

**ROYAL CANADIAN MINT
CANADIAN GOLD RESERVES PROGRAM**

Amended and Restated Information Statement

Dated November 23, 2011

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 in the affairs of the Mint since the date hereof. This Information Statement amends and replaces the information statement dated October 28, 2011.

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 and the selling agents require 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 and may not be offered or sold within the United States or to, or for the account or benefit of, United States persons. 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.



CANADIAN GOLD RESERVES
RÉSERVE D'OR CANADIENNE

Issue Size: C\$600,000,000 or 30,000,000 Exchange-Traded Receipts
Price: C\$20.00 Per ETR or US\$19.29 Per ETR

This amended and restated information statement (the "**Information Statement**") describes exchange-traded receipts (the "**ETRs**") proposed to be issued on or about November 29, 2011 (the "**Issue Date**") 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 to be 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) will be fixed on the Issue Date and will be expressed as a fraction of one fine troy ounce of gold as of the Issue Date, reduced daily by a management, storage and custodial fee charged by the Mint of 0.35% per annum (the "**Service Fee**"). Each ETR also entitles the holder thereof (an "**ETR Holder**") to purchase (the

"**Purchase Right**") on November 29, 2012 (the "**Exercise Date**") at the price of C\$20.00 such number of additional ETRs determined as set forth under "Description of ETRs – Purchase Right". Following November 29, 2012, any unexercised Purchase Rights will expire. The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the ETRs distributed under this Information Statement. The ETRs will trade on the TSX in Canadian and U.S. dollars under the symbols "MNT" and "MNT.U", respectively. Listing on the TSX is subject to the Mint fulfilling all of the listing requirements of the TSX on or before January 24, 2012.

TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Cormark Securities Inc., MGI Securities Inc. and Raymond James Ltd., as agents (collectively, the "**Agents**"), have agreed to use their reasonable best efforts to solicit and procure offers to purchase ETRs if, as and when issued by the Mint in accordance with the terms and conditions contained in the Agency Agreement referred to under "Plan of Distribution". TD Securities Inc. and National Bank Financial Inc. are the joint bookrunners of the Offering (as defined below).

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. ETR Holders 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 commencing in the third month following the Issue Date. 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. See "The Canadian Gold Reserves Program".
- Issue Price:** C\$20.00 per ETR or equivalent in U.S. dollars.
- Issue Date:** On or about November 29, 2011.
- Issue Size:** C\$600,000,000 or 30,000,000 ETRs.
- Offering:** An offering of ETRs under the Program (the "**Offering**").
- ETRs:** Each ETR will represent an equal undivided direct legal and beneficial interest in gold bullion to be held in custody by the Mint. The gold bullion will be legally and beneficially owned by the ETR Holders and not by the Mint. The amount of gold bullion purchased will be equal to the proceeds of the Offering, after deduction of the expenses of the Offering, divided by the average price per ounce of the gold bullion paid to third party sellers on the Issue Date. See "Description of ETRs".
- Per ETR Entitlement to Gold:** The Per ETR Entitlement to Gold will be fixed on the Issue Date and will be expressed as a fraction of one fine troy ounce of gold as of the Issue Date. The Mint will issue a press release on the Issue Date announcing the initial Per ETR Entitlement to Gold. The Per ETR Entitlement to Gold will be reduced daily by the Service Fee of 0.35% per annum and will be posted daily to the Program Website (as defined below).
- Service Fee:** The Mint will charge a Service Fee in respect of its management, storage and custodial services. The Service Fee will be 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 15th

day of each month (or if not a business day, on the next succeeding business day). On such day each month, the Mint will withdraw 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 underlying each ETR will decrease daily over time as the Service Fee is accrued. The Service Fee may be varied by the Mint on 90 days' advance notice to holders of ETRs. See "Description of ETRs – Fees – Service Fee".

Purchase Right:

Each ETR also entitles the holder thereof, on November 29, 2012, to purchase for C\$20.00 a number of additional ETRs equal to C\$20.00 divided by the sum of (i) the Per ETR Entitlement to Gold on the Purchase Date (as defined below) multiplied by the Canadian dollar equivalent of the spot price of gold on the Purchase Date stipulated in the gold purchase agreements entered into on the Purchase Date and (ii) the Mint's out-of-pocket expenses incurred in connection with the Purchase Right divided by the number of ETRs in respect of which the Purchase Right is exercised. The "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 entered into. Following the Exercise Date, any unexercised Purchase Rights will expire. See "Description of ETRs – Purchase Right".

Listing:

The TSX has conditionally approved the listing of the ETRs distributed under this Information Statement. The ETRs will trade on the TSX in Canadian and U.S. dollars under the symbols "MNT" and "MNT.U", respectively. Listing on the TSX is subject to the Mint fulfilling all of the listing requirements the TSX on or before January 24, 2012.

Gold Price:

The Gold Price is defined as the London P.M. fix gold price and is expressed in U.S. dollars per ounce of gold. For further information, see "Overview of the Gold Sector – Operation of the Gold Bullion Market – The London Bullion Market".

