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# Communiqué

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## ROYAL CANADIAN MINT ANNOUNCES SOLICITING DEALER GROUP MANAGERS FOR GOLD ETR PURCHASE RIGHTS IN NOVEMBER 2012

*Not for distribution to U.S. newswire services or dissemination in the United States*

**OTTAWA, Ontario – November 14, 2012** – The Royal Canadian Mint is pleased to announce that TD Securities Inc. and National Bank Financial Inc. have been retained to manage a broad soliciting dealer group to facilitate the exercise of the Mint's Canadian Gold Reserves (ETRs) Purchase Rights.

"We believe that the Purchase Rights will permit more Gold ETRs to be issued, help to deepen liquidity in the listed Gold ETRs and help the Mint to continue to serve investors in innovative ways," said Ian E. Bennett, President and CEO of the Royal Canadian Mint.

The Purchase Right is an attribute of each of the 30 million listed Canadian Gold Reserves ETRs (TSX: MNT and MNT.U). Each ETR contains a Purchase Right to acquire C\$20 of additional Gold ETRs, after expenses of the Purchase Right have been deducted, including soliciting dealer fees. The Mint will cap the expenses of the Purchase Rights, including solicitation fees, at C\$0.32 per C\$20 Purchase Right. The net proceeds of the Purchase Rights will be used to purchase gold on behalf of the ETR holders who elected to exercise their Purchase Rights. The Record Date for Purchase Rights is 20 November 2012. The Exercise Date is 29 November 2012. Purchase Rights not exercised by 5:00 pm (EST) on the Exercise Date will expire.

Subject to the satisfaction of certain conditions, the ETRs issued pursuant to the Purchase Rights will be listed on the Toronto Stock Exchange and commence trading once issued. ETRs will be listed in both Canadian and U.S. dollars and may be traded in either currency.

**Details of the Purchase Right are included in the Mint's attached Purchase Right Notice.**

The ETRs have not been and will not be registered under the U.S. *Securities Act of 1933*, as amended, and may not be offered or sold in the United States. This media release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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Note: An investment in the ETRs involves a degree of risk. These risks result primarily from fluctuations in the price of gold. A detailed description of these risks and other important information about the ETRs and the Canadian Gold Reserves ETR program is contained in the Amended and Restated Information Statement dated November 23, 2011 which can be found at [www.reserves.mint.ca](http://www.reserves.mint.ca) and [www.sedar.com](http://www.sedar.com). ETR holders will have no recourse to the Mint or the Government of Canada for any loss on their investment.

### **About the Royal Canadian Mint**

The Royal Canadian Mint is the Crown Corporation responsible for the minting and distribution of Canada's circulation coins. An ISO 9001-2008 certified company, the Mint is recognized as one of the largest and most versatile mints in the world, offering a wide range of specialized, high quality coinage products and related services on an international scale. For more information on the Mint, its products and services, visit [www.mint.ca](http://www.mint.ca).

*This release contains forward-looking information within the meaning of applicable securities laws in Canada ("forward-looking information"). The forward-looking information in this release includes, without limitation, statements regarding the terms of the Purchase Right. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on assumptions developed using information currently available to the Mint's management. Although the Mint believes that the forward-looking statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties.*

*For additional information on risk factors that have the potential to affect the Gold ETRs, the Canadian Gold Reserves Program or the Mint, reference should be made to the Information Statement dated November 23, 2011 (the "Information Statement"), which can be found at [www.reserves.mint.ca](http://www.reserves.mint.ca) or [www.sedar.com](http://www.sedar.com). Except as required by law, the Mint undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.*

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### **For more information, please contact:**

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**PURCHASE RIGHT NOTICE**  
**ROYAL CANADIAN MINT**



CANADIAN GOLD RESERVES  
RÉSERVE D'OR CANADIENNE

Holders of record of the Royal Canadian Mint's Gold Exchange-Traded Receipts ("ETRs") on November 20, 2012 have the right to acquire additional ETRs on November 29, 2012 by exercising the purchase right (the "Purchase Right") that is a term of each ETR. Purchase Rights will not separate or trade separately from the ETRs and unexercised Purchase Rights will expire. That means holders of ETRs may not sell or transfer their Purchase Rights.

**Please consult your investment advisor or other financial advisor as to how your Purchase Rights may be exercised. They expire at 5:00 pm EST on November 29, 2012 and your advisor may have an earlier deadline for receipt of a completed exercise form.**

Set out below is information regarding the Purchase Rights and how they may be exercised.

