



Equinox Gold Corp. Conference Call Transcript

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Speakers: **Ross Beaty**
Chair, Equinox Gold

Christian Milau
Director & Chief Executive Officer, Equinox Gold

Ewan Downie
President & Chief Executive Officer, Premier Gold

Doug Reddy
Chief Operating Officer, Equinox Gold

Rhysin Bailie
Vice President, Investor Relations, Equinox Gold

Operator:

We are here to discuss Equinox Gold's friendly acquisition of Premier Gold Mines. This conference call is being jointly hosted by Equinox Gold and Premier Gold.

As a reminder, all participants are in listen-only mode, and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star then one on your telephone keypad. Should you need assistance during the conference call, you may signal an Operator by pressing star and zero. If you are participating online, you can submit a question using the Ask a Question tab on your screen.

I would now like to turn the conference over to Rhylin Bailie, Vice President, Investor Relations for Equinox Gold. Please go ahead.

Rhylin Bailie:

Thank you, Anastasia, and thank you everybody for joining us today.

On the call today we have Ross Beaty, Chairman of Equinox Gold; Christian Milau, CEO of Equinox Gold; and Ewan Downie, CEO of Premier Gold. We will all be making a number of forward-looking statements today, so please do take the time to visit our continuous disclosure documents on the Equinox Gold and Premier Gold websites, on SEDAR, and on EDGAR.

I will now turn the call over to Ross Beaty for opening remarks.

Ross Beaty:

Good morning, ladies and gentlemen. Thank you very much, Rhylin, for that, and welcome, everyone, to the call.

I'm sure everyone's big question here is why on earth are we doing this deal at this time. I'm going to try to answer that really simply here. The quick answer is that Premier fits our strategic plan which, simply put, is to grow as big as we can as quickly as we can, as safely and as low-risk as we can, and as accretively as we can.

Premier offers us the Hardrock Project, a large low-risk development project. It's [going to be] big, with total production of nearly 400,000 ounces a year for more than 10 years,

and more than 5 million ounces of proven and probable gold reserves. It's pure gold, it's in Canada, it's ready to build, and it's totally within our financial and technical capacity to manage. Premier also offers us a great many opportunities for additional wealth creation from its other assets in Ontario, Mexico, and the U.S. We really like this spin-out company i-80 Gold, and hope to participate over the long term in what Ewan is going to be doing there. We think there are many undervalued assets in the Premier portfolio that we will also be able to demonstrate value on, in due course, that the market will applaud.

This is a value-creating deal. We have zero interest in growth simply for the sake of growth. That creates no value. Since our Leagold deal closed in early 2020, we've continued to look at new M&A opportunities. But as the gold price rose this year, equity values rose too, and we simply couldn't find real value, especially with respect to operating companies.

Premier was an exception, in that it traded at a significant discount to its net present value. This happened because of its dispute with Centerra, and because Premier didn't have the critical mass to finance Hardrock without excessive equity dilution.

When we looked at Hardrock, we really liked it, because it offers us accretive growth, real value-creating growth. We were able to show the Premier Board of Directors that we would be able to build Hardrock and give all Premier shareholders tremendous upside to gold, and to all of Equinox's other assets, for future value creation too. So, this is a great example of a win-win deal that should be good for shareholders of both companies.

Equinox's core business plan, as I said, is to grow quickly into a globally important gold producer, building our gold production and gold reserves and resources as large as possible, as quickly as possible. This is important in terms of today's capital markets, which reward size and diversification, but it's also important in terms of creating as much leverage as possible to today's bull market in gold. Every additional ounce we produce, and every additional ounce of reserves and resources we can acquire or discover, build extra value with every dollar rise in the gold price. Scale counts, and this deal builds scale, just as our Leagold acquisition earlier this year did.

I remain very bullish on the gold price for many reasons. We are hopefully seeing the sunset of the COVID pandemic with the arrival of vaccines, but the underlying macroeconomic factors in favour of higher gold prices remain as strong as ever, and I think 2021 will be another great year for gold mining companies. The bigger, the better.

Equinox has a fantastic future, with enormous internal growth. This deal gives us another cornerstone growth asset that we will get to work on immediately after the deal closes. It's our third M&A deal since we began business at the start of 2018. The other two have worked out very well, and I'm certain that this deal will be another great win for all shareholders.

I want to thank Premier's Board of Directors for their faith in us and their conviction that this deal will be great for shareholders of both Companies. This is a logical deal, it's low risk, it's consistent with our strategic plan, and it's value-creating for everyone.

I can't wait to start construction at Hardrock, to really get into the Mercedes mine in Mexico and Premier's gold assets at Red Lake to see what additional value we can build there, and to work with Ewan to help them with i-80 Gold. I personally cut my teeth in Nevada gold exploration in the 1980s and have been on the ground on each of i-80 Gold's major assets, so I know their potential.

I hope I've answered why we are doing this deal, and now I'll turn the call over to Christian and Ewan to discuss it in more detail. Over to you, Christian.

Christian Milau:

I think, Ewan, you want to say a couple of words first?

Ewan Downie:

Yes. Thanks, Ross, that was a great introduction to today.

Today's a very exciting day for [our shareholders] as I believe that the Premier-Equinox merger is a perfect match. I think the Premier assets, particularly in Canada, provide a solid presence for [Equinox Gold] in what is one of the safest jurisdictions you'll find anywhere on the planet, and for Premier [shareholders], exposure to multiple mining assets.

Equinox brings a very strong mining and development team, a very strong financial position that will advance our flagship Hardrock project and remove some of the financial uncertainty, I think, that would have been evident had we decided to build it on our own.

Premier shareholders will [also] benefit from the creation of the Nevada-focused i-80 Gold. I look forward to building it with the team that we are assembling for that company,

and a launch that we expect to be in the first quarter [of 2021]. One of the things that I like best about the Spinco scenario in this instance is the fact that Equinox is going to be a big supporter of the company, and that will assist in ensuring that we have very strong finances as the company comes out of the gate.

As Ross said, why did this happen? Why Equinox? As Ross said, fantastic future and very significant growth.

With that, I'll hand it over to Christian.

