28 FEB 2022 | Equinox Gold (NYSE:EQX) is a growth focused gold producer with seven producing mines and a pipeline of expansion & development projects in Canada, California, Mexico and Brazil to create a sustaining upper mid-tier gold producer with a target of 1 million ounces per year production by 2024 or before. The company aims to achieve further growth via optimization of existing operations plus value M&A work. The early 2020 key acquisition of Leagold Mining led to another notable M&A move to bring Premier Gold and its large scale Greenstone gold project in Ontario under the Equinox umbrella in early 2021. The Equinox team, led by Christian Milau, Greg Smith, & Ross Beaty, are continuing their ambitious goals for rapid growth and proving to the market operational expertise across the portfolio of mines and development projects.

Gold
Au

SMITHWEEKLY RESEARCH

Equity Coverage

DATASHEET

Initiated | 27 MAY 2016

Producer STAGE

Company Snapshot

CAPITAL STRUCTURE	
Market Capitalization	$2.1B
Shares Outstanding	300.6M
Cash on Hand	$306M
Debt	$235M

VALUATION METRICS	
SmithWeekly NPV_8+[2]	$7.3B
Enterprise Value	$2.1B
P/NAV[7]	0.63
Peer Average P/NAV[6]	0.85

BUY
$24.35[1]

24-Month TIME FRAME

Multi[3] JURISDICTION

$6.91 CURRENT PRICE

UPSIDE DRIVERS

General Market

► Cyclical uptrend for gold producer equities is in place. Early-mid stages of price improvement exist.
► Market sentiment & price for gold is improving.
► Gold prices remain the same or move higher.

Company Specific

► As promised delivery of development projects & operational efficiencies to reduce total costs.
► Further M&A execution / jurisdictional expansion.
► Notable discovery from exploration portfolio.
► Acceptance by the market that the company is a credible upper mid-tier producer.

DOWNSIDE RISKS

General Market

► Sustained decline in gold prices.
► Short term market price & sentiment fluctuations.
► Supply & cycle risk.

Company Specific

► Delay and/or failure to obtain stated objectives.
► Inability to mitigate country risk due to factors beyond company control.
► Total cost increases.
► Key person risk.

KEY PEOPLE
Christian Milau
Greg Smith
Doug Reddy
Peter Hardie
Ross Beaty

MAJOR SHAREHOLDERS	
Key Funds & HNW[4]	18.0%
Mubadala / Pacific Road[5]	12.5%
Ross Beaty & Management	8.5%

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Company Specific & Datasheet Notes

The following specific, standard, and precautionary notes apply to this Equity Coverage Datasheet:

Our research is based on our own opinions, internal calculations, assumptions, and forward expectations. It may not reflect the view of the company covered in this datasheet. The "Company Snapshot" information section, including capital structure, is based on prior filings that may not be current. Actual coverage initiated on 27 MAY 2016. Average portfolio price to date: $4.06. The analyst is a holder of shares. Our coverage is solely based on the good graces of SmithWeekly Research. We do not accept compensation in exchange for coverage. Management: Our analysis is based in part on key persons, their past performance, and expectation of similar future performance. Changes in key persons may change our view. Producer: Our analysis is based in part on the present producing assets of the company, development stage assets, exploration assets, and the current and expected cash flows from those assets based on expectations of the underlying commodity prices, and total costs. Forward time frame: Based on the date the datasheet was updated. This datasheet contains forward looking statements and assumptions that may not be obtained.

(1) Expected Price: Based on a series of factors including primary and secondary underlying commodity price view, management effectiveness, valuation of assets, growth & stage, NPV, cash flows, cash burn, stated objectives time frame, capital & operational efficiencies, finance costs, jurisdictional risks, overall sector sentiment, regulatory filings, and other factors. Our expected price is simply an assumption of our valuation based on a set of current known factors and a future set of factors that could be obtained, but may not be obtained based on changes at the company and market forces. We caution that the term "Price Target" commonly used by sector analysts could be biased and those targets often blow like the wind. If and when a "Price Target" is obtained, analysts often upward adjust the price target for various reasons that could be founded or unfounded. SmithWeekly attempts to be conservative in our estimations and also warns readers to better understand the factors behind target price movements and the potential motivations of analysts. Since SmithWeekly is not a broker and is not compensated for coverage, we have an independent objective view in our analysis for best alignment. (2) Our producer "$NPV_{(x)}$+" calculation is a SmithWeekly modified metric based our assumptions of expected annual cash flows based on after-tax, after-G&A expense, exploration expense, sustaining operations and capital expenditures to makeup total cost. Other considerations include a reasonable discount rate, expected underlying commodity prices, expected time frames, production profiles, life of mine(s), future expected production cash flows, and other considerations. Supplemental assets, PP&E, & cash/debt values also have consideration in determining our "$NPV_{(x)}$+" figures. (3) Jurisdictions currently include Mexico, California, Canada, and Brazil. Our valuation considerations provide for the fact that there are jurisdictional valuation differences to certain premium jurisdictions and those differences may change depending on sentiment and stage of the cycle. (4)(5) On a fully diluted basis. Assumes full conversion of notes resulting in the issuance of ~17.9m and ~26.6m shares, respectively, at each conversion price, to Mubadala and Pacific Road. These notes were in the money at the time of research. Percentage figures include VanEck, Sprott, Paulson and other key high net worth (HNW) shareholders. (6)(7) Peer Comparison: Yamana, Centerra, IamGold, and B2Gold. Weighted Average P/NAV. Considered from Equinox stated figures.

SmithWeekly Datasheets represent non-consensus and unconventional considerations in our evaluations of our covered equity. All prices are, first, in the currency of the primary exchange shown on this datasheet, or second, in the respective home currency of the company, unless specifically noted. Capital structure information is stated in the currency reported in company filings, unless noted otherwise. Datasheets are a compilation of our work summarized onto a brief document based on our collection and internal analysis of publicly available information. Closing recommendations are made within our research letter, Opportunities, where our model portfolio is held. Specific allocation size based on a model portfolio is also provided within our Opportunities letter, as well as continuing ongoing coverage updates until coverage is ceased. SmithWeekly Research may cease coverage at any time without notice. Datasheets may not be updated. Current Datasheets are available via our website by free registration.

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