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PRESENTATION

Operator

Thank you for standing by. This is the conference operator. Welcome to the Equinox Gold Second Quarter 2019 Results Conference Call and Webcast. (Operator Instructions)

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

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Thank you very much. Just a reminder that if you're on the webcast, you also have the opportunity to ask a question. There'll be an Ask A Question tab in the corner of your screen there. I'll remind you that we are making forward-looking statements today, so please visit our website and our continuous disclosure documents on SEDAR to make sure that you're fully informed.

I will now turn the conference over to Christian Milau, our CEO.

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Thanks, Rhylin, and good morning, everyone, and welcome to the Q2 webcast, probably our first official quarterly webcast, so excited to be here today.

Turning to Page 3. Just as a quick refresher here and a reminder on where we're located in our strategy before we dive into Q2. We've got the two projects in California, one an operating mine being Mesquite run-of-mine heap leach, and as well, Castle Mountain project, which we plan to construct starting later this year. As well, we've just finished completing the build of Aurizona in Northeast Brazil in Maranhão State. So we're now a 3-project company with 2 operating mines.

So really quickly here, in the last sort of 18 months to 20 months, we've gone from sort of a 1-development asset company to 2 mines, and we soon have a project to be in construction. So that's a big step forward within the last 2 years here. So we're really proud of that. And we've achieved this through internal growth and construction as well as M&A and adding assets like Mesquite in the late 2018 period. Things have moved really quickly, and we have an ambitious goal here of reaching 1 million ounces a year of annual production by the end of 2023.

Now turning over to Slide 4 and diving into the second quarter here and corporate highlights. It's been a busy 3 to 6 months. We've had a good safety record with no lost time injuries and no reportable environmental incidents. We've also had a good CSR recognition, and we're really proud of the 2 awards we received in Brazil, which are national awards. As well, we've focused on restructuring our balance sheet, which we said we'd do at the beginning of the year. We thought we'd be doing it in late part of this year, but kudos to the team for getting it done early. And we're really pleased to be inviting -- or having Mubadala joining our capital structure here. They recognized an opportunity to refinance some more expensive debt through their sovereign wealth fund of Abu Dhabi, which is Mubadala's ultimate parent.

We've also put in place a corporate revolver with global banks. So we have no longer the expensive silo-ed project debt that we had at the beginning of the year. So interest costs have been reduced significantly from about 10% coupon to about 5%, and that's roughly a $5 million a year savings. As well, we pushed out the principal payments for a number of years. So well done to the team for getting that restructuring done early.

And during Q2, we've continued to advance Castle Mountain, not just build Aurizona, and it's now ready for construction. So we hope to be launching into that construction in the second half of this year. We've also sold Elk Gold for about $10 million. That was a small remnant project in BC that we had. We sold that. And we've also updated our expected CapEx for the year. You'll see, it was originally in the low $60 millions, now it's $69 million. And we spent $48 million of that to the end of June, and that excludes any capital spending for Phase 1 CapEx on Castle Mountain.

There's a slight increase obviously here, and most of that is due to a slight amount of extra capital at Aurizona, and also a couple of million dollars of extra drilling at Mesquite. And the $69 million is primarily made up of Aurizona, it's roughly $36 million of capital till the end of June. We'll also be doing a TSF raise down at Aurizona, our tailings raise, of about $10 million in the second half of the year. And the rest of it mostly is capitalized waste at our 2 mines. And so approximately $40 million of the $69 million is nonsustaining, which is obviously mostly Aurizona.

So turning over to Slide 5 and the operating results for the second quarter. Mesquite had a slightly improved production in the second quarter of almost 27,000 ounces. Obviously, that number excludes the 7,500 ounces that we produced at Aurizona in the pre-commercial production period. So our total actual gold production for the quarter would be about 34,300 ounces, if you included the Aurizona ounces.

Mining was very recently been focused on, the oxide material and the mineralized historical waste dumps and pads at Mesquite. So we've moved away from the nonoxide material that was being mined at the very beginning of the year. And we have very good cost management and shorter hauls, which has kept our costs well within the range, if not just below the range for Mesquite. We do plan to do some drilling on new concessions across the highway from Rainbow and potentially elsewhere, once we get the permits to drill, and we hope those will be with us around year-end. So we're starting to look forward now that we have our mines fully into operation, both of them.