Christian Milau:

Thanks, Ewan. I'll start on Slide 3 and walk you through the slides with Ewan as well.

Just echoing what Ross said early on, this is almost to the day when we announced the Leagold merger in 2019, and we're really excited about this. I think this "one plus one equals more than two" sort of scenario here really ties into the strategy of both companies. We're unlocking value and executing on growth. I think it's vital in this market that we continue to move forward with that growth.

Equinox will acquire the 50% interest in the permitted development-ready Hardrock project. It adds a really great asset here in Canada. Hardrock will be developed through the joint venture, between Equinox and now Orion when they close the deal with Centerra to buy the 50% stake.

We know Orion really well. Orion was a large shareholder in Leagold. We worked with them in the past, and on a personal level have very strong relationships. They're a very well-funded partner. So, we see that as another strength of the whole story here.

Hardrock fits really well with our growth strategy and our pipeline. We've been building roughly one mine per year over the last three years. We're really excited to see that there's a strong team in place at Greenstone already in the JV, and they're ready to go, so we're looking forward to working with them.

In terms of launching i-80 Gold, obviously Ewan will walk you through that a little bit further in the presentation, but we're pleased to be supporting that and have Ewan leading it. Ewan and the team

have done just a great job of bringing good assets together. Once listed, i-80 should be a focus company and get a re-rate as far as we're concerned.

Equinox has done a great job in the past of simplifying and unlocking value over the last three years by spinning out or selling smaller assets, and we look at this as almost analogous to what we did with Solaris over the last couple of years, where now Richard Warke and Dan Earle have a public company that's grown from a \$50 million valuation up into the almost half billion range, and we really see the potential here, by focusing on unlocking the value in i-80, of creating value again. We're a 30% shareholder in Solaris, we'll be another substantial shareholder of about 30% here in i-80, and very supportive.

So, in terms of funding the growth, Equinox is well-positioned to advance Hardrock. We have almost \$600 million in available liquidity, plus robust operating cash flow and a well-funded JV partner. So, we see ourselves in a great position to get going here, as Ross said.

We're also ready to support i-80 Gold in their initial financing, and will be a lead order taking up to 30% of that as we get going with i-80 Gold spinning out around the time of the transaction closing.

Turning onto the transaction summary on Slide number 4. As we said, this is in line with both Companies' strategies, it focuses really the strategy for each surviving Company, and it also is a smart deal in line with our previous transactions. In terms of key highlights and what they include in terms of transaction structure, Equinox Gold will acquire Premier via plan of arrangement, pretty standard, same as done before. We'll acquire the Greenstone property from Premier, as well as the exploration portfolio in Canada and Mercedes [mine in Mexico].

The U.S. assets will be spun out to i-80 Gold, and the pro forma ownership will be 84% Equinox Gold and 16% Premier Gold shareholders in Equinox, and then on a pro forma basis for i-80 Gold it'll be 70% Premier shareholders and 30% Equinox Gold on spin-out, and we'll also participate and defend our position on a 30% holding of any financing. So, both shareholders will share in the upside and the growth.

When you look at the concurrent financing as well that we announced, we'll be completing up to a C\$75 million financing, it's fully underwritten by Ross. So, again, Ross is supporting the Company as he's done in the past, and maintaining his position, but continues to strengthen

our rock-solid balance sheet, so we're really pleased to see that. We'll be setting the pricing on that as the shares trade over the next number of days, in line with TSX rules.

As well, the key approvals and timing, Premier will require 66 and two thirds approval from shareholders that vote. We do not require a shareholder vote, and we expect the transaction to close in the first quarter of 2021.

In terms of benefits to all shareholders, Ewan, I'll let you kick off there on Slide 5, and I'll do the benefits to Equinox.

Ewan Downie:

Yes. For Premier it certainly is, I think, a great deal for our shareholders. The premium, so to speak, in the deal is the i-80 Gold share creation, and meaningful ownership in an Americas-focused gold producer that now is adding Canada to its repertoire.

Our shareholders retain exposure to Hardrock, which I believe is one of the top development-ready projects that you'll find anywhere in the world. When Christian gets into the slides, you'll see it sits right on the Trans-Canada Highway. In fact, we are permitted to move the Trans-Canada Highway in order to build it, which is quite a feat of the Greenstone Gold Mines team.

Our shareholders will participate in production and cash flow from Equinox Gold's seven producing mines, and upside from their leading growth profile, and that growth profile will only be made larger with the addition of Mercedes and soon the building of Hardrock.

It eliminates our need for a significant capital raise that could have been another overhang on our stock following the lawsuit, and I believe that i-80 Gold will be established as a peer-leading well-funded production and development company focused entirely on Nevada with Equinox as a strategic shareholder, but also a strong supporter of the company. As Christian mentioned, they've been very strong supporters of other spin-outs that they've done in the past.

The i-80 Gold focus, I believe, will bring our shareholders, and to Equinox, considerable value as we grow that into what we hope will be seen as the next major producer in Nevada.

Christian Milau:

Thanks, Ewan.

Then in terms of Equinox Gold shareholders, this is very consistent, as I said, with our strategy to grow through accretive acquisitions and development focused on the Americas. This fits right in the sweet spot. It enhances the asset portfolio with a long-life, low-cost, permitted, multi-million-ounce development-ready project in Canada, which is exactly what we were hoping to add as we grow the Company.

It improves the geographic diversity, with a top-tier low-risk jurisdiction in Ontario. Good scale, this project as well, it fits in nicely, and as well there's the immediate increase in gold production and cash flow from Mercedes. It's a smaller mine at 50,000 ounces at this point, but there is scalability there back towards 80,000 or 90,000 ounces. As well, there's potential for long-term discovery here in the portfolio of Canadian exploration assets.

So, again, consistent with the strategy, and we'll continue to optimize the whole portfolio and focus on the better-return assets and the scalable assets that we have within the portfolio.

Turning onto the actual assets of Premier, I'll comment on Page 7 on the Hardrock project. That's the photo I think that Ewan was alluding to, and you can see there, the infrastructure's just fantastic. One of the best and most attractive development assets in Canada; large scale, right beside the Trans-Canada Highway.

