



Equinox Gold & Orla Mining Combine to Create North America's New Senior Gold Producer

Conference Call Transcript

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Speakers: **Ryan King**
EVP Capital Markets, Equinox Gold

Ross Beaty
Chair of the Equinox Gold Board of Directors

Darren Hall
CEO, Equinox Gold

Jason Simpson
President and CEO, Orla Mining

Chuck Jeannes
Chair of the Orla Mining Board of Directors

Operator:

Welcome to the Equinox Gold and Orla Mining Conference Call to discuss their combination to create North America's New Senior Gold Producer.

As a reminder, all participants are in a listen-only mode, and the conference is being recorded. After the presentation, there will be an opportunity to ask questions. To join the question queue, you may press star then one on your telephone keypad. Should you need assistance during the conference call, you may reach an Operator by pressing star then zero.

I would now like to turn the conference over to Ryan King, EVP Capital Markets for Equinox Gold. Please go ahead.

Ryan King:

Thank you, Operator. Thank you everyone for joining the call this morning.

Before we begin, I'd like to direct everyone to the forward-looking statements on Slide 2. Our remarks and responses to questions today may contain forward-looking statements regarding the future performance of Equinox Gold and Orla Mining. While Management believes these forward-looking statements are based on reasonable assumptions, actual results may differ from those expressed or implied.

For additional information regarding forward-looking statements and the associated risks and assumptions, please refer to the cautionary notes included in this morning's news release and both companies' continuous disclosure documents filed on SEDAR+ and EDGAR, which are also available on the Equinox Gold and Orla Mining websites.

Joining us on the call today from Equinox Gold are Ross Beaty, Chair of the Board, and Darren Hall, Chief Executive Officer. Representing Orla Mining are Chuck Jeannes, Chair of the Board, and Jason Simpson, President and Chief Executive Officer.

I'll now turn the call over to Ross Beaty.

Ross Beaty:

Thank you very much, Ryan, and welcome everyone to this call.

I'll begin with some remarks, then turn the call to Chuck Jeannes.

This is a momentous day for Equinox Gold, and it's a momentous day for me personally. Just over eight years ago, we began our journey to build Equinox Gold. From the beginning, we had one big goal, to build a great new gold company at scale. Why have we focused on scale? Because it creates better resilience and diversification against risk, better valuation multiples, better liquidity, a stronger financial condition, and most importantly, greater leverage to gold.

Since we began in 2018, I've been bullish on the gold price, and I've been right. Gold has had a glorious run. But I'm just as bullish today, given the macro environment, particularly for the U.S. dollar. Gold is money. It's been money for 5,000 years, and it's being used as money as much today as ever. The bigger our Company is in gold production and gold reserves and resources, the better we'll deliver value to our shareholders as the gold price rises.

To build scale, Equinox has, since 2018, combined with four companies, including today's deal with Orla. We've built mines, we've sold mines that were non-core, and we've spun out three companies, each with over \$1 billion in market value today. It's been a busy time, and I thank our whole Management team and Board for their hard work in making all this happen.

The Orla deal will add icing on the Equinox cake. Darren Hall and Jason Simpson will add details about today's announcement. I only want to say how exciting this combination is for me. It's truly synergistic. Both companies have mines in Mexico, the United States, and Canada, with a total of 1.1 million ounces of gold production. Our three mines in Canada will make us the second largest Canadian gold producer at 700,000 ounces of production.

We also have exceptional organic growth prospects that give us a clear path to about 1.9 million ounces of gold production per year in a few years, all self-funded from robust free cash flow. I'm very pumped about this transaction, and I know it will create terrific shareholder value.

For me personally, this deal is a bit bittersweet because I've agreed to step down as Chair in favour of Chuck Jeannes. I've known Chuck literally for decades. I've watched and admired him when he was CEO of Goldcorp, and I've worked with him when I chaired Pan American Silver and he served on that Board. I'm getting older, and it's the right time for me to step down, but I couldn't be happier that Chuck has agreed to serve as Chair.

