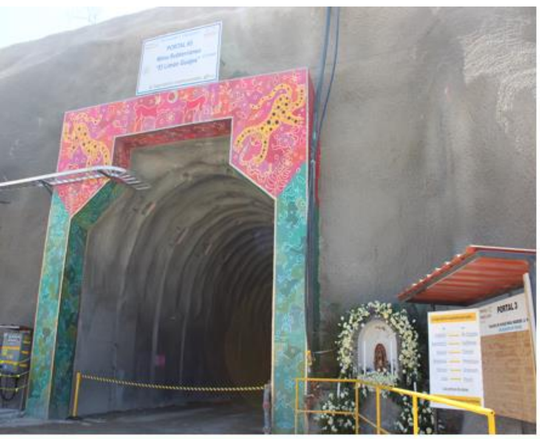
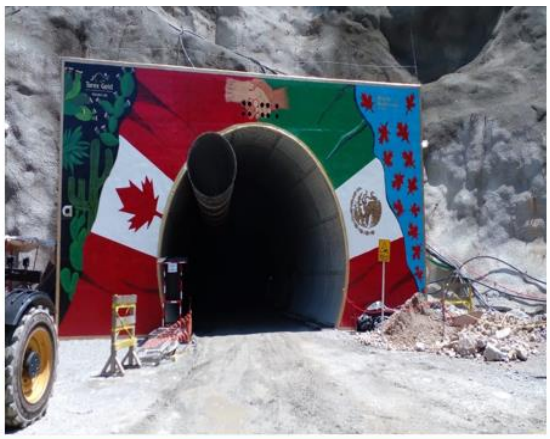
TOREX GOLD RESOURCES INC.





CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

(Unaudited)

(Expressed in millions of U.S. dollars)

Torex Gold RESOURCES INC.

Condensed Consolidated Interim Statements of Financial Position
(unaudited)

Millions of U.S. dollars		September 30, 2023		December 31, 2022
Assets				
Current assets:				
Cash and cash equivalents	$	**209.4**	$	376.0
Derivative contracts (Note 11)		**10.1**		5.5
Value-added tax receivables		**48.6**		43.7
Inventory (Note 5)		**119.0**		120.2
Prepaid expenses and other current assets (Note 6)		**32.5**		16.5
		419.6		561.9
Non-current assets:				
Value-added tax receivables		**1.3**		4.5
Other non-current assets (Note 10)		**20.0**		4.6
Deferred income tax assets		**111.2**		90.4
Property, plant and equipment (Note 7)		**1,162.0**		931.9
Total assets	$	**1,714.1**	$	1,593.3
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	**129.7**	$	132.8
Income taxes payable		**66.1**		107.9
Lease-related obligations (Note 10)		**19.6**		2.6
Derivative contracts (Note 11)		**1.1**		-
		216.5		243.3
Non-current liabilities:				
Derivative contracts (Note 11)		**0.9**		2.0
Other non-current liabilities (Note 12)		**3.9**		4.7
Lease-related obligations (Note 10)		**1.5**		1.3
Decommissioning liabilities		**36.2**		40.5
Deferred income tax liabilities		**10.4**		11.4
Total liabilities	$	**269.4**	$	303.2
Shareholders' equity:				
Share capital		**1,032.1**		1,031.5
Contributed surplus		**24.2**		24.2
Other reserves		**(56.6)**		(56.6)
Retained earnings		**445.0**		291.0
		1,444.7		1,290.1
Total liabilities and shareholders' equity	$	**1,714.1**	$	1,593.3

Subsequent event (Note 11)
Commitments (Note 16)

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

Torex Gold RESOURCES INC.

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

(unaudited)

