EQUINOX GOLD

Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2021 and 2020

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

EQUINOXGOLD

Condensed Consolidated Interim Statements of Financial Position

(Unaudited, expressed in thousands of United States dollars)

	Note	June 30, 2021	December 31, 2020
Assets			
Current assets			
Cash and cash equivalents		$ 333,923	$ 344,926
Restricted cash		-	1,206
Marketable securities	4(d)	179,983	3,120
Trade and other receivables		82,819	55,872
Inventory	5	201,838	208,290
Other current assets		38,352	32,610
		836,915	646,024
Non-current assets			
Restricted cash		12,562	2,004
Inventory	5	128,605	130,888
Mineral properties, plant and equipment	6	2,470,287	1,844,973
Exploration and evaluation assets	4(a)	52,469	13,750
Investment in associate	4(d), 7	110,307	22,287
Derivative assets	9(a)	86,715	-
Other assets		11,135	13,474
Total assets		$ 3,708,995	$ 2,673,400
Liabilities and Equity			
Current liabilities			
Accounts payable and accrued liabilities		$ 144,818	$ 130,543
Current portion of loans and borrowings	8	26,667	13,333
Derivative liabilities – current	9(b)	68,720	63,993
Other current liabilities		27,388	14,795
		267,593	222,664
Non-current liabilities			
Loans and borrowings	8	522,862	531,908
Reclamation obligations		126,698	117,103
Derivative liabilities	9(b)	45,696	90,573
Other long-term liabilities		61,083	32,769
Deferred tax liabilities		335,266	229,860
Total liabilities		1,359,198	1,224,877
Shareholders’ equity			
Share capital	11	2,003,371	1,518,042
Reserves		45,427	38,779
Accumulated other comprehensive income (“AOCI”)		33,244	-
Retained earnings (deficit)		267,755	(108,298)
Total equity		2,349,797	1,448,523
Total liabilities and equity		$ 3,708,995	$ 2,673,400

Commitments and contingencies (notes 4(b), 6, 12 and 22)

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

EQUINOXGOLD

Condensed Consolidated Interim Statements of Income (Loss)

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

	Note		Three months ended June 30, 2021		2020		Six months ended June 30, 2021		2020
					Note 2(c)(v)				*Note 2(c)(v)*
Revenue	12	$	226,223	$	215,387	$	455,925	$	345,422
Operating expenses	13		(139,843)		(113,029)		(286,642)		(189,518)
Depreciation and depletion			(40,803)		(35,200)		(79,462)		(52,120)
Earnings from mine operations			45,577		67,158		89,821		103,784
Care and maintenance	14		(7,166)		(21,561)		(9,178)		(22,505)
Exploration			(4,722)		(3,949)		(7,689)		(6,593)
General and administration	15		(15,490)		(9,558)		(22,849)		(16,193)
Income from operations			18,199		32,090		50,105		58,493
Finance expense			(11,839)		(11,439)		(20,520)		(18,331)
Finance income			246		363		620		637
Other income (expense)	16		304,112		(93,530)		350,787		(77,914)
Net income (loss) before taxes			310,718		(72,516)		380,992		(37,115)
Current tax expense			(3,852)		(8,171)		(15,170)		(16,066)
Deferred tax recovery (expense)			18,870		2,919		10,231		(19,005)
Net income (loss)		$	325,736	$	(77,768)	$	376,053	$	(72,186)
Net income (loss) per share									
Basic	18	$	1.10	$	(0.34)	$	1.40	$	(0.39)
Diluted	18	$	0.96	$	(0.34)	$	1.19	$	(0.39)
Weighted average shares outstanding									
Basic	18		295,027,749		227,940,632		268,946,914		182,970,592
Diluted	18		343,632,881		227,940,632		317,762,548		182,970,592

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

EQUINOX GOLD

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited, expressed in thousands of United States dollars)

	Note		Three months ended June 30, 2021		Three months ended June 30, 2020		Six months ended June 30, 2021		Six months ended June 30, 2020
					Note 2(c)(v)				*Note 2(c)(v)*
Net income (loss)		$	325,736	$	(77,768)	$	376,053	$	(72,186)
Other comprehensive income (“OCI”), net of tax									
Foreign currency translation			874		-		874		-
Changes in fair value of marketable securities, net of tax expense of $5.1 million	4(d)		32,370		-		32,370		-
		$	33,244	$	-	$	33,244	$	-
Net comprehensive income (loss)		$	358,980	$	(77,768)	$	409,297	$	(72,186)

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

EQUINOXGOLD

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited, expressed in thousands of United States dollars)

	Note	Three months ended 2021	June 30, 2020	Six months ended 2021	June 30, 2020
			Note 2(c)(v)		*Note 2(c)(v)*
Cash provided by (used in):					
Operations					
Net income (loss) for the period		$ 325,736	$ (77,768)	$ 376,053	$ (72,186)
Adjustments for:					
Depreciation and depletion		41,598	44,130	81,377	61,234
Tax expense		(15,018)	5,252	4,939	35,071
Unrealized (gain) loss on foreign exchange contracts	9(b)	(18,954)	4,050	(7,610)	22,557
Unrealized (gain) loss on gold contracts	9(b)	(647)	37,599	(42,715)	13,923
Change in fair value of warrants	9(a), (b)	(24,016)	48,838	(57,316)	38,738
Gain on sale of investments	4(d)	(50,300)	-	(50,300)	-
Gain on reclassification of investment in Solaris Resources Inc.	4(d)	(186,067)	-	(186,067)	-
Unrealized foreign exchange loss (gain)		2,939	(8,835)	5,831	(18,701)
Finance expense		11,839	11,439	20,520	18,331
Non-cash share-based compensation		3,942	3,392	3,832	3,508
Income taxes paid		(14,180)	(5,508)	(15,140)	(13,125)
Gain on disposal of subsidiary	4(c)	(45,419)	-	(45,419)	-
Other		196	(2,997)	5,626	1,516
Operating cash flow before non-cash changes in working capital		31,649	59,592	93,611	90,866
Changes in non-cash working capital	19	(11,476)	34,018	6,991	6,227
		20,173	93,610	100,602	97,093
Investing					
Capital expenditures		(94,408)	(39,887)	(165,282)	(74,324)
Investment in Greenstone Gold Mines	4(b)	(51,000)	-	(51,000)	-
Investment in i-80 Gold Corp	7	(10,208)	-	(30,957)	-
Net proceeds on disposal of assets	4(c), (d)	88,945	1,000	91,945	1,000
Acquisition of Premier Gold Mines Limited	4(a)	8,267	-	8,267	-
Acquisition of Leagold Mining Corporation		-	-	-	55,252
Other		1,327	(5,656)	(982)	(8,292)
		(57,077)	(44,543)	(148,009)	(26,364)
Financing					
Net proceeds from private placement	11(b)	59,498	-	59,498	39,938
Proceeds from option and warrant exercises		14,465	157,500	15,675	163,392
Draw down of loans and borrowings	8	-	9,278	-	518,958
Repayment of loans and borrowings	8	(17,649)	(22,404)	(17,649)	(346,274)
Finance fees paid	2(c)(iii)	(6,120)	(9,863)	(11,420)	(24,839)
Lease payments		(5,184)	(1,856)	(8,950)	(2,387)
Other		-	8,894	-	8,876
		45,010	141,549	37,154	357,664
Effect of foreign exchange on cash and cash equivalents		4,422	389	(750)	(2,047)
Increase (decrease) in cash and cash equivalents		12,528	191,005	(11,003)	426,346
Cash and cash equivalents, beginning of period		321,395	303,057	344,926	67,716
Cash and cash equivalents, end of period		$ 333,923	$ 494,062	$ 333,923	$ 494,062

Supplemental cash flow information (note 19)

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

EQUINOX GOLD

Condensed Consolidated Interim Statements of Changes in Equity

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

	Share Capital					
	Shares	Amount	Reserves	AOCI	Retained earnings	Total
December 31, 2020 (as reported)	242,354,406	$ 1,518,042	$ 38,779	$ -	$ (109,866)	$ 1,446,955
Adjustment on initial application of IAS 16 amendment (note 2(c)(ii))	-	-	-	-	1,568	1,568
December 31, 2020	242,354,406	1,518,042	38,779	-	(108,298)	1,448,523
Shares and options issued to acquire Premier Gold Mines Limited (note 4(a))	47,373,723	399,613	8,155	-	-	407,768
Shares issued in private placement (note 11(b))	7,489,000	59,595		-		59,595
Shares issued on exercise of warrants, stock options and RSUs (note 11)	3,220,801	26,218	(6,446)	-	-	19,772
Share-based compensation	-	-	4,939	-	-	4,939
Share issue costs	-	(97)	-	-	-	(97)
Net income and comprehensive income	-	-	-	33,244	376,053	409,297
Balance June 30, 2021	300,437,930	$ 2,003,371	$ 45,427	$ 33,244	$ 267,755	$ 2,349,797

	Share Capital				
	Shares	Amount	Reserves	Deficit	Total
December 31, 2019	113,452,363	$ 505,686	$ 27,959	$ (130,586)	$ 403,059
Shares and options issued to acquire Leagold Mining Corporation	94,635,765	732,042	19,777	-	751,819
Shares issued in financings	6,472,491	40,000	-	-	40,000
Shares issued on exercise of shareholder anti-dilution right	461,947	2,855	-	-	2,855
Equity component of Convertible Notes	-	-	8,322	-	8,322
Shares issued on exercise of warrants, stock options and RSUs	24,756,466	214,362	(9,217)	-	205,145
Share-based compensation	-	-	2,041	-	2,041
Share issue costs	-	(62)	-	-	(62)
Net income and comprehensive income	-	-	-	(72,186)	(72,186)
Balance June 30, 2020	239,779,032	$ 1,494,883	$ 48,882	$ (202,772)	$ 1,340,993

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 Toronto Stock Exchange ("TSX") in Canada where its common shares trade under the symbol "EQX" and its warrants trade under the symbol "EQX.WT". The Company's shares also trade on the NYSE American Stock Exchange ("NYSE-A") in the United States under the symbol "EQX".