- Record Date:** November 20, 2012.
- Exercise Date:** November 29, 2012.
- Exercise Price:** C\$20.00
- Bullion Purchase Date:** The Bullion Purchase Date will be the Exercise Date or such other date as soon as practicable thereafter on which gold purchase agreements to acquire gold bullion on behalf of ETR holders exercising Purchase Rights are executed.
- Issue Date:** ETRs issued pursuant to the exercise of Purchase Rights will be issued on the settlement date under the gold purchase agreements entered into on the Bullion Purchase Date.
- Purchase Right:** Each ETR entitles its holder the right to acquire, at an exercise price of C\$20.00, the number of additional ETRs equal to:
- $$C\$20.00 \div [(A \times B) + C]$$
 where:
- A is the Canadian dollar equivalent of the gold spot rate on the Bullion Purchase Date stipulated in gold purchase agreements entered into on the Bullion Purchase Date;

B is the Per ETR Entitlement to Gold on the Bullion Purchase Date (or 0.0108619 of one troy ounce, assuming a Bullion Purchase Date of November 30, 2012); and

C is the Mint's out-of-pocket expenses incurred in connection with the Purchase Right divided by the number of ETRs issued on the exercise of Purchase Rights.

Holders of ETRs who are U.S. persons may not exercise Purchase Rights.

**Expenses:**

An amount estimated to be C\$0.23 per exercised Purchase Right (and not to exceed C\$0.32 per exercised Purchase Right) will be deducted from the aggregate amount paid by ETR holders who exercise their Purchase Rights and will be paid to the Mint as reimbursement for its out-of-pocket expenses incurred in connection with the Purchase Right. The amount of reimbursable out-of-pocket expenses will be determined and posted at [www.reserves.mint.ca](http://www.reserves.mint.ca) on or before the Bullion Purchase Date. Out-of-pocket expenses consist of soliciting dealer fees, processing agent fees, gold purchase expenses, financial advisory fees, printing and communications costs and legal fees.

**Soliciting Dealers:**

TD Securities Inc. and National Bank Financial Inc. have been retained as Dealer Managers to form a soliciting dealer group to solicit the exercise of Purchase Rights by ETR holders.

The Mint has agreed to pay the Dealer Managers C\$0.30 per exercised Purchase Right (subject to a minimum of C\$150 and a maximum of C\$5,000 per retail holder) and a management fee of C\$100,000, subject to the terms and conditions of a soliciting dealer agreement to be entered into between the Mint and the Dealer Managers.

**Processing Agent:**

Computershare Investor Services, Inc. The Processing Agent will receive all completed exercise forms.

**Purchase Right Exercise Form:**

To exercise a Purchase Right, an ETR holder must deliver to its broker a completed Purchase Right Exercise Form, or instruct its broker to complete and deliver on its behalf a Purchase Right Exercise Form, together with payment equal to the product of the Exercise Price and the number of Purchase Rights such ETR holder intends to exercise. The form of Purchase Right Exercise Form is available on the Canadian Gold Reserves website at [www.reserves.mint.ca](http://www.reserves.mint.ca).

ETR holders who are CDS participants and hold ETRs on behalf of other ETR holders and/or brokers must forward on their behalf an

exercise form representing all of their completed Purchase Right Exercise Forms and payments to the Processing Agent not later than 5:00 pm Toronto time on the Exercise Date. ETR holders and/or their brokers should consult their respective CDS participants regarding their CDS participant's deadlines or requirements independent of those described herein.

**Fractional ETRs:**

In no event will fractional ETRs be issued to ETR holders. Any portion of an ETR holder's payment that would result in a fractional ETR if applied to the purchase of gold on the Bullion Purchase Date will be withheld and the Mint will cause such cash to be returned to the ETR holder no later than 10 business days after the Bullion Purchase Date.

**Listing:**

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing of the ETRs issuable upon the exercise of Purchase Rights.

**Additional details regarding the Purchase Right, the ETRs and the Mint, including risk factors relevant to an investment in ETRs, are contained in the Amended and Restated Information Statement dated November 23, 2011 that can be accessed at [www.sedar.com](http://www.sedar.com) or [www.reserves.mint.ca](http://www.reserves.mint.ca).**

**You must act before 5:00 pm EST on November 29, 2012 or the Purchase Right will expire.**

## **ANSWERS TO FREQUENTLY ASKED QUESTIONS**

### **Why would I exercise a Purchase Right?**

It would be beneficial to exercise a Purchase Right if an ETR holder wanted to acquire additional gold and believed gold could be acquired on more favourable terms through the exercise of a Purchase Right than through the purchase of ETRs on the TSX. Assuming that the ETRs trade at a premium to the net asset value per ETR, if an ETR holder believes that the premium plus the trade execution expenses would exceed the costs associated with the exercise of the Purchase Right, it would be advantageous to acquire additional ETRs through the exercise of the Purchase Right rather than on the TSX.

