EQUINOX GOLD

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2019 and 2018

(Expressed in thousands of United States dollars, unless otherwise stated)

Unaudited

EQUINOXGOLD

Condensed Consolidated Statements of Financial Position

(Unaudited, expressed in thousands of United States dollars)

	Note		June 30, 2019		December 31, 2018
Assets					
Current assets					
Cash and cash equivalents		$	33,046	$	60,822
Accounts receivable, prepaid expenses and deposits			21,511		21,838
Inventory	5		57,820		49,671
Marketable securities			1,568		1,782
Restricted cash – current			624		633
			114,569		134,746
Non-current inventory	5		66,795		50,114
Restricted cash			13,868		14,963
Exploration and evaluation assets	6		146,808		171,709
Mineral properties, plant and equipment	7		410,355		366,162
Equity accounted for investment	3(b), 14		5,691		-
Other assets	6, 14		16,657		9,092
Deferred tax assets			4,784		5,319
Total assets		$	779,527	$	752,105
Liabilities and Equity					
Current liabilities					
Accounts payable and accrued liabilities		$	41,249	$	55,461
Current portion of loans and borrowings	8		40,410		54,704
			81,659		110,165
Loans and borrowings	8		221,031		159,855
Derivative liabilities	9		22,555		18,861
Reclamation obligations			24,753		23,546
Other long-term liabilities			6,788		10,596
Deferred tax liabilities			9,059		9,552
Total liabilities			365,845		332,575
Shareholders' equity					
Share capital	10		503,477		491,100
Reserves			26,693		15,402
Deficit	4		(116,488)		(101,491)
Equity attributable to Equinox Gold shareholders			413,682		405,011
Non-controlling interests	3(b), 14		-		14,519
Total equity			413,682		419,530
Total liabilities and equity		$	779,527	$	752,105

Commitments and contingencies (note 17)
Subsequent event (note 3(a))

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EQUINOX GOLD

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Unaudited, expressed in thousands of United States dollars, except share and per share amounts)

	Note	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Revenue		$ 35,396	$ -	$ 70,780	$ -
Operating expenses	11	(21,311)	-	(42,172)	-
Depreciation and depletion		(4,475)	-	(9,122)	-
Earnings from mine operations		9,610	-	19,486	-
Exploration		(3,160)	(2,727)	(6,088)	(5,684)
General and administration	12	(3,690)	(3,306)	(6,798)	(6,741)
Income (loss) from operations		2,760	(6,033)	6,600	(12,425)
Finance expense		(3,314)	(741)	(7,102)	(1,533)
Finance income		487	2,288	1,255	3,068
Other income (expense)	13	(10,648)	4,191	(14,949)	6,908
Net loss before taxes		(10,715)	(295)	(14,196)	(3,982)
Tax recovery (expense)		48	(1,383)	(2,262)	(1,383)
Net loss from continuing operations		(10,667)	(1,678)	(16,458)	(5,365)
Loss from discontinued operations		-	(25,824)	-	(26,576)
Net loss and comprehensive loss		$ (10,667)	$ (27,502)	$ (16,458)	$ (31,941)
Net loss from continuing operations attributable to					
Equinox Gold shareholders		$ (9,585)	$ (1,661)	$ (14,494)	$ (5,348)
Non-controlling interests	14	(1,082)	(17)	(1,964)	(17)
		$ (10,667)	$ (1,678)	$ (16,458)	$ (5,365)
Net loss and comprehensive loss attributable to					
Equinox Gold shareholders		$ (9,585)	$ (26,954)	$ (14,494)	$ (31,287)
Non-controlling interests	14	(1,082)	(548)	(1,964)	(654)
		$ (10,667)	$ (27,502)	$ (16,458)	$ (31,941)
Net loss per share from continuing operations, basic and diluted		$ (0.02)	$ (0.00)	$ (0.03)	$ (0.01)
Net loss per share, basic and diluted		$ (0.02)	$ (0.06)	$ (0.03)	$ (0.07)
Weighted average shares outstanding, basic and diluted		553,436,166	446,312,089	553,132,608	440,730,814

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EQUINOXGOLD

Condensed Consolidated Statements of Cash Flows

(Unaudited, expressed in thousands of United States dollars)

	Note	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Cash provided by (used in):					
Operations					
Net loss for the period		$ (10,667)	$ (27,502)	$ (16,458)	$ (31,941)
Adjustments for:					
Tax expense (recovery)		(48)	1,383	2,262	1,383
Depreciation and depletion		4,544	177	9,265	348
Share-based compensation		989	1,001	2,132	2,585
Change in fair value of derivative liabilities	13	(1,311)	(9,951)	3,980	(14,533)
Impairment		-	24,135	-	24,135
Unrealized foreign exchange (gain) loss		(376)	2,858	(1,605)	3,093
Finance expense		3,314	741	7,102	1,533
Finance fees paid		(5,951)	(1,483)	(7,857)	(1,636)
Loss on settlement of debt and production-linked liability		13,903	-	13,903	1,299
Gain on disposal of assets		(1,250)	-	(1,042)	-
Other		(1,494)	(1,463)	(3,274)	(592)
Changes in non-cash working capital:					
Accounts receivable, prepaid expenses and deposits		883	4,855	932	2,342
Inventory		(15,563)	350	(25,089)	(65)
Accounts payable and accrued liabilities		924	(1,068)	(1,431)	(8,499)
		(12,103)	(5,967)	(17,180)	(20,548)
Investing					
Expenditures on Aurizona construction		(17,031)	(19,537)	(45,863)	(38,404)
Other capital expenditures		(6,107)	(128)	(10,620)	(247)
Mesquite acquisition working capital adjustment	4	-	-	(12,451)	-
Proceeds from Serabi Gold plc receivable		-	4,741	-	4,741
Other		(1,324)	2,290	(1,264)	2,473
		(24,462)	(12,634)	(70,198)	(31,437)
Financing					
Draw down of debt facilities	8	159,661	40,000	169,661	40,000
Repayment of debt and production-payment liability	8	(116,888)	(800)	(116,888)	(800)
Proceeds from equity financings, net of issuance costs		-	-	-	14,750
Restricted cash		1,385	-	1,385	-
Other		1,340	248	4,237	524
		45,498	39,448	58,395	54,474
Effect of foreign exchange on cash and cash equivalents		108	(4,620)	1,207	(4,779)
Increase (decrease) in cash and cash equivalents		9,041	16,227	(27,776)	(2,290)
Cash and cash equivalents, beginning of period		24,005	49,441	60,822	67,958
Cash and cash equivalents, end of period		$ 33,046	$ 65,668	$ 33,046	$ 65,668
Non-cash investing and financing activities:					
Shares issued to settle debt		$ 10,110	$ -	$ 10,110	$ 15,504
Non-cash proceeds from sale of Elk Gold included in other assets		4,431	-	4,431	-
Non-cash changes in accounts payable in relation to capital expenditures		(1,048)	474	(6,353)	1,973
Right-of-use assets recognized		-	-	537	-

