



Ryerson  
**Investment**  
Group



TSE: EQX | NYSE: EQX  
December 2021  
**Target Price: \$US 8.99**

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Recommendation to BUY Equinox Gold at a target price of **\$8.99**, representing an upside of **35.19%**

## Investment Theses

I) Gold Demand



II) Robust Financials



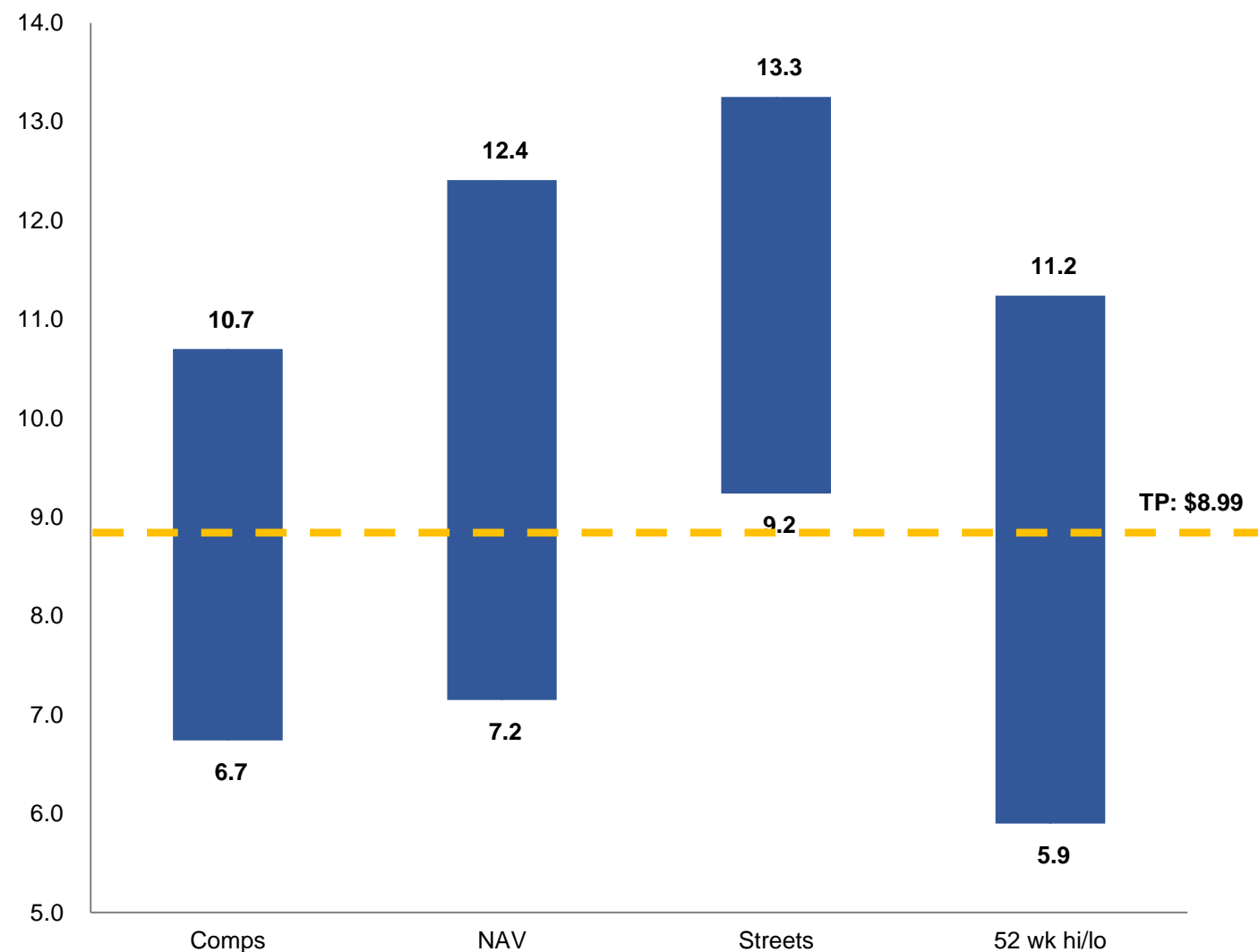
III) Strong Reserve and Production Expansion



## Blended Valuation Summary

Combined Price Target		
Method	NAV	Comps
Implied Share Price	\$10.21	\$7.77
Weight	50%	50%
Blended Target Price	\$8.99	
Upside (Downside)	35.19%	

## Football Field Valuation





# Company Overview

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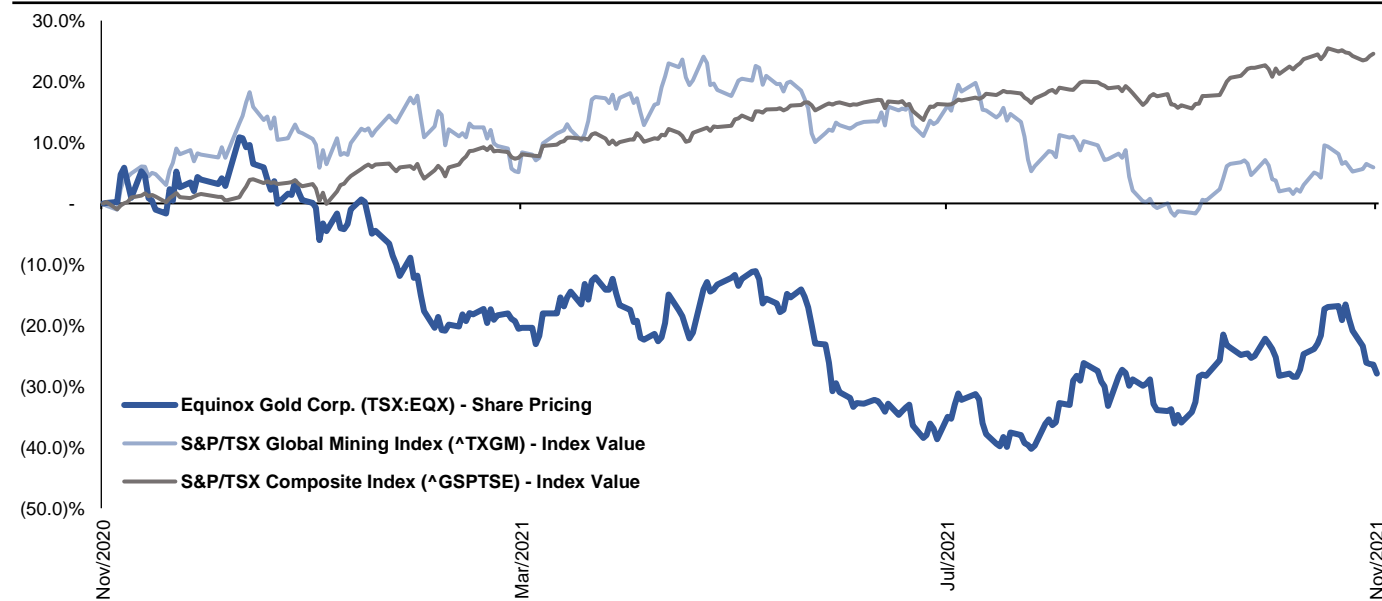




## Company Description

- Founded in 2007 and headquartered in Vancouver, Equinox Gold Corp. is an intermediate gold producer with 16.4 Moz and ~600 Koz Gold production
- The company 7 producing assets across multiple jurisdictions: Los Filos, Mesquite, Castle Mountain, Aurizona, Fazenda, Mercedes and RDM
- Currently expanding Los Filos, Castle Mountain and Aurizona
- It has 2 exploration assets: Santa Luz, Greenstone
- Equinox operates across Brazil, Mexico, Canada, and the US

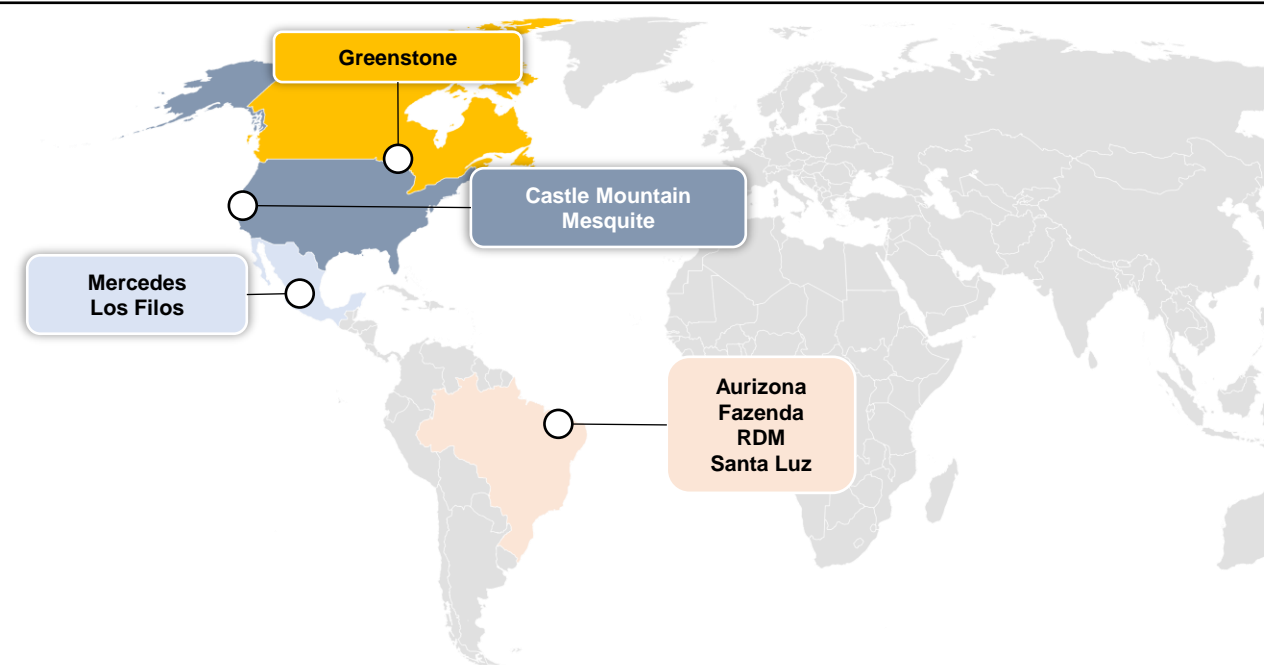
## Performance Relative to Index



## Key Figures

Share Price (USD)	\$6.65	Average Realized Gold Price (USD)	\$1,780/oz
Market Cap (MM)	\$2,775.3	EV/EBITDA	7.26x
Enterprise Value (MM)	\$2,943.4	D/E	1.7x
P&P	16.4 Moz	Dividend Yield	0.00%
P&P Grade	0.82	P/NAV	0.63

## Operating Geographies



*Management team has a deep well of experience and significant holdings from various companies*

## Key Executives



### Ross J. Beaty - Independent Chairman of Board

- Appointed Chairman and Executive Chairman in December 2017
- Ross had extensive experience in the international minerals industry including being founder and investor of several public mineral resource companies and working in more than 50 countries
- Ross was the Executive Chairman at Alterra Power Corp. (Magma Energy Corp.) between January 22, 2008, and February 6, 2018



### Christian Milau - Chief Executive Officer

- Appointed Chief Executive Officer in August 2016
- Led the company through 4 mergers and acquisitions
- Before joining Equinox, Christian had more than 20 years of experience being the CEO of True Gold and held senior positions at Endeavor Mining, New Gold, BNP Paribas in London, and Deloitte



### Greg Smith, CPA - President

- Appointed President in March 2017
- Before joining Equinox, Greg was the CEO of JDL Gold, Anthem United, Esperanza Resources, CFO of Minefinders Corporation, and managing positions at Goldcorp, KPMG LLP mining division, and Premier Royalty

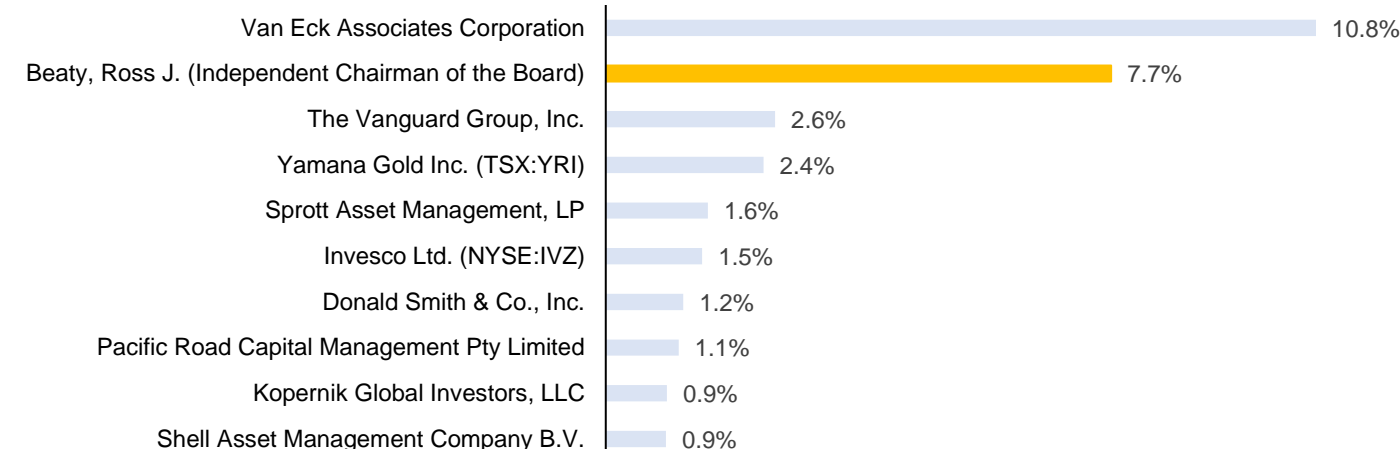


### Peter Hardie, CPA - Chief Financial Office

- Appointed Chief Financial Officer in August 2016
- Peter was the CFO of True Gold and had 10 years at Nevsun Resources Ltd.
- Before joining Equinox, Peter had 17 years of experience in finance, accounting, business development, government negotiation, construction, treasury system, and operations experience

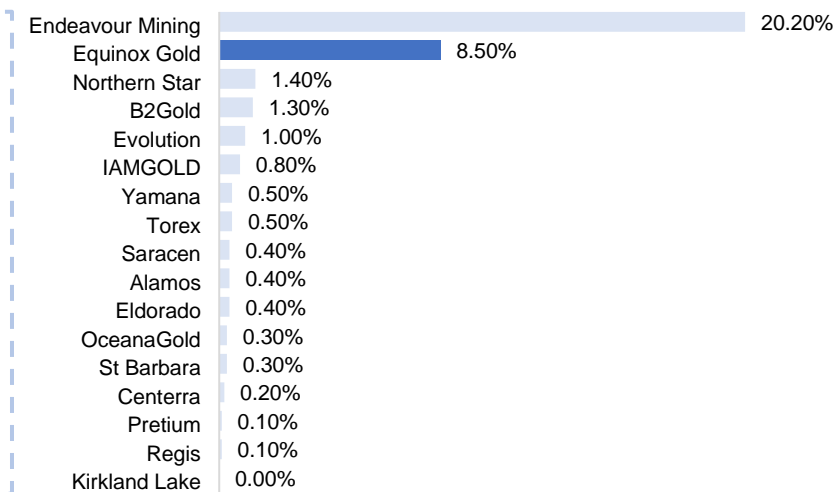
## Ownership Summary

### Top 10 Holders (% of Shares Outstanding)

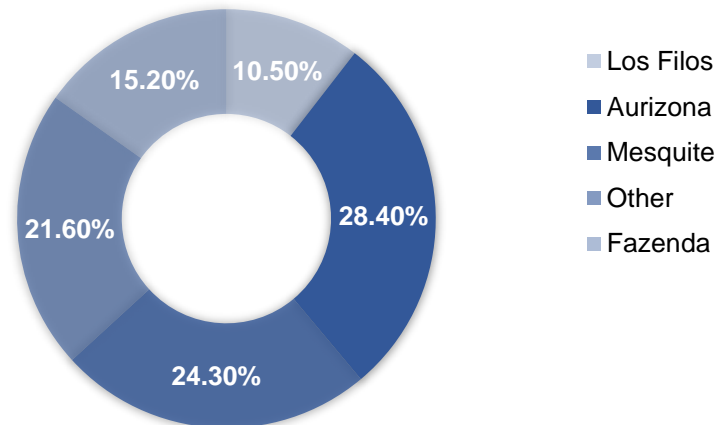


## Comparable Ownership

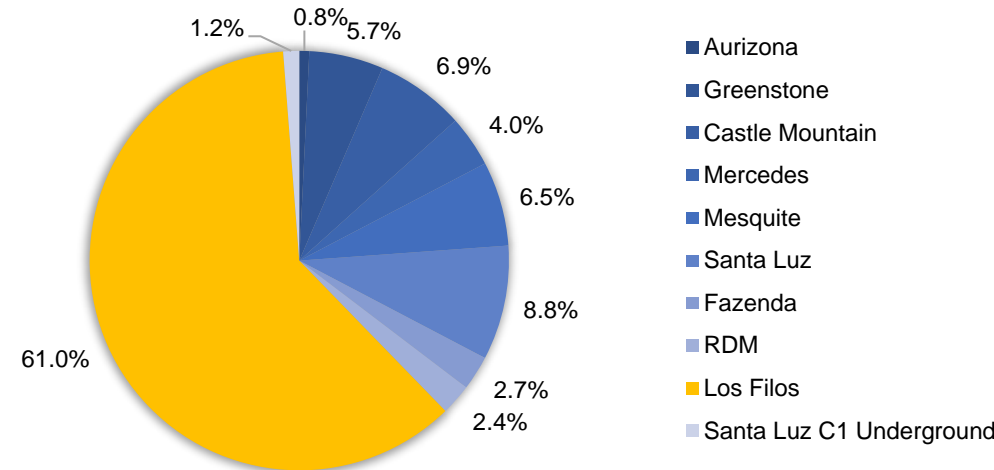
- **Ross Beaty** is a significant holder at 7.7% of the company (\$187.5M) Increased holdings by \$1.14M in August 2021
- **Christian Milau** owns 0.1% of the company, amounting to \$2.19M
- **Grey Smith** owns 0.1% of the company, amounting to \$2.28M
- **Peter Hardie** owns 0.04% of the company, amounting to \$0.9M



