*John Doody:* So you're supposed to imagine that we're sitting in big, overstuffed chairs, glasses are poured in our hands, roaring fireplace here. Takes quite an imagination, doesn't it *[laughs]*? But I want to tell you how pleased I am that Ross has come to join us here. 'Cause it's not usual to get him to this kind of an event. And I thought I'd start out by telling you how I met Ross; which was a long time ago. A long time ago.

And the way to explain it, rather than years, is to say that we met on a mine tour to one of Pan Am's early mines that they were just starting to build. That mine now is shut, closed, depleted and in remediation. It's all gone. So in the period of time that it took the mine to be built, process all the silver at the site, El Morado – Dorado – and now being in remediation…a number of years have passed. But I’m pleased that Ross has had even greater success since then. And the other thing I would say about Ross is, if this – if mining was a sports event, Ross would be a four-letter sportsman. He's lettered in silver.

*Garrett:* He has.

*John Doody:* He's lettered in copper. Copper. We don't know about the copper but he's actually founded and sold three big mining companies in South America. He's lettered in geothermal resources sold out to Alterra for $1 billion. And now he's lettering – still earning a letter, I think…

*Garrett:* My favorite; gold.

*John Doody:* *[Laughs]* In gold. In Equinox. So it's a great pleasure to have him here, and we have so much to learn from hi. So, Professor Beaty.

*Ross Beaty:* John, thank you very much for inviting me here to speak to you all. I really will say that I agree with John that it's a pleasure to be here; in every sense. It's my first time kind of out of the virtual world doing these things by Zoom and Microsoft Teams and et cetera. And it's just so great to see people's faces unmasked. It's fabulous. I really enjoy it. And I will also say – and this is an unpaid advertisement, unprovoked, unpaid – that I've always felt John Doody is one of the best gold analysts in the business.

And I've always loved reading his stuff. Long before he joined Stansberry, he was just the best. And his detailed analysis was right on. You've followed a lot of this stuff that I've been doing and – you know, I see so many shills in this industry who are not very good analysts. They tend to piggyback on other people who are. They tend to piggyback on people like John. So I want to thank you, John, for that history and actually all of you. Many of you are shareholders of my different companies. And, you know, I couldn’t do this without you. This is a real team effort. You know?

Promoters like me, we need people who put up capital, who buy our shares, who help support our share prices, who – and quite frankly, support our dreams and our goals. And I've had lots of them *[laughs]*, and luckily I can still stand here and say that, you know, on average I've made more people money than I've lost them. And so, you know, my thanks to each and every one of you for that support over the years.

It's been a lot of fun and a great adventure for me, and I'm on my last company now – Equinox Gold – and I'm really hoping to make it a runaway success fast. 'Cause I don't have 25 years to do it like I did with Pan American Silver. And so, you know, the sort of lessons *[laughs]* I've learned along the way, I'm going to try to apply to Equinox. And all I can say is, silver is so good. You just heard the spiel from Christian. So, so far, so good. It's not been a straight-up run, but we're going to outperform every other big gold company in 2022.

*Garrett:* Yeah.

*Ross Beaty:* Right?

*John Doody:* Good. Garrett do you have any thoughts?

*Garrett:* So, Ross, you know, you've been in the silver business. You've been in the gold business. And the margins on silver are a lot lower. They're only about 20 percent. And gold's got higher margins. So how do you view the two – are they different animals Is it the same sort of thing or what sort of process and what do you think about the differences between the two?

*Ross Beaty:* Well, I can answer all these questions like in an hour or two. Because, you know, these are big questions. There's lots of big questions. And I'll try to summarize it. Gold and silver. How do they differ? And gold and silver mining companies. How do they differ? And gold and silver cost of production, how do they differ? So in a nutshell, gold is a primary metal.

Silver tends to be a byproduct metal. Most of nature's silver comes from copper mines, goldmines, lead mines and zinc mines. So only 25 percent of silver production comes from real silver mines. So those real silver mines are a very small subset of all mines. And they tend to be underground. They tend to be veins. They tend to have higher cost. That's the fundamentals of the primary silver mining companies who mine silver as their main metal.