Our [50% interest] will be almost 3 million ounces of gold reserves. It will produce over 400,000 ounces [annually] in the first years. We'll have an attributable production of well over 200,000 ounces there. It's permitted for construction and the community benefit agreements are in place. They've done a great job on that, the team has really gotten ahead of themselves [with their community relations programs] and as well as it's got the updated feasibility which shows a nice [long-life] mine.

So, we're pleased to be joining the dedicated team there at Greenstone to get this thing going. This fits in really well with the strategy of becoming the premier Americas gold producer, it even ties in with the words exactly, so we're pleased about that.

Looking at the feasibility study highlights, on Slide number 8, there's obviously a press release out [from Premier] this morning as well on this, so you can find a little more detail in there, and a technical report will be filed within the 45 days. But [the mine] will be owned and managed by Greenstone Gold, [and Greenstone Gold] will be [owned by] the joint venture between ourselves and ultimately Orion, who's buying the Centerra piece. It's conventional open pit mining, ore processing will be a carbon and leach plant, and it'll produce a gold doré. Fairly straightforward, very similar to our other operations. We really like the updated feasibility study, it's got robust economics, a long life, and there's upside potential around the deposit.

When you look at the actual numbers, it's a 14-year mine life, so a nice long life. Grade is 1.3, it's almost 1.5 grams in the first five years, so good grade, 400,000 ounces of production at basically under \$700 all-in sustaining cost, so a top-quality project. About \$950 million in capital, about half of that will be attributable to Equinox, [so our share of the initial capital is] just under half a billion dollars. The net present value at spot prices is probably over \$1.9 billion, so good leverage to the gold price, strong returns, and we're really pleased to be adding it to the portfolio.

When you look on Slide number 9, the benchmarking that we did here, it's one of the highest-grade open-pit gold mines of scale in Canada. When you look at the bubble chart – the bubble size shows the reserves – it's one of the larger reserves at 5.5 million ounces. The X axis indicates production, so almost 400,000 ounces of annual production, and then the Y axis represents grade, so it's one of the higher-grade projects as well, so fits really nicely into the Canadian landscape and will be one of the top projects.

Slide number 10 gives a bit more of a graphic view of the mine life. Nice mine life over 14 years, good cost base, good upside potential, large reserve base at 5.5 million ounces, and the MI&I resources are almost 6 million ounces, so really good starting point for a great project, and it'll take us several months to get preparation done, and then it's about 10 to 12 quarters to get this into production, so we're pretty excited about getting going, as Ross said.

Ewan, I'll turn it over to you on Slide 11 to talk a little bit more about the upside.

Ewan Downie:

Yes. Thanks, Christian.

Really, when you think about the economics, as Christian pointed out on Slide 8, the feasibility study that has been completed and all economic work that's been completed on the project to date has been on the open pit portion of Hardrock.

So, on the upper left image you can see the formation of the planned pit around the mineralized zone. But there's a very substantial underground deposit, a multi-million-ounce underground deposit, that I believe will take the mine life not just to 14 years but well beyond 20 years, and provides major upside for the project. The deposit remains wide open down plunge; the westernmost hole that we drilled was 18.5 grams over 20.5 metres.

In addition to that, we hold three additional deposits in the region. The Kailey deposit is only two or three kilometres to the north of the Hardrock pit, and in fact is being drilled as we speak. The Kailey deposit is expected to be another open pit out of Hardrock, currently has indicated resources of 348,000 ounces and inferred [resources] of 136,000 ounces, and the drill program that is being completed at Kailey is showing some really good grades and [intervals] that should expand that resource. The Kailey pit alone could add a couple of years to the open pit mining at the Greenstone project.

The Key Lake deposit just down the highway has an open pit resource, but we believe the bigger potential at Key Lake is the underground potential. There's been multiple drill hits, some in the hundreds of grams, in drilling that's been completed along that structure. Drilling is being completed in the Key Lake area as well in the current program that's being completed here just before Christmas.

Down the highway is one of the most exciting parts, Brookbank. Brookbank is a deposit that has both underground and open pit resources. The indicated grade of the underground is over 7 grams per tonne, and the indicated grade of the open pit portion is over 2 grams per tonne. So, we believe it's a very significant add to the project, and all of these satellite deposits and the underground represent upside for the project. We look forward to hopefully in the near future making a construction decision here, which will be very positive for the Northwestern Ontario region.

I'll hand it back over to Christian.

Christian Milau:

Yes, just commenting on Mercedes briefly. It was restarted recently and it's a 2,000 tonne per day underground gold and silver mine, currently operating at about 1,200 tonnes per day. Ewan's team has done a good job at basically resizing it after the COVID shutdowns there in Mexico [(government-mandated COVID-19 related suspension of all mines during April and May)]. It produced about 50,000 ounces in the last quarter and made good cash flow from 12,000 ounces of production at \$827 cost per ounce, which is very respectable. A great part of this is there's upside potential towards 80,000 or 90,000 ounces per year. So, we see [Mercedes] as just a nice complement to what we're already doing in Mexico. There may also be a few synergies with the Mexico City office, etc.

Ewan Downie:

Christian, you mind if I jump at Red Lake?

Christian Milau:

Yes. Go for it.

Ewan Downie:

Red Lake has been an important part of Premier's history. In fact, when Premier was spun out of Wolfden, we started in Red Lake. We've been very successful in Red Lake. I think what we'd call a "quiet discovery" in the heart of the camp has been the Hasaga project.

Currently, we have measured and indicated resources defined at Hasaga of over a million ounces in the open pit portion, but significantly over the past several years we've been drilling off what we expect to be a good-sized underground deposit that remains wide open for expansion. 23,000 metres of drilling has been completed in 2020, and will go into a new underground resource that we expect to have come out some time in late in the first quarter, early in the second quarter of 2021.