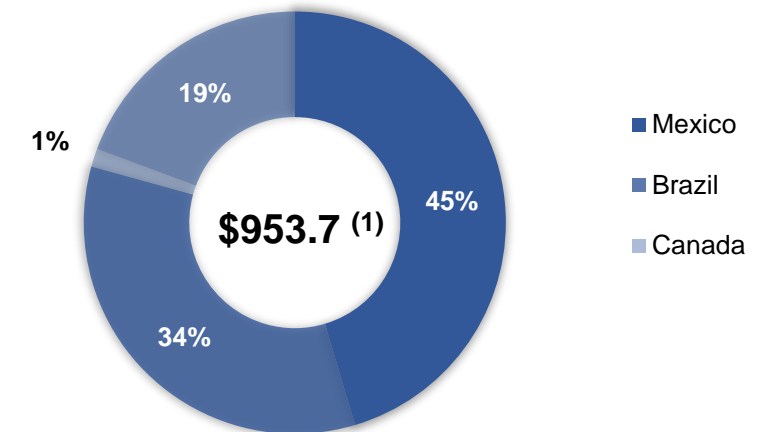
## Revenue by Mine



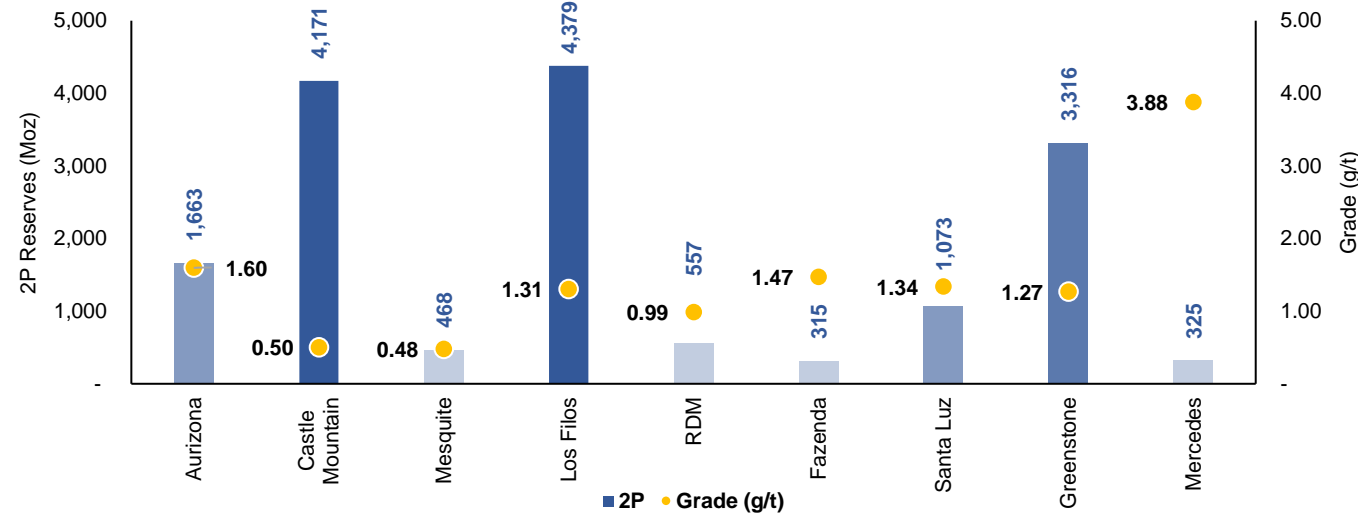
## Mine NPV as a % of NAV



## Revenue by Geography



## P&P Reserves by Asset



## Premier Americas Focused Gold Producer

- Strategic vision of building a company that will responsibly produce over 1 million ounces of gold annually
- Highly diversified mining portfolio with revenues dispersed across multiple mines and jurisdictions
- Americas-focused with ongoing robust pipeline and expansion opportunities
- Additional operations in South American regions (Brazil & Mexico)
- Strong reserves and high gold grades across all assets
- Each asset is wholly owned by the company except for Greenstone, with a 60% interest

(1) LTM Revenue



## Mine Highlights

- **Location:** Mexico
- **2P:** 4,379 Koz @ 1.31 G/T
- **2021 Production:** 120 – 140 Koz
- Consists of three open pits and two underground mines
- **Expansion:** underground, enlargement of open-pit, and construction of CIL processing facility

Los Filos Mine Complex



- **Location:** Mexico
- **2P:** 3025 KOZ @ 3.90 G/T
- **Annual Production:** 50,000 oz
- **AISC:** \$1,025-\$1,075
- Expansion potential from increased plant throughput

Mercedes



- **Location:** California, US
- **2P:** 4,168 KOZ @ 0.51 G/T
- **2021 Production:** 20 – 30 Koz
- Open-pit heap leach gold mine
- Produced 1.2 million ounces of gold from 1992 to 2004
- Company preparing to permit the Phase 2 expansion, increasing annual production to 200 Koz

Castle Mountain



- **Location:** California, US
- **2P:** 471 KOZ @ 0.48 G/T
- **2021 Production:** 130 – 140 Koz
- **AISC:** \$1,375-\$1,425/oz
- A ROM heap leach gold mine
- Produced on average 130,000 ounces over the last 10 years

Mesquite



- **Location:** Ontario, Canada
- EQX owns a 60% equity stake
- **2P:** 5.5 Moz @ 1.27 G/T
- **Estimated AISC:** 618/oz

Greenstone



### MEXICO

### NORTH AMERICA

- **Location:** Brazil
- **2P:** 1,663 Moz @ 1.60 G/T gold
- **2021 Production:** 130 -140 Koz
- **AISC:** \$1,025 – 1,075/oz
- Open-pit
- **Expansion:** underground and satellite open-pit deposits

Aurizona



- **Location:** Brazil
- **2P:** 315 KOZ @ 1.47 G/T
- **Production:** 60,000 – 65,000 oz
- **AISC:** \$1,100-1,150/oz
- Underground mine

Fazenda



- **Location:** Brazil
- **2P:** 1.1Moz @ 1.34 G/T
- **Estimated AISC:** 877/oz
- Underground mine in development

Santa Luz



- **Location:** Brazil
- **2P:** 556 KOZ 0.99 G/T
- **2021 Production:** 50 – 54 Koz
- **AISC:** \$1175-\$1,225
- Conventional open-pit gold mine

Riacho dos Machados (RDM)



### BRAZIL



*Diversified asset portfolio across four high-quality countries*

## Latin America

### Brazil

- Domestic market of nearly 210 million inhabitants
- World's seventh-largest gold supply, but only 13th largest producer
- Rich history of mining; strong understanding of mining and acceptance
- 3.6 Moz reserves
- ~250 Koz annual production
- >350 Koz with Santa Luz and expansions

### Mexico

- 4.8 Moz reserves
- ~220 Koz annual production
- >400 Koz with expansions
- No foreign ownership restrictions or mining-specific taxes or royalties
- Improving business environment

## North America

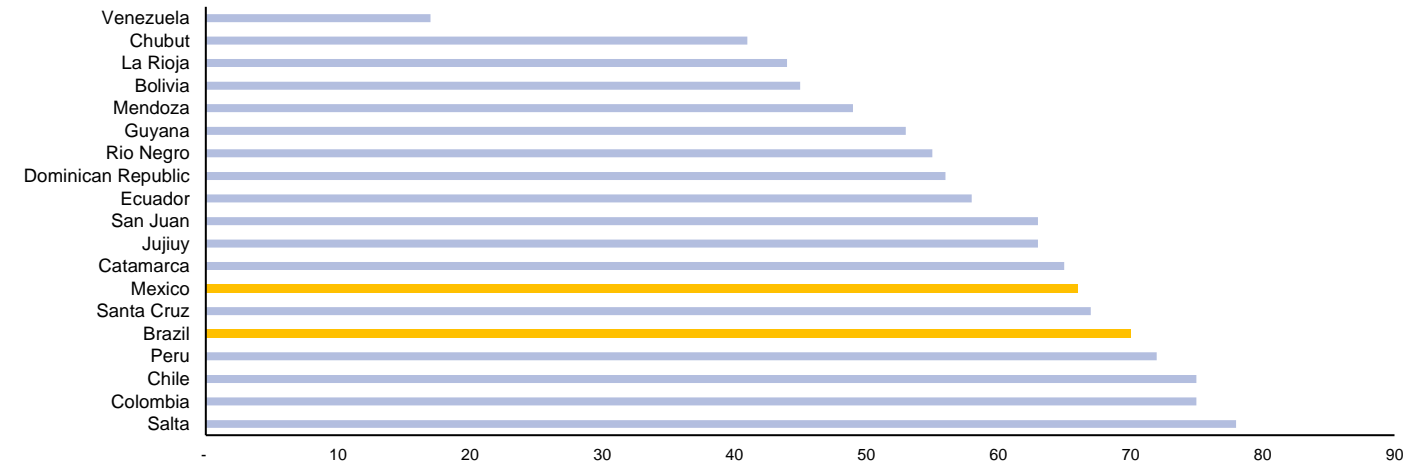
### United States

- 4.6 Moz reserves
- ~170 Koz annual production
- >300 Koz with expansions
- Ranks 4th in annual gold production
- Stable political and social environment

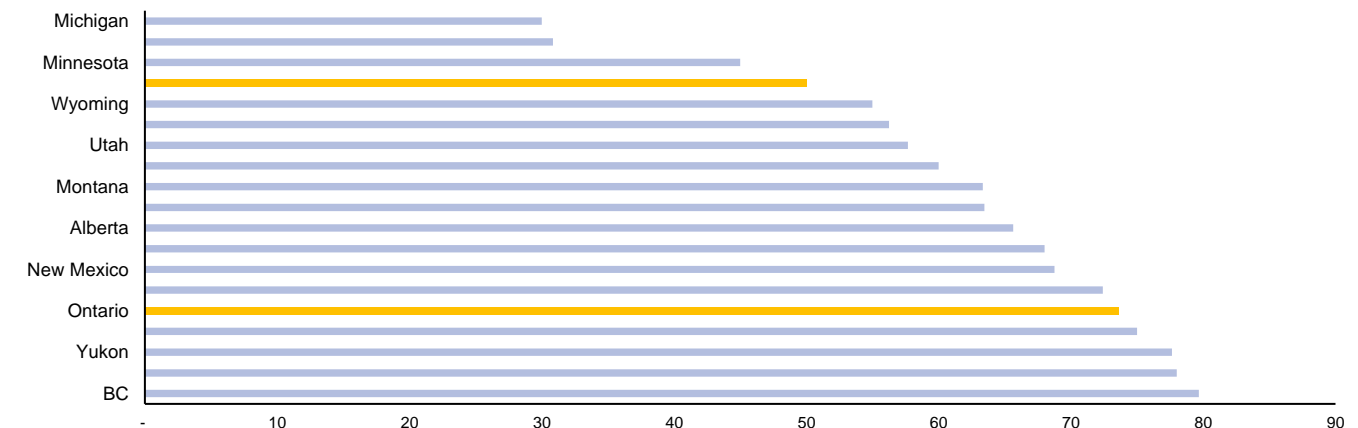
### Canada

- 5.5 Moz reserves
- ~240 Koz annual production
- First production in 2024
- Overall, Canada is the second-most attractive investment jurisdiction globally
- Stable political and social environment

Investment Attractiveness Index Latin America



Best Practices Mineral Potential Index North America



Sources: Fraser Institute

# Competitive Positioning

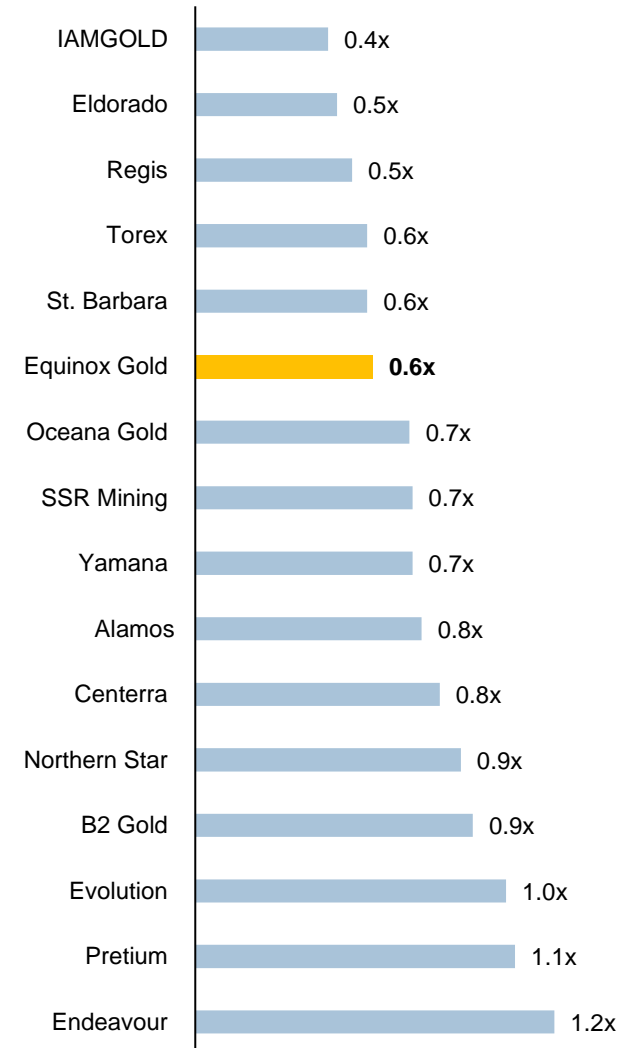
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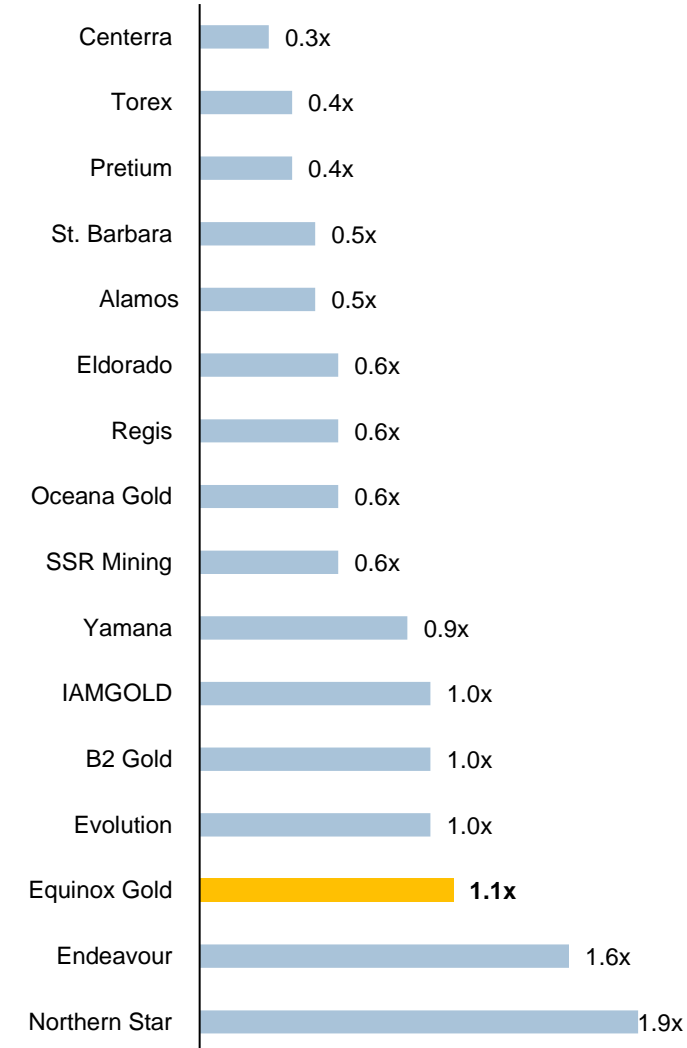