Millions of U.S. dollars, except per share amounts	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenue				
Metal sales	**$ 160.1**	$ 209.3	**$ 600.2**	$ 652.0
Cost of sales				
Production costs	**86.8**	88.7	**255.0**	252.8
Royalties	**4.8**	6.2	**18.1**	19.5
Depreciation and amortization	**41.4**	51.3	**135.4**	145.7
Earnings from mine operations	**$ 27.1**	$ 63.1	**$ 191.7**	$ 234.0
General and administrative expenses (Note 12)	**3.1**	4.8	**17.5**	15.9
Exploration and evaluation expenses	**1.9**	2.2	**5.1**	6.5
Other expenses (Note 13)	**2.4**	-	**4.6**	-
	$ 7.4	$ 7.0	**$ 27.2**	$ 22.4
Derivative gain, net (Note 11)	**(18.1)**	(20.0)	**(6.2)**	(28.8)
Finance income, net (Note 9)	**(2.0)**	(0.8)	**(8.2)**	(0.7)
Foreign exchange gain	**(0.1)**	(0.3)	**(0.9)**	(0.5)
	$ (20.2)	$ (21.1)	**$ (15.3)**	$ (30.0)
Income before income taxes	**39.9**	77.2	**179.8**	241.6
Current income tax expense	**12.1**	32.3	**47.5**	93.9
Deferred income tax expense (recovery)	**17.3**	1.0	**(21.7)**	(6.5)
Net income and comprehensive income	**$ 10.5**	$ 43.9	**$ 154.0**	$ 154.2
Earnings per share (Note 14)				
Basic	**$ 0.12**	$ 0.51	**$ 1.79**	$ 1.80
Diluted	**$ 0.09**	$ 0.51	**$ 1.77**	$ 1.77
Weighted average number of common shares outstanding (Note 14)				
Basic	**85,885,453**	85,843,808	**85,879,934**	85,827,656
Diluted	**86,401,220**	86,039,606	**86,409,988**	86,059,576

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(unaudited)

Millions of U.S. dollars, except number of common shares	Number of Common Shares		Share Capital		Contributed Surplus		Other Reserves		Retained Earnings		Total Shareholders' Equity
Balance, January 1, 2022	85,749,183	$	1,030.5	$	24.3	$	(56.6)	$	102.2	$	1,100.4
Exercise of stock options	5,666		0.1		(0.1)		-		-		-
Redemption of restricted share units	21,919		0.2		-		-		-		0.2
Redemption of EPSUs and ERSUs	67,040		0.7		-		-		-		0.7
Net income	-		-		-		-		154.2		154.2
Balance, September 30, 2022	85,843,808	$	1,031.5	$	24.2	$	(56.6)	$	256.4	$	1,255.5

Millions of U.S. dollars, except number of common shares	Number of Common Shares		Share Capital		Contributed Surplus		Other Reserves		Retained Earnings		Total Shareholders' Equity
Balance, January 1, 2023	**85,843,808**	**$**	**1,031.5**	**$**	**24.2**	**$**	**(56.6)**	**$**	**291.0**	**$**	**1,290.1**
Redemption of restricted share units	**12,679**		**0.2**		**-**		**-**		**-**		**0.2**
Redemption of EPSUs and ERSUs	**28,966**		**0.4**		**-**		**-**		**-**		**0.4**
Net income	**-**		**-**		**-**		**-**		**154.0**		**154.0**
Balance, September 30, 2023	**85,885,453**	**$**	**1,032.1**	**$**	**24.2**	**$**	**(56.6)**	**$**	**445.0**	**$**	**1,444.7**

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

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

Millions of U.S. dollars	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities:				
Net income for the period	**$ 10.5**	$ 43.9	**$ 154.0**	$ 154.2
Adjustments for:				
Share-based compensation expense	**1.2**	0.8	**4.3**	3.4
Cash settlement of share-based compensation	**-**	(0.3)	**(1.6)**	(2.6)
Remeasurement of share-based payments	**(3.1)**	(0.3)	**(1.3)**	(2.1)
Depreciation and amortization	**41.5**	51.4	**135.6**	145.9
Unrealized gain on derivative contracts	**(16.5)**	(20.0)	**(4.7)**	(28.8)
Unrealized foreign exchange loss (gain)	**1.4**	0.3	**(1.6)**	(0.3)
Finance costs	**1.2**	1.4	**3.1**	3.5
Income tax expense	**29.4**	33.3	**25.8**	87.4
Tax credit applicable to production costs	**(1.0)**	-	**(2.1)**	(0.3)
Income taxes paid	**(12.0)**	(19.2)	**(104.2)**	(88.8)
Net cash generated from operating activities before changes in non-cash operating working capital	**$ 52.6**	$ 91.3	**$ 207.3**	$ 271.5
Changes in non-cash operating working capital:				
Value-added tax receivables, net	**(6.6)**	8.2	**(1.1)**	22.0
Inventory	**(11.7)**	3.2	**(9.4)**	(2.7)
Prepaid expenses and other current assets	**10.0**	(8.4)	**2.5**	(8.2)
Accounts payable and accrued liabilities	**(0.1)**	8.1	**(18.5)**	(6.6)
Net cash generated from operating activities	**$ 44.2**	$ 102.4	**$ 180.8**	$ 276.0
Investing activities:				
Additions to property, plant and equipment	**(112.4)**	(68.6)	**(336.6)**	(186.4)
Borrowing costs capitalized to property, plant and equipment	**(0.3)**	-	**(0.7)**	-
Value-added tax receivables, net	**(4.2)**	(1.3)	**(6.0)**	0.6
Net cash used in investing activities	**$ (116.9)**	$ (69.9)	**$ (343.3)**	$ (185.8)
Financing activities:				
Lease payments	**(1.0)**	(1.5)	**(3.2)**	(3.0)
Interest paid	**(0.2)**	(0.3)	**(1.4)**	(1.2)
Transaction costs	**(1.2)**	(1.7)	**(1.2)**	(1.7)
Net cash used in financing activities	**$ (2.4)**	$ (3.5)	**$ (5.8)**	$ (5.9)
Effect of foreign exchange rate changes on cash and cash equivalents	**$ (0.8)**	$ (0.5)	**$ 1.7**	$ (0.8)
Net (decrease) increase in cash and cash equivalents	**$ (75.9)**	$ 28.5	**$ (166.6)**	$ 83.5
Cash and cash equivalents, beginning of period	**$ 285.3**	$ 310.7	**$ 376.0**	$ 255.7
Cash and cash equivalents, end of period	**$ 209.4**	$ 339.2	**$ 209.4**	$ 339.2