But I'm not going anywhere, and I have zero intention to sell any of my shares for the foreseeable future. I'll be able to attend [board] meetings as special Advisor to the Board and contribute where I can as a non-voting participant. I truly believe the best is yet to come for Equinox Gold with the added people and assets of Orla.

With that, I'll pass the call to Chuck Jeannes to walk you through his take on the transaction. Thank you very much.

Chuck Jeannes:

Thanks very much, Ross, and good morning, everyone.

When I reflect on how far Orla has come from a company in 2017 with a single unpermitted development asset in Panama to a diversified multi-country gold producer, I'm immensely proud of what this team has accomplished. Just over a year ago, Orla stood at a unique turning point. The transformational acquisition of Musselwhite established our operating footprint in Canada and positioned us as a growing North America-focused multi-asset, low-cost gold producer. Now we're announcing an even more transformational opportunity to join with Equinox to create a new senior gold producer with all the attributes necessary to create tremendous shareholder value.

Over the years, I've watched with great admiration what the teams at Calibre and Equinox accomplished and the disciplined, value-driven way in which they've grown their business. I want to personally thank and congratulate my longtime friend and colleague, Ross Beaty, on his incredible success in leading Equinox to its current stature. It's an honor to take over the mantle as Chair of the combined company, and I look forward to working with Ross in his advisory capacity.

With both companies now poised for the next phase of value creation, I'm convinced that this combination amplifies everything we've each built and does so in a way that neither of us could have

achieved alone. Orla's standalone path was strong. Undoubtedly, this path is stronger. The bringing together of two highly complementary asset bases creates, in my view, an exceptional company. One with immediate production scale from high-quality long-life mines anchored in Canada, along with built-in growth and an outstanding team to continue to unlock value.

We also benefit from a supportive shareholder base led by Pierre Lassonde, Prem Watsa, and Fairfax Financial, and of course, Ross, among other long-term investors. Our shareholders at Orla will gain something rare: continued exposure to the assets they know, Camino Rojo, Musselwhite, and South Railroad, along with a portfolio anchored by world-class Canadian cornerstone assets in Greenstone and Valentine and the proven Equinox operating platform. This is a transformational step in our company's evolution, and we are now built to grow and built to last.

With that, I am pleased to now pass the call on to Darren Hall.

Darren Hall:

Thanks, Chuck.

Turning to Slide 5. Firstly, I'd like to thank Chuck and Ross for their vision and unwavering support of both companies to create the opportunity which Jason and I have the privilege to communicate today. The Equinox / Orla combination is structured as an at-market combination that brings together two highly complementary companies with unanimous support from both Boards. Pro-forma ownership of the combined Company will be 67% Equinox and 33% Orla and [the combined company] will continue as Equinox Gold.

Turning to Slide 6. Today is an incredibly exciting time for both Equinox and Orla, and our combined stakeholders and shareholders, as we announce a combination which will create a new senior North American gold producer. Jason and I will take a few minutes to outline the compelling rationale for the transaction and why we are both confident this combination will deliver superior shareholder returns.

The combination creates a fully funded tier one platform to deliver 1.9 million ounces of production annually, a 70% increase from our pro-forma 1.1 million ounces in 2026. Importantly, we maintain jurisdictional simplicity while concurrently increasing shareholder returns.

Jason Simpson:

What makes this combination truly compelling is the natural strategic fit between two portfolios. Both companies bring high quality assets, strong operating teams, and critically, a shared philosophy rooted in disciplined execution and long-term value creation. This is a partnership built on aligned fundamentals.

Turning to Slide 7, at the center of the combined platforms are three cornerstone Canadian mines, Greenstone, Valentine, and Musselwhite, which will establish the Company as the second largest producer of Canadian gold. Those three mines alone are expected to produce nearly 700,000 ounces of gold this year, with additional growth expected as Greenstone and Valentine continue ramping up, and when Valentine Phase 2 is completed. Potential production growth at Musselwhite is yet to be revealed.

Darren Hall:

Turning to Slide 8. The combination will deliver 70% production growth to 1.9 million ounces from projects and expansions in regions we currently operate in. We believe the development of our combined growth pipeline, building from our robust operating platform, will continue to enhance shareholder returns.