Use of Proceeds:

The net proceeds of the Offering will be applied to the purchase of gold bullion from third party suppliers on behalf of the initial purchasers of ETRs. Such gold bullion will be delivered to the Mint's facilities on the Issue Date. All costs associated with the Offering including the Agents' Fee (as described below) and expenses, listing fees, legal fees and applicable gold purchase expenses will be paid from the gross proceeds of the Offering. See "Use of Proceeds".

Custodial Service:	The Mint will act as custodian of the gold bullion on behalf of ETR Holders and will hold the gold bullion in its facilities in Ottawa, Ontario. Legal and beneficial ownership of the gold bullion will at all times remain with ETR Holders. The gold bullion underlying the ETRs will be stored by the Mint on an unallocated basis, such that the gold bullion owned by an ETR Holder will not be held separately from the other unallocated gold bullion held at the Mint, including the unallocated gold bullion underlying other ETRs. The Mint will at all times maintain 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 gold storage services since its founding in 1908. See "Royal Canadian Mint".
Crown Obligation:	Subject to the terms of the ETRs, the ETRs will constitute direct unconditional obligations of the Mint, an agent of Her Majesty in right of Canada and, as such, will constitute direct unconditional obligations of Her Majesty in right of Canada. ETR Holders will have no recourse to the Mint or the Government of Canada for any loss on their investment.
Investment Eligibility:	ETRs will be 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.
Qualifying Jurisdictions:	All of the provinces and territories of Canada.
Redemption:	ETRs are redeemable at the option of the ETR Holder once per month for cash or for physical gold bullion, commencing February 15, 2012 and thereafter on the 15 th day of each month (or, if not a business day, on the next succeeding business day) (each, a " Redemption Date "). See "Description of ETRs – Redemption of ETRs".
Redemption for Cash:	<p>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 net asset value ("NAV") 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>
Redemption for Physical	Notices of physical redemption must be in respect of a minimum of 10,000 ETRs. ETRs representing less than 10 fine troy ounces of

Gold Bullion: physical gold bullion will be paid in cash by the Mint at the NAV per ETR on the Redemption Date.

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 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.

An ETR Holder redeeming for physical gold bullion will be 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. See "Description of ETRs – Redemption of ETRs – Redemptions for Physical Gold Bullion".

Physical Redemption Fees: Initially, a redemption fee of C\$100 per redemption request and a fabrication fee of (i) 5% of the Gold Price for Gold Maple Leaf coins, (ii) US\$15 per ounce for Kilobars and (iii) US\$1.00 per ounce for the first 10,000 ounces per redemption request and US\$0.25 per ounce thereafter for London Good Delivery bars (the "**Physical Redemption Fees**").

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

All such fees may be varied by the Mint on 90 days' notice to ETR Holders.

Agents: TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Cormark Securities Inc., MGI Securities Inc. and Raymond James Ltd. will act as agents for the Offering. TD Securities Inc. and National Bank Financial Inc. are the joint bookrunners of the Offering.

Agents' Fee: 3% of the gross proceeds of the Offering.

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 underlying 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 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 underlying 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 will constitute direct unconditional obligations of the Mint and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. Accordingly, the Mint's obligations under the ETRs will be 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 underlying 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 will be stored by the Mint on an unallocated basis, such that the gold bullion owned by an ETR Holder will not be held separately from the other unallocated gold bullion held at the Mint, including the gold bullion underlying 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 to be held for the account of the ETR Holder in custody by the Mint. The Per ETR Entitlement to Gold will be fixed on the Issue Date and will be expressed as a fraction of one fine troy ounce of gold as of the Issue Date, reduced daily by the Service Fee charged by the Mint. See "Description of ETRs".

Who owns the gold bullion underlying the ETRs?

The gold bullion underlying the ETRs will be 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 on behalf of the initial purchasers of ETRs. Such gold bullion will be delivered to the Mint's facilities on the Issue Date. The Mint will act as custodian of the gold bullion on behalf of the ETR Holders and will hold the gold bullion in its facilities in Ottawa, Ontario. Legal and beneficial ownership of the gold bullion will at all times remain 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 underlying the ETRs. The Mint will at all times maintain 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 ETR Holders receive certificates representing the ETRs purchased?

ETR Holders will not be 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 first Redemption Date will be February 15, 2012. Thereafter, the 15th 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".

Will the Mint charge a fee for providing the Program?

Yes. The Mint will charge a Service Fee in respect of its management, storage and custodial services. The Service Fee will be 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 15th day of each month (or if not a business day, on the next succeeding business day). On such day each month, the Mint will withdraw 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 underlying each ETR will decrease daily over time as the Service Fee is accrued. The Service Fee may be varied by the Mint at any time, but only after giving ETR Holders 90 days' advance notice of any such change. See "Description of ETRs – Fees – Service Fee".

Will information relating to the value of the ETRs and the price of gold be made available to ETR Holders?

Yes. The Mint will maintain a website for the Program at www.reserves.mint.ca (the "**Program Website**") on which it will post 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. A copy of this Information Statement and the Gold ETR Certificate will be posted to the Program Website. The Mint will also publish on the Program Website (i) 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, (ii) notices to ETR Holders and (iii) any document that it delivers to 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 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. The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the ETRs distributed under this Information Statement. The ETRs will trade 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. Listing on the TSX is subject to the Mint fulfilling all of the listing requirements of the TSX on or before January 24, 2012. The ETRs will be offered by the Mint to investors through TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Cormark Securities Inc., MGI Securities Inc. and Raymond James Ltd., which will act as agents (collectively, the "**Agents**") for the offering of the ETRs (the "**Offering**").