Equinox Gold is a mining company engaged in the operation, acquisition, exploration and development of mineral properties, with a focus on gold.

On April 7, 2021, the Company completed the acquisition of Premier Gold Mines Limited ("Premier" and the "Premier Acquisition") (note 4(a)). The results of operations of Premier are included in these financial statements from April 7, 2021 onward.

All of the Company's principal properties are located in the Americas. At June 30, 2021, the Company had two properties in the United States, two properties in Mexico, four in Brazil and one in Canada. The Company's producing assets at June 30, 2021 were the Mesquite Mine ("Mesquite") and Castle Mountain Mine ("Castle Mountain") in the United States, the Los Filos Mine Complex ("Los Filos") and the Mercedes Mine ("Mercedes") in Mexico, and the Aurizona Mine ("Aurizona"), Fazenda Mine ("Fazenda") and the RDM Mine ("RDM") in Brazil. The Company's Santa Luz project ("Santa Luz") in Brazil is in construction. The Company has a 60% interest in the Greenstone Project ("Greenstone") in Canada, a feasibility stage development project that is expected to advance to construction in the near term.

2. BASIS OF PREPARATION

(a) 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 financial statements for the year ended December 31, 2020. Except as described in note 2(c) the accounting policies applied 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, 2020.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Company's Board of Directors on August 4, 2021.

(b) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control is defined as Equinox Gold having power over the entity, rights to variable returns from its involvement with the entity, and the ability to use its power to affect the amount of returns. All intercompany transactions and balances are eliminated on consolidation.

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

2. BASIS OF PREPARATION (CONTINUED)

At June 30, 2021, the Company's material subsidiaries include the following:

Company	Location	Principal Activity	Ownership Interest
Castle Mountain Venture, GP	USA	Production	100%
Western Mesquite Mines, Inc.	USA	Production	100%
Desarrollos Mineros San Luis S.A. de C.V.	Mexico	Production	100%
Minera Mercedes Minerales, S. de. R.L. de C.V.	Mexico	Production	100%
Fazenda Brasileiro Desenvolvimento Mineral Ltda	Brazil	Production	100%
Mineração Aurizona S.A.	Brazil	Production	100%
Mineração Riacho Dos Machados Ltda	Brazil	Production	100%
Santa Luz Desenvolvimento Mineral Ltda	Brazil	Development	100%

At June 30, 2021, the Company has a 60% interest in Greenstone Gold Mines Limited Partnership which is a joint operation.

(c) Significant accounting policies

(i) Foreign currency translation

The functional currency for each entity consolidated within the Company's financial statements is determined by the currency of the primary economic environment in which it operates (the "functional currency"). Prior to the acquisition of Premier, the functional currency for all entities in the consolidated group was the United States dollar ("US dollar"). Certain of the subsidiaries and joint operations acquired in the Premier Acquisition, including Greenstone use the Canadian dollar.

For such subsidiaries or joint operation, foreign currency balances and transactions are translated into the US dollar presentation currency as follows:

- Assets and liabilities are translated at the exchange rate prevailing at the date of the statement of financial position;
- Revenues and expenses are translated as average exchange rates throughout the reporting period or at rates that approximate the actual exchange rates; and
- Exchange gains and losses on translation are included in OCI.

(ii) IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*

On May 14, 2020, the IASB published a narrow scope amendment to IAS 16, *Property, Plant and Equipment – Proceeds before Intended Use*. The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, amounts received will be recognized as sales proceeds and related cost in profit or loss.

The effective date is for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The amendment applies retrospectively, but only to items of property, plant and equipment made available for use in the earliest period presented in the financial statements in the year of adoption.

The Company adopted the amendment in its financial statements for the annual period beginning on January 1, 2021. On adoption, the Company reclassified $1.6 million of pre-commercial production net income earned in the fourth quarter from property, plant and equipment to the income statement for the year ended December 31, 2020, comprising $2.9 million in revenue, $1.0 million in production costs and $0.3 million in depreciation.

2. BASIS OF PREPARATION (CONTINUED)

(iii) Presentation of finance fees and interest paid in statement of cash flows

Effective January 1, 2021, the Company made an accounting policy change to classify cash interest paid within the condensed consolidated statement of cash flows for the three and six months ended June 30, 2021 as a financing activity rather than an operating activity, which more appropriately reflects the nature of these cash flows. Comparative figures for the three and six month periods have been reclassified to conform with this change in accounting policy.

(iv) Joint arrangements

A joint arrangement is defined as one over which two or more parties have joint control, which is the contractually agreed sharing of control over an arrangement. This exists only when the decisions about the relevant activities (being those that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. There are two types of joint arrangements, joint operations (“JO”) and joint ventures (“JV”).

The Company’s interest in Greenstone (note 4(b)) is classified as a JO, whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The Company consolidates its proportionate share of the JO’s assets, liabilities, revenues and expenses.

(v) Purchase price accounting measurement period adjustments

On March 10, 2020, the Company completed the acquisition of Leagold Mining Corporation (“Leagold” and the “Leagold Acquisition”).

As of December 31, 2020, the Company completed its allocation of the purchase price to the fair value of assets acquired and liabilities assumed. Comparative figures for the three and six months ended June 30, 2020 have been recast to reflect measurement period adjustments to inventories, mineral properties, plant and equipment, reclamation obligations and deferred tax liabilities. As a result of these measurement period adjustments, the Company recognized an additional $16.7 million in operating expenses, $1.2 million in depreciation, and $2.8 million in tax expense for the three months ended June 30, 2020 compared to previously reported figures. For the six months ended June 30, 2020, the Company recognized an additional $23.6 million in operating expenses, $0.9 million in depreciation, and $3.4 million in tax expense from previously reported figures.

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 expenses. 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, 2020 except as follows:

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. Upon completion of the acquisition of Premier, the Company determined that its 50% interest in Greenstone was a JO due to provisions in the limited partnership agreement which required unanimous approval of the partners regarding the relevant activities of Greenstone, and the fact that the partners have rights to the assets and obligations for the liabilities of Greenstone.

On April 16, 2021, upon acquisition of an incremental 10% interest in Greenstone, bringing the Company's total interest in the project to 60%, the Company reassessed its conclusion on joint control. The Company determined that due to contractual sharing of control through the unanimous approval required of the partners, the Company's investment in Greenstone remained a JO.

On April 28, 2021, upon sale of a portion of the Company's shareholdings in Solaris Resources Inc. ("Solaris"), the Company's interest in Solaris decreased to 19.9%. The Company determined that due to the reduction of its interest, the Company no longer had significant influence and discontinued accounting for its interest using the equity method.

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

4. CORPORATE TRANSACTIONS

(a) Acquisition of Premier

On April 7, 2021, the Company completed the acquisition of Premier. Premier's principal assets acquired include a 50% interest in the Greenstone project in Ontario, Canada and the producing Mercedes Mine in Mexico.

The Company acquired 100% of the issued and outstanding shares of Premier at an exchange ratio of 0.1967 Equinox Gold common shares for each Premier share held (the "Exchange Ratio"). All outstanding options and warrants of Premier that were not exercised prior to the acquisition date were replaced with Equinox Gold options and warrants, as adjusted in accordance with the Exchange Ratio. Premier retained a 30% interest in i-80 Gold which the Company acquired (note 7).

The Company determined that the Premier Acquisition represents a business combination, with Equinox Gold identified as the acquirer. Transaction costs incurred in respect of the acquisition totaling $2.7 million, of which $0.8 million were incurred in 2020, were expensed and presented within professional fees in general and administration expense.

