on an unallocated basis for third parties and expects to do the same with some or all of the gold bullion evidenced by the ETRs. The Mint at all times maintains in its facilities unallocated gold bullion in an amount that is equal to or exceeds the amount owned in aggregate by ETR Holders. See "The Canadian Gold Reserves Program" and "Description of ETRs".

**Will the purchaser of ETRs under this Offering receive certificates representing the ETRs purchased?**

ETR Holders are not entitled to receive certificates evidencing the ETRs in definitive form. One or more definitive gold ETR certificates evidencing the ETRs will be issued on the Issue Date to CDS as the nominal holder of all outstanding ETRs. See "Description of ETRs – Form and Registration".

**When can I redeem my ETRs for gold bullion or cash? Are there any restrictions on redemption and am I responsible for any related expenses?**

ETR Holders can elect to redeem ETRs for gold bullion or cash on a monthly basis by delivery of a notice to redeem. Notices to redeem are irrevocable. The 15<sup>th</sup> day of each month (or, if not a business day, the next succeeding business day) will be a Redemption Date. A notice to redeem ETRs must be received by the Transfer Agent by 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any notice of redemption received after such time will be processed on the subsequent Redemption Date.

Redemption requests for physical gold bullion must be in respect of a minimum of 10,000 ETRs. There is no minimum number of ETRs required for a cash redemption.

An ETR Holder redeeming for physical gold bullion will be responsible for arranging pick-up and delivery via industry-recognized armoured carrier, as set out on the Program Website, at its own expense. The physical gold redemption proceeds will be paid net of a redemption fee which is currently C\$100 per redemption request, and fabrication fees in amounts based on the type of gold bullion product requested. The redemption of ETRs, including fee information and the process for redeeming ETRs, is more fully described under "Description of ETRs – Redemption of ETRs" and "Fees and Expenses – Redemption Fees".

**Does the Mint charge a fee for providing the Program?**

Yes. The Mint charges a Service Fee in respect of its management, storage and custodial services. The Service Fee is calculated and accrued daily at an annual rate of 0.35% of the Per ETR Entitlement to Gold on each day of all outstanding ETRs and paid monthly in arrears on the 15<sup>th</sup> day of each month (or if not a business day, on the next succeeding business day). On such day each month, the Mint withdraws an amount of gold bullion as necessary to satisfy the Service Fee payable in respect of the ETRs for the preceding month. Accordingly, the amount of gold bullion evidenced by each ETR decreases daily as the Service Fee is accrued. The Service Fee may be varied by the Mint at any time, but only after giving ETR Holders not less than 90 days' advance notice of any such change. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee. See "Fees and Expenses – Service Fee".

**Does the Mint pass along any additional fees or expenses to ETR Holders?**

No. The Mint is responsible for all costs and expenses incurred in connection with the on-going operation and administration of the Program including regulatory compliance and legal expenses. See "Fees and Expenses".

**Is information relating to the value of the ETRs and the price of gold made available to ETR Holders?**

Yes. The Mint maintains a website for the Program at [www.reserves.mint.ca](http://www.reserves.mint.ca) (the "**Program Website**") on which it posts a daily calculation of the Per ETR Entitlement to Gold, the Program's NAV and the NAV per ETR, the current trading price of the ETRs, the premium or discount in the trading price relative to the NAV per ETR, the historical trading prices of the ETRs, the fees associated with the ETRs for the last three years (or shorter period available) and the daily Gold Price. The Program's NAV will also be made available to ETR Holders by calling the Mint toll-free at 1-866-677-1477. The Information Statement and the Gold ETR Certificate will be posted to the Program Website and will be available under the Mint's profile on the *System for Electronic Document Analysis and Retrieval* ("**SEDAR**"), which can be accessed at [www.sedar.com](http://www.sedar.com). The Mint will publish on the Program Website and file on SEDAR reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect on the market price or value of the ETRs. The Mint will also publish on the Program Website and file on SEDAR any notice that it delivers to all ETR Holders and any other communication to all ETR Holders. See "Availability of Information Relating to the ETRs".

## ROYAL CANADIAN MINT

The Royal Canadian Mint (the "**Mint**") is a commercial federal Crown corporation producing circulation, numismatic (collectible) and bullion coins for the domestic and international markets in anticipation of profit. In addition to being responsible for the minting and distribution of Canada's circulation coins, the Mint operates full-service gold and silver refineries that provide customers with a range of services that include secure storage and assaying. The Mint is certified by the International Organization for Standardization as ISO 9001-2008, maintaining external quality assurance standards for secure storage, production, installation and other related services.

### Legislation

The Mint was originally established as a branch of the United Kingdom's Royal Mint in 1908. It was transferred to the Canadian government in 1931 and became a Crown corporation in 1969 pursuant to the *Royal Canadian Mint Act* (Canada) (the "**Mint Act**"). The Mint Act provides that the objects of the Mint are to mint coins in anticipation of profit and to carry out other related activities. The Mint has the rights, powers and privileges of a natural person.

Under the Mint Act, all of the equity and voting shares of the Mint 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 Mint to issue shares in its own capital to the public or to issue debt obligations that would result in the Mint having total borrowed money exceeding \$75 million. Borrowings by the Mint in excess of the \$75 million limit must be authorized by an appropriation Act passed by Parliament.

The Mint is an agent corporation of Her Majesty in right of Canada named in Part II of Schedule III to the *Financial Administration Act* (Canada) (the "**Financial Administration Act**") and a prescribed federal Crown corporation for tax purposes. The Mint is subject to federal income taxes under the *Income Tax Act* (Canada).

The Mint's external auditor, the Auditor General of Canada, audits the consolidated financial statements of the Mint and reports thereon to the Minister. The Board of Directors of the Mint is responsible for overseeing the management of the Mint with a view to both the best interests of the Mint and the long-term interests of its sole shareholder, the Government of Canada (as represented by the Minister). Under Part X of the *Financial Administration Act*, the Board of Directors is responsible for the management of the businesses, activities and other affairs of the Mint.

### The Canadian Silver Reserves Program

In 2012, the Mint established the Canadian Silver Reserves Program pursuant to which exchange-traded receipts evidencing a direct legal and beneficial ownership interest in physical silver bullion were issued. There are currently 4,995,000 silver exchange-traded receipts outstanding and listed for trading on the Toronto Stock Exchange (the "**TSX**") in Canadian and U.S. dollars under the symbols "MNS" and "MNS.U", respectively.

## THE CANADIAN GOLD RESERVES PROGRAM

The objective of the Canadian Gold Reserves Program (the "**Program**") is to provide an exchange-traded investment vehicle that tracks the price of gold and makes investing directly in physical gold available to institutional and retail investors. On November 29, 2011, the Mint completed an initial public offering of

30,000,000 gold exchange-traded receipts (the "**ETRs**") under the Program for gross proceeds of C\$600,000,000. The net proceeds of the initial public offering were applied to the purchase of 327,009.648 fine troy ounces of physical gold bullion on behalf of the holders of ETRs (the "**ETR Holders**"). On November 30, 2012, the Mint issued 1,585,234 ETRs under the Program following completion of the exercise of purchase rights. See "Prior Sales of ETRs".

The ETRs are listed on the TSX in Canadian and U.S. dollars under the symbols "MNT" and "MNT.U", respectively, and may be bought and sold on the TSX like any other exchange-listed securities. On September 16, 2013, the last trading day on the TSX prior to the date of this information statement (the "**Information Statement**"), the closing price of the ETRs on the TSX was C\$14.57 and US\$14.07. See "Trading Price and Volume". The Mint has applied to list the ETRs offered hereby on the TSX.

On or about September 19, 2013 (the "**Issue Date**"), the proceeds of this offering of ETRs under the Program (the "**Offering**") (net of the Mint's expenses of the Offering) will be applied to the purchase of gold from third party suppliers under gold purchase agreements. Pursuant to such gold purchase agreements, physical gold bullion will be acquired by the purchaser of ETRs under the Offering on the Issue Date. The third party gold suppliers will deliver such physical gold bullion to the Mint to be held in its custody together with the gold bullion evidenced by the existing ETRs, on an unallocated basis on behalf of ETR Holders. At no time will the Mint hold legal title to the physical gold bullion.

The Mint acts as custodian of the gold bullion on behalf of the ETR Holders and holds the gold bullion in its facilities in Ottawa, Ontario in various forms, including gold bars and/or Maple Leaf gold coins, at the option of the Mint. Legal and beneficial ownership of the gold bullion at all times remains with the ETR Holders. The gold bullion evidenced by the ETRs is stored by the Mint on an unallocated basis, such that the gold bullion owned by an ETR Holder is not held separately from the other unallocated gold bullion held at the Mint, including the gold bullion evidenced by other ETRs.

In the ordinary course of its business of gold refining and coin manufacturing the Mint uses gold bullion held on an unallocated basis for third parties and expects to do the same with some or all of the gold bullion evidenced by the ETRs. The Mint at all times maintains in its facilities unallocated gold bullion in an amount that is equal to or exceeds the amount owned in aggregate by ETR Holders.

The Mint bears all risk of physical loss, damage or destruction of the gold bullion owned by ETR Holders in the Mint's care, custody and control, except for loss, damage or destruction as a result of circumstances or causes beyond the Mint's reasonable control (an "**Excluded Event**"), including, without limitation, loss, damage or destruction as a result of:

- (a) acts, omissions or the failure to cooperate by any third party or an ETR Holder (including entities or individuals under such ETR Holder's control);
- (b) acts of God;
- (c) any law, order or requirement of any governmental agency or authority;
- (d) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- (e) (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; (iii) any weapon or device

employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; (iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, other than radioactive isotopes when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes (other than for nuclear fuel); or (v) any chemical, biological, or electromagnetic weapon;

- (f) any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism. An act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear; and
- (g) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software, computer software programme, malicious code, computer virus or process or any other electronic system.

The Mint will provide ETR Holders with at least 90 days' prior notice in the event that an Excluded Event is added, varied, modified, amended or supplemented in accordance with the terms of the Gold ETR Certificate (as defined below).

As direct legal and beneficial owners of the gold bullion held by the Mint, ETR Holders bear the risk of loss, damage, or destruction of the gold bullion owned by ETR Holders as a result of an Excluded Event. In all other circumstances, the Mint will replace or pay for any gold bullion owned by ETR Holders that is lost, damaged, or destroyed while in the Mint's care, custody and control. The Mint is not liable under any circumstances for special, incidental, consequential, indirect and punitive damages, losses and costs (including lost profits and lost savings), except as a result of gross negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred. Once physical gold bullion representing redeemed ETRs has been remitted to the industry-recognized armoured carrier, it is no longer in the Mint's care, custody and control and the Mint will no longer bear the risk of loss, damage or destruction of such physical gold bullion. ETR Holders must rely on the Mint's ability to satisfy any claims against it (the Mint's obligations under the ETRs are backed by the full faith and credit of the Government of Canada). The Mint's liability in respect of any gold bullion evidenced by an ETR terminates (a) at the time such gold bullion is remitted to the industry-recognized armoured carrier pursuant to instructions provided in a Physical Gold Redemption Notice (as defined below), (b) in the case of a cash redemption, at the time of payment of the cash redemption proceeds by the Mint to an account of the redeeming ETR Holder or (c) upon termination of the Program, whether or not any portion of the gold bullion evidenced by the ETRs remains in the Mint's facilities.