On or about November 29, 2011 (the "**Issue Date**"), the proceeds of the Offering (net of the Agents' Fee (as defined below) and expenses and the Mint's expenses of the Offering) will be applied to the purchase of gold from third party suppliers under one or more gold purchase contracts. The third party gold suppliers will deliver such physical gold bullion to the Mint to be held in its custody on behalf of the purchasers of ETRs. At no time will the Mint hold legal title to the physical gold bullion.

The Mint will act as custodian of the gold bullion on behalf of the holders of ETRs (the "**ETR Holders**") and will hold 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 will at all times remain with the ETR Holders. The gold bullion underlying the ETRs will be stored by the Mint on an unallocated basis, such that the gold bullion owned by an ETR Holder will not be held separately from the other unallocated gold bullion held at the Mint, including the gold bullion underlying 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 underlying the ETRs. The Mint will at all times maintain 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 to the terms of the ETRs.

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 will be backed by the full faith and credit of the Government of Canada). The Mint's liability in respect of any gold bullion underlying 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 underlying 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 will waive 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 Agents' Fee and expenses, listing fees, legal fees and the applicable gold purchase expenses will be paid by the Mint from the gross proceeds of the Offering. The Mint has agreed to pay the Agents a fee of 3% of the gross proceeds of the Offering. The only ongoing fee associated with the Program is the Service Fee, as described below under "Description of ETRs – Fees".

DESCRIPTION OF ETRs

The following is a summary of the principal terms and conditions of the ETRs and of the Gold ETR Certificate (as defined below) 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 will represent an equal undivided direct legal and beneficial interest in physical gold bullion to be held for the account of the ETR Holder in the custody of the Mint at its facilities in Ottawa, Ontario. The gold bullion will at all times be legally and beneficially owned by the holders of ETRs and not by the Mint.

The Per ETR Entitlement to Gold (as defined below) will be fixed on the date of issuance (the "**Issue Date**") and will be expressed as a fraction of one fine troy ounce of gold on the Issue Date, reduced daily by a management, storage and custodial fee charged by the Mint of 0.35% per annum (the "**Service Fee**"). Subject to fulfilling the listing requirements of the TSX, the ETRs will be listed on the TSX and will be traded in Canadian dollars and U.S. dollars under the symbols "MNT" and "MNT.U", respectively. ETR Holders will 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) as of the Issue Date.

Subject to the terms of the ETRs, the ETRs will constitute direct unconditional obligations of the Mint, an agent of Her Majesty in right of Canada and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. ETR Holders will 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%, such fraction equal to:

(A - B) ÷ C where:

A is the U.S. dollar equivalent of C\$20.00 based on the foreign exchange spot rate on the morning of the Issue Date;

B is the U.S. dollar equivalent of the Offering expenses per ETR, including the Agents' Fee and expenses, listing fees, legal fees and applicable gold purchase expenses, based on the foreign exchange spot rate on the morning of the Issue Date; and

C is the Gold Price on the Issue Date.

The Per ETR Entitlement to Gold will be fixed on the Issue Date and will be reduced daily by the Service Fee as described under "Description of ETRs – Fees – Per ETR Entitlement to Gold" and will be posted

daily to the Program Website. The Mint will issue a press release on the Issue Date announcing the initial Per ETR Entitlement to Gold.

Purchase Right

Each outstanding ETR entitles the holder thereof to purchase (the "**Purchase Right**") on November 29, 2012 (the "**Exercise Date**") at the price of C\$20.00 (the "**Exercise Price**") such number of additional ETRs equal to:

$C\$20.00 \div [(A \times B) + C]$ where:

A is the gold spot rate stipulated in the gold purchase agreements entered into on the Purchase Date expressed in Canadian dollars based on the foreign exchange spot rate at the time the gold bullion underlying the additional ETRs is acquired;

B is the Per ETR Entitlement to Gold on the Purchase Date; 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.

The "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 entered into.

Following the Exercise Date, any unexercised Purchase Rights will expire.

Only holders of ETRs on the record date, November 20, 2012, shall be entitled to exercise a Purchase Right. To exercise a Purchase Right, an ETR Holder must deliver to its broker, who must be a direct or indirect participant of CDS (as defined below) (a "**Broker**"), a notice (a "**Purchase Right Notice**") indicating the ETR Holder's intention to purchase ETRs, together with payment equal to the product of the Exercise Price and the number of ETRs for which such ETR Holder intends to exercise the Purchase Right (a "**Purchase Right Payment**"). A form of Purchase Right Notice will be available on the Program Website. The Broker must then forward, on behalf of the exercising ETR Holder, a Broker exercise form (the "**Exercise Form**") representing such ETR Holder's Purchase Right Notice together with its Purchase Right Payment to Computershare Investor Services Inc. (in such capacity, the "**Processing Agent**"). The Exercise Form and the Purchase Right Payment must be received by the Processing Agent no later than 5:00 p.m., Toronto time, on the Exercise Date. Any Exercise Form or Purchase Right Payment received after such time will cause the Purchase Right to be deemed unexercised by the Processing Agent and such Purchase Right will expire. ETR Holders should consult their respective Brokers regarding their Broker's deadlines or requirements independent of those described herein in respect of the Purchase Right.