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

NOTE 1. CORPORATION INFORMATION

Torex Gold Resources Inc. (the "Company" or "Torex") is an intermediate gold producer based in Canada, engaged in the exploration, development and operation of its 100% owned Morelos Property (the "Morelos Property"), southwest of Mexico City. The Company's principal asset is the Morelos Complex, which includes the El Limón Guajes ("ELG") Mine Complex, the Media Luna Project, a processing plant, and related infrastructure.

The Company is a corporation governed by the *Business Corporations Act* (Ontario). The Company's shares are listed on the Toronto Stock Exchange under the symbol TXG. Its registered address is 130 King Street West, Suite 740, Toronto, Ontario, Canada, M5X 2A2.

These unaudited condensed consolidated interim financial statements (herein referred to as "consolidated financial statements") of the Company as at and for the three and nine months ended September 30, 2023 include the accounts of the Company and its subsidiaries.

NOTE 2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements do not include all of the disclosures required by IFRS Accounting Standards as issued by the IASB for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022.

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on November 13, 2023.

NOTE 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies followed in these consolidated financial statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2022.

NOTE 4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities as at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Judgments, estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially from these estimates. The significant judgments, estimates and nature of assumptions made by management in applying the Company's accounting policies are consistent with those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2022.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 5. INVENTORY

	September 30, 2023	December 31, 2022
Ore stockpiled	$ 49.2	$ 58.6
In-circuit	7.7	12.7
Finished goods	15.1	2.0
Materials and supplies	47.0	46.9
	$ 119.0	$ 120.2

The amount of depreciation included in inventory as at September 30, 2023 is $31.9 (December 31, 2022 - $42.6). During the nine months ended September 30, 2023, a total charge of $13.5 was recorded to adjust long-term, low-grade stockpile inventory to net realizable value: $7.2 and $6.3 through production costs and depreciation and amortization, respectively (nine months ended September 30, 2022 - total charge of $3.7, $1.5 and $2.2 through production costs and depreciation and amortization, respectively). As at September 30, 2023, the net carrying value of long-term, low-grade stockpile inventory is $nil (December 31, 2022 - $nil). As at September 30, 2023, materials and supplies are shown net of a provision of $4.3 (December 31, 2022 - $4.3). The Company has a secured debt facility (the "Debt Facility") (Note 8) that is secured by all the assets, including inventory, of the Company and its material subsidiaries, which currently are its subsidiaries with a direct or indirect interest in the ELG Mine Complex and/or the Media Luna Project.

