Equinox Gold Corp.
Second Quarter 2026 Results and Corporate Update Conference Call Transcript

Date: **August 6, 2026**

Time: **7:00 AM PT**

Speakers:

Darren Hall
Chief Executive Officer

Jason Simpson
President

Peter Hardie
Chief Financial Officer

David Schummer
Chief Operating Officer

Ingrid Rico
SVP Capital Markets

Matt MacPhail
EVP Technical Services

Operator:
Welcome to the Equinox Gold Second Quarter 2026 Results Conference Call and Corporate Update.

As a reminder, all participants are in 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. If you're participating through the webcast, you can submit a question in writing using the form in the lower section of the webcast frame. Should you need assistance during the conference call, you may signal an Operator by pressing star then zero.

I would now like to turn the conference over to Ingrid Rico, SVP Capital Markets for Equinox Gold. Please go ahead.

Ingrid Rico:
Thank you and good morning, everyone. Thank you for taking the time to join the call this morning.

Before we begin, I would like to direct everyone to the forward-looking statements on Slide 2. Our remarks today, including responses during the question-and-answer session, may include forward-looking information regarding the Company's future performance. Although Management believes the statements are based on reasonable assumptions, actual results may differ materially. Please refer to today's cautionary statements and our most recent regulatory filings available on SEDAR+, EDGAR, and our website.

Today's presentation also includes certain non-IFRS financial measures. Please refer to our MD&A for reconciliations and additional information.

Unless otherwise stated, all figures discussed today are in U.S. dollars.

Joining me on the call today are Darren Hall, Chief Executive Officer, Jason Simpson, President, Peter Hardie, Chief Financial Officer, and our operating team, David Schummer and Andrew Cormier. Today, Darren will discuss the quarter and our operational progress. Jason will review our updated outlook and priorities for the second half of the year, and then we'll open the call for questions.

The presentation is available on our website, and a replay of today's webcast will be available in the presentation archive.

With that, I'll pass the call over to Darren.

Darren Hall:
Turning to Slide 3, and thanks Ingrid.

Good morning, everyone and thank you for joining the call today.

With the completion of the business combination with Orla Mining, we enter the second half of 2026 as North America's new senior gold producer, with meaningfully greater production, stronger cash flow, and one of the industry's strongest organic growth pipelines. The financial benefits of the combination will begin to be reflected in our third quarter results. Today's call will also highlight the continued operational progress we've made across the portfolio, particularly at Greenstone and Valentine. Our focus is now straightforward: disciplined integration, operational execution, and delivering the long-term value this transformational combination has created.

Before I discuss the quarter, I'd like to thank our employees across both Equinox and Orla. Completing a transaction of this scale while continuing to operate safely is a tremendous accomplishment, and I appreciate everyone's commitment throughout the process. The combined company is built around a portfolio of high-quality, long-life assets anchored by three cornerstone Canadian mines – Greenstone, Musselwhite, and Valentine – supported by one of the strongest organic growth pipelines in the industry. Importantly, this isn't simply about becoming larger. It's about creating a stronger company with greater financial capacity and operating resilience, and maintaining a disciplined capital outlook to unlock long-term value creation.

That confidence is also reflected in the actions we've taken today. The Board approved a 50% increase to our annual dividend to $0.09 per share. As a larger, more cash-generative business, we believe it is important that our shareholders participate directly in the value we're creating while maintaining the financial flexibility to invest in our growth pipeline and preserve a strong balance sheet.

Turning to Slide 4, the second quarter reflected continued improvement across our Canadian operations and increased confidence in our outlook for the balance of the year. Greenstone continued to perform well, with the mill effectively achieving nameplate through the second quarter. The team's focus is now on building on that performance while continuing to improve mining rates and grade delivery.

At Valentine, we also saw another meaningful step forward. The process plant continued to perform exceptionally well, consistently delivering above nameplate capacity during the quarter. At the same time, improvements in mining performance, ore control, and grade reconciliation resulted in significantly better performance compared to the first quarter, and that positive trend has continued into July. July mill feed grades averaged more than 1.8 grams per tonne, providing further evidence that the operational improvement initiatives are delivering the expected results.

These improvements reinforce our confidence that the operating initiatives are working, and we expect to see that reflected in stronger production and lower unit costs through the balance of the year. Together with Greenstone's continued ramp-up and the addition of Musselwhite, we expect our Canadian portfolio to deliver higher production, lower unit costs, and stronger cash flow through the second half of the year.

The transaction also leaves us in a strong financial position. We finish July with approximately $650 million of cash, a net cash position of approximately $214 million, and approximately $1.2 billion of available liquidity. That balance sheet gives us the flexibility to execute our growth strategy while maintaining a disciplined approach to allocation. Today's 50% dividend increase reflects our confidence in the cash-generating capability of the combined company and our commitment to return value to shareholders.