Aurizona, we poured gold. We made our first shipment, probably at the 5-year high gold price in early June there, so really pleased, in the $1,380s, hadn't seen that for a few years, and it's ramped up really well thereafter. There was a slight 4-month delay in the construction, but we've made up a lot of time in the ramp-up, so kudos to the team.

And this slight delay was due mainly to the heavy rains. We had about 3.7 meters of rain when normally we have an average for the whole year of about 2.8 meters. So that had an impact on final cable pulling, electrical terminations and piping installation. We're past that now. The final CapEx for Aurizona build is about $165 million or roughly 13% over the original budget.

And also, I'd like to just take this opportunity to thank the team for their commitment and hard work in getting this done in a remote location and getting it done very close to the date that we planned, and the ramp-up has been very smooth. The updated guidance, which we've included, obviously, in our press release for quarter 2. So for Mesquite, we expect a strong second half, but we have updated guidance to reflect the first half being a little bit below expectations, and that really reflects the longer leach cycle and the stacking of the nonoxide ore in the first 4-plus months of the year, but we're still at the bottom end of the original guidance range basically.

We're now focused on stacking the oxide ore, and particularly on the historical waste dumps and pads that grade about 0.25, maybe to 0.3. Those have a faster and higher recovery, more in the range of the original oxide material of about 75%. And to mitigate in the future the slower nonoxide leach cycle, we've also increased our ore stacking cap from 25 million tonnes to 37 million short tonnes. And we're also increasing the solution flow from a booster pump that we've put in place in July, and as well, we'll be refurbishing a third well at Mesquite. So this takes time to come through, but it's been implemented, and we plan to see an increase in solution flow of up to potentially 50% by later in the year. So a real change there.

Aurizona, we also expect a good second half. Really excited to see this mine up into full production now. We've updated guidance slightly to reflect the 4-month extension to construction. But again, we're still at the bottom end of the original guidance range despite that slight delay. Cost guidance has increased slightly due to the fact that we need to strip a bit more in a shorter period of time in the second half of the year.

We've also spread -- this would have been spread over the full year had we started ramping up a little bit earlier. So we expect the grade to increase as we rely less on lower-grade stockpiles and ramp up mining this summer. August should be processing reserve grade. So construction delays and rains result in a subsequent modification of the mine plan to focus more on the Piaba Main pit, which has higher grades, and also we'll leave ourselves Piaba East to mine in the rainy season next year, which has shorter hauls and slightly easier to manage in the rains.

This will result obviously in more stripping in second half and the slightly higher all-in sustaining cost, but the operating costs are broadly in line with expectations in our original estimates. In terms of recent production and performance, July has continued on a similar trend to June. We've had good mill availability, great throughput, good recoveries. Production has also continued to increase as the grade has increased as well. So in addition to this, we're also commissioning the Ball mill. We've been running on the SAG mill so far, and it's been operating very well, but we're commissioning the ball mill right now. It's almost done and will be done in August, and it will allow us to maybe stabilize the grinding a little bit more and increase recovery slightly, although we don't need it at this point in time with the soft saprolite ore. So total ounces produced in Q2 did not include Aurizona. I just want to remind you of that. So pre-commercial production ounces at Aurizona are about 7,500 ounces.

Turning over to Slide 6. The financial results for the quarter. At a high level, revenues of $35 million. But we expect that to increase substantially in Q3, obviously, due to the gold price increase that seems to be hanging there above $1,400 and also having a full quarter from Aurizona. Obviously, no Aurizona is included -- no Aurizona ounces are included in the Q2 revenues. Our cash balance was $33 million at the end of the quarter, at the end of June. We did also have restricted cash of $15 million and marketable securities of about $1.5 million. And we've also got the drawn debt of approximately $130 million and also $30 million still available on our corporate revolver.

So turning over and looking at the mines individually a little bit more closely. I'm going to turn right to Slide #8, which is the Mesquite overview. We've had a slight increase in production, as I mentioned, for the second quarter, and we expect a much stronger second half. July has been stronger already, with about 10,500 ounces produced. And we're increasing our ore stacking cap, as I mentioned earlier, to 37 million short tonnes from 25 million, so it gives us a lot more flexibility here to stack ore in the second half of the year and onwards in 2020.

We've already commented on guidance. The last piece is, really, we expect the permits to drill across the highway and other parts of the property later in the year, and we're excited to go explore beyond Rainbow in late 2019 or early 2020. We really believe that exploration is an important focus at Mesquite as we move forward.

