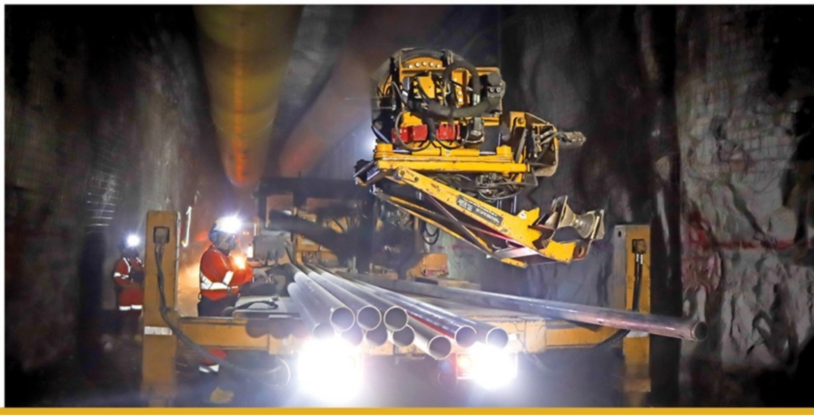
TOREX GOLD RESOURCES INC.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

This Management's Discussion and Analysis of the financial condition and results of operations ("MD&A") for Torex Gold Resources Inc. ("Torex" or the "Company") was prepared as at May 7, 2024 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2024. It should also be read in conjunction with the Company's audited consolidated financial statements and annual MD&A for the year ended December 31, 2023. This MD&A contains forward-looking statements that are subject to risks and uncertainties as discussed under "Cautionary Notes". This MD&A also includes the disclosure of certain non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" which identifies the non-GAAP financial measures discussed in this MD&A for further information, including a reconciliation to the comparable measures in accordance with the IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. All dollar figures included herein are United States dollars ("U.S. dollar") unless otherwise stated.

HIGHLIGHTS

- **Strong safety performance continues:** The Company exited the quarter with one lost-time ankle injury at the Media Luna Project and reached 14 million hours lost-time injury free at the El Limón Guajes ("ELG") Mine Complex. As at March 31, 2024, the lost-time injury frequency ("LTIF") for the Morelos Complex was 0.15 per million hours worked for both employees and contractors on a rolling 12-month basis.

- **Gold production:** Delivered gold production of 115,494 ounces ("oz") for the quarter driven by a record average gold recovery of 90.7%, the highest level achieved to date. Throughput rates remained above 13,000 tonnes per day ("tpd") for the fifth consecutive quarter, averaging 13,118 tpd. With the solid start to the year, the Company is on track to achieve annual production guidance of 400,000 to 450,000 oz. On a gold equivalent ounce basis ("oz AuEq"), the Company produced 117,306 oz AuEq[1] and is on track to achieve guidance of 410,000 to 460,000 oz AuEq[1].

- **Gold sold:** Sold 111,642 oz of gold at an average realized gold price[2] of $2,023 per oz, contributing to revenue of $236.5 million. On a gold equivalent ounce basis, the Company sold 114,199 oz AuEq[1].

- **Total cash costs[2] and all-in sustaining costs[2]:** Total cash costs of $918 per oz sold and all-in sustaining costs of $1,202 per oz sold. All-in sustaining costs margin[2] of $821 per oz sold, implying an all-in sustaining costs margin[2] of 39%. Cost of sales was $157.4 million or $1,410 per oz sold in the quarter, primarily impacted by the appreciation of the Mexican peso. Costs are expected to decrease through 2024 as stripping requirements continue to decline with the wind down of the open pits and as such, the Company is on track to achieve full year total cash costs guidance of $860 to $910 per oz and all-in sustaining costs guidance of $1,100 to $1,160 per oz. On a gold equivalent ounce basis, total cash costs of $943 per oz AuEq sold[1] and all-in sustaining costs of $1,221 per oz AuEq sold[1] relative to guidance of $900 to $950 per oz AuEq sold[1] and $1,130 to $1,190 per oz AuEq sold[1], respectively.

- **Net income and adjusted net earnings[2]:** Reported net income of $43.1 million or earnings of $0.50 per share on both a basic and diluted basis. Adjusted net earnings of $35.9 million or $0.42 per share on both a basic and diluted basis. Net income includes a derivative loss of $16.2 million related to gold forward contracts and foreign exchange collar contracts entered into to mitigate downside price risk during the construction of the Media Luna Project.

- **EBITDA[2] and adjusted EBITDA[2]:** Generated EBITDA of $98.0 million and adjusted EBITDA of $113.2 million.

- **Cash flow generation:** Net cash generated from operating activities totalled $79.8 million and $72.5 million before changes in non-cash operating working capital, including income taxes paid of $43.9 million including the 7.5% Mexican mining royalty for 2023 of $24.8 million. Negative free cash flow[2] of $49.1 million is net of cash outlays for capital expenditures, lease payments and interest, including borrowing costs capitalized. Negative free cash flow was a direct result of $126.4 million invested in the Media Luna Project.

- **Strong financial liquidity:** The quarter closed with net cash[2] of $69.2 million, including $113.2 million in cash and $44.0 million of lease-related obligations, no borrowings on the credit facilities of $300.0 million as at March 31, 2024 and letters of credit outstanding of $7.9 million, providing $405.3 million in available liquidity[2].

- **Media Luna Project:** During the quarter, Media Luna Project expenditures totalled $126.4 million, with a remaining project spend of $257.1 million. As of March 31, 2024, physical progress on the Project was approximately 69%, with detailed engineering, procurement activities, underground development, and surface construction advancing. With 95% of upfront expenditures committed as at March 31, 2024 (including 71% incurred), expenditures to date have tracked reasonably well to the initial budget of $874.5 million, noting the strength of the Mexican peso remains a headwind to contend with. Quarterly expenditures are expected to remain above $100 million through Q3 2024 before declining in Q4 2024 as Media Luna nears completion and commercial production is subsequently declared. There has been no change to full-year guidance of $350.0 to $400.0 million on project capital expenditures.

- **Year-end Mineral Reserves & Resources[3]:** At ELG Underground, Proven and Probable reserves increased to 654 koz AuEq, extending the reserve life out to late 2028. Measured and Indicated resources expanded by 432 koz AuEq (570 koz AuEq prior to mined depletion), while Inferred resources increased by 119 koz AuEq. The resource growth was a direct result of the successful 2023 drilling program as well as the assumption of a lower cut-off grade, reflecting higher metal price assumptions and lower costs due to steady increases in underground mining rates. At EPO, infill drilling was successful in upgrading Inferred resources, while step-out drilling expanded the overall mineralized footprint. Indicated resources increased by 481 koz AuEq. The updated resource will form the basis of an internal prefeasibility study to be completed in the second half of 2024. The positive results from the 2023 drilling program support the Company's goal to maintain annual production of more than 450,000 oz AuEq beyond 2027 and extend the overall life of the Morelos Complex well beyond 2033.

- **ESG rating improvements:** The Company's MSCI ESG rating improved from 'A' to 'AA', with governance practices noted as 'leading global peers' (96th percentile). In addition, the Company's overall Sustainalytics ESG Risk Rating score improved from 31.5 for 2023 (classified as High risk) to 28.5 for 2024 (now categorized as Medium risk) and the CDP Climate Change Score improved from 'C' (Awareness level) in 2022 to 'B-' (Management level) in 2023.

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1 Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity and "Guidance" on page 6 for 2024 guidance assumptions.

2 These measures are non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" for further information and a detailed reconciliation to the comparable IFRS measures.

3 Mineral Reserve and Mineral Resource estimates for the Morelos Complex can be found in tables 25 and 26, respectively, of this MD&A. AuEq values account for underlying metal prices and metallurgical recoveries used in reserve and resource estimates. For additional information on the Mineral Reserve and Mineral Resource estimates for the Morelos Complex, please see the Company's annual information form for the year ended December 31, 2023, or the Company's news release titled "Torex Gold Reports Year-end 2023 Reserves & Resources" issued on March 26, 2024, and filed on SEDAR+ at www.sedarplus.ca and on the Company's website at www.torexgold.com.