With that, I'll pass the call over to Jason.

Jason Simpson:
Thank you, Darren, and good morning, everyone.

Turning to Slide 5, it's a pleasure to be joining you all on today's call. Since the transaction was announced, I've spent considerable time with our operating team for reviewing each asset, the operating plans, and the assumptions supporting our outlook for the balance of the year. Based on that work, I'm confident in the assumptions underpinning our updated guidance and comfortable with our ability to deliver it.

Our updated guidance reflects 12 months of production from the legacy Equinox Gold operations and five months of contribution from Musselwhite and Camino Rojo upon completion of the transaction on July 31. For 2026, we now expect consolidated production of between 870,000 and 920,000 ounces.

On a pro-forma basis, [had we completed the merger with Orla Mining on January 1, 2026], the combined company would produce approximately 1.1 million ounces of gold. The guidance reflects stronger second-half performance from Greenstone and Valentine together with the five months of production from Musselwhite and Camino Rojo.

As production increases through the second half of the year, we expect improved fixed costs and lower unit costs. Combined with the addition of Musselwhite and Camino Rojo, that supports our expectation for consolidated total cash costs of $1,600 to $1,700 per ounce and all-in sustaining costs of $1,900 to $2,000 per ounce, with stronger cash generation through the balance of the year. From my perspective, the opportunity over the second half is really about execution. The operating plans are in place. The teams understand the priorities at each site and our focus is on safely delivering against those plans while maintaining discipline around costs and capital allocation.

As Darren mentioned, at Valentine, the process plant continues to perform exceptionally well and has consistently demonstrated throughput above nameplate capacity. The opportunity now is continuing to improve mine performance and grade delivery. The initiatives the team have implemented around selective mining, ore control, grade definition, dilution management, and blending are beginning to deliver the expected results.

We saw meaningful high-grade reconciliation during the second quarter compared to the first, and that positive trend, as Darren mentioned, continued into July. In July, as indicated earlier, mill feed averaged approximately 1.8 grams per tonne gold, providing further evidence the operational improvements are translating into stronger mill feed and positioning us well for the second half of the year.

There is still work ahead of us, but we are encouraged by the progress we have been seeing. As we continue executing on those initiatives, we have been increasing our confidence in our ability to deliver full-year guidance and continue realizing the full potential at Valentine. Overall, I'm confident with the operating plans across the combined portfolio and confident in our ability to deliver a stronger second half.

Turning to Slide 6, completion of the Orla transaction fundamentally changes the scale and quality of Equinox Gold. We now have a stronger operating platform, greater financial capability, and one of the industry's strongest organic growth pipelines. Our immediate focus needs to be execution. That means delivering on our second half operating plans, achieving our full-year production and cost guidance, and successfully integrating the combined organization while maintaining the operational momentum we have built.

Looking beyond 2026, we have a portfolio of high-quality assets and a pipeline of organic growth opportunities that provides a clear path for long-term value creation. We'll continue advancing those opportunities in a disciplined and measured way, prioritizing the projects that generate the strongest returns while maintaining financial flexibility. We have the assets, the balance sheet, and most importantly, the people to deliver on that strategy. Now it's about consistent execution and delivering on our commitments.

With that, we'll pass it over to the Operator, and we'd be pleased to take your questions.

Operator:
Thank you. To join the question queue, you may press star then one on your touchtone phone. You'll 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. If you're participating through the webcast, you may submit a question in writing using the form in the lower section of the webcast frame.

Our first question is from Wayne Lam with TD Securities. Please go ahead.

Wayne Lam:
Yeah, thanks. Morning, guys. Maybe just starting with Valentine. The grades were nominally higher this quarter, but the mine plan that was released in March calls for average process grades of 2.5 grams through 2028. I was wondering if you could outline a bit more detail on the steps being taken here on the selectivity and the dilution front. Just wondering if that's still a reasonable target, or does there need to be a bit of a reset in the reserve grade or expectation at some point as we think ahead to the coming quarters in 2027?

Darren Hall:
Yeah. Morning, Wayne, and thanks for the questions, and thanks for TD's support. I'll start with the last part of that question first. From a reserve grade perspective, we're comfortable in the contained metal within the deposit, and that's what we've said quarter on quarter for the last couple of quarters. Our challenges have been about reflecting the selectivity that was intimated in the technical report that we

released, and we've made significant improvements quarter on quarter to deliver a higher grade above cut-off. The ability to deliver an average grade above an ore waste cut-off is solid. We're comfortable with that, and what we saw Q2 over Q1 was a marked improvement in our high-grade reconciliation above an elevated cut-off. We improved reconciliation by close to 20% in the quarter, and that was reflected in a stronger grade in the quarter, but more importantly in July, we saw a 1.8 gram grade. That has continued into August, and it's only early, but we're approaching around a 2 gram grade in August month to date.