# Competitive Positioning

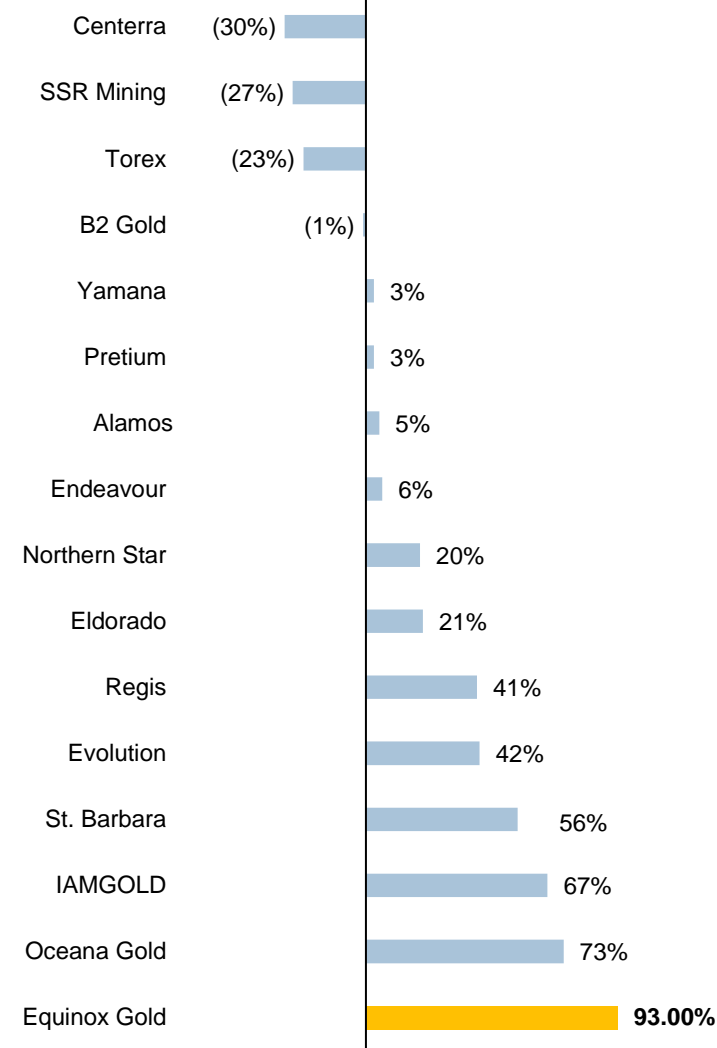
## P/NAV



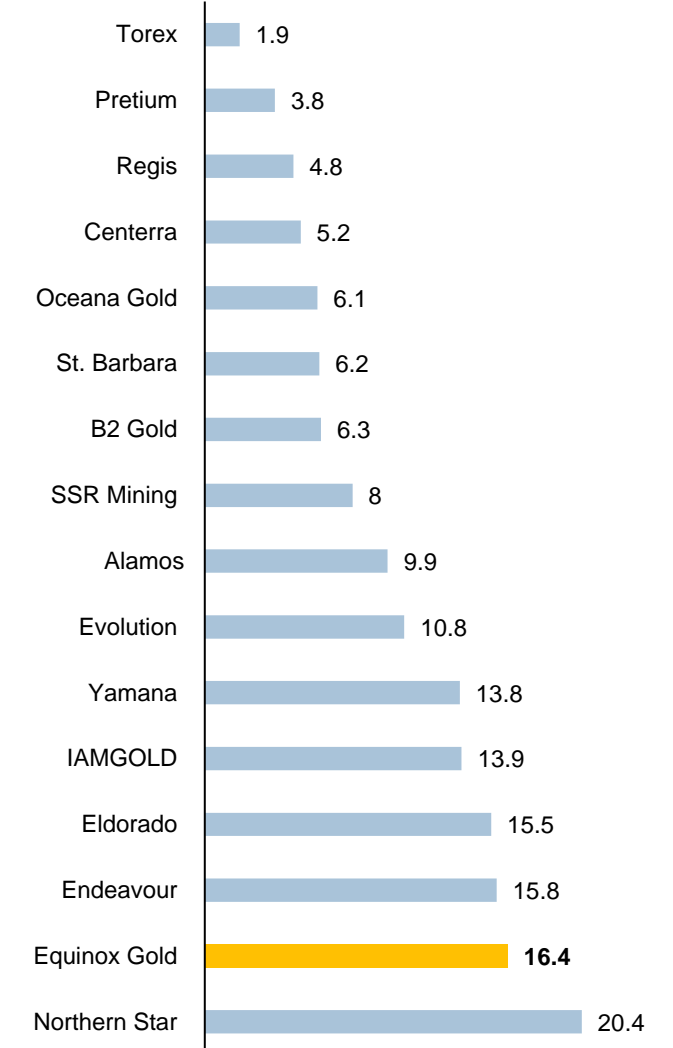
## 2024E Production (Moz)



## 2021E – 2024E Prod. Growth (%)



## 2021 Total Reserves (Moz)





# Macroeconomic Outlook

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# Macroeconomic Drivers of Gold

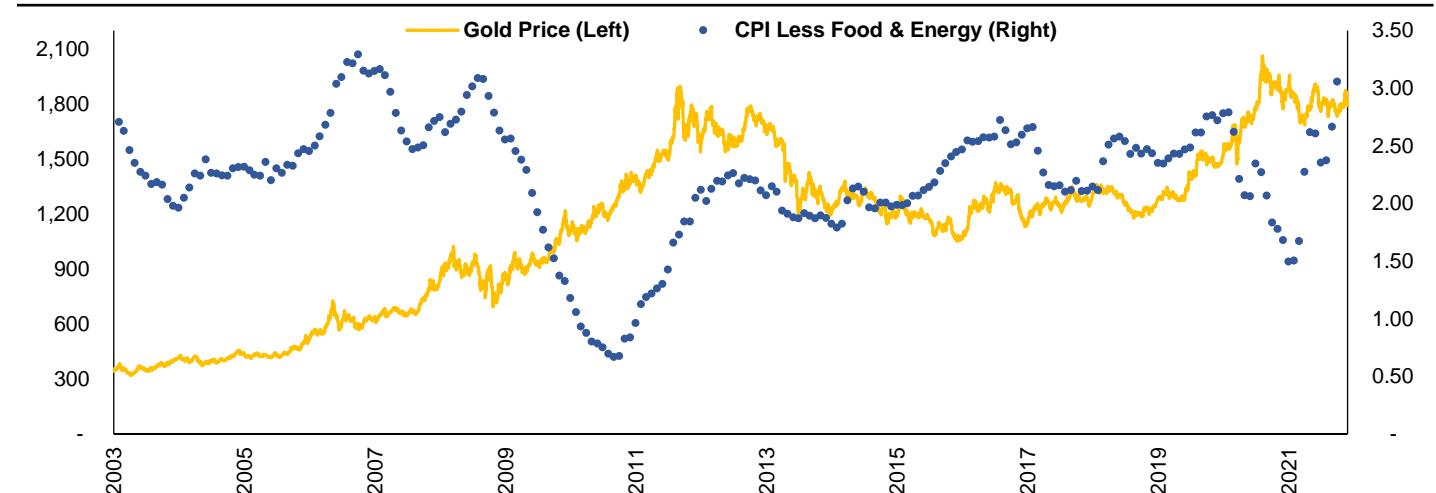
*Real rates, the driver of gold, is headed lower as inflation increases outpace treasury yields*

\*All Dollar Figures in USD

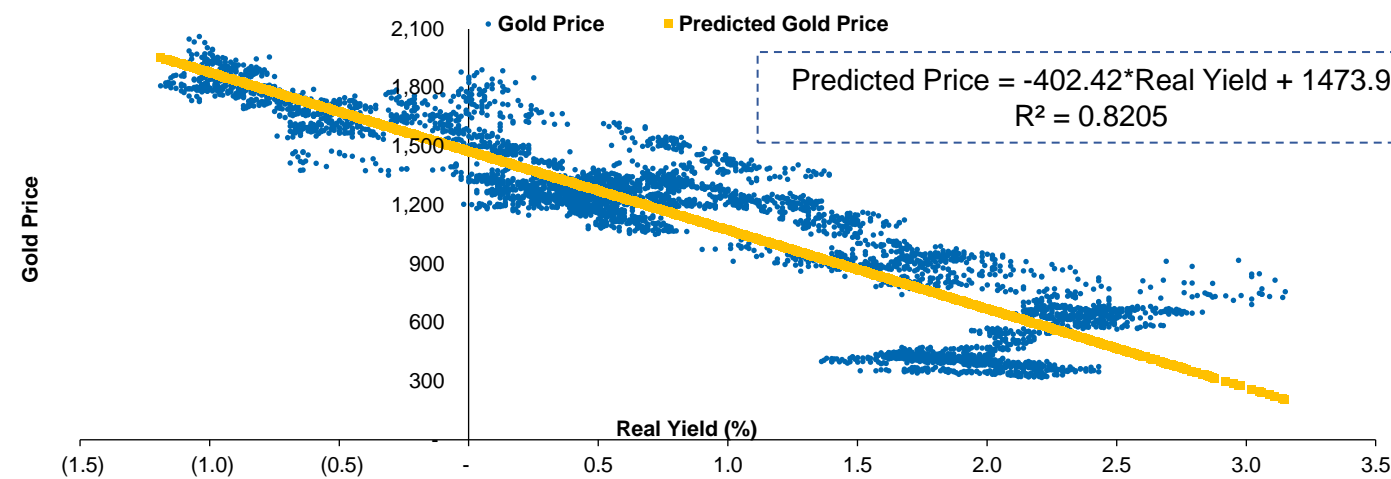
## Real Rates



## Inflation



## Significant Negative Correlation Between Gold Price & Real Yield



## 10-Year Treasury Yield



Source: St. Louis Fed



# Investment Theses

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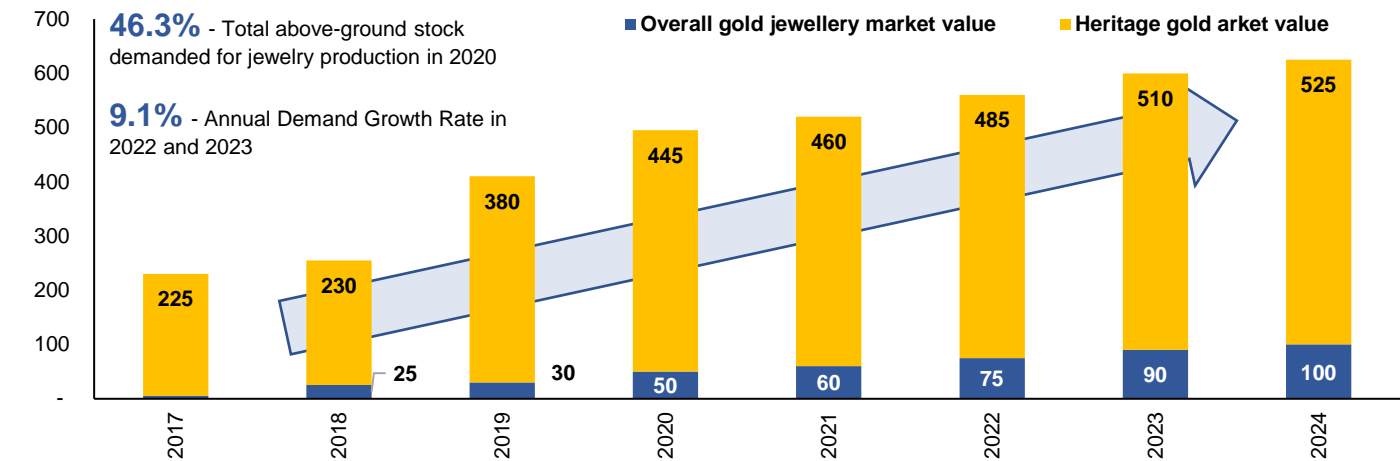




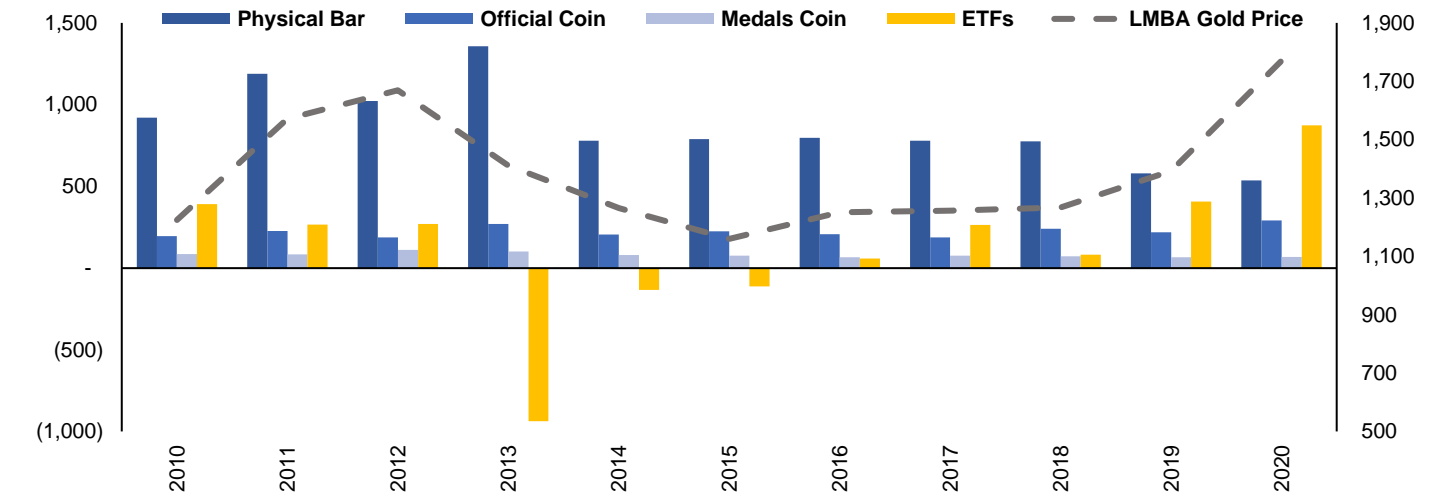
# Investment Thesis I: Gold Demand

*The average annual growth rate of gold demand is 5.7% in 2022 and 2023*

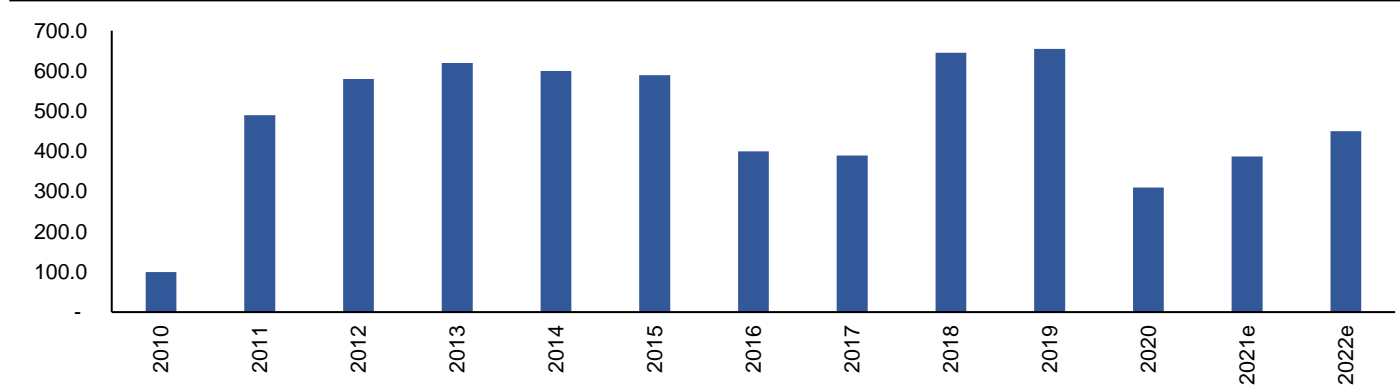
## Gold Jewelry Market Value in China (Bn Yuan)



## Increased ETF Flows

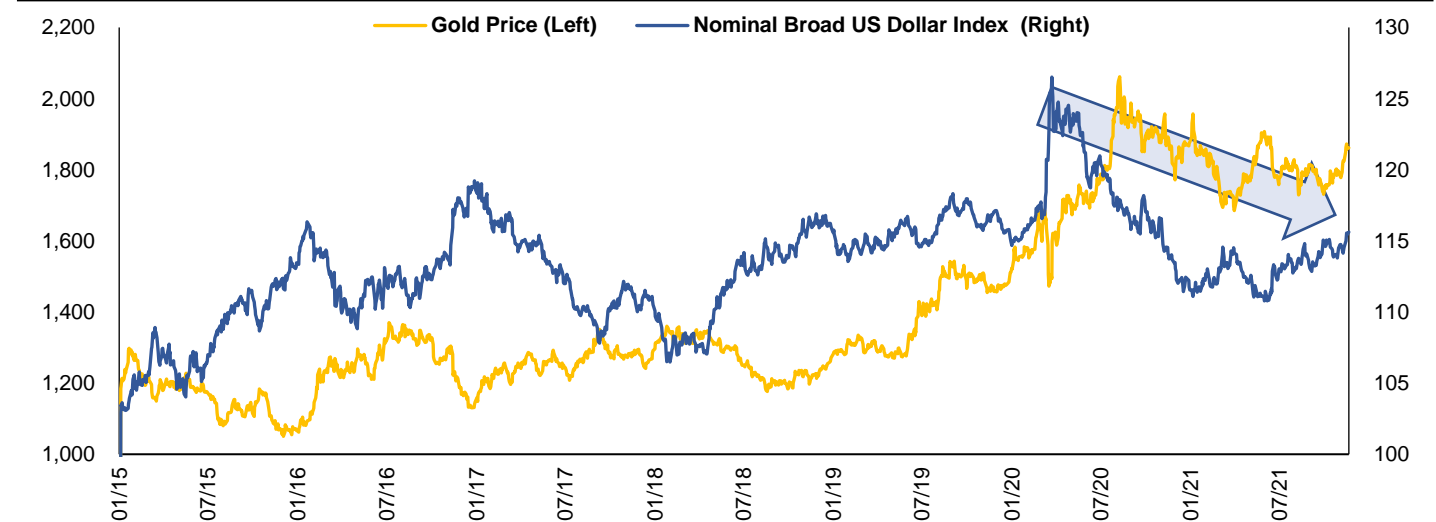


## Net Gold Purchases by Central Banks



**National Bank of Poland** accelerates its plan to buy 100 tons of gold in 2022, bringing the global ranking of national gold reserves from 24th to 18th. This is to prepare for future economic turbulence, political crisis, and unstable foreign exchanges while ensuring the country's payment liquidity