In the event of a compensable physical loss due to loss, damage or destruction of the gold bullion owned by ETR Holders, the Mint will, at its option, either (a) replace, or restore to its original state in the event of partial damage, as the case may be, the gold bullion that was lost, damaged or destroyed within five business days from the date the Mint becomes aware of the loss, damage or destruction, or (b) compensate the ETR Holders, on a per ETR basis, for the monetary value of the gold bullion that was lost, damaged or destroyed within five business days from the date the Mint becomes aware of the loss, damage or destruction, based on the Gold Price (as defined below) on the trading day following the date such loss is discovered. The Mint will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), except as a result of gross

negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred.

The Mint carries such insurance as it deems appropriate for its businesses, including its position as issuer of the ETRs, manager of the Program and custodian of the gold bullion owned by ETR Holders. The Mint believes that the insurance it carries, together with its status as a Canadian Crown corporation with its obligations under the ETRs constituting unconditional obligations of the Government of Canada, provides ETR Holders with adequate protection in the event of a compensable physical loss due to loss, damage or destruction of gold bullion owned by ETR Holders. A Crown corporation may be entitled to immunity if it acts as agent of the Crown rather than in its own right and on its own behalf. Pursuant to the Mint Act, the Mint is for all its purposes, including those related to the Program, an agent of the Crown and acting on behalf of the Crown. Accordingly, in certain circumstances, the Mint could be protected by the immunity of the Crown; however, pursuant to the terms of the ETRs, the Mint has waived such immunity as it relates to an ETR Holder's claim for loss thereunder.

The costs and expenses relating to the issuance of the ETRs, including the listing fees of the TSX, legal expenses, financial advisory expenses and applicable gold purchase expenses will be paid by the Mint from the gross proceeds of the Offering. The only ongoing fee associated with the Program is the Service Fee, as described below under "Fees and Expenses – Service Fee". The Mint is responsible for all costs and expenses incurred in connection with the on-going operation and administration of the Program including regulatory compliance and legal expenses. See "Fees and Expenses".

#### **DESCRIPTION OF ETRs**

*The following is a summary of the principal terms and conditions of the ETRs and of the Gold ETR Certificate representing the ETRs issued pursuant to the Offering. This summary does not purport to be complete. For full particulars, reference should be made to the Gold ETR Certificate.*

The Mint is authorized to issue an unlimited number of ETRs. Each ETR issued by the Mint represents an equal undivided direct legal and beneficial interest in physical gold bullion held for the account of the ETR Holder in the custody of the Mint at its facilities in Ottawa, Ontario. The gold bullion is at all times legally and beneficially owned by the holders of ETRs and not by the Mint. The ETRs offered hereby are identical to and fully fungible with the ETRs currently outstanding under the Program.

The Per ETR Entitlement to Gold (as defined below) of the ETRs offered hereby will be the same as the Per ETR Entitlement to Gold of the ETRs currently outstanding. The Per ETR Entitlement to Gold on the Issue Date will be 0.0108318 of one fine troy ounce of gold. The Per ETR Entitlement to Gold is reduced daily by a management, storage and custodial fee charged by the Mint of 0.35% per annum (the "**Service Fee**"). The ETRs are listed on the TSX in Canadian dollars and U.S. dollars under the symbols "MNT" and "MNT.U", respectively. ETR Holders have the ability on an ongoing basis to trade all or a portion of their ETRs in either currency. The terms of the ETRs will be set forth in the Gold ETR Certificate, a copy of which will be available on the Program Website (as defined below) and under the Mint's profile on SEDAR (as defined below) as of the Issue Date.

Subject to the terms of the ETRs, the ETRs constitute direct unconditional obligations of the Mint, an agent of Her Majesty in right of Canada and as such constitute direct unconditional obligations of Her Majesty in right of Canada. ETR Holders have no recourse to the Mint or the Government of Canada for any loss on their investment.

## **Per ETR Entitlement to Gold**

Each ETR represents an equal undivided direct legal and beneficial interest in physical gold bullion, entitling the holder thereof to a fraction of one fine troy ounce of gold (the "**Per ETR Entitlement to Gold**") with a minimum purity of 99.99%. The Per ETR Entitlement to Gold of the ETRs offered hereby will be 0.0108318 of one fine troy ounce of gold on the Issue Date, which is the same as the Per ETR Entitlement to Gold of the ETRs currently outstanding.

The Per ETR Entitlement to Gold is reduced daily by the Service Fee as described under "Fees and Expenses – Service Fee" and is posted daily to the Program Website.

## **Issue Price**

The issue price per ETR will be determined on the Issue Date based on the Gold Price on such date (the "**Issue Price**"). The Issue Price (in Canadian dollars) is equal to the product of (i) the Gold Price on the Issue Date, (ii) the Canadian dollar noon rate published by the Bank of Canada on the Issue Date, (iii) the Per ETR Entitlement to Gold on the Issue Date and (iv) 1.002 (the expenses of the Offering).

## **Form and Registration**

The ETRs offered hereby will be represented by one or more fully registered, book-based gold ETR certificates (the "**Gold ETR Certificate**"). The Gold ETR Certificate will be held by or on behalf of CDS Clearing and Depository Services Inc. or its nominee ("**CDS**") in Toronto, Canada as custodian of the Gold ETR Certificate, and registered in the name of CDS.

ETR Holders are not entitled to receive ETRs in definitive form. The ETRs evidenced by the Gold ETR Certificate will be registered in the name of CDS and maintained in a book position, electronically, on the Transfer Agent's (as defined below) register. Beneficial interests in the Gold ETR Certificate, constituting ownership of the ETRs, will be represented through book-based accounts of institutions acting on behalf of ETR Holders, as direct and indirect participants of CDS. CDS will be responsible for establishing and maintaining book-based accounts for its participants having interests in the Gold ETR Certificate. Transfers of ownership of beneficial interests in the Gold ETR Certificate will be effected through records maintained for the Gold ETR Certificate by CDS or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants).

If CDS notifies the Mint that it is unwilling or unable to continue as depository in connection with the Gold ETR Certificate or ceases to be recognized as a clearing agency under applicable Canadian securities legislation at a time when it is required to be and, if a successor depository is not appointed by the Mint, the Mint may in its sole discretion, elect to (i) appoint a successor depository, (ii) transfer the ETRs to the Direct Registration System (as defined below) maintained by the Transfer Agent in lieu of termination, or (iii) terminate the Program. See "Description of ETRs – Termination of the Program".

The Gold ETR Certificate may not be transferred except as a whole by CDS to its nominee, or by a nominee of CDS to CDS or another nominee of CDS. At any time, CDS may require the Transfer Agent to issue a physical certificate to CDS representing the ETRs registered in the name of CDS.

The Transfer Agent will keep or cause to be kept an electronic register (the "**Direct Registration System**") in which will be recorded registrations and transfers of ETRs which are no longer held by CDS as a result of (i) processing a physical gold redemption or (ii) CDS no longer acting as a depository in

connection with the Gold ETR Certificate. In such circumstances, the Transfer Agent will provide written evidence (a "**DRS Advice**") to each applicable ETR Holder of its beneficial ownership position in ETRs based on the Direct Registration System. No transfer of ETRs held in the Direct Registration System will be valid unless registered upon receipt of a duly executed transfer in a form satisfactory to the Mint and the Transfer Agent, and upon compliance with such reasonable requirements as the Mint and the Transfer Agent may prescribe. The Transfer Agent will provide a DRS Advice evidencing such a transfer to each applicable ETR Holder. The Direct Registration System will be maintained at the office of the Transfer Agent, or at such other office as notified by the Mint to ETR Holders.

## **Redemption of ETRs**

ETRs may be redeemed once per month at the option of the holder for cash or, subject to a minimum redemption of 10,000 ETRs, physical gold bullion. Redemptions may be made on the 15<sup>th</sup> day of each month (or, if not a business day, on the next succeeding business day) (each, a "**Redemption Date**"). A notice to redeem ETRs must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any notice of redemption received after such time will be processed on the subsequent Redemption Date. A notice of redemption is irrevocable. Cash redemption proceeds will be paid in Canadian dollars or U.S. dollars at the election of the redeeming ETR Holder. ETRs submitted for redemption but not yet cancelled will cease to be treated as outstanding from and after the applicable Redemption Date unless the redemption price is not paid within 10 business days of such date.

On the Redemption Date, the Mint will withdraw an amount of physical gold bullion equal to the Per ETR Entitlement to Gold on such Redemption Date multiplied by the number of ETRs redeemed for either cash or for physical gold bullion. Following each Redemption Date, redeemed ETRs will be delivered to the Transfer Agent for cancellation.

### ***Redemptions for Cash***

The cash redemption price (the "**Cash Redemption Price**") per ETR paid by the Mint will be equal to 95% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV (as defined below) per ETR on the Redemption Date. The Cash Redemption Price will be remitted to a redeeming ETR Holder in the currency stipulated by the redeeming ETR Holder in its Cash Redemption Notice (as defined below).

#### ***Procedure to Redeem for Cash***

To redeem ETRs for cash, an ETR Holder must deliver to its Broker a notice to redeem ETRs (a "**Cash Redemption Notice**") indicating the ETR Holder's intention to redeem ETRs for cash. A form of Cash Redemption Notice is available on the Program Website. The Broker must then forward, on behalf of the redeeming ETR Holder and via CDS, an electronic direction representing such ETR Holder's Cash Redemption Notice to the Transfer Agent. Such electronic direction must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any electronic direction representing a Cash Redemption Notice received after such time will be processed on the following Redemption Date. ETR Holders should consult their respective Brokers regarding their Broker's deadlines or requirements independent of those described herein in respect of redeeming ETRs for cash.

By delivering a Cash Redemption Notice to its Broker (or such other notice as is deemed acceptable by such Broker) and thereby instructing such Broker to deliver, via CDS, an electronic direction representing

its Cash Redemption Notice to the Transfer Agent, an ETR Holder will be deemed to have irrevocably surrendered its ETRs for redemption and appointed such Broker to act as its exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

On the applicable Redemption Date, the Mint will determine the amount of cash redemption proceeds that will be delivered to the redeeming ETR Holder. The Mint will cause to be delivered the cash redemption proceeds, payable in Canadian dollars or U.S. dollars at the election of the ETR Holder, to the account of the ETR Holder's Broker within 10 business days after the Redemption Date on which the redemption is processed. Upon receipt of the cash redemption proceeds, CDS will deliver the redeemed ETRs to the Transfer Agent for cancellation.

#### *Redemption Fees for Cash*

ETR Holders will not be charged a fee in respect of cash redemptions. However, in accordance with the formula for calculating the Cash Redemption Price, the Mint will retain 5% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV per ETR on the Redemption Date.

The Mint may introduce a cash redemption fee on 90 days' advance notice to ETR Holders. Any cash redemption fee introduced by the Mint will be limited to offsetting increased processing or administrative costs associated with cash redemptions.

#### *Redemptions for Physical Gold Bullion*

Notices of physical redemption must be in respect of a minimum of 10,000 ETRs. Subject to the minimum redemption amount, physical gold bullion may, at the option of the ETR Holder, be redeemed for one or more of the following Mint products with a minimum purity of 99.99%: one fine troy ounce gold Maple Leaf coins (in increments of 10); Kilobars; and London Good Delivery bars. A Kilobar contains approximately 32.15 fine troy ounces and a London Good Delivery bar contains between 350 and 430 fine troy ounces of gold. ETRs representing less than 10 fine troy ounces of physical gold bullion will be paid in cash by the Mint at the NAV per ETR on the Redemption Date.