OPERATING AND FINANCIAL HIGHLIGHTS

Table 1.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended		
		Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Safety				
Lost-time injury frequency[1]	/million hours	**0.15**	0.31	0.53
Total recordable injury frequency[1]	/million hours	**0.97**	1.23	1.87
Operating Results - Gold only basis				
Gold produced	oz	**115,494**	137,993	122,918
Gold sold	oz	**111,642**	138,794	118,455
Total cash costs[2]	$/oz	**918**	885	709
All-in sustaining costs[2]	$/oz	**1,202**	1,073	1,079
Average realized gold price[2]	$/oz	**2,023**	1,995	1,899
Operating Results - Gold Equivalent basis				
Gold equivalent produced[3]	oz AuEq	**117,306**	139,418	124,871
Gold equivalent sold[3]	oz AuEq	**114,199**	139,854	120,748
Total cash costs[2,3]	$/oz AuEq	**943**	893	732
All-in sustaining costs[2,3]	$/oz AuEq	**1,221**	1,080	1,095
Financial Results				
Revenue	$	**236.5**	282.4	228.8
Cost of sales	$	**157.4**	191.6	137.4
Earnings from mine operations	$	**79.1**	90.8	91.4
Net income	$	**43.1**	50.4	68.2
Per share - Basic	$/share	**0.50**	0.59	0.79
Per share - Diluted	$/share	**0.50**	0.58	0.79
Adjusted net earnings[2]	$	**35.9**	49.1	50.3
Per share - Basic[2]	$/share	**0.42**	0.57	0.59
Per share - Diluted[2]	$/share	**0.42**	0.57	0.58
EBITDA[2]	$	**98.0**	115.4	102.5
Adjusted EBITDA[2]	$	**113.2**	142.6	132.7
Cost of sales - gold only basis	$/oz	**1,410**	1,380	1,160
Net cash generated from operating activities	$	**79.8**	120.0	47.0
Net cash generated from operating activities before changes in non-cash operating working capital	$	**72.5**	133.5	61.9
Free cash flow[2]	$	**(49.1)**	(24.3)	(54.0)
Cash and cash equivalents	$	**113.2**	172.8	321.9
Lease-related obligations	$	**44.0**	32.0	3.5
Net cash[2]	$	**69.2**	140.8	318.4
Available liquidity[2]	$	**405.3**	464.9	564.0

1. On a 12-month rolling basis, per million hours worked.
2. Total cash costs, all-in sustaining costs, average realized gold price, adjusted net earnings, EBITDA, adjusted EBITDA, free cash flow, net cash and available liquidity are non-GAAP financial measures with no standardized meaning under IFRS. Refer to “Non-GAAP Financial Performance Measures” for further information and a detailed reconciliation to the comparable IFRS measures.
3. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity.

FIRST QUARTER REPORT

The following abbreviations are used throughout this MD&A: $ (United States dollar), C$ (Canadian dollar), MXN (Mexican peso), TCC (total cash costs), AISC (all-in sustaining costs), Au (gold), AuEq (gold equivalent), Ag (silver), Cu (copper), oz (ounce), gpt (grams per tonne), koz (thousand ounces), moz (million ounces), lb (pound), klb (thousand pounds), mlb (million pounds), kt (thousand tonnes), mt (million tonnes), m (metres), km (kilometres), w:o (waste to ore), and tpd (tonnes per day).

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COMPANY OVERVIEW

Torex Gold Resources Inc. is an intermediate gold producer based in Canada, engaged in the exploration, development, and operation of its 100% owned Morelos Property (the "Morelos Property"), an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometres 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. Commercial production from the Morelos Complex commenced on April 1, 2016 and an updated Technical Report for the Morelos Complex was released in March 2022.

Torex's key strategic objectives are: integrate and optimize the Morelos Property; deliver Media Luna to full production; grow reserves and resources; disciplined growth and capital allocation; retain and attract best industry talent; and build on ESG excellence.

In addition to realizing the full potential of the Morelos Property, the Company is seeking opportunities to acquire assets that enable diversification and deliver value to shareholders.

USE OF NON-GAAP FINANCIAL PERFORMANCE MEASURES

The Company has presented certain non-GAAP financial measures in this MD&A which include: total cash costs, total cash costs margin, all-in sustaining costs, all-in sustaining costs margin, average realized gold price, adjusted net earnings, EBITDA, adjusted EBITDA, free cash flow, net cash and available liquidity. For further information and a detailed reconciliation to the comparable IFRS measures refer to the "Non-GAAP Financial Performance Measures" section of this MD&A starting on page 26. The Company believes that these measures, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and, therefore, may not be comparable to other issuers.

GOLD EQUIVALENT REPORTING

In Q1 2024, gold equivalent reporting was incorporated into the MD&A due to the expected increased contribution of copper and silver production starting in late 2024 upon completion of the Media Luna Project. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. The following table provides a summary of the quantities produced and sold and average realized prices for each commodity in the respective periods.

		Three Months Ended		
		Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Gold produced	oz	**115,494**	137,993	122,918
Gold sold	oz	**111,642**	138,794	118,455
Gold equivalent produced	oz AuEq	**117,306**	139,418	124,871
Gold equivalent sold	oz AuEq	**114,199**	139,854	120,748
Average realized gold price[1]	$/oz	**2,023**	1,995	1,899
Silver produced	koz	**53.1**	46.6	60.5
Silver sold	koz	**63.5**	37.1	64.3
Average realized silver price	$/oz	**23.56**	23.57	22.80
Copper produced	mlb	**0.6**	0.5	0.5
Copper sold	mlb	**0.9**	0.3	0.7
Average realized copper price	$/lb	**3.89**	3.89	4.34

1. These measures are non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" for further information and a detailed reconciliation to historical IFRS measures.

GUIDANCE

The Company's annual production, cost and capital expenditure guidance for 2024 remains unchanged and there has been no change to the operational outlook for 2024.

The following table summarizes the Company's performance to date relative to 2024 guidance:

Table 2.

In millions of U.S. dollars, unless otherwise noted		2024 Guidance[1]	Q1 2024 Performance
Production			
Gold	oz	400,000 to 450,000	115,494
Gold Equivalent[2]	oz AuEq	410,000 to 460,000	117,306
Total Cash Costs[3]			
By-Product basis	$/oz	860 to 910	918
Gold Equivalent basis	$/oz AuEq	900 to 950	943
All-in Sustaining Costs[3]			
By-Product basis	$/oz	1,100 to 1,160	1,202
Gold Equivalent basis	$/oz AuEq	1,130 to 1,190	1,221
Sustaining Capital Expenditures[3]			
Sustaining Capital Expenditures	$	50 to 60	21.6
Capitalized Stripping	$	5	0.8
Total Sustaining Capital Expenditures	$	55 to 65	22.4
Non-Sustaining Capital Expenditures[3]			
Media Luna Project	$	350 to 400	126.4
Media Luna Cluster Drilling/Other	$	10 to 15	1.3
Total Non-Sustaining Capital Expenditures	$	360 to 415	127.7

1. 2024 guidance assumes a MXN:USD of 18.0.
2. 2024 gold production is guided to be in the range of 410,000 to 460,000 oz on an AuEq basis. Guided gold equivalent (AuEq) production includes Au and AuEq values for silver (Ag) and copper (Cu) sold assuming metal prices of $1,900/oz gold, $23/oz silver, and $3.75/lb copper. For the three months ended March 31, 2024, refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity.
3. These measures are non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" for further information and a detailed reconciliation to historical IFRS measures.

With continued stable performance expected from ELG in 2024, complemented by the plan to start processing ore from Media Luna in Q4, the Company is well-positioned to deliver on full year production guidance of 400,000 to 450,000 oz (410,000 to 460,000 oz AuEq) for the sixth consecutive year.

2024 OBJECTIVES

The following table summarizes the Company's objectives for 2024:

Environment, Social & Governance (ESG)
Safety – no fatalities, lost time injury frequency less than 1
Climate – Complete Year 2 workplan on commitment to deliver 10% absolute reduction of GHG emissions by 2030
ESG – Substantially complete outstanding requirements for compliance with World Gold Council's Responsible Gold Mining Principles, International Cyanide Management Code and Global Industry Standard for Tailings Management
Environmental protection – zero reportable spills of 1,000 litres or more that report to a natural water body
Operations
Production – 400,000 to 450,000 oz of gold produced and 410,000 to 460,000 oz produced on an AuEq basis
Cost Control:
Total cash costs of $860 to $910 per oz and $900 to $950 per oz on an AuEq basis
All-in sustaining costs of $1,100 to $1,160 per oz and $1,130 to $1,190 per oz on an AuEq basis
ELG mine and plant sustaining capital expenditure of $50 to $60 million
ELG capitalized stripping of $5 million
Set up for growth
Media Luna non-sustaining capital expenditure of $350 to $400 million, excluding $10 to $15 million of Media Luna Cluster drilling and other costs
Complete internal EPO Preliminary Feasibility Study
Complete Media Luna Cluster drilling program – $15 million of expenditures to execute 39,000 m of drilling; includes $10 million of capital expenditures for infill and expansionary drilling at EPO (24,000 m) and $5 million of expenditures to be expensed for follow up drilling at Media Luna West (12,000 m) and an inaugural drilling program at Todos Santos (3,000 m)
Complete ELG Underground infill and step-out drilling – $12 million in expenditures to execute 54,500 m of drilling
Continue Morelos Exploration Program – $3 million for near-mine and regional exploration and drilling (3,000 m) across the Morelos Property