The byproduct guys, they mine silver at a 0 cost because they really are mining copper and then silver kind of comes along with it. 5 percent of the revenues comes from silver; who cares?: They don’t care if they produce, you know, 1 million ounces a year or 5 million ounces. It doesn’t really impact them. But the primary guys, it's a byproduct metal, so there are very, very few primary silver mines and therefore very, very few primary silver mining companies.

And you've got a few of the really good ones here today. But that's a – there's a tiny, little sector. Gold, on the other hand, is mainly a – it's a primary metal. It occurs all over the world in many, many different geological environments. So there are probably 100 times more primary goldmines that there are silver mines. So that's the silver side and the kind of cost of production side. And then you have the metal itself. They're both precious.

They both are stores of value. They're both beautiful. They're both adornments. They have all of those things that are similar. But unlike gold – which is really primarily a store of value. Right? It's primarily an investment product for people who want to have an alternative to having cash or other securities, other investments. They just want gold because it tends to maintain its value over long periods of time. And we're seeing that in spades today. Whereas Silver is both an investment metal or a precious metal. But it's even more, I would say, today an industrial metal.

And by industrial, I mean it's got – silver, most people don't realize, has more different uses than any other metal in the periodic table. It's used in everything. It's used every single day. You use silver in 1,000 different things and you don't even know about it. Its main use today is as an electronic or – an electrical metal. It's the best conductor of electricity and heat, so it's got a myriad of uses in computers, in cellphones, in digital cameras and all of those things. Plus in cars, in batteries, all – thousands of different uses. But its biggest use today – and it came out of nowhere – it was almost 0 ten years ago.

Silver's biggest use today is in silver photovoltaic cells. It's in solar cells to make electricity from the sun. And it's because it's a fabulous conductor. So I think last year's silver in the photovoltaic industry used 100 million ounces; which was about 10 percent of total silver demand. And so, that industrial demand you just don't see in gold. So they're different metals but they're kind of the same metals. They occur in different places geologically, and that's why the cost structure is different. A long answer to a simple question *[laughs]*.

*John Doody:* Ross, I think you've been a risk seeker in this silver business. And I can point out three big deposits. The first one was Ducat in East Russia that –

*Ross Beaty:* Thank God we don't have Ducat today *[laughter].* Was that ever a smart move, it getting blown up by the Russians 20 years ago.

*John Doody:* But that was a few-hundred million ounces after a lot of work on your part…got taken away from you.

*Ross Beaty:* Yeah.

*John Doody:* That's a pretty good listen in political risk. And then, you've jumped into another political risk situation with Escal – the acquisition of Tahoe. And Escal is a huge silver mine that's already built, but it isn't in production because of local conditions. And then you've got another one; Navidad.

*Ross Beaty:* Navidad, yes.

*John Doody:* Which is in Argentina, which is a few-hundred million ounces yet to be built because of oppositions. So can you talk about the political issues in mining?

*Ross Beaty:* Sure I can. I mean, basically if you're an entrepreneur in this game what works is if you go big. And if you don't have a lot of money, you want to go to the risky things 'cause they're cheap. *[Laughs]* You can buy small and, if you get your reward lucky, you get a huge reward. So that's the risk-reward ratio when you go into risky things. You have high risk, high reward. But the high-risk comes with a cheap entry price.

So I've always chased that. I mean, I've always been a countercyclical investor. You know, we started Pan American when it was all of a sudden an all-time low, and it took about five or six years where I constantly predicted the silver price was going to go up and up and up. And of course, what did it do? Went down and down and down. But finally it went up.

And everything that I'd been, you know – promoted and talking about and building, creating assets – buying these things dirt-cheap…bingo. Everything took off in terms of value. And I think we're going to do the same thing with all of our assets we have in Equinox. I mean, we've been buying Equinox for the last four years. Gold's gone from $1,300 to sort of $1,900 in that period, but I just think it's going to run and run and run.

And every dollar it goes higher it's going to prove the merit of building a solid, fabulous, asset-rich gold company in the relatively low gold environment that we've had in the last few years. So, you know, you just have to take those risks. And of course, like everything you don't get everything right. You know, I've had more good bets than bad bets but by no means – I've made more mistakes than anybody.

You know, I went to the school of hard knocks for me in terms of how you start this and coming from scratch and, you know, not really understanding how anything's done when I started my first Equinox resources back in 1985. Boy did I make a lot of mistakes. Luckily, we found a gold mine and sold it, and then it was sort of easy after that. But, you know, you've got to chase these things. If you're trying to build a big company, you've got to take big risks.