Turning over to Slide #10 and looking at Aurizona a little more closely. As I mentioned, we're really pleased with the ramp-up of Aurizona to nameplate of 8,000 tonnes per day. And some days, we've even done over 9,000 tonnes. This is a real satisfaction for myself and some of the team. When we started here a few years ago, this really was a dream and it was in an unfunded development project. So to see it come to fruition in less than 3 years and get Aurizona up and running well is really exciting for us.

We really always felt that we had great prospectivity, and this could be a district or a camp around Aurizona. So now we've got all the pieces in place, and we've got a mill to treat all types of ore. So thanks to all the supporters and local stakeholders as well at the time who have supported us along the way and also funded us along the way. So construction was completed in April, and we had a strong -- very strong May and June ramp up to commercial production. And July has continued, as we said, about 9,500 ounces produced in July, and we expect August to be even stronger as we move towards reserve grades.

So based on our guidance, we will be averaging over 12,000 ounces a month for the rest of the year. And as well, as we said, the ball mill will be commissioned in August, and our mining fleet will reach full capacity in August, so we'll be humming along as we move through August here. So we're in a solid position for an exciting second half of 2019 and also into 2020, with Aurizona up fully running. And really, we're excited. We want to get back to exploration at Tatajuba in 2019, and we're planning a small program for the second half of the year and then into 2020.

So turning over to Slide #12 and looking at Castle Mountain, which is obviously our future here. Castle Mountain has advanced significantly during the first half of the year. We're ready for construction now. We've done all the engineering, we've done some of the land preparation. And as we have the permissions and basically the water to go ahead and construct. So we're ready to go. So we have planned to start official construction later this year. We really wanted to show Aurizona's ramped up and running fully before we launch into that. So there's been lighter spend on early works, and we'll continue that during this period at the moment. And we'll give more guidance on CapEx and other details as we formally launch into construction later this year, but we expect the CapEx to reflect the PFS levels in the mid-$50 million range.

And in the current gold pricing environment, we feel we have the internal funds to move forward here. Overall, the plan remains the same: get Phase 1 into production around mid-2020s so that we're pouring gold, reestablish our tenancy and goodwill with local stakeholders and show that we're a good operator, and then prepare for Phase 2 in the next few years. The plan is to start the Phase 2 feasibility imminently here, and then we'll work with the permit amendment on the back of this, which will go on behind the scenes as we get Phase 1 into production. And as well, we're also expecting to get the permits to drill for water for Phase 2, which has always been something in the works, and we expect those around year-end this year. So that's Castle Mountain.

And I just want to turn over to Slide 13 and bring this all together. So looking sort of back at our history and looking forward here, we're really pleased with our progress over the last 18 months to 2 years. There's been a lot of hard work by the team to build and acquire and finance what is now a well-positioned, multi-asset, mid-tier producer. We went quickly from a single-asset developer to a multi-mine producer, and we have now the potential path towards 500,000 ounces a year of annual production. So we'll look to supplement this through organic growth, exploration and development internally as well as we'll continue to look for M&A opportunities, which we've been pretty quiet on over the last little while here. So there's nothing imminent in the pipeline, but we're focused on the Americas, and we'll keep our eyes open on the opportunities as they come along in the future.

Turning on to Page 14. Looking at it from more of a sector positioning view. We now have 2 operating mines. We're no longer a developer. So we think we're well positioned and we're really enthusiastic about our prospects for the second half of this year and the potential for a rerating. We really want to show the investment community that Aurizona is humming along. We've got, obviously, Mesquite in production, and then we're firmly in place, we're constructing Castle Mountain Phase 1 and can show that we'll be a multi-mine intermediate producer very soon here.

So we hope to start climbing this chart and move towards the right and get a valuation more in line with our peers, but that will come in due course in time this year. The other piece as well, we've had very good support recently from the investment community, a lot more volume in our stock, a lot more interest, so pleased to see that volume ticking up. And we will consider a U.S. listing at some point here, later this year, and graduating to the TSX as we mature as a company. And we've had the strong few months of trading, of having a good indication of the potential to get included in indices we hope in 2020.