The image at the bottom is the Red Lake gold mine complex. That's widely regarded as one of the highest-grade gold mines in the world. It's now owned by Evolution. The picture that you see there is a picture taken standing on the joint venture property. This is where Premier started. A lot of people forget that we still own that 44% of the project that fits and is permitted as part of the Red Lake mine, and it is host to several gold deposits that we believe offer substantial future upside in the Red Lake camp that, with Evolution now taking over the asset, should see renewed exploration focus, and we

believe that the Wilmar deposit on our property represents one of the biggest upside opportunities in the entire Red Lake camp.

Christian Milau:

Great, thanks, Ewan, and I'll turn it over to Page 13 here, and just really want to paint the picture over the next three slides of what the pro forma Equinox will look like.

Slide number 13, [we'll have] eight producing mines and four growth projects. What we're really pleased with here is that this transaction provides greater diversity, and it balances the portfolio as well. With a 15 million ounce reserve base and 28 million ounces in resource, they're not exactly but almost split a quarter between each of the countries: Brazil, Mexico, the U.S., and Canada now, and that's a nice diversification, and some good, scalable projects within that portfolio. Obviously, there's the pathway towards a million ounces of gold, and I think I would say more than a million ounces of annual gold production now with the addition of Hardrock. So, a very solid path looking forward.

The great part of it, we have almost \$600 million of liquidity, so we're fully funded, with strong partners. Ross, Mubadala, our lending group, and Orion etc., are great partners to continue to support us along the way.

Again, we'll own the 30% stake in i-80 Gold and support Ewan as he grows that into a meaningful company, and also Solaris is another 30% stake that we have, so we've proven to be good partners.

Slide 14 looks at this more graphically, but in terms of price to net asset value basis and positioning versus peers, I would say both companies were slightly undervalued versus some peers, and when you combine them it's a compelling deal. It's an accretive move on many metrics, and there's lots of combined upside to realize together on a re-rating here, so we see this as a win-win, as Ross said, for both sets of shareholders if we can get a re-rating. You saw that after the Leagold merger. There was a quick move in the share price at the point when people understood the deal, and it really moved the Company forward.

When you look at the actual production level, it vaults us well over a million ounces a year to 1.3 million ounces, looking forward a few years here, and then when you look at the production growth, it's absolutely peer-leading. We're really pleased to see this, it's best in class here. Equinox is [already] at the upper end of growth at 39% over the next few years. Adding the

Hardrock asset and a few more of these assets takes us to more than 60%, so we're pleased with that growth profile here as the gold cycle seems to have taken a bit of a turn in 2020. And then the reserve base, we'll have a very large reserve base at 15 million ounces of gold.

Turning to Slide 15, just looking again at where we've come from. This growth profile started in 2018 from a standing start, when Mesquite was acquired in the fourth quarter, so it added a few ounces. We built out Aurizona in 2019 and put it into production, Castle Mountain just went into production in 2020, Santa Luz will be in production right around the end of 2021, so it's almost a mine per year, and Hardrock will complement that very nicely and sequence well [starting construction just as] Santa Luz [is finishing up].

Then on Slide number 16, just looking at the funding to execute, I think I've alluded to this already, but we have over \$370 million in cash, drawn bank debt's about \$300 million, so a net cash position when you exclude the in-the-money convertibles, and the available liquidity is about \$570 million, so getting close to that \$600 million mark.

Our leverage ratio currently is below 0.5x net debt to EBITDA, it's even approaching close to nil depending on numbers, and we have more capacity if needed. So, a very strong balance sheet, it's rock solid right now, and then the operating cash flow from the business, on a pro forma basis this year would be probably well over \$300 million for a full year, when you include the Leagold merger that happened early in the year.

As we move towards 2022, and we spend a lot of our growth capital next year, this Company will be producing, give or take, 900,000 ounces of gold in 2022, and be producing potentially EBITDA of three quarters of a billion dollars, depending on the gold price. So we're a very substantial Company, and well positioned to finance the growth going forward.

I'm really pleased to hand over to Ewan here to introduce i-80 Gold and give you a bit more detail on that, particularly for our shareholders who aren't as familiar with the assets from Premier.

We're looking forward to supporting you on this, Ewan, so please go ahead.

Ewan Downie:

Thanks, Christian.

Yes, on Slide 17 is the introduction slide to the new planned gold company, i-80 Gold. The reason for the i-80 Gold name, it was Matt Gollat, our Vice President's idea, that this would be a good name because if you drive from Reno through Nevada to go to any of the mining operations you just drive along highway i-80 Gold and it's pretty rare not to see a gold mine. So, we thought that was a very appropriate name for the company. To get to Getchell, to get to South Arturo, and to get to the McCoy-Cove, all of our projects, you go on i-80 Gold and take a spur highway off. So, it's a very important segue through to many gold mines, and Nevada has been a state that has built some of the biggest gold mining companies in the world, including Barrick and Newmont.

Moving to Slide 18, the Nevada company will have a high-quality portfolio of assets, especially once we complete the Getchell project acquisition, with more than 2.5 million ounces measured and indicated resources, and 2.1 million ounces inferred, and these deposits include some of the highest grade, both open pit and underground deposits, I think you'll find anywhere in Nevada.

The portfolio in i-80 Gold will include one producing gold mine and two development assets, and it's in a state that is very favourable for mine development. In fact, right now, it ranks second globally in an investment-attractiveness index.

These high-quality projects are fully permitted; obviously, the South Arturo joint venture with Nevada Gold Mines is in production, and the Phase 1 and Phase 3 open pit opportunities and the heap leach are fully permitted for development. 2020 was the first full year of production for the new El Niño underground mine, and we believe that in the future both Phases 1 and 3 will be built.

McCoy-Cove is at a feasibility study level. We are permitted to go underground and move that into what we hope will be full development, and the Getchell project, which produced about a million ounces of gold, represents one of the highest-grade potential heap leach projects I think you'll find anywhere in North America.

The i-80 Gold company will bring great value to the Premier shareholders, but also to Equinox as a 30% owner. I believe it will represent significant value to them that should be factored into their part of the equation when you look at the new Company.

My plan is to be the CEO initially of i-80 Gold, and hopefully mentor some of the team that we're bringing in to ultimately take over. We're building not a ground-up new team, but we will have some new members, and I think we've assembled a great quality team to operate i-80 Gold that will be headquartered out of Reno, Nevada.