NOTE 6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	September 30, 2023	December 31, 2022
Trade receivables	$ 0.5	$ 2.6
Prepayments	11.3	11.1
Income taxes receivable	17.1	-
Other current assets	3.6	2.8
	$ 32.5	$ 16.5

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	Mexico			Canada	Total
	Mineral Property	Property & Equipment	Construction in Progress	Property & Equipment	
Cost					
As at January 1, 2022	$ 545.8	$ 1,106.6	$ 228.7	$ 12.0	$ 1,893.1
Additions	78.8	81.9	154.4	-	315.1
Closure and rehabilitation	-	1.2	0.5	-	1.7
As at December 31, 2022	624.6	1,189.7	383.6	12.0	2,209.9
Additions	**61.7**	**49.9**	**261.0**	**0.4**	**373.0**
Closure and rehabilitation	**-**	**(3.6)**	**(1.8)**	**-**	**(5.4)**
As at September 30, 2023	**$ 686.3**	**$ 1,236.0**	**$ 642.8**	**$ 12.4**	**$ 2,577.5**
Accumulated depreciation					
As at January 1, 2022	$ 343.9	$ 702.3	$ -	$ 10.8	$ 1,057.0
Depreciation	104.5	116.3	-	0.2	221.0
As at December 31, 2022	448.4	818.6	-	11.0	1,278.0
Depreciation	**58.8**	**78.5**	**-**	**0.2**	**137.5**
As at September 30, 2023	**$ 507.2**	**$ 897.1**	**$ -**	**$ 11.2**	**$ 1,415.5**
Net book value					
As at December 31, 2022	$ 176.2	$ 371.1	$ 383.6	$ 1.0	$ 931.9
As at September 30, 2023	**$ 179.1**	**$ 338.9**	**$ 642.8**	**$ 1.2**	**$ 1,162.0**

During the nine months ended September 30, 2023, property, plant and equipment additions include $0.7 of capitalized borrowing costs (year ended December 31, 2022 - $0.8). As at September 30, 2023, property, plant and equipment includes, net of accumulated depreciation, $9.1 of capitalized borrowing costs (December 31, 2022 - $8.9), and $11.4 related to the decommissioning liability for the Morelos Complex (December 31, 2022 - $19.6). Mineral property includes, net of accumulated depreciation, $118.9 of capitalized deferred stripping costs (December 31, 2022 - $111.4), which includes $29.2 of capitalized depreciation of property and equipment (December 31, 2022 - $31.8). Included within property and equipment, net of accumulated depreciation, are right-of-use assets of $5.8 as at September 30, 2023 for leases of light vehicles, plant equipment, mining equipment and office space (December 31, 2022 - $4.7).

NOTE 8. DEBT

Revolving Facility and Term Loan

On August 3, 2023, the Company (as borrower) executed an amendment to the Fourth Amended and Restated Credit Agreement (the “FARCA”) with the Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, ING Capital LLC, and National Bank of Canada, increasing the capacity of the Debt Facility to $300.0. The capacity on the Revolving Facility increased from $150.0 to $200.0 and the Term Facility remains unchanged at $100.0. As at September 30, 2023, the Company had $nil borrowings on the Debt Facility and had utilized $7.9 for letters of credit, reducing the available liquidity of the Debt Facility to $292.1 (December 31, 2022 - $nil, $3.4 and $246.6, respectively). Proceeds of the Debt Facility may be used for general corporate purposes, including certain development expenditures and acquisitions, in all cases subject to the conditions of the Debt Facility.

The Debt Facility incorporated Sustainability-Linked Loan (“SLL”) targets, which integrate ESG performance measures. The SLL includes incentive pricing terms related to achieving various Sustainability Performance Targets including those in safety, climate change, and alignment with the World Gold Council’s Responsible Gold Mining Principles.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

The Debt Facility bears an interest rate of Term SOFR (subject to a zero floor), a forward-looking term rate based on SOFR, plus a credit spread adjustment and an applicable margin based on the Company's leverage ratio. The applicable margin applied is 2.50% based on a leverage ratio less than 1.0 times, 2.75% at a ratio less than 2.0 times, 3.00% at a ratio less than 2.5 times, and 3.50% at a ratio equal to or greater than 2.5 times. The credit spread adjustment is 0.10%. Prior to the August 3, 2023 amendment, the credit spread adjustment ranged from 0.10% to 0.25%.

The $200.0 Revolving Facility matures on December 31, 2026 and is subject to quarterly commitment reductions of $12.5 commencing on March 31, 2025 and increasing to $25.0 commencing on March 31, 2026. Prior to the August 3, 2023 amendment, the $150.0 Revolving Facility matured on December 31, 2025 and was subject to quarterly commitment reductions of $12.5 commencing on March 31, 2024. The $100.0 Term Facility can be drawn until December 31, 2024, matures on June 30, 2026 and is subject to four equal quarterly repayment instalments commencing on September 30, 2025. Prior to the August 3, 2023 amendment, the $100.0 Term Facility could be drawn until December 31, 2023, matured on June 30, 2025 and was subject to four equal quarterly repayment instalments commencing on September 30, 2024. Both the Revolving Facility and Term Facility can be repaid in full anytime without penalty.