Expressed another way, exercising a Purchase Right permits an ETR holder to purchase additional ETRs at the net asset value per ETR plus the Mint's related out-of-pocket expenses on a per ETR basis, which may be less than the cost of purchasing an ETR on the TSX on the Bullion Purchase Date.

On November 13, 2012, the closing price of the ETRs on the TSX was C\$18.95 and the net asset value per ETR (calculated on the basis of the London P.M. fix gold price) was C\$18.79,

representing a premium of 0.9%. The average daily premium of the ETRs was 4.8% during the period since the initial public offering of the ETRs on November 29, 2011 and was 1.4% during the previous 20 trading days on the TSX.

**What are the costs to me of exercising Purchase Rights?**

The greater the demand for ETRs through the Purchase Right, the lower the cost to exercise each Purchase Right.

It is estimated that C\$0.23 (and in any event not more than C\$0.32) will be deducted from the C\$20.00 Exercise Price for each Purchase Right exercised to cover the out-of-pocket expenses of the Mint incurred in connection with the exercise of Purchase Rights and the resulting issuance of the ETRs. The amount of reimbursable out-of-pocket expenses will be determined and posted at [www.reserves.mint.ca](http://www.reserves.mint.ca) on or before the Bullion Purchase Date. These expenses consist of soliciting dealer fees, processing agent fees, gold purchase expenses, financial advisory fees, printing and communication costs and legal fees.

**Will the cost of exercising the Purchase Right increase if there is significant demand?**

No. The greater the demand for ETRs through the Purchase Right, the lower the per ETR cost to exercise each Purchase Right.

In contrast, when purchasing ETRs on the TSX, the trading price of ETRs relative to the price of gold is determined by the supply and demand for ETRs. The higher the demand is for ETRs, the higher the premium to net asset value will be. Large orders or a large number of small orders are likely to increase the premium when purchasing on the TSX.

The purchase price of ETRs acquired through the exercise of the Purchase Right will not increase with demand. Accordingly, if the exercise of the Purchase Right results in large purchases and/or a large number of small purchases of ETRs, it will not have the effect of increasing the purchase price for exercising ETR holders.

**If I elect not to exercise any Purchase Rights will my ETR holdings be diluted?**

No. The issuance of additional ETRs pursuant to the exercise of Purchase Rights will have no impact on the amount of gold bullion underlying each outstanding ETR (also known as the Per ETR Entitlement to Gold). However, the issuance could reduce the premium at which the ETRs trade on the TSX. If the effective price per ETR acquired pursuant to the exercise of the Purchase Right is below the trading price of the ETRs on the TSX at the Exercise Date, this may have the effect of lowering the trading price of ETRs immediately thereafter and therefore decreasing the premium.

**Are there any restrictions on the number of Purchase Rights I may exercise?**

Yes. The maximum number of Purchase Rights you can exercise is equal to the total number of ETRs you own on the Record Date.

**Will I be provided any other disclosure document in connection with the Purchase Rights?**

No. For additional information regarding the Purchase Rights, the ETRs and the Mint, ETR holders should refer to the Amended and Restated Information Statement dated November 23, 2011 and the Gold ETR Certificate dated November 29, 2011, each of which can be accessed at [www.sedar.com](http://www.sedar.com) or [www.reserves.mint.ca](http://www.reserves.mint.ca).

**Will ETRs issued pursuant to the Purchase Right differ in any way from other ETRs?**

No. The ETRs issued pursuant to the exercise of Purchase Rights will be identical to, and fully fungible with, all other outstanding ETRs. All ETRs issued pursuant to the exercise of the Purchase Right will have the same entitlement to gold as other outstanding ETRs and will be freely-tradeable and listed on the TSX.

**Who can I contact if I have additional questions regarding the Purchase Rights?**

ETR holders should contact their investment advisor or financial advisor if they have questions regarding the exercise of their Purchase Rights. Information about the Purchase Rights may also be obtained from the Mint at 1.866.677.1477 or [reserves@mint.ca](mailto:reserves@mint.ca) or Computershare Investor Services Inc., the processing agent for the Purchaser Rights, at 1.800.564.6253 or [corporateactions@computershare.com](mailto:corporateactions@computershare.com).