Moving to Slide 19, the projects are all in Nevada, as I said. The South Arturo production guidance for 2020 was 34,000 to 40,000 ounces, on a 100% basis; however, we've already exceeded that production for 2020, and Barrick has been a very solid partner and a very solid operator.

The McCoy-Cove property represents one of the highest-grade gold deposits, I think, of over a million ounces that you find anywhere in North America, with an average grade of over 11 grams per tonne. With our partnership with Nevada Gold Mines, we believe we have a pathway for processing, as several of these projects are open pit and heap leach opportunities, but also there is the refractory underground potential.

The team that we've assembled has had great success as deal-making, proven developers, working with Nevada Gold Mines obviously is key to us. I believe we're their only operating partner in Nevada, and as you can see on the right side, we have a very significant portfolio of projects when you look at the peer companies, such as Corvus, Liberty Gold, and other U.S.-focused companies. I believe with our production and our permitted development opportunities that i-80 Gold should command a premium amongst those companies.

Quickly, on Slide 20, I'll just go through each project. South Arturo is the producing mine in partnership with Nevada Gold Mines. I call it the last remaining piece of the North Carlin Trend, the operating part of the North Carlin Trend that Nevada Gold Mines doesn't control on a 100% basis, and in the third quarter it had production of just over 7,000 ounces of gold. We continue to advance the Phase 1 and Phase 3 open pits and the heap leach options. There's significant exploration potential too as we identified recently in the down dip drilling of the El Niño mine [and exploration] is continuing.

McCoy-Cove is 100% held by Premier, soon to be i-80 Gold, located in the Battle Mountain Trend. It's an underground deposit that was found adjacent to two open pits that produced over 3 million ounces of gold and 110 million ounces of silver, up until 2003, and we have completed the PEA that showed very robust economics. There's very strong expansion potential because the Cove, or what we call the

Gap deposit as part of the Cove portion of the project, remains open down dip.

The Getchell project is being acquired from Waterton. It is host to both open pit and underground opportunities. The Pinson mine is under care and maintenance and represents a high-grade near-term development opportunity.

With the support of Equinox, we expect the Company to be well-funded going forward.

In terms of the timeline on Slide 21, the merger was announced today, we expect the mailing and all meeting materials to go out in January. That will include the filing of intention to list the i-80 Gold company, and we expect the closing to be sometime late in the first quarter, [likely late] March, and the Company will be listed for trading with a financing being completed immediately in advance of that listing with the very strong support of Equinox, who will be our major shareholders.

I'll pass it back over to Christian for Slide 22.

Christian Milau:

On Slide 22, just in summary, you know, we're really pleased to be here today, and think that this merger, this transaction, really is in line with our strategy and will unlock value for both sets of shareholders here and expose both sets of shareholders to exciting growth stories and more focused companies.

With that, Ross, unless you have any concluding comments, I think we're happy to open it up for questions.

Ross Beaty:

Yes, let's open it for questions. Thanks, Christian and thanks, Ewan.

Rhylin Bailie:

Operator, please remind people how to ask a question.

Operator:

Certainly. To join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you are using a speaker phone,

please pick up your handset before pressing any keys. To withdraw your question, please press star, then two. If you are participating online, you can submit a question using the Ask a Question tab on your screen. We will pause for a moment as callers join the queue.

The first question comes from Dalton Baretto with Canaccord Genuity. Please go ahead.

Dalton Baretto:

Thank you, good morning, and congratulations, all. A few quick ones from me.

First of all, Centerra's 50% stake shall be sold to Orion. Was that available to Equinox? If so, did you guys consider bidding on it?

Ewan Downie:

I'll take that. Did you want me to answer that?

Christian Milau:

Go ahead.

Ewan Downie:

Yes. That's something that Premier had announced early in the year that we made an offer to Centerra, with the support of another partner. So, as everyone knows, a bit of an overhang on Premier has been the lawsuit that was filed by our partner at the end of 2019, and the project has been sort of stalemated since then. We made the offer earlier in the year, it was rejected by Centerra; however, we continued to push on that initiative with that same partner, and that partner was Orion, until we were able to agree to terms to move forward with the transaction.

I think the fact that it came to a court case was pretty important for Equinox, but really the Equinox discussion started pretty late in the process, and I can't speak for them, but it was the fact that there was a good chance that the project was going to come—or had the opportunity to come—out of court that brought their interest to the project. We closed the deal with Orion, and I believe that Orion and Equinox have a good relationship, and I'm sure that they'll be talking some time in the future.

Dalton Baretto:

Okay, and that's sort of a good segue into my next question. Premier and Centerra, the whole 50:50 JV didn't really work that well from a decision-making perspective. What's the dispute resolution mechanism going to look like between Equinox and Orion, or are you guys completely aligned going forward?

Christian Milau:

I'd like to say that we're pretty aligned here, and obviously we're the operator and have worked with Orion as a, call it a financier as a, call it a more passive partner in the past. But there's also a management team [already in place at Hardrock, the Greenstone Gold team,] that will actually get on with the project, and it certainly dovetails nicely with our philosophy.

What we've done with our other projects is there's a strong management team with great experience who've been taking it forward and they'll have the leadership on the day-to-day, and we'll be supportive of them, and we have technical services etc. here in Vancouver which I think will support them in a big way as well as the financial balance sheet position, and Orion is our more financially-oriented partner. So, I think it's a lot more straightforward than having two operators at a 50:50 JV type level.

Dalton Baretto:

Okay, great. And then a question, the feasibility study that was announced this morning, are you guys completely happy with it and you're ready to move forward, or is that something you guys are going to want to take a look at?

Christian Milau:

Yes, I mean, we've obviously done our due diligence and our site visits, our technical team have gone out and taken a look and are happy with it. Obviously, before we launch into official construction, we do want to spend some time with the team, we haven't had enough time with the local team, just getting to grips with all the detail, but we've done extensive due diligence and are very happy with it, and if it closes in Q1, it will give us a number of months here to get our heads around it and sit with the team and go to Ontario and break bread, and we'll get going. But it shouldn't be an extensive delay.