The Debt Facility permits spending to facilitate the development of the Media Luna Project and other existing and future projects of the Company. The development expenditures are subject to the conditions of the Debt Facility, including compliance with financial covenants related to maintaining a net leverage ratio of less than or equal to 3.0, an interest coverage ratio of greater than or equal to 3.0 and minimum liquidity of $50.0 on and before June 30, 2025 and decreasing to the greater of $30.0 and 20% of the Debt Facility commitment thereafter. Prior to the August 3, 2023 amendment, the Company was required to maintain a minimum liquidity of the greater of $30.0 and 20% of the Debt Facility commitment. The Debt Facility is secured by all of the assets of the Company and its material subsidiaries, which currently are its subsidiaries with a direct or indirect interest in the ELG Mine Complex and/or the Media Luna Project.

As at September 30, 2023, the Company was in compliance with the financial and other covenants under the FARCA.

NOTE 9. FINANCE (INCOME) COSTS

The following table shows net finance (income) costs for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Finance costs, excluding lease obligations	**$ 0.7**	$ 1.0	**$ 1.9**	$ 2.1
Interest income	**(3.2)**	(2.2)	**(11.3)**	(4.2)
Accretion of decommissioning liabilities	**0.4**	0.3	**1.1**	1.1
Interest on lease obligations	**0.1**	0.1	**0.1**	0.3
	$ (2.0)	$ (0.8)	**$ (8.2)**	$ (0.7)

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 10. LEASE-RELATED OBLIGATIONS

The Company leases several assets including light vehicles, plant equipment, mining equipment and office space.

For the three and nine months ended September 30, 2023, the total cash outflows for leases including principal, interest and capitalized interest amounted to $1.2 and $3.7, respectively (three and nine months ended September 30, 2022 - $1.6 and $3.3, respectively).

The following table shows the lease-related obligations as at September 30, 2023 and December 31, 2022:

		September 30, 2023		December 31, 2022
Lease obligations	**$**	**5.0**	$	3.9
Lease-related promissory notes		**16.1**		-
	$	**21.1**	$	3.9
Less: Current portion of lease-related obligations		**19.6**		2.6
Non-current portion of lease-related obligations	**$**	**1.5**	$	1.3

Lease-related promissory notes

During the nine months ended September 30, 2023, Minera Media Luna, S.A. de C.V. ("MML") executed purchase agreements with suppliers for the primary production equipment, underground support equipment and personnel transport equipment for operations at Media Luna totalling $99.3. Subsequently, the purchases were assigned to financiers who will own the equipment once constructed by the suppliers. In connection with the arrangement, MML and the financiers executed master leasing agreements which required the financiers to provide advance payments to the suppliers ahead of equipment being delivered. In the event of non-compliance of the purchase agreements by the suppliers, MML is obligated to provide payment to the financiers for the advance payments paid to date. In connection with advanced payments made by the financiers ahead of equipment being delivered by the suppliers, MML executed interest-bearing promissory notes totaling $16.1. The promissory notes act as surety for the financiers. The promissory notes are accounted for as financial liabilities in accordance with IFRS 9, *Financial Instruments*. The Company recognized a corresponding $16.1 asset in other non-current assets in the Consolidated Interim Statements of Financial Position.

NOTE 11. DERIVATIVE CONTRACTS

The following table shows the fair value of derivative contracts and their classification in the Condensed Consolidated Interim Statements of Financial Position as at September 30, 2023 and December 31, 2022:

	Classification		**Fair Value as at September 30, 2023**		Fair Value as at December 31, 2022
Gold contracts	Current assets	**$**	**9.4**	$	5.5
Currency contracts	Current assets		**0.7**		-
Total derivative assets		**$**	**10.1**	$	5.5
Gold contracts	Current liabilities	**$**	**0.5**	$	-
Gold contracts	Non-current liabilities		**0.8**		2.0
Currency contracts	Current liabilities		**0.6**		-
Currency contracts	Non-current liabilities		**0.1**		-
Total derivative liabilities		**$**	**2.0**	$	2.0

As at September 30, 2023, the remaining gold forward contracts have a weighted average price of $1,956 per ounce to sell 184,500 ounces of gold between October 2023 and December 2024 (December 31, 2022 - a weighted average price of $1,921 per ounce to sell 168,000 ounces of gold between January 2023 to December 2024).