The acquisition date fair value of the consideration transferred consisted of the following:

Share consideration(1)	$	399,613
Option consideration(2)		8,155
Warrant consideration(3)		505
Total consideration	$	408,273

(1) The fair value of 47,373,723 common shares issued to Premier shareholders was determined using the Company's share price of C$10.64 per share on the acquisition date.

(2) The fair value of 2,813,747 replacement options issued was determined using the Black-Scholes option pricing method with the following weighted average assumptions: exercise price of C$7.27, expected life of 2.07 years, annualized volatility of 41.3%, dividend yield of 0.0%, and discount rate of 0.37%.

(3) The fair value of 393,400 replacement warrants issued was determined using the Black-Scholes option pricing method with the following weighted average assumptions: exercise price of C$10.42, expected life of 0.82 years, annualized volatility of 39.7%, dividend yield of 0.0%, and discount rate of 0.15%.

In accordance with the acquisition method of accounting, the acquisition cost was allocated to the underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. The table below presents the preliminary fair values of the assets acquired and liabilities assumed at the date of acquisition. The allocation is preliminary and the fair values are subject to change as there has not been sufficient time to complete the valuation process, the valuation work must be finalized within twelve months following the acquisition date. Mineral properties, plant and equipment, exploration and evaluation assets, reclamation obligations, lease liabilities and deferred taxes are all subject to change. Any adjustments made will be recognized retrospectively and comparative information will be revised.

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

4. CORPORATE TRANSACTIONS (CONTINUED)

Net assets (liabilities) acquired:		
Cash and cash equivalents	$	8,267
Trade and other receivables		13,165
Inventory		11,937
Investment in associate		79,001
Mineral properties, plant and equipment		444,771
Exploration and evaluation assets		36,950
Other assets		12,731
Accounts payable and accrued liabilities		(15,369)
Stream arrangement		(40,369)
Loans and borrowings and accrued interest		(17,649)
Reclamation obligations		(14,770)
Deferred tax liabilities		(109,604)
Other liabilities		(788)
Fair value of net assets acquired	$	408,273

The fair value of mineral properties, plant and equipment, the stream arrangement and reclamation obligations were estimated using discounted cash flow models, comparable transactions and other market-based information. Expected future cash flows are based on estimates of future gold and silver prices and projected revenues, estimated quantities of mineral reserves and mineral resources, expected future production costs and capital expenditures based on life-of-mine plans at the acquisition date. The fair value of the investment in associate was based on the quoted market price of related common shares. The fair value of inventory was based on forward gold prices and the cost to complete in determining the net realizable value.

Consolidated revenue for the three and six months ended June 30, 2021 includes revenue from the properties acquired in the Premier Acquisition of $19.3 million. Consolidated net income for the three and six months ended June 30, 2021 includes net income before tax from Premier of $4.7 million. Had the transaction occurred on January 1, 2021, pro-forma unaudited consolidated revenue and net loss before tax for the six months ended June 30, 2021 would have been approximately $488 million and $389 million, respectively.

(b) Acquisition of additional interest in Greenstone

On April 16, 2021, the Company completed the acquisition of an additional 10% interest in Greenstone, bringing the Company’s total interest in the project to 60%, for aggregate consideration of $59.9 million, consisting of a cash payment of $51.0 million on closing and the assumption of the following contingent payment obligations:

- a $5 million cash payment 24 months after a positive mine construction decision for Greenstone; and
- the delivery of approximately 2,200 ounces of refined gold, the cash equivalent value of such refined gold, or a combination thereof, after production milestones of 250,000 ounces, 500,000 ounces and 700,000 ounces from Greenstone.

The contingent consideration was measured at its fair value of $8.9 million at the date of acquisition based on the projected cash outflows associated with the contingent payments at the milestone dates, adjusted for the time value of money using an appropriate market-based discount rate that reflects the risk associated with the delivery of the contingent consideration.

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

4. CORPORATE TRANSACTIONS (CONTINUED)

The Company concluded that Greenstone was not a business and accordingly accounted for the acquisition of the additional 10% interest as an asset acquisition. The total consideration was allocated to the assets acquired and liabilities assumed as follows:

Net assets acquired:		
Cash and cash equivalents	$	95
Restricted cash		1,043
Trade and other receivables		21
Other assets		10
Mineral properties, plant and equipment		57,455
Exploration and evaluation assets		1,623
Accounts payable		(287)
Other liabilities		(27)
Fair value of net assets acquired	$	59,933

The contingent payment obligations are classified as financial liabilities and measured at fair value at the end of each reporting period. At June 30, 2021, the fair value of the contingent obligation was $9.2 million. During the period from the acquisition of the 10% interest in Greenstone in April 2021 through to June 30, 2021, the Company recognized a loss of $0.3 million on revaluation of the contingent obligation in other income (expense).

(c) Sale of Pilar

On April 16, 2021, the Company completed the sale of its Pilar mine in Brazil to Pilar Gold Inc. for gross consideration of:

- a $10.5 million cash payment on closing of the sale;
- a $27.5 million promissory note payable as follows:
    - $10.0 million payable on or before May 31, 2021 (received); and
    - $17.5 million payable on or before November 30, 2021
- a 9.9% equity interest in Pilar Gold Inc.; and a
- a 1% net smelter returns (“NSR”) royalty on production from Pilar.

The fair value of the net consideration totaled $47.0 million which includes the fair values of the promissory note payable of $27.5 million, the investment in Pilar Gold Inc. of $4.8 million and the 1% NSR on production from Pilar of $5.8 million.

The Company recognized a gain of $45.4 million in connection with the sale, which is presented within other income (expense) (note 16).

(d) Sale of interest in Solaris Resources

On April 28, 2021, the Company sold a portion of its shareholdings in Solaris totaling ten million units, including one common share and one-half common share purchase warrant, for gross proceeds of $66.7 million (C$82.5 million). Each whole warrant entitles the holder to acquire one common share of Solaris from the Company at a price of C$10.00 until April 28, 2022. Of the gross proceeds of $66.7 million, $57.6 million was allocated to the shares and $9.1 million was allocated to the warrants.

On disposition of the ten million common shares, the Company’s interest in Solaris was reduced to 19.9%. As a result, the Company determined it no longer had significant influence over Solaris and, therefore, equity accounting for the investment was discontinued. As a result, the carrying value of the Company’s investment in associate was derecognized and the Company’s interest retained was recognized at fair value.

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

4. CORPORATE TRANSACTIONS (CONTINUED)

The following is a summary of the changes in the Company's investment in Solaris for the six months ended June 30, 2021:

Balance – December 31, 2020	$	22,287
Share of net loss for the period of January 1 to April 28, 2021		(3,399)
Carrying value of investment sold		(7,318)
Reclassification of retained interest in Solaris		(11,570)
Balance – June 30, 2021	$	-

For the three and six months ended June 30, 2021, the Company recognized a gain on sale of Solaris shares of $50.3 million in other income (expense). The fair value of the warrants granted (the "Solaris warrant liability") was recognized as a current derivative liability with changes in fair value at period end recognized in other income (expense). At June 30, 2021, the fair value of the Solaris warrant liability was $14.3 million. During the three and six months ended June 30, 2021, the Company recognized a loss of $5.2 million on revaluation of the warrants in other income (expense).

Upon disposition of the Company's partial interest in Solaris, the fair value of the Company's retained investment was $197.6 million, consisting of shares ("Solaris Shares") with a fair value of $136.0 million, recognized as marketable securities, and warrants ("Solaris Warrants") with a fair value of $61.6 million, recognized as a derivative asset. For the three and six months ended June 30, 2021, the Company recognized a gain on reclassification of the investment in Solaris of $186.1 million in other income (expense). Subsequent changes in the fair value of the Solaris Shares are recognized in other comprehensive income while subsequent changes in the fair value of the Solaris Warrants, as they are a derivative asset, are recognized in net income (note 9(a)(i)).

5. INVENTORY

		June 30, 2021		December 31, 2020
Heap leach ore (current and non-current)	$	248,906	$	268,703
Less: Non-current portion of heap leach ore		(128,605)		(130,888)
Current portion of heap leach ore		120,301		137,815
Stockpiles		5,421		13,514
Work-in-process		25,609		14,988
Supplies		45,003		37,473
Finished goods		5,504		4,500
Current inventory	$	201,838	$	208,290

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

At June 30, 2021, impairment charges of $3.3 million, $0.1 million and $0.2 million, respectively, were recognized to adjust heap leach ore, work-in-process and stockpiles at Los Filos.

Impairment charges of $0.8 million, $1.7 million and $0.4 million, respectively, were recognized to adjust stockpiles, work-in-process and finished goods at Pilar. Impairment charges recognized are included in operating expenses.