Dalton Baretto:

Okay, great. There's just last one from me. This is two years in a row now you've announced a material transaction on December 16. Should we expect this to be an annual tradition?

Ross Beaty:

Why not?

Christian Milau:

Depends if the 16th is a weekend next year.

Dalton Baretto:

Thanks very much, guys, and congratulations, again.

Christian Milau:

Thanks, Dalton.

Operator:

Next question comes from Ovais Habib with Scotiabank. Please go ahead.

Ovais Habib:

Thanks, Operator. Ewan, Christian, everyone on Equinox and Premier, congrats on the transaction.

My first question is for Christian. You've currently got a couple of projects on the go. You've got Castle Mountain, you've got, obviously, the Los Filos expansion, and Santa Luz as well. How does Hardrock kind of fit into this development pipeline now, in terms of advancing Hardrock into construction? You spoke a little bit about that, in terms of timelines, but does Hardrock kind of push out expansion of Los Filos?

Christian Milau:

Like I was saying earlier, we've been roughly putting one mine into production per year, I don't think we'll continue on that pace indefinitely here, but Santa Luz is well into it, a quarter of the way in or so. It'll be up and running and physically complete around the end of [2021]. Like I said, once we close this transaction and get a chance to get our hands around it and work with the team locally, it almost

dovetails with the end of Santa Luz and getting this up and running, so it sequences nicely.

Then Castle Mountain Phase 2, like we said, we have a couple years at least of permitting, maybe it's two to three, and roughly on the end of building Hardrock you'll have Castle Mountain ready to go. So in a sense you're kind of running through that nicely, and the only one that probably has some overlap would be Los Filos. Los Filos is a multi sort of three-stage expansion where we're opening up a new underground and a new open pit, and that'll happen irrespective of anything else we're doing [and we have] the capabilities in country to do that and the teams there are locally focused. [And then the CIL plant.] We haven't come out with the new study on that, but there's flexibility on timing of that to sequence it and overlap it somewhat with these other projects. Again, a strong dedicated local team, and our style and our approach has been very much setting up each project as almost an independent team that's strong—it's not being run centrally—and then we give support from the central location here, so we are capable of having some overlap between projects.

Ovais Habib:

Sounds good. Then just in terms of again you mentioned, you've got eight producing mines, all gold projects. With the closing of this transaction, would you consider any sort of divesting of your smaller assets? Is that kind of on the table?

Christian Milau:

I think it doesn't change what we said last year, when the Leagold merger happened. One or two of the small assets, along the way, we did mention that we wanted to invest the capital and the time into the larger assets with the higher returns, and basically focus on those. There's lots of exploration upside around a number of these projects, and we'll spend our time and attention there, and I think continually enhance the portfolio.

And again, similar to what you've seen probably at Pan Am, and what we were certainly doing at Endeavour when I was there, and what we were starting to do here after the Leagold merger, is continually enhancing the portfolio and maybe we do sell a smaller one to someone who can focus on it, give it the attention and capital and money it needs, and make a good go of it. We've kind of been able to do that with some of our spinouts and selling of assets along the way here, and Greg's done a great job of putting those out in the market and surfacing some value.

Ovais Habib:

Thanks, Christian, for that, and then just shifting gears in terms of Mexico and Los Filos. Any update you can provide us on the Los Filos blockade?

Christian Milau:

Yes, sure. We continue to have, call it, quite intense discussions with the team locally and the local community. We are making some progress here, it's not quick, but we're making progress and I'm encouraged by that. Some of the sticking points that I'd mentioned on previous calls, I think we're starting to tackle and actually get through.

We'll continue to protect our legal rights, we'll continue to work with the community. Both sides, us and the community, want to get back to work, and both sides have made that clear. But we also need a long-term stable partnership because we're going to make a big investment in that site, if we get resolution here in the near term, and we want them to be our partners. So, we're very constructive, and I can't tell you exactly the timing here, hopefully it's very soon, but we'll get to a resolution, I'm confident in that.

Ovais Habib:

Perfect. That's it for me, guys, and again, Ewan, Christian, congrats on the transaction.

Christian Milau:

Thanks, Ovais.

Ross Beaty:

Thank you.

Operator:

The next question comes from Kerry Smith with Haywood Securities. Please go ahead.

Kerry Smith:

Thank you, Operator.

Christian, can you just explain to me, or maybe Ewan can, just how the JV works, and how the management committee works at Hardrock? Is it like five people on the

management committee, of which three are representatives from Equinox, two from Orion, or just how is it structured? I'm trying to understand exactly how a decision gets made.

Christian Milau:

Ewan.

Ewan Downie:

I'll speak to that. The current structure is a four-man board, two from each company, and each company has equal representation. The project itself, or the company itself, is managed by Eric Lamontagne, a very experienced mine builder and operator, who has great success throughout Canada in building successful mining operations. They've done a great job bringing this project from an idea that we had years ago to a fully permitted project.

But it is straight up equal representation, and it was that equal representation at the end of 2019 that I think led to the dispute that was brought forward at the end of last year, as a result of one partner, ourselves, wanting to move forward immediately, and one partner not, I believe, not wanting to move it forward on the same timeline we did. So, that resulted in a deadlock.

I think now, with Orion having signed a deal to acquire the position from Centerra, and now with the Premier-Equinox combination, that there will be two partners fully aligned to move this project forward on an expedited basis. I think, as I said earlier, I think the match of Premier-Equinox is a match made in heaven, and I look forward to [seeing them work] with the Greenstone team and Orion going forward.

Kerry Smith:

Okay. Then do you have a rotating chairman that has the deciding vote on that four-man committee where it rotates every two or three years between one company or the other, or how do you resolve a stalemate, let's say, on a decision?

Ewan Downie:

A stalemate, if there is a stalemate, the dispute mechanism is that arbitration is immediate. If the two partners, if the Board of Directors can't agree, it goes to the senior executives of each company to see if a resolution can be made, which always worked until December of last year. We seemed to always be able to resolve it through that mechanism. But if there is a stalemate, the agreement provides for

arbitration being the sole remedy, and that remedy was bypassed with the court case, and so it resulted in the project being stalled.