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

EQUINOX GOLD

Condensed Consolidated Statements of Changes in Equity

(Unaudited, expressed in thousands of United States dollars, except share amounts)

	Share Capital							
	Shares	Amount	Foreign currency translation	Equity component of Convertible Notes	Other reserves	Deficit	Non-controlling interests	Total
December 31, 2018	552,127,299	$ 491,100	$ (752)	$ -	$ 16,154	$ (101,491)	$ 14,519	$ 419,530
Shares issued to settle Debenture	11,139,175	10,110	-	-	-	-	-	10,110
Shares issued on exercise of warrants, stock options and RSUs	2,183,954	2,267	-	-	(1,167)	-	-	1,100
Equity component of Convertible Notes (note 8(b))	-	-	-	10,217	-	-	-	10,217
Share-based compensation	-	-	-	-	2,241	-	-	2,241
Changes in non-controlling interest from equity offerings and other (note 14)	-	-	-	-	-	(503)	3,949	3,446
Deconsolidation of Solaris Copper (note 14)	-	-	-	-	-	-	(16,504)	(16,504)
Net loss and comprehensive loss	-	-	-	-	-	(14,494)	(1,964)	(16,458)
Balance June 30, 2019	565,450,428	$ 503,477	$ (752)	$ 10,217	$ 17,228	$ (116,488)	$ -	$ 413,682

	Share Capital							
	Shares	Amount	Foreign currency translation	Equity component of Convertible Notes	Other reserves	Deficit	Non-controlling interests	Total
December 31, 2017	404,749,044	$ 383,297	$ (752)	$ -	$ 13,494	$ (38,793)	$ 8,131	$ 365,377
Shares issued to settle Debenture	18,518,518	15,504	-	-	-	-	-	15,504
Shares issued on exercise of shareholder anti-dilution right	21,000,000	15,239	-	-	-	-	-	15,239
Shares issued on exercise of warrants, stock options and RSUs	2,215,971	2,654	-	-	(1,873)	-	-	781
Share issue costs	-	(489)	-	-	-	-	-	(489)
Share-based compensation	-	-	-	-	2,585	-	-	2,585
Net loss and comprehensive loss	-	-	-	-	-	(31,287)	(654)	(31,941)
Balance June 30, 2018	446,483,533	$ 416,205	$ (752)	$ -	$ 14,206	$ (70,080)	$ 7,477	$ 367,056

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

1. NATURE OF OPERATIONS

Equinox Gold Corp. (the "Company" or "Equinox Gold") was incorporated under the Business Corporations Act of British Columbia on March 23, 2007. Equinox Gold's primary listing is on the TSX Venture Exchange ("TSX-V") in Canada where its common shares trade under the symbol "EQX" and its warrants trade under the symbol "EQX.WT". The Company's shares and warrants also trade on the OTC markets in the United States under the symbol "EQXFF" and "EQXWF", respectively.

Equinox Gold is a gold mining company engaged in the development and operation of mineral properties. Its principal assets are the Mesquite Mine ("Mesquite") in the United States, which is in production, the Aurizona Mine ("Aurizona") in Brazil that is in production as of July 1, 2019, and the Castle Mountain Mine ("Castle Mountain") in the United States, which is a development-stage project the Company expects to advance to production in 2020.

On August 3, 2018, the Company distributed 60% of the shares of Solaris Copper Inc. ("Solaris Copper"), a subsidiary of the Company formed to hold its copper assets, to its shareholders and on August 21, 2018, disposed of its 83% interest in the Koricancha Mill Joint Venture ("Koricancha") in Peru. On October 30, 2018, the Company completed its acquisition of Mesquite from New Gold Inc. ("New Gold") (note 4). The results of Solaris Copper were consolidated with those of the Company to June 30, 2019 (notes 3(b) and 14) and the results of operations of Koricancha are presented as discontinued operations in these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

At June 30, 2019, the Company had cash and cash equivalents of $33.0 million (December 31, 2018 – $60.8 million), working capital of $32.9 million (December 31, 2018 – $24.6 million) and $30.0 million in undrawn loan facilities. Subsequent to June 30, 2019, the Company announced the commencement of commercial production at Aurizona. The Company believes cash flows from operations at Aurizona and Mesquite are sufficient to achieve the Company's current business objectives for the next 12 months. The Company may require additional funding for future development activities, including Castle Mountain construction. The Company has incurred operating losses to date and has limited history of revenue from operations. The Company's ability to continue as a going concern in the longer term is dependent on successful execution of its business plan and ultimately generating net income and positive cash flow from mining operations.

2. BASIS OF PREPARATION

(a) Statement of compliance and basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, and do not include all of the information required for full annual financial statements prepared using International Financial Reporting Standards ("IFRS"). These condensed consolidated interim financial statements should be read in conjunction with the Company's most recent annual audited consolidated financial statements for the year ended December 31, 2018. Except as described in note 2(b), the accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company's annual audited consolidated financial statements for the year ended December 31, 2018.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on August 1, 2019.