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

6. MINERAL PROPERTIES, PLANT AND EQUIPMENT

	Mineral properties	Plant and equipment	Construction in-progress	Other	Total
Cost					
Balance – December 31, 2020	$ 1,372,327	$ 641,303	$ 35,642	$ 2,758	$ 2,052,030
Acquisition of Premier (note 4(a))	371,944	72,348	-	479	444,771
Investment in Greenstone (note 4(b))	57,455	-	-	-	57,455
Additions	107,365	70,229	42,014	565	220,173
Disposals	(5,925)	(85,464)	-	(150)	(91,539)
Change in reclamation cost asset	2,417	-	-	-	2,417
Foreign currency adjustment	565	16	-	6	587
Balance – June 30, 2021	$ 1,906,148	$ 698,432	$ 77,656	$ 3,658	$ 2,685,894
Accumulated depreciation					
Balance – December 31, 2020	$ 90,734	$ 115,270	$ -	$ 1,053	$ 207,057
Additions	38,751	49,803	-	447	89,001
Disposals	(4,758)	(75,706)	-	-	(80,464)
Foreign currency adjustment	-	8	-	5	13
Balance – June 30, 2021	$ 124,727	$ 89,375	$ -	$ 1,505	$ 215,607
Net book value:					
At December 31, 2020	$ 1,281,593	$ 526,033	$ 35,642	$ 1,705	$ 1,844,973
At June 30, 2021	$ 1,781,421	$ 609,057	$ 77,656	$ 2,153	$ 2,470,287

During the six months ended June 30, 2021, the Company capitalized to construction-in-progress $24.1 million (December 31, 2020 – $3.5 million) of costs at Santa Luz.

Mineral properties at June 30, 2021 includes $63.4 million (December 31, 2020 – $63.4 million) allocated to the mineral interest at Los Filos and $374.3 million (December 31, 2020 – $nil) allocated to the mineral interest at Greenstone, which is not currently subject to depletion.

Certain of the Company’s mining properties are subject to royalty arrangements based on their NSRs or gross revenues. At June 30, 2021, the Company’s significant royalty arrangements were as follows:

Mineral property	Royalty arrangements
Mesquite	Weighted average life of mine NSR of 2.0%
Castle Mountain	2.65% NSR
Los Filos	3% of gross sales at Xochipala concession; 1.5% EBITDA; 0.5% gross revenues
Mercedes	1%-2% NSR
Aurizona	1.5% of gross sales; 3-5% sliding scale NSR based on gold price
Fazenda	0.75-1.5% of gross sales
RDM	1-1.5% of gross sales

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

7. INVESTMENT IN ASSOCIATES

Details of the Company's investment in associates as at June 30, 2021 and December 31, 2020 are as follows:

Equity accounted for investee	Principal Activity	Principal place of business	Ownership interest (%) 2021	Ownership interest (%) 2020	Fair value[1] 2021	Fair value[1] 2020	Carrying amount 2021	Carrying amount 2020
Solaris[2]	Exploration	Ecuador	-	26.5	$ -	$ 132,026	$ -	$ 22,287
i-80 Gold Corp.	Producing	USA	30.0	-	113,536	-	110,307	-

(1) The fair value of the Company's interest in i-80 Gold includes the fair value of 56.0 million common shares. The common shares were valued based on the quoted market price per share at June 30, 2021 of C$2.51 per share, which is a Level 1 input in terms of IFRS 13.

(2) At June 30, 2021, the Company's investment in Solaris Shares is recognized within marketable securities and the Solaris Warrants in derivative assets (note 4(d)).

The following table summarizes the change in carrying amount of the Company's investment in i-80 Gold:

Balance – December 31, 2020	$	-
Acquired in Premier Acquisition		79,001
Shares acquired		30,211
Share of net income		1,095
Balance – June 30, 2021	$	110,307

Immediately prior to the Premier Acquisition (note 4(a)), Premier completed the spin-out of i-80 Gold, a US-focused gold production and development company. The Company received 41.3 million shares in i-80 Gold through the Premier Acquisition, representing a 30% interest in i-80 Gold.

On April 7, 2021, the Company participated in the i-80 Gold private placement financing, purchasing 9,274,384 units at a price of C$2.60 per unit, for a total investment of $19.2 million (C$24.1 million). Each unit comprises one common share of i-80 Gold and one quarter of one common share purchase warrant. Each whole warrant entitles the Company to acquire one common share of i-80 Gold at a price of C$3.64 until September 18, 2022 (note 9(a)(ii)). Of the $19.2 million investment, the Company allocated $18.4 million to the shares and $0.8 million to the warrants.

During the three months ended March 31, 2021, the Company advanced $20.7 million to i-80 Gold as a loan. The loan was settled in exchange for the shares and warrants received in the private placement financing and a repayment by i-80 Gold of the remaining $1.5 million.

On May 27, 2021, the Company exercised its anti-dilution right under a support agreement dated April 7, 2021 between the Company and i-80 Gold to maintain its 30% ownership of i-80 Gold. The Company subscribed for 5,479,536 common shares of i-80 Gold at a price of C$2.60 per common share, for a total investment of $11.8 million (C$14.2 million).

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

8. LOANS AND BORROWINGS

	Note		June 30, 2021		December 31, 2020
Credit Facility	8(a)	$	291,410	$	289,910
2020 Convertible Notes	8(b)		127,947		126,645
2019 Convertible Notes	8(b)		130,172		128,686
			549,529		545,241
Less: Current portion of loans and borrowings			(26,667)		(13,333)
Non-current portion of loans and borrowings		$	522,862	$	531,908

(a) Credit Facility

In March 2020, the Company amended its corporate revolving credit facility with a syndicate of lenders led by The Bank of Nova Scotia, Société Générale, Bank of Montreal and ING Capital LLC. The amended credit facility is comprised of a $400 million revolving loan (the "Revolving Facility") and $100 million amortizing term loan (the "Term Loan") (together, the "Credit Facility"). At June 30, 2021, the Company had drawn the full amount of the Term Loan and $200 million from the Revolving Facility.

The Credit Facility bears interest at an annual rate of LIBOR plus 2.5% to 3.75%, subject to certain leverage ratios. The Revolving Facility matures on March 8, 2024, at which date it must be repaid in full and the Term Loan matures on March 10, 2025 with quarterly repayments equal to 6.67% of principal beginning September 30, 2021 through to maturity.

The Credit Facility is secured by first-ranking security over all present and future property and assets of the Company. The Credit Facility is subject to standard conditions and covenants, including maintenance of a debt service coverage ratio, leverage ratio and minimum liquidity of $50 million. As at June 30, 2021, the Company is in compliance with these covenants.

(b) Convertible Notes

In April 2019, the Company issued $139.7 million in Convertible Notes (the "2019 Notes") to Mubadala Investment Company ("Mubadala") and Pacific Road Resources Funds ("Pacific Road"). The 2019 Notes mature on March 10, 2024 and bear interest at a fixed rate of 5% per year payable quarterly in arrears. The 2019 Notes are convertible at the holder's option into common shares of the Company at a fixed conversion price of $5.25 per share.

In March 2020, the Company issued $139.3 million in Convertible Notes (the "2020 Notes") to Mubadala and Pacific Road. The 2020 Notes mature on March 10, 2025 and bear interest at a fixed rate of 4.75% per year payable quarterly in arrears. The 2020 Notes are convertible at the holder's option into common shares of the Company at a fixed conversion price of $7.80 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.

Security for the 2019 Notes and 2020 Notes includes a charge over all present and future property and assets of the Company and is subordinate to the Credit Facility.

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

8. LOANS AND BORROWINGS (CONTINUED)

(c) Loans and borrowings continuity

The following is a summary of the changes in loans and borrowings arising from investing and financing activities for the six months ended June 30, 2021:

Balance – December 31, 2019	$	264,049
Debt assumed in Leagold Acquisition, including accrued interest		323,870
$380 million draw from Credit Facility, net of deferred financing costs		372,682
Debt component of Convertible Notes, net of deferred financing costs		124,622
Repayment of debt and accrued interest		(547,463)
Modification gain and transaction costs incurred on Credit Facility		(4,839)
Accretion and accrued interest		12,320
Balance – December 31, 2020	$	545,241
Debt assumed in Premier Acquisition		17,649
Repayment of debt		(17,649)
Interest paid		(10,745)
Accretion and accrued interest		15,033
Balance – June 30, 2021	$	549,529

9. DERIVATIVE INSTRUMENTS

(a) Derivative assets

The following is a summary of the Company's derivative assets at June 30, 2021:

	Note		June 30, 2021
Solaris Warrants	9(a)(i)	$	86,084
i-80 Gold warrants	9(a)(ii)		631
		$	86,715

(i) Solaris Warrants

The Company holds 10,218,750 warrants that are each exercisable into one common share of Solaris, with exercise prices ranging from C$1.20 - C$6.75 per share, and with expiry dates ranging between November 2022 and May 2023. The fair value of the Solaris Warrants is determined using the Black Scholes option pricing model with the following weighted average assumptions:

	June 30, 2021
Risk-free rate	0.34%
Warrant expected life	1.78 years
Expected volatility	71.4%
Expected dividend	0.0%
Strike price (C$)	$1.74
Share price (C$)	$12.05

The fair value of the Solaris Warrants at June 30, 2021 was $86.1 million and was recognized as a non-current derivative asset. During the three and six months ended June 30, 2021, the Company recognized a gain of $21.4 million and $24.7 million (three and six months ended June 30, 2020 – nil), respectively, on revaluation of the Solaris Warrants in other income (expense).