Jason Simpson:

Importantly, this growth pipeline will be optimally sequenced, providing flexibility in both capital allocation and execution. Valentine Phase 2 is the first major expansion project, followed by the South Railroad project in Nevada, and then Castle Mountain in California. Together, adding more than 300,000 ounces of annual production.

In Mexico, the Camino Rojo Underground project, and the longer-term expansion of Los Filos, provides additional meaningful growth potential, with the opportunity to add approximately 450,000 ounces of annual production [from Mexico].

Darren Hall:

Turning to Slide 9, as Chuck had foreshadowed, through the [due diligence] process it became clear that Equinox and Orla have a common culture, focused on responsible mining, disciplined execution,

and long-term value creation. We are confident that our industry leading production growth will be funded by cash flow from operations, while concurrently strengthening the balance sheet and increasing capital returns to shareholders.

Jason Simpson:

The leadership structure reflects that alignment, and I am proud to be joining the combined company as president. Working alongside Darren, Chuck, and the broader leadership team, we have everything we need to execute on the significant opportunities ahead.

Ultimately, this transaction creates something differentiated. A premier North American focused gold company, defined by increased scale, high-quality long-life assets, and peer leading organic growth potential. With a strong Canadian production base as its foundation, the re-rating opportunity here is substantial.

Darren Hall:

In closing, the value proposition here is clear. We will deliver 1.1 million ounces of gold in 2026. We will be the second largest producer of Canadian gold. We will generate strong free cash flow to fund our 70% production growth to 1.9 million ounces annually, without adding jurisdictional complexity. Concurrently, we'll be able to grow capital returns to shareholders.

It's a very clear proposition, and with that, we'll turn the call over to the Operator for Q&A.

Operator:

Thank you. Once again, to join the question queue, you may press star, then one on your telephone keypad. You will hear a tone acknowledging your request. If you're using a speakerphone, please pick up your handset before pressing any keys. To withdraw your question, please press star, then two. We ask that you limit your time to one question. If you have additional questions, the Equinox Gold team would be happy to offer a call to go into more details. Thank you.

The first question comes from Wayne Lam from TD Securities. Please go ahead.

Wayne Lam:

Thanks, guys. I guess we're still sticking with one question, but I guess for my question, I'll ask Darren, maybe, why did you guys view the current timing of the deal as making sense so quickly after having done Calibre last year? If I recall, the rationale behind the Calibre deal was to create a larger Canadian-focused producer. I'm just wondering, does this deal really change the path for Equinox, as I would have thought investors would have already viewed the standalone Equinox as having visibility to being a large Canadian-focused portfolio.

Darren Hall:

Wayne, thanks for the question and support. No, I think what it does, it reinforces that vision. It hasn't changed. If we consider both companies, we've both got credible operations. We've both got a clear platform to grow. We believe we're both equally undervalued in the space. Putting these two things together to really reflect absolute symmetry. No, I'm comfortable with, it's aligned with, and it's consistent with.

I think the timing makes a lot of sense for us. As foreshadowed, we're doing together what we couldn't do separately in terms of propelling us to a senior producer in short order of time. I think that both sets of shareholders will benefit from the continued re-rate that will come from demonstrated delivery of both asset bases, the growth that comes from it, and then the additional re-rate that comes as a consequence of size.

Wayne Lam:

Okay, thanks. I'll hop back in the queue.

Operator:

The next question comes from Ralph Profiti from Stifel. Please go ahead.

Ralph Profiti:

Thanks, Operator. Good morning, everyone. Darren, I'd like a little bit more detail, please, on how you envision the construction and capex sequencing between South Railroad and Castle Mountain. It's implied that this is a continuous stream of not only workforce transition. That's my question. Then secondly, is it possible that we can get some capex or opex synergies out of those two operations that's not factored as data analysis?

Darren Hall:

Yes, sure, Ralph, and thanks for the question. I'll maybe kick it off and then pass it across to Jason. But I think [as mentioned] in Jason's preamble here, we see a logical fit and transition of our growth capital with Valentine Phase 2 commencing now. Orla have done a fantastic job at setting up South Railroad. It's ready to go, just waiting for those final permits, which will happen here in a few months. That build then commences in earnest. We're lined up with Castle Mountain with a record of decision here at the end of the year, then municipal and state permits happening in H1 of next year, and in H2 [2027] construction starts. It's a natural rolling from one [project] to another.