FINANCIAL RESULTS

Table 3.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended Mar 31, 2024	Three Months Ended Mar 31, 2023
Revenue	$	**236.5**	228.8
Gold	$	**231.3**	224.4
Silver	$	**1.5**	1.5
Copper	$	**3.7**	2.9
Cost of sales	$	**157.4**	137.4
Production costs	$	**100.8**	81.5
Royalties	$	**6.9**	6.9
Depreciation and amortization	$	**49.7**	49.0
Earnings from mine operations	$	**79.1**	91.4
General and administrative expenses	$	**12.3**	10.2
Exploration and evaluation expenses	$	**1.2**	1.6
Other expenses	$	**1.2**	0.6
Derivative loss, net	$	**16.2**	26.6
Finance income, net	$	**(1.7)**	(3.0)
Foreign exchange gain	$	**–**	(1.0)
Current income tax expense	$	**26.2**	16.8
Deferred income tax recovery	$	**(19.4)**	(28.6)
Net income	$	**43.1**	68.2
Per share - Basic	$/share	**0.50**	0.79
Per share - Diluted	$/share	**0.50**	0.79
Adjusted net earnings[1]	$	**35.9**	50.3
Per share - Basic[1]	$/share	**0.42**	0.59
Per share - Diluted[1]	$/share	**0.42**	0.58
Cost of sales	$/oz	**1,410**	1,160
Total cash costs[1]	$/oz	**918**	709
All-in sustaining costs[1]	$/oz	**1,202**	1,079
Average realized gold price[1]	$/oz	**2,023**	1,899

1. These measures are non-GAAP financial measures. Refer to “Non-GAAP Financial Performance Measures” for further information and a detailed reconciliation.

FIRST QUARTER 2024 FINANCIAL RESULTS

Revenue totalled $236.5 million

Revenue increased 3% over the comparative quarter in 2023, primarily due to a higher average realized gold price, partially offset by a 6% decrease in gold ounces sold. The Company sold 111,642 oz of gold at an average realized gold price[1] of $2,023 per oz in the first quarter of 2024, compared to 118,455 oz at an average realized gold price of $1,899 per oz in the first quarter of 2023. The average realized gold price in the first quarter of 2024 includes a realized loss of $5.4 million on gold forwards compared to a gain of $0.5 million in the comparative period. The 6% decrease in gold ounces sold resulted from a 6% decrease in gold produced, primarily due to the lower average gold grade of ore mined and processed, partially offset by an increase in the average gold recovery and the higher ore tonnes mined and processed. The lag between production and sales during the quarter reflects timing of gold pours that coincided with the Easter holiday period in Mexico. With approximately 12,700 oz of gold in finished inventory as at March 31, 2024, it is expected that the level of finished inventory will decline over the coming quarters. The average gold grade of ore mined in the first quarter of 2023 was particularly high as mining activity was lower in the Guajes open pit as it neared depletion. The average gold grade of ore mined in the first quarter of 2024 is favourable compared with the average grade mined in the remainder of 2023.

Cost of sales was $157.4 million or $1,410 per oz sold

Cost of sales was $20.0 million or 15% higher than the first quarter of 2023 and 22% higher on a per oz basis despite the 6% decrease in gold ounces sold. Production costs in the first quarter of 2024 were higher than the comparative period primarily due to the lower grade of ore mined and processed, lower capitalized stripping as the El Limón open pit layback was completed in the third quarter of 2023 resulting in negligible capitalized stripping in the first quarter of 2024 which related to the upper phase of the El Limón Sur open pit, the appreciation of the Mexican peso and the increase in long-term, low-grade ore mined, partially offset by the lower ounces sold and the lower Mexican profit sharing expense in the first quarter of 2024. Royalties were comparable period over period. Depreciation and amortization expense was 1% higher than the first quarter of 2023 on a total basis and 7% higher on a per oz sold basis primarily due to the non-cash portion of the lower capitalized stripping described above resulting in higher depreciation per oz sold, partially offset by the decrease in ounces of gold sold. For 2024, depreciation and amortization expense is expected to range between $175 to $200 million.

Total Cash Costs[1] were $918 per oz sold

TCC in the quarter increased relative to the comparative period, primarily due to the higher production costs on a total basis as described above, and the higher stripping expensed.

All-in Sustaining Costs[1] were $1,202 per oz sold

The increase in AISC relative to the first quarter of 2023 was primarily due to the higher total cash costs per oz of gold sold described above, partially offset by lower sustaining capital expenditures due to the lower portion of stripping costs that were capitalized in the first quarter of 2024 as described above.

General and administrative expenses of $12.3 million

General and administrative expenses primarily comprise corporate office employee costs, share-based compensation, and professional fee costs. General and administrative expenses were higher than the first quarter of 2023 primarily due to the remeasurement of share-based payments as a result of the increase in the Company's share price during the quarter relative to the comparative period (loss of $4.2 million in the first quarter of 2024 and loss of $3.6 million for the comparative period), partially offset by higher compensation costs and consulting and other professional fees.

[1] Refer to “Non-GAAP Financial Performance Measures” for further information and a detailed reconciliation.

Other expenses of $1.2 million

Other expenses in the first quarter of 2024 were $1.2 million and relate to the enterprise resource planning system project and training expenditures related to the Media Luna Project, compared to $0.6 million in the comparative period. For 2024, other expenses are expected to be approximately $10 million.

Derivative loss, net, of $16.2 million

The Company realized a loss of $5.4 million on the 43,500 oz of gold forwards that settled in the first quarter of 2024 at a weighted average price of $1,966 per oz, which on average was lower than the gold spot prices at the time of settlement, compared to a realized gain of $0.5 million in the comparative period. An unrealized derivative loss of $11.4 million was recognized in the first quarter of 2024 due to gold forward prices strengthening during the quarter, compared to a $27.1 million unrealized derivative loss in the comparative period.

Finance income, net, of $1.7 million

The decrease in finance income, net, was primarily related to lower interest income in the first quarter of 2024 as a result of lower cash on hand.

Current income and mining tax expense of $26.2 million

The increase in current income and mining tax expense compared to the first quarter of 2023 was primarily due to an increase in revenue, the lower recovery from the derecognition of a provision for an uncertain tax position of $12.1 million compared to $15.2 million in the prior year, and the increase in accrued liabilities which are only deductible for tax purposes once invoiced, partially offset by the impact from the settlement of the derivative contracts and the tax effect of the currency translation of the tax liability due to the 1.3% appreciation of the Mexican peso compared to the 6.5% appreciation in the prior year.

Deferred income tax recovery of $19.4 million

The lower deferred income tax recovery was primarily driven by the tax effect of currency translation on the tax base as a result of a lower appreciation of the Mexican peso compared to the prior year and the change in the valuation of the unrealized hedges, partially offset by higher depreciation for accounting than for tax purposes, which reduced the difference between the book value and tax value of the assets in the deferred tax calculation and the increase in accrued liabilities which will be deductible for tax purposes once invoiced. As at March 31, 2024, the closing value of property, plant and equipment for tax purposes was $27.7 billion pesos and the closing value of inventory for tax purposes was $2.0 billion pesos.

Net income of $43.1 million

Net income for the quarter was $43.1 million compared to net income of $68.2 million in the first quarter of 2023. The decrease in net income was primarily due to the 6% decrease in gold ounces sold, and the higher net income tax expense, partially offset by the higher average realized gold price and a lower net derivative loss on gold forward and foreign exchange collar contracts.

RESULTS OF OPERATIONS

The following table summarizes the mining activities for the Company's ELG Mine Complex:

Table 4.

