

## Interview mit der Royal Canadian Mint

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### silberinfo interview

**David Madge, Director of Sales for the Royal Canadian Mint, gave silberinfo the following exclusive Interview:**

**silberinfo:**

David, we would like to talk about the Silver Bullion Maple Leaf first. In Germany, it is a huge success. Could you tell us, what the approximate percentage of the sales in Germany from the total sales would be?

**David Madge:**

**At this time we estimate that approximately 55% of the silver maple leaf production is sent to Germany.**

**silberinfo:**

What does the RCM think is the reason for the popularity in Germany?

**David Madge:**

**The Royal Canadian Mint has been active in Germany for many years with our bullion and numismatic coins. As a result, consumers have a sense of familiarity and trust with our products. In addition, maybe all the time we invested in working with our distributors to grow the overall business paid off.**

**silberinfo:**

There are inconsistent informations about the amount of total sales. We would be interested in how many Silver Maple Leafs were sold in 2007, and also in the total sales figures since edition of the Silver Maple Leaf?

**David Madge:**

**In 2007 we sold about 3.5 million ounces and just over 21 million ounces since the beginning of the program.**

**silberinfo:**

What do you think is the main reason that investors buy the maple leaves? Speculation for an increase in value or fear of inflation?

**David Madge:**

**There are probably many reasons why investors buy coins. We do not have any insight to what motivates consumers today.**

**silberinfo:**

Where do the precious metals for the different maple leafs come from, and how are they being refined? Does the RCM prefer precious metals mined in Canada?

**David Madge:**

**The Royal Canadian Mint is also a refiner of precious metals. As an LBMA Good Delivery gold refinery we process approximately four to six million ounces of gold a year. Over the last year we also introduced a state of the art silver refinery. Both operations are located in our Ottawa facility in the heart of the**

**capital of the country. Given the location we are very concerned about the environment. One of the reasons we have the refinery is to provide a secure pipeline of feed stock for our coin programs. Material for the refinery comes predominately from Canadian mines or recycled sources.**

**silberinfo:**

Environmentalists are advocating a certification system for precious metals (especially gold) to ensure, that these have been produced in mines, that adhere to certain environmental and social standards. Does the RCM plan to play an active role regarding these efforts?

**David Madge:**

**I think everyone today should be aware of environmental and social standards for both mining and refining. We take this responsibility seriously and believe we have no outstanding issues in this respect. We plan to continue to review this subject to ensure our high standards.**

**silberinfo:**

How many Silver Maple Leafs can be produced per day, and approximately how many coins can a coining die be used for?

**David Madge:**

**This is not an easy question to answer as we produce many products and not just silver maple leaf. We must balance demand for all products, so while we could produce more silver maple leaf we are limited to about 125,000 per week at this time.**

**silberinfo:**

What is the reason for the edition of the 99999 Gold-Maple Leaf? Is there a real demand for this purity in coins, or is it just to show the technical possibility?

**David Madge:**

**The 99999 gold maple leaf was introduced to establish a new standard for bullion coins and create greater awareness for all of our products. At one time we had the only 9999 gold bullion coin. Today 9999 has become the industry standard so we thought it was time to raise the bar to our competitors. As well, we wanted to thank our customers and give them something special at no additional cost. We have just completed the new design for the 2008 99999 gold maple leaf and expect it to be released this summer. Demand is very strong and we sell all that we can produce.**

**silberinfo:**

In the last months, several bullion dealers in Germany told us about problems and delays in the delivery of Silver Maple Leafs from the RCM. Can you confirm that, and if yes, what was the reason?

**David Madge:**

**Demand for silver maple leaf coins has simply exploded over the last few years. Sales jumped from about 1,000,000 ounces three years ago to 3,500,000 last year and we are forecasting sales of about 8,000,000 this year. While we have done everything possible to meet this demand it has been an uphill battle. New staff has been hired to meet the demand and production is doing its best to increase the number of coins produced. That said there is a limit on the number of coins that can be produced.**

**silberinfo:**

Do you have enough capacities to meet the demand, if the demand for Silver Maple Leafs increases further?

**David Madge:**

**I said earlier that we are trying to increase production to about 8,000,000 for this year. In addition, we have plans for an additional 2,000,000 silver bullion coins celebrating the 2010 Vancouver Winter games. Given the present demand I believe there will still be shortages in the market well into 2009.**

**silberinfo:**

Platinum has been a fantastic investment in the recent years. What is the reason that the RCM hasn't edited a platinum bullion coin in time, like the Platinum Eagle of the US Mint or the Koala of the Perth Mint? We assume, the existing Platinum Maple Leaf in proof quality is more for collectors instead of bullion investors.

**David Madge:**

**The Mint produced a platinum maple leaf for years and suspended the program due to lack of demand for the coin. Given the high cost of platinum there were a great number of old coins being bought by dealers from the secondary market. We would produce more platinum maple leaf coins if the orders were there. A few years ago we introduced a palladium maple leaf and continue with that product as demand requires.**

**silberinfo:**

Is it thinkable for the RCM to change the motive of the ML?

**David Madge:**

**I am not sure I understand the question.**

**silberinfo:**

Can Silver ML Investors worldwide hope for other coin sizes/denominations in the future, or does the RCM refuse that categorically?

**David Madge:**

**We are always looking at new products and will introduce new products as long as they make sense. We work closely with our distributors to try to understand what the market is looking for. This is also why we conduct consumer research in specific markets to better understand what the trends are. I encourage you and your readers to send us your ideas.**

**silberinfo:**

Talking about worldwide – what countries does the RCM trade with?

**David Madge:**

**Royal Canadian Mint bullion coins are traded throughout the world. This is one of the appeals of our coins as consumers can buy and sell them virtually anywhere.**

**silberinfo:**

Some time ago, the packaging of the Silver Maple Leafs was changed; what was the reason for that? The German Investor is missing the shrinkwrapped Maple Leafs which don't tarnish. Are these still being produced?

**David Madge:**

**The new packaging was introduced to meet investor demand by consumers who wanted a better way to store large volumes of coins. The old packaging is still available although it only represents about 5% of our sales.**

**silberinfo:**

The US Silver Eagle has a denomination of USD 1, and the Silver Maple Leaf of CAD 5. What is the deeper meaning behind that...?

**David Madge:**

**I do not think there is any deep meaning. This \$5.00 denomination was introduced prior to my time at the Mint. I will leave it up to your readers which coin they would prefer.**

**silberinfo:**

Which audience does the RCM plan to target in the future – more collectors or more investors (with economically prized bullion coins)?

**David Madge:**

**Both markets are very import to us and are not mutually exclusive. We will continue to work with both market segments.**

David, we would like to thank you for this interesting interview!