So Ducat in Russia was something we got into in the last-1900's *[laughs]* – yeah. Late-1990's. Late-1990's. I beg your pardon. Yeah. I'm not that old. And it was the third-largest undeveloped silver deposit in the world. And it would already have been built. It was just getting in and taking this big risk on Russia. We lost that. We went into Peru in the '90s – in the 1990's. Peru had come out of a terrible time of terrorism and mayhem and hyperinflation.

And a new President came in in 1992. We got going in there 1995. He swept a broom through all the corruption that was going on. He brought in Western pro investment policies. And we have had a tremendous success in Peru. It's been probably the greatest jurisdiction we've worked in in Pan American since I've started any company. So high risk but we got the reward in that case. I think Pam American now is the largest gold producer in Peru. And we've got three big mines – four big mines there.

So, you know, you've got to kind of go – if you're trying to build scale and you're trying to create value, that's kind of what we do. You don't get it always right. But I've always also, you know, taken the strategy that mineral deposits are kind of eternal. They last a lot longer than deposits. So if you get into one and you got a hostile government, just wait a while. Governments change.

We have these big, broad, cyclical movements in politics, in the world it seems. Sometimes we're protectionist. Sometimes we're expansionary. Sometimes we're global. You know? And so, you can't be too cute doing a real – I call these big companies – they do this, you know, naval case and exercise that's, you know – highly paid consultants to do political risk analysis. And, you know, they do the report.

And then a week later, there's a coup or there's a change in government and you’ve got a whole new group with totally new policies coming in which are, in some cases friendly and some cases unfriendly. But you can't be too cute or clever about this. I take the position, if you're going to try to build a big operating company, have a diversified portfolio with large assets, with long lives and then *[clapping sound]* cross your fingers – you're going to win in some.

You might not win in others at first. But over the long run, you probably will. You probably will. So in Argentina eventually I think we're going to get that project going again. And it's a world class project that'll double the scale of Pan American's production in Guatemala, Escal. You know, you can ask Michael Steinmann, the CEO of Pan American. He's here shortly. He knows more about what's going on exactly today than I do.

But, you know, my guess is the same thing there. And when those happen, 100-percent interest, giant production, low-cost production, hang onto your hat with the share price. Because that'll be a very happy day when those things are permitted to go ahead again. And that's what you build. Right? You build a vehicle that's a good, solid kind of base producer with all these kind of big option value plays.

In Equinox, our option play right now is Los Filos. We got Los Filos back running long-term like it should be. It's got a 15-20-year mine life. Huge, huge asset base there with a kind of social problem. You deal with the social problem and that thing's going to be a huge contributor. Right now, it's in the company's share price for close to 0. That's the exposure we have if we make it work. So that's kind of how I look at risk and reward.

*John Doody:* Well, it certain paid off in a number of ways for you. If I could change the subject a little bit, are there any metals that still have interest for you? You know, you've never done anything in uranium that I know.

*Ross Beaty:* Yeah. I mean – well, you could almost go down the periodic table and I could kind of give you my views on each and every metal. I would say today – we won't do that, Garrett. *[Laughter]* I'll spare you. But today, it's a – you know generally speaking it's a pretty happy time in the mining game. Right? Everything's doing pretty well. Most mining companies are doing pretty well. The big guys are kicking out record dividends, mostly on the back of high iron ore prices and metallurgical coal prices – which are at really, really high levels.

But the copper producers are making a ton of money at $4.50 price. That's a fabulous price. Most of the costs are around the $2 range. Nickel producer. Nickel hit an 11-year high this last week. Uranium is back. I am not a huge fan of uranium, John, because I think there's a lot of supply out there. And demand isn't great, but it's kind of coming back. I'm getting a little bit warmer on uranium than I have been.

And the main reason I haven't been wild about uranium is because I know very well the costs of making – you know, uranium is used in one real thing today; not bombs but electricity. And it's very high-cost electricity. And I happen to know from having spent 10 or 11 years in the renewable energy game very intimately – building wind farms, solar farms, hydro projects and geothermal projects – that the costs in that business have just fallen down through the floor. You know? Costs have just plummeted.