		Three Months Ended		
		Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Mining[1]				
Total ELG Open Pits				
Ore tonnes mined	kt	**969**	1,785	916
Waste tonnes mined	kt	**8,012**	7,841	8,437
Total tonnes mined	kt	**8,981**	9,626	9,354
Ore tonnes mined per day	tpd	**10,651**	19,404	10,182
Waste tonnes mined per day	tpd	**88,040**	85,224	93,747
Strip ratio	w:o	**8.3**	4.4	9.2
Average gold grade of ore mined	gpt	**2.74**	2.66	4.31
ELG Underground				
Ore tonnes mined	kt	**168**	212	156
Ore tonnes mined per day	tpd	**1,843**	2,300	1,738
Average gold grade of ore mined	gpt	**4.96**	5.32	5.15
ELG Open Pits and Underground				
Ore tonnes mined	kt	**1,137**	1,997	1,073
Ore tonnes mined per day	tpd	**12,494**	21,704	11,919
Average gold grade of ore mined	gpt	**3.07**	2.94	4.43
Processing[1]				
Total tonnes processed	kt	**1,194**	1,218	1,177
Average plant throughput	tpd	**13,118**	13,236	13,073
Average gold recovery	%	**90.7**	89.5	87.8
Average gold grade of ore processed	gpt	**3.15**	4.03	3.50
Gold produced	oz	**115,494**	137,993	122,918
Gold sold	oz	**111,642**	138,794	118,455
Gold equivalent produced[3]	oz AuEq	**117,306**	139,418	124,871
Gold equivalent sold[3]	oz AuEq	**114,199**	139,854	120,748
Financial Metrics - By-Product basis				
Total cash costs[2]	$/oz	**918**	885	709
All-in sustaining costs[2]	$/oz	**1,202**	1,073	1,079
Average realized gold price[2]	$/oz	**2,023**	1,995	1,899
Financial Metrics - Gold Equivalent basis				
Total cash costs[2,3]	$/oz AuEq	**943**	893	732
All-in sustaining costs[2,3]	$/oz AuEq	**1,221**	1,080	1,095

1. Rounding may result in apparent summation differences.
2. These measures are non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" for further information and a detailed reconciliation.
3. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity.

Mining

A total of 1,137 kt of ore were mined in the first quarter of 2024, including 969 kt from the ELG open pits and 168 kt from ELG Underground. Average waste to ore strip ratio ("strip ratio") in the open pits was 8.3:1. Excluding 160 kt of long-term, low-grade ore, the average gold grade of ore mined was 3.40 gpt.

In the first quarter of 2023, 1,073 kt of ore were mined, including 916 kt from the ELG open pits and 156 kt from ELG Underground, with an average strip ratio in the open pits of 9.2:1. Excluding 85 kt of long-term, low-grade ore, the average gold grade of ore mined was 4.79 gpt.

As at March 31, 2024, there were 4.9 mt of ore in stockpiles at an average grade of 1.11 gpt. Excluding 3.2 mt of long-term, low-grade stockpiles at an average grade of 0.97 gpt, the remaining 1.7 mt of ore in stockpiles are at an average grade of 1.38 gpt.

Plant Performance

Plant throughput in the first quarter of 2024 achieved an average rate of 13,118 tpd, marginally lower than the preceding quarter of 13,236 tpd. The average gold recovery for the quarter was 90.7%, higher than the recovery of 89.5% in the previous quarter, representing a new quarterly record. In the first quarter of 2024, the Company incurred $9.1 million in cyanide costs at a consumption rate of 3.10 kilograms per tonne milled, compared to $10.6 million in the fourth quarter of 2023 at a consumption rate of 3.06 kilograms per tonne milled, reflecting a similar level of consumption due to comparable copper and iron sulfides content in mill ore feed.

Gold Production and Sales

In the first quarter of 2024, 115,494 oz of gold were produced and 111,642 oz of gold were sold. Production in the first quarter of 2024 decreased relative to the comparative period in the prior year primarily due to the lower average gold grade of ore mined and processed, partially offset by a higher average gold recovery.

ENVIRONMENT, SOCIAL & GOVERNANCE

Safety

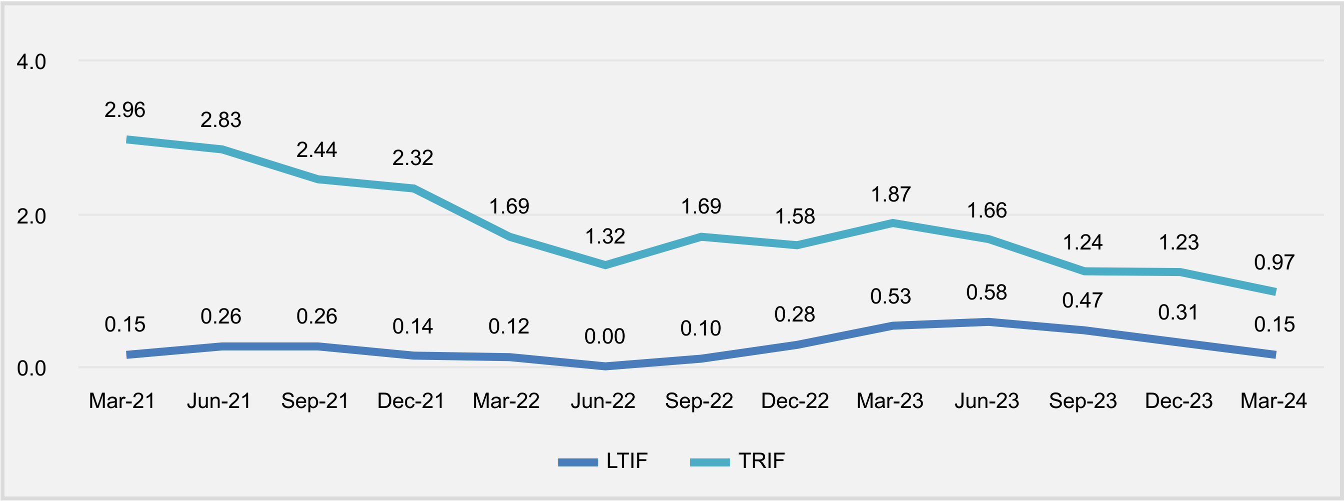
With the significant and continued increase of activity at site with the construction of the Media Luna Project, safety and reporting of all incidents, including near misses, continues to be a key focus. As at March 31, 2024, the Company's lost-time injury frequency ("LTIF") was 0.15 and its total recordable injury frequency ("TRIF") was 0.97. Both rates include employees and contractors and are calculated per million hours worked on a rolling 12-month basis.

The Company recorded one lost-time injury in January 2024 at the Media Luna Project when a contract employee fractured their ankle while scaling the wall of an ore bin. The injury was investigated, and corrective actions were implemented following a root cause analysis of the incident. Subsequent to quarter-end, the Company recorded a lost-time injury in April 2024 when an employee suffered a hand injury working on the Media Luna Project.

The Company continued to mature its Fatigue Risk Management Program through the usage of the SmartCap system on all open pit mobile equipment and passenger vehicles. The data collected on the open pit mobile equipment throughout 2023 has enabled an optimized implementation plan across the underground mobile fleet following the installation of the 5G/LTE network in the Underground mine to be completed in late 2024.

In 2023, the Company committed to the voluntary PASST program (Occupational Health and Safety Self-Management Program), under the Federal Labour Secretariat. During the first quarter of 2024, the Mexican Secretary of Labour completed a comprehensive documentation audit, as part of the initial certification steps to obtain the 'Safe Industry Distinction' from the Federal government. Participation in this program demonstrates the Company's strong commitment to the highest standards of health and safety and voluntary compliance.

Lost-Time Injury Frequency and Total Recordable Injury Frequency Per Million Hours Worked on a Rolling 12-Month Basis: March 2021 – March 2024



Environment

There were no reportable spills or environmental incidents during the quarter and there are currently no material claims, demands, or legal proceedings against the Company related to environmental matters. As such, the Company is on track to achieve its 2024 objective of zero reportable spills of 1,000 litres or more that report to a natural water body.

Progress continued on the construction of the Company's new solar facility, which is a key component of the Company's climate change strategy and target to achieve a 10% absolute reduction in Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 2030 against the 2021 baseline. Timing of completion and commissioning is pending the receipt of an operating permit from the energy regulator in Mexico.

In Q1, the Company was notified that it received a 'B-' score (Management level) for the 2023 CDP Climate Change Questionnaire, an improvement from the 'C' score (Awareness level) in 2022. This score is higher than the North America regional average of 'C', and higher than the metallic mineral mining sector average of 'C'. The Company's score of 'B-' means Torex is seen by CDP to be taking coordinated action on climate issues.

Social

Relationships with local communities continue to be positive and productive. During the quarter, annual local community development agreements ("CODECOPs") were negotiated and signed with nine communities surrounding the ELG Mine Complex (Valerio Trujano, Atzcala, Real del Limón, La Fundición, Nuevo Balsas, San Nicolás, Acalmantlila, Tlanipatlán and Atlixtac) and two communities in close proximity to Media Luna (San Miguel and Puente Sur Balsas). The CODECOPs outline the development commitments made by the Company, as prioritized by local communities, and define the roles and responsibilities of the communities and the Company in designing and delivering local development projects. Local and state government officials attended a formal signing ceremony that took place in March to celebrate the new agreements, along with 66 members of the local CODECOP committees.