If we talk about some of the operating initiatives that we're focused on, I'll throw it over to Dave. Dave, do you want to give a little bit of an outline of some of the things we've been focusing on over the last quarter or two?

David Schummer:
Yeah, for sure. Thanks, Darren. We've been applying the software called OREPro 3D, which helps us understand as we blast the material how much is displaced and helps us better outline the polygons. We're also focused intently on improving the polygon mining compliance, and that compliance was up in the high 90s this last month, which is a significant improvement over previous. We're focused on dilution across the board, operator training, training our technical people, etc., and I believe the results we're seeing are consistent with what I'd expect, and I expect that to continue through the rest of the year, as Darren mentioned.

Darren Hall:
We start thinking about the longer term, right? I see no need to reset expectations in that space. I mean, we've revised guidance for this year, and the revised guidance reflects the performance that we have seen carried forward for the balance of the year. I don't think it fully represents the improvements that we have seen and will see. We've kind of arguably set the bar, arguably a little conservatively, as we want to increase the level of confidence and our ability to deliver into expectations for that asset. The production profile on the back end of the year is 80,000 to 90,000 ounces. When you annualise that, you're still towards the midpoint of guidance of what would have been a full year of guidance.

As we roll into 2027, we're going to continue to see those benefits improve, the realised grade increase, we'll maintain throughput, and importantly, the Board just yesterday approved full funds for Valentine Phase 2, which were disclosed in the release as well. As we build that expansion, that'll take a lot of the issues out of the selectivity, issues that we see in the short term until we have that 5 million tonne plant in place. I think that what we're seeing is typical and normal sort of ramp-up related issues. We were overly aggressive in terms of our selectivity for the start of the year. We're working through those issues, we're improving, we'll continue to, and we're very comfortable and confident with the estimates we've put out there. Jason, anything you'd like to add on that?

Jason Simpson:
Yeah, I think David, Andrew and I will be down in Newfoundland very shortly to oversee and confirm our confidence in the work that's already been initiated in terms of grade control and selectivity to preferentially feed that high grade. But in my experience with these ramp-ups, this kind of stabilization of the operation, everything from grade control to operating efficiencies of the equipment and so on, it is normal course in ramping up any project and that's represented here in Valentine.

Darren Hall:
Both in the production and the costs, we've basically taken a run rate that we have seen for the year and projected it forward. The gains that we've seen, the efficiencies we've seen in the reduction in spend, have not been factored into. We'll be transparent here, is the point estimate of our internal estimates going forward is lower than our low end of guidance for costs, right? We're really trying to set the asset up for delivering into expectations and not disappoint. Wayne, did we cover your question? Is there anything else outstanding you had?

Wayne Lam:
Yeah, thanks. No, that's great. That's a lot of detail. Maybe moving to Greenstone, it’s nice to see the improvement in the process grades quarter-over-quarter alongside the tonnage getting towards design. Just wondering if you had any commentary on the lag in the recoveries and then would you be able to give us some colour on the timing of the installation of the trommel and expected impact that might have operationally on recoveries?

Darren Hall:
Yeah, for sure. I'll start with, I'll start at the end of the question because I can remember that part, right? Then go backwards. Yeah, the trommel is still in play here for the end of the year. We will see the benefit of that before the end of the year. What that will do, it'll take out a lot of the tramp [steel] that we're feeding into the plant, which creates unnecessary downtime and also reduces efficiencies within the plant. That was always envisaged to get us to nameplate, but pleasingly where we see today, I

mean, for the average throughput for Q2, we were just a smidgen under nameplate capacity with 26,800 tonnes for the quarter.

Now for the third quarter, so through actually yesterday morning, so through the 4th or 5th of August, we were just over nameplate at just over 28,000 tonnes a day. What we are seeing is all of the activities that Brian and the team have been leading over the last year at Greenstone are truly paying their dividends. We're comfortable that we can deliver into nameplate or exceeding nameplate without the trommel. The trommel then positions as well as we head into 2027 to start challenging that installed capacity to maybe 30 or beyond thousand tonnes a day.

We're very comfortable with where that sits. We're seeing grades consistent with our expectations in terms of reconciliation with the model. We are still seeing some kind of a bit of an overhang here from a recovery perspective. Recovery is in the quarter around 80% thereabouts, and we are seeing higher levels of arsenopyrite.

Dave, do you want to, or Matt, do you want to give a little bit of colour on that?

Dave Schummer:
Sure. Yeah. On the arsenopyrite, we are seeing, we're learning more as we mine through the ore body and we're trying to model better. We're undertaking some efforts to do a sampling campaign to understand the distribution of that arsenopyrite within the ore body. We'll know more as we go through that in the remainder of 2026 and into 2027.