#### *Procedure to Redeem ETRs for Physical Gold Bullion*

An ETR Holder may redeem a minimum of 10,000 ETRs for physical gold bullion by instructing its Broker to deliver to the Transfer Agent on behalf of the ETR Holder a notice to redeem ETRs (a "**Physical Gold Redemption Notice**") indicating the ETR Holder's intention to redeem ETRs for physical gold bullion. A form of Physical Gold Redemption Notice is available on the Program Website. A Physical Gold Redemption Notice must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any Physical Gold Redemption Notice received after such time will be processed on the following Redemption Date. A Physical Gold Redemption Notice must include a valid signature guarantee to be deemed valid by the Transfer Agent and the Mint. ETR Holders should consult their respective Brokers regarding their Broker's deadlines or requirements independent of those described herein in respect of redeeming ETRs for physical gold bullion.

Upon receipt of a valid Physical Gold Redemption Notice by the Transfer Agent, the ETR Holder will be deemed to have irrevocably surrendered its ETRs for redemption and appointed its Broker to act as its exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Once a Physical Gold Redemption Notice is received by the Transfer Agent, the Transfer Agent, together with the Mint, will determine whether such Physical Gold Redemption Notice complies with the applicable requirements. The Physical Gold Redemption Notice must (i) be for a minimum of 10,000 ETRs, (ii) be in the prescribed form, (iii) include a request to remove the ETRs to be redeemed from CDS to the Direct Registration System, (iv) include a valid signature guarantee, and (v) specify the name and contact information of the industry-recognized armoured carrier and specify the date on which such carrier will pick up the physical gold bullion. The pick-up date cannot be earlier than 5 business days nor later than 10 business days after the Redemption Date. The Mint reserves the right to select an alternate pick-up date from that specified in the Physical Redemption Notice. Any Physical Gold Redemption Notice that does not meet the requirements set out above, as determined by the Transfer Agent and the Mint, in their sole discretion, will for all purposes be void and of no effect, and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. In each such case, the Transfer Agent, on behalf of the Mint, will provide a notice explaining the deficiency in the Physical Gold Redemption Notice to the redeeming ETR Holder's Broker. If the Transfer Agent and the Mint determine that the Physical Gold Redemption Notice complies with all applicable requirements, the Mint will provide a notice to such redeeming ETR Holder no later than the fifth business day after the Redemption Date confirming (i) that the Physical Gold Redemption Notice was received and determined to be complete, (ii) the pick-up date and (iii) setting out the amount of physical gold bullion and cash that the redeeming ETR Holder will receive.

On the applicable Redemption Date, the Mint will determine the amount of physical gold bullion and the amount of cash that will be delivered to the redeeming ETR Holder. An ETR Holder that redeems ETRs for London Good Delivery bars will not receive a guaranteed amount of physical gold bullion, because London Good Delivery bars vary in weight from 350 to 430 fine troy ounces. The Mint will exercise discretion with respect to the amount of physical gold bullion the redeeming ETR Holder will receive based on the weight of London Good Delivery bars held by the Mint. The Mint will deduct the Physical Redemption Fees (as defined below) from the cash portion of the amount payable to the redeeming ETR Holder on a redemption of physical gold bullion (such amount equal to the NAV per ETR on the Redemption Date multiplied by the number of ETRs representing such fractional amount). If such cash payable is insufficient to cover the Physical Redemption Fees, the amount of physical gold bullion made available on a redemption will be reduced by the amount required to be sold to pay the balance of the Physical Redemption Fees.

On the applicable Redemption Date, the ETRs subject to a Physical Gold Redemption Notice shall be transferred from CDS to the Direct Registration System to be registered in the name of the ETR Holder as indicated on the Physical Gold Redemption Notice and held on a restricted basis. The Transfer Agent shall deliver to the ETR Holder a DRS Advice evidencing the ETRs submitted for physical redemption by such ETR Holder.

The Mint will remit the requisite amount of physical gold bullion from its custody to the industry-recognized armoured carrier arranged by the redeeming ETR Holder. See "Description of ETRs – Redemption of ETRs – Transporting the Gold from the Mint to the Redeeming ETR Holder". As directed by the Mint, any cash to be received by a redeeming ETR Holder in connection with a redemption of ETRs for physical gold bullion will be delivered or caused to be delivered by the Mint to the ETR Holder within 10 business days after the Redemption Date on which the redemption is processed. Upon release of the physical gold bullion to the industry-recognized armoured carrier and delivery of the cash to be received by a redeeming ETR Holder, the Mint will direct the Transfer Agent to cancel the redeemed ETRs on the Direct Registration System.

### *Transporting the Gold from the Mint to the Redeeming ETR Holder*

An ETR Holder redeeming ETRs for physical gold bullion will be responsible for arranging pick-up and delivery of the physical gold bullion from the Mint by an industry-recognized armoured carrier, as set out on the Program Website. The redeeming ETR Holder will bear all expenses and taxes relating to transporting the physical gold bullion from the Mint to the location it determines. Physical gold bullion delivered to an institution authorized to accept and hold London Good Delivery bars will likely retain its London Good Delivery status while in the custody of such institution; physical gold bullion delivered pursuant to an ETR Holder's delivery instructions to a destination other than an institution authorized to accept and hold London Good Delivery bars will no longer be deemed London Good Delivery once received by the ETR Holder.

The industry-recognized armoured carrier will receive physical gold bullion in Ontario in connection with a redemption of ETRs on the pick-up date determined as described above. Once the physical gold bullion representing the redeemed ETRs has been remitted to the industry-recognized armoured carrier, the Mint will no longer bear the risk of loss of, and damage to, such physical gold bullion and will be considered to have delivered the physical gold bullion to the redeeming ETR Holder in Ontario. In the event of a loss after the physical gold bullion has been placed with the industry-recognized armoured carrier, the ETR Holder will not have recourse against the Mint. In the event the Mint fails to make available the physical gold bullion pursuant to a valid Physical Redemption Notice, the Mint's maximum liability to an ETR Holder for each ETR so redeemed will be limited to the NAV per ETR on the applicable Redemption Date.

### *Liquidation of the Redeeming ETR Holder's Physical Gold Bullion*

The Mint intends to offer an optional service under the physical redemption program to facilitate the liquidation of physical gold bullion on behalf of a redeeming ETR Holder, at an additional fee to such holder. The "Facilitation Fee" will be approximately 0.13% of the physical gold bullion liquidated (subject to a minimum fee amount). This Facilitation Fee would be in addition to other fees incurred pursuant to a physical redemption. The service would be offered by the Mint commencing March 17, 2014 and will be available to all ETR holders opting for a physical redemption.

### *Redemption Fees for Physical Gold Bullion*

ETR Holders redeeming for physical gold bullion will be charged the following fees (the "**Physical Redemption Fees**"):

Redemption Processing Fee: C\$100 fee is to offset administrative costs to the Mint associated with a physical redemption and is similar to the administrative fees charged by the Mint to its other storage customers.

Fabrication Fees: Fees for the following physical gold bullion products will cover fabrication costs:

Gold Maple Leaf coins:	5% of the Gold Price on the Redemption Date per fine troy ounce;
Kilobars:	US\$15 per fine troy ounce; and
London Good Delivery bars:	US\$1.00 per fine troy ounce for the first 10,000 fine troy ounces and US\$0.25 per fine troy ounce thereafter.

Such fees may be varied by the Mint on not less than 90 days' advance notice to ETR Holders.

## **Suspension of Redemptions**

The Mint may suspend the redemption of ETRs or postpone the date of delivery or payment of the redemption proceeds (whether physical gold bullion and/or cash, as the case may be) for any period during which the Mint determines that conditions exist which render impractical the fabrication, evaluation or sale of gold or which impair the ability of the Mint to determine the value of the gold bullion owned by ETR Holders or the redemption amount for the ETRs.

In the event of any such suspension, the Mint will issue a press release announcing the suspension of redemptions, will advise the Transfer Agent and will post such press release to the Program Website and under the Mint's profile on SEDAR. The suspension will terminate all requests for redemption received prior to the suspension, but as for which payment has not been made, as well as all requests received while the suspension is in effect. ETR Holders that have submitted redemption requests during this period will be advised by the Mint of the suspension and that the requested redemption has been so terminated. The suspension will terminate when the Mint has determined that the condition giving rise to the suspension no longer exists, provided that no other condition under which a suspension is authorized then exists, at which time the Mint will issue a press release announcing the termination of the suspension, will advise the Transfer Agent, will post such press release to the Program Website and under the Mint's profile on SEDAR and will provide notice to those ETR Holders whose redemptions were terminated as a result of the suspension. Any declaration of suspension made by the Mint will be conclusive. See "Computation of Net Asset Value – Suspension of Calculation of Net Asset Value Per ETR".

## **Fees**

### ***Service Fee***

The Mint charges a Service Fee in respect of its management, storage and custodial services. The Service Fee is calculated and accrued daily at an annual rate of 0.35% of the Per ETR Entitlement to Gold on each day for all outstanding ETRs and paid monthly in arrears on the 15<sup>th</sup> day of each month (or if not a business day, on the next succeeding business day). The Service Fee will not be applied to those ETRs submitted for redemption but not yet cancelled following the applicable Redemption Date. Each month, the Mint withdraws an amount of gold bullion equal to the Service Fee for the preceding month. Accordingly, the amount of gold bullion evidenced by each ETR decreases daily as the Service Fee is accrued. The Service Fee may be varied by the Mint on not less than 90 days' advance notice to ETR Holders. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee.

### ***Per ETR Entitlement to Gold***

The Per ETR Entitlement to Gold of the ETRs offered hereby will be the same as the Per ETR Entitlement to Gold of the ETRs currently outstanding. Assuming the ETRs offered hereby are issued on the Issue Date, the Per ETR Entitlement to Gold will be 0.0108318 of one fine troy ounce of gold. The Per ETR Entitlement to Gold is reduced daily by the Service Fee at the rate of 0.35% per annum. On the 15<sup>th</sup> day of each month (or, if not a business day, on the next succeeding business day), the Mint withdraws an amount of gold bullion necessary to satisfy the Service Fee in respect of the ETRs for the preceding month. The Service Fee for each month is calculated by applying the Service Fee rate to the aggregate amount of gold bullion owned by the ETR Holders on each day during that month.

The following table shows the impact of the Service Fee on the Per ETR Entitlement to Gold over time, assuming the Service Fee remains at 0.35% per annum.

### Per ETR Entitlement to Gold

<u>Date</u>	<u>Fine troy ounces</u>	<u>% Relative to the Date of the Initial Public Offering</u>
<i>One Year Increments</i>		
November 29, 2011	0.0109003	100%
November 29, 2012	0.0108621	99.65%
November 29, 2013	0.0108242	99.30%
November 29, 2014	0.0107863	98.95%
November 29, 2015	0.0107487	98.61%
November 29, 2016	0.0107110	98.26%
<i>Ten Year Increments</i>		
November 29, 2021	0.0105251	96.56%
November 29, 2031	0.0101629	93.23%
November 29, 2041	0.0098130	90.03%

The Per ETR Entitlement to Gold is published daily on the Program Website and the Service Fee rate and an ongoing fee schedule are posted to the Program Website. See "Description of ETRs – Per ETR Entitlement to Gold" for a discussion of the calculation of the Per ETR Entitlement to Gold on the Issue Date.