In terms of two assets, it's going to be in the same jurisdiction. Are there going to be some opportunities to be able to share construction teams and work between? Absolutely. Jason, what would you offer to that?

Jason Simpson:

Yes, Darren and I thought a lot about the sequence of growth. As he's described, it dovetails quite nicely and meshes together such that we start with Phase 2 of Valentine, as everybody on the Orla side knows we're prepped in the second half of this year to begin field construction in Nevada, and as that begins wrapping up at the second half of next year, we can then move into Castle.

From a human resources deployment perspective, keep in mind that for the construction phases, we'll often be utilizing EPCMs to aid our teams. And yes, the geographic symmetry of our operations was certainly part of our calculus.

Darren Hall:

Yes, it's almost serendipitous. I guess there's a word that comes to mind, it's kismet, right? In terms of how these come together in the natural flow for the evolution of this. I mean, it couldn't be a better fit. We're very pleased with what we see and how things are going to roll out here in the short term.

Ralph Profit:

Great, well done. Thanks for your answers.

Operator:

The next question comes from Josh Wolfson from RBC Capital Markets. Please go ahead.

Josh Wolfson:

Yes, thank you very much. Earlier in the call, the Company had talked about the history of building scale and also spinning off a number of assets in the portfolio to become quite successful on their own. With this transaction, are there any assets you can identify that could become future spin outs? I guess more specifically, with such a big focus on Canada highlighted and to a degree the U.S., do the Nicaraguan assets make sense longer term? Also, the capital profile in Mexico, does that still make sense? Thank you.

Darren Hall:

Thanks, Josh. I guess as a headline number, I mean, when we look at the value proposition here at 1.1 million ounces pro forma with 70% production growth going to 1.9 [million ounces] in the very near term, all of the contributing assets are critical to delivering into that promise. I mean, the cash flowing assets that we have at Camino Rojo and in Nicaragua obviously allow for the fantastic [internal] funding we see, particularly in this positive gold price environment that's going to allow us to build those assets from operating cash flow, continue deleveraging the balance sheet and being able to accelerate returns of capital to shareholders.

I think we're well positioned. But as always, if there are opportunities to be able to create value to our shareholders through disposition of assets, there are always things to be considered. But there are absolutely no plans to divest nor are there absolutely any plans to look at anything else. I mean, our plate is perfectly positioned right now to create significant shareholder value in the very short term.

Josh Wolfson:

Great, thank you.

Operator:

The next question comes from Jeremy Hoy from Canaccord Genuity. Please go ahead.

Jeremy Hoy:

Hi, Darren and Jason. Thank you very much for taking my call. Josh asked what I was going to ask. I'd like to maybe touch on the growth profile from 1.1 million ounces to 1.9. I'm more familiar with the Equinox assets and I know there's a few gating items at Los Filos, for instance, still waiting on resolution of community negotiations to restart the development process there. I'm just wondering, are there any other gating items that we should be aware of on the Orla side beyond permitting? Ultimately, what do you expect the timeline is to achieve that 1.9 million ounces? Thank you.

Darren Hall:

Jason, do you want to comment?

Jason Simpson:

Yes, so I think we've articulated the sequence of growth quite well. To lean into your question and remind the audience, Valentine Phase 2, followed by the operation that Orla has been preparing in Nevada with South Railroad. Next in the sequence would be Castle Mountain. You asked about Los Filos and upon restart, there's expansion plans for Los Filos as well further down the track. Then finally, as we've communicated in our PEA at Orla and the underground drift that will be initiated in the second half of this year, our transformation and doubling of the production scale [at Camino Rojo] in Zacatecas [Mexico] will probably be last in the cycle of growth. All of those things will unfold in the next three to four years.