ETRs issuable on the exercise of Purchase Rights will be issued on the settlement date under the gold purchase agreements entered into on the Purchase Date.

In no event will fractional ETRs be issued to ETR Holders. Any portion of an ETR Holder's Purchase Right Payment (the "**Residual Cash**") that would result in a fractional ETR if applied to the purchase of physical gold on the Purchase Date will be withheld and the Mint will return or cause to be returned such Residual Cash to the ETR Holder no later than 10 business days after the Purchase Date.

Form and Registration

The ETRs 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 will not be 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 initially on February 15, 2012 and thereafter on the 15th 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 will be 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 a 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, 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 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 will be 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 that the Physical Gold Redemption Notice was received and determined to be complete and 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 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.

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 per ounce;
Kilobars:	US\$15 per ounce; and
London Good Delivery bars:	US\$1.00 per ounce for the first 10,000 ounces and US\$0.25 per ounce thereafter.

Such fees may be varied by the Mint on 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. 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 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 will charge a Service Fee in respect of its management, storage and custodial services. The Service Fee will be 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 15th 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 will withdraw an amount of gold bullion equal to the Service Fee for such month. Accordingly, the amount of gold bullion underlying each ETR will decrease daily over time as the

Service Fee is accrued. The Service Fee may be varied by the Mint on 90 days' advance notice to ETR Holders.

Per ETR Entitlement to Gold

The Per ETR Entitlement to Gold will be fixed on the Issue Date and will be expressed as a fraction of one fine troy ounce of gold as of the Issue Date, reduced daily by the Service Fee at the rate of 0.35% per annum. The Mint will, on the 15th day of each month (or, if not a business day, on the next succeeding business day), withdraw 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 will be 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 Service Fee rate, Per ETR Entitlement to Gold and on-going fee schedule will be published daily on 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 underlying 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 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 "Description of ETRs – Fees"; (ii) introduce a cash redemption fee as described under "Description of ETRs – Redemption of ETRs – Redemptions for Cash"; (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 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 will not have any 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 and posting it to the Program Website.

OVERVIEW OF THE GOLD SECTOR

Introduction to the Gold Sector

The participants in the world gold market may be classified as follows: the mining and producer sector, the banking sector, the official sector, the investment sector and the manufacturing sector. The mining and producer sector includes mining companies that specialize in gold production, mining companies that produce gold as a by-product of other production (such as copper or silver producers), scrap merchants and recyclers. The banking sector is composed of bullion banks that provide a variety of services to the gold market and its participants, thereby facilitating interactions between other parties. Services provided by bullion banks include traditional banking products as well as physical gold purchases and sales, hedging and risk management, inventory management for industrial users and consumers, mine financing, and gold deposit and loan instruments. The official sector includes central banks, governmental agencies and multi-lateral institutions. The investment sector includes the investment firms that manage and offer gold related investment vehicles such as exchange traded funds ("ETFs") and investment trusts and the investment and trading activities of professional investors, private investors and speculators. These participants include investment managers, hedge funds, mutual funds, traders on futures exchanges and coin collectors. Finally, the manufacturing sector includes all the commercial and industrial users of gold for whom gold is an important part of their business such as the jewellery, electronics and dental industries.

Sources of Gold Supply

Sources of gold supply include both mine production and recycling or mobilizing of existing above-ground stocks. The largest portion of gold supplied into the market annually is from gold mine production. However, since 2000, the amount of new gold that is mined each year has been substantially lower than the level of physical demand. This shortfall in total supply has been met by additional supplies from existing above-ground stocks, predominantly coming from the recycling of gold scrap (such as fabricated gold products), official sector sales and net producer hedging. However, after almost 20 years as a net seller of gold bullion, the official sector became a net buyer of gold bullion in 2010, reducing the overall net supply of gold to the private sector market.

Some gold producers hedge against a decline in the price of gold by selling some or all of their anticipated production to bullion dealers for delivery at a future date. Bullion dealers finance such transactions by borrowing an equivalent quantity of gold (typically from central banks) which is immediately sold into the market. While such net producer hedging transactions involve no net increase in the supply of gold to the market, they do accelerate the timing of the sale of physical gold prior to its production and can therefore impact, positively or negatively, supply at a given time.

Sources of Gold Demand

Demand for gold is driven primarily by demand for jewellery, which is used for adornment and, in much of the developing world, as an investment. Gold also has several industrial applications. Gold is used in electronics to produce gold bonding wire and gold plated contacts, in conservative and restorative dentistry where gold is alloyed with other metals for fillings, crown and bridgework and porcelain veneered restorations, and as a decorative coating on table and enamelware. Retail and institutional investment demand covers gold related investment products, which include certain ETFs, investment

funds and mutual funds as well as physical gold products which include gold coins, gold wafers and gold bars. The physical gold bullion which underlies many of these gold related investments is stored as gold bullion in the custodial vaults of banks and mints around the world.

In 2010, the official sector became a net buyer of gold for the first time in 20 years, reducing the overall net supply of gold to the private sector market. The World Gold Council attributes this shift to substantial gold purchases by the central banks of emerging markets such as China, India and Russia and declining sales from European central banks.