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

9. DERIVATIVE INSTRUMENTS (CONTINUED)

(ii) i-80 Gold warrants

The Company holds 2,318,596 warrants exercisable into one common share of i-80 Gold until September 18, 2022 (note 7). The fair value of the warrants is determined using the Black Scholes option pricing model with the following assumptions:

	June 30, 2021
Risk-free rate	0.25%
Warrant expected life	1.2 years
Expected volatility	59.2%
Expected dividend	0.0%
Strike price (C$)	3.64
Share price (C$)	2.51

The fair value of the i-80 Gold warrants at June 30, 2021 was $0.6 million and was recognized as a non-current derivative asset. During the three and six months ended June 30, 2021, the Company recognized a loss of $0.1 million (three and six months ended June 30, 2020 – nil), on revaluation of the i-80 Gold warrants in other income (expense).

(b) Derivative liabilities

The following is a summary of the Company's derivative liabilities at June 30, 2021 and December 31, 2020:

	Note		June 30, 2021		December 31, 2020
Gold collars and forward contracts	9(b)(i)	$	48,679	$	91,393
Foreign exchange contracts	9(b)(ii)		4,897		12,507
Equinox Gold warrant liability	9(b)(iii)		8,978		50,666
Solaris warrant liability	4(d), 9(b)(iv)		14,314		-
Stream Arrangement	9(b)(v)		37,548		-
			114,416		154,566
Less: Current portion of derivative liabilities			(68,720)		(63,993)
Non-current derivative liabilities		$	45,696	$	90,573

(i) Gold collars and forward contracts

As part of the Leagold Acquisition, the Company assumed gold collar contracts with put and call strike prices of $1,325 and $1,430 per ounce, respectively, for 3,750 ounces per month to September 2022. The Company also assumed forward contracts with an average fixed gold price of $1,350 per ounce for 4,583 ounces per month to September 2022. As of June 30, 2021, the Company had 56,260 ounces and 68,738 ounces remaining to be delivered under its gold collars and forward contracts, respectively.

The gold collars and forward contracts have not been designated as hedges and are recognized at fair value at the end of each reporting period with changes in fair value recognized in other expense.

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

9. DERIVATIVE INSTRUMENTS (CONTINUED)

The fair value of gold collars and forward contracts at June 30, 2021 was a liability of $48.7 million (December 31, 2020 – $91.4 million), of which $38.1 million was recognized as current derivative liabilities. For the six months ended June 30, 2021 and 2020, the Company recognized the following in other income (expense) (note 16):

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Realized loss on settlement of gold contracts	$ 10,786	$ 7,021	$ 21,104	$ 9,621
Unrealized (gain) loss on revaluation of gold contracts	(647)	37,599	(42,715)	13,923
	$ 10,139	$ 44,620	$ (21,611)	$ 23,544

(ii) Foreign exchange contracts

Certain of the Company's expenditures at its Brazilian and Mexican operations are denominated in the Brazilian Réal ("BRL") and the Mexican Peso ("MXP"), respectively. The Company has implemented a foreign currency exchange risk management program to reduce its exposure to fluctuations in the value of the BRL and MXP relative to the US dollar.

As at June 30, 2021, the Company had in place USD:BRL and USD:MXP put and call options with the following notional amounts, weighted average rates and maturity dates:

	USD notional amount		Call options' weighted average	Put options' weighted average
Currency	Within 1 year	1-2 years	strike price	strike price
BRL	$ 188,190	$ 8,297	4.68	5.42
MXP	62,000	3,000	20.64	23.83

The foreign exchange contracts have not been designated as hedges and are recognized at fair value at the end of each reporting period with changes in fair value recognized in other expense. The Company entered into these contracts at no premium and therefore incurred no investment costs at inception.

The fair value of foreign exchange contracts at June 30, 2021 was a liability of $4.9 million (December 31, 2020 – $12.5 million), of which $4.5 million was recorded as current derivative liabilities. For the three and six months ended June 30, 2021, the Company recognized the following in other income (expense) (note 16):

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Realized loss on settlement of foreign exchange contracts	$ -	$ -	$ -	$ 251
Unrealized (gain) loss on revaluation of foreign exchange contracts	(18,954)	4,050	(7,610)	22,557
	$ (18,954)	$ 4,050	$ (7,610)	$ 22,808

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

9. DERIVATIVE INSTRUMENTS (CONTINUED)

(iii) Equinox Gold warrant liability

The Equinox Gold warrants were not issued for goods or services rendered and 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 since a variable amount of cash in the Company's functional currency will be received on exercise. Accordingly, the Equinox Gold 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 for warrants that are trading.

	Note		
Balance – December 31, 2020		$	50,666
Issued in Premier Acquisition	4(a)		505
Warrants exercised			(4,097)
Change in fair value	16		(38,096)
Balance – June 30, 2021		$	8,978

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

	June 30, 2021	December 31, 2020
Risk-free rate	0.21%	0.2%
Warrant expected life	0.9 years	1.0 years
Expected volatility	42.7%	47.1%
Expected dividend	0.0%	0.0%
Share price (C$)	$11.08	$14.02

The fair value of traded warrants was based on the market price of C$0.06 per warrant on June 30, 2021 (December 31, 2020 – C$0.58).

(iv) Solaris warrant liability

The fair value of the Solaris warrant liability is determined using the Black Scholes option pricing model at the period-end date, using the following weighted average assumptions:

	June 30, 2021
Risk-free rate	0.2%
Warrant expected life	0.8 years
Expected volatility	60.3%
Expected dividend	0.0%
Share price (C$)	$12.05

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

9. DERIVATIVE INSTRUMENTS (CONTINUED)

(v) Stream Arrangement

In connection with the acquisition of Premier (note 4(a)), the Company assumed obligations under a gold prepay and silver stream arrangement with a third party (the “Stream Arrangement”).

Under the terms of the agreement, the Company is required to deliver 1,000 troy ounces of gold quarterly, subject to adjustment based on the market price of gold, until the Company has delivered a total of 9,000 ounces. At June 30, 2021, the Company has delivered 959 troy ounces of gold towards the Stream Arrangement.

In addition, under the terms of the Stream Arrangement, the Company is required to deliver 100% of the silver production from the Mercedes Mine until the delivery of 3.75 million ounces, and 30% of silver production thereafter at a price equal to 20% of the prevailing silver price at the time of delivery. The Company is required to deliver a minimum of 300,000 ounces of silver in each calendar year until 2.1 million ounces of silver in aggregate have been delivered. At June 30, 2021, the Company has delivered 28,272 ounces of silver towards the Stream Arrangement.

The Stream Arrangement was determined to be a derivative liability. At June 30, 2021, the fair value of the derivative liability associated with the Stream Arrangement was as follows:

	Note		
Balance – December 31, 2020		$	-
Assumed in Premier Acquisition	4(a)		40,369
Gold and silver delivered			(2,397)
Change in fair value	16		(424)
Balance – June 30, 2021		$	37,548

At June 30, 2021, $9.7 million has been recognized as a current derivative liability.

10. LEASES

(a) Right-of-use assets

		Plant and equipment		Other
Balance – December 31, 2020	$	16,383	$	586
Additions		39,763		-
Depreciation		(5,426)		(276)
Balance – June 30, 2021	$	50,720	$	310

(a) Lease liabilities

		June 30, 2021		December 31, 2020
Current lease liabilities included in other current liabilities	$	18,088	$	8,935
Non-current lease liabilities included in other long-term liabilities		31,388		9,949
	$	49,476	$	18,884

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

10. LEASES (CONTINUED)

In February 2021, the Company entered into a new three-year lease agreement for the use of mining equipment to replace part of the Company's mining fleet at Mesquite. The equipment was delivered between February and May 2021. The Company makes quarterly fixed payments for the usage of the assets during the contract period. On delivery of the trucks, the Company recognized a total of $39.8 million as a right-of-use asset and related lease liability.

11. SHARE CAPITAL

(a) Authorized and issued

The Company is authorized to issue an unlimited number of common shares with no par value.

(b) Share issuances

On April 7, 2021, the Company completed a non-brokered private placement issuing 7,489,000 common shares of the Company at a price of C$10.00 per share for gross proceeds of C$75.0 million. Certain of the Company's executives and directors subscribed for C$40.4 million in common shares, which is a related party transaction.