So in summary and conclusion, on Page 15. Just wanted to close and say that we've been working very hard to meet our 2019 targets. They're ambitious, but we've now turned a corner here with Aurizona up and running and the 2 mines producing well. Our vision is ambitious, and we hope to move forward very quickly here and work towards becoming a million ounce producer over the next 3 to 4 years as we get towards the end of 2023.

So that concludes the formal part of the presentation. I'd like to thank everyone for attending, and I'll open up for questions.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Operator, can you please explain how to ask a question?

QUESTIONS AND ANSWERS

Operator

(Operator Instructions)

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

We don't have any questions online yet, so we'll go directly to the phone lines, please.

Operator

Our first question comes from Bryce Adams of CIBC.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Christian, I just want to touch on the guidance updates quickly. So at Aurizona, to get to the bottom end of guidance, I was -- if I assumed 8,000 tonnes a day and 91% recoveries, I'd need to use about a 1.6 grams per tonne to get to the bottom end of guidance. And to get to the top end of guidance, it would need to be a little bit more than 2 grams a tonne. You mentioned that July was 9,500 ounces and that August will be running at about 1.5 grams per tonne, that's the reserve grade. I'm just wondering how should we think about those grades in the back half of the year. I need to use -- do you think I need to use between 1.6 and 2 grams per tonne to get within guidance?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Well, I think, just stepping back, I mean, we will expect to be through -- having throughput levels at sort of 8,000 and 9,000 tonnes a day. So nameplate is 8,000, we're running ahead of that, and our recoveries are slightly higher already as well, not the 91%. So we're sort of running in that 92% range, maybe a little higher. So those will be slight benefits. And we do expect to average between 12,000 and 13,000 ounces for the second half of the year. So grades will reflect that, and it will be reserved grade and a bit better.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Okay. I can appreciate that you have those good days above 9,000 tonnes, but 8,500 would be okay as an average for the second half?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

8,500 is a reasonable average.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Okay. And then, I guess, a similar question for Mesquite. To get to the top end of the guidance, you'd need about 46,000 ounces each quarter. What are the operating parameters that you'd need to achieve that?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. I mean, we've -- as we've got this increase in the stacking -- tonnage stacking cap from 25 million to 37 million, we obviously have the ability to stack a lot more ore. So that's something that we've been ramping up and will be doing. Grades are probably a little bit better in the second half of the year. And the big thing also is solution flow. We've been limited to sort of 10,000, 11,000 gallons per minute, and we'll be ramping up towards that 18,000. So there's a big increase potential in the solution flow there as well. And as we move into the oxide material more -- because remember, the first part of the year is really nonox, which is a 35% recovery and a longer leach cycle -- so we get into the oxide material, which we've been doing recently, you're going to have 75%-type recoveries and much shorter leach cycles. So all of those things benefit.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Okay. On the better grades, do you think that 0.5 gram per tonne would be too aggressive?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Oh, yes, 0.5 gram is too aggressive. I mean it's between 0.3 and 0.4 at most.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Okay. And on the stacking cap, is that done? You have it in hand already?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

We do.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Okay. So would you be looking to maximize that stack, go straight to 37 million for this year?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Off the top of my head, I can't say if we're going to max the 37 million out, but we'll certainly be well above the 25 million.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Okay. And you'd need to balance that with the strip ratio as well, I imagine?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. And interestingly, obviously, we're -- our second phase, we are looking at the overall maximum tonnage moved. I think it's 65 million short tonnes. And again, we're looking at the potential to increase that. I don't expect that will happen before year-end, but yes, we do need to manage that strip. But one of the benefits, obviously, of having these dumps and old leach pad material that Scott's drilled off is -- they have a very low strip, if almost no strip in certain cases.

Operator

Our next question comes from Andrew Mikitchook of BMO Capital Markets.

Andrew Rostislav Mikitchook - *BMO Capital Markets Equity Research - Analyst*

I just wanted to come back a little bit on this Mesquite. Are you seeing the leach curves picking up as expected for this nonoxide material that went down on the heap in the kind of the first half, in line with expectations at this point? Or is that still something you're expecting to happen?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. I think, I mean, one of the challenges we've had is, because it is slower and it's obviously a lower recovery, that we've needed more solution flow so we can continue to stack and irrigate as much as possible. And I think we've been limited in the amount of time that we can actually spend on each part of the heap as we stack that nonox material. So with the greater solution flow, it will allow us to cover that for a longer period of time. So it will gradually move towards that, yes.