### **Termination of the Program**

The Program does not have a fixed termination date but may be terminated by the Mint, at its sole discretion, upon the occurrence of one of the following events: (i) a change in the Mint Act, the Financial Administration Act, regulatory requirements, customs duties, other taxes, securities or other laws that changes the Mint's mandate or would adversely affect the ETRs or impair the Mint's ability to operate the Program; (ii) a decision by the Government of Canada to privatize the Mint; (iii) significant or catastrophic loss of the gold bullion evidenced by the ETRs due to, among other things, theft, loss, damage or destruction; (iv) market conditions such that it is no longer economically feasible to continue the Program; (v) the ETRs are de-listed from the TSX or other principal stock exchange on which the ETRs are traded; (vi) the Per ETR Entitlement to Gold or the number of outstanding ETRs declines to a level where the Mint determines, in its sole discretion, that the liquidity of the outstanding ETRs is impaired; (vii) one or more redemption suspensions has been declared and has continued for a period of 90 days; and (viii) CDS notifies the Mint that it is unwilling or unable to continue as depository in connection with the Gold ETR Certificate or ceases to be recognized as a clearing agency under applicable Canadian securities legislation at a time when it is required to be, and no successor depository has been appointed by the Mint (each a "**Termination Event**"). In the event that the Mint elects to terminate the Program, the Mint will endeavour to provide ETR Holders with 90 days' advance notice or such other notice as is practicable in the circumstances. Unless otherwise stated in the termination notice, ETR Holders will be entitled to redeem ETRs for physical gold bullion or cash until the date that is one month prior to the termination date, and each ETR outstanding on the termination date will be redeemed for cash in U.S. dollars equal to 100% of the NAV per ETR determined on the termination date less the per ETR share of the Mint's costs associated with termination. Payment will be made within 10 business days of the termination date or as soon thereafter as is practicable in the circumstances.

If, after a period of six months from the Termination Date, the Mint is unable to locate an ETR Holder, the termination payment to which such ETR Holder is entitled shall be deposited in an account in a chartered bank or trust company in Canada in trust for such ETR Holder. Upon such deposit being made, the ETRs shall be cancelled and the Mint shall have no further liability with respect thereto and the ETR Holder shall have no other right except to receive payment out of the monies so paid and deposited upon presentation of such documentation as may be determined by the chartered bank or trust company to be sufficient. In the event that any money required to be deposited hereunder shall remain so deposited for a period of six years, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over by such chartered bank or trust company to the Mint on its demand.

### **Amendments to ETRs and Program**

On 90 days' advance notice to ETR Holders, the Mint may: (i) vary the fees charged by the Mint in accordance with the procedure described under "Fees and Expenses"; (ii) introduce a cash redemption fee as described under "Fees and Expenses – Redemption of ETRs – Fees for Cash Redemptions"; (iii) add to, vary, modify, amend or supplement the definition of Excluded Events in accordance with the procedure described under "The Canadian Gold Reserves Program", and (iv) establish procedures pursuant to which issued and outstanding ETRs may be consolidated or subdivided. The other terms of the ETRs or the Program may be amended, varied, modified or supplemented by the Mint if:

- (a) in the opinion of the Mint, the amendment is necessary or desirable and is not materially prejudicial to the rights of the ETR Holder;
- (b) in the opinion of the Mint, the amendment is necessary or desirable to comply with any statutory or other requirement of law or any listing requirement of the TSX or the requirements of any other stock exchange on which the ETRs are listed or in respect of which application for listing has been made or is proposed to be made or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of the ETRs;
- (c) in the opinion of the Mint, the amendment is of a formal, minor or technical nature;
- (d) in the opinion of the Mint, the amendment is necessary or desirable to give effect to the issuance of additional ETRs on the basis described under "Description of the ETRs – Follow-On Offerings" including the issuance of additional ETRs in exchange for physical gold; or
- (e) the terms of the amendment are consented to in writing by holders of not less than 50% of the outstanding ETRs.

The Mint will notify ETR Holders of a proposed amendment by posting it on the Program Website and under the Mint's profile on SEDAR and by delivering the notice to the Transfer Agent on behalf of the ETR Holders as soon as practicable after such amendment is proposed and, in any event, upon such amendment becoming effective.

### **Follow-On Offerings**

The Mint may conduct further offerings of ETRs from time to time. Follow-on offerings of the same series of ETRs, such as this Offering, shall have no impact on the Per ETR Entitlement to Gold of existing ETRs. Subsequently issued ETRs of the same series will on their issue date have a Per ETR Entitlement to Gold equal to that of existing ETRs of the same series on such date.

## **Purchase of ETRs**

The Mint may, subject to applicable law and the requirements of the TSX or such other stock exchange on which the ETRs are listed for trading, purchase ETRs in the open market from time to time. Such purchase of ETRs will be on the terms and at the price as the Mint may determine and a holder of ETRs may accept. ETRs purchased by the Mint may be cancelled, held by the Mint or reissued.

## **Notices**

All notices and other communications required to be given to an ETR Holder will be delivered in writing by the Mint directly or indirectly to the applicable ETR Holder. Where a notice or other communication is required to be provided to every ETR Holder, the Mint shall, subject to applicable law, satisfy such obligation by disseminating such notice or communication in a press release, posting it to the Program Website and filing it on SEDAR.

## **FEES AND EXPENSES**

### **Expenses of the Offering**

All costs associated with the Offering including, but not limited to, the listing fees of the TSX, legal expenses, financial advisory expenses and applicable gold purchase expenses will be paid from the gross proceeds of the Offering. The expenses of the Offering are 0.2% of the gross proceeds of the Offering.

### **Service Fee**

The Mint charges a Service Fee in respect of its management, storage and custodial services. The Service Fee is calculated and accrued daily at an annual rate of 0.35% of the Per ETR Entitlement to Gold on each day for all outstanding ETRs and paid monthly in arrears on the 15<sup>th</sup> day of each month (or if not a business day, on the next succeeding business day). The Service Fee will not be applied to those ETRs submitted for redemption but not yet cancelled following the applicable Redemption Date. Each month, the Mint withdraws an amount of gold bullion equal to the Service Fee for such month. Accordingly, the amount of gold bullion evidenced by each ETR decreases daily as the Service Fee is accrued. The Service Fee may be varied by the Mint on not less than 90 days' advance notice to ETR Holders. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee.

The Per ETR Entitlement to Gold on the Issue Date will be 0.0108318 of one fine troy ounce of gold. The Per ETR Entitlement to Gold is reduced daily by the Service Fee at the rate of 0.35% per annum. On the 15<sup>th</sup> day of each month (or, if not a business day, on the next succeeding business day), the Mint withdraws an amount of gold bullion necessary to satisfy the Service Fee in respect of the ETRs for the preceding month. The Service Fee for each month is calculated by applying the Service Fee rate to the aggregate amount of gold bullion owned by the ETR Holders on each day during that month.

The Per ETR Entitlement to Gold is published daily on the Program Website and the Service Fee rate and an ongoing fee schedule are posted to the Program Website. See "Description of ETRs – Per ETR Entitlement to Gold" for a discussion of the calculation of the Per ETR Entitlement to Gold on the Issue Date.

## **Redemption Fees**

### ***Fees for Cash Redemptions***

ETR Holders will not be charged a fee in respect of cash redemptions. However, in accordance with the formula for calculating the Cash Redemption Price, the Mint will retain 5% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV per ETR on the Redemption Date.

The Mint may introduce a cash redemption fee on 90 days' advance notice to ETR Holders. Any cash redemption fee introduced by the Mint will be limited to offsetting increased processing or administrative costs associated with cash redemptions.

### ***Fees for Physical Gold Bullion Redemptions***

ETR Holders redeeming for physical gold bullion will be charged the following Physical Redemption Fees:

Redemption Processing Fee: C\$100 fee is to offset administrative costs to the Mint associated with a physical redemption and is similar to the administrative fees charged by the Mint to its other storage customers.

Fabrication Fees: Fees for the following physical gold bullion products will cover fabrication costs:

Gold Maple Leaf coins:	5% of the Gold Price on the Redemption Date per fine troy ounce;
Kilobars:	US\$15 per fine troy ounce; and
London Good Delivery bars:	US\$1.00 per fine troy ounce for the first 10,000 fine troy ounces and US\$0.25 per fine troy ounce thereafter.

Such fees may be varied by the Mint on not less than 90 days' advance notice to ETR Holders.

### ***Expenses for Physical Gold Bullion Redemption***

ETR Holders redeeming for physical gold bullion will be responsible for arranging pick-up and delivery of the physical gold bullion from the Mint by an industry-recognized armoured carrier, as set out in the Program Website. The redeeming ETR Holder will bear all expenses and taxes relating to transporting the physical gold bullion from the Mint to the location it determines.

## TRADING PRICE AND VOLUME

The following table sets forth the high and low trading prices and monthly trading volume for the ETRs on the TSX since November 29, 2011, when the ETRs began trading on TSX.

	<u>MNT</u>			<u>MNT.U</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
<b><u>For the Month Of:</u></b>						
November 2011 (November 29, 2011)	C\$20.10	C\$19.72	1,225,828	US\$19.73	US\$18.92	329,972
December 2011	C\$20.15	C\$17.19	2,909,547	US\$19.84	US\$17.36	379,830
January 2012	C\$20.00	C\$18.38	1,597,509	US\$19.98	US\$18.27	470,361
February 2012	C\$20.64	C\$19.25	3,793,099	US\$20.62	US\$19.38	171,895
March 2012	C\$19.75	C\$18.00	1,333,089	US\$19.97	US\$18.41	118,469
April 2012	C\$19.21	C\$18.36	1,806,501	US\$19.25	US\$18.58	41,865
May 2012	C\$18.95	C\$17.85	1,225,394	US\$18.98	US\$17.47	68,679
June 2012	C\$19.55	C\$17.80	1,054,506	US\$19.04	US\$18.11	67,519
July 2012	C\$19.27	C\$18.47	501,205	US\$18.95	US\$18.05	55,050
August 2012	C\$19.50	C\$18.04	1,171,417	US\$19.13	US\$18.28	79,634
September 2012	C\$19.50	C\$18.79	1,616,822	US\$20.01	US\$19.16	96,214
October 2012	C\$19.66	C\$18.63	872,158	US\$20.01	US\$18.77	110,815
November 2012	C\$19.10	C\$18.42	1,611,925	US\$19.13	US\$18.50	180,514
December 2012	C\$18.91	C\$17.85	1,139,848	US\$18.96	US\$17.84	111,210
January 2013	C\$18.47	C\$17.91	937,292	US\$18.58	US\$17.92	270,382
February 2013	C\$18.35	C\$17.20	1,560,298	US\$18.35	US\$16.71	332,713
March 2013	C\$17.90	C\$17.40	840,965	US\$17.39	US\$16.90	78,129
April 2013	C\$17.60	C\$14.81	2,445,673	US\$17.23	US\$14.61	94,282
May 2013	C\$15.93	C\$14.87	976,187	US\$15.78	US\$14.50	55,455
June 2013	C\$15.71	C\$13.38	1,242,974	US\$15.38	US\$12.74	29,529
July 2013	C\$15.06	C\$13.72	799,550	US\$14.50	US\$12.95	179,738
August 2013	C\$16.16	C\$14.27	526,845	US\$15.40	US\$14.44	20,900
September 2013 (as of September 16, 2013)	C\$16.09	C\$14.53	173,983	US\$14.87	US\$14.07	2,654

## COMPUTATION OF NET ASSET VALUE

The Mint is responsible for the calculation of the Program's net asset value ("NAV") and calculates the NAV as of 4:00 p.m., Toronto time, on each business day. The NAV per ETR on any day is expressed in U.S. dollars and is determined by multiplying the Per ETR Entitlement to Gold by the London P.M. fix gold price (the "Gold Price") established at 3:00 p.m. (London time) on that day by five market making members of the London Bullion Market Association (the "LBMA"). If such pricing is not available, the

physical gold bullion is valued at a price provided by another pricing service as determined by the Mint. The determination of NAV by the Mint is conclusive and binding on ETR Holders.