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

In September 2023, the Company entered into a series of zero-cost collars whereby it sold a series of call option contracts and purchased a series of put option contracts for $nil cash premium to hedge against changes in foreign exchange rates of the Mexican peso ("MXN") between September 2023 and December 2024 for a total notional value of $65.9. As at September 30, 2023, the remaining MXN/USD foreign exchange collar contracts have a weighted average put strike (floor) rate of 17.07:1 and a weighted average call strike (ceiling) rate of 20.00:1 to settle a notional value of $62.1 between October 2023 and December 2024.

In October 2023, the Company entered into an additional series of zero-cost collars whereby it sold a series of call option contracts and purchased a series of put option contracts for $nil cash premium to hedge against changes in foreign exchange rates of the MXN between October 2023 and December 2024 for a total notional value of $41.4, with a weighted average put strike (floor) rate of 17.84:1 and a weighted average call strike (ceiling) rate of 20.00:1.

Derivatives arising from gold forward contracts and foreign exchange collar contracts are intended to manage the Company’s risk management objectives associated with changing market values. These derivatives have not been designated as hedges. Changes in the fair value of these derivative contracts are recognized as a derivative (gain) loss, net in the Condensed Consolidated Interim Statements of Operations and Comprehensive Income.

The table below provides a summary of the gold contracts outstanding as at September 30, 2023:

	Gold Ounces	Average Price per Ounce	Notional Value	Fair Value as at September 30, 2023
Current assets	**133,500**	**$ 1,966**	**$ 262.5**	**$ 9.4**
Non-current assets	**4,000**	**1,974**	**7.8**	**-**
Current liabilities	**24,000**	**1,916**	**46.0**	**(0.5)**
Non-current liabilities	**23,000**	**1,933**	**44.5**	**(0.8)**
	184,500		**$ 360.8**	**$ 8.1**

The table below provides a summary of the foreign exchange collar contracts outstanding by maturity as at September 30, 2023:

	Average Put Strike (Floor) rate (MXN/USD)	Average Call Strike (Ceiling) rate (MXN/USD)	Notional Value
Less than 1 year	**17.07**	**20.00**	**$ 57.6**
1 - 2 years	**17.07**	**20.00**	**4.5**
			$ 62.1

The following table shows the (gains) losses on derivative contracts for the three and nine months ended September 30, 2023 and 2022:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Unrealized gain on gold contracts	**$ (16.5)**	$ (20.0)	**$ (4.7)**	$ (28.8)
Realized gain on gold contracts	**(1.6)**	-	**(1.5)**	-
	$ (18.1)	$ (20.0)	**$ (6.2)**	$ (28.8)

NOTE 12. SHARE-BASED PAYMENTS

The Company has three share-based compensation plans: the Stock Option Plan (the “SOP Plan”), the Restricted Share Unit Plan (the “RSU Plan”) and the Employee Share Unit Plan (the “ESU Plan”).

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

The ESU Plan allows for the issuance of Employee Restricted Share Units ("ERSUs") and Employee Performance Share Units ("EPSUs") to employees of the Company.

The following is a summary of the number of common share options (the "Options") outstanding under the SOP Plan, Restricted Share Units ("RSUs") outstanding under the RSU Plan, and ERSUs and EPSUs outstanding under the ESU Plan as at September 30, 2023 and the amounts of share-based compensation expense recognized for the three and nine months ended September 30, 2023 and 2022:

	Number Outstanding	Three Months Ended		Nine Months Ended	
	September 30, 2023	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Options	**24,707**	$ **-**	$ -	$ **-**	$ -
RSUs	**127,063**	**-**	-	**0.9**	1.0
ERSUs	**400,997**	**0.4**	0.2	**1.1**	0.8
EPSUs	**601,510**	**0.8**	0.6	**2.3**	1.6
	1,154,277	$ **1.2**	$ 0.8	$ **4.3**	$ 3.4
Gain on remeasurement		**(3.1)**	(0.3)	**(1.3)**	(2.1)
Share-based compensation (recovery) expense		$ **(1.9)**	$ 0.5	$ **3.0**	$ 1.3

Options

A summary of changes in the number of Options outstanding for the nine months ended September 30, 2023 is presented as follows:

	Number of Options	Weighted Average Exercise Price (C$)[1]
Outstanding balance, December 31, 2022	**24,707**	**$ 17.56**
Outstanding and exercisable balance, September 30, 2023	**24,707**	**$ 17.56**

1. The CAD/USD foreign exchange rate as at September 30, 2023 was 0.7413.

No new Options may be granted, and the SOP Plan will be terminated once all outstanding Options are exercised or have expired.