But, like I said, I believe when you do have two partners who are completely aligned, it should work. Our agreement is essentially identical to the one that Agnico and Yamana have for the Canadian Malartic project. In fact, our agreement was crafted after the same agreement. So, it does work; I've always been a guy who says partnerships are good and they work, but I guess they work until they don't, and that resulted in the stalemate, and now Centerra, obviously, making a decision that it was time for them to exit the project, and we look forward now with the new partners moving this project to development on, as I said, an expedited basis. But there is no casting vote. There is a rotating chairman, but that doesn't provide for a casting vote.

Kerry Smith:

Got you, okay.

Christian Milau:

Kerry, just quite simply, from our perspective, there's two aligned partners coming in at the same time, well capitalized, and there's a strong team in place which gave us a ton of comfort. So we're pretty excited about that.

Kerry Smith:

Right. No, I agree that you've got aligned partners. It should work, but as Ewan says, it works until it doesn't work, right? I just wanted to understand how it's structured, that was all.

Okay. Then maybe a second question if I could. What will the board representation be on i-80 Gold going forward? Will Equinox have one-third of the board representation, or how will that work?

Ewan Downie:

Currently, we have not fully constituted that board. As part of the agreement that we have with Equinox, I believe they're entitled to put one person on the board, but we're happy to have their contribution and being the largest shareholder and hopefully a long-term big supporter of that company.

Christian Milau:

Similar to what we're doing at Solaris.

Kerry Smith:

Right, right, okay, so that seems pretty straightforward.

Then just last question maybe for Ewan again. On Mercedes, since I didn't follow Premier, how do you get to 80,000 or 90,000 ounces a year? Can you pull that many tonnes from the underground to deliver those tonnes to the plant, or how do you actually get there?

Ewan Downie:

The project has very significant exploration upsides. What we were doing is we were pulling ore up—until the COVID shutdown—we were pulling ore from five portals. We had a lot of machinery working, a lot of equipment to get ore out of multiple portals. Some of the deposits, like the old mine working, we were getting lower grades and more spread-out mineralization, so our costs were climbing.

During the COVID shutdown we looked at what we were doing right, what we were doing wrong, and saw that trying to push the current deposit to 2,000 tonnes a day, that's the nameplate capacity on the processing plant, was a mistake, where we're taking too much dilution. We were mining parts of ore bodies that weren't in good shape. In 2019 we discovered what we call the Lupita extension deposit, and during the COVID shutdown we were able to develop that deposit that is adjacent to the Lupita and Diluvio mine workings.

So, when we restarted, because Mercedes is a project where people come in and out, and under the new operating regime we have to have people stay on site for two weeks between changes, and without a large camp, we couldn't bring enough people in, even if we wanted to be 2,000 tonnes a day.

So, we had to implement a mine plan that had lower tonnage, less people on site, and we operate the mill in batches. But we are having continued success in developing and drilling the Lupita extension. We're drilling off a deposit adjacent to that called San Martín, and on the main Mercedes vein trend we're having success in delineating the Marianas deposit.

In the future, assuming the world goes back to normal, and we can bring people in and out every day, we can have more people on site, and hopefully we'll develop Marianas and the San Martín deposit, and that will allow us to consider going back to 2,000 tonnes a day, which would bring the production

back up to the, I'd say, 70,000 to 90,000 ounce range, depending on what grades you're mining in which year.

Kerry Smith:

Okay, that's great. Thanks very much. I appreciate it, guys. Good luck.

Christian Milau:

Thanks, Kerry.

Operator:

The next question comes from Ryan Thompson with BMO Capital Markets. Please go ahead.

Ryan Thompson:

Hey, guys. Congrats on the deal and thanks for taking my questions.

I think most of my questions have been asked, but can you just clarify what the capital structure of the new i-80 Gold is going to look like, how many shares are going to be outstanding, and how we should be thinking about valuation on the \$75 million proposed financing? Thanks.

Ewan Downie:

I'll speak to that. Premier currently has just over 230 million shares outstanding. The planned ratio, it hasn't been set in stone, but it's essentially set, will be 0.4 shares for every 1, which will result in around 100 million shares being outstanding for i-80 Gold to the current Premier shareholders.

On top of that, there will be the 30% ownership by Equinox and we will, between now and the time of the financing, sit down with Equinox, go through the economics of each project, there are now the three projects going into it including Getchell. We do have technical reports, we're just in the final process of completing a pre-feasibility study for our portion of Arturo. So, there will be a good backup for what valuation it'll have in the future.

With that, we'll agree to a price to what the financing will be done for the additional \$75 million, and at the end of that I expect we'll have somewhere around 150 million shares outstanding, and a cash balance of somewhere over C\$100 million. So, the company will be in fantastic shape coming out of the

gate, with good assets and great support, and I believe that will bring tremendous value to Equinox, to their ownership, by doing that.

And big shareholders, Orion currently owns over 13% of Premier, I believe that Sprott/Tocqueville own close to 10%, and I'd like to believe that those companies who have supported Premier over the last decade will continue to do so as well, and we'll have a continued very strong shareholder base.

Ryan Thompson:

Okay, just so I'm clear, there's 100 million shares going to existing PG shareholders, and that's 70%, so if I do 100 divided by 0.7, does that imply about 42 million shares are going to Equinox? Is that right? And then there'd be the financing on top of that?

Christian Milau:

About right, I think.

Ryan Thompson:

Okay, great, thanks. That's all that I had.

Christian Milau:

Thanks, Ryan.

Operator:

The next question comes from John Tumazos with John Tumazos Very Independent Research. Please go ahead.

John Tumazos:

Thank you very much. Congratulations to Equinox, Premier, and Orion for cooperating and solving the structural and capital-raising problems to create value for everybody. I'm so happy.

Christian Milau:

Thank you.

John Tumazos:

Ewan, with regard to i-80 Gold or the Nevada company, as you get the infusion of capital, what will be the key development property or use of the capital? Will it be the restart of the Getchell Pinson operation? Or will the money go around to a group of the properties?