Darren Hall:
Yeah, no, comfortable with where we sit and looking forward, I think that the technical report holistically, reasonably represents what we expect to get out of the assets. There'll be some unders and overs as always, but I think with the improved throughput above the nameplate, with grade reconciling well, we'll work through the recovery issues. I think we're setting ourselves up to be able to comfortably deliver into those long-term expectations for Greenstone.

Wayne Lam:
Okay, great. Thank you for that. Then maybe just last one for Jason. Just curious, when the merger was announced, I had posed the question about whether you were coming in to run the larger entity, and you had said, quote, "Let me be clear about the leadership. Darren and I are partnered in this

combined company." Just wondering now with Darren stepping aside pretty shortly and some kinks still to be worked out with some of the Equinox assets. I mean, you have a pretty successful track record dating back to Torex and with Orla, but just wondering if something had prompted a change in the Management structure since our last discussion. Just curious where you're prioritizing your focus as you get into the seat. It just seems like a pretty big portfolio to take over in a very short period of time.

Jason Simpson:
Yeah, Wayne, thanks for remembering our last conversation, and I stand by it. Darren and I are absolutely and remain partners in this business. What prompted the change is two things. One, internally, as we combine the companies, and Etienne is working on integration, Dave and Andrew working on operations. At the corporate level, the clarity of who's making the decisions needed to be enhanced. Darren and I spoke about this, and we felt that internally for us, it was best to clarify that.

Externally, making sure that we understood who is representing the Company outside, Etienne, again, in the capital markets and his team, as well as myself, will do that. But Darren isn't going anywhere. He's sitting right next to me right now. He will continue to be an advisor to the Company. He and I speak every day about the combined company. Frankly, I will be relying upon his support to run this bigger entity, the likes of which is going to be daunting as we operate all these mines and build all these projects. I will seek his counsel and continue to receive it.

We've got a great team at Equinox. The folks out in Newfoundland, our combined operations in Ontario, and that's just speaking about our Canadian operations. I look forward to the work ahead to run what is a strong Company. I'll need the counsel of people like Darren, like our new Board of Directors that met for the first time yesterday. Now it's about getting to work and delivering on expectations, and that starts with hitting our numbers.

Darren Hall:
Jason, just let me layer on that. It's … we thought long and hard about this over the last couple of weeks. I mean, this is something that's emerged pretty quickly, but it was through the rapport and the relationship we developed over the last six months working through this process. When I looked at what was in front of this organisation, and the amount of change we'd seen within the business, we needed someone who could turn up and say that I'm committed to be here for the next five years. Jason is in that position.

I remain a significant shareholder in this business. Even though I may not be an executive employee, I'll be with Jason for whatever he needs for whatever period of time, unless I find myself in a position where I'm conflicted to do so. I don't have any plans to be conflicted. No, I think that we're, externally, it probably creates a little bit of discomfort, but we've done it for what we believe is best for the business. To ensure there's clarity internal to the business, so that all people who deliver the results to you all can be absolutely certain about their future and what the business looks like. I think we're having our cake and eating it too. No, I'm very comfortable with the change. Jason is well positioned too. He's got a great team around him. He's got lots of support from folks like myself. I think we're in a good position, Wayne.

Wayne Lam:

Okay, great. Thanks for the detailed responses. Best of luck in the months ahead. Darren, thank you for the partnership over the years and best of luck in retirement.

Darren Hall:

Yeah, thanks, buddy.

Operator:

The next question is from Anita Soni with CIBC. Please go ahead.

Anita Soni:

Hi, good morning, Darren and Jason and the team. I just had a few more questions on Valentine. I wanted to understand what the assumptions are for, just from a throughput and grade, mill feed grade perspective for the guidance at Valentine for this year. You delivered like 7.7k tonnes per day on the mill throughput. Is that the back half assumption above nameplate and lower grades or whatever the implied grades would be? Or are you still assuming 6.5k tonnes per day in the back half?

Darren Hall:

No, it's reflecting the buoyancy we see in throughput and it's reflecting a lower grade than anticipated. Now, I'll ask Matt to comment on the specifics of, but from memory, I think for the balance of the year, we're probably anticipating a grade about 1.8 [grams per tonne].

Matt MacPhail:

That's right.

Darren Hall:

One point eight five grams per tonne.

Matt MacPhail:

Correct.

Darren Hall:

Recoveries in that 93, 94%, which we've seen. Encouragingly, Anita, what we have seen is that we've seen recoveries maintained with significantly higher throughputs, which is fantastic. You can back into the tonnes to get those ounces. That's kind of the math. Matt, have I missed anything?

Matt MacPhail:

No, that's correct.

Darren Hall:

Yes. Yes. It truly reflects throughput performance without any further improvements, which we still anticipate there will be as we work through and the team continue to optimise that plant. But it reflects arguably a somewhat conservative view on metal in terms of being able to deliver into that high grade cutoff. Again, we're only six weeks into the quarter, but we are seeing grades consistent or better than what was fundamentally assumed within the forecast. I think we're well positioned in that space, Anita.