2. BASIS OF PREPARATION (CONTINUED)

(b) Changes in significant accounting policies

The Company adopted IFRS 16, *Leases* ("IFRS 16") on January 1, 2019. A number of other new standards are effective from January 1, 2019, including IFRIC 23, *Uncertainty over Income Tax Treatments,* but they do not have a material effect on the Company's consolidated financial statements.

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or leases where the underlying asset is of low value. Lessor accounting remains similar to previous accounting policies.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4, *Determining Whether an Arrangement contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

Transition

The Company adopted IFRS 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2018 has not been restated.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after January 1, 2019.

The Company leases various assets including equipment and offices that had previously been classified as operating leases under IAS 17. On transition, lease liabilities for these leases were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as of January 1, 2019. The average incremental borrowing rate at January 1, 2019 was 6.5%. The Company elected to measure the right-of-use assets at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On initial adoption, the Company used the following practical expedients as permitted by the standard when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term remaining.
- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

2. BASIS OF PREPARATION (CONTINUED)

The Company did not have any leases classified as finance leases under IAS 17 on the adoption date.

On transition to IFRS 16, the Company recognized right-of-use assets and lease liabilities for its office leases, resulting in an increase to property, plant and equipment of $0.2 million at January 1, 2019. A corresponding lease liability was recognized for $0.2 million in other long-term liabilities. Right-of-use assets are presented as other property and equipment within mineral property, plant and equipment and lease liabilities are presented in other liabilities in the statement of financial position.

A reconciliation of lease commitments as reported at December 31, 2018 to the lease liabilities recorded at January 1, 2019 is as follows:

Operating lease commitments at December 31, 2018	$	307
Impact of discounting using the incremental borrowing rate at January 1, 2019		(25)
Recognition exemption for leases with less than 12 months of lease term at transition		(53)
Lease liabilities recognized as at January 1, 2019	$	229

Significant accounting policies

The following is the new accounting policy for leases under IFRS 16:

A contract is or contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The cost of the right of use asset includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs; and if applicable, an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate reflects the rate of interest that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company does not recognize right-of-use assets and lease liabilities for leases of low-value assets and leases with lease terms that are less than 12 months. Lease payments associated with these leases are instead recognized as an expense over the lease term on either a straight-line basis, or another systematic basis if more representative of the pattern of benefit.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

2. BASIS OF PREPARATION (CONTINUED)

The Company has applied judgment to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Right-of-use assets are presented in the same line item as it presents underlying assets of the same nature that it owns. The Company presents lease liabilities in other liabilities in the statement of financial position.

Impact on financial statements

Information about leases for which the Company is a lessee is presented below.

Right-of-use assets

Balance – January 1, 2019	$	229
Additions		537
Depreciation		(108)
Balance – June 30, 2019	$	658

Lease liabilities

		June 30, 2019
Current lease liabilities included in accounts payable and accrued liabilities	$	245
Non-current lease liabilities included in other long-term liabilities		575
	$	820

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ. Significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied in the most recent annual audited consolidated financial statements for the year ended December 31, 2018 except as follows:

(a) Commencement of commercial production

Management considers several factors in determining when a mining property is capable of operating at levels intended by management. Until a mine is capable of operating at levels intended by management, costs incurred are capitalized as part of the costs of the related mining properties and proceeds from mineral sales are offset against costs capitalized. Depletion of capitalized costs for mining properties begins when the mine is capable of operating at levels intended by management. Amongst other quantitative and qualitative factors, throughput, mill grades and recoveries were assessed over a reasonable period to make this determination. A minimum of 80% of planned output and/or design capacity measures over a 30-day period were utilized in determining the appropriate timing. The Company determined that Aurizona was capable of operating at levels intended by management effective July 1, 2019.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

3. USE OF JUDGEMENTS AND ESTIMATES (CONTINUED)

(b) Investments

Management applies judgement in assessing whether the facts and circumstances pertaining to each investment result in the Company having control, joint control or significant influence over an investee. During the three months ended June 30, 2019, the Company determined that Solaris Copper was no longer a controlled subsidiary as the Company's ownership interest reduced to approximately 32% as a result of the completion of external financings, and Solaris Copper was self-sustaining for an extended period with no capital injections made by Equinox Gold. The Company determined that it retained significant influence over Solaris Copper, and accounts for its interest using the equity method effective June 30, 2019.

4. ACQUISITION OF MESQUITE

On October 30, 2018, the Company completed the acquisition of Mesquite in California from New Gold for cash consideration of $158 million before closing adjustments (the "Mesquite Acquisition").

At December 31, 2018, the purchase consideration included a working capital adjustment estimated at $9.1 million. As part of the purchase agreement, Equinox Gold also agreed to distribute to New Gold certain Alternative Minimum Tax ("AMT") credits recorded as of the closing date as the AMT credit amounts are realized by the Company.

During the first quarter of 2019, the Company finalized the working capital adjustment with New Gold, resulting in an increase in consideration paid of $3.4 million. As a result of the change in fair value of consideration transferred, the bargain purchase gain recognized on acquisition was reduced by $5.5 million and is accounted for retrospectively. Certain comparative figures have been recast to reflect these adjustments.

	Preliminary	Adjustments	Total
Cash consideration paid	$ 158,000	$ -	$ 158,000
Working capital adjustment	9,063	3,388	12,451
Total consideration	$ 167,063	$ 3,388	$ 170,451

The purchase consideration was provisionally allocated as follows:

	Reported as of December 31, 2018	Adjustments	Reported as of June 30, 2019
Net assets/(liabilities) acquired as of October 30, 2018			
Cash and cash equivalents	$ 13,665	$ -	$ 13,665
Accounts receivables, prepaids expenses and deposits	1,842	-	1,842
Inventory	91,975	-	91,975
Current tax receivable	2,779	(1,574)	1,205
Mineral property, plant and equipment	95,736	-	95,736
Other assets	75	-	75
Deferred tax assets	5,319	-	5,319
Accounts payable and accrued liabilities	(11,267)	(494)	(11,761)
Reclamation obligation	(17,675)	-	(17,675)
Other liabilities	(150)	-	(150)
Fair value of Mesquite net assets acquired	$ 182,299	$ (2,068)	$ 180,231
Bargain purchase gain recognized in net loss at October 30, 2018	$ 15,236	$ (5,456)	$ 9,780

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

4. ACQUISITION OF MESQUITE (CONTINUED)

As of the date of these condensed consolidated interim financial statements, the allocation of the Mesquite Acquisition purchase price has not been finalized. The determination of the fair values of heap leach inventory, mineral property, AMT and deferred income taxes are all subject to change. Any further adjustments made will be recognized retrospectively and comparative information will be revised.