And now a wind farm coupled with a battery will produce baseload power way cheaper than a new uranium plant will. So uranium's clean, it's fine, makes good electricity but it's very expensive and it has very high closure costs. And it just can't compete with the big wind farms and solar farms today as long as they're paired with some kind of storage device. And that's a very frontier thing right now for renewable energy, is making it compete with coal and gas and uranium – the things that can produce 24/7.

*John Doody:* Interesting. Garrett, did you have any…?

*Garrett:* Ross, you built a few successful businesses over your time. You made shareholders a lot of money. Me being an analyst in the mining sector for ten years, I see good companies and I see bad companies. I see one of the most important thing you –

*Ross Beaty:* We all do, don't we?

*Garrett:* –Invested in mining companies is, people are number-one. You invest in good people.

*Ross Beaty:* Yeah.

*Garrett:* You got to find a good grade and you got to pay the right price for assets. What do you think separates the good companies from the bad companies?

*Ross Beaty:* That's a hard question to answer, really. The one thing I'll observe – and it's a surprise to me because I don't think….being successful in this business is terribly difficult. I mean, it's easier – sounds like an easy thing or an arrogant thing to say. But if you just put your head down and you follow a mission and you have a clear goal, you honestly report to your shareholders, you work hard, you don't spend the company's money like it was your own – like it was somebody else's and you spend like it's your own.

And you get exposure to good projects, you make good deals, you always have value as your lens…you know, it just hasn't sort of made it to be too hard over the long-term to make people money in this business. It's a rewarding business from that sense. So I'm always surprised when I see people who don't seem to do that who say they're going to do one thing and they do another and waste money and have stupid, you know, decisions when they build these things.

But it's also true – and it's a puzzle – that there are some people who just have sort of – they just seem to be serially successful. And I'll use Friedland as one. He's just a brilliant man, but he is not just brilliant. He gets into really smart deals and he gets lucky with things too. Lukas Lundin and the whole Lundin group; just a lucky guy and a seriously successful person. I've had amazing luck. And a lot of it is true luck. It's just, you know, drilling a hole. It could be a dog or it can be a winner. I've had more winners than dogs.

And there's no real – you know, I know a lot of really good geologists who just don't have that same luck as I've had. And it's also true you got – you know, you make your luck. The more times you roll the dice, the more chances you're likely to have of it coming up a winner. But still, it just seems to be – if you had bet on, you know, three or four people in the last 20 years, say, not every one of their companies would've been successful but you would have done far better than probably an industry average.

So that's where the people do come in. There may be some magic to those people and may be just that they're lucky people, but they have – they're outperformers. And then getting your timing right is really important too; as you all know. You've all invested in, you know, times like – well, let's say…I mean, I've lived in so many bull cycles and bear cycles it's hard to count them all.

But let's just go back, you know…most of you will be investing for 15 or – probably I'm going to guess 10 or 15 years since, let's say, the financial crisis – was a calamity; 2008. Early 2009. Everything was just crushed. And then in the mining space, we had this glorious run for the next two or three years where sometimes you were getting 10 times returns from some company – even big companies like Teck. You'd get 10 times your returns.

Pretty nice returns. And then 2012 came along and, you know, the taper tantrum happened, and gold fell out of bed, and gold went from $2,000 down to $10.50. Well, nobody's going to make money in that run. If you bought in 2012, you'd have thought this industry was terrible by 2016 when gold bought it. Well, since gold bottomed 2015, beginning of 2016, it's had a pretty nice run.

It's come back up to, you know – we hit $19.70, I guess, this past week. It's a pretty nice run. So timing is important. That's a long way of saying timing is really, really important. But the relevant question to everybody today is, "Well, that's all fine about the rearview mirror. What about the future? Where are we now and what are the prospects of our industry" – the things that you guys cover – the gold and silver stocks. "Where are we right now?"

And I would always say, "I mean, I'm just super bullish on gold and quite bullish on silver." Very bullish on silver. Silver and gold I'm very bullish on today for different reasons. But we are not in the beginning and we're not in the last inning. We're somewhere in the middle. We're somewhere in the middle innings. I'm going to say maybe the 6th inning. Because we have had a pretty good gold market since 2016.

And these don't last forever. But if you look at what's going on in the macro environment today, everything I see I get even stronger bullish convictions that gold's going to continue to have a very, very good run. Looking safe forward for the next few years. You know? The liquidity that's been pumped into markets, the debasing of fundamental currencies all over the world, the inflation that's come back right now…and it was a no-brainer.