Anita Soni:

Okay. Then, that 1.8, 1.85, that's not that much above the actual head grade you should be seeing out of the pit, which I believe was about 1.7 for the year. My question, I guess, relates now to the mining rates. The average over the year should have been about 154,000 tonnes per day, and you're doing about 1.10 right now. With less segregation involved and getting the 1.7 to be upgraded to 1.8, 1.85. Is that a fair assumption that you'll be basically doing less segregation than the original mine plan? Because I think it called for almost 5.5 million tonnes of ore versus a mill feed of about 2.5 million tonnes of ore.

Darren Hall:

Yeah, Anita, well, I'm happy to have a real fulsome discussion offline as well, but I guess I will, for the general audience, separate out two things. We have seen a slower ramp up in absolute mining, but that's unrelated to the selectivity issues. Regardless of how many tonnes you mine, you want to be as selective as you possibly can. We're not compromising selectivity for volume, right? Volume will always want to deliver the best possible grade. No, the grade assumption reflects, basically, backwards-looking performance with some moderate increases in quality around the segregation, but I don't think it really reflects where we will get to. In terms of the absolute volumes, Dave, I mean, we're not mining 110,000 tonnes a day now.

Dave Schummer:
No, no, that number is accurate earlier in the year, but now we're in the 140,000, 145,000 tonnes per day range. Yeah, we've had some significant improvements.

Anita Soni:
All right, okay, and yeah, I guess I was using the word selectivity and meaning, or segregation, where you have a certain number of high-grade volume, right, that you can put into the mill. If your mining rates are behind, then you don't have as much of the higher grade ore to put into the mill, right?

Darren Hall:
Correct, correct. The bigger the bucket you mine, the more you can select from, absolutely, yeah.

Anita Soni:
Okay, and then just a similar question on Greenstone for the back half of the year. Are you assuming throughput rates that are around 27,000 tonnes per day and grades similar to what you saw in Q2? Then also in terms of recovery rate, because I think the recovery rate is probably the big question in correlation to the grade with obviously the higher-grade material having a bit more arsenic, arsenopyrite content in it.

Darren Hall:
Yes, the short answer is yes, and its throughputs consistent with the 27 [thousand tonnes per day], it's grades consistent with basically the 1 gram, and its recoveries that are consistent with as well. It's basically taking the last quarter and saying, okay, let's just project that forward, and any benefits that come from improvements are not reflected in those estimates. That's what we did. What we did is we kept the floor the same and just lowered the top end range at Greenstone, and the worst thing we can do is do a little better than what we said.

Anita Soni:
Okay, and then last question and I'll get back in the queue. Los Filos, you made some progress with the communities and got a three-way agreement there. Could I ask, perhaps, Jason, how he's thinking about Los Filos going forward, and what the next, I mean, obviously, you guys are doing a study, but where does that fit in your capital allocation priorities at this stage?

Jason Simpson:
Yeah, thanks, Anita, and as most of the audience probably knows, I spent a lot of time there building Torex, and I would offer that there's three components of your question that we need to focus on. The first component is the agreement that the Equinox team just achieved with the three communities there. Obviously, I've been aware and involved in the discussions throughout and feel that is absolutely the right approach for working there going forward.

Now that the agreements are in place, and you have social stability, we can then focus on resuming operations for the heap leach process. But in parallel with that, we need to be planning for the big opportunity at Filos, which is the ounces that we have in resources there, and so we will be updating the study and planning our construction in Guerrero based upon what is available in terms of gold resources.

While we're doing that, and our technical teams are preparing for that decision point at the Board, we need to resume operations at Los Filos and have it begin producing gold. We got approval from the Board yesterday to do exactly that, so we'll begin leaching and in parallel preparing for the future conversation with the Board. As we recall in our capital allocation going forward, that Los Filos increase in production out of the heap leach and into the CIL process will occur after the construction of South Railroad, the construction of Castle Mountain, and our expansions in Mexico will follow in the years to come.

Darren Hall:
Yeah, and the one thing I'd layer on that, Jason, it was a good summary, is that with the funds to commence the restart are included in the guidance now, because that was not budgeted [in guidance earlier in the year] and that's in the project pipeline space. There likely will be some metal that falls out before now and the end of the year. That's not reflected in any of the production numbers. It's at the de minimis level given the 1.1 million ounces of annualized rate that we're producing.

Anita Soni:

Okay, actually I had one last question on Valentine and the capex. That now includes $50 million to $60 million for the Phase 2 in the back half of the year, but the capex guidance went up, I think, a little bit more than that. I'd say about $25 million to $35 million by my rough math here. Can you let me know what that extra growth capital at Valentine is going to be attributed to?

Darren Hall:

Pete will pick that one up. Pete, Dave?

Peter Hardie:

Yeah, I mean, essentially, we made a change from a jaw crusher to a gyratory crusher, and that's the balance that we're in.