5. INVENTORY

		June 30, 2019		December 31, 2018
Heap leach ore (current and non-current)	$	107,167	$	81,522
Less: Non-current portion of heap leach ore		(66,795)		(50,114)
Current portion of heap leach ore		40,372		31,408
Work-in-process		5,961		7,058
Supplies		11,114		10,005
Finished goods		373		1,200
Current inventory	$	57,820	$	49,671

Non-current inventory relates to heap leach ore at Mesquite not expected to be recovered in the next 12 months.

6. EXPLORATION AND EVALUATION ASSETS

On May 16, 2019, the Company sold its 100% interest in the Elk Gold project for gross proceeds of $7.4 million (C$10.0 million) comprised of: (i) $0.7 million (C$1.0 million) cash payment received on closing; and a (ii) $6.7 million (C$9.0 million) non-interest bearing promissory note payable in annual instalments of $2.2 million (C$3.0 million) commencing two years from closing. The total amount due under the promissory note may be adjusted such that if the buyer pays an additional C$7 million within two years from closing, that will represent full and final payment; or if the buyer pays an additional C$8.5 million within three years from closing, that will represent full and final payment.

The fair value of consideration received was determined to be $5.2 million, of which $4.4 million is included in other receivables. The fair value of the consideration was determined by discounting the expected cash flows using a discount rate of 15%. For the three and six months ended June 30, 2019, the Company recorded a gain on disposal of Elk Gold of $0.1 million in other income.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Net carrying costs at June 30, 2019 and December 31, 2018 are as follows:

	Mineral properties	Plant and equipment	Pre-development assets	Construction in-progress	Other property and equipment	Total
Cost						
Balance – December 31, 2017	$ 72,592	$ 47,873	$ 44,194	$ -	$ 223	$ 164,882
Transfers	-	-	(44,194)	44,194	-	-
Acquisition of Mesquite	36,116	59,121	-	499	-	95,736
Additions/expenditures	308	2,285	-	123,124	38	125,755
Impairment	-	(4,448)	-	(206)	(13)	(4,667)
Disposals	-	(9,270)	-	(570)	(89)	(9,929)
Change in reclamation cost asset	1,465	-	-	-	-	1,465
Balance – December 31, 2018	110,481	95,561	-	167,041	159	373,242
Additions/expenditures	10,635	759	-	41,986	868	54,248
Transfers	-	1,071	-	(1,071)	-	-
Disposals	-	(1,683)	-	(2)	(74)	(1,759)
Change in reclamation cost asset	776	-	-	-	-	776
Balance – June 30, 2019	$ 121,892	$ 95,708	$ -	$ 207,954	$ 953	$ 426,507
Accumulated depreciation						
Balance – December 31, 2017	$ -	$ 1,167	$ -	$ -	$ 43	$ 1,210
Additions	1,783	5,969	-	-	87	7,839
Disposals	-	(1,939)	-	-	(30)	(1,969)
Balance – December 31, 2018	1,783	5,197	-	-	100	7,080
Additions	3,202	6,506	-	-	127	9,835
Disposals	-	(729)	-	-	(34)	(763)
Balance – June 30, 2019	$ 4,985	$ 10,974	$ -	$ -	$ 193	$ 16,152
Net book value						
At December 31, 2018	$ 108,698	$ 90,364	$ -	$ 167,041	$ 59	$ 366,162
At June 30, 2019	$ 116,907	$ 84,734	$ -	$ 207,954	$ 760	$ 410,355

During the six months ended June 30, 2019, the Company capitalized to construction-in-progress $41.7 million of costs at Aurizona, which includes interest and accretion on the Aurizona project debt totaling $5.1 million. During the six months ended June 30, 2019, $5.6 million proceeds from the sale of gold during the ramp-up of Aurizona was deducted from construction-in-progress.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

8. LOANS AND BORROWINGS

	Note		June 30, 2019		December 31, 2018
Revolving Credit Facility	(a)	$	96,526	$	97,858
Convertible Notes	(b)		124,505		-
Short-term Loan	(c)		19,684		-
Sprott Facility	(b)		-		18,249
Aurizona Construction Facility	(b)		-		68,831
Standby Loan			11,899		11,803
Debenture			8,827		17,818
			261,441		214,559
Current portion			40,410		54,704
Non-current portion		$	221,031	$	159,855

(a) Revolving Credit Facility

On April 11, 2019, the Company converted its $100 million Mesquite Acquisition Credit Facility into a senior secured $130 million corporate revolving credit facility (the “Revolving Credit Facility”) with the existing syndicate of lenders led by the Bank of Nova Scotia. Under the terms of the Revolving Credit Facility, $100 million was available immediately and outstanding at closing. The remaining $30 million was made available in late June 2019 upon registration of certain security documents, the achievement of certain production metrics at Aurizona and the satisfaction of customary conditions. The Revolving Credit Facility matures on October 30, 2022, at which date it must be repaid in full, and incurs interest at an annual rate of LIBOR plus 2.5% to 4%, subject to certain leverage ratios.

Until certain operating performance criteria are met at Aurizona, credit availability reductions of $40 million will be required on December 31, 2020 and 2021 and amounts drawn in excess of the reduced credit availability would become due. On achievement of the performance criteria, no further principal payments will be due until maturity of the facility. As at June 30, 2019, these criteria had not been met.