I mean, that always happens when you flood the market with fiat currency. It always ends up with high inflation. We're seeing that right now. And I just don't think the Fed has any tools in it stool box to change that. I just don't think they can. Increased interest rates – which is the time-and-true method of slowing down inflation – I don’t think they can do that. I think their hands are tied.

So I don't see that that's going to take the froth off the champagne this time like it did back in 2012. By the same token, I think we've kind of peaked out on the major markets. And I think – you know, whereas the last couple of years…why would you buy gold when the S&P and the dollar hitting 20-percent returns every year, year after year? And there was this perfect correlation over time; perfect chart. Higher, higher highs every single year.

Well, all of a sudden that's broken, and I think that's really a fundamental crack. So the major markets – equity markets, bond markets. You'd seen a big crack in crypto. That was an alternative investment for some people instead of gold. These crazy things like the Meme stocks and the nonfungible tokens, those parties are not over but they're certainly late and they've demonstrated a lot of volatility. I think in all of those environments gold has so far this year been the best-performer. I think that's going to continue. I just don't see either in supply or in demand or macro world – not even considering what's going on in Ukraine right now. Forget that.

Look at gold as a store of value, as an inflation hedge, and that's all you need to do to be bullish on gold. So I'm still bullish on gold. And the thing that's different now than it has been in other cycles for me – and it's kind of a weird thing. Christian alluded to it on his talk on Equinox. Because you've had this very strange reduction in the value of gold equities this time around. You've had this – gold price has gone like that and the value of the equities has gone like that as a proportion of net present value or any kind of a multiple.

You know, when we started – John and I started in this game – gold companies sometimes traded for 3 times net asset value. "And today, Equinox is trading for .5, .6 times. .5. If this was a market, you know, like it was in the '90s we'd be trading 5 or 6 times higher than we are today. And that's a real difference today. So how is that going to change? Well, it's going to change when retail investors get back into he gold space and buying equities.

And it's going to change fast and it's going to change – before we all know it, you're going to see every one of your gold holdings doubled in value because that's the sea of money that's going to come into the gold equity game that is going to be prompted by people saying, "Oh. Gold is a better metal than, you know, these – better thing to invest in than all of these other things we've invested in. Let's move some money in. A little money into this market is going to make a big difference." And if it goes into silver, it's going to be gold on steroids.

That's because the silver market is so much smaller and thinner than the gold market. So that's where I see things. I don't know what's going to cause the real sentiment change that will bring retail investor money and generalist investors into gold and gold equities. Gold equities is what I'm talking about. But it will happen. And when it happens, that'll be a happy day for every single person in this room.

*John Doody:* Amen.

*Ross Beaty:* *[Laughter]* Yeah. Well, and we've seen it before. Right? We saw it in 2016. We saw it in 2009. We saw it in – you know, I've seen it multiple times in my career. It's just, you know…we haven't seen it yet. And we don't have these specialist funds looking at gold. It's just not being an investment category of great interest when you've had these double-digit returns in the major markets. And I kind of understand that. Well, that party is over.

*John Doody:* Okay. If I can go back to reality a little bit – not reality.

*Ross Beaty:* Really.

*John Doody:* Yeah. When you're looking at an investment in the silver or gold space, what kind of a pricing are you using? Are you using current prices in your mine or future prices or past prices? You know, we see all these studies get done on – even today we're seeing feasibility studies that were done based on $1,200 gold 'cause they updated it. But what kind of pricing are you using intellectually?

*Ross Beaty:* So there's two decisions you make in different investment categories. One would be buying shares of, say, a company like Equinox or a junior developer. That's one – you know, you put a gold price in your head, that is what they can make money at. And that's, you know – I don't really look at – I don't even think of that, John, to be honest. I'm optimistic about the sector so I like the sector specifically.

But what I look for is, you know, the opportunity for somebody to buy them out. And so, you want a really big deposit, good management, well financed – all of that stuff. I don't really think of the gold price in that context as an investor. What we're doing in Equinox and Pan American, too, is the same thing. You know, you look at the whole picture of an opportunity. You look at their overall risk portfolio, "What is the social side like? What does the political side look like? What does the technical side look like? Is it open bid? Is it underground? Is it heat plates? Is it mill? Is it an easy mill? Is it a tough mill? Is it high-grade? Is it low-grade?"