(c) Share based compensation plans

(i) Share purchase options

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, 2020	2,919,070	$	7.09
Issued in Premier Acquisition	2,813,747		7.27
Exercised	(1,652,721)		5.81
Expired/forfeited	(70,900)		10.23
Outstanding – June 30, 2021	4,009,196	$	7.65

At June 30, 2021, the Company had the following options issued and outstanding:

Options Outstanding					Options Exercisable		
Range of exercise price (C$)	Number of options		Weighted average exercise price (C$)	Weighted average remaining contractual life (years)	Number of options		Weighted average exercise price (C$)
$1.89 - $2.99	33,100	$	1.89	5.03	33,100	$	1.89
$3.00 - $4.99	523,380		4.56	3.69	523,380		4.56
$5.00 - $6.99	1,724,939		5.55	1.94	1,719,485		5.55
$7.00 - $8.99	640,284		8.61	0.84	640,284		8.61
$9.00 - $17.15	1,087,493		12.08	1.32	1,009,393		12.10
	4,009,196				3,925,642		

The weighted average exercise price of options exercisable at June 30, 2021, was C$7.57.

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

11. SHARE CAPITAL (CONTINUED)

(ii) Restricted share units

Equity settled RSUs

During the six months ended June 30, 2021, the Company granted 0.5 million Restricted Share Units ("RSUs") (six months ended June 30, 2020 – 0.4 million) and 0.2 million Performance Restricted Share Units ("pRSUs") (six months ended June 30, 2020 – 0.2 million) to directors, officers and employees. The Company does not issue pRSUs to independent directors. The fair value of RSUs was determined based on the Company's share price on the date of grant. The weighted average share price for RSUs granted during the six months ended June 30, 2021 was C$12.80 (six months ended June 30, 2020 – C$11.17).

The pRSUs vest in two tranches and the number of shares issued will range from 0% to 200% of the grant based on the achievement of gold production targets and total shareholder return compared to the S&P Gold Miners Index over a three-year period. Compensation expense related to the pRSUs with the gold production performance condition is recorded over the three-year vesting period and the amount is adjusted at each reporting period to reflect the change in quoted market value of the Company's common shares, the number of pRSUs expected to vest, and the expected performance factor. Compensation expense for the pRSUs which vest based on the market condition is recorded over the three year vesting period based on the fair value on the grant date.

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

	RSUs	pRSUs
Outstanding – December 31, 2020	709,706	1,145,300
Granted	514,546	251,155
Settled	(353,030)	-
Forfeited	(36,436)	(1,100)
Outstanding – June 30, 2021	834,786	1,395,355

Cash settled RSUs

During the six months ended June 30, 2021, the Company granted 0.1 million cash-settled RSUs (six months ended June 30, 2020 – 0.1 million) with a weighted average grant date fair value of C$12.80 (six months ended June 30, 2020 – C$15.18).

A continuity table of the cash settled RSUs outstanding is as follows:

	RSUs	pRSUs
Outstanding – December 31, 2020	144,800	-
Granted	67,800	7,700
Settled	(99,350)	-
Outstanding – June 30, 2021	113,250	7,700

The total fair value of cash settled RSUs outstanding as at June 30, 2021 was $0.4 million (December 31, 2020 – $1.2 million) and is included in other liabilities.

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

11. SHARE CAPITAL (CONTINUED)

(iii) Performance share units

In March 2020, the Company issued 369,915 replacement PSUs in the Leagold Acquisition, which are settled in cash. The PSUs vest in one tranche and the number of shares issued will range from 50% to 150% of the grant based on the achievement of total shareholder return compared to the VanEck Vectors Junior Gold Miners ETF ("GDXJ") Index over a three-year period. Compensation expense related to the PSUs is recognized over the remaining vesting period and the amount is adjusted at each reporting period to reflect the change in quoted market value of the Company's common shares, the number of PSUs expected to vest, and the expected performance factor. All unvested PSUs expire on December 31, 2021.

A continuity table of the PSUs outstanding is as follows:

	PSUs outstanding
Outstanding – December 31, 2020	273,205
Settled	(48,355)
Outstanding – June 30, 2021	224,850

The total fair value of PSUs outstanding as at June 30, 2021 was $1.5 million (December 31, 2020 – $2.3 million) and is included in other current liabilities.

(iv) Deferred share units

Under the terms of the Equinox Gold DSU Plan ("DSU Plan"), non-executive directors may elect to receive all or a portion of their annual compensation in the form of deferred share units ("DSUs") which are linked to the value of the Company's common shares. DSUs are issued on a quarterly basis under the terms of the DSU Plan, based on the five-day volume weighted average trading price of the Company's common shares at the date of grant. DSUs vest immediately and are redeemable in cash for 90 days from the date a director ceases to be a member of the Board.

During the six months ended June 30, 2021, the Company granted 0.1 million (six months ended June 30, 2020 – 0.3 million) DSUs with a weighted average grant date fair value of C$11.28 (June 30, 2020 grants – weighted average grant date fair value of C$10.51).

A continuity table of the DSUs outstanding is as follows:

	DSUs outstanding
Outstanding – December 31, 2020	125,437
Granted	19,384
Outstanding – June 30, 2021	144,821

The total fair value of DSUs outstanding as at June 30, 2021 was $1.0 million (December 31, 2020 – $1.3 million) and is included in other liabilities.

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

11. SHARE CAPITAL (CONTINUED)

(v) 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, 2020	19,025,158	$	14.00
Issued in Premier Acquisition	393,400		10.42
Exercised	(1,215,050)		8.07
Expired	(10,520)		12.17
Outstanding – June 30, 2021	18,192,988	$	14.32

At June 30, 2021, the Company had the following share purchase warrants issued and outstanding:

Range of exercise price (C$)(1)	Shares issuable on exercise of warrants	Weighted average exercise price (C$)(1)	Expiry dates
$5.05 - $9.99	614,117	5.30	December 2022 – May 2023
$10.00 - $14.99	1,562,212	10.87	August 2021 – March 2022
$15.00	16,016,659	15.00	October 2021
	18,192,988		

(1) 17,137,588 warrants with a weighted average exercise price of $14.54 are exercisable into one common share of Equinox Gold and one-quarter of a share of Solaris. Equinox Gold will receive six-tenths of the proceeds from the exercise of each of these warrants and the remaining proceeds will be paid to Solaris.

(vi) Share based compensation plans

The following table summarizes share-based compensation expense for the period:

		Three months ended June 30, 2021		Three months ended June 30, 2020		Six months ended June 30, 2021		Six months ended June 30, 2020
Share purchase option expense	$	1,436	$	135	$	1,586	$	244
RSU expense		1,262		638		2,553		1,138
PSU expense		1,513		2,011		506		1,881
DSU (recovery) expense		(147)		1,155		(463)		792
Total compensation expense	$	4,064	$	3,939	$	4,182	$	4,055
Compensation expense included in:								
General and administration	$	3,751	$	3,207	$	3,648	$	3,306
Operating expenses		273		576		485		551
Exploration		(1)		156		8		198
Construction-in-progress		41		-		41		-
	$	4,064	$	3,939	$	4,182	$	4,055

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

12. REVENUE

(a) Gold offtake arrangement

As part of the Leagold Acquisition, the Company assumed offtake arrangements with Orion Mine Finance ("Orion") that provide for gold offtake of 50% of the gold production from Los Filos and 35% of the gold production from the Fazenda, RDM and Santa Luz mines at market prices, until a cumulative delivery of 1.1 million ounces and 0.7 million ounces, respectively, to Orion has been achieved. As at June 30, 2021, a total of 0.4 million ounces had been delivered to Orion under the terms of the offtake arrangements.

(b) Silver streaming arrangement

As part of the Leagold Acquisition, the Company assumed a silver streaming agreement with Wheaton Precious Metals Corp. ("WPM") under which the Company must sell to WPM a minimum of 5 million payable silver ounces produced by Los Filos from August 5, 2010 to the earlier of the termination of the agreement and October 15, 2029 at the lesser of $3.90 per ounce and the prevailing market price, subject to an inflationary adjustment. The contract price is revised each year on the anniversary date of the contract and at June 30, 2021 was $4.46 per ounce. As at June 30, 2021, a total of 2.0 million ounces had been delivered to WPM under the terms of the streaming agreement.

13. OPERATING EXPENSES

Operating expenses consist of the following components by nature:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Raw materials and consumables	$ 54,225	$ 47,589	$ 118,544	$ 79,477
Salaries and employee benefits	43,683	24,406	57,419	37,914
Contractors	22,867	20,051	48,357	32,587
Repairs and maintenance	13,047	9,218	24,320	14,830
Site administration	6,795	5,969	32,159	19,753
Royalties	5,213	5,355	10,940	9,647
	$ 145,830	$ 112,588	$ 291,739	$ 194,208
Change in inventories	(5,987)	441	(5,097)	(4,690)
Total operating expenses	$ 139,843	$ 113,029	$ 286,642	$ 189,518

14. CARE AND MAINTENANCE

Care and maintenance costs for the three and six months ended June 30, 2021 includes $7.2 million and $9.2 million, respectively, of costs incurred at Los Filos relating to a delayed restart in the first quarter of 2021 after a community blockade was lifted in December 2020 and the temporary suspension of operations at Los Filos as the result of a community blockade in June 2021.