While there are seasonal fluctuations in the levels of demand for gold (especially jewellery) in many countries, variations in the timing of such fluctuations in different countries mean the seasonal changes in demand do not have a significant impact on the global gold price.

World Gold Supply and Demand and End-Use Consumption

The following tables set forth a summary of the world gold supply and demand and end-use consumption by source for the last 10 years:

World Gold Supply and Demand (January 1, 2001 to December 31, 2010)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Supply (tonnes)										
Mine production	2,646	2,619	2,624	2,496	2,550	2,482	2,476	2,408	2,589	2,689
Official sector sales	520	547	620	479	663	365	484	235	34	--
Old gold scrap	749	874	991	881	902	1,133	982	1,316	1,695	1,645
Implied net disinvestment	--	--	--	--	--	--	--	59	--	--
Total Supply (tonnes)	3,915	4,039	4,234	3,856	4,116	3,980	3,941	4,018	4,318	4,334
Mine Production %	67.2%	64.8%	62.0%	64.7%	62.0%	62.4%	62.8%	60.0%	60.0%	62.0%
Demand										
Fabrication										
Jewellery	3,009	2,662	2,484	2,616	2,719	2,300	2,423	2,304	1,814	2,017
Other	474	481	518	563	585	657	679	718	697	762
Total Fabrication	3,483	3,143	3,002	3,179	3,304	2,956	3,102	3,023	2,511	2,779
Official sector purchasers	--	--	--	--	--	--	--	--	--	73
Physical bar investment	259	240	183	222	258	237	244	645	531	880
Net producer de-hedging	151	379	289	438	92	434	440	350	236	103
Implied net investment	22	277	761	17	461	353	155	--	1,040	499
Total Demand	3,915	4,039	4,234	3,856	4,116	3,980	3,941	4,018	4,318	4,334
<i>Year-over-year</i>	(2.6%)	3.2%	4.8%	(8.9%)	6.7%	(3.3%)	(1.0%)	2.0%	7.5%	0.4%
Gold Price (London P.M.< US\$/oz)	271.04	309.68	363.32	409.17	444.45	603.77	695.39	871.96	972.35	1,224.52

End-Use Gold Consumption (January 1, 2001 to December 31, 2010)										
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Jewellery Consumption (tonnes)	3,009	2,662	2,484	2,616	2,719	2,300	2,423	2,304	1,814	2,017
Industrial & Dental (tonnes)	363	358	386	419	438	468	476	461	410	466
Electronics	197	206	237	266	286	316	322	311	275	327
Other Industrial & Decorative	97	83	82	85	90	92	96	95	82	91
Dentistry	69	69	67	68	62	61	58	56	53	49
Identifiable Investment (tonnes)	370	366	354	499	614	685	700	1,223	1,435	1,514
Physical Bar Investment	259	240	183	222	258	237	244	645	531	880
Official Coins	83	97	107	115	111	129	135	187	229	207
Metals and Imitation Coins	29	26	26	29	37	59	68	70	59	88
Investment in Exchange Traded Funds and Related Products	--	3	39	133	208	260	253	321	617	338
Total	3,742	3,386	3,224	3,534	3,770	3,453	3,599	3,989	3,659	3,997
<i>Year-over-year</i>	<i>(2.1%)</i>	<i>(9.5%)</i>	<i>(4.8%)</i>	<i>9.6%</i>	<i>6.7%</i>	<i>(8.4%)</i>	<i>4.2%</i>	<i>10.8%</i>	<i>(8.3%)</i>	<i>9.2%</i>

Source: The tables above are based on information reported in the Gold Fields Mineral Services Ltd. publication entitled *Gold Survey 2011*.

Operation of the Gold Bullion Market

The global trade in gold includes the over-the-counter ("OTC") market, transactions in spot, forwards, and options and other derivatives, together with exchange-traded futures and options.

Global Over-the-Counter Market

The OTC market trades on a 24-hour per day continuous basis and accounts for most global gold trading. Eleven members of the London Bullion Market Association ("LBMA"), a trade association that coordinates the activities conducted on behalf of its members and other participants in the London bullion market, 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. All risks and issues of credit are between the parties directly involved in the transaction. 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.

In the OTC market, the standard size of gold trades between market makers ranges between 5,000 and 10,000 ounces. Bid-offer spreads are typically US\$0.50 per ounce. Certain dealers are willing to offer clients competitive prices for much larger volumes, including trades over 100,000 ounces, although this will vary according to the dealer, the client and market conditions, as transaction costs in the OTC market are negotiable between the parties and therefore vary widely. Cost indicators can be obtained from various information service providers as well as dealers. 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 the Commodity Exchange, Inc. ("COMEX"),

a division of the New York Mercantile Exchange. This period lasts for approximately four hours each business day morning in the Eastern Time Zone.

The London Bullion Market

Although the market for physical gold is global, most OTC market trades are cleared through London. In addition to coordinating market activities, the LBMA acts as the principal point of contact between the market and its regulators. A primary function of the LBMA is its involvement 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. The LBMA also coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation. The term "loco London" gold refers to gold bars physically held in London that meet the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of a LBMA acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA. Gold bars meeting these requirements are described as "London Good Delivery bars". The unit of trade in London is the troy ounce, whose conversion between grams is: 1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams.