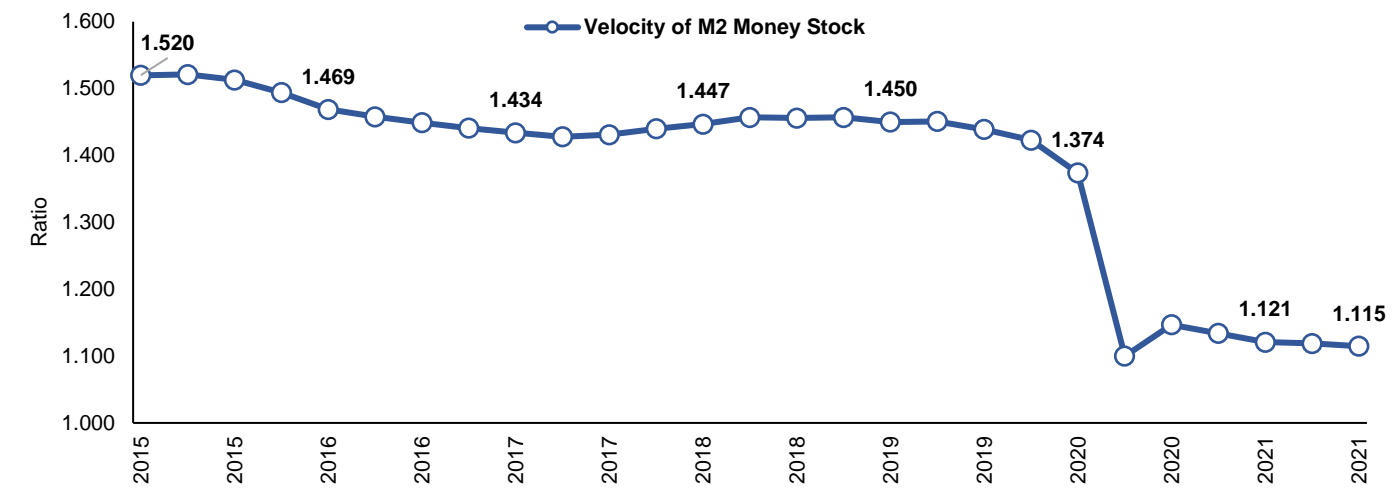
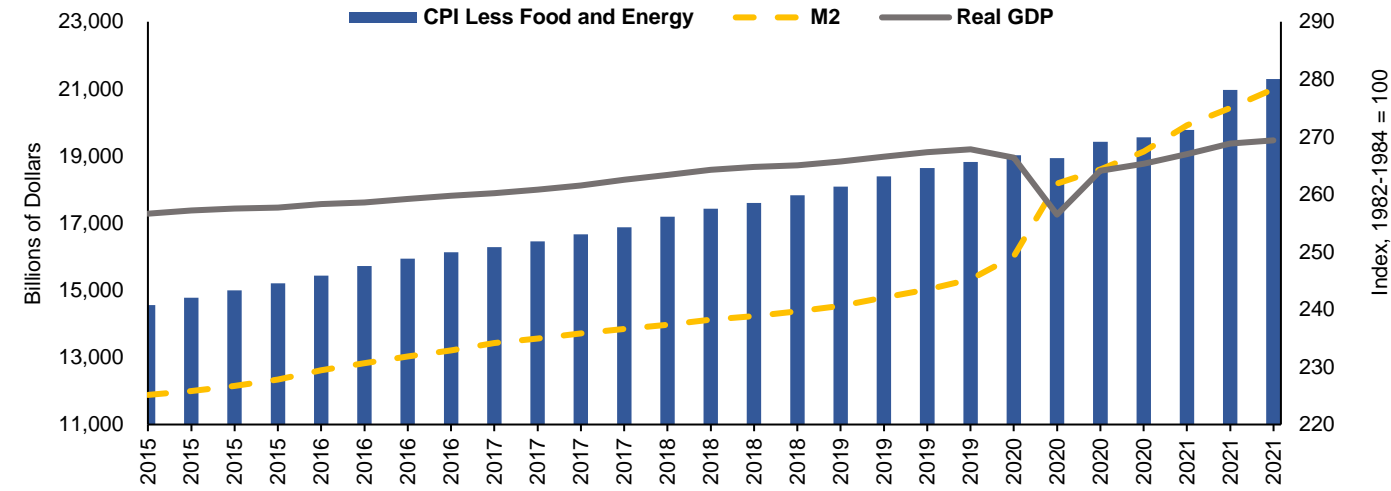
## Weak US Dollar



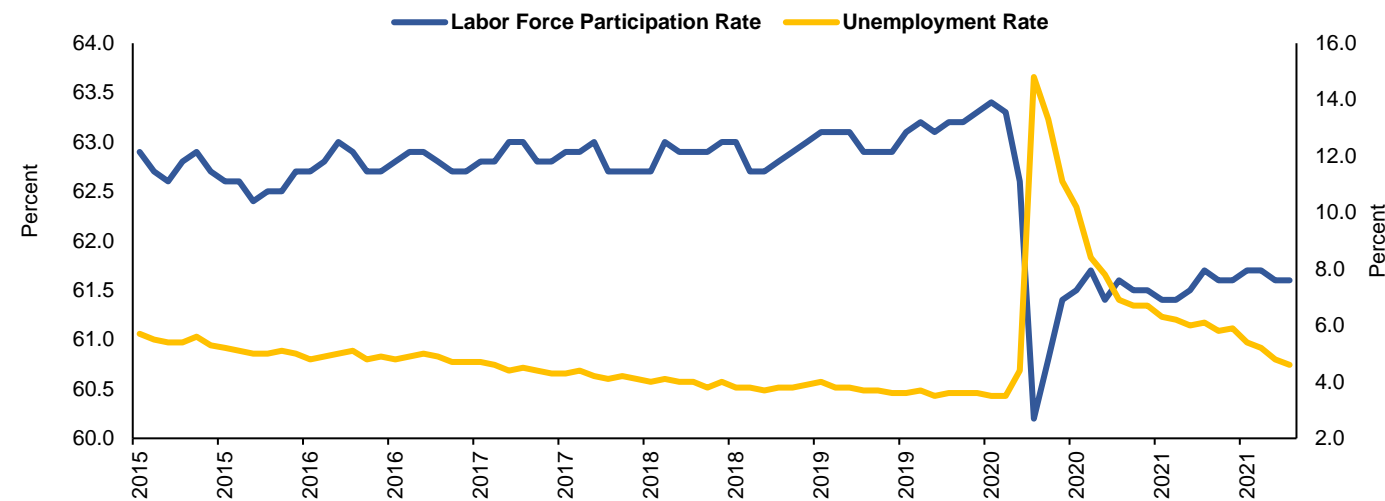
# Investment Thesis I: Investment Demand

*Concern for stagflation*

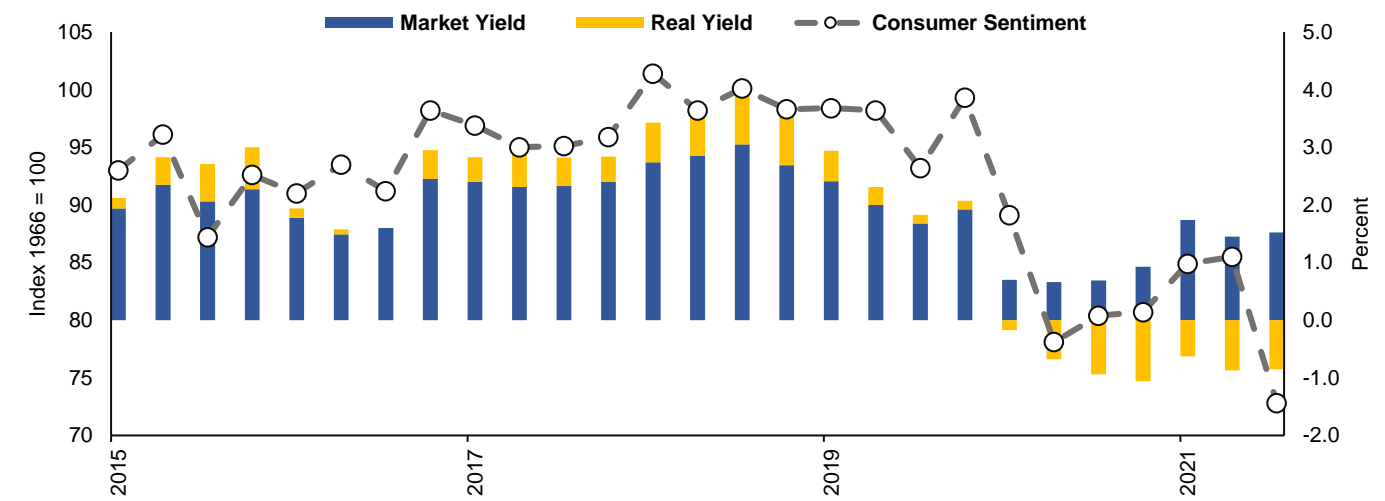
## Velocity of Money and Demand-pull Inflation



## Participation Rate vs Unemployment Rate



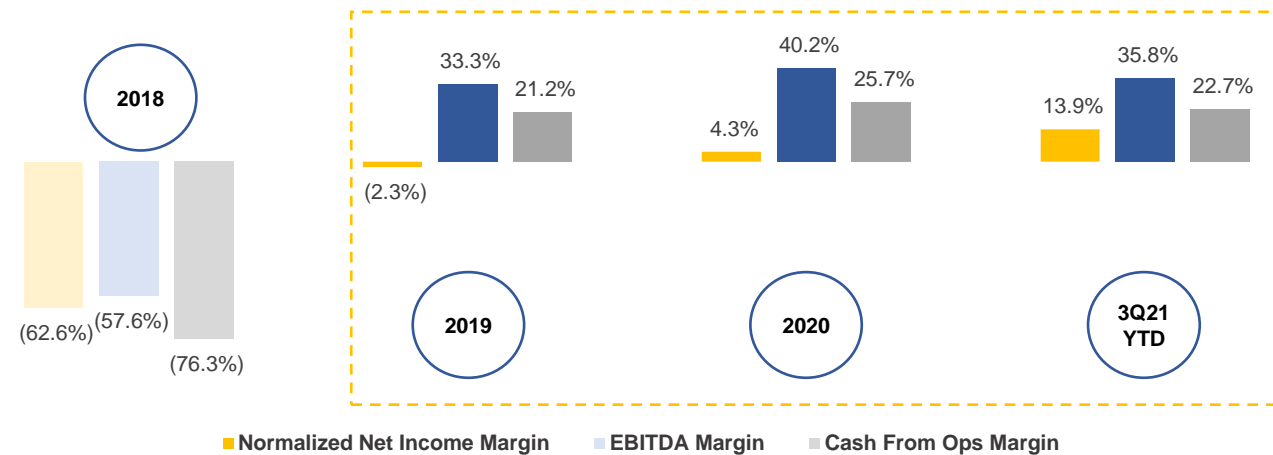
## Consumer Sentiment Index vs Treasury Yield



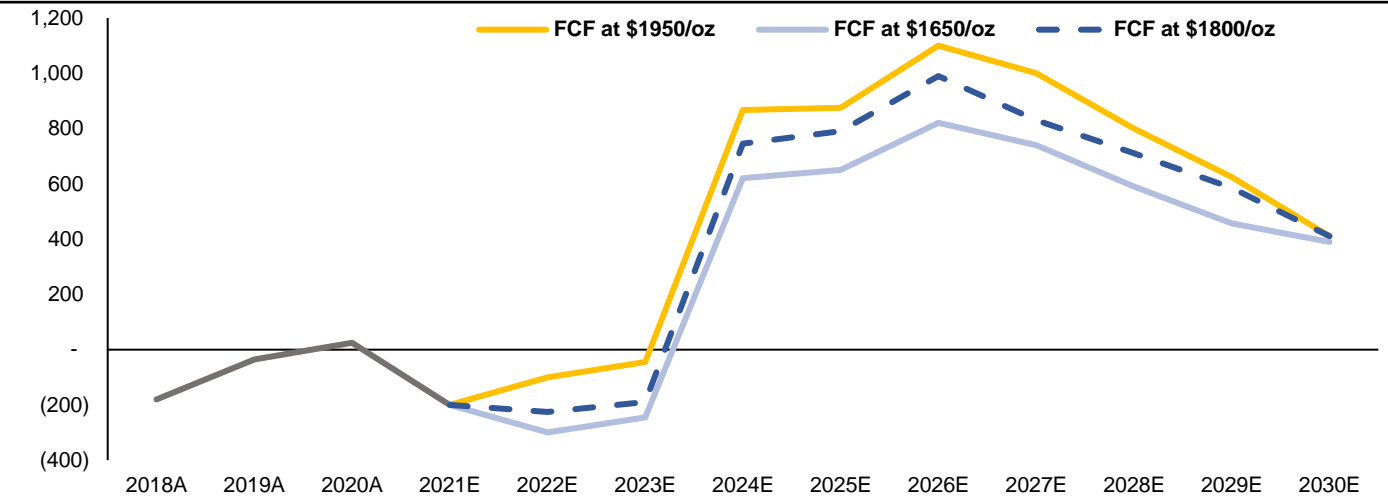
# Investment Thesis II: Strong Financials

*A history of cash efficiency and steadily improving cash flow while lowering debt*

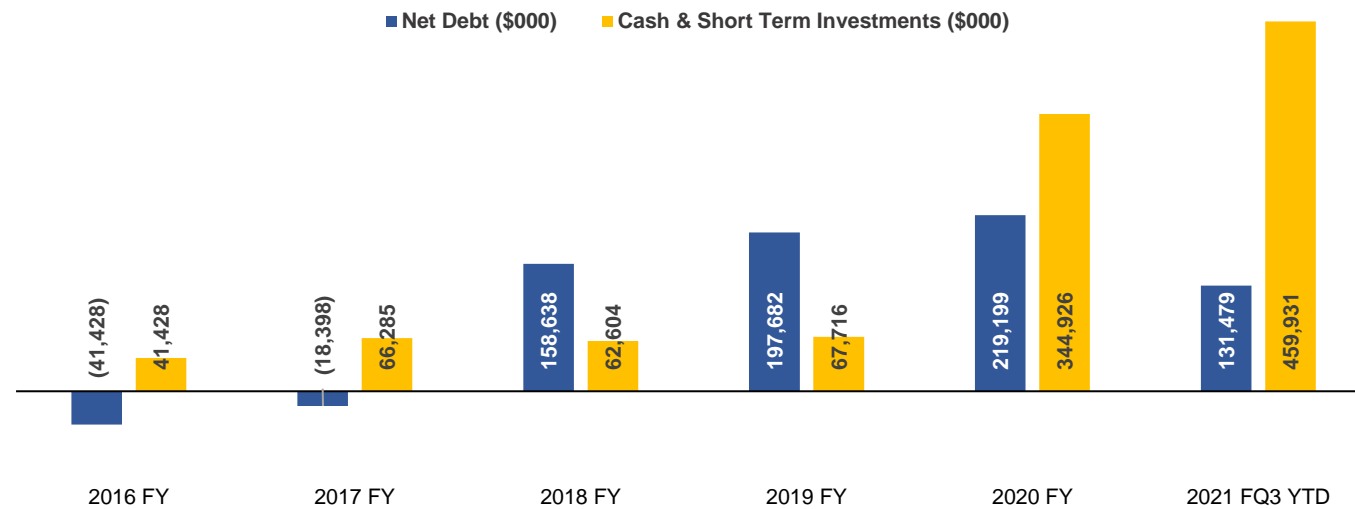
## Net Income & EBITDA Margin Improvement



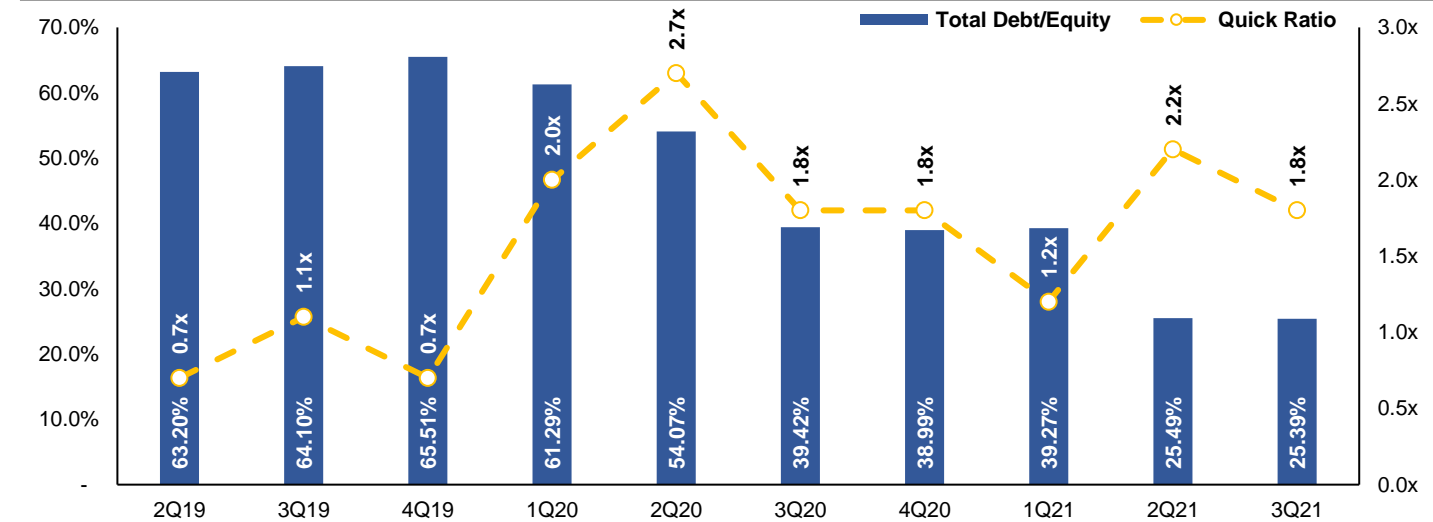
## Free Cash Flow Profile



## Well-Funded for Near Term Growth



## Total Debt to Equity

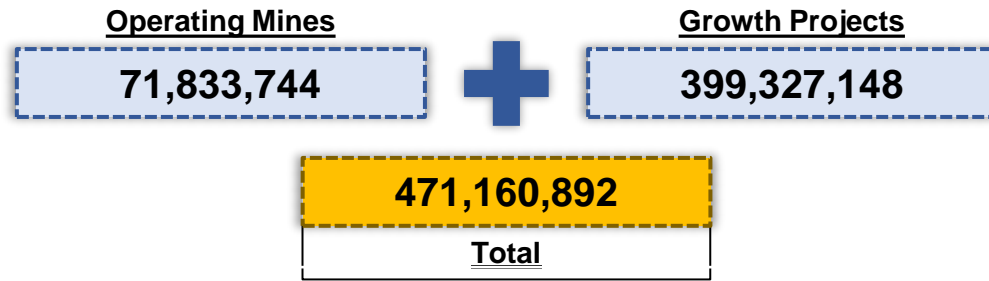




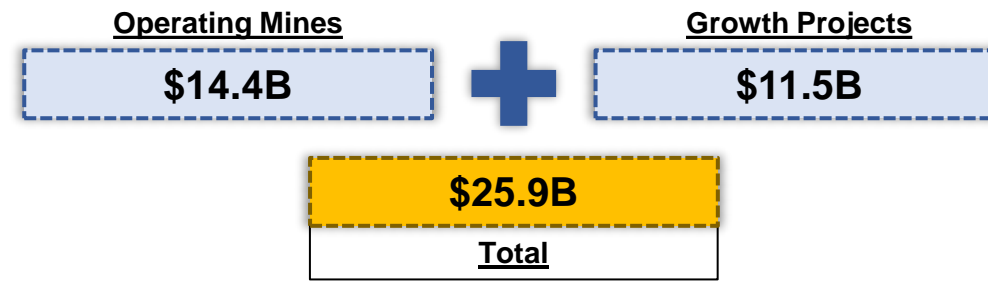
# Thesis III: Well-positioned for a Robust Expansion