The NAV per ETR on November 29, 2011, the date of the initial public offering, was US\$18.72 or C\$19.29 and the NAV per ETR on September 16, 2013, the last trading day prior to the date of this Information Statement, was US\$14.34 or C\$14.81. NAV per ETR reported in Canadian dollars is calculated using the foreign exchange rate as reported by the Bank of Canada at 4:30 p.m., Toronto time, each business day. During this period, the ETRs traded on the TSX at an average premium to net asset value of 2.5% (in Canadian dollars) and 2.4% (in U.S. dollars), respectively.

### **Reporting of Net Asset Value**

The NAV is calculated on each business day and is available on the Program Website or by calling the Mint toll-free at 1-866-677-1477.

### **Suspension of Calculation of Net Asset Value**

In the event of any suspension of redemptions for physical gold bullion and/or cash, the Mint will suspend the calculation of NAV. During any such period of suspension, the Mint will not issue or redeem any ETRs.

In the event of any such suspension, the Mint will issue a press release announcing the suspension or the termination of such suspension, as the case may be. For further information, see "Description of ETRs – Suspension of Redemptions".

## **PRIOR SALES OF ETRs**

On November 29, 2011, the Mint completed an initial public offering of 30,000,000 ETRs under the Program for gross proceeds of C\$600,000,000. The ETRs were issued to purchasers at a price of C\$20.00 or US\$19.29. The net proceeds of the initial public offering were applied to the purchase of 327,009.648 fine troy ounces of physical gold bullion on behalf of ETR Holders.

On November 30, 2012, the Mint issued 1,585,234 ETRs under the Program following completion of the exercise of purchase rights by ETR Holders. A total of 1,496,611 purchase rights were exercised at a price of C\$20.00 for gross proceeds of C\$29,932,220.

## **SUMMARY INFORMATION REGARDING GOLD**

### **The London Bullion Market**

Although the market for physical gold is global, most over-the-counter market trades are cleared through London. The principal representative body of the London gold bullion market is the LBMA. The LBMA coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation. At 10:00 a.m. and 3:00 p.m. (London time) on each trading day, five market making members of the LBMA conduct a "fixing" which provides the reference gold price for that day's trading. These prices are referred to as the "London A.M. fix" and the "London P.M. fix", respectively. Many long-term contracts will be priced based on a London fix price, and market participants will usually refer to a London fix as a basis for valuations.

The LBMA is also involved in the promotion of refining standards by maintenance of the "London Good Delivery Lists," which are the lists of LBMA accredited melters and assayers of gold. The Mint is one of three Canadian gold refiners listed on the London Good Delivery Gold List. Gold bars meeting the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA -acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA are described as "London Good Delivery bars". A London Good Delivery bar must contain between 350 and 430 fine troy ounces of gold, with a minimum fineness (or purity) of 995 parts per 1,000 (99.5%). Unless otherwise specified, the gold spot price always refers to that of gold in the form of a London Good Delivery bar. The unit of trade in London is the fine troy ounce. The conversion between grams and fine troy ounces is: 1,000 grams = 32.1507465 fine troy ounces and 1 fine troy ounce = 31.1034768 grams.

This and other information about the London bullion market is available on the LBMA's website at [www.lbma.org.uk](http://www.lbma.org.uk). The information available on the LBMA's website is not incorporated by reference in, and does not form part of, this Information Statement.

### **Gold Futures Exchange**

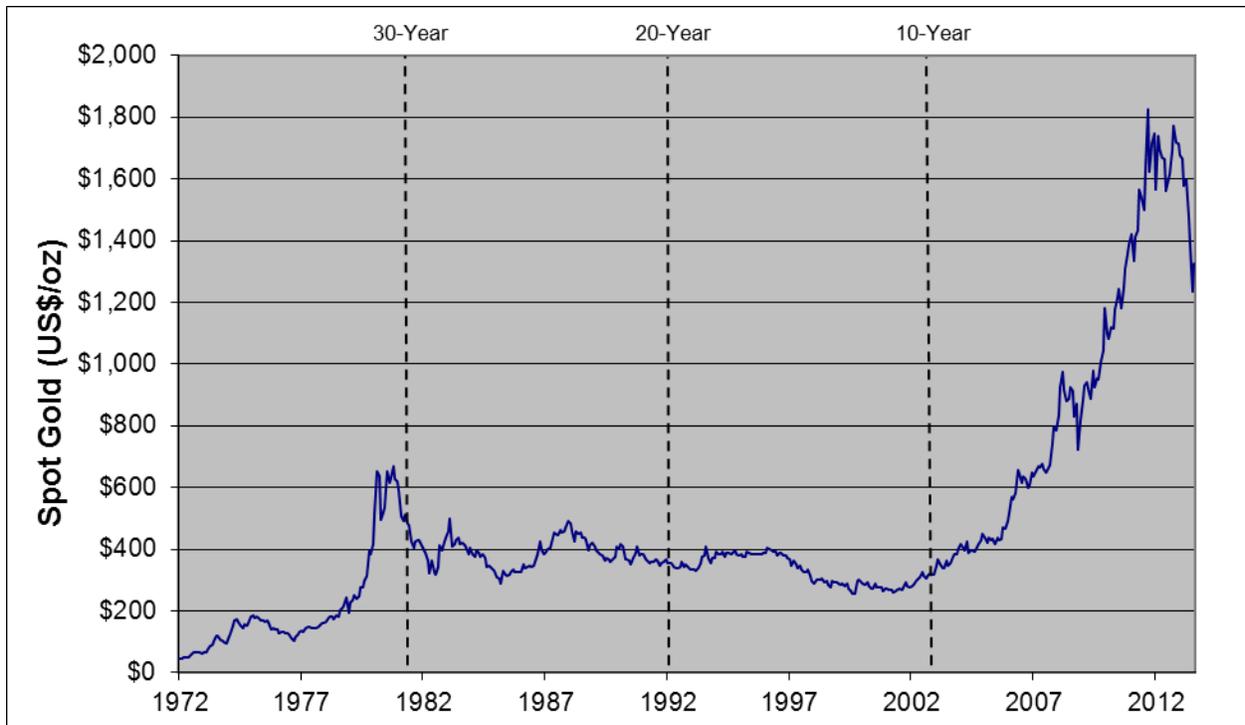
The most significant gold futures exchanges are the Commodity Exchange, Inc. ("**COMEX**"), a division of the New York Mercantile Exchange, and the Tokyo Commodity Exchange. The COMEX is the largest exchange in the world for trading precious metals futures and options. Trading on COMEX is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. During regular trading hours at COMEX, the commodity contracts are traded through open outcry: a verbal auction in which all bids, offers and trades must be publicly announced to all members. Electronic trading is offered by the exchange after regular market hours. This and other information about COMEX is available on the COMEX website at [www.cmegroup.com](http://www.cmegroup.com). The information available on the COMEX website is not incorporated by reference in, and does not form part of, this Information Statement.

### **Global Over-the-Counter Market**

The over-the-counter ("**OTC**") market trades on a 24-hour per day continuous basis and accounts for most global gold trading. Eleven members of the LBMA act as OTC market-makers. Market-makers, as well as others in the OTC market, trade with each other and with their clients on a principal-to-principal basis. The OTC market has no formal structure and no open-outcry meeting place, resulting in a relatively flexible market in terms of quotes, price, size, destinations for delivery and other factors. Bullion dealers customize transactions to meet clients' requirements. Liquidity in the OTC market can vary from time to time during the course of the 24-hour trading day. Fluctuations in liquidity are reflected in adjustments to dealing spreads – the differential between a dealer's "buy" and "sell" prices. The period of greatest liquidity in the gold market generally occurs at the time of day when trading in the European time zones overlaps with trading in the United States, which is when OTC market trading in London, New York and other centres coincides with futures and options trading on COMEX.

### **Historical Gold Price Performance**

The following chart displays the price performance of gold for the period from January 1, 1972 to August 30, 2013 using the month-end Gold Prices obtained from Bloomberg Financial Services:



Source: Bloomberg (September 10, 2013).

On the date hereof, the Gold Price was US\$1312.25 per fine troy ounce.

### Information Relating to Gold in this Information Statement

Information contained in this Information Statement relating to gold bullion, the gold sector and the exchanges and market places on which gold trades is derived from and based solely upon publicly available information. The Mint has not independently verified the accuracy, reliability or completeness of any such information or made any assurances, representations or warranties with respect to, nor assumed any responsibility for, the accuracy, reliability or completeness of such information, or accepted responsibility for the provision of any future information with respect to gold bullion, the gold sector and the exchanges and market places on which gold trades, nor does it have any duty or obligation to update such information up to or after the Issue Date. Investors shall have no recourse against the Mint in connection with any information about and/or relating to gold bullion, the gold sector and the exchanges and market places on which gold trades contained in this Information Statement or elsewhere.

Prospective purchasers should independently investigate gold bullion, the gold market and the exchanges and market places on which gold trades prior to making an investment decision with respect to the ETRs. Prospective purchasers should carefully consider the factors set out under "Risk Factors" before reaching a decision to buy ETRs.

### USE OF PROCEEDS

The net proceeds of the Offering will be applied to the purchase of gold bullion from third party suppliers by the purchaser of ETRs hereunder. The gold bullion so purchased will be delivered to the Mint's facilities on the Issue Date and will be held in the custody of the Mint together with the gold bullion purchased in the initial public offering on an unallocated basis on behalf of all ETR Holders. For a

description of the determination of the Issue Price based on such gold purchase agreements, see "Description of ETRs – Issue Price".

### **AVAILABILITY OF INFORMATION RELATING TO THE ETRs**

The Mint maintains a website for the Program at [www.reserves.mint.ca](http://www.reserves.mint.ca) (the "**Program Website**"). The Information Statement and the Gold ETR Certificate will be posted to the Program Website and will be available under the Mint's profile on the *System for Electronic Document Analysis and Retrieval* ("**SEDAR**"), which can be accessed at [www.sedar.com](http://www.sedar.com). On an ongoing basis, the Mint will publish on the Program Website and file on SEDAR reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect of the market price or value of the ETRs. The Mint will also publish on the Program Website and file on SEDAR any notice that it delivers to all ETR Holders and any other communication to all ETR Holders, including press releases disseminated by the Mint relating to the Program or the ETRs. Certain additional information regarding the ETRs is also provided on an ongoing basis on the Program Website, including: (i) a daily calculation of the Per ETR Entitlement to Gold; (ii) a daily calculation of the NAV and the NAV per ETR; (iii) the current trading price of the ETRs; (iv) the historical trading prices of the ETRs; (v) the fees associated with the ETRs for the last three years (or period available); and (vi) the daily Gold Price. A compilation of such information will be made available on the Program Website and filed on SEDAR on a quarterly basis. The Program's NAV will also be made available to ETR Holders by calling the Mint toll-free at 1-866-677-1477.

### **PLAN OF DISTRIBUTION**

Pursuant to a subscription agreement between the Mint and the purchaser hereunder, the Mint has agreed to sell and the purchaser have agreed to purchase, on the Issue Date, the ETRs offered hereby at the Issue Price, subject to compliance with all necessary legal requirements and the terms and conditions contained in such subscription agreements. This private placement of ETRs under the Program is made in reliance on the Orders (as defined below).

The ETRs have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the ETRs are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available. The Mint will not offer or sell the ETRs within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the 1933 Act).

### **RISK FACTORS**

An investment in ETRs involves certain risks. A prospective purchaser of ETRs should consider carefully the risks described below before making an investment decision. Prospective purchasers should also refer to the other information included in this Information Statement.