Darren Hall:

On phase two. Yeah, yeah. I think that was a quick question, Anita?

Anita Soni:

Nope. The question was, your capital went from, I believe it was $95 million to $115 million, up to $180 million to $200 million, and $50 million to $60 million of that is for the Phase 2. That still leaves a differential of about $30 million. I was wondering what that growth capital in 2026 was associated with.

Peter Hardie:

Yeah, we'll get back to you on that one offline, Anita.

Anita Soni:

Okay. All right. Thank you very much.

Darren Hall:

Thanks, Anita. Appreciate the questions and the support. Thank you.

Operator:

The next question is from Josh Wolfson with RBC. Please go ahead.

Josh Wolfson:
Yeah, thank you very much. Continuing along the question that Anita had on capex, I noticed that there was some additional spend included for some of the development projects. Less core opportunities right now, but $35 million to $40 million at Los Filos for half of the year, effectively, and then $30 million to $35 million at Camino Rojo, presumably that's on the sulfides. Should we assume a similar run rate, maybe on an annualized basis into 2027, despite some of these development opportunities being longer dated?

Peter Hardie:
Yeah, so I'll take the Los Filos part first. It's Peter. The additional capital for Los Filos for the year, keeping in mind that we were on care maintenance, what we told you about for the year was concerning keeping the mine on care maintenance. The additional capital that we have there is for the gradual restart of operations, and then we'll inform for next year as we firm up our plan to go forward and then do our 2027 budget. Then, sorry, what was the second part of your question?

Jason Simpson:
The Camino Rojo, Peter. I'll take that one. The Camino Rojo reflects an update we did not include in the original guidance, the portal to head underground on the sulfides, as you recall, Josh. It includes the last finalization of the heap leach pad expansion, but frankly, there's not a lot of spend left there, but it does include that. Then the $25 million for the portal collar and development underground. That's what represents the Camino Rojo share. We did not include that in the original Orla guidance. We're now including it in our [consolidated guidance] at Equinox.

Darren Hall:
For clarification on that as well, it's the prudent step forward to get in and start getting a higher level of knowledge with respect to the metallurgy, get some bulk samples, do that sort of work as part of it. It doesn't pre-empt a full funds commitment for the project, as Jason alluded to, in terms of, we've got a clearly defined growth capital project schedule in the next couple of years. This is the continuing learning of, just like we'll have it at Los Filos, right?

There's work that will be spent to be able to progress the understanding so we can understand what the right size of facility is. This is exactly the same level of work that's been done at Camino Rojo. Again, as a larger, bolder, stronger organization, it allows us to be able to take a very methodical and thoughtful approach to those development projects and spend a little bit more money up front to understand exactly what we're dealing with, so that when we make commitments, we're very, very clear on what we're committing to and can do it with a significantly higher degree of confidence. That's what those funds are for. It's a very good move.

Josh Wolfson:
Thank you. Back to Valentine, I understand things are a little bit in flux with the ramp-up. On the grade outlook, I guess more so as it skews into 2027, is it fair to assume the disclosures that companies made on mining selectivity challenges and looking to increase throughput to offset that is it fair to say that the grades are likely to remain in line with the second half of the year, or should we still expect an improvement? Then, similarly, on the unit costs, is there any sort of perspective that can be provided on what are steady-state unit costs? Especially given that throughput rates are already very high, why would they decline going forward? Thank you.

Darren Hall:
Yeah. Yeah, I guess there's two parts. Let's tackle the grade issue. If we think about grade, the back half of the year, we will have a higher grade than we did in the front half of the year. That's going to be reflective of improved performance, which will continue into 2027 and to 2028. By the end of 2028, you've got a doubling of the size of the plant. The exposure on selectivity becomes less.

In terms of the unit costs, ubiquitously across the portfolio, we've seen tension from, just like everyone else has, on fuel prices. It's about $100 an ounce of increase in spend or cost across our business with respect to WTI and related costs. At Valentine, it's a little higher. It's probably in the order of closer to probably $200 between volume and price this year. We have seen additional resources that we've added to work through the effectiveness so we can become more efficient. We will see that spend start to trail off through the back end of the year and into 2027. I think we'll see that those unit costs will come down as a function of efficiency.

It will obviously be positively impacted by a denominator increase in terms of more metal, but you'll also see less spend for any volume as a consequence of the team getting better at working the kinks out. Part of the normal kind of ramp up process, and arguably we were probably overly aggressive about the rate at which we would get to that kind of steady state, if you will, when we foreshadowed the 2026 guidance. I mean, Jason, you've been through this before, bud.

Jason Simpson:

Yeah, very typical ramp up process where we are trying to resolve various issues and spending a bit more to get through them just to deliver the results. It's absolutely consistent as part of the ramp up process and as you've articulated clearly, and Josh, well, we need to do both. Start to reduce the numerator spending, which you will do as your teams get organized, as they get a flow of what they need to be doing, everything from geologists to truck operators, and then once they get better at that, the costs drop and the ounces then follow.