The Company determined that amending the Mesquite Acquisition Credit Facility to become the Revolving Credit Facility was a non-substantial modification of the existing outstanding debt. The Company recognized a gain on modification of debt of $0.9 million to reflect the adjusted amortized cost of the drawn portion of the Revolving Credit Facility. Additional transaction costs of $1.0 million were incurred in relation to the Revolving Credit Facility, of which $0.8 million was allocated to the drawn portion and $0.2 million has been recognized as deferred financing costs within other assets related to the remaining $30 million loan commitment. The carrying value of the drawn portion is accreted to the principal amount over the term of the Revolving Credit Facility using an effective interest rate of 7.4%.

(b) Convertible Notes

On April 11, 2019, the Company issued $130 million in Convertible Notes to Mubadala Investment Company (“Mubadala”) and on May 7, 2019, pursuant to a pre-existing investor rights agreement, the Company issued $9.7 million in additional convertible notes (referred to together with the Mubadala notes as the “Notes”) to Pacific Road Resources Funds (“Pacific Road”).

8. LOANS AND BORROWINGS (CONTINUED)

The Notes mature on April 12, 2024 and bear interest at a fixed rate of 5% per year payable quarterly in arrears. The Notes are convertible at the holder's option into common shares of the Company at a fixed conversion price of US$1.05 per share. Holders may exercise their conversion option at any time, provided that the holder owns less than 20% of the outstanding common shares of the Company. On or after October 11, 2022, the Company has a call right that may be exercised if the 90-day VWAP of the Company's shares exceeds US$1.365 for a period of 30 consecutive days. If the call right is exercised, the holders would be required to either (i) exercise the conversion option on the remaining principle outstanding or (ii) demand cash payment from the Company subject to a predetermined formula based on the conversion price of US$1.05 per share and the Company's share price at the time of redemption.

Gross proceeds from the Notes of $139.7 million was allocated to the debt and equity components. The fair value of the debt portion of $126.8 million was estimated using a discounted cash flow model based on an expected term of 5 years and a discount rate of 7.5%. The residual of $10.5 million ($12.8 million net of deferred tax expense of $2.3 million) was recognized in other equity reserves. The debt component is recorded at amortized cost, net of transaction costs, and is accreted to the principal amount over the term of the Notes using an effective interest rate of 7.7%. Transaction costs of $3.2 million were incurred and allocated on a pro-rata basis with $2.9 million allocated to the debt component and $0.3 million allocated to the equity component.

The Notes are secured by all assets of the Company and are subordinate to the Revolving Credit Facility.

On April 11, 2019, in conjunction with the issuance of the Notes, the Company used $116.9 million of available proceeds from the Notes to repay in full principal and accrued interest outstanding under the Sprott Facility and the Aurizona Construction Facility and terminate the associated Aurizona production-linked payment obligation to Sprott. The Company recorded a loss on settlement of debt of $13.3 million and loss on settlement of the production-payment liability of $0.6 million for the three and six months ended June 30, 2019.

(c) Short-term Loan

On April 11, 2019, the Company entered into a one-year, unsecured $20 million revolving credit facility (the "Short-term Loan") with the Company's Chairman, Ross Beaty, which is a related party transaction, to provide short-term financing for general corporate and working capital purposes. The facility bears interest at 8% per annum, payable monthly, and matures on April 12, 2020, at which date it must be repaid in full.

In connection with the Short-term Loan, the Company incurred a standby fee of 1% and commitment fee of 1%, totaling $0.4 million, which are included in the carrying value of the Short-term Loan and are amortized using an effective interest rate of 10.1%.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

8. LOANS AND BORROWINGS (CONTINUED)

The following is a summary of the changes in loans and borrowings arising from investing and financing activities:

Balance – December 31, 2017	$	43,461
Carrying value of debt extinguished by issuance of shares		(14,205)
$60 million draw from Aurizona Construction Facility, net of deferred financing costs		51,829
$120 million draw from Mesquite acquisition facilities, net of deferred financing costs		114,576
$12 million draw from Standby Loan, net of deferred financing costs		11,760
Accretion and accrued interest		6,692
Recognition of embedded derivative and change in fair value		1,283
Repayment of long-term debt		(837)
Balance – December 31, 2018		214,559
$10 million draw from Aurizona Construction Facility, net of deferred financing costs		8,814
$20 million draw from Short-term Loan, net of deferred financing costs (note 8(c))		19,600
Modification gain and transaction costs on conversion of Mesquite Acquisition Credit Facility to Revolving Credit Facility (note 8(a))		(1,804)
Debt component of Convertible Notes, net of deferred financing costs (note 8(b))		123,942
Repayment of Sprott loans (note 8(b))		(111,211)
Loss on extinguishment of Sprott debt (note 8(b))		13,320
Debenture principal repayment settled by issuance of shares		(10,450)
Accretion and accrued interest		4,671
Balance – June 30, 2019	$	261,441

9. DERIVATIVE LIABILITIES

The functional currency of the Company is the US dollar. As the exercise price of the Company's share purchase warrants is fixed in Canadian dollars, these warrants are considered a derivative as a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, these share purchase warrants are classified and accounted for as a derivative liability at fair value through net income or loss.

The fair value of the warrants is determined using the Black-Scholes option pricing model at the period-end date or the market price on the TSX-V for warrants that are trading.

Balance – December 31, 2017	$	37,784
Warrants issued		336
Warrants exercised		(257)
Change in fair value		(19,002)
Balance – December 31, 2018		18,861
Warrants exercised		(287)
Change in fair value		3,980
Balance – June 30, 2019	$	22,554

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

9. DERIVATIVE LIABILITIES (CONTINUED)

The fair value for 40.6 million non-traded warrants was calculated with the following weighted average assumptions:

	June 30, 2019	December 31, 2018
Risk-free rate	1.6%	1.9%
Warrant expected life	1.7 years	2.2 years
Expected volatility	44.7%	46.2%
Expected dividend	0%	0%
Share price (C$)	$1.22	$1.05

The fair value of 80.5 million traded warrants was based on the market price of C$0.19 per warrant on June 30, 2019 (December 31, 2018 – C$0.17).

10. SHARE CAPITAL

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares with no par value. At June 30, 2019, 565.5 million common shares were issued and outstanding.