RSU Plan

A summary of changes in the number of RSUs issued by the Company and the weighted average grant date fair values for the nine months ended September 30, 2023 is presented below:

	Number of RSUs	Weighted Average Grant Date Fair Value (C$)[1]
Balance, December 31, 2022	**124,461**	**$ 15.57**
Granted	**70,456**	**17.03**
Settled	**(67,854)**	**16.48**
Balance, September 30, 2023	**127,063**	**$ 15.89**

1. The CAD/USD foreign exchange rate as at September 30, 2023 was 0.7413.

As at September 30, 2023, the RSUs had a fair value of $1.3 (December 31, 2022 - $1.4), which was recorded in accounts payable and accrued liabilities in the Condensed Consolidated Interim Statements of Financial Position.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

ESU Plan

Employee restricted share units

A summary of changes in the number of ERSUs issued by the Company and the weighted average grant date fair values for the nine months ended September 30, 2023 is presented below:

	Number of ERSUs		Weighted Average Grant Date Fair Value (C$)[1]
Balance, December 31, 2022	**307,877**	**$**	**15.24**
Granted	**195,017**		**17.07**
Settled	**(89,524)**		**19.60**
Forfeited	**(12,373)**		**16.04**
Balance, September 30, 2023	**400,997**	**$**	**15.13**

1. The CAD/USD foreign exchange rate as at September 30, 2023 was 0.7413.

As at September 30, 2023, the ERSUs earned to date based on the service condition had a fair value of $2.0 (December 31, 2022 - $2.1), the current portion of which was recorded in accounts payable and accrued liabilities and the non-current portion in other non-current liabilities in the Condensed Consolidated Interim Statements of Financial Position.

Employee performance share units

A summary of changes in the number of EPSUs issued by the Company and the weighted average grant date fair value for the nine months ended September 30, 2023 is presented below:

	Number of EPSUs		Weighted Average Grant Date Fair Value (C$)[1]
Balance, December 31, 2022	**461,828**	**$**	**22.22**
Granted	**292,531**		**23.33**
Forfeited	**(152,849)**		**24.01**
Balance, September 30, 2023	**601,510**	**$**	**22.30**

1. The CAD/USD foreign exchange rate as at September 30, 2023 was 0.7413.

As at September 30, 2023, the EPSUs had a fair value of $3.6 (December 31, 2022 - $2.4), the current portion of which was recorded in accounts payable and accrued liabilities and the non-current portion in other non-current liabilities in the Condensed Consolidated Interim Statements of Financial Position.

NOTE 13. OTHER EXPENSES

During the three and nine months ended September 30, 2023, other expenses of $2.4 and $4.6, respectively, comprise expenditures related to an upgrade and consolidation of the Company's enterprise resource planning system and training expenditures related to the Media Luna Project (three and nine months ended September 30, 2022 - $nil and $nil, respectively).

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 14. EARNINGS PER SHARE

Earnings per share has been calculated using the weighted average number of common shares outstanding for the three and nine months ended September 30, 2023 and 2022 as follows:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Net income	**$ 10.5**	$ 43.9	**$ 154.0**	$ 154.2
Gain on remeasurement of share-based payments	**(3.1)**	(0.2)	**(1.3)**	(1.5)
Net income, net of remeasurement of share-based payments	**$ 7.4**	$ 43.7	**$ 152.7**	$ 152.7
Basic weighted average shares outstanding	**85,885,453**	85,843,808	**85,879,934**	85,827,656
Weighted average shares dilution adjustments:				
Share options	**-**	-	**1,327**	599
RSUs	**127,063**	118,808	**124,836**	102,258
ERSUs	**172,529**	73,219	**178,097**	98,434
EPSUs	**216,175**	3,771	**225,794**	30,629
Diluted weighted average shares outstanding	**86,401,220**	86,039,606	**86,409,988**	86,059,576
Earnings per share				
Basic	**$ 0.12**	$ 0.51	**$ 1.79**	$ 1.80
Diluted	**$ 0.09**	$ 0.51	**$ 1.77**	$ 1.77