Andrew Rostislav Mikitchook - *BMO Capital Markets Equity Research - Analyst*

Okay. And just the number for the year at 200 koz, 235 koz, does that conceptually include the noncommercial ounces at this point?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. Our guidance, basically we did include, because we originally included them in the Aurizona number, so we included it, yes.

Operator

Our next question comes from John Sclodnick of National Bank Financial.

John Sclodnick - *National Bank Financial, Inc., Research Division - Mining Associate*

Just had a couple of questions. I guess, yes, with the strip ratio at Aurizona, you said you're kind of adjusting the mine plan for the second half of the year. Could you give us a sense on what the strip ratio is that you'd be expecting there?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

I think the strip ratio is around that sort of 8 to 9x. So it's quite a bit above, obviously, what our average is for the whole life of mine.

John Sclodnick - *National Bank Financial, Inc., Research Division - Mining Associate*

Right. Okay. Okay, nice. And also, just in terms of the costs that you guys saw at Aurizona, I know you said you're -- they're kind of in line with what you're expecting. Would you be able to provide any unit costs?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

I mean, we're just in the first month, and we haven't even closed off the first month, so I don't want to give too much guidance. But I mean, you can look back at what we've -- our cash costs, effectively, I said are in line with what we expected. And our original plan was to be mining at around $2.40, $2.50 a tonne, so we're expecting in that sort of range, which was, obviously, a regional contract and feasibility numbers. I don't really want to give too much more guidance on that. But basically, the cash costs are roughly in line. It's that extra stripping that's basically being divided over a lot less ounces over half of the year that effectively is hitting that cost amount.

John Sclodnick - *National Bank Financial, Inc., Research Division - Mining Associate*

Right, okay. And similar question at Mesquite. It's pretty impressive all-in sustaining costs you guys hit this quarter despite kind of the lower-than-expected production. You mentioned kind of the shorter haul distances. Would you be able to give a little bit of color on unit costs there and kind of what your expectations are to drive that? I know, obviously, kind of the strip ratio would come into play there. If you could give any color on kind of unit cost and strip ratio at Mesquite for the back half?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. So Mesquite, basically, has had the shorter hauls. Particularly, we've been taking some of the material off that old leach pad 4, and a few of the dumps and those are, obviously, very close to the leach pads that we're stacking them on, so that's a lot shorter haul. Strip ratios in those, like I said, are rather negligible relative to the rest of it. So the average is, I think, around 1.5, 1.75x strip for the rest of the year. And our mining cost has ranged anywhere from sort of $1.50 to $1.60, $1.75, so it's been quite efficient. I mean, they've done a great job of actually mining efficiently and that's the key driver down there, of course. We'll probably use a few -- a little extra on the reagents front, obviously, with the longer leach cycle and going after some of that nonoxide material, so a little bit higher in the reagent front there.

John Sclodnick - *National Bank Financial, Inc., Research Division - Mining Associate*

Right. Okay. Yes. That was a impressive result there. Last one, just at Castle Mountain, if you could give a little color on your spending plans? I'm not sure if I missed that -- the comments there.

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. So Castle Mountain, obviously, this year, it's been engineering, sort of preparation of the property and some of the more technical work, has been kind of low spend so far. The goal is, at some point here in the second half of the year, once we can kind of demonstrate kind of more empirically to the market and investors that Aurizona is up and running really well, which it is at the moment, and we'll launch into construction and then we'll sort of announce a campaign essentially. But there will be light spending of a few million dollars here and there as we move towards that, with some early work stuff just to keep things moving, because we've now got firm bids and quotes on things, so we can keep things going on behind the scenes before we get into official construction.

John Sclodnick - *National Bank Financial, Inc., Research Division - Mining Associate*

Right. Okay. So you're still kind of targeting maybe some gold coming out in 2020?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Oh, yes. Yes, yes. I mean, let's say, Q3 or around midyear 2020.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Great. We've got a few questions from investors online. The first is from an investor in Canada who asks, what is your plan to pay down debt once all 3 mines are in production?