In the case of Valentine, of course, achieving a greater grade introduced to the mill before it gets expanded, and simultaneously with doing that, we're expanding the mill so that we'll be at that 5 million tonnes per year.

Josh Wolfson:

Great, thank you.

Operator:

The next question is from Mohamed Sidibe with National Bank. Please go ahead.

Mohamed Sidibe:

Thanks, Darren and Jason for taking my question. Maybe continuing on Valentine, specifically on the unit costs, and as it relates to the G&A there, I think that's also slightly higher than what we expected in the technical report there. Is that just as a result of more labour hours or more manpower required versus your tech report, and how do you expect that to advance over the next six to 12 months there? Thank you.

Darren Hall:

Yeah, okay, Mohamed, yeah, hey, just a, I think it tails onto the last part of the conversation that Jason and I were having here is that it's a reflection of the on costs associated with supporting the activity that we've seen increasing in terms of mining and those sort of things. It's a direct relationship to, so as those efficiencies come on, you'll see the G&A costs go down, because it's not really G&A, it's site services and support, it's camping, it's messing, it's those sort of things that go into it, which is the majority of that tension on that quote-unquote G&A space. Full disclosure, it's in the order of $10 million for the full year is what it is above what we saw, and that'll probably come down to single digits over the course of, yeah, and an annualized rate between now and the end of the year.

Mohamed Sidibe:

Great, thanks a lot for that colour there. Then maybe at the consolidated level, when I'm looking at your revised all sustaining cost guidance there, so could you share what the assumptions on gold price, fuel price you're now using, versus what the Equinox standalone was, in order to just better understand what that delta is, so that when fuel prices start to pare off, we could see maybe how that can improve. Thank you.

Peter Hardie:

Yeah, on fuel price, it's Peter, and thanks for the question, Mohamed. Fuel prices, we have assumed about 50% higher across the board consolidated fuel prices from original plan and guidance overall. As we see, hopefully, as we think, we hopefully see things modulate here in the near future, we expect that to return down back to what the original plan was.

Darren Hall:

In short, it's basically reflecting average price year-to-date going forward.

Peter Hardie:

Yeah.

Darren Hall:

Right, and that's probably our best crystal ball, and we will be wrong, right, and hopefully that, like everyone, that we're wrong to the conservative.

Mohamed Sidibe:

Is that the same for gold, so is that assuming about $4,500 an ounce of gold, or…

Darren Hall:

I guess there's two parts to that, right, gold price, the effect on gold price is only in royalties and those related costs, right? Just be clear that, yeah, there's very little of our business that's impacted by gold price, and there's very few decisions we make on a day-to-day basis that are impacted by the gold price, because we're spending capital like it's our own. We're making the right decisions for the long term, but in terms of the gold price assumption used.

Peter Hardie:
It's very close, actually, to current gold price, so you shouldn't see too much tension there.

Darren Hall:
Yeah, so if we see gold go to $6,000 an ounce between now and the end of the year, you will see some additional tension from the royalties and related costs of the employment, but that'll be an easy discussion to have.

Mohamed Sidibe:
Thank you, appreciate it.

Operator:
Our last question is from Jeremy Hoy with Canaccord Genuity. Please go ahead.

Jeremy Hoy:
Hi, good morning. Thanks for taking my questions. With the leadership transition, can we expect to see any other Management changes in the near future?

Darren Hall:
In the release, Jeremy, in the highlights of subsequent events, we talked about the team going forward, and we've set the team, we know who it is. That was part of, again, day one, and I guess that's a little bit unique in this compared to a lot of transactions. We've spent the last three months working out who's who in the zoo, if you will, and now we're building out those teams from that now.

Now we're clear on those senior leadership positions. There's some decisions that need to be made below that, but as we foreshadowed, we have more than enough work to do to accommodate everyone on both sides of the business. Retention of human capital is really our challenge rather than necessarily working out who shouldn't be here. We see it across the industry. We're blessed to have great teams on both sides, and utilising those people to the betterment of the product is what our focus is. No, I'm very comfortable with where we're at, where we're headed, and I think the team is gelling very, very nicely at this point.

Jason Simpson:
Yeah, since the beginning, Darren and I have been talking about the combination of these companies, and frankly, the combination of that human capital that is so sought after in our industry. What we have been announcing in the recent days, and what we'll need to sort through in the future, is how we can keep everybody within Equinox Gold and make sure everybody understands what they need to do to contribute to our combined success, and that's the work ahead of us. It's about understanding who's doing what, and hopefully we can retain the majority of that human capital.