Promising pipeline coupled with a strong balance sheet

## Updated Production Level (Tonnes) – R&R

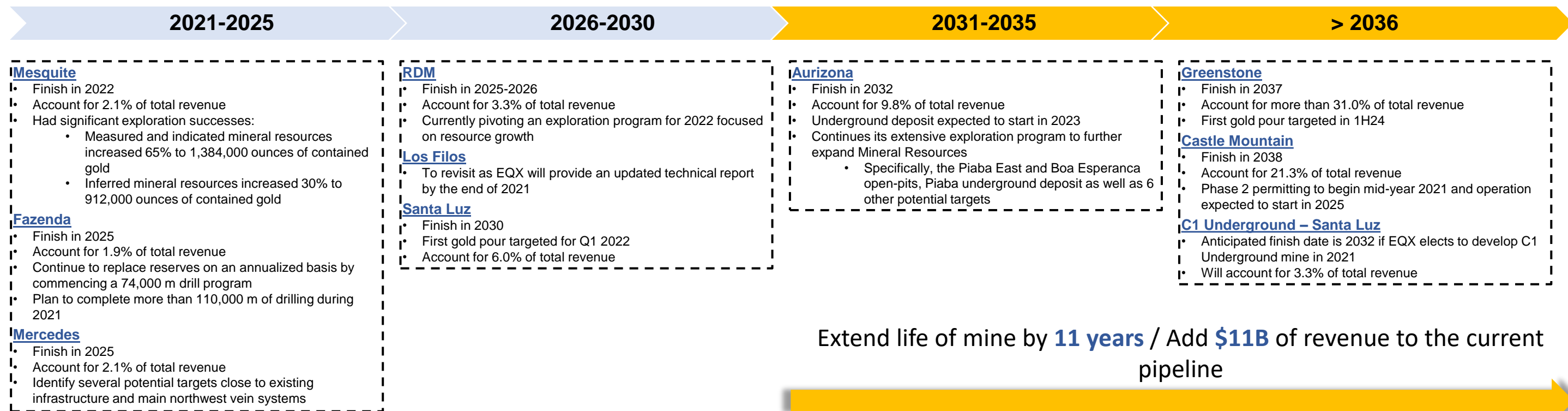


## Updated Total Revenue (\$USD)



**Total FCF: \$6.8B**

## Life of Mine Schedule

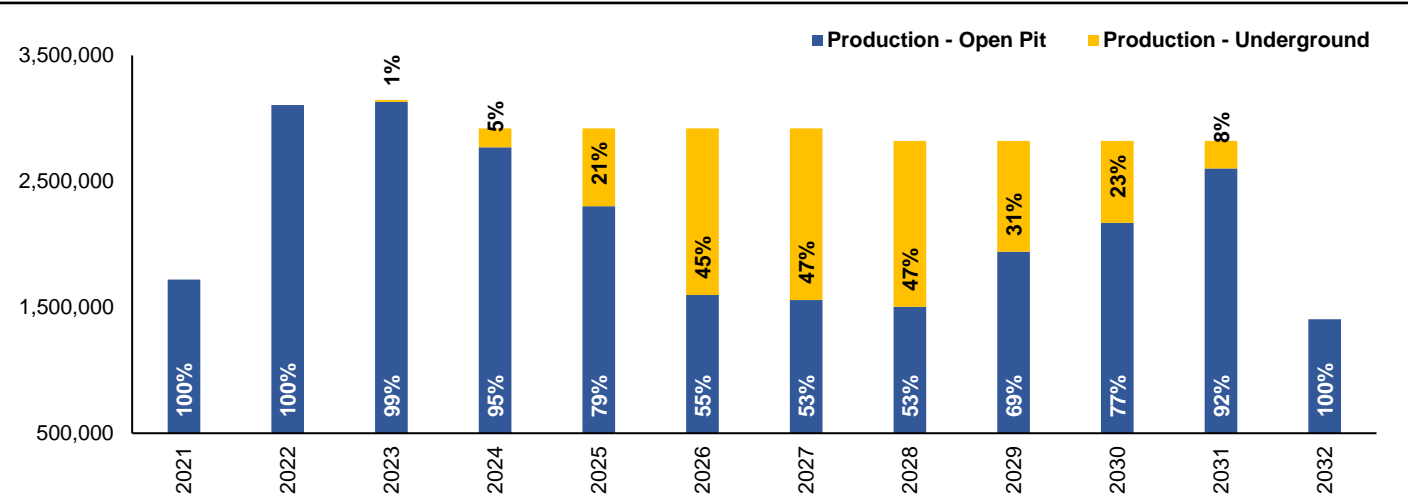


Extend life of mine by **11 years** / Add **\$11B** of revenue to the current pipeline

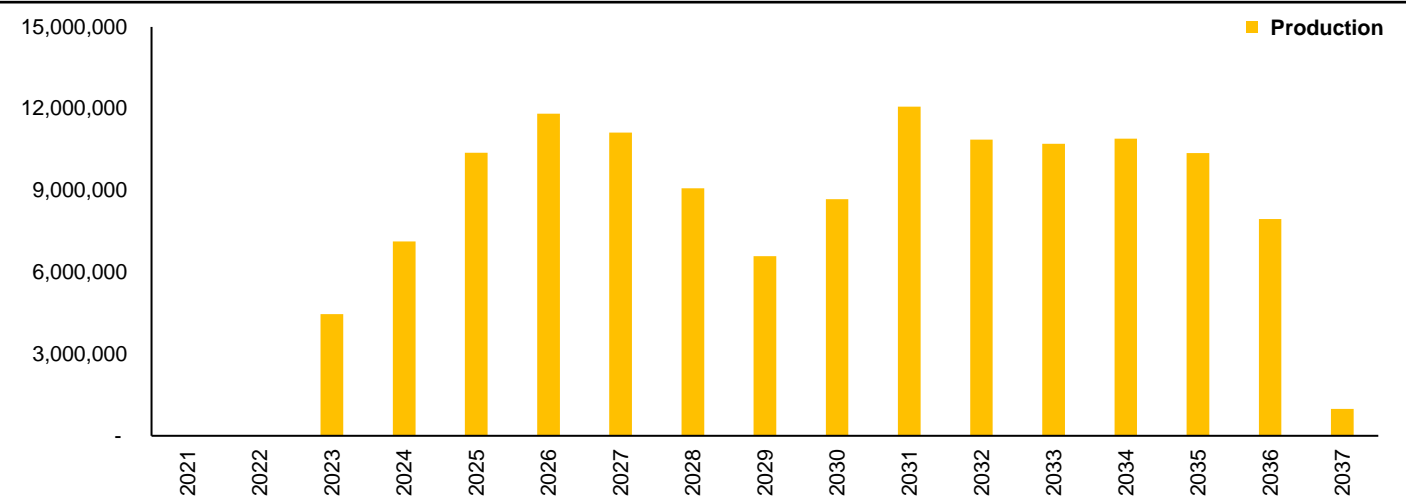
# Thesis III: Well-positioned for a Robust Expansion (cont'd)

Promising pipeline coupled with a strong balance sheet

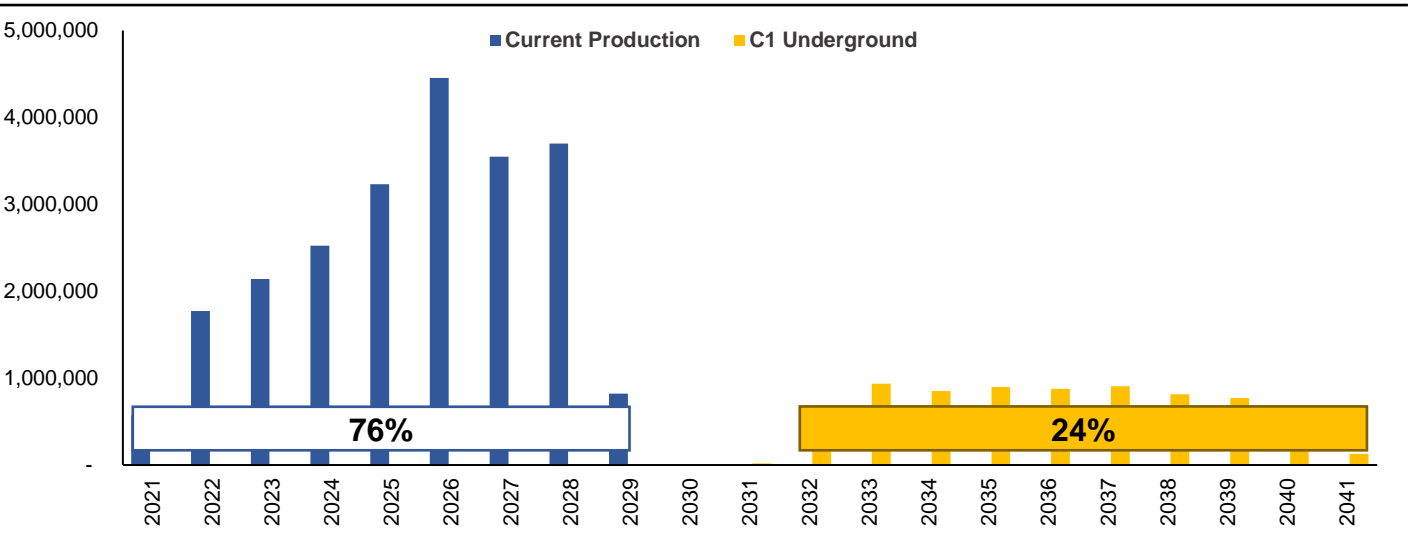
## Aurizona



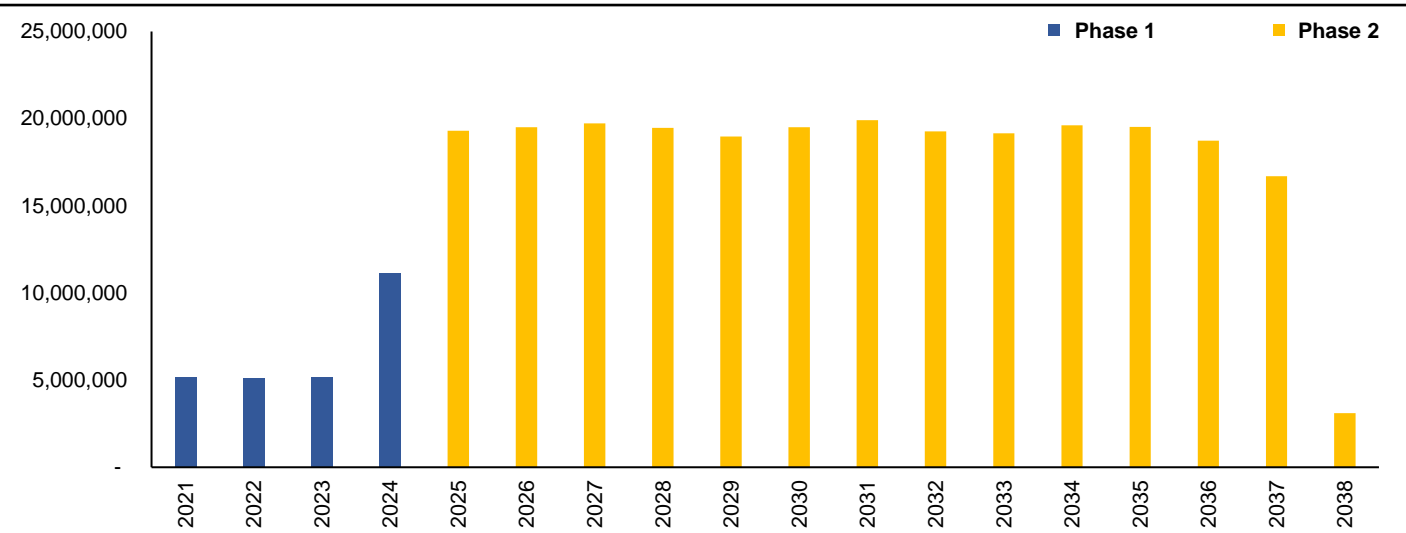
## Greenstone



## Santa Luz



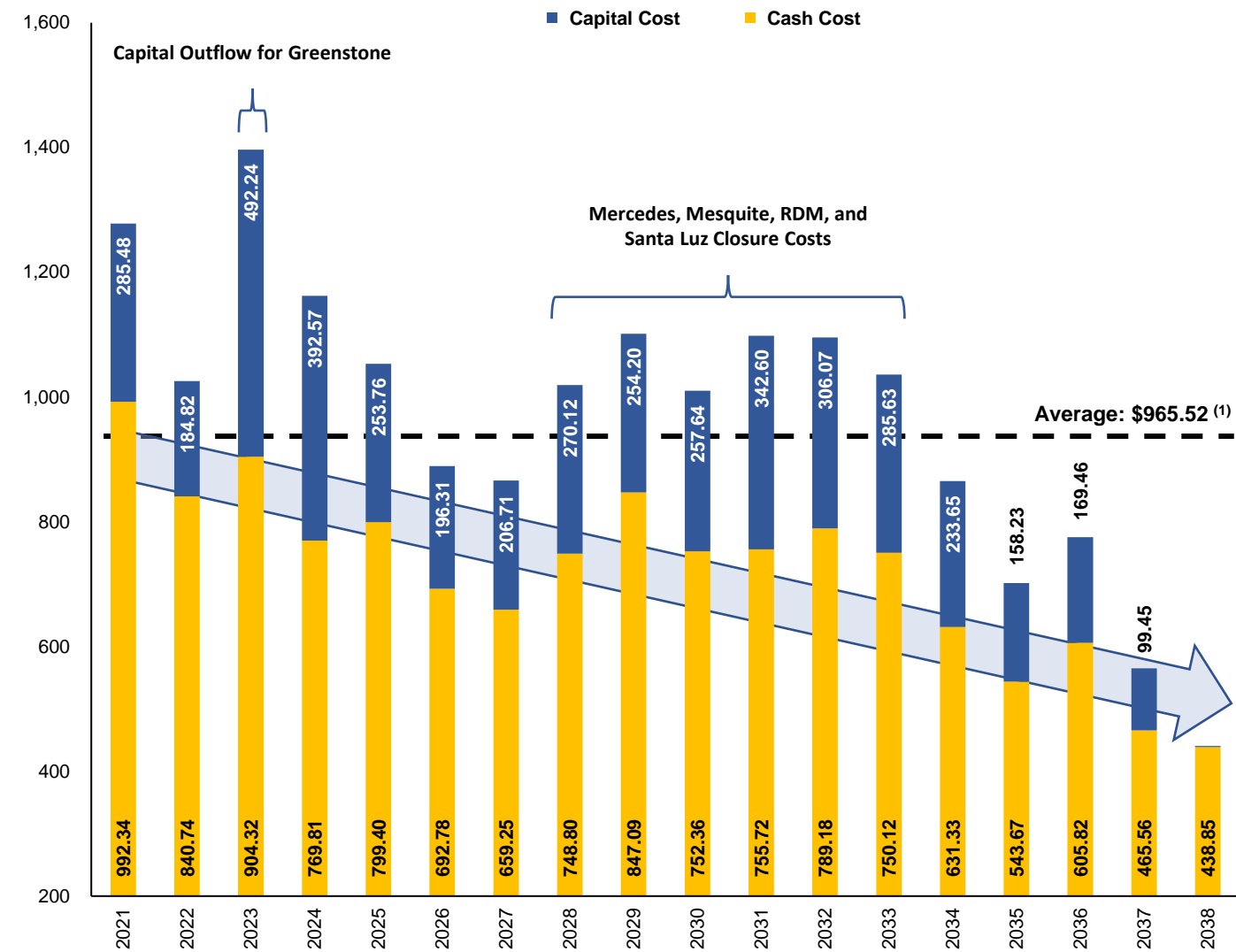
## Castle Mountain



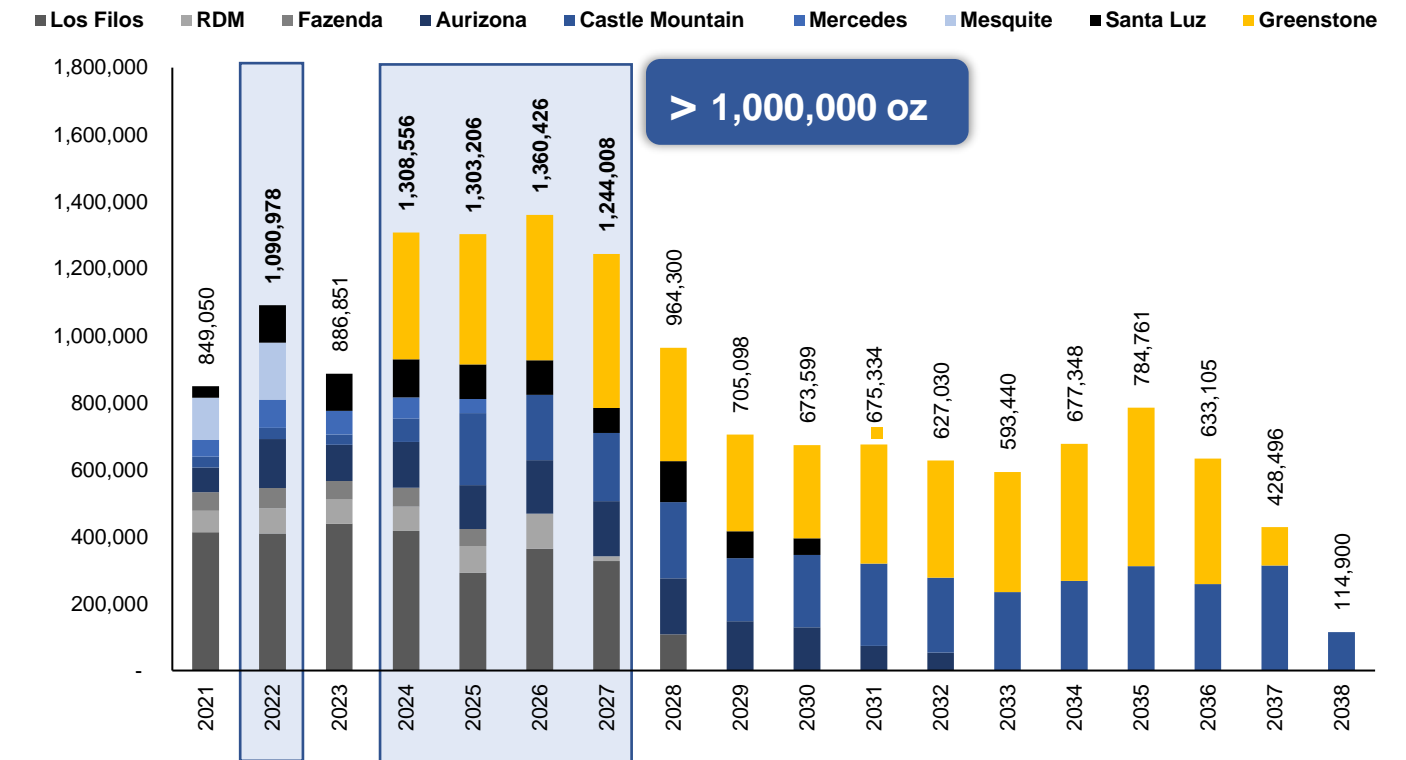
# Thesis III: Well-positioned for a Robust Expansion (cont'd)

Declining cash costs while reaching 1,000,000 oz in payable metal in 2022

## Lowering All-In-Sustaining-Cost



## Payable Metal Reaches 1,000,000 ounces



- A spike in AISC in 2023 is due to capital outflow for mine exploration, specifically for Aurizona and Greenstone combining with reclamation cost from Mercedes
- However, this is offset in the later years as production at Aurizona, Castle Mountain, and Greenstone will be ramped up

(1) On a weighted-average basis



# Thesis III: Well-positioned for a Robust Expansion (cont'd)

*Strong M&A track record coupled with adequate liquidity to fund exploration pipeline*

## Previous Mergers & Acquisitions



**Closed Date:** 04/13/2021  
**Type:** Stock Acquisition  
**Total (\$CAD):** \$595,710,000  
**Mines:** Greenstone (formerly known as Hardrock Project)  
**Note:** EQX owns 30% of I-80 Gold Corp. as I-80 was created as a spin-off out of Premier Gold Ltd.