The following is a summary for the three and nine months ended September 30, 2023 and 2022 of the Options, RSUs, ERSUs and EPSUs excluded in the diluted weighted average number of common shares outstanding as their exercise or settlement would be anti-dilutive in the earnings per share calculation:

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	**September 30, 2023**	September 30, 2022
Options	**24,707**	51,545	**-**	36,378
RSUs	**-**	-	**-**	5,808
ERSUs	**2,400**	141,610	**6,554**	11,503
EPSUs	**247,079**	327,272	**245,646**	242,645
	274,186	520,427	**252,200**	296,334

NOTE 15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, trade receivables, accounts payable and accrued liabilities, and derivative contracts. Other than the derivative contracts and trade receivables related to copper sales, these financial instruments are recorded at amortized cost in the Condensed Consolidated Interim Statements of Financial Position. The fair values of these financial instruments approximate their carrying values due to their short-term maturity.

The derivative contracts and trade receivables related to copper sales are recorded at fair value and revalued through income at the end of each reporting period and are classified as Level 2 within the fair value hierarchy. The fair value of derivative contracts is estimated using a combination of quoted prices and market-derived inputs. The fair value of trade receivables related to copper sales is estimated using the forward price based on when the sale is expected to settle in final.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

There were no amounts transferred between levels of the fair value hierarchy during the three and nine months ended September 30, 2023 and the year ended December 31, 2022.

The carrying values and fair values of the Company's financial instruments as at September 30, 2023 and December 31, 2022 are as follows:

		As at September 30, 2023		As at December 31, 2022	
	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Derivative contracts	**2**	**$ 10.1**	**$ 10.1**	$ 5.5	$ 5.5
Trade receivables	**2**	**0.5**	**0.5**	2.6	2.6
		$ 10.6	**$ 10.6**	$ 8.1	$ 8.1
Financial liabilities					
Derivative contracts	**2**	**$ 2.0**	**$ 2.0**	$ 2.0	$ 2.0
		$ 2.0	**$ 2.0**	$ 2.0	$ 2.0

NOTE 16. COMMITMENTS

Purchase commitments

As at September 30, 2023, the total purchase commitments for the ELG Mine Complex and the Media Luna Project are as follows:

	As at September 30, 2023				
	Less than 1 year	1-3 years	4-5 years	Greater than 5 years	Total
Operating commitments	**$ 194.1**	**$ 112.1**	**$ -**	**$ -**	**$ 306.2**
Capital commitments	**268.5**	**70.2**	**15.2**	**6.2**	**360.1**
	$ 462.6	**$ 182.3**	**$ 15.2**	**$ 6.2**	**$ 666.3**

Certain contractual commitments may contain cancellation clauses; however, the Company discloses its commitments based on management's intent to fulfill the contracts.

ELG Mine Complex royalties

Production revenue from certain concessions is subject to a 2.5% royalty payable to the Mexican Geological Survey agency. The royalty is accrued based on revenue and is payable on a quarterly basis. During the nine months ended September 30, 2023, the Company paid $16.9 for the 2.5% royalty relating to the fourth quarter of 2022 and the first and second quarters of 2023 (nine months ended September 30, 2022 - $16.1 relating to the fourth quarter of 2021 and the first and second quarters of 2022). As at September 30, 2023, the Company has accrued $4.0 for the 2.5% royalty relating to the third quarter of 2023 (December 31, 2022 - $5.6 relating to the fourth quarter of 2022).

The Company is subject to a mining tax of 7.5% on taxable earnings before the deduction of taxes, interest, depreciation and amortization, and a royalty of 0.5% on sales of gold, silver and platinum. Both the mining tax and royalty are payable to the Servicio de Administración Tributaria on an annual basis in March of the following year. The mining tax is considered an income tax for the purposes of IFRS Accounting Standards. In March 2023, the Company paid $34.2 in respect of the 7.5% and 0.5% royalties for 2022 (paid in March 2022 - $34.6). As at September 30, 2023, the Company has accrued $15.7 and $3.0 for the 7.5% and 0.5% royalties to be paid in March 2024, respectively (December 31, 2022 - $28.0 and $4.3 accrued for the 7.5% and 0.5% royalties to be paid in March 2023, respectively).