A London Good Delivery bar is acceptable for delivery in settlement of a transaction on the OTC market. Typically referred to as 400-ounce 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%), be of good appearance and be easy to handle and stack. The fine gold content of a gold bar is calculated by multiplying the gross weight of the bar (expressed in units of 0.025 troy ounces) by the fineness of the bar. A London Good Delivery bar must also bear the stamp of one of the smelter and assayers who are on the LBMA approved list. Unless otherwise specified, the gold spot price always refers to that of a London Good Delivery bar. Twice daily during London trading hours there is a fix which provides reference gold prices for that day's trading. Many long-term contracts will be priced on the basis of either the morning (A.M.) or afternoon (P.M.) London fix, and market participants will usually refer to one or the other of these prices when looking for a basis for valuations. The London fix is widely viewed as a full and fair representation of all market interest at the time of the fix and is the most widely used benchmark for daily gold prices.

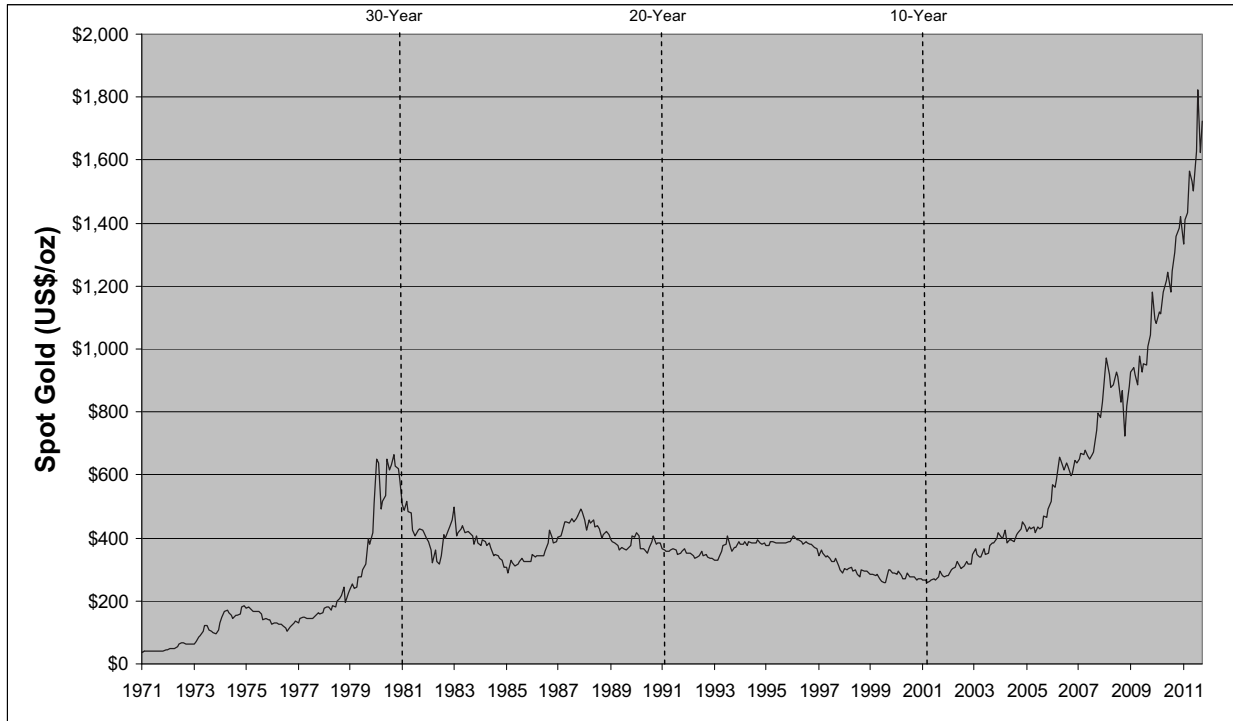
Gold Futures Exchanges

The most significant gold futures exchanges are the COMEX and the Tokyo Commodity Exchange. The COMEX is the largest exchange in the world for trading precious metals futures and options. Trading on these exchanges is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. As a matter of practice, only a small percentage of the futures market turnover ever comes to physical delivery of the gold represented by the contracts traded. Both exchanges permit trading on margin. Margin trading can add to the speculative risk involved given the potential for margin calls if the price moves against the contract holder. There are other gold exchange markets, such as the Istanbul Gold Exchange, the Shanghai Gold Exchange and the Hong Kong Chinese Gold & Silver Exchange Society.

Historical Gold Price Performance

The following chart displays the historical price performance of gold for the time periods indicated, in U.S. dollars:

August 1971 – November 2011



Source: Bloomberg (November 21, 2011).

The Rationale for Investing in Gold

Gold ownership may help to protect a portfolio from inflation, deflation, stagflation, systemic failure, financial collapse and currency devaluation. Investors may purchase gold because of the view that, unlike other investments, gold's tangible physical properties, gold's possible negative correlation to other asset classes and use as an inflation hedge provide a way to reduce the risk of a portfolio. Unlike traditional stocks, bonds and money market instruments, gold is an asset whose price generally is independent of earnings, future growth or promised payments due to its certain physical and tangible properties. These properties allow gold to be converted into other goods and investments, which may provide investors with more immediate liquidity than alternative investments. Unlike paper-backed assets, gold cannot be created at will. Some investors also see gold as a store of value in times of uncertainty and market duress because it may be seen as being independent of country, industry and company-specific issues.