Jeremy Hoy:
Great, thank you for that colour. The other question I have is a bit of a follow-up on Anita's regarding Los Filos. Post-announcement of the merger, you guys secured those community agreements and are moving ahead with restart of operations and studies. When the deal was announced, I asked what the timeline was to get to 1.9 million ounces, and I believe, Jason, the answer was about five years. I'm just wondering, with more time examining the portfolio and the opportunities ahead of you, is that still the timeline you envision? And I guess, what's the level of confidence in that? Can we expect to see some of these projects shifted in terms of where they fit in the pipeline?

Darren Hall:
Maybe I'll kick it off, and then Jason and I can do a Bert and Ernie on this, but the short-term organic growth, as Jason's already talked to, is well-defined. We've got Valentine, South Railroad, and then we'll be in a position middle of next year to make a decision in and around Castle Mountain. In the background, we'll be progressing and doing the work that we need to do in Mexico to be able to surface value from that, and that comes from Camino Rojo Underground, right, or a potential open pit expansion, and that's why we're continuing with the underground portal to get bulk samples to understand metallurgy, which is obviously key to that asset.

Los Filos, we're doing the work in the background on scoping-level studies to understand the benefit that can come from a larger processing plant and what that means. So, over the next year or two, those things will flesh out, but we're very, very comfortable in what we see in terms of that organic growth profile, and if you look at the leverage that we have from the asset base without even considering the Mexico opportunity, it's significant going forward. No, I think that what we've been talking about for the last couple of months remains.

There will be, as always, timing changes as we work through, understand, and, yeah, could there be Sophie's Choices in the future? Yeah, absolutely, but it's not going to come from a liquidity or an ability to pay. It's going to be from what makes sense from the organisation to be able to bolt these things on and realise the full potential of our existing assets.

We haven't talked at all about bustle weight. We haven't talked about the fact that we have a million and a half tonne a year facility that we're only using a million tonnes of, and if you look at the opportunity that can be surfaced there, we're not talking about $150 million to $200 million annually of exploration burned and what that will generate in terms of optionality at our existing assets. There's going to be—we're going to be spoiled for choices, and I think that what we have foreshadowed in the business and position going forward, I think, is a fair representation, but it will change, and I think it'll only change for the positive.

Jason Simpson:
Yeah. Darren, I'll layer on. Frankly, the business needs a focus on the next six months of execution and delivery. A business this size has to look across the entire portfolio and make sure that we have work progressing everything from exploration, finding more ounces for the future. The projects in Mexico that you asked the question about, making sure that we're doing the data collection and study work to set those assets up in the years to come, which is what we're doing this year and next, so that we're doing the study work. Then of course, near term, the six months that I talked to, but also advancing the construction starts in Nevada, followed by Castle Mountain, the expansion that we just got approved yesterday in Newfoundland.

We, as a larger business, need to focus on all ends of our pipeline to make sure that we are, as Darren likes to say, laying track in front of the train, making sure that the trains arrive on time. That this bigger business is now stronger because we have all those choices that Darren talked about. In the future, we have to acknowledge that our choices of capital allocation will not be governed by our ability to fund them and will be governed by making sure that we're methodical in our selection of what we build, when to deliver the best value return for investors, as approved by the Board in the years to come.

Darren Hall:
Yes, keeping in mind that the reason we exist is, we're a financial instrument to create shareholder value through share price appreciation. All our capital allocation decisions were made in that mindset. It won't be growth for growth's sake. It'll be about value creation for the people that own the business,

which is you all. No, appreciate the questions and appreciate the support that we have seen in both companies, and we look forward to that continued support going forward.

Jeremy Hoy:
Understood. Thank you for taking my questions and have a great day.

Darren Hall:
Appreciate it. Thanks, Jeremy.

Operator:
I'd like to pass the floor back over to Ingrid Rico.

Ingrid Rico:
Thank you, Operator. We're almost at the hour. Etienne and myself will be available, and we'll be answering the questions that came on the webcast. I'll pass the call to Darren for his closing remarks.

Darren Hall:
Yeah, thanks, Ingrid, and thanks again everyone on the call.

I'd like to thank all of our Shareholders for their continued support. Over the coming months, I'll be working closely with Jason, who will assume the role of Chief Executive Officer upon my retirement from Equinox. Leading Equinox has been one of the greatest privileges of my career. I'm incredibly proud of the team we have around the table and throughout the business and what we've accomplished in all precursor companies to get us to that point. Every decision that's been made throughout all of those businesses has positioned us with the privilege to be able to build on that basis going forward.

Yeah, I'm very, very proud of what we've all been able to do and where we're at, and Jason's exceptionally well-positioned to lead Equinox through its next phase of growth and value creation. I have complete confidence in Jason and his ability to guide the Company forward. Yeah, as we've foreshadowed, I'll be around and available too and supporting the initiative as a very interested shareholder, right? As always, the leadership team are available if you have any further questions, and again, thank you very much for your participation today and take care and be well.