Included in care and maintenance for the three and six months ended June 30, 2020, was $16.0 million and $16.9 million, respectively, in mine standby costs resulting from government mandated shutdowns due to the COVID-19 pandemic at its operations in Mexico (three and six months ended June 30, 2020 – $14.4 million) and certain of those in Brazil (three months ended June 30, 2020 – $1.6 million; six months ended June 30, 2020 – $2.5 million).

In addition, the Company's Santa Luz mine incurred $0.8 million and $0.9 million in care and maintenance costs for the three and six months ended June 30, 2020, prior to approval of construction by the Board of Directors in November 2020.

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

15. GENERAL AND ADMINISTRATION

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

	Note	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Salaries and benefits		$ 3,470	$ 1,801	$ 5,894	$ 3,365
Share-based compensation	11(c)(vi)	3,751	3,207	3,648	3,306
Professional fees	4(a)	4,533	2,065	6,910	5,156
Office and other expenses		3,368	2,254	5,860	3,950
Amortization		368	231	537	416
Total general and administration		$ 15,490	$ 9,558	$ 22,849	$ 16,193

16. OTHER INCOME (EXPENSE)

Other income (expense) consists of the following components:

	Note	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Foreign exchange (loss) gain		$ (5,652)	$ 5,664	$ (4,497)	$ 13,392
Realized and unrealized (loss) gain on gold contracts	9(b)(i)	(10,139)	(44,620)	21,611	(23,544)
Realized and unrealized gain (loss) on foreign exchange contracts	9(b)(ii)	18,954	(4,050)	7,610	(22,808)
Change in fair value of warrants	4(d), 9	24,016	(48,838)	57,316	(38,738)
Gain on sale of investments	4(d)	50,300	-	50,300	-
Gain on reclassification of investment in Solaris	4(d)	186,067	-	186,067	-
Gain on disposal of subsidiary	4(c)	45,419	-	45,419	-
Loss on disposal of mineral properties, plant and equipment		(2,721)	-	(4,371)	-
Income (loss) from investment in associate		356	(422)	(2,304)	(1,426)
Other expense		(2,488)	(1,264)	(6,364)	(4,790)
Total other income (expense)		$ 304,112	$ (93,530)	$ 350,787	$ (77,914)

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

17. SEGMENT INFORMATION (

Three months ended June 30, 2021

	Revenue	Operating expenses	Depreciation and depletion	Exploration expenses	Other	Income (loss) from operations
Mesquite	$ 44,760	$ (27,844)	$ (4,536)	$ (3)	$ -	$ 12,377
Aurizona	49,912	(25,331)	(7,702)	(909)	-	15,970
Los Filos	50,604	(49,389)	(8,121)	(85)	(7,137)	(14,128)
Fazenda	23,608	(12,541)	(6,690)	(1,665)	-	2,712
RDM	24,982	(13,007)	(3,823)	(10)	-	8,142
Other operating mines[(1)]	32,357	(11,731)	(9,931)	(246)	(1)	10,448
Greenstone	-	-	-	-	(1,032)	(1,032)
Development projects[(2)]	-	-		(1,701)	-	(1,701)
Corporate and other	-	-	-	(103)	(14,486)	(14,589)
	$ 226,223	$ (139,843)	$ (40,803)	$ (4,722)	$ (22,656)	$ 18,199

(1) Includes Castle Mountain, Pilar and Mercedes, which was acquired on April 7, 2021.
(2) Includes Santa Luz, which was acquired on March 10, 2020.

Three months ended June 30, 2020

	Revenue	Operating expenses	Depreciation and depletion	Exploration expenses	Other	Income (loss) from operations
Mesquite	$ 67,298	$ (36,223)	$ (5,875)	$ -	$ -	$ 25,200
Aurizona	45,846	(21,395)	(10,013)	(1,401)	-	13,037
Los Filos	30,687	(22,693)	(1,538)	(83)	(18,667)	(12,294)
Fazenda	24,103	(11,845)	(5,879)	-	-	6,379
RDM	32,455	(12,932)	(8,461)	-	-	11,062
Other operating mines[(1)]	14,998	(7,941)	(3,434)	-	(1,945)	1,678
Development projects[(2)]	-	-	-	(2,465)	(949)	(3,414)
Corporate and other	-	-	-	-	(9,558)	(9,558)
	$ 215,387	$ (113,029)	$ (35,200)	$ (3,949)	$ (31,119)	$ 32,090

(1) Includes Pilar, which was acquired March 10, 2020.
(2) Includes Castle Mountain and also Santa Luz, which was acquired on March 10, 2020.

Six months ended June 30, 2021

	Revenue	Operating expenses	Depreciation and depletion	Exploration expenses	Other	Income (loss) from operations
Mesquite	$ 86,189	$ (52,795)	$ (8,633)	$ -	$ -	$ 24,761
Aurizona	108,074	(48,117)	(17,369)	(1,650)	-	40,938
Los Filos	101,340	(106,327)	(15,658)	(170)	(8,226)	(29,041)
Fazenda	54,370	(25,046)	(15,571)	(2,945)	-	10,808
RDM	53,041	(27,846)	(9,774)	(74)	-	15,347
Other operating mines[(1)]	52,911	(26,511)	(12,457)	(814)	(924)	12,205
Greenstone	-	-	-	-	(1,032)	(1,032)
Development projects[(2)]	-	-	-	(1,933)	(397)	(2,330)
Corporate and other	-	-	-	(103)	(21,448)	(21,551)
	$ 455,925	$ (286,642)	$ (79,462)	$ (7,689)	$ (32,027)	$ 50,105

(1) Includes Castle Mountain, Pilar and Mercedes, which was acquired on April 7, 2021.
(2) Includes Santa Luz, which was acquired on March 10, 2020.

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

17. SEGMENT INFORMATION (CONTINUED)

Six months ended June 30, 2020	Revenue	Operating expenses	Depreciation and depletion	Exploration expenses	Other	Income (loss) from operations
Mesquite	$ 124,819	$ (68,336)	$ (10,269)	$ (3)	$ -	$ 46,211
Aurizona	94,554	(46,616)	(19,313)	(1,978)	-	26,647
Los Filos	42,244	(34,323)	(4,163)	(104)	(18,667)	(15,013)
Fazenda	29,206	(15,939)	(6,930)	-	-	6,337
RDM	36,751	(14,746)	(8,288)	-	(944)	12,773
Other operating mines[1]	17,848	(9,558)	(3,157)	-	(1,945)	3,188
Development projects[2]	-	-	-	(4,508)	(949)	(5,457)
Corporate and other	-	-	-	-	(16,193)	(16,193)
	$ 345,422	$ (189,518)	$ (52,120)	$ (6,593)	$ (38,698)	$ 58,493

(1) Includes Pilar, which was both acquired March 10, 2020.
(2) Includes Castle Mountain and also Santa Luz, which was acquired on March 10, 2020.

Information about the carrying amount of the Company's assets and liabilities by operating segment is detailed below:

	Total assets		Total liabilities	
	June 30, 2021	December 31, 2020	June 30, 2021	December 31, 2020
Los Filos	$ 1,109,875	$ 1,066,378	$ (285,866)	$ (271,712)
Aurizona	353,383	338,792	(39,573)	(49,261)
Mesquite	306,726	262,758	(71,565)	(36,032)
Fazenda	190,041	180,397	(41,603)	(52,261)
RDM	121,128	144,025	(40,635)	(42,146)
Other operating mines	365,124	268,275	(88,936)	(45,059)
Greenstone	425,607	-	(107,230)	-
Santa Luz	209,779	209,215	(14,980)	(10,605)
Corporate and other	627,332	203,560	(669,410)	(717,801)
	$ 3,708,995	$ 2,673,400	$ (1,359,198)	$ (1,224,877)

Information about the Company's non-current assets by jurisdiction is detailed below:

	June 30, 2021	December 31, 2020
Mexico	$ 1,039,159	$ 919,464
Brazil	697,989	686,804
Canada	673,146	28,014
United States	461,786	393,094
	$ 2,872,080	$ 2,027,376

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

18. BASIC AND DILUTED EARNINGS PER SHARE

Information about the Company's earnings per share ("EPS"), calculated on a basic and diluted basis, is detailed below:

	Three months ended					
	June 30, 2021			June 30, 2020		
	Weighted average shares outstanding	Net income	Earnings per share	Weighted average shares outstanding	Net Income (loss)	Earnings (loss) per share
Basic EPS	295,027,749	$ 325,736	$ 1.10	227,940,632	$ (77,768)	$ (0.34)
Dilutive share options	1,453,424	-		-	-	
Dilutive RSUs	1,707,062	-		-	-	
Dilutive convertible notes	44,458,210	4,318		-	-	
Dilutive warrants	986,436	(336)		-	-	
Diluted EPS	343,632,881	$ 329,718	$ 0.96	227,940,632	$ (77,768)	$ (0.34)

For the three months ended June 30, 2021, 17.9 million warrants and 0.4 million options (three months ended June 30, 2020 – 16.2 million warrants, 0.3 million options and 44.4 million shares issuable for convertible notes) were anti-dilutive.