Many investors have difficulty in obtaining direct exposure to gold. An equity investment in a gold producing company may result in exposure to other variables such as management and exploration risk, country risk, market sentiment, company costs and credit exposures, analyst reviews and earnings reports. Owning gold bullion is the most direct and secure method of accessing exposure to gold. ETFs and investment funds are potential investment vehicles through which investors may gain exposure to the price of gold.

The Program allows investors to become ETR Holders with direct legal and beneficial ownership in their gold bullion that is stored at the Mint. Holding such ETRs provides investors with a liquid direct legal and beneficial ownership of gold bullion.

Correlation of Gold Relative to Other Asset Classes

Gold's low historical correlation with other major asset classes has been held to offer an investor the possibility to diversify across the risk spectrum of an investment portfolio. Over the long term, gold has historically retained value more effectively than other asset categories because gold is typically a stronger inflationary hedge. Although gold is a commodity and an investment asset, it has at times moved independently of other key asset classes and commodities, especially during times of crisis.

Gold as an Inflation and U.S. Dollar Hedge

Historically, gold has been viewed as an effective hedge against a decrease in the value of the U.S. dollar and inflation. Gold has maintained its long-term value, as measured by purchasing power, more effectively than most currencies and fixed assets. In 1971, the U.S. moved away from the gold standard. As gold prices have generally increased during times of U.S. dollar decline and during inflationary periods, gold may provide a hedge against money creation and purchasing power erosion.

Gold fundamentals have improved steadily over the past several years, resulting in record high prices. Weak economic fundamentals, chronic deficits, and quantitative easing (a form of economic stimulus in which a central bank credits its account with money created electronically in order to purchase financial assets from financial institutions, thereby increasing the overall money supply, encouraging lending and reducing the cost of borrowing) have led to questioning the role of the U.S. dollar as a reserve currency. As a result, central banks and investors have sought alternatives, with gold providing an attractive alternative to fiat currencies.

USE OF PROCEEDS

The proceeds of the Offering, net of the Agents' Fee, and all other expenses of the Offering including listing fees, legal fees, expenses of the Agents and applicable gold purchase expenses (estimated to be C\$2,500,000, but in no event to exceed 1% of the gross proceeds of the Offering), will be applied to the purchase of gold bullion on behalf of the holders of ETRs from third party suppliers for delivery to the Mint's facilities on the Issue Date.

COMPUTATION OF NET ASSET VALUE

The Mint will be responsible for the calculation of the Program's net asset value ("NAV") and will calculate the NAV as of 4:00 p.m., Toronto time, on each business day. The NAV per ETR on any day will be expressed in U.S. dollars and will be determined by multiplying the Per ETR Entitlement to Gold by the London P.M. fix gold price (the "**Gold Price**") on that day. If such pricing is not available, the physical gold bullion will be valued at a price provided by another pricing service as determined by the Mint. The determination of NAV by the Mint will be conclusive and binding on ETR Holders. See "Description of ETRs – Per ETR Entitlement to Gold" for a discussion of the calculation of the Per ETR Entitlement to Gold.

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".

Reporting of Net Asset Value

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

AVAILABILITY OF INFORMATION RELATING TO THE ETRs

The Mint will maintain a website for the Program at www.reserves.mint.ca (the "**Program Website**"). A copy of this Information Statement and the Gold ETR Certificate will be posted to the Program Website. Certain additional information regarding the ETRs will also be 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. The Mint will also publish on the Program Website (i) 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, (ii) any notice that it delivers to all ETR Holders, and (iii) any other communication to all ETR Holders, including press releases disseminated by the Mint relating to the Program or the ETRs.

PLAN OF DISTRIBUTION

Pursuant to an agreement (the "**Agency Agreement**") dated October 28, 2011 between the Mint and TD Securities Inc., National Bank Financial Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Cormark Securities Inc., MGI Securities Inc. and Raymond James Ltd., as agents, the Agents have agreed to use their reasonable best efforts to solicit and procure offers to purchase ETRs from purchasers on the Issue Date or on such other date as may be agreed upon by the Mint and the Agents, subject to an Offering size of approximately C\$250,000,000 (or such other Offering size as may be agreed upon by the Mint and the Agents) and the other terms and conditions contained therein. TD Securities Inc. and National Bank Financial Inc. are the joint bookrunners of the Offering. The Agency Agreement provides that the Agents will be paid an agency fee (the "**Agents' Fee**") equal to 3% of the gross proceeds of the Offering on account of services rendered. While the Agents have agreed to use their reasonable best efforts to sell the ETRs offered hereby, they are not obligated to purchase any ETRs which are not sold.

Based upon gross proceeds of C\$600,000,000, the Agents' Fee will be C\$18,000,000 and the expenses of the Offering are estimated to be C\$2,500,000 (but in no event greater than 1% of the gross proceeds of the Offering), resulting in net proceeds of C\$579,500,000 to be applied to the purchase of the gold bullion underlying the ETRs.