Darren Hall:

Just to layer one comment here with respect to Los Filos, we've got very constructive discussions ongoing with all of our stakeholders there. There's clear alignment around the desire for that asset to realise its full potential and be a multi-generational asset that will deliver significant metal and benefits for all of its stakeholders for a long, long time. Even though we're not operating today, right, we're doing the work in the background that's going to allow us to realise that full potential. The fact that we're not operating today does not impact the timing of those decisions because they're happening independently.

No, we're ensuring that whatever we do in any jurisdiction we do, we're setting ourselves up for the long term. We're not in a hurry to do it. We want to make sure that we're doing it right, responsibly, and we're going to be enduring and resilient in all metal price environments.

Jeremy Hoy:

Okay, understood. Thank you both very much for the colour.

Operator:

The next question comes from Lauren McConnell from Paradigm. Please go ahead.

Lauren McConnell:

Good morning and thank you to both Darren and Jason for taking my questions. My question is probably directed a little more towards Jason. Orla was already viewed as a high-quality intermediate producer. You had two producing assets, visible growth. What was the main factor that made the Board conclude that this was the right time to combine rather than continue executing independently? Did anything change in that standalone outlook? Or was this more about an opportunity to accelerate scale and capital markets? Was there any sort of market relevance? Thank you.

Jason Simpson:

Yes, thanks, Lauren. Thanks for informing the audience of our platform at Orla, which you're quite clear about and complimentary of. I would offer that Equinox also had a very complementary platform that they were building out. Really this comes from a position of strength for both companies, where we were going to be able to not only produce at scale in an intermediate space, but grow that scale independently in each Company. You used the right word, which is acceleration and amplification. I would add this transaction enables us to accelerate the path that Orla and Equinox were on to push towards a million ounces and instantaneously put us into that million ounce category with clear and visible organic growth pushing us to 1.9 million ounces.

Often, we were complimented on our platform but in the same conversation, the patience of waiting for that platform to unfold was a question I would get. This [creates] an accelerated growth platform that I think will be to the benefit of both groups of shareholders.

Lauren McConnell:

Okay, thank you so much.

Operator:

The next question comes from Wayne Lam from TD Securities. Please go ahead.

Wayne Lam:

Oh, I didn't expect to get another question. Maybe for Jason on the Orla side, just wondering, it seemed like there was still a significant amount of value that you guys had to unlock with the optimization and the ramp up at Musselwhite, South Railroad construction and the advancement of the [underground development] at Camino Rojo. Just wondering why you guys decided to do an at-market deal and also is this potentially a situation where you might come in ultimately to run the larger entity at some point? I know you always talked about you guys being big shareholders and fully aligned and just wondering why you see an at-market deal here as the right one for the broader shareholder base.

Jason Simpson:

Yes, thanks, Wayne. Let me start with the Musselwhite conversation because I think that's important. When Ross Beaty went underground at Musselwhite, he could clearly see what our team saw in terms of the geologic potential, the culture and strength of that team. I want to be clear, Musselwhite and the employees there were part of the reason this deal was possible because of the opportunity that we have there. That opportunity is only going to continue to grow.

In terms of the question about a premium, both parties in this circumstance feel like there's tremendous value creation from both companies and both platforms. We actually are looking for a much bigger return in the combined company. It will be including things like the Musselwhite expansion, the doubling of production in Mexico, but also the expansion at places like Valentine, the ramp up of Greenstone and the potential within the Equinox portfolio.

Let me be clear about the leadership. Darren and I are partnered in this combined company to focus on operating our six mines and then growing the platform to 1.9 million ounces. That's what we'll be focused on and growing that value for shareholders.

Wayne Lam:

Okay, perfect. Congrats on the deal, guys.

Darren Hall:

Thanks, Wayne. Appreciate your support.

Operator:

This concludes our question-and-answer session. I would like to turn the conference back over to Darren Hall for closing remarks.

Darren Hall:

Yes, well, thank you everyone for joining the call. Importantly, for your continued support of both Equinox and Orla. We look forward to your support in voting for the transaction as we work through that process and look to a positive close here in Q3.

As always, Jason and I and the extended teams are available to take any questions, and we look forward to fielding them as they come to us. Everyone have a great day and thank you very much.

Operator:

This brings to a close today's conference call. You may disconnect your lines. Thank you for participating and have a pleasant day.