Ewan Downie:

I think with the closing of the Getchell acquisition it will move into being a priority, because it is under care and maintenance, so the Pinson underground is under care and maintenance, we believe with some additional drilling we can define reserves, or very significant reserves, more or less on the lines of what we're doing in El Niño. That would be ramp access. The thing that we'll have to do in the interim is see if there is a transaction that we can negotiate with Nevada Gold Mines for processing for that asset.

We'll also be moving the open pit. The open pit at Getchell is almost two grams per tonne, representing I think one of the highest-grade deposits of its type that you'll find anywhere in Nevada. But that is expected to take a couple of years to permit, so Getchell will be the second priority to South Arturo, assuming that Nevada Gold Mines decides to proceed with one or more of the other pits of the heap leach.

So, I think we'll be well capitalized to advance those projects towards fruition. With McCoy-Cove, which is not fully permitted for production, we'll continue to advance that project in the feasibility process, and that would be the future growth asset.

John Tumazos:

So, it would be Getchell and McCoy-Cove, principally, as opposed to the Gold Banks further northwest projects?

Ewan Downie:

Yes, actually we terminated our agreement with Kinross a bit ago on Gold Banks because we weren't having the level of success that we're hoping. So, the focus will be on the three core projects.

John Tumazos:

Ewan, I apologize, I was studying your legal agreements, but to what extent is there feedback or impact between the Sierra Orion transaction and the Equinox-Premier transaction?

That is, if there is some litigation or higher bid that reprices the Centerra sale, is that a benchmark that influences or prompts a repricing of the Equinox-Premier transaction?

Christian Milau:

We view them as separate transactions. Obviously, there is a deal done between Centerra and Premier, which obviously involved Orion, but these are separate transactions.

Ewan Downie:

The agreement that was signed was a definitive agreement, and for that agreement to happen, for the agreement for the sale of the property to happen, it needs Premier's approval because of the ROFO rights that each partner has for each other's interest. We had to provide security as part of that, Premier had to provide security over its property as well to be part of that. The only way we would provide security is if it was Orion buying that property. So, I think it's a pretty solid agreement, and I think the \$300 million that is being paid for it is a good value for the project.

Operator:

The next question comes from Daniel McConvey with Rossport Investments. Please go ahead.

Daniel McConvey:

Ross, Christian, and Ewan, congratulations on the deal. I like what I see. I like the cooperation. Ewan, I like the name i-80 Gold, because it reminds me of a lot of speeding tickets.

Just on the development of Hardrock, I realize you got to sequence it in with the rest of Equinox's projects, but how fast could you get started breaking ground on that, if it became a priority?

Christian Milau:

I think the way to think of it is, this thing closes around the end Q1, [so we could probably start advancing Hardrock] in the second half of 2021. I don't want to promise any earlier. I mean, I guess theoretically it could be quicker, but I think the second half of 2021, so say Q3-Q4.

Daniel McConvey:

Okay, and are there any—there was just a feasibility study completed, I realize that—but is there more work that you would look at before doing that, i.e., looking at the underground, or is that something you would look at down the road?

Christian Milau:

Doug Reddy's here, our Chief Operating Officer, so he'll take that one.

Doug Reddy:

We've obviously done due diligence work and been through the various studies on Hardrock, and we see opportunities. There are areas that we would love to be able to go through in depth with the team that has inherently come to know the project so well, and they've done an optimized feasibility study so they've de-risked it a lot, but there are things that we want to sit down and talk to them about, opportunities that we like to look at and for them to consider, and we'd like to do that before we get too much further down the road. But, of course, let's close it first, and then we'll get going with that.

Daniel McConvey:

Okay. Great. Thanks very much, guys.

Christian Milau:

Thanks, Dan.

Operator:

The next question comes from Andrew Weekly with SmithWeekly Research. Please go ahead.

Andrew Weekly:

Good morning, everyone. Hey, well done on this to both companies reaching an agreement on this transaction.

Assuming completion in Q1 2021, following on to the prior questions, I just want to confirm that the critical path here is immediate construction of Hardrock, of course with the proper timing there, and will that be going simultaneous with Los Filos, Castle Mountain expansions, and also with Santa Luz construction all progressing in 2021?

Christian Milau:

Hi, Andrew. I'll take that. It's Christian.

What we see happening here is basically Santa Luz will pretty much be coming towards completion before we're probably doing a heck of a lot of work on the ground at Hardrock, in late 2021, so there isn't really an overlap on those two.

Then Castle Mountain Phase 2 is two to three years of permitting, so that kind of gets us into construction there after you get Hardrock done, so I would say those are almost sequenced rather than anything in parallel between them, and the only one that I think has some parallel overlap will be Los Filos. That's got three parts to it that will run independently, and we've already got underway with the underground development and the open pit development there, and stripping at Los Filos, and it would just be the timing of a CIL plant build. So, that's the only one I think that would have overlap; the other ones are sequential.

Andrew Weekly:

That's great. A lot on your guys' plate, but this is beautiful. Thanks, everyone. Merry Christmas, and stay safe.

Christian Milau:

Thanks, Andrew. Same to you.

Ross Beaty:

Thank you, Andrew.

Rhylin Bailie:

Thank you, everybody.

I'm going to have to cut the call short, because I need to get Christian over to a BNN interview. Thank you to everybody for dialing in today. There were a few questions that we didn't get to; my apologies, I will get back to you by e-mail.

I'll turn it back to Christian, Ross and Ewan now for closing remarks.

Christian Milau:

Ross, do you want to close?

Ross Beaty:

Yes, I think it's been a good call. I think people have had a general view of kind of how we look at this. I can't wait to get to closing and launch. We've got a fantastic project, great partners now, with Orion, and we're just really looking forward to getting this closed, and we hope we've made a convincing case to everybody as to why we wanted to do this deal and contribute to building an incredible gold company, a globally significant gold company, with Equinox Gold.

Christian Milau:

Thanks, everyone.

Rhylin Bailie:

Thank you for calling in. Operator, you can disconnect the call.

Operator:

This concludes today's conference call. You may disconnect your lines. Thank you for participating, and have a pleasant day.