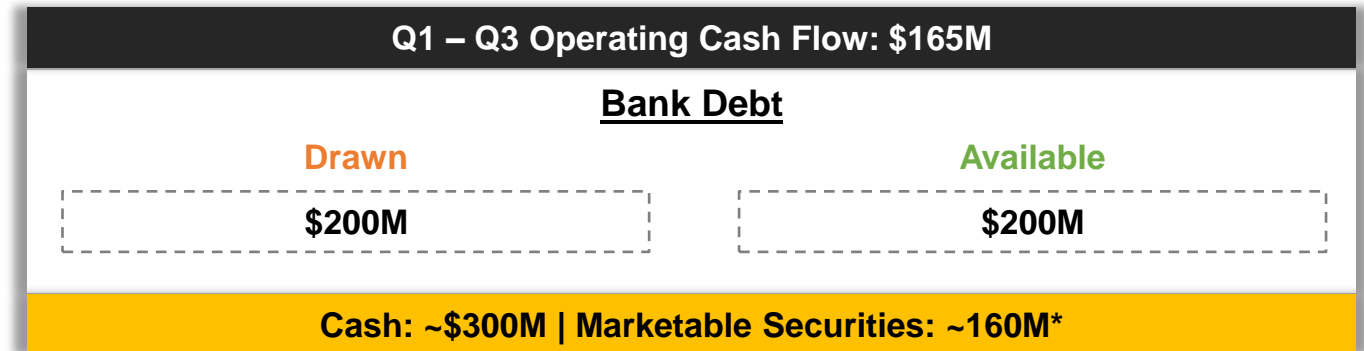


**Closed Date:** 03/13/2020  
**Type:** Stock Acquisition  
**Total (\$CAD):** \$1,072,000,000  
**Mines:** Los Fillos, RDM, Fazenda, Pilar (sold to Pilar Gold Inc.)

## Commentary

- Continue to focus on internal growth pipeline, specifically developing the Greenstone project in the next 2 years which would strengthen our cash flow and increase the yield
- Ability to execute multiple projects due to having a strong balance sheet with a plan to sell an asset in the upcoming quarters

## Adequate Funds to Fuel on Growth Initiatives



\*The company holds a 19.9% interest in Solaris Resources (Fair Value of ~137M as of Q3), which was created by spinning off its' copper assets in 2018

## Exploration Pipeline

In Ktonnes	Greenstone	Mercedes	Hasaga
Measured	-	858	-
Indicated	11,080	3,627	42,294
Inferred	4,469	1,548	25,143
M + I	11,080	4,485	42,294



# Valuation

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# Company Comparable Analysis

(In USD millions)

## General Statistics

## Trading Multiples and Expected EBITDA

Company Name	Day Close Price (\$)	Market Cap (\$M)	Shares Outstanding	Enterprise Value (\$M)	Net Debt (\$M)	Actual Production (tonnes)	Operating Cash Flow (\$M)	TEV/Forward EBITDA	P/Estimated NAV per share	P/Operating Cashflow	EBITDA - 2022 (\$M)
B2Gold Corp. (TSX:BTO)	4.18	4,408	1,056	4,029	(369,663)	1,041	655	3.0x	0.9x	6.7x	1,065,013
Northern Star Resources Limited (ASX:NST)	2.91	5,331	1,832	5,674	357,079	681	1,077	7.5x	1.1x	5.0x	1,283,171
Yamana Gold Inc. (TSX:YRI)	4.10	3,942	962	5,040	405,400	780	685	4.6x	0.8x	5.8x	997,021
Centerra Gold Inc. (TSX:CG)	7.24	2,149	297	1,251	(529,750)	824	535	3.3x	0.8x	4.0x	376,802
Alamos Gold Inc. (TSX:AGI)	7.90	3,100	392	2,869	(261,300)	427	400	6.7x	0.9x	7.8x	427,874
Endeavour Mining plc (TSX:EDV)	24.34	6,062	249	6,618	76,648	803	1,175	4.5x	1.0x	5.2x	1,428,069
Evolution Mining Limited (ASX:EVN)	6.96	8,107	1,165	8,191	87,120	1,605	539	6.5x	0.9x	15.0x	757,266
<b>MEAN</b>		<b>4,728</b>	<b>850</b>	<b>4,810</b>	<b>(33,495)</b>	<b>880</b>	<b>724</b>	<b>5.0x</b>	<b>0.9x</b>	<b>7.1x</b>	<b>905,031</b>
<b>MEDIAN</b>		<b>4,408</b>	<b>962</b>	<b>5,040</b>	<b>76,648</b>	<b>803</b>	<b>655</b>	<b>4.6x</b>	<b>0.9x</b>	<b>5.8x</b>	<b>997,021</b>
<b>HIGH</b>		<b>8,107</b>	<b>1,832</b>	<b>8,191</b>	<b>405,400</b>	<b>1,605</b>	<b>1,175</b>	<b>7.5x</b>	<b>1.1x</b>	<b>15.0x</b>	<b>1,428,069</b>
<b>LOW</b>		<b>2,149</b>	<b>249</b>	<b>1,251</b>	<b>(529,750)</b>	<b>427</b>	<b>400</b>	<b>3.0x</b>	<b>0.8x</b>	<b>4.0x</b>	<b>376,802</b>

<b>Equinox Gold Corp. (TSX:EQX)</b>	<b>7.44</b>	<b>2,238</b>	<b>301</b>	<b>2,369</b>	<b>219,199</b>	<b>477</b>	<b>216</b>	<b>5.8x</b>	<b>0.7x</b>	<b>10.3x</b>	<b>377,603</b>
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### P / NAV Multiple

	Bear	Base	Bull
NAV/Share	10.34	10.34	10.34
P/NAV Multiple	0.78	0.90	1.03
<b>Implied Share Price</b>	<b>8.02</b>	<b>9.32</b>	<b>11.03</b>
<b>Upside/Downside</b>	<b>20.61%</b>	<b>40.19%</b>	<b>65.84%</b>

### P / Operating Cash Flow Multiple

	Bear	Base	Bull
Operating Cash Flow	216.21	216.21	216.21
P/OCF	4.02	6.74	15.05
Market Cap	868.55	1,456.19	3,253.10
Shares Outstanding	300.70	300.70	300.70
<b>Implied Share Price</b>	<b>2.89</b>	<b>4.84</b>	<b>10.82</b>
<b>Upside/Downside</b>	<b>(56.56)%</b>	<b>(37.82)%</b>	<b>62.68%</b>

### Blended Valuation

	Bear	Base	Bull
P/NAV Weight	70%	70%	70%
P/Operating Cash Flow Weight	30%	30%	30%
<b>Blended Valuation</b>	<b>\$6.48</b>	<b>\$7.77</b>	<b>\$10.97</b>
<b>Upside/Downside</b>	<b>(2.54)%</b>	<b>16.79%</b>	<b>64.89%</b>



# Net Asset Valuation

## Net Asset Valuation - NAV

	Bear	Base	Bull
Net Present Value (NAV)	2,280.54	3,336.69	3,864.07
Less: Net Debt			
- Debt	591.4	591.4	591.4
+ Cash	459.9	459.9	459.9
Equity Value	\$2,149	\$3,205	\$3,733
Diluted Shares Outstanding	300.7	300.7	300.7
Implied Share Price	\$7.15	\$10.66	\$12.41
<b>Upside (Downside)</b>	<b>(2.37)%</b>	<b>60.12%</b>	<b>69.58%</b>
Weight	25%	50%	25%
<b>Blended Target Price</b>	<b>\$10.21</b>		

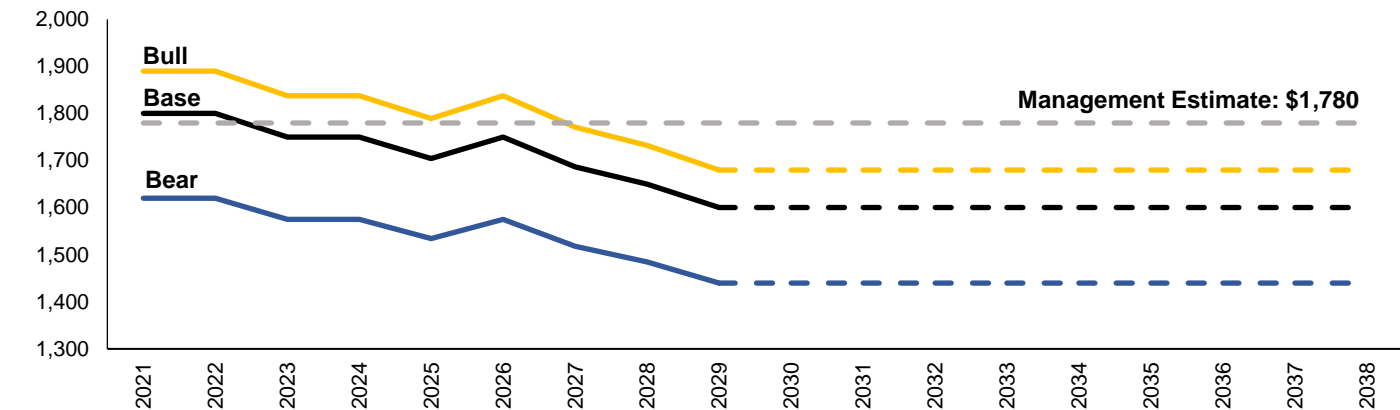
## Comparable Valuation – Blended P/NAV & P/CF

	Bear	Base	Bull
P/NAV Weight	70.0%	70.0%	70.0%
<b>Blended Valuation</b>	<b>\$6.48</b>	<b>\$7.77</b>	<b>\$10.97</b>
<b>Upside (Downside)</b>	<b>(2.54)%</b>	<b>16.79%</b>	<b>64.89%</b>

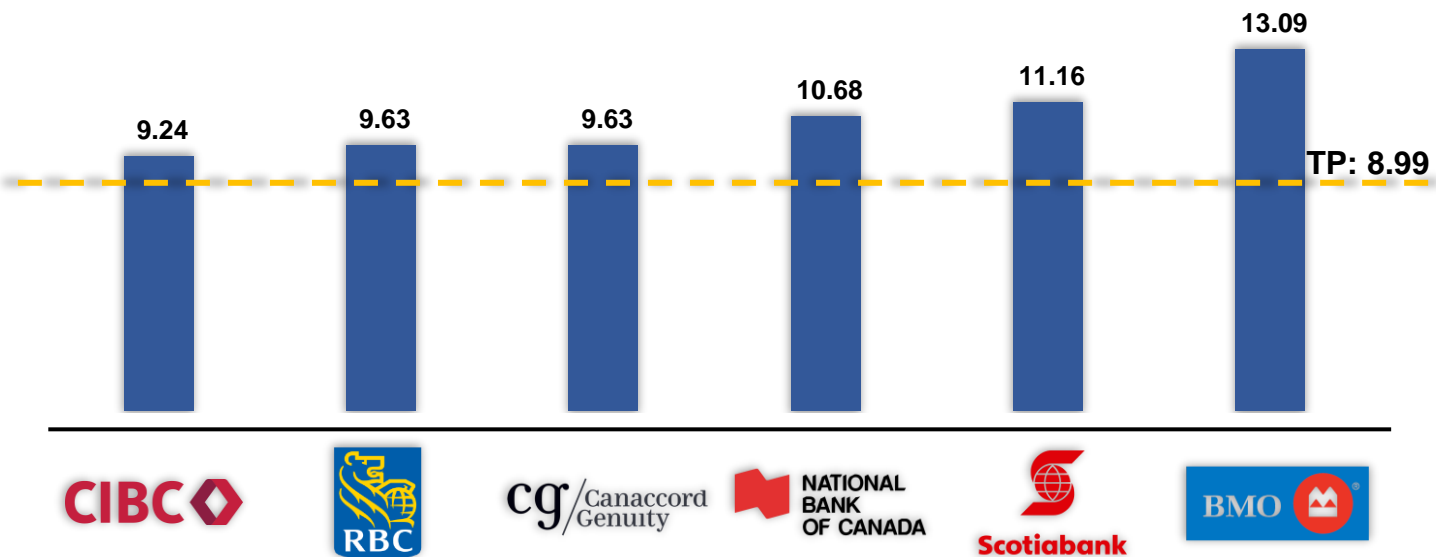
## Overall Valuation

Combined Price Target		
Method	NAV	Comps
Implied Share Price	\$10.21	\$7.77
Weight	50%	50%
<b>Blended Target Price</b>	<b>\$8.99</b>	
<b>Upside (Downside)</b>	<b>35.19%</b>	