(b) Share purchase options

During the six months ended June 30, 2019, the Company granted 1.7 million (six months ended June 30, 2018 – 2.6 million) share purchase options to directors, officers, employees and consultants of the Company. The fair value of options granted was determined using the Black-Scholes option pricing model using the following weighted average assumptions:

	2019	2018
Exercise price (C$)	$1.05	$1.15
Risk-free interest rate	1.9%	2.1%
Volatility	65.7%	68.6%
Dividend yield	0.0%	0.0%
Expected life	5.0 years	4.8 years

Total share-based compensation expense for the three and six months ended June 30, 2019 related to the vesting of stock options was $0.2 million and $0.5 million, respectively (three months ended June 30, 2018 – $0.3 million; six months ended June 30, 2018 – $0.6 million).

A summary of the Company's share purchase options is as follows:

	Shares issuable on exercise of options		Weighted average exercise price (C$)
Outstanding, December 31, 2017	13,178,869	$	1.40
Granted	2,715,260		1.09
Exercised	(792,600)		0.62
Expired/forfeited	(1,219,891)		2.14
Outstanding, December 31, 2018	13,881,638		1.27
Granted	1,741,514		1.05
Exercised	(248,625)		0.43
Expired/forfeited	(893,918)		2.50
Outstanding, June 30, 2019	14,480,609	$	1.18

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

10. SHARE CAPITAL (CONTINUED)

At June 30, 2019, the Company had the following number of shares issuable for options issued and outstanding:

	Options Outstanding				Options Exercisable		
Range of exercise price (C$)	Number of shares issuable on exercise of options		Weighted average exercise price (C$)	Weighted average remaining contractual life (years)	Number of shares issuable on exercise of options		Weighted average exercise price (C$)
$0.43 - $0.99	5,660,425	$	0.61	1.82	5,645,425	$	0.61
$1.00 - $1.99	6,921,899		1.11	3.62	4,073,505		1.15
$2.00 - $2.99	783,105		2.67	1.44	783,105		2.67
$3.00 - $3.43	1,115,180		3.40	2.06	1,115,180		3.40
	14,480,609				11,617,215		

The weighted average exercise price of options exercisable at June 30, 2019, was C$1.21.

(c) Share purchase warrants

A continuity of the Company's share purchase warrants is as follows:

	Shares issuable on exercise of warrants		Weighted average exercise price (C$)
Outstanding, December 31, 2017	117,285,909	$	2.49
Issued	7,875,000		1.07
Exercised	(639,579)		0.47
Expired	(1,692,012)		4.63
Outstanding, December 31, 2018	122,829,318		2.38
Exercised	(1,041,176)		1.01
Expired	(757,185)		2.92
Outstanding, June 30, 2019	121,030,957	$	2.39

Pursuant to the distribution of shares of Solaris Copper, upon the exercise of any Equinox Gold warrant for the original exercise price, Equinox Gold warrant holders will receive one Equinox Gold share and one-tenth of a Solaris Copper share. The Company, as agent for Solaris Copper, will collect and pay to Solaris Copper an amount for each one-tenth of a Solaris Copper share issued that is equal to the exercise price under the Equinox Gold warrant multiplied by one-tenth.

At June 30, 2019, the Company had the following number of shares issuable for share purchase warrants issued and outstanding:

Range of exercise price (C$)	Shares issuable on exercise of warrants		Weighted average exercise price (C$)	Expiry dates
$0.73 - $0.99	18,162,272	$	0.89	June 2020 – May 2021
$1.00 - $1.99	17,570,231		1.12	June 2020 – May 2023
$2.00 - $2.99	4,152,485		2.31	December 2020 – August 2021
$3.00 - $3.99	80,466,919		3.00	October 2021
$4.00 - $4.17	679,050		4.17	June 2020 – July 2020
	121,030,957			

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

10. SHARE CAPITAL (CONTINUED)

(d) Restricted share units

During the six months ended June 30, 2019, the Company granted 2.9 million RSUs (six months ended June 30, 2018 – 2.9 million) and 0.6 million pRSUs (six months ended June 30, 2018 – 0.1 million) to directors, officers and employees. The pRSUs vest three years from the date of grant and the actual number of shares issued will range from 50% to 150% of the pRSU grant based on the Company's share price performance compared to the Junior Gold Miner's Index (GDXJ).

The weighted average share price for RSUs and pRSUs granted in the six months ended June 30, 2019 was C$1.08.

Total share-based compensation expense for the three and six months ended June 30, 2019 related to the vesting of RSUs and pRSUs was $0.7 million and $1.3 million, respectively (three months ended June 30, 2018 – $0.7 million; six months ended June 30, 2018 – $2.0 million).

A continuity table of the RSUs and pRSUs outstanding is as follows:

	RSUs	pRSUs
Outstanding, December 31, 2017	716,866	2,210,000
Granted	3,454,993	4,110,500
Issued	(1,438,201)	(607,753)
Forfeited	(17,250)	-
Outstanding, December 31, 2018	2,716,408	5,712,747
Granted	2,877,800	618,700
Issued	(838,903)	(55,250)
Forfeited	(2,500)	(221,000)
Outstanding, June 30, 2019	4,752,805	6,055,197

11. OPERATING EXPENSES

	Three months ended June 30, 2019	Six months ended June 30, 2019
Operating costs		
Raw materials and consumables	$ 19,337	$ 34,935
Salaries and employee benefits	6,741	13,022
Contractors	3,165	5,958
Repairs and maintenance	5,047	8,976
General and administrative	1,325	2,443
Royalties	951	1,899
	36,566	67,233
Less: Change in inventories	(15,255)	(25,061)
Total operating costs	$ 21,311	$ 42,172

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

12. GENERAL AND ADMINISTRATION

General and administration for the Company consists of the following components by nature:

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Salaries and benefits	$ 974	$ 818	$ 2,054	$ 1,684
Professional fees	650	741	920	1,047
Office and other expenses	1,008	726	1,550	1,384
Share-based compensation	989	1,001	2,132	2,585
Amortization	69	20	142	41
Total general and administration	$ 3,690	$ 3,306	$ 6,798	$ 6,741

13. OTHER INCOME (EXPENSE)

Other income (expense) consists of the following components:

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Change in fair value of derivative liabilities	$ 1,311	$ 9,951	$ (3,980)	$ 14,533
Foreign exchange gain (loss)	366	(4,876)	1,431	(5,272)
Loss on settlement of debt and production-linked liability	(13,903)	-	(13,903)	(1,299)
Other income (expense)	1,578	(884)	1,503	(1,054)
Total other income (expense)	$ (10,648)	$ 4,191	$ (14,949)	$ 6,908

14. NON-CONTROLLING INTERESTS

On March 19, 2019, Solaris Copper completed a private placement issuing 15.7 million common shares at a price of C$0.25 per common share for gross proceeds of $3.0 million (C$3.9 million). Transaction costs of $0.1 million were incurred in connection with the private placement.