ESG Performance, Disclosure and Reporting Standards

Work continued to progress in the quarter to comply with recognized global sustainability performance and disclosure standards, including the International Cyanide Management Code (ICMC) and World Gold Council Responsible Gold Mining Principles (RGMPs). External compliance audits for both the ICMC and the RGMPs are scheduled to begin in Q2 2024.

The Company was notified of a number of scoring improvements from key ESG ratings agencies in the quarter. For example, the Company's MSCI ESG rating improved from 'A' to 'AA', with governance practices noted as 'leading global peers' (96^{th} percentile). With this ratings improvement, the Company is in the top quartile of metals and mining companies on dimensions including community relations, health & safety and toxic emissions and waste. In addition, the Company's overall Sustainalytics ESG Risk Rating score improved from 31.5 for 2023 (classified as High risk) to 28.5 for 2024 (now categorized as Medium risk). This puts Torex in the top quartile of the Sustainalytics gold sub-industry (23/90).

In addition to ESG ratings improvements, in the first quarter, the Company received the following recognition in the areas of corporate social responsibility, investor relations and gender diversity practices:

- The ESR® 2024 Distinction from the Mexican Centre for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility in Mexico (AliaRSE) for the sixth year in a row, for the Company's public and voluntary commitment to implement socially responsible management at its operations;

- Inclusion as an Honouree in The Globe and Mail's 2024 *Report on Business* 'Women Lead Here' list for the fifth year in a row, in recognition of the high percentage of women on the Company's executive team as compared to other Canadian publicly traded companies;

- Nominations for two awards from *IR Magazine* in two categories: best overall investor relations (small cap) and best investor relations by a senior management team (small cap) - Jody Kuzenko, CEO, and Andrew Snowden, CFO. This marks the second year in a row that Torex has been nominated for awards related to its Investor Relations strategy.

DEVELOPMENT ACTIVITIES

Media Luna Project Update

Following the completion of the Media Luna Feasibility Study and receipt of project approval by the Board of Directors, the Company commenced the execution phase of the Media Luna Project on April 1, 2022. Solid progress was made during the first quarter, with engineering activities now 91% complete, procurement activities 78% complete, and the overall project almost 70% complete. Underground construction and development sat at 64% complete, with vertical and lateral development tracking to plan. In addition, the construction of ore/waste handling systems is advancing well, and 78% of Guajes Tunnel conveyor tables are now installed. The Company continues to make steady gains on surface construction, with two-thirds of concrete now poured, steel erection progressing, copper flotation cells being installed, and the sediment/decant ponds completed. With 95% of upfront expenditures committed as at March 31, 2024 (including 71% incurred), expenditures to date have tracked reasonably well to the initial budget of $874.5 million, noting the strength of the Mexican peso remains a headwind to contend with. Quarterly expenditures are expected to remain above $100 million through Q3 2024 before declining in Q4 2024 as Media Luna nears completion and commercial production is subsequently declared.

A summary of the Project expenditures can be found in the following table.

Table 5.

In millions of U.S. dollars, unless otherwise noted		**Media Luna Project Capital**
Per 2022 Technical Report	$	848.4
Adjustment for Q1 2022 underspend	$	26.1
Total budgeted spend post March 31, 2022	$	874.5
Expenditures incurred post March 31, 2022[1,2]	$	617.4
Remaining spend[2]	$	257.1
Percentage complete - relative to budgeted spend	%	71
Percentage complete - construction progress	%	69

1. Cumulative capital expenditures incurred on the Media Luna Project from commencement of construction as of April 1, 2022.
2. Excludes borrowing costs capitalized.

During Q1 2024, $126.4 million was invested in the project. Expenditures are expected to remain above $100 million through Q3 of this year, before declining in Q4 as the project nears completion. As at quarter end, $830.6 million of expenditures had been committed (95%), including $617.4 million incurred (71%). There has been no change to full-year guidance of $350 to $400 million on project capital expenditures.

As reported previously, the Company has entered into a series of zero-cost collars to hedge against changes in foreign exchange rates of the Mexican peso. The average floor price of the collars is 17.38 Mexican pesos per U.S. dollar and the average ceiling price is 20.0, with the collars covering the remaining project period (through December 2024). Approximately 45% of the remaining expenditures are expected to be denominated in pesos and the level hedged represents approximately 38% of the peso-denominated expenditures. The initial upfront capital cost of developing Media Luna assumed a Mexican peso of 20.0, which, weighted by quarterly expenditures, has averaged approximately 18.0 since the project commenced on April 1, 2022. The peso is currently trading around 17.0.

Project Completion

As at quarter end, development of Media Luna was tracking to plan with the project 69% complete, up from 60% at the start of the quarter. Detailed engineering is at the 91% completion mark, while procurement is 78% complete. Underground development/construction and surface construction are advancing nicely with completion levels at 64% and 47%, respectively. Based on the current schedule, the tie-in of upgrades to the processing plant are still on track to occur over a four-week period during Q4 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production in early 2025.

Engineering

As engineering works near completion, both surface and underground teams continue to focus on electrical deliverables, such as electrical schematics, and are working closely with vendors to expedite purchase orders and compress delivery timelines where possible. For underground, drawings were issued for the main garage and service water pump station. On surface, steel fabrication drawings were issued for the copper concentrate storage and loadout and fabrication drawings for paste plant steel were released for fabrication.

Procurement

Steady progress was made on procurement during the quarter, which is now 78% complete from 63% at the start of Q1. Purchase orders were placed for pumps, HDPE pipe, fire protection hydrants and accessories, the sampling building for copper concentrate, the underground LTE system and instrumentation, and control panels for the 230 kV power system. Contracts have been signed for the Guajes conveyor belt splicing, 230 kV substation structural and electrical works, 230 kV switchyard and transmission line installation, as well as the installation of HDPE for fresh and fire water systems.

During the quarter, the ore and waste transfer conveyors, west adit main fans, vibrating screens, rockbreakers and grizzly steel, and 15 kV power cables were delivered to site for the underground installation and construction. Deliveries to site for the surface infrastructure included: cleaner flotation cells, PLC panels, agitators, flocculant systems, copper concentrate filter, froth pumps, carbon steel pipe, and mechanical and structural steel. Approximately 3,600 metres of rubber-lined pipe for the slurry line from ELG to the paste plant has been delivered to site. Importantly, the paste plant filter presses have completed testing and are expected to be delivered in early August.

Underground Development and Construction

As of the end of quarter, 94% of bolts for the Guajes conveyor hanging sections had been placed and 78% of the Guajes conveyor belt tables had been installed (Figure 1). Conveyor belt segments have arrived at site and belt splicing (flaking) has started in anticipation of installation commencing mid-Q2, well ahead of commissioning in August. Additionally, work progressed in the Guajes Tunnel to prepare for the installation of various mine services following the conveyor tables' installation. Breakthrough also occurred in two of the ore/waste passes as well as ore bins 1 and 2, enabling preparation for steel installation at the ore bin tops and bottoms. Work proceeded to excavate the cone for the grizzly at the first rock breaker station. The pilot hole for the 87-metre ventilation raise was completed and reaming began in April.

Figure 1: Following completion of the Guajes Tunnel in December 2023, significant progress has been made on the seven-kilometre conveyor with 78% of conveyor tables installed

In-mine development continued to advance steadily. The first charging bays for the Sandvik production equipment and Rokion/MacLean support equipment were excavated, with the installation of the charging equipment completed in April. As of the end of the quarter, there were 36 active headings, including 33 in Media Luna Lower (the area of initial production) and 3 in Media Luna Upper.

Surface Construction

Surface construction is progressing to plan, with 67% of the planned concrete for the project now poured. On the north side of the Balsas River, significant progress was made on the installation of the flotation cells at the processing plant (Figure 2). Installation of the Guajes tailings thickener has commenced. Piping installation is underway in the water treatment area and at the processing plant between the grinding and flotation circuits. A new trash screen and discharge chute were installed at the grinding area and mechanical and piping tie-ins were completed during planned maintenance downtime in April. Construction of the steel support towers at the 230 kV substation has commenced as concrete works were substantially completed in Q1 as planned. The e-house for the Guajes conveyor has been placed onto concrete supports at the head station located outside of the Guajes Tunnel.

On the south side of the Balsas River, all concrete for the paste plant thickener area has been poured, with the balance of the plant concrete to be completed during the second quarter to facilitate the start of steel erection in May. Liner has been installed upstream on both the sediment and decant ponds and backfill around the perimeter was completed in April, finalizing these works. Deposition of waste rock into the new west waste rock storage facility has begun.