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Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. I mean, long-term or mid-term here as we get towards our ultimate goals, we do want to pay down debt. We want to have a slightly less, I'll call it -- or have a more conservative capital structure. One active decision we made, particularly with Ross being our largest shareholder last year, was we wanted to acquire assets kind of at the bottom of the cycle. Whether we were right around about the bottom, I'm not sure, but I remember when we were acquiring Mesquite, gold hit $1,170, I think it was at $1,174, so timing looks pretty good there. And we used a reasonable amount of debt to fund roughly half of that acquisition value, and we look to pay that down over time. And with gold at $1,400, it will give us the opportunity to, as we get the third mine into production here, to pay down a bit of debt over the next sort of year, 1.5 years. So we'll start that once Castle is in place.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Okay. I've heard mention -- I'm sorry, another question from Canada. I've heard mention that you're planning a U.S. listing. Will you have to do a consolidation for that?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes, if we do, do a U.S. listing, you need a minimum USD 2 share price. So our share price, obviously, is CAD 1.35 or whatever today and we would need to consolidate a bit. We'd probably consider something like a round consolidation number, something like a 5x, if we have to.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Okay. We'll go back to the phone lines, please.

Operator

Our next question comes from [Ray Daube], private investor.

Unidentified Participant

No question.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Okay.

Operator

Our next question comes from [Robert Zeitzer], a private investor.

Unidentified Participant

My question is, I was a large shareholder of Castle Mountain, and then with the merger, I owned Equinox Gold and I had bought some more shares. My question is, Richard Warke, who was the largest shareholder of Castle Mountain, is he still a strategic investor in Equinox Gold? And if he has that large of a position, why isn't he listed as a substantial investor in the company?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes, Richard Warke actually is still -- he's our second largest shareholder actually. I think he owns about 6% to 7% after Ross' 12%. We don't tend to necessarily list individual's names, for privacy purposes. But Richard is still a large shareholder, and he has continued to participate in financings. When we acquired Mesquite, he participated in that financing to support us alongside Ross as well. So we keep a good dialogue with him as a key strategic shareholder.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

All right. We've got another question online. This one is coming from Turkey. You've mentioned that you were quiet on M&A recently, is it because you haven't found any good targets that align with your strategy? Or is it because you've been focused on developing and optimizing your existing assets?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes, with the M&A strategy, we've been really inwardly focusing for, I'm going to say 6 to 9 months for sure here, getting Aurizona done, getting Mesquite integrated, getting Castle ready. There's been a lot of focus, and we wanted to keep our attention on the ball in a sense. And I'm really pleased with where we've gotten to. But now I think with 2 mines in operation and basically Castle ready to go here, we can start sticking our head up again and looking around. It's not easy. It's almost a shame in a way that gold price has run a little bit quickly here, because opportunities tend to be cheaper and a little easier at the bottom of the market when capital is a little more scarce, but we'll start looking forward now. We'll continue to focus on the Americas, would be our primary focus. And ideally, we'll do an acquisition in the next 6 to 18 months here.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

All right. We'll take another question from the phone lines, please.

Operator

Our next question comes from Bryce Adams of CIBC.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

Christian, I came back for one more. I hope that's okay.

Christian Milau - *Equinox Gold Corp. - CEO & Director*

It's okay, yes.

Bryce Adams - *CIBC Capital Markets, Research Division - Analyst*

In the Mesquite tech report, 2020 and 2021 did have elevated strip ratios. Is that something we should still be looking for?

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes. I mean, obviously, that's going to change quite a bit here. Scott's drilled off all those leach pads and dump material. We've got sort of 150,000 to 175,000 ounces in there of recoverable ounces. So we've got a lot of flexibility to sort of smooth that out in a sense and reduce the strip. And now with the extra flexibility on stacking, we've got also the ability to put more tonnes up. So I would say it's going to be a smoother profile than that. So unfortunately, that tech report is almost outdated now.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

All right. Well, at the moment, we don't have any more questions online or from the phone line. So I'll just remind people that the webcast will be archived. If you do think of a question, please send us an email and we'll get back to you. And I will now hand the call back to Christian for closing remarks.

Christian Milau - *Equinox Gold Corp. - CEO & Director*

Yes, Thanks, Rhylin. Thanks for everyone for joining our first real quarterly webcast here. I think we're turning the corner here. We're really excited about Q3 and Q4. Equinox is so well positioned for the rest of this year and will be an official mid-tier producer here as we launch into Q3. So stay tuned, I think we're going to have some fun here for the rest of the year. Thanks.

Rhylin Pauline Arkinstall Bailie - *Equinox Gold Corp. - VP of IR*

Excellent. Thank you for joining us today.