The Agents may not, throughout the period of distribution under this Information Statement, bid for or purchase the ETRs. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

The ETRs may also be sold directly by the Mint at the issue price and upon such terms as are agreed to by the Mint and the purchaser.

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 delivered, directly or indirectly, or sold in the United States. The Agents have agreed that they 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).

The obligations of the Agents under the Agency Agreement are several and not joint and several and may be terminated at their discretion in certain circumstances, including upon the occurrence of certain stated events. Under the terms of the Agency Agreement, the Agents may be entitled to indemnification by the Mint against certain liabilities, including liabilities for misrepresentation in this Information Statement.

Each of The Toronto-Dominion Bank ("**TD**") and Royal Bank of Canada ("**RBC**") are parties to gold lease arrangements with the Mint pursuant to which they lease gold to the Mint for use in its business. In addition, RBC is expected to be the third party gold supplier that will sell gold bullion with a value equal to the net proceeds of the Offering to the initial holders of the ETRs under the Program. Fees negotiated at arm's length are payable to the banks under these business arrangements. TD and RBC are the parent companies of TD Securities Inc. and RBC Dominion Securities Inc., respectively, both of whom are Agents under the Offering. The Mint may also have other dealings with Canadian chartered banks or investment dealers for other financial services from time to time, for example to hedge the Mint's currency exposure.

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 underlying the ETRs, less fees. The price of gold has fluctuated widely in recent years and accordingly the ETRs may experience significant price fluctuations. In addition, the current price of gold is near historically high levels. 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; and (v) new production projects;
- (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 volatility;
- (e) investment and trading activities of hedge funds and commodity funds; 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 will be 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 will be 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 represented 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 will evidence 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 represented 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 represented 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 represented 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 ETRs – Fees".

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 represented 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.

The lack of a market for the ETRs may limit the ability of ETR Holders to sell their ETRs.

Prior to the date of this Information Statement, there has been no market for the ETRs, and there can be no assurance that an active trading market for the ETRs will develop. If an active trading market for the ETRs does not develop or continue, the market price and liquidity of the ETRs may be adversely affected.

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 or any agent for the offering 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.

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 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 underlying 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 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 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.

Fluctuations in foreign exchange rates may have an adverse effect on the NAV of the ETRs and on the trading price of the ETRs.

Certain of the fees and expenses incurred in connection with the Program are paid in Canadian dollars. An increase in the value of the Canadian dollar in relation to the U.S. dollar may increase such expenses, which could result in the Mint increasing 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.

Risks Relating to the Gold Market

The international gold bullion market has experienced historically high trading prices in recent years and there can be no assurance that this historically high trading price of gold will be sustained.

Prices in the international gold bullion market have been near historically high levels in recent years. 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 currency 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 will be 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 intends to use the physical gold owned by ETR Holders within its general refinery and production operations and as such it will not be 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, will not be 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 will waive 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 will become a reporting issuer under applicable securities laws as a result 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 will not publicly file on the *System for Electronic Document Analysis and Retrieval* (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, 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 of the market price or value of the ETRs. 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 no previous operating history in issuing and managing listed securities.

Management of the Mint does not have 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

Transfer Agent and Registrar

Computershare Investor Services Inc. in Toronto, Ontario will act as transfer agent and registrar (in such capacity, the "**Transfer Agent**") for the ETRs and will maintain a register of ETR Holders and transfers of ETRs. Such register will be 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.

LIST OF EXEMPTIONS

The Mint has received an order dated August 30, 2011 (the "**Order**") from the Ontario Securities Commission (the "**OSC**") which exempts the Mint from 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*. The Order also exempts the Mint from the following continuous disclosure and other ongoing requirements:

- (a) 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 of the market price or value of the ETRs;
- (b) the auditor oversight requirements of National Instrument 52-108 – *Auditor Oversight*;
- (c) the certification requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;
- (d) the audit committee requirements of National Instrument 52-110 – *Audit Committees*;
- (e) the corporate governance disclosure requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;
- (f) the SEDAR requirements of National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*; and
- (g) 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 Order is 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, and (iii) maintaining the Program Website. A copy of the Order will be posted to the Program Website. The Mint has also received an order dated October 3, 2011 from the OSC which exempts the Mint from the requirement to pay participation fees pursuant to OSC Rule 13-502 – *Fees*.

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 not applicable to an ETR Holder that is a "financial institution" or that has elected to determine its Canadian tax results in accordance with the "functional currency" rules, 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 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 legal and beneficial interest in gold bullion. 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 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. 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 ounces of gold representing the same equivalent number of 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 represented by the ETR in excess of the equivalent of a whole number of 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 represented 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 underlying 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 "Description of ETRs – Fees – Service Fee". On each such decrease in the amount of gold bullion represented 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

It is the position of the CRA that in the case of a security with a conversion feature which is not severable from the security and cannot be separately traded, no part of the issue price for the security can be allocated to the conversion feature. Accordingly, no part of the issue price of an ETR should be treated as the cost of the right to acquire such number of additional ETRs pursuant to the Purchase Right on Purchase Date.

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 represented 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 represented 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 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.



CANADIAN GOLD RESERVES

RÉSERVE D'OR CANADIENNE