Figure 2: Construction of the flotation facility is progressing well with installation of the copper and iron sulphide flotation circuits and piping well underway

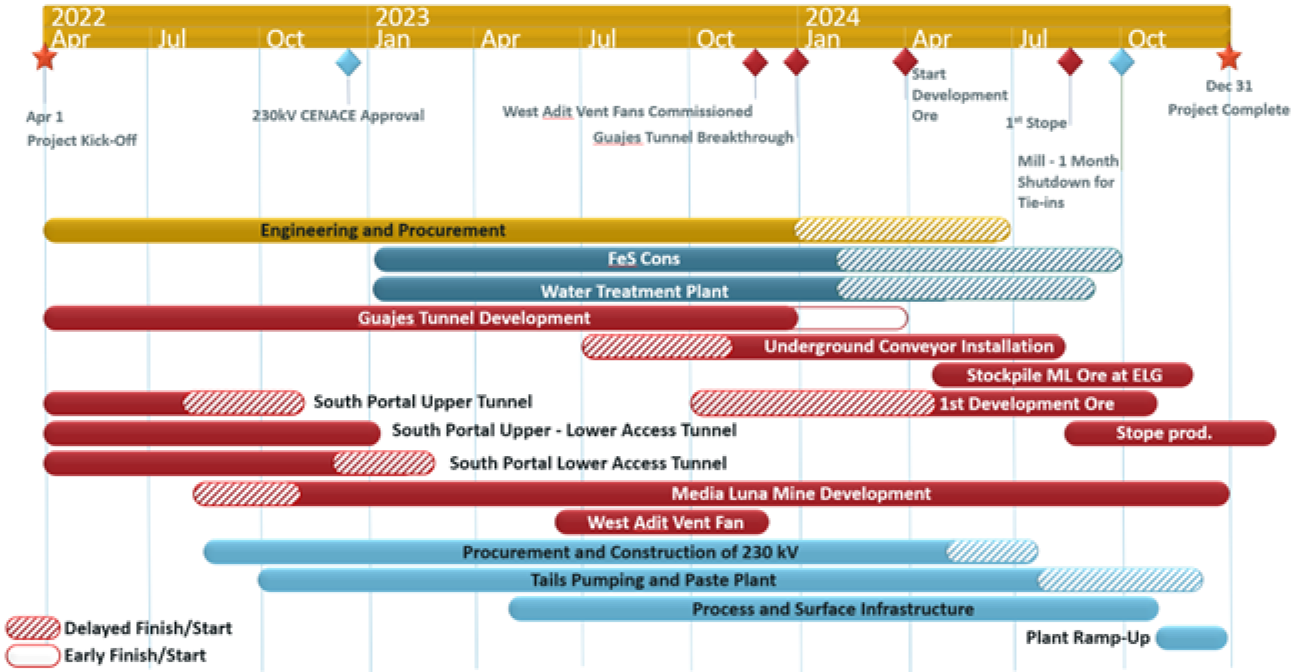
Operational Readiness

In parallel with development and construction activities, the surface and underground operational readiness strategy continues to advance as planned. Operational readiness teams are accountable for ensuring that processes and systems for all new work areas are established and ready in advance of the handover from the project team to operations. This includes workforce transition planning and training, developing the operating strategy (including all standard operating procedures) and maintenance plans for all fixed and mobile equipment, blend and feed strategies, detailed commissioning plans, first fills, concentrate shipment logistics, and all other requirements to ensure a smooth ramp-up. Training for the transition from open pit to underground miners is well underway and the first graduates from the program have joined the underground mine development team. The first battery electric jumbo drill operation training commenced in January in addition to training of long-hole drill and scoop operators. Recruitment from local communities to fill vacant underground positions is also ramping up. Systems have been put in place for technical training progression across various levels of theory, simulator training, and field training. Negotiations are underway with various haulage companies for copper concentrate transport to port distribution facilities. The Company is in the final stages of settling the commercial terms for the offtake agreements with a mix of traders and smelters. Payables are tracking in line with that which was incorporated into the most recent Technical Report dated effective March 16, 2022, and filed on March 31, 2022 (“Technical Report”).

Project Execution Plan

Based on progress made during Q1 2024 and a detailed review of both the surface and underground schedules completed late in the quarter, the overall project end dates are unchanged compared to the prior plan outlined within the last Media Luna update press release published on February 7, 2024, with only modest adjustments to interim activities in the overall schedule (Figure 3).

Figure 3: Project execution plan for the Media Luna Project



In terms of the overall project schedule, the Company continues to actively monitor the delivery dates for long lead critical items to ensure vendors meet their delivery obligations. Electrical equipment, specifically, remains a focus to manage schedule risk given the long-lead times for delivery of this equipment (e-houses and switch gear).

The current project plan relative to the Company's Technical Report reflects the Company's estimates for the completion of key project deliverables. These updated deliverables have not impacted the overall project schedule given the original plan had assumed the potential for schedule adjustments and the possibility for supply chain disruptions.

More detail on the Media Luna Project, including the Feasibility Study results, can be found in the Technical Report.

EXPLORATION AND DRILLING ACTIVITIES

During the first quarter of 2024, the annual drilling programs at ELG Underground and the Media Luna Cluster commenced, while progress was made in delineation drilling targets at El Naranjo and the definition target areas at Atzcala. Both drilling programs are key facets of the Company's strategy to grow reserves and resources and to optimize and extend the current mine life at ELG with a view to filling the mill with higher-grade feed beyond 2027.

The Company's five-year strategic exploration plan is to extend and sustain production of 450,000 oz AuEq or more beyond 2027, while also fostering organic growth through enhanced production or through standalone discoveries. The exploration strategic priorities include:

1. Discover higher value ore to improve the existing life-of-mine plan
    - Enhance the ELG Mine Complex upside through mine and near mine exploration

2. Fill the mill beyond 2027
    - Consolidate and realize the full potential of the Media Luna Cluster

3. Strengthen the exploration pipeline to deliver new discoveries at the Morelos Property
    - Identify and act on next generation of discoveries through prioritization of best ranked projects

In 2024, the Company plans to invest $30.0 million in exploration and drilling with a total of approximately 91,000 m of drilling planned.

Table 6.

In millions of U.S. dollars		**Total 2024 Expenditure**	Guided 2024 Expenditure	Total 2023 Expenditure
ELG Underground:				
ELG infill and step-out drilling - capitalized[1]	$	**1.6**	6.0	5.7
ELG near mine program - expensed[2]	$	**0.2**	6.0	4.8
Media Luna Cluster:				
Media Luna Cluster drilling - capitalized[3]	$	**1.3**	10.0	16.0
Media Luna Cluster drilling - expensed[2]	$	**0.4**	5.0	–
Near-mine and regional exploration and drilling - expensed[2]	$	**0.6**	3.0	2.3
Total[4]	$	**4.1**	30.0	28.8

1. Includes sustaining and non-sustaining capital ($1.6 million and $nil, respectively, for the three months ended March 31, 2024).
2. Included in exploration and evaluation expenses as reported on the Condensed Consolidated Interim Statements of Operations and Comprehensive Income.
3. Included in non-sustaining capital.
4. Excludes definition and grade control drilling costs.

ELG Infill and Step-Out Drilling

A resource delineation and advanced exploration drilling program is conducted annually at ELG to increase the confidence in the Mineral Resource models used in the mine plans and to expand the existing resources along extensions to current operations. The resource delineation drilling is targeting to upgrade Inferred Resources to the Measured and Indicated Resource categories at the underground deposit. Advanced exploration drilling is targeting to expand known mineralization and/or upgrade mineralized material to new Mineral Resources in lateral and vertical extensions, as well as expanding underground resource in other zones.

At ELG Underground, a total of 6,299 m were drilled in the first quarter of 2024. Drilling focused on resource delineation along the El Limón Sur Trend intersection with La Flaca and Z71 faults and at the Sub-Sill Trend. Surface drilling started in January, while the underground drilling started in March with a new drilling contractor. Drilling ramped-up in April with three drill rigs fully operating. Advanced exploration drilling to follow up on previously identified high-grade intercepts is expected to start in May in lateral extension at El Limón Sur Trend and at El Limón West.

Along the El Limón Sur Trend, at the intersection zone with La Flaca fault, five holes totaling 2,362 m have been completed, with several zones of favorable alteration intervals being intercepted, between the 800 m elevation and the 550 m elevation.

Four holes totaling 3,389 m were drilled in the central portion of the trend close to the intersection with the Z71 fault.