	Six months ended					
	June 30, 2021			June 30, 2020		
	Weighted average shares outstanding	Net income	Earnings per share	Weighted average shares outstanding	Net Income (loss)	Earnings (loss) per share
Basic EPS	268,946,914	$ 376,053	$ 1.40	182,970,592	$ (72,186)	$ (0.39)
Dilutive share options	1,381,982	-		-	-	
Dilutive RSUs	1,743,483	-		-	-	
Dilutive convertible notes	44,458,210	8,635		-	-	
Dilutive warrants	1,231,959	(5,859)		-	-	
Diluted EPS	317,762,548	$ 378,829	$ 1.19	182,970,592	$ (72,186)	$ (0.39)

For the six months ended June 30, 2021, 16.5 million warrants and 0.4 million options (six months ended June 30, 2020 – 16.2 million warrants, 0.4 million options and 37.6 million shares issuable for convertible notes) were anti-dilutive.

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

19. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash working capital for the three and six months ended June 30, are as follows:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Accounts receivable and other assets	$ (11,282)	$ 10,676	$ (7,560)	$ 6,700
Inventory	(4,185)	13,753	11,517	17,402
Accounts payable and accrued liabilities	3,991	9,589	3,034	(17,875)
Net change in working capital	$ (11,476)	$ 34,018	$ 6,991	$ 6,227

During the three and six months ended June 30, the Company conducted the following non-cash investing and financing transactions:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
Non-cash changes in accounts payable in relation to capital expenditures	$ 6,070	$ 150	$ 615	$ (4,055)
Right-of-use assets recognized (note 10(a))	11,919	13,446	39,763	13,446
Shares, options, warrants, DSUs and PSUs issued in business combinations	408,273	-	408,273	764,083

20. FINANCIAL INSTRUMENT RISK EXPOSURE AND RISK MANAGEMENT

Market risk is the risk that changes in market factors, such as foreign exchange, commodity prices or interest rates will affect the value of the Company's financial instruments. Market risks are managed by either accepting the risk or mitigating it through the use of derivatives and other economic hedges. As at June 30, 2021, there are no substantial changes to the market risk described in *Note 28: Financial Instrument Risk Exposure and Risk Management* to the Company's Consolidated Annual Financial Statements, except for those described below:

The Company's functional currency is the US dollar. The acquisition of Premier on April 7, 2021 (note 4(a)) included assets and liabilities denominated in the Canadian Dollar and Mexican Peso, which increased the Company's exposure to currency risk on the related transactions and balances.

The Company manages its exposure to fluctuations in commodity prices, and foreign exchange rates by entering into derivative financial instruments from time to time, in accordance with the Company's risk management policy. Details of these contracts are included in Note 9.

21. 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, 2021, marketable securities and listed Equinox Gold warrants of the Company are measured at fair value using Level 1 inputs. The fair value of the investment in i-80 Gold for disclosure purposes also uses Level 1 inputs. Non-listed Equinox Gold warrants, Solaris Warrants, i-80 Gold warrants, Solaris warrant liability, gold collars and forward contracts and foreign exchange collars are measured at fair value using Level 2 inputs. The fair value of the long-term receivables, Convertible Notes and Revolving Facility, for disclosure purposes, are determined using Level 2 inputs. The fair value of the Stream Arrangement and contingent obligation are measured at fair value using Level 3 inputs. There were no transfers between fair value levels during the six months ended June 30, 2021.

The carrying values of cash and cash equivalents, accounts receivable, reclamation bond, and accounts payable and accrued liabilities approximate fair value due to their short terms to maturity.

The fair value of marketable securities and the investment in i-80 Gold is measured based on the quoted market price of the related common shares at each reporting date.

The fair value of the listed Equinox Gold warrants is measured based on the quoted market price of the warrants at each reporting date. The fair values of the non-listed Equinox Gold warrants, Solaris Warrants, i-80 Gold warrants and Solaris warrant liability are determined using an option pricing formula (note 9).

The fair value of gold collars and forwards swap contracts is measured based on forward gold prices and the fair value of foreign exchange contracts is measured based on forward foreign exchange rates.

The fair value of the long-term receivables, Convertible Notes and Credit Facility 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. The fair value of Convertible Notes includes the fair value of the conversion option (note 8(b)) determined using an option pricing formula.

The fair value of the Stream Arrangement is determined based on the net present value of the expected future cash flows and a discount rate that includes the risk premium that market participants require (note 9(b)(v)).

The fair value of the contingent obligation is determined based on the net present value of the projected cash outflows associated with the contingent payments at the milestone dates using a market-based discount rate that reflects the risk associated with the delivery of the contingent consideration.

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

21. FAIR VALUE MEASUREMENTS (CONTINUED)

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

		June 30, 2021		December 31, 2020
Loans and receivables:				
Cash and cash equivalents	$	333,923	$	344,926
Restricted cash		12,562		3,210
Trade receivables		6,360		17,212
Receivable from asset sales		17,265		6,429
Long-term receivables		4,219		5,768
Reclamation bonds and other receivables		136		136
Financial assets at FVTPL:				
Marketable securities		2,067		3,121
Derivative assets		86,715		-
Financial assets at FVOCI:				
Marketable securities		177,916		-
Total financial assets	$	641,163	$	380,802
Financial liabilities at FVTPL:				
Traded warrants	$	3,879	$	36,455
Non-listed warrants		5,099		14,211
Gold collars and forward contracts		48,679		91,393
Foreign exchange contracts		4,897		12,507
Cash settled equity awards		1,370		4,831
Stream arrangement		37,548		-
Contingent obligation		9,235		-
Other:				
Accounts payable and accrued liabilities		129,002		119,641
Convertible Notes(1)		394,419		521,873
Credit Facility		301,031		300,599
Total financial liabilities	$	935,159	$	1,101,510

(1) At June 30, 2021, the fair value of Convertible Notes represents the fair value of the debt component of $278.8 million (December 31, 2020 – $281.5 million) and the fair value of the equity component of $115.6 million (December 31, 2020 – $240.4 million).

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

22. COMMITMENTS AND CONTINGENCIES

At June 30, 2021, the Company had the following contractual obligations outstanding which are expected to be settled in the time periods indicated:

	Total	Within 1 year	1-2 years	2-3 years	3-4 years	4–5 years	Thereafter
Loans and borrowings and accrued interest	$ 644,225	$ 49,075	$ 47,849	$ 383,167	$ 164,134	$ -	$ -
Accounts payable and accrued liabilities	129,002	129,002	-	-	-	-	-
Reclamation obligations(1)	186,745	5,161	10,005	11,971	15,698	19,981	123,929
Purchase commitments	96,126	88,777	6,459	867	9	8	6
Gold contracts	48,679	38,147	10,532	-	-	-	-
Foreign exchange contracts	4,897	4,539	358	-	-	-	-
Lease commitments	54,948	22,128	16,625	15,450	723	6	16
Total	$ 1,164,622	$ 336,829	$ 91,828	$ 411,455	$ 180,564	$ 19,995	$ 123,951

(1) Amount represents undiscounted future cash flows.

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 consolidated financial statements. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effect of these changes in its consolidated financial statements in the period in which such changes occur.

The Company is a defendant in various lawsuits and legal actions, including for alleged fines, taxes and labour related matters in the jurisdictions in which it operates. 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, 2021, the Company recognized a legal provision for these items totaling $12.3 million (December 31, 2020 – $13.2 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. 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 the federal income and municipal tax assessments 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 material fines that could result from non-compliance are imposable under statute with a five-year statute of limitations.

22. COMMITMENTS AND CONTINGENCIES (CONTINUED)

In March and April 2021, the Company received notices from the Brazilian government of environmental infractions related to turbidity in the local water supply at Aurizona with associated fines totaling $8.0 million. An historic rain event caused widespread flooding in the Aurizona region in late March 2021 and a fresh water pond on the Aurizona site overflowed during the rain event. The tailings facility and other infrastructure at the Aurizona site remained operational. The Company and its advisors believe the fines are without merit. No amount has been recognized in the financial statements in relation to the fines.

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

The Company continues to closely monitor the COVID-19 situation. Should the duration, spread or intensity of the pandemic further develop in 2021, the Company's supply chain, market pricing, operations and customer demand could be affected. These factors may further impact the Company's operating plan, its liquidity and cash flows, and the valuation of its long-lived assets. The COVID-19 situation continues to evolve. The magnitude of its effects on the economy, and on the Company's financial and operational performance, is uncertain at this time.