## **Risks Relating to the Program and the ETRs**

***The value of the ETRs relates directly to the value of the gold held at the Mint, and fluctuations in the price of gold could materially adversely affect an investment in the ETRs.***

The ETRs are designed to mirror as closely as possible the performance of the price of gold, and the value of the ETRs relates directly to the value of the gold evidenced by the ETRs, less fees. The price of gold has fluctuated widely in recent years and accordingly the ETRs may experience significant price fluctuations. If ETRs are sold at a time when the price of gold is lower than at the time of the original investment, ETR Holders will suffer losses. ETR Holders will have no recourse to the Mint or the Government of Canada for any loss on their investment. Even if the ETRs are held for the long-term, that may not result in a profit, since gold markets have historically experienced extended periods of flat or declining prices, in addition to sharp fluctuations. In addition, there is no assurance that gold will maintain its long-term value in terms of purchasing power. In the event that the price of gold declines, the Mint expects the value of an investment in the ETRs to decline proportionately.

Gold bullion is traded internationally and its price is generally quoted in U.S. dollars. The price of the ETRs will depend on, and typically fluctuate with, the price fluctuations of gold. The price of gold may be affected at any time by many international, economic, monetary and political factors, many of which are unpredictable. These factors include, without limitation:

- (a) global gold supply and demand, which is influenced by such factors as: (i) forward selling by gold producers; (ii) purchases made by gold producers to unwind gold hedge positions; (iii) central bank purchases and sales; (iv) production and cost levels in major gold-producing countries; (v) new production projects; and (vi) consumer and industrial demand for gold;
- (b) investors' expectations for future inflation rates;
- (c) the exchange rate volatility of the U.S. dollar, the principal currency in which the price of gold is generally quoted;
- (d) interest rate levels and volatility;
- (e) investment, trading and redemption activities of commodity funds and hedge funds and high speed derivatives trading; and
- (f) unexpected global, or regional, political or economic incidents.

Changing tax, royalty, land and mineral rights ownership and leasing regulations in gold producing countries can have an impact on market functions and expectations for future gold supply. This can affect both share prices of gold mining companies and the relative prices of other commodities, which are competitive factors that may affect investor decisions in respect of investing in gold and the ETRs.

***An investment in ETRs will yield long-term gains only if the value of gold increases in an amount in excess of the fees associated with the Program.***

The ETR's long-term performance is wholly-dependent on the long-term performance of the price of gold. As a result, an investment in ETRs will yield long-term gains only if the value of gold increases in an amount in excess of the Service Fee. The Service Fee is calculated and accrued daily at an annual rate of

0.35% of the Per ETR Entitlement to Gold on each day for all outstanding ETRs and is paid monthly in arrears on the 15th day of each month (or if not a business day, on the next succeeding business day).

***The withdrawal of gold by the Mint to pay fees will reduce the amount of gold evidenced by each ETR on an ongoing basis irrespective of whether the trading price of the ETRs rises or falls in response to changes in the price of gold.***

Each ETR evidences an equal undivided direct legal and beneficial ownership interest in the aggregate amount of unallocated gold held at the Mint on behalf of ETR Holders. As the Service Fee accrues daily and is paid monthly in arrears, the amount of gold evidenced by each ETR will, and the NAV may, gradually decline over time. This is true even if additional ETRs are issued in future offerings, as the amount of gold acquired with the net proceeds of any such future offering will proportionately reflect the amount of gold evidenced by such ETRs. Assuming a constant gold price, the trading price of the ETRs is expected to gradually decline relative to the price of gold as the amount of gold evidenced by the ETRs gradually declines. The ETRs will only maintain their original value if the price of gold increases enough to offset the Service Fee. Investors should be aware that the gradual decline in the amount of gold bullion owned by ETR Holders will occur regardless of whether the trading price of the ETRs rises or falls in response to changes in the price of gold.

The estimated effect over time of the application of the Service Fee on the Per ETR Entitlement to Gold is described in "Description of the ETRs – Fees – Per ETR Entitlement to Gold" and "Fees and Expenses – Service Fee".

***The Mint may conduct further offerings of ETRs from time to time that may be below the trading price of ETRs on the TSX at that time.***

The Mint may conduct further offerings of ETRs from time to time. Follow-on offerings of securities of issuers that are traded on an exchange are usually priced below the trading price of such securities at the time of an offering to induce investors to purchase securities in the follow-on offering rather than through the exchange on which such securities are traded. Consequently, the price to the public at which such ETRs are offered likely will be below the trading price of ETRs on the TSX at the time of the offering, which may have the effect of lowering the trading price of ETRs immediately after the pricing of such follow-on offering.

***A redemption of ETRs for cash will yield a lesser amount than selling the ETRs on the TSX, if such a sale is possible.***

The cash redemption value per ETR is based on 95% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date and (ii) the NAV per ETR on the Redemption Date. Accordingly, redeeming the ETRs for cash will generally yield a lesser amount than selling the ETRs on the TSX, assuming such a sale is possible.

***The Mint may terminate the Program and redeem all ETRs for cash upon the occurrence of a Termination Event.***

The Mint may terminate the Program and redeem all ETRs for cash at NAV upon the occurrence of a Termination Event. Such termination and redemption could occur at a time which is disadvantageous to ETR Holders, including within a short period of time following the Issue Date or at a time when gold prices are lower than the gold price at the Issue Date. In such a case, the redemption proceeds paid to ETR Holders will be less than if gold prices were higher at the time of sale.

***The NAV of the ETRs will fluctuate and may differ from the trading price of the ETRs.***

The NAV of the ETRs is based on the daily Gold Price reported for gold bullion. The ETRs may trade in the market at a premium or discount to their NAV. Accordingly, the market value of the ETRs may, at any time, be greater or less than the realizable value of the gold bullion evidenced by the ETRs. There can be no assurance that the ETRs will trade at prices that reflect their NAV.

***The ETRs may trade at a price that is above or below the NAV, and any discount or premium in the trading price relative to the NAV may widen as a result of non-concurrent trading hours between the COMEX and the TSX.***

The ETRs may trade in the market at a premium or discount to the NAV per ETR and there can be no assurance that the ETRs will trade at a price equal to the NAV per ETR. This risk is separate and distinct from the risk that the NAV per ETR may decrease. The amount of the discount or premium in the trading price relative to the NAV per ETR may be influenced by non-concurrent trading hours between the COMEX which is the U.S. exchange on which gold for physical delivery is traded, and the TSX. While the ETRs will trade on the TSX until 4:00 p.m., Toronto time, liquidity in the global gold market will be reduced after the close of COMEX at 1:30 p.m., Toronto time. As a result, during this time, trading spreads, and the resulting premium or discount to the NAV per ETR may widen.

***Prospective purchasers need to independently determine the suitability of investing in ETRs.***

Prospective purchasers should determine whether an investment in ETRs is appropriate in their particular circumstances and should consult with their legal, business and tax advisors in evaluating the consequences of an investment in the ETRs. An investment in ETRs is only suitable for investors who: (i) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in ETRs; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; and (iii) are capable of bearing the economic risk of an investment in the ETRs. No written or oral communication from the Mint should be considered as an assurance or guarantee as to the expected results of an investment in ETRs.

***A purchase of ETRs is an investment in physical gold and not a diversified investment program.***

A purchaser of ETRs receives a direct legal and beneficial interest in physical gold bullion. Such an investment may be deemed speculative and is not a diversified investment program. The trading price and NAV of the ETRs may be more volatile than another investment vehicle with a more broadly diversified portfolio and may fluctuate substantially over time.

***A notice of redemption is irrevocable.***

In order to redeem ETRs for cash or gold, an ETR Holder must provide a notice of redemption to its Broker. Once a notice of redemption is submitted by an ETR Holder, it can no longer be revoked by the ETR Holder under any circumstances. Accordingly, the redeeming ETR Holder is subject to any change in the trading price and NAV of the ETRs that occurs between the time such ETR Holder provides a notice of redemption and the applicable Redemption Date. The Transfer Agent or the Mint may reject such notice if it does not comply with the requirements for a notice of redemption.

***Substantial redemptions of ETRs may affect the liquidity and trading price of the ETRs and result in an increase in the Service Fee.***

Substantial redemptions of ETRs could result in a decrease in the trading liquidity of the ETRs. Substantial redemptions will also result in a decrease in the number of ETRs outstanding which could necessitate an increase in the amount of the Service Fee. An increase to the Service Fee will reduce the Per ETR Entitlement to Gold and may reduce the NAV per ETR and the trading price of the ETRs. If the amount of physical gold evidenced by the ETRs declines to a level where the Mint determines, in its sole discretion, that the liquidity of the outstanding ETRs is impaired, the Mint will have the right to terminate the Program and redeem outstanding ETRs for cash.

***The trading market for ETRs may not remain active, which may limit the ability of ETR Holders to sell their ETRs***

The ETRs are currently listed on the TSX, however, there can be no assurance that an active trading market for the ETRs will continue. If an active trading market for the ETRs does not continue, the market price and liquidity of the ETRs may be adversely affected.

***The Mint may suspend redemptions, which may affect the trading price of the ETRs.***

In certain circumstances, the Mint may suspend the right of ETR Holders to redeem their ETRs or postpone the date of delivery or payment of the redemption proceeds (whether gold bullion and/or cash, as the case may be). Such circumstances include any period during which the Mint determines that conditions exist which render impractical the fabrication, evaluation or sale of gold or which impair the ability of the Mint to determine the value of the gold bullion owned by ETR Holders or the redemption amount for the ETRs. This may affect the trading price of the ETRs at a time when an investor wishes to sell its ETRs on the TSX. Accordingly, the ETRs may not be an appropriate investment for investors who seek immediate liquidity.

***Canadian registered plans that redeem their ETRs for physical gold bullion may be subject to adverse consequences.***

Gold bullion received by a Canadian registered plan, such as a registered retirement savings plan, pursuant to a redemption of ETRs for gold bullion may not be a qualified investment for such plan. Accordingly, such plans (and in the case of certain plans, the annuitants or beneficiaries thereunder or holders thereof) may be subject to adverse Canadian tax consequences including, in the case of registered education savings plans, revocation of such plans. See "Eligibility Under The Tax Act For Investment By Canadian Exempt Plans".

***Changes in legislation and regulation may adversely affect the ETRs.***

There can be no assurance that regulatory requirements, customs duties, other taxes, securities and other laws will not be changed in a manner that adversely affects the ETRs. There can be no assurance that Canadian federal income tax laws and the administrative policies and the assessing practices of the CRA (as defined below) respecting the ETRs (including the ability of certain ETR Holders to treat their ETRs as capital property) will not be changed in a manner that adversely affects the ETR Holders.

***The Mint will not be liable to a redeeming ETR Holder that suffers loss of, or damage to, its gold bullion during pick-up and delivery from the Mint.***

If an ETR Holder elects to redeem ETRs for gold bullion, the ETR Holder's gold bullion will be allocated to the ETR Holder and transported by an industry-recognized armoured carrier engaged by the redeeming ETR Holder. At the time the Mint remits the gold bullion to the industry-recognized armoured carrier, the redeemed gold bullion will be allocated to such ETR Holder. The redeeming ETR Holder will bear the risk of loss or damage from the moment the industry-recognized armoured carrier takes possession of the gold bullion on behalf of such ETR Holder. In the event any loss or damage to the gold bullion occurs after such time, including but not limited to loss or damage in connection with pick-up and delivery of the gold bullion, the Mint will not be liable to such ETR Holder for such loss or damage.