At the northern portion of the El Limón Deep deposit, along the Sub-Sill Trend, three holes totaling 548 m were completed in the first quarter of 2024.

Media Luna Cluster Drilling

In the first quarter of 2024, drilling started in late February with two rigs operating, and a third was integrated in March. A total of 2,090 m were drilled in the cluster with the main objective of confirming the footprint extension recognized to the north of EPO and the high-grade mineralization continuity identified in Media Luna West with the ML23-986A hole.

At EPO, drilling is underway with 1,034 m completed to date with two rigs and the program is planned to complete 24,000 m of delineation drilling in 2024. The ML24-1017 hole has been completed and results are pending, and the ML24-1018 hole is in progress.

At Media Luna West, the Advanced Exploration program for 2024 includes 9,500 m of drilling and it is being executed with one rig. The first hole was completed during the first quarter of 2024 with a total of 1,056 m, while the second hole is in progress.

Regional Exploration and Drilling

For the regional exploration program, the improved understanding of the district's structural architecture, the characterization of the surface geochemistry and the identification of volcanic facies, addressed during 2023, have guided the definition of field work in the target selection stage.

At El Naranjo, progress is being made in the definition of targets, through validation of structures and lithologies. The El Alacran target corresponds to a structural block with a north-east orientation, delimited by faults that control areas with strong silicification with iron and antimony sulfides and argillic halos. Reconnaissance sampling has returned significant anomalies in gold mineralization and correlated pathfinders. Northeast projection of the Alacran structure coincides with the development of a multi-pulse phreatomagmatic breccia, identified in a historic drill hole which has economic values of gold.

At Atzcala, three new target areas have been identified, in addition to those already defined in the prior year. The program is advancing with a regional geochemistry survey, which will be complemented with the reprocessing of the magnetometric data and obtaining hyperspectral coverage through the use of a drone.

FINANCIAL CONDITION REVIEW

Summary of the Condensed Consolidated Interim Statements of Financial Position

The following table summarizes key financial position items as at March 31, 2024:

Table 7.

In millions of U.S. dollars		**Mar 31, 2024**		Dec 31, 2023
Cash and cash equivalents	**$**	**113.2**	$	172.8
Value-added tax receivables		**95.0**		79.0
Inventory		**124.5**		126.6
Deferred income tax assets		**171.4**		156.5
Property, plant and equipment		**1,361.6**		1,249.0
Other assets		**53.3**		51.9
Total assets	**$**	**1,919.0**	$	1,835.8
Accounts payable and accrued liabilities	**$**	**190.2**	$	148.3
Income taxes payable		**68.5**		86.9
Deferred income tax liabilities		**1.0**		5.5
Decommissioning liabilities		**38.2**		41.0
Lease-related obligations		**44.0**		32.0
Other liabilities		**37.8**		27.0
Total liabilities	**$**	**379.7**	$	340.7
Total shareholders' equity	**$**	**1,539.3**	$	1,495.1

Cash and cash equivalents

The Company ended the first quarter of 2024 with cash and cash equivalents on hand of $113.2 million. The Company primarily holds cash balances in U.S dollars but also holds accounts in Canadian dollars and Mexican pesos for operating and administrative purposes.

Value-added tax ("VAT") receivables

VAT receivables increased by $16.0 million compared to December 31, 2023, primarily as a result of increased processing times in receipts of refunds and additional information requests from the Mexican tax authorities, coupled with the currency translation as the VAT receivables are primarily denominated in Mexican pesos, partially offset by receipts of refunds related to 2023. The VAT receivables balance fluctuates as additional VAT is paid and refunds are received, as well as with the movement of the Mexican peso exchange rate relative to the U.S. dollar and any provisions. As at March 31, 2024, the VAT receivables of $95.0 million comprises $93.6 million in current assets and $1.4 million in non-current assets.

Inventory

The decrease in inventory is primarily due to a decrease in finished goods primarily due to the timing of pours, partially offset by lower gold in-circuit, stockpile and materials and supplies ending balances.

Deferred income tax assets

The deferred tax asset primarily relates to tax pools and temporary differences in Mexico. The increase in the deferred tax asset is primarily driven by the tax effect of currency translation on the tax base and higher depreciation for accounting than for tax purposes, which reduces the difference between the book value and tax value of the assets in the determination of deferred tax.

Property, plant and equipment

Property, plant and equipment increased primarily due to additions of $159.8 million, of which $126.4 million relates to the Media Luna Project, partially offset by depreciation of $44.0 million and a decrease in the estimated discounted closure and rehabilitation costs on decommissioning liabilities of $3.2 million. Refer to Table 11 for a breakdown of capital expenditures for the three months ended March 31, 2024.

Other assets

The other assets balance includes accounts receivable, prepaid expenses, advances and deposits, derivative contract assets and lease-related assets. The increase in other assets is primarily due to the recognition of assets of $11.3 million relating to additional advances and promissory notes in connection with equipment purchase agreements with suppliers that were assigned to financiers for which the underlying assets are not yet available for use by the Company, partially offset by a decrease in trade receivables of $8.8 million as a result of the timing of sales and receipts.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities has increased since December 31, 2023, primarily due to increased liabilities related to the Media Luna Project as construction advances and the timing of payments.

Decommissioning liabilities

Decommissioning liabilities decreased by $2.8 million primarily due to the effect of discounting, partially offset by the effect of foreign exchange rate changes, accretion, and increases due to additional disturbances as a result of ongoing mining operations and the development of Media Luna.

Income taxes payable

The decrease in the balance is primarily due to corporate income tax payments of $19.1 million and the 7.5% Mexican mining royalty of $24.8 million paid in the first quarter of 2024 in respect of 2023, partially offset by income tax expense of $26.2 million.

Lease-related obligations

The increase in lease-related obligations is primarily due to $11.3 million of additional promissory notes recognized in connection with leasing arrangements for which the underlying assets are not yet available for use by the Company. As at March 31, 2024, the lease-related obligations of $44.0 million comprises $35.7 million in current liabilities and $8.3 million in non-current liabilities.

Other liabilities

Other liabilities primarily relate to a current liability of $33.7 million and a non-current liability of $nil relating to the derivative contracts based on gold forward sales and foreign exchange collar prices as at March 31, 2024.

DEBT FINANCING

Revolving Facility and Term Facility

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 secured debt facility (the "Debt Facility") to $300.0 million. The capacity on the Revolving Facility increased from $150.0 million to $200.0 million and the Term Facility remained unchanged at $100.0 million. As at March 31, 2024, the Company had $nil borrowings on the Debt Facility and had utilized $7.9 million for letters of credit, reducing the available credit of the Debt Facility to $292.1 million (December 31, 2023 - $nil, $7.9 million and $292.1 million, respectively).

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 (“SPTs”) including those in safety, climate change, and alignment with the World Gold Council’s RGMPs. The SPTs are aligned with the Company’s sustainability targets described in the "2024 Objectives” section of this MD&A.

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%.

The $200.0 million Revolving Facility matures on December 31, 2026 and is subject to quarterly commitment reductions of $12.5 million commencing on March 31, 2025 and increasing to $25.0 million commencing on March 31, 2026. The $100.0 million 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. Both the Revolving Facility and Term Facility can be repaid in full anytime without penalty.

The Debt Facility permits spending for general corporate and working capital purposes and to facilitate the development of the Media Luna Project and other existing and future projects of the Company. The Debt Facility is subject to conditions, 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 million on and before June 30, 2025 and decreasing to the greater of $30.0 million and 20% of the Debt Facility commitment thereafter. 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 March 31, 2024, the Company was in compliance with the financial and other covenants under the FARCA. The FARCA is filed on SEDAR+ at www.sedarplus.ca.

LIQUIDITY AND CAPITAL RESOURCES

The total assets of the Company as at March 31, 2024 were $1,919.0 million (December 31, 2023 - $1,835.8 million), which includes $113.2 million in cash and cash equivalents (December 31, 2023 - $172.8 million).

Net cash generated from operating activities before changes in non-cash operating working capital was $72.5 million for the three months ended March 31, 2024, compared to $61.9 million for the three months ended March 31, 2023. The increase in net cash generated from operating activities before changes in non-cash operating working capital of $10.6 million is largely due to a higher average realized gold price, lower income taxes paid, partially offset by the decrease in ounces of gold sold and higher production costs.

Net cash used in investing activities for the three months ended March 31, 2024 was $137.3 million compared to $101.2 million for the three months ended March 31, 2023. Net cash used in investing activities was higher primarily due to an increase in additions to property, plant and equipment related to the Media Luna Project and the timing of VAT collections.