## Price Schedule



## Selected Broker Summary

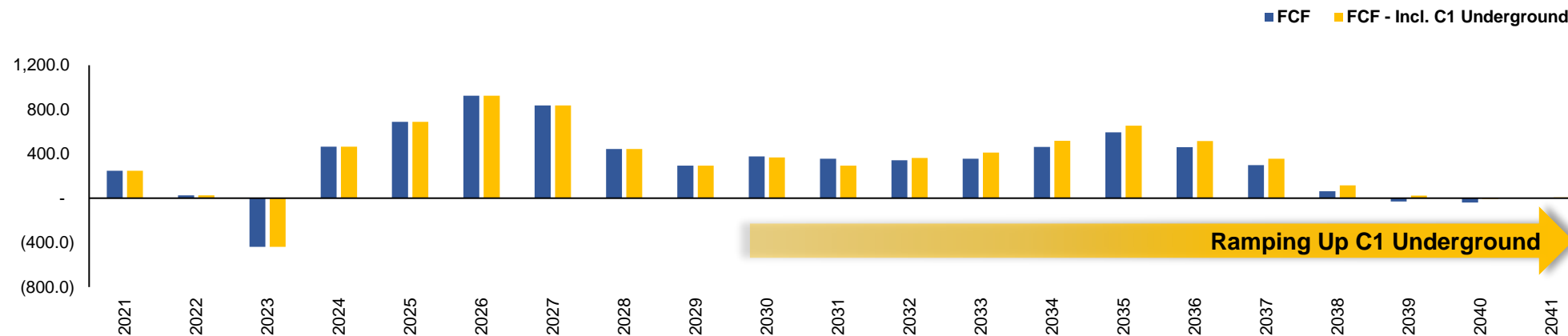


## Net-Asset-Value / Price-to-NAV Sensitizing Price of Gold and Implied Discount Rate

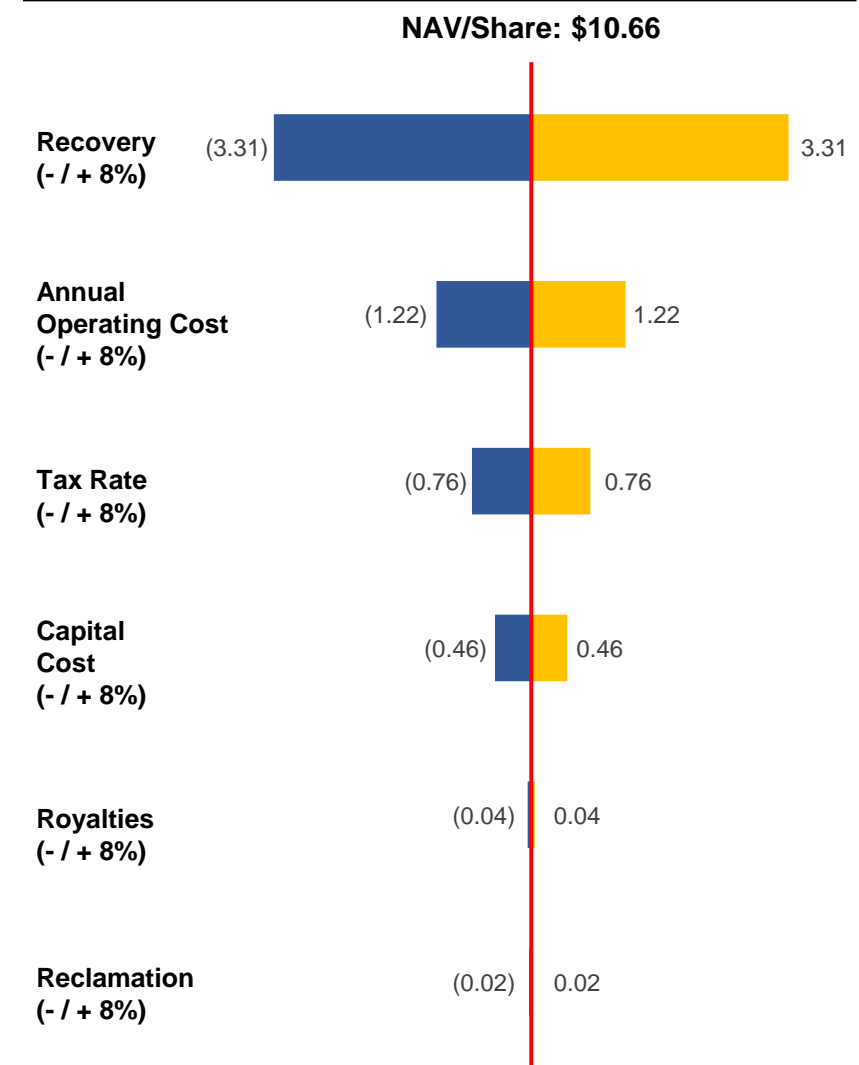
### NAV & P/NAV Sensitivity Table

NAV in \$M		Implied Discount Rate				
P/NAV		7.0%	7.5%	8.0%	8.5%	9.0%
Price of Gold	2,200	7,418.8 / 0.3x	7,187.4 / 0.3x	6,966.9 / 0.3x	6,756.9 / 0.3x	6,556.5 / 0.3x
	2,100	6,699.5 / 0.3x	6,485.4 / 0.3x	6,281.6 / 0.4x	6,087.4 / 0.4x	5,902.3 / 0.4x
	2,000	5,980.1 / 0.4x	5,783.4 / 0.4x	5,596.2 / 0.4x	5,417.9 / 0.4x	5,248.0 / 0.4x
	1,900	5,260.8 / 0.4x	5,081.4 / 0.4x	4,910.8 / 0.5x	4,748.4 / 0.5x	4,593.7 / 0.5x
	1,800	4,541.5 / 0.5x	4,379.5 / 0.5x	4,225.4 / 0.5x	4,078.9 / 0.6x	3,939.4 / 0.6x
	1,700	3,822.2 / 0.6x	3,677.5 / 0.6x	3,540.1 / 0.6x	3,409.4 / 0.7x	3,285.2 / 0.7x
	1,600	3,102.8 / 0.7x	2,975.5 / 0.8x	2,854.7 / 0.8x	2,739.9 / 0.8x	2,630.9 / 0.9x
	1,500	2,383.5 / 0.9x	2,273.6 / 1.0x	2,169.3 / 1.0x	2,070.5 / 1.1x	1,976.6 / 1.1x
	1,400	1,664.2 / 1.3x	1,571.6 / 1.4x	1,484.0 / 1.5x	1,401.0 / 1.6x	1,322.3 / 1.7x

### Free Cash Flow (\$M)



### NAV/Share \$ Change Sensitivity Table



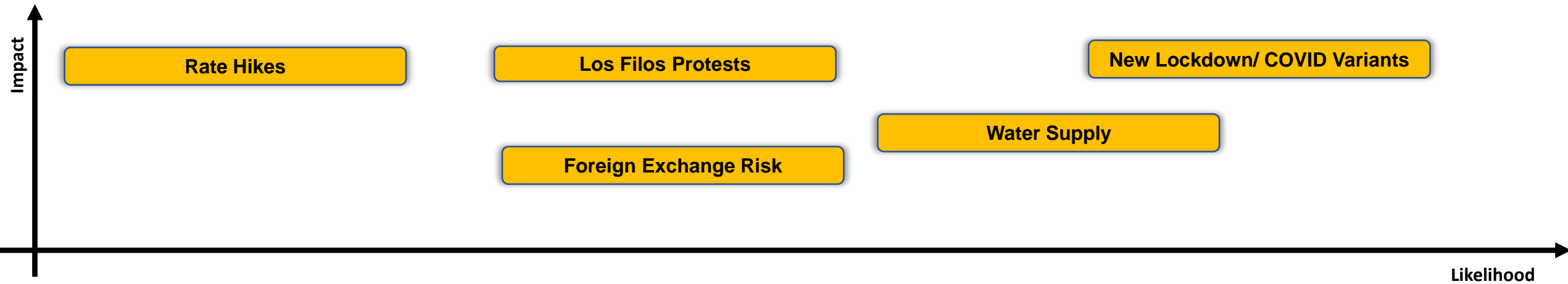


# Risks, Mitigants, and Catalysts





# Risks and Mitigations



## Mitigations

Los Filos Protests	Water Supply	New Lockdown/ COVID-19 Variants	Review of Exposure to Currency Fluctuations	Rate Hikes
<ul style="list-style-type: none"> <li>Unionized employees and members of Xochipala demanded payments for excess contracts, protested, and camped near operating areas, pausing production</li> <li>The company has changed senior management, established boundaries, and negotiated with the community.</li> <li>Short-term resolution succeeded and operation has resumed.</li> <li>However, the company is continually working with the government and the community to achieve a fair long-term agreement</li> </ul>	<ul style="list-style-type: none"> <li>Concern for sufficient water supply for Phase 2 operations at Castle Mountain</li> <li>Prolonged drought conditions (May to October) can affect the operation of mine RDM in Brazil. Insufficient water continued to happen occasionally despite a new water storage facility being built in 2017. Future risks and challenges to secure supplies of water at a reasonable cost</li> <li>For Aurizona mine, limited water supply due to the constrained capacity of the current tailings storage facility</li> </ul>	<ul style="list-style-type: none"> <li>New Covid Variant, B.1.1.529 [Omicron] reported in South Africa and spread to international hubs.</li> <li>Concern whether vaccines for the original type are effective. Vaccine makers are in the process to test the effectiveness.</li> <li>UK, EU, US, and Singapore imposed travel restrictions.</li> <li>Consumer confidence index dropped following the discovery of Delta variant; risk of a similar outcome</li> </ul>	<ul style="list-style-type: none"> <li>Foreign exchange hedges/contracts in place resulting in considerable gains in the past</li> <li>Almost \$43m in foreign currency gains up to Q2 2021</li> <li>Current balance sheet holds portion of cash in Canadian dollars to help mitigate FX volatility</li> </ul>	<ul style="list-style-type: none"> <li>Potentially rate hikes and contractionary plans may impact negatively on the gold price</li> <li>Company has a certain gold collar and forwards swap contracts to hedge from acquisition to September 2022.</li> <li>Emergence of Omicron COVID variant may limit Fed's willingness to hike</li> </ul>

## Growth opportunities and beneficial economic environment to act as catalysts

### Expanding Operations

- Back-ended weighted year foretold by company guidance; this is expected to come to fruition
- **Growth projects** will increase production to 350,000 ounces per year
- **Marianas & Rey de Oro**
  - Areas to be added to Mercedes mine
- **Los Filos: Guadalupe**
  - Transitioned from waste stripping to being part of ongoing operations
- **Mesquite: Brownie and Rainbow Deposit**
  - Transitioned from waste stripping to mining oxide ore; this will help increase the recovery of gold

### Near-Term De-Risking in Development Pipeline

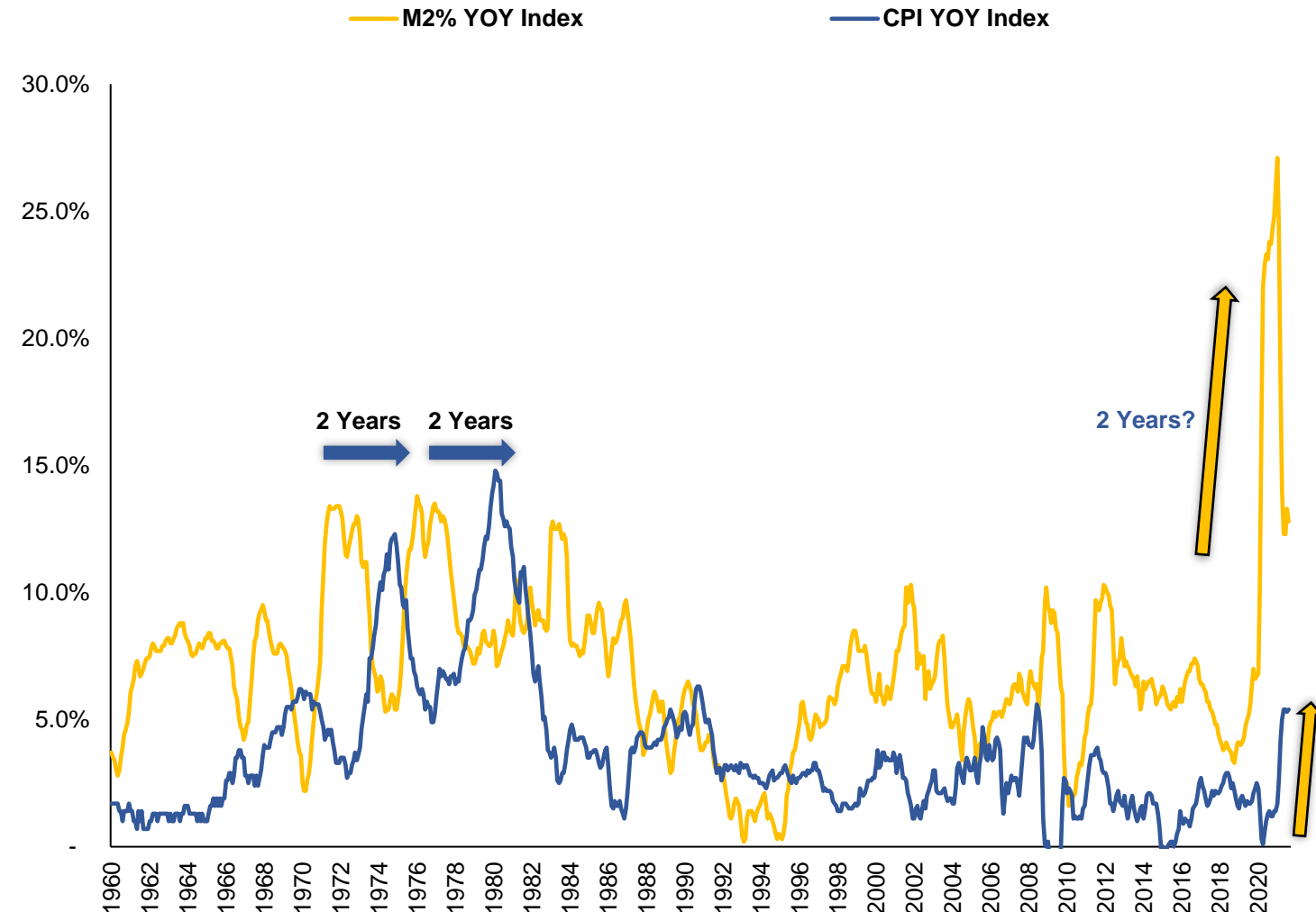
#### Continuous Development:

- 60% of the Greenstone Project and 70% of Santa Luz construction are completed, and the first gold pours are in 2024.
- Finished feasibility studies for Castle Mountain and Aurizona underground mine.
- Optimization of leach pad and plant in Castle Mountain for higher production and achieving the target goal.

#### Increasing mine lives and resources:

- Mercedes Mine is working to increase access to multiple ore bodies.
- Aurizona Mine extends its mine life to 11 year

### Expect Higher Inflation with Time Lags





# Appendix

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# Valuation Assumption

## Current Pipeline

RDM

5.0%

Fazenda

5.0%

Mercedes

5.0%

Mesquite

5.0%

## Expansion Pipeline

Greenstone

10.0%

Castle Mountain

10.0%

Aurizona

7.0%

Santa Luz

8.0%

Los Filos

5.0%

## Implied Discount Rate

9.101%

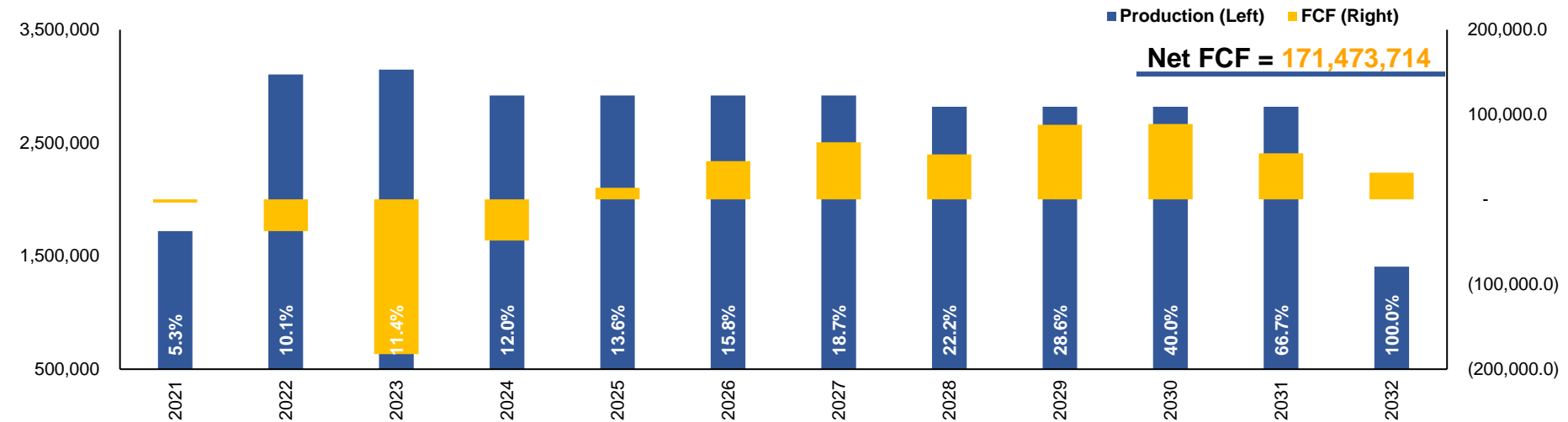


01°18' south latitude and 45°45' west longitude

## Snapshot

Status	In-production
Location	Northeastern Brazil
Start Year	2021
End Year	2033
Mining Style	Open-Pit with CIL Plant
Open Pit Deposit	5
Underground Deposit	2
Total Resources (tonnes)	32,337,522
Strip Ratio	3.75
Recovery (%)	90.6%
Gold Grade (g/t)	1.60
Royalty (%)	4.5%
AISC (per ounce)	1,160.52

## Mining Schedule & FCF (000)



## Other Information

Risk	No significant risk associated with Aurizona
Adjacent Properties	No adjacent properties found
Social & Community Engagement	Open Doors & Integrated Local Development; Yearly Engagement: 18,562 people

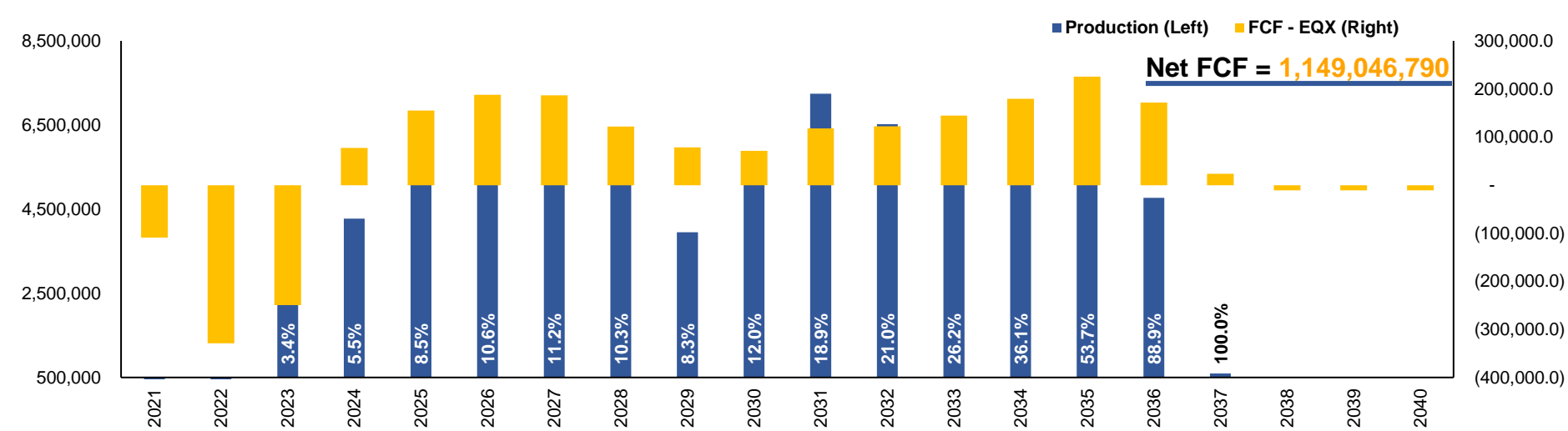


49°40'47"N and 86°56'32"N

Snapshot

Status	Under Development
Location	Ontario, Canada
Start Year	2024
End Year	2037
Mining Style	Open Pit with CIL Plant
Open Pit Deposit	1
Underground Deposit	1
Total Resources (tonnes)	79,890,000
Strip Ratio	5.10
Recovery (%)	91.2%
Gold Grade (g/t)	1.27
Royalty (%)	4.4%
AISC (per ounce)	798.45

Mining Schedule & FCF (000)



Other Information

Risk	Permit timeline
Adjacent Properties	No adjacent properties
Social & Community Engagement	Actively consult with Indigenous and local community members to ensure no misalignments in values and missions