On June 20, 2019, Solaris Copper completed a further private placement issuing 2.5 million common shares at a price of C$0.25 per common share for gross proceeds of $0.5 million (C$0.6 million). Transaction costs incurred were nominal. For the three and six months ended June 30, 2019, the Company recorded a dilution loss of $0.2 million and $0.5 million, respectively.

During the three months ended June 30, 2019, the Company determined that Solaris Copper was no longer a controlled subsidiary due to the dilution of its interest in Solaris Copper to approximately 32% and the fact that Solaris Copper was self-sustaining for an extended period. On deconsolidation, the Company recorded its interest retained in Solaris Copper at fair value and amounts receivable from Solaris Copper of $1.5 million were included in other assets. For the three and six months ended June 30, 2019, the Company recorded a gain of $1.8 million on deconsolidation in other income.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

15. SEGMENTED INFORMATION

The Company manages its operating segments by operating mines, development projects and exploration projects. Results from operations for these segments are summarized below:

	Mesquite	Aurizona	Castle Mountain	Other	Corporate	Total
Three months ended June 30, 2019						
Revenues	$ 35,396	$ -	$ -	$ -	$ -	$ 35,396
Operating expenses	(21,311)	-	-	-	-	(21,311)
Depreciation and depletion	(4,475)	-	-	-	-	(4,475)
Earnings from mine operations	9,610	-	-	-	-	9,610
Exploration	-	(220)	(1,823)	(1,117)	-	(3,160)
General and administration	-	-	-	(555)	(3,135)	(3,690)
Income (loss) from operations	9,610	(220)	(1,823)	(1,672)	(3,135)	2,760
Finance expense	(1,940)	(92)	(5)	-	(1,277)	(3,314)
Finance income	4	33	-	24	426	487
Other income (expense)	(1,809)	(13,599)	20	(34)	4,774	(10,648)
Income (loss) before taxes	5,865	(13,878)	(1,808)	(1,682)	788	(10,715)
Tax expense	(2,827)	539	-	-	2,336	48
Net income (loss)	$ 3,038	$ (13,339)	$ (1,808)	$ (1,682)	$ 3,124	$ (10,667)

	Aurizona	Castle Mountain	Other	Corporate	Total
Three months ended June 30, 2018					
Exploration	$ (447)	$ (1,713)	$ (567)	$ -	$ (2,727)
General and administration	-	-	-	(3,306)	(3,306)
Loss from operations	(447)	(1,713)	(567)	(3,306)	(6,033)
Finance expense	(75)	-	-	(666)	(741)
Finance income	2,016	-	-	272	2,288
Other income (expense)	(5,016)	93	120	8,994	4,191
Income (loss) from continuing operations before taxes	(3,522)	(1,620)	(447)	5,294	(295)
Tax expense	(1,383)	-	-	-	(1,383)
Loss from discontinued operation	-	-	(25,824)	-	(25,824)
Net income (loss)	$ (4,905)	$ (1,620)	$ (26,271)	$ 5,294	$ (27,502)

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

15. SEGMENTED INFORMATION (CONTINUED)

	Mesquite	Aurizona	Castle Mountain	Other	Corporate	Total
Six months ended June 30, 2019						
Revenues	$ 70,780	$ -	$ -	$ -	$ -	$ 70,780
Operating expenses	(42,172)	-	-	-	-	(42,172)
Depreciation and depletion	(9,122)	-	-	-	-	(9,122)
Earnings from mine operations	19,486	-	-	-	-	19,486
Exploration	-	(505)	(3,580)	(2,003)	-	(6,088)
General and administration	-	-	-	(1,115)	(5,683)	(6,798)
Loss from operations	19,486	(505)	(3,580)	(3,118)	(5,683)	6,600
Finance expense	(4,533)	(181)	(36)	-	(2,352)	(7,102)
Finance income	7	120	-	28	1,100	1,255
Other income (expense)	(1,755)	(13,336)	-	-	142	(14,949)
Income (loss) before taxes	13,205	(13,902)	(3,616)	(3,090)	(6,793)	(14,196)
Tax expense	(5,024)	426	-	-	2,336	(2,262)
Net income (loss)	$ 8,181	$ (13,476)	$ (3,616)	$ (3,090)	$ (4,457)	$ (16,458)

	Aurizona	Castle Mountain	Other	Corporate	Total
Six months ended June 30, 2018					
Exploration	$ (759)	$ (3,443)	$ (1,482)	$ -	$ (5,684)
General and administration	-	-	-	(6,741)	(6,741)
Loss from operations	(759)	(3,443)	(1,482)	(6,741)	(12,425)
Finance expense	(170)	-	-	(1,363)	(1,533)
Finance income	2,505	-	-	563	3,068
Other income (expense)	(4,500)	63	74	11,271	6,908
Income (loss) from continuing operations before taxes	(2,924)	(3,380)	(1,408)	3,730	(3,982)
Tax expense	(1,383)	-	-	-	(1,383)
Loss from discontinued operation	-	-	(26,576)	-	(26,576)
Net income (loss)	$ (4,307)	$ (3,380)	$ (27,984)	$ 3,730	$ (31,941)

	Total assets		Total liabilities	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Mesquite	$ 231,043	$ 220,582	$ (137,407)	$ (162,703)
Aurizona	341,520	321,223	(31,873)	(111,165)
Castle Mountain	134,913	134,843	(1,667)	(2,466)
Other	-	25,736	-	(241)
Corporate	72,051	49,721	(194,898)	(56,000)
	$ 779,527	$ 752,105	$ (365,845)	$ (332,575)

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

15. SEGMENTED INFORMATION (CONTINUED)

All revenue is attributable to the sale of doré from Mesquite in the United States. Information about the Company's non-current assets by jurisdiction is detailed below:

	June 30, 2019	December 31, 2018
Brazil	$ 330,789	$ 294,343
United States	302,363	283,304
Canada	31,806	19,800
Mexico	-	19,460
Other	-	452
	$ 664,958	$ 617,359

16. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).

Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

As at June 30, 2019, marketable securities and traded warrants are measured at fair value using Level 1 inputs and non-traded warrants are measured at fair value using Level 2 inputs. The fair value of long-term receivables, Notes, Debenture, Revolving Credit Facility, Short-term Loan and Standby Loan, for disclosure purposes, are determined using Level 2 inputs. The carrying values of cash and cash equivalents, accounts receivable, reclamation bonds, and accounts payable and accrued liabilities approximate fair value due to their short terms to maturity.

The fair value of marketable securities is measured based on the quoted market price of the related common shares at each reporting date, and changes in fair value are recognized in net income (loss).

The fair value of the traded warrants is measured based on the quoted market price of the warrants at each reporting date. The fair value of the non-traded warrants is determined using an option pricing formula (note 9).

The fair value of long-term receivables, Notes, Debenture, Revolving Credit Facility, Short-term Loan and Standby Loan for disclosure purposes is determined using discounted cash flows based on the expected amounts and timing of the cash flows discounted using a market rate of interest adjusted for appropriate credit risk.

There were no transfers between fair value levels during the period.

(Unaudited, tables expressed in thousands of United States dollars, except share and per share amounts)

16. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table provides the fair value of each classification of financial instrument:

		June 30, 2019		December 31, 2018
Loans and receivables:				
Cash and cash equivalents	$	33,046	$	60,822
Restricted cash		14,492		15,596
Receivable from Serabi		11,442		10,909
Long term receivables		14,241		7,629
Reclamation bonds and other receivables		1,560		767
Financial asset at FVTPL:				
Marketable securities		1,568		1,782
Total financial assets	$	76,349	$	97,505
Financial liabilities at FVTPL:				
Traded warrants	$	11,380	$	9,730
Non-traded warrants		11,174		9,131
Other:				
Accounts payable and accrued liabilities		41,416		55,460
Convertible Notes		127,570		-
Revolving Credit Facility		97,756		84,844
Debenture		9,047		17,746
Sprott Facility		-		18,452
Aurizona Credit Facility		-		67,627
Standby Loan		12,000		12,000
Short-term Loan		20,000		-
Production-linked liability		-		5,024
Other liabilities		1,697		1,706
Total financial liabilities	$	332,040	$	281,720

17. COMMITMENTS AND CONTINGENCIES

At June 30, 2019, the Company had the following contractual obligations outstanding:

		Total		Within 1 year		1-2 years		2-3 years		3-4 years		4–5 years		Thereafter
Loans and borrowings and accrued interest	$	338,985	$	57,970	$	13,086	$	13,086	$	109,692	$	145,151	$	-
Accounts payable and liabilities		40,596		40,596		-		-		-		-		-
Reclamation obligations(1)		32,214		408		1,611		3,329		6,155		4,363		16,348
Purchase commitments		23,048		22,407		586		49		3		3		-
Lease payments		967		318		189		158		163		139		-

(1) Amount represents undiscounted future cash flows.

17. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Due to the nature of the Company's operations, various legal, tax, environmental and regulatory matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. While the outcomes of these matters are uncertain, based upon the information currently available, the Company does not believe that these matters in aggregate will have a material adverse effect on its condensed consolidated interim financial statements. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of these changes in its condensed consolidated interim financial statements in the period in which such changes occur.

The Company is a defendant in various lawsuits and legal actions, principally for alleged fines, taxes and labour related matters in Brazil. Management regularly reviews these lawsuits and legal actions with outside counsel to assess the likelihood that the Company will ultimately incur a material cash outflow to settle the claim. To the extent management believes it is probable that a cash outflow will be incurred to settle the claim, a provision for the estimated settlement amount is recorded. At June 30, 2019, the Company recorded a legal provision for these items totaling $3.8 million (December 31, 2018 – $2.9 million) which is included in other long-term liabilities.

The Company is contesting federal income and municipal VAT assessments in Brazil. Brazilian courts often require a taxpayer to post cash or a guarantee for the disputed amount before hearing a case. It can take up to five years to complete an appeals process and receive a final verdict. At June 30, 2019, the Company has recorded restricted cash of $13.6 million (December 31, 2018 – $7.5 million) in relation to insurance bonds for tax assessments in the appeals process.

The Company may in the future have to post security, by way of cash, insurance bonds or equipment pledges, with respect to certain federal income and municipal tax assessments being contested, the amounts and timing of which are uncertain. The Company and its advisor believe that the federal income and municipal tax assessments which are under appeal are wholly without merit and no provision has been recorded with respect to these matters.

In certain jurisdictions where the Company operates, entities that are exporters are permitted to maintain offshore bank accounts and are required to register all transactions resulting in deposits into and payments out of those accounts. The Company has identified that in certain instances it has not registered all transactions prior to 2017. The Company has been advised by its tax and foreign trade legal advisors that the maximum fines imposable under statute that could result from non-compliance are up to 15% of the unreported foreign currency transaction, with a five-year statute of limitations. At June 30, 2019, a provision for $0.4 million (December 31, 2018 – $0.9 million) has been included in the provision for legal matters with respect to noncompliance with the foreign currency registration requirements.

If the Company is unable to resolve all these matters favourably, there may be an adverse impact on the Company's financial performance, cash flows and results of operations.