Net cash used in financing activities for the three months ended March 31, 2024 related to lease principal payments of $1.4 million and interest paid of $0.5 million. The net cash used in financing activities for the comparative period related to lease principal payments of $0.8 million and interest paid of $0.5 million.

The Company did not have any debt outstanding as at March 31, 2024 and had $192.1 million available under the Revolving Facility with $7.9 million utilized for letters of credit, and $100.0 million available under the Term Facility. In April 2024, $30.0 million was drawn on the Revolving Facility. The Revolving Facility matures on December 31, 2026 and is subject to quarterly commitment reductions of $12.5 million commencing on March 31, 2025. The 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. The Company expects to fund the development of the Media Luna Project and its exploration plans using available liquidity, forecasted future cash flow, and available credit facilities.

During the second and third quarters of 2023, the Company 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 million. Subsequently, the purchases were assigned to financiers who will own the equipment once delivered by the suppliers. In connection with the arrangements, the Company 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, the Company 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, the Company executed interest-bearing promissory notes, of which $31.0 million remain outstanding as at March 31, 2024 (December 31, 2023 - $19.7 million). 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* ("IFRS 9"). As at March 31, 2024, the Company recognized a corresponding $31.0 million asset in other non-current assets in the Condensed Consolidated Interim Statements of Financial Position (December 31, 2023 - $19.7 million).

As at March 31, 2024, lease obligations included $7.7 million of leases for certain pieces of the primary production equipment for the Media Luna operations that had been delivered and for which the leases had commenced (December 31, 2023 - $8.0 million). As the Company is deemed to have control of the equipment prior to delivery and subsequently, upon entering into the lease agreement, control of the equipment is retained by the Company, the assignment of the purchases to the financiers did not qualify as a sale in accordance with IFRS 15, *Revenue from Contracts with Customers*, and therefore IFRS 16, *Leases*, sale-leaseback accounting was not applied. Rather, the lease obligations are accounted for as financial liabilities in accordance with IFRS 9. As at March 31, 2024, the Company recognized a corresponding $7.7 million asset in property, plant and equipment in the Condensed Consolidated Interim Statements of Financial Position (December 31, 2023 - $8.0 million).

As at March 31, 2024, the Company's contractual obligations included long-term land lease agreements with Rio Balsas, Real del Limón, Atzcala, Puente Sur Balsas and Valerio Trujano Ejidos and the individual owners of land parcels within certain of those Ejido boundaries; and contractual commitments related to the purchases of goods and services used in the operation of the ELG Mine Complex and the Media Luna Project. All long-term land lease agreements can be terminated within one year at the Company's discretion at any time without penalty.

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. For the three months ended March 31, 2024, the Company paid $7.2 million for the 2.5% royalty relating to the fourth quarter of 2023 (three months ended March 31, 2023 - $5.6 million relating to the fourth quarter of 2022). As at March 31, 2024, the Company accrued $5.8 million for the 2.5% royalty relating to the first quarter of 2024 (December 31, 2023 - $7.0 million relating to the fourth quarter of 2023).

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. In March 2024, the Company paid $29.4 million in respect of the 7.5% and 0.5% royalties for 2023. As at March 31, 2024, the Company accrued $8.9 million and $1.1 million for the 7.5% and 0.5% royalties to be paid in March 2025, respectively (December 31, 2023 - $25.4 million and $4.4 million accrued for the 7.5% and 0.5% royalties to be paid in March 2024, respectively).

Gold equivalent production is expected to be relatively consistent through the first three quarters of 2024, with the lowest quarter of production in Q4 given the planned one-month shutdown of the processing plant. During the shutdown, upgrades to the processing plant will be carried out as part of the Media Luna Project, including the tie-in of the copper and iron sulphide flotation circuits, regrind mills and water treatment plant, as well as the installation of a variable speed drive on the ball mill. Given the timing of tax and employee profit sharing payments, the Company's net cash generated from operating activities is generally weighted towards the second half of the year as was the case in 2023 and 2022. Production in the first quarter of 2024 was lower than production during the fourth quarter of 2023, primarily due to a lower average grade of ore processed, lower processing plant throughput, lower ore tonnes mined, partially offset by a higher average gold recovery.

The trends that affect the Company's liquidity are further described in the "Economic Trends" section of this MD&A.

For discussion of liquidity risks, refer to sections "Financial Risk Management" and "Risks and Uncertainties" of this MD&A.

Contractual Commitments

Table 8.

		Payments Due by Period				
In millions of U.S. dollars		Total	Less than 1 year	1-3 years	4-5 years	Greater than 5 years
Operating commitments[1]	$	426.5	264.3	110.7	51.5	–
Capital commitments[1]	$	212.5	188.2	4.2	8.7	11.4
Accounts payable and accrued liabilities	$	190.2	190.2	–	–	–
Derivative contracts	$	33.7	33.7	–	–	–
Lease-related obligations	$	46.7	36.7	5.3	4.7	–
Total	$	909.6	713.1	120.2	64.9	11.4

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

During the three months ended March 31, 2024, the Company entered into a power purchase agreement for the delivery of 236,520 megawatt hours of electricity per year over a period of five years, which is expected to commence in the second half of 2024, at a fixed rate per megawatt hour, subject to annual inflation adjustments.

As at March 31, 2024, the agreement is accounted for as an executory contract on the basis that the contract is held for the purpose of the receipt of a non-financial item in accordance with the expected electricity usage by the Company over the contract term. Included in operating commitments as at March 31, 2024 is $97.4 million relating to the power purchase agreement.

OUTSTANDING SHARE DATA

Table 9.

Outstanding Share Data as at May 7, 2024	Number
Common shares	85,984,756
Stock options[1]	24,707
Restricted share units[2, 3]	703,923
Performance share units[4]	788,727

1. Each stock option is exercisable into one common share of the Company. As of January 1, 2022, the Company ceased the issuance of new stock options and the plan will be terminated once all outstanding stock options are exercised or have expired.
2. Each restricted share unit is redeemable for one common share of the Company.
3. The balance includes both Restricted Share Units ("RSUs") and Employee Restricted Share Units ("ERSUs") issued under the Restricted Share Unit Plan ("RSU Plan") and the Employee Share Unit ("ESU Plan"), respectively.
4. The number of performance share units that vest is determined by multiplying the number of units granted to the participant by an adjustment factor, which ranges from 0 to 2.0. Therefore, the number of units that will vest and be settled may be higher or lower than the number of units originally granted to a participant. The adjustment factor is based on the Company's total shareholder return relative to a group of comparable companies over the applicable period. Under the terms of the plan, the Board of Directors is authorized to determine the adjustment factor.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

The Company has presented certain non-GAAP financial measures in this MD&A which include: total cash costs, total cash costs margin, all-in sustaining costs, all-in sustaining costs margin, average realized gold price, adjusted net earnings, EBITDA, adjusted EBITDA, free cash flow, net cash and available liquidity. The Company believes that these measures, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors with an improved ability to evaluate the underlying performance of the Company. These measures do not have any standardized meaning prescribed under IFRS, and, therefore, may not be comparable to other issuers.

Total Cash Costs

Total cash costs is a common financial performance measure in the gold mining industry; however, it has no standardized meaning under IFRS and as such, it may not be comparable to similar financial measures disclosed by other issuers. The Company reports total cash costs on both a by-product basis (per oz sold) and a gold equivalent basis (per oz AuEq sold). The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as costs of sales and net cash generated from operating activities, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating costs. In addition, the Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance. Total cash costs on a by-product basis are calculated as production costs and royalties less by-product sales. Total cash costs on a gold equivalent basis are calculated as production costs and royalties.

All-In Sustaining Costs ("AISC")

AISC is a common financial performance measure in the gold mining industry; however, it has no standardized meaning under IFRS and as such, it may not be comparable to similar financial measures disclosed by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as cost of sales and net cash generated from operating and investing activities, certain investors use this information to evaluate the Company's operating performance and its ability to generate free cash flow from current operations. Management uses this metric as an important tool to monitor operating and capital costs. In addition, the Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance.

Torex reports AISC in accordance with the guidance issued by the World Gold Council ("WGC") in 2018. The WGC definition of AISC seeks to extend the definition of total cash costs by adding corporate general and administrative costs, reclamation and remediation costs (including accretion and amortization), sustaining exploration and study costs (capitalized and expensed), capitalized stripping costs, sustaining capital expenditures and sustaining leases, and represents the total costs of producing gold from current operations. Non-sustaining costs are primarily those related to new operations and major projects at existing operations that are expected to materially benefit the current operation. The determination of classification of sustaining versus non-sustaining requires judgement by management. AISC excludes