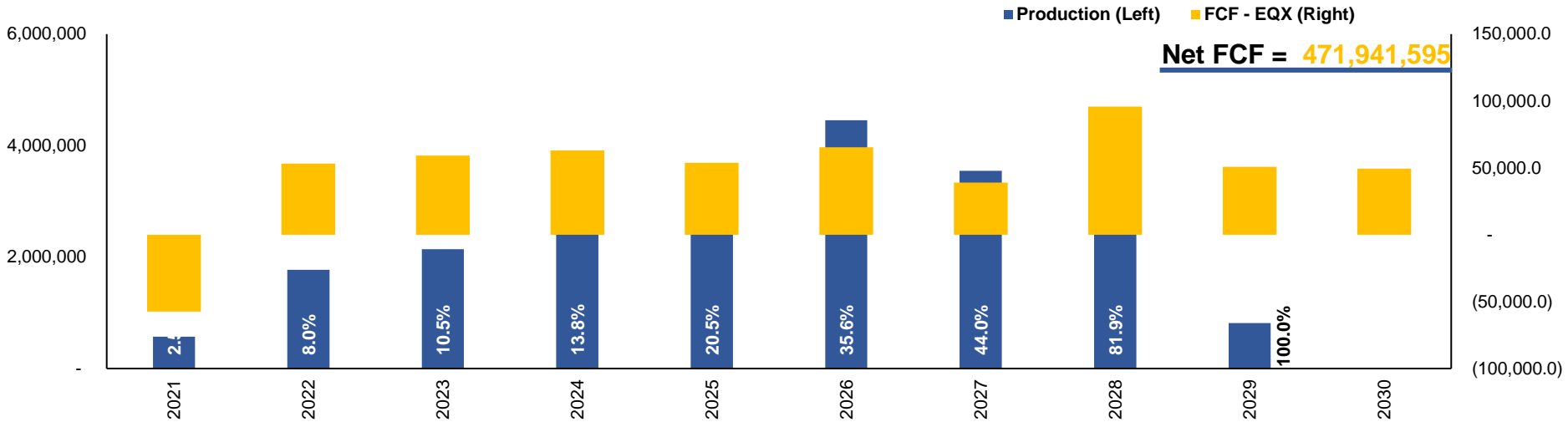


11°00' 28" south latitude and 39°18'28" west longitude

Snapshot

Status	Construction
Location	Bahia Sate, Brazil
Start Year	2021
End Year	2030
Mining Style	Open Pit with RIL Plant
Open Pit Deposit	-
Underground Deposit	-
Total Resources (tonnes)	22,748,000
Strip Ratio	4.7
Recovery (%)	84%
Gold Grade (g/t)	1.34
Royalty (%)	4.45%
AISC (per ounce)	877

Mining Schedule & FCF (000)



Other Information

Risk	No significant risk and uncertainties affecting Santa Luz
Adjacent Properties	In a semi-arid mid area and adjacent river must be managed
Social & Community Engagement	Committed to community concessions for nearby village of Nova Esperança, including village relocation and community compensation

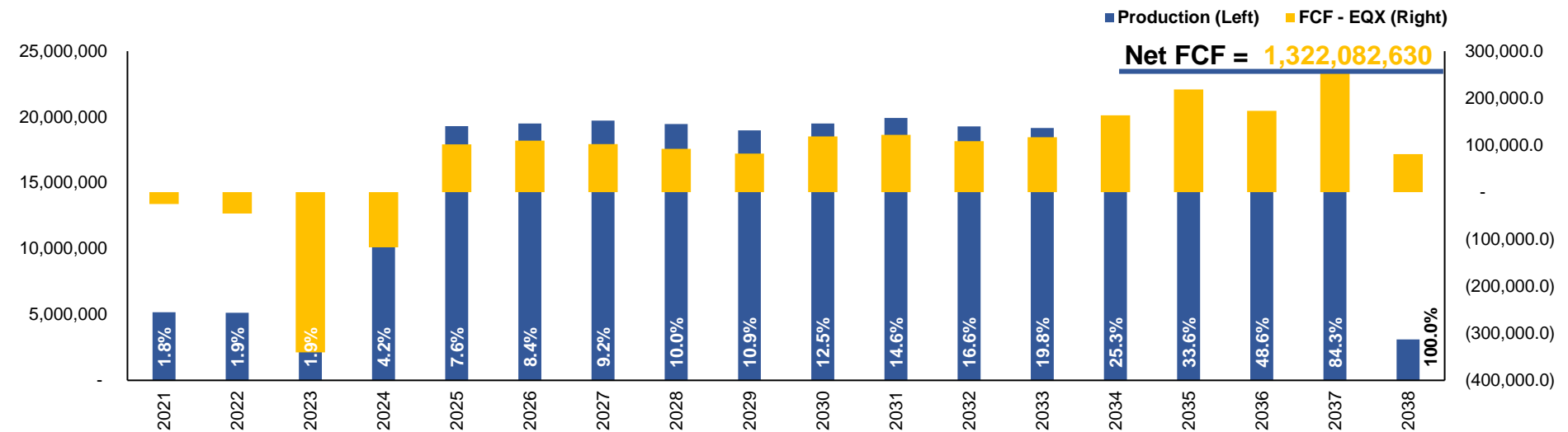


11°00' 28" south latitude and 39°18'28" west longitude

## Snapshot

Status	Phase 1
Location	Southern California
Start Year	2021
End Year	2028
Mining Style	Open Pit with Heap Leach
Open Pit Deposit	-
Underground Deposit	-
Total Resources (tonnes)	262,630,300
Strip Ratio	2.47
Recovery (%)	72.1%
Gold Grade (g/t)	0.28
Royalty (%)	2.7%
AISC (per ounce)	858

## Mining Schedule & FCF (000)



## Other Information

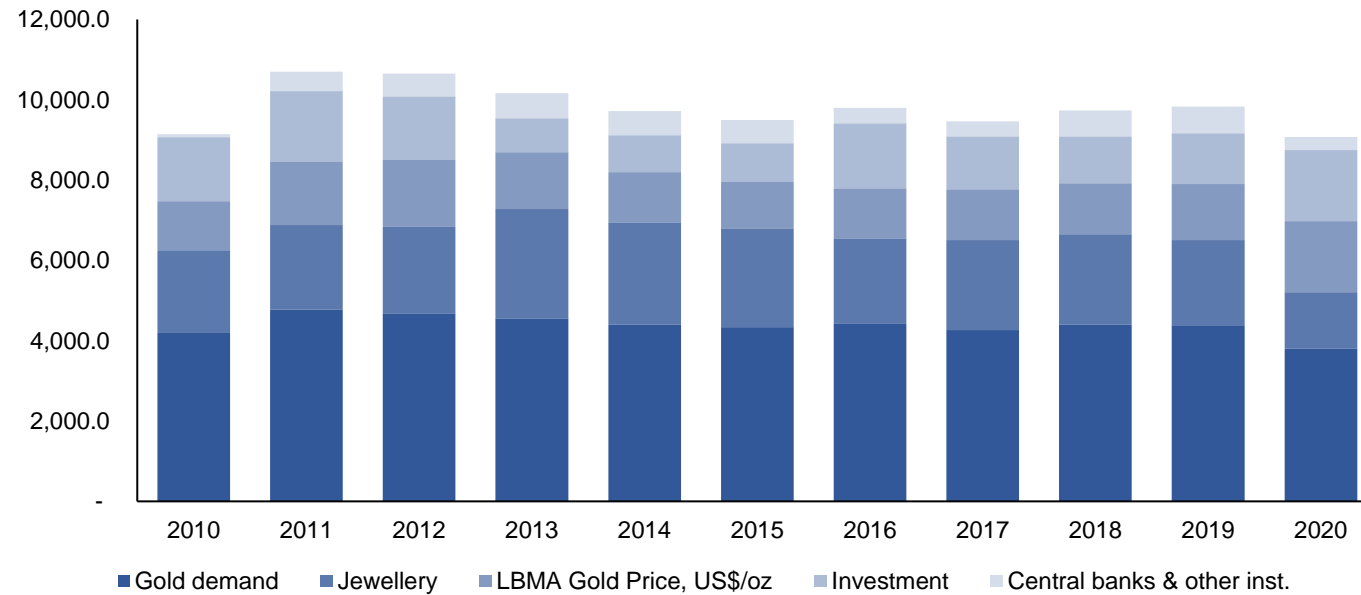
Risk	Not aware of any significant factors and risks that may affect access.
Adjacent Properties	No adjacent properties found
Social & Community Engagement	Activities such as OHV touring, sightseeing, hiking, bird watching, hunting, stargazing and rock collecting





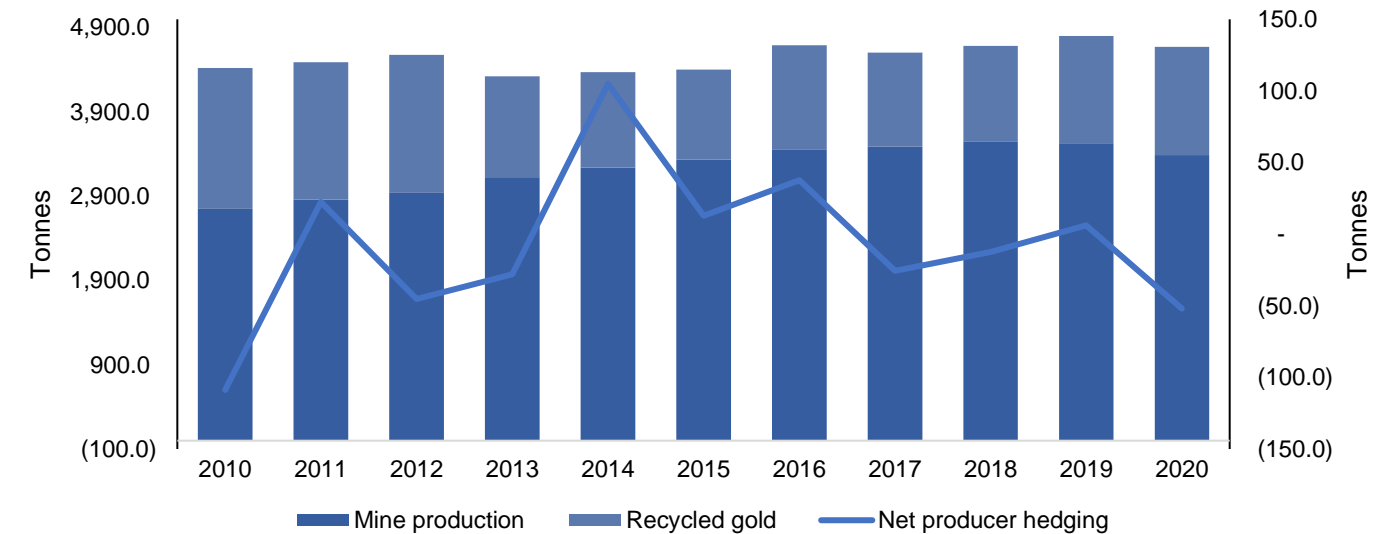
# Gold Consumption by Category

Gold Demand by Categories from 2010 to 2020

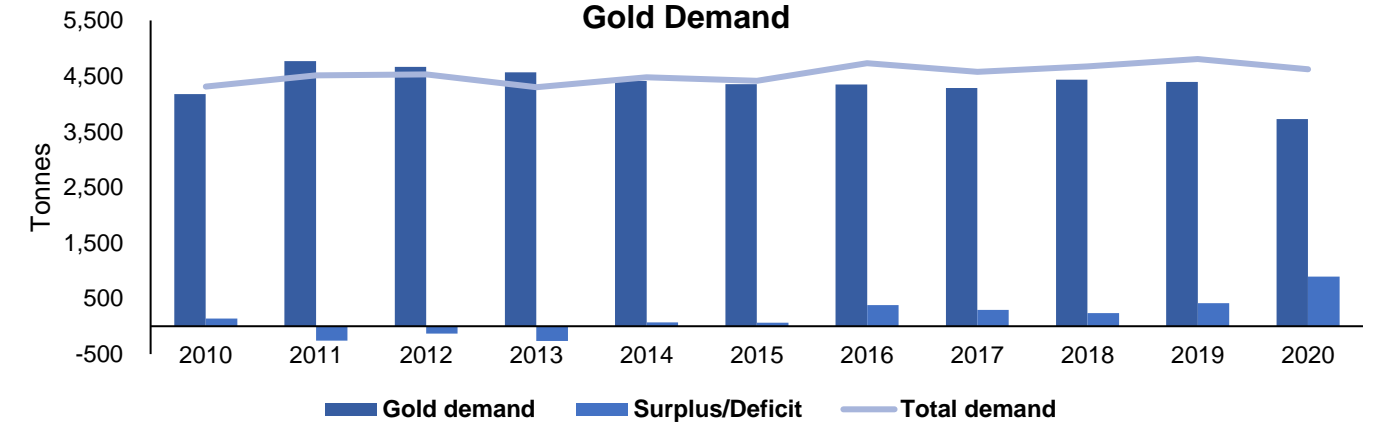


- Recycled gold accounted for 30% of total supply in the past two decades.
- 90% of recycled gold comes from consumers reselling their jewelry while the rest from industrial usage. The increasing recycled rate due to the increasing market gold price and negative economic conditions such as financial crisis.
- In 2019, China accounted for 30.25% and India accounted for 25.8% of the global jewelry consumption.

Gold Supply



Gold Demand



## Producer Price Indices a Leading Indicator of Consumer Price Index

**Chart 2: US inflation and the suppliers' delivery times index**



**Personal Consumption Expenditures**





## Chinese Water Shortage and Resulting Energy Crisis Has Huge Implications for the Global Economy

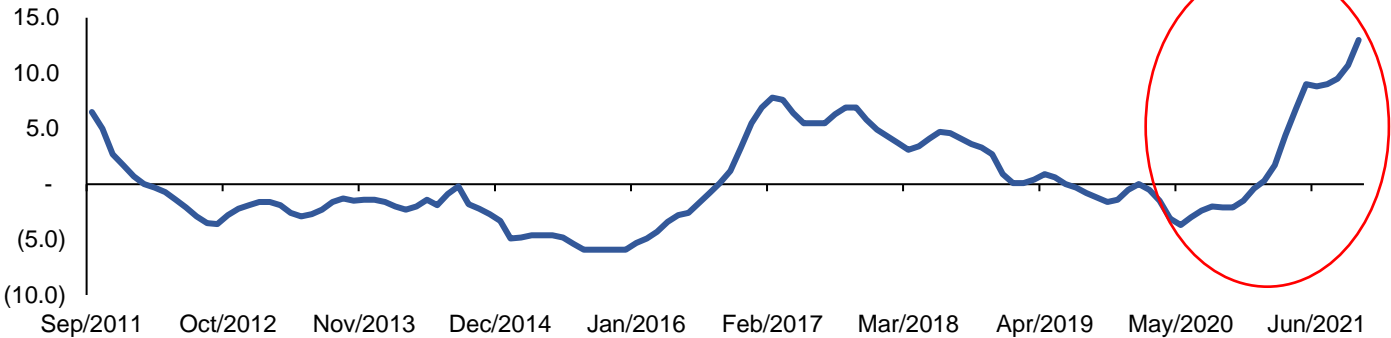
Figure 1: Chinese Provinces and their Power Rationing Status, 27 September 2021



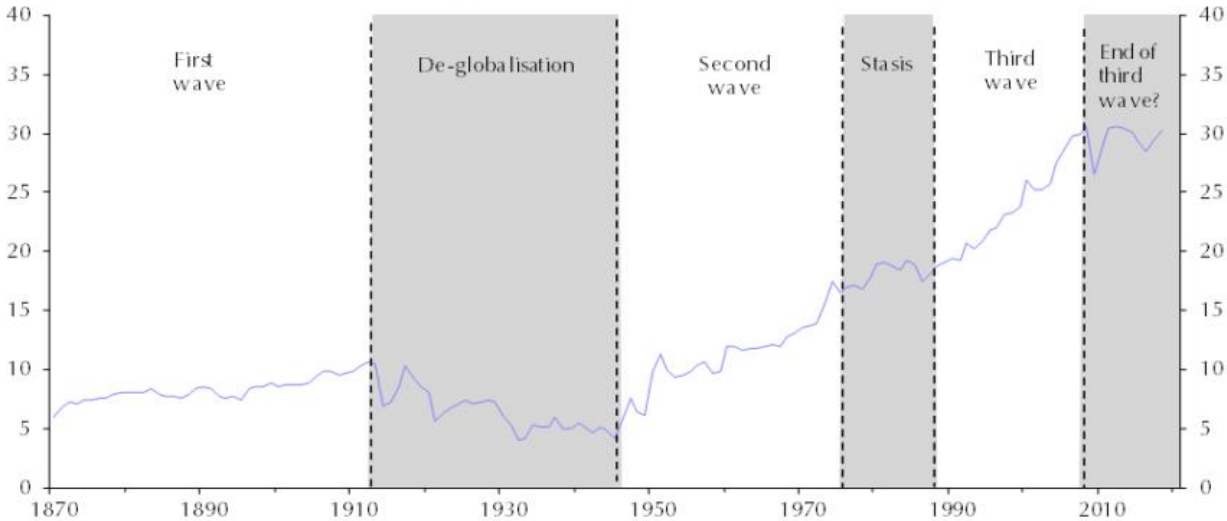
Note: Chongqing, Sichuan and Inner Mongolia were rationing power in late August, but it's unclear from Chinese media whether they still are now.

Source: The Lantau Group

### China PPI Index



### Chart 1: World Exports of Goods & Services (As a % of GDP)

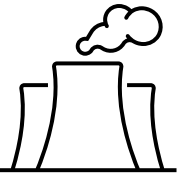


Sources: WTO, Capital Economics

## Committed to Responsible & Ethical Mining

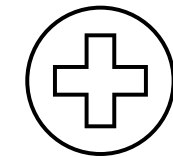
### ESG

- Achieved all 2020 environmental targets, no offsite environmental impacts
- 40+ communities directly benefit from operations
- Completed installation of new water treatment plant and improved water distribution network to support Aurizona village
- 500+ hours of senior management time dedicated to ESG planning and strategy
- Conducted energy and GHG management workshop with sites and senior team
- Clean energy initiatives in Brazil with wind/solar



### Health & Safety

- All 2020 safety targets met, 25% better than target for TRIFR
- Continued proactive COVID-19 testing at mine sites and offices
- Providing educational support regarding vaccines
- No production days lost due to covid



### Mining Community Leadership

- Joined Mining Association of Canada, World Gold Council, Mining Safety Round Table
- Adopted leading international standard and principles to drive improved performance
- Focus on [hiring local workers](#)