***London Good Delivery gold bars delivered to an ETR Holder upon a redemption for physical gold bullion may no longer be deemed London Good Delivery once delivered.***

London Good Delivery bars have the advantage that a purchaser generally will accept such bars as comprising of the indicated number of fine troy ounces of at least .995 fine gold without assaying or otherwise testing them. This provides London Good Delivery bars with added liquidity as a sale of such bars can be completed more easily than the sale of gold bullion that is not London Good Delivery. If an ETR Holder redeems ETRs for physical gold bullion and has the gold delivered to an institution authorized to accept and hold London Good Delivery gold bars through an industry-recognized armoured carrier that is eligible to transport London Good Delivery gold bars, it is likely that the gold will retain its London Good Delivery status while in the custody of that institution. However, if the redeeming ETR Holder instructs that gold be delivered to a destination other than such an institution or by an armoured carrier that is not eligible to transport London Good Delivery bars, the gold bullion delivered to the ETR Holder will no longer be deemed London Good Delivery once it has been delivered pursuant to the redeeming ETR Holder's delivery instructions, which may make a future sale of such gold more difficult.

***An increase to the Service Fee will reduce the Per ETR Entitlement to Gold and may reduce the NAV per ETR and the trading price of the ETRs.***

The Mint may increase the Service Fee on 90 days' advance notice to ETR Holders. An increase to the Service Fee will reduce the Per ETR Entitlement to Gold at an increased rate and may reduce the NAV per ETR and the trading price of the ETRs. If the Mint's expenses associated with the Program increase, the Mint may elect to increase the Service Fee in order to cover such expenses. For example, an increase in the value of the Canadian dollar in relation to the U.S. dollar may increase such expenses.

### **Risks Relating to the Gold Market**

***In recent years, the international gold bullion market experienced historically high trading prices followed by a substantial decline in trading prices; there can be no assurance that the historically high trading prices will return or that the decline in trading prices will cease.***

The price of physical gold bullion going forward and the value of the ETRs may be dependent upon factors such as global physical gold bullion supply and demand, investors' inflation expectations, exchange rate volatility and interest rate volatility. An adverse development with regard to one or more of these factors may lead to a decrease in physical gold bullion trading prices. A decline in prices of physical gold bullion would decrease the NAV of the ETRs and the trading value of the ETRs.

***Crises may motivate large-scale sales of gold, which could decrease the price of gold and adversely affect an investment in the ETRs.***

The possibility of large-scale distress sales of gold in times of crisis may have a negative impact on the price of gold and adversely affect an investment in the ETRs. For example, the 2008 global financial crisis resulted in significantly depressed prices of gold due to forced sales and deleveraging from institutional investors such as hedge funds and pension funds. A decade earlier, the 1998 Asian financial crisis resulted in significant sales of gold by individuals that depressed the price of gold. Crises in the future may impair gold's price performance that would, in turn, adversely affect an investment in the ETRs.

***Substantial sales of gold by the official sector could adversely affect an investment in the ETRs.***

The official sector consists of central banks, other governmental agencies and multi-lateral institutions that buy, sell and hold gold as part of their reserve assets. The official sector holds a significant amount of gold, some of which is static, meaning that it is held in vaults and is not bought, sold, leased or swapped or otherwise available in the open market. Although the official sector became a net buyer of gold bullion in 2010, the official sector, taken as a whole, has been a net supplier of gold to the open market over the past 20 years. In the event that future economic, political or social conditions or pressures require members of the official sector to liquidate their gold assets all at once or in an uncoordinated manner, the demand for gold may not be sufficient to accommodate the sudden increase in the supply of gold to the market. Consequently, the price of gold may decline which may adversely affect an investment in the ETRs.

***Future governmental decisions may have significant impact on the price of physical gold bullion.***

Generally, gold prices reflect the supply and demand of available physical gold bullion. Governmental decisions, such as (a) the executive order issued by the President of the United States in 1933 requiring all persons in the United States to deliver physical gold bullion to the Federal Reserve or (b) the abandonment of the gold standard by the United States in 1971, have been viewed as having a significant impact on the supply and demand of physical gold bullion and the price of physical gold bullion. Future governmental decisions may have an impact on the price of physical gold bullion, and may result in a significant decrease or increase in the value of the ETRs.

***Competition from other methods of investing in gold may adversely affect the market for and liquidity of the ETRs.***

The ETRs will compete with other securities and investment vehicles, including traditional debt and equity securities issued by gold producers and other securities backed by or linked to gold and direct investments in gold. To the extent that investors determine that it is more attractive to invest in such alternatives, it may limit the market for the ETRs and reduce the liquidity of the ETRs and, accordingly, the trading price of the ETRs.

## **Risks Relating to the Mint**

***ETR Holders bear the risk of the loss, damage or destruction of gold held by the Mint in certain circumstances.***

There is a risk that some or all of the gold held by the Mint could be lost, damaged or destroyed. The Mint bears all risk of physical loss, damage or destruction of gold bullion in the Mint's care, custody and control (regardless of culpability by the Mint) except in the case of circumstances beyond the Mint's

reasonable control, which include, but are not limited to: (i) acts or omissions or the failure to cooperate of any third party or an ETR Holder (including entities under the ETR Holder's control); (ii) acts of God; (iii) any law, order or requirement of any governmental agency or authority; (iv) war or other violence; (v) radioactive or other contamination; (vi) acts of terrorism or (vii) the use or operation of any computer, computer system, computer virus or any other electronic process as a means for inflicting harm. See "The Canadian Gold Reserves Program". As the direct legal and beneficial owners of the gold bullion held by the Mint, ETR Holders bear the risk of loss, damage or destruction of the gold bullion owned by ETR Holders as the result of an Excluded Event. In all other circumstances, if there is a loss, damage or destruction of the gold bullion held by the Mint, ETR Holders must rely on the Mint's ability to satisfy any claims against it (the Mint's obligations under the ETRs are backed by the full faith and credit of the Government of Canada). The Mint is not liable under any circumstances for special, incidental, consequential, indirect and punitive damages, losses and costs (including lost profits and lost savings), except as a result of gross negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred. Any loss, damage or destruction of gold bullion related to the Program for which compensatory damages cannot be recovered will have a negative impact on the value of the ETRs.

***In the event the gold bullion is lost, damaged or destroyed, recovery will be limited to the market value of the gold at the time the loss is discovered.***

If there is a compensable loss due to physical loss, damage or destruction with respect to the gold held by the Mint, the Mint's liability to the ETR Holder is limited to the Gold Price on the trading day following the date the loss is discovered. If the Gold Price increases between the time the loss is discovered and the time the Mint purchases gold bullion to replace the losses, less gold bullion will be acquired for the account of the ETR Holders and the NAV per ETR will be negatively affected.

Although the Mint believes that it will be able to provide replacement gold or compensate ETR Holders within five business days following an event of compensable loss of gold bullion owned by ETR Holders, in circumstances of catastrophic loss such time period may be longer.

***ETR Holders are not entitled to participate in management of the Mint.***

ETR Holders do not have the statutory rights normally associated with the ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative actions". The ETRs represent a direct legal and beneficial ownership interest in the gold bullion held for ETR Holders by and at the Mint. The ETRs are not voting or equity securities of the Mint. Accordingly, ETR Holders are not entitled to participate in the management or control of the Mint or the operations of the Program. ETR Holders do not have any input into the daily activities of the Program or of the Mint.

***The ETR Holders' gold will not be allocated but rather will be unallocated within the general supply of physical gold within the Mint's refinery and production operations.***

The Mint uses the physical gold owned by ETR Holders within its general refinery and production operations and as such it is not held separate and stored separately from other unallocated gold bullion held at the Mint, as is done for certain gold customers on a fully allocated basis. The Mint believes it can manage its unallocated gold in a manner that fully protects the ownership and related rights of ETR Holders. However, unallocated gold under the custodial care of the Mint, including the unallocated gold of ETR Holders, is not held separately or audited or inspected on a stand-alone basis.

In the event that any of the gold held by the Mint on an unallocated basis is subject to non-compensable loss, damage or destruction, all owners of such unallocated gold, including both ETR Holders and non-ETR Holders, will be subjected to such loss on a *pro rata* basis.

***Under Canadian law, ETR Holders may have limited recourse against the Mint.***

The Mint is a Canadian Crown corporation. A Crown corporation may be entitled to immunity if it acts as agent of the Crown rather than in its own right and on its own behalf. Pursuant to the Mint Act, the Mint is for all its purposes, including those related to the Program, an agent of the Crown and acting on behalf of the Crown. In certain circumstances, the Mint could be protected by the immunity of the Crown; however, pursuant to the terms of the ETRs, the Mint has waived such immunity as it relates to an ETR Holder's claim for loss thereunder.

***The Mint may become a private enterprise or the assets of the Mint could be sold to a private enterprise, in which case its obligations will not constitute the unconditional obligations of the Government of Canada.***

Although the Mint is not aware of any active proposals to privatize the Mint, in whole or in part, there can be no assurance that the Mint will remain a Crown corporation. The Mint would not remain a Crown corporation if the Government of Canada were to privatize the Mint. If the Mint were to become a private entity, its obligations would no longer generally constitute unconditional obligations of the Government of Canada and there would be no assurance that the Mint would have the resources to satisfy claims of ETR Holders against the Mint for non-performance of its obligations under the ETRs. In such a situation, the Mint may elect to terminate the Program or may elect to continue the program, depending on the circumstances surrounding such a privatization.

***The Mint is not required to comply with many of the continuous disclosure requirements applicable to reporting issuers in Canada.***

The Mint is a reporting issuer in Ontario by virtue of the listing of the ETRs on the TSX. However, under the terms of an order issued by Canadian securities regulators, the Mint is not required to comply with many of the continuous disclosure requirements applicable to reporting issuers under National Instrument 51-102 - *Continuous Disclosure Obligations* and certain related instruments. For instance, the Mint does not publicly file on SEDAR any annual or interim financial statements, management discussion and analysis, annual information forms or other continuous disclosure documents prescribed by rules applicable to reporting issuers. The Mint will, however, publicly file on SEDAR and post to the Program Website reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect on the market price or value of the ETRs. The Mint will also file on SEDAR and post to the Program Website on a quarterly basis a compilation of certain information posted on the Program Website during the preceding quarter. Accordingly, ETR Holders may not have access to ongoing information regarding the business, operations and financial condition of the Mint in the manner or to the extent that such information is made available to investors in the securities of other reporting issuers.

***The Program is a new business for the Mint and the Mint has limited operating history in issuing and managing listed securities.***

Management of the Mint has limited experience or expertise in issuing and managing listed securities. Although the Mint believes it has the necessary resources to fulfil its obligations under the Program, there can be no assurance that it has accurately anticipated all of its needs in this respect and it may need to

seek additional resources in the future in connection with its operation of the Program which could result in increased Service Fee.

***If the Government of Canada were to default on its debt or other obligations, the obligations of the Mint under the Program may cease to be supported by the Government of Canada.***

By virtue of the Mint's status as an agent of the Government of Canada, each ETR constitutes a direct unconditional obligation of Her Majesty in right of Canada. However, if the Government of Canada were to default on any of its debt or other obligations it may become unable or unwilling to perform any of its obligations with respect to the Program and the ETRs. There is no assurance that the credit rating of the Government of Canada will remain in effect for any given period of time or that any rating will not be lowered or withdrawn by any rating agency.

### **TRANSFER AGENT AND REGISTRAR**

Computershare Investor Services Inc. in Toronto, Ontario acts as transfer agent and registrar (in such capacity, the "**Transfer Agent**") for the ETRs and maintains a register of ETR Holders and transfers of ETRs. Such register is kept at the office of the Transfer Agent in Toronto, Ontario, or at such other office notified by the Mint to ETR Holders. The Transfer Agent will also cancel ETRs that have been redeemed and, if required, arrange mailings to ETR Holders upon direction from the Mint.