You've got all these, you know, factors you look at. And gold price is not – you know, when you're doing your analyses, if you use a $1,200 gold price you're not going to buy anything. To me, that's crazy. And I know there's one or two companies like Barrick…is a company in that category. Well, how many deals has Barrick done in two years? Zero.

And they don't do any because it's a crazy metal to use, a crazy metal price to use, as a metric for buying something. You'll never find anything worth buying. So, you know, we – I mean, today at $1,900 we probably have $1,700, you know, as a reasonable price. $1,650, $1,700. You don't want to be too aggressive. And you never get it right. Nobody really can predict the future. I might be crazy and completely wrong, but I've been more right than wrong so we'll take our bets. But you look at a lot more things, John, than just the metal price.

*John Doody:* Okay. Garret, do you have any more questions? We got four minutes for Q&A.

*Garrett:* You know, you live in Vancouver; big environmentalist. But then on the other hand, you're big in the mining industry. You know, how to reconcile those two things?

*Ross Beaty:* Well, it's easy. I mean, we all need metals. We can't do without metals unless we live in caves or tents. So metals are a fact of life. It's an industrial society. We need metals. We've got to produce metals. So it's a business that you can get into. And then you just have to do it as environmentally consciously as you possibly can. And not just environmentally; as socially conscious. There's good governances you can have.

And that's really the big difference today than it was 10 or 15 years ago, is just the amount of effort companies are placing on really trying to look after the environment; trying to mine with as little use of water as possible, as little disturbance of the land surface, trying to use clean energy, not carbon-based energy. And there's just this huge effort to do that today. The result is – and don’t forget. You know, also ad people forget. Mining is a transitory in the right sense of the word…a transitory use of land. Right?

Every mine is nonrenewable. It will deplete and it will be closed down. And it will be reclaimed today. You can't just walk away from mines like you could 50 years ago. And I can take you to mines that we have; that we've – actually, El Dorado is a good example. In Mexico. We've closed that mine. We've walked away. The only thing that's there – we had a big tailings area. That is now a cornfield.

And the mine itself area is all cattle-grazing land, is a pit now that's now full of water that local people are using. We've developed energy for them; electricity; roads. We've improved their communities a huge amount. That community is so much better off than it was when we bought that mine. And the mine has come and gone now and you'd hardly know it was there. I can take you to the Mesquite – the Castle Mountain mine in California that we're just working as a small scale now, but we're going to build a much bigger one.

It was closed. It was run and closed in the 1990's by Viceroy. And the y closed that mine so well they replanted on these heap leach beds. They replanted a cactus and sage. I would challenge any of you to drive by that mine and realize that there was a huge, open pit heap leach mine there when you see those reclaimed paths. It's so well done. So that's how you – that's really how I come to terms with it.

A lot of this – the reputation of mining is old, it's out of date or it's promoted by NIMBY's or goons with expert opinions on social media where they really don't know anything. And that's just the world we live in. You can't avoid that. You know, every idiot has a podium these days and you just can't let your world run along, you know, uninformed opinions. So we put our heads down, we do the right thing we can, the best thing we can, the right thing and ultimately I feel very comfortable. Yeah. Good.

*John Doody:* Does anybody have a question in the audience? Can't really see any hands up. I guess not.

*Ross Beaty:* It's hard to see.

*John Doody:* Yeah. You answered them all, Ross. You got 45 seconds. So anything you want to say? Is there something you want to say?

*Ross Beaty:* I don't have much to say except thank you. As I said right at the start, thank you very much for your *[clapping]* …what was that, Larry?

*Larry:* Are you still involved in Innergex? Out there.

*Ross Beaty:* So the question was, "Am I still involved in a company called Innergex?" Which was the company that bought my renewable energy business. And the answer is yes. I haven't sold shares to any significant degree. I still have most of the shares I started with and I own the board and I love the company. It's a great company. Yeah. Yeah. And I like the business. Renewable energy is here to stay. It's a great business.

*John Doody:* Great. Well, thank you very much, Ross. It's a pleasure to have you.

*Ross Beaty:* Thank you all *[applause]*.

*[End of Audio]*