### **PROSPECTUS AND CONTINUOUS DISCLOSURE EXEMPTIONS**

As a result of an exemptive relief decision (the "**Gold Order**") granted by the Ontario Securities Commission (the "**OSC**") on August 30, 2011 and an exemptive relief decision (the "**Silver Order**", and together with the Gold Order, the "**Orders**") granted by the OSC on October 12, 2012, the Mint is exempt from:

- (a) the requirement to prepare a prospectus relating to the offering of ETRs and from all of the requirements of National Instrument 41-101 – *General Prospectus Requirements*;
- (b) the continuous disclosure requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*, other than the requirement to post to the Program Website reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect on the market price or value of the ETRs;
- (c) the auditor oversight requirements of National Instrument 52-108 – *Auditor Oversight*;
- (d) the certification requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;
- (e) the audit committee requirements of National Instrument 52-110 – *Audit Committees*;
- (f) the corporate governance disclosure requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;
- (g) the SEDAR requirements of National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*, other than as such requirements apply to the Program and the ETRs; and

- (h) the requirement to create a SEDI profile and file event reports pursuant to National Instrument 55-102 – *System for Electronic Disclosure by Insiders (SEDI)*.

The Orders are conditional upon the Mint (i) continuing to be a Crown corporation pursuant to the Mint Act, (ii) providing this Information Statement to each purchaser of ETRs, prior to or at the time an agreement of purchase and sale is entered into in respect of the ETRs, (iii) maintaining the Program Website, (iv) filing on SEDAR on a quarterly basis a compilation of certain information posted on the Program Website during the preceding quarter, (v) maintaining its SEDAR profile and making the SEDAR filings described under "Availability of Information Relating to the ETRS" and "Material Contracts", and (vi) paying participation fees pursuant to OSC Rule 13-502 – *Fees*. Copies of the Orders are posted to the Program Website and available under the Mint's profile on SEDAR.

### **MATERIAL CONTRACTS**

The Gold ETR Certificate referred to under "Description of the ETRs" can reasonably be regarded as a material contract to the purchaser of ETRs hereunder. A copy of the Gold ETR Certificate will be available under the Mint's profile on SEDAR.

### **CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) (the "**Tax Act**") to the acquisition, holding and disposition of ETRs acquired pursuant to this offering. This summary is generally applicable to an ETR Holder who, for the purposes of the Tax Act and any applicable tax treaty, is, or is deemed to be, resident in Canada at all relevant times, and who holds ETRs as capital property.

It is the published position of the Canada Revenue Agency ("**CRA**") that certain Canadian resident taxpayers who have transactions in a commodity (including, as discussed below, a gold certificate) which are not connected with any business of the taxpayer and who do not have special information about the commodity may treat all gains and losses from transactions in the commodity as capital gains and capital losses, provided that such reporting is followed consistently from year to year. Purchasers of ETRs should consult with their own tax advisors to assess whether the ETRs will be capital property to them in light of their own circumstances.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and an understanding of the current published administrative and assessing policies of the CRA. There can be no assurance that the Tax Proposals will be implemented in their current form or at all, nor can there be any assurance that the CRA will not change its administrative or assessing practices. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any change in the law, whether by legislative, governmental or judicial decision or action, which may affect adversely any income tax consequences described herein, and does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described herein.

This summary is also based on the disclosure in this Information Statement including the description of each ETR as representing an equal undivided direct legal and beneficial interest in gold bullion held in custody by the Mint. However, if an ETR were instead characterized as an executory contract to subsequently acquire gold bullion, the consequences, to an ETR Holder described above, of the

acquisition, holding and disposition of ETRs would not, relying in part on published CRA administrative practice, be materially different from those described in this summary.

This summary is not applicable to an ETR Holder that is a "financial institution", that has elected to determine its Canadian tax results in accordance with the "functional currency" rules, that has entered into a "derivative forward agreement" (as described in the Tax Proposals), or an interest in which is a "tax shelter investment" (as all such terms are defined in the Tax Act). In addition, this summary does not address the deductibility of interest by an ETR Holder who has borrowed to acquire ETRs. All such ETR Holders should consult with their own tax advisors.

**This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in ETRs. Moreover, the income and other tax consequences of acquiring, holding or disposing of ETRs will vary depending on a taxpayer's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to constitute legal or tax advice to any prospective purchaser of ETRs. Prospective purchasers of ETRs should consult with their own tax advisors about tax consequences of an investment in ETRs based on their particular circumstances.**

### **Foreign Exchange**

For the purposes of the Tax Act, all amounts expressed in a currency other than Canadian dollars relating to the acquisition, holding or disposition of an ETR or gold bullion, including adjusted cost base and proceeds of disposition, must be determined in Canadian dollars using the relevant rate of exchange quoted by the Bank of Canada at noon on the day the amount first arose or such other rate of exchange as is acceptable to the CRA.

### **Dispositions of ETRs**

Upon the actual or deemed disposition of an ETR, including its redemption for cash redemption proceeds, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the ETR exceed (or are less than) the aggregate of the adjusted cost base of the ETR to the ETR Holder and any reasonable costs of disposition. The published position of the CRA is that gold bullion and gold certificates are identical property. This position may apply to the ETRs. In addition, a particular certificate and the bullion to which it relates are the same property, so that an exchange of a certificate for bullion will not be considered by the CRA to be a disposition. Furthermore, the Tax Act indicates that the conversion through a partition of a taxpayer's undivided co-ownership in a pool of gold into the ownership of specific fine troy ounces of gold representing the same equivalent number of fine troy ounces of gold generally will not give rise to a disposition. Accordingly, the redemption of ETRs for gold bullion generally will not give rise to a disposition except as described immediately below.

Where on the redemption of an ETR for gold bullion, the redeeming ETR Holder receives cash as the redemption proceeds for the ETR Holder's interest in gold bullion evidenced by the ETR in excess of the equivalent of a whole number of fine troy ounces, the ETR Holder likely will be considered to have disposed of such fractional interest for proceeds of disposition equal to such cash proceeds. Where a portion of the gold bullion evidenced by an ETR is used to pay a redemption fee in respect of the redemption of the ETR for gold bullion, the redeeming ETR Holder will be considered to have disposed of that portion of the gold bullion for its fair market value at that time.

The amount of gold bullion evidenced by each ETR will decrease over time as a result of the withdrawal by the Mint of gold bullion in satisfaction of the Service Fee. See "Fees and Expenses – Service Fee". On each such decrease in the amount of gold bullion evidenced by an ETR, the ETR Holder will be

considered to have disposed of the gold bullion which such ETR no longer represents for proceeds of disposition equal to the fair market value of such gold bullion at the time of such decrease.

### **Adjusted Cost Base of ETRs**

For the purpose of determining the adjusted cost base to an ETR Holder of any ETR, when an ETR is acquired, the cost of the newly acquired ETR (including the Exercise Price paid for the acquisition of any ETR on the Purchase Date) will be averaged with the adjusted cost base of all identical property owned by the ETR Holder as capital property that were acquired before that time. The published position of the CRA is that gold bullion and gold certificates are identical property. Accordingly, any gold bullion held by an ETR Holder other than through an ETR may affect the determination of the adjusted cost base of the ETR Holder's ETRs.

Where an ETR Holder disposes of a fraction of an ETR, the adjusted cost base of that fraction will be determined on a *pro rata* basis.

### **Taxable Capital Gains and Allowable Capital Losses**

Under the Tax Act, one-half of capital gains ("taxable capital gains") are included in a taxpayer's income and one-half of capital losses ("allowable capital losses") are generally deductible only against taxable capital gains. Any unused allowable capital losses may be carried back up to three taxation years and forward indefinitely and deducted against net taxable capital gains realized in any such other year to the extent and under the circumstances described in the Tax Act. Capital gains realized by individuals may give rise to alternative minimum tax.

### **Service Fee**

ETR Holders will pay the Service Fee through reductions in the amount of gold bullion evidenced by their ETRs. The Service Fee so paid by an ETR Holder may not be deductible in computing the income of the ETR Holder, and ETR Holders should consult with their own tax advisors as to the treatment of such fees for income tax purposes.

## **ELIGIBILITY UNDER THE TAX ACT FOR INVESTMENT BY CANADIAN EXEMPT PLANS**

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Mint, provided that the ETRs are listed on the TSX, the ETRs will be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts ("**Exempt Plans**"), nor will they be prohibited investments for those Exempt Plans for which this concept is relevant.

Gold bullion held directly rather than by virtue of holding an ETR generally will only be a qualified investment for an Exempt Plan where (among other requirements) the gold bullion was acquired by the Exempt Plan directly from the metal refiner that produced it or from a "specified corporation" (namely, a Canadian-resident bank, trust company, credit union, insurance corporation or registered securities dealer whose business activities are subject by law to the supervision of the Superintendent of Financial Institutions or a similar provincial authority). As the gold bullion that is evidenced by an ETR may previously have been beneficially owned by a person other than the refiner of such gold bullion or a

specified corporation, gold bullion received by an Exempt Plan pursuant to a redemption of the related ETRs may not be qualified investments for the Exempt Plan.

### NOTICE TO PURCHASERS IN NOVA SCOTIA

The right of action for rescission or damages described herein is conferred by Section 138 of the *Securities Act* (Nova Scotia) ("**Section 138**"). Section 138 provides, in the relevant part, that in the event that this Information Statement, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of securities in Nova Scotia is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the seller of such securities and the directors of the seller at the date of the Information Statement. Alternatively, while still the owner of the securities, the purchaser may elect instead to exercise a statutory right of rescission against the seller, in which case the purchaser shall have no right of action for damages against the seller and the directors of the seller, provided that, among other limitations:

- (a) no action shall be commenced to enforce the right of action for rescission or damages under Section 138 later than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities resulting from the misrepresentation; and
- (d) in no case will the amount recoverable under Section 138 exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the issuer, will not be liable if:

- (a) the person or company proves that the Information Statement was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, after becoming aware that it was delivered, the person or company promptly gave reasonable general notice that it was delivered without the person's or company's knowledge and consent;
- (b) after delivery of the Information Statement or an amendment thereto and before the purchase of ETRs by the purchaser, the person or company proves that after becoming aware of the misrepresentation, the person or company withdrew the person's or company's consent to the Information Statement or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it;
- (c) with respect to any part of the Information Statement or an amendment thereto purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company had

no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the Information Statement or amendment thereto (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or

- (d) with respect to any part of the Information Statement or an amendment thereto not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

#### **NOTICE TO INVESTORS OUTSIDE CANADA**

This Information Statement does not address legal matters applicable to the acquisition, holding or disposition of ETRs in jurisdictions other than Canada, including tax consequences, eligibility for investment, the application of local securities laws and laws applying to the purchase of physical gold bullion. The consequences of acquiring, holding or disposing of ETRs in jurisdictions other than Canada may be different from the consequences described herein and such differences may be material and adverse. Prospective purchasers of ETRs are strongly advised to obtain tax and other legal advice in respect of the purchase of ETRs in their jurisdiction of residence.

## **CERTIFICATE OF THE ROYAL CANADIAN MINT**

Date: September 17, 2013

The contents of this Information Statement have been approved by the Board of Directors of the Royal Canadian Mint. This Information Statement constitutes full, true and plain disclosure of all material facts relating to the ETRs and includes the information required by the Orders.

*(Signed) Ian E. Bennett*  
President and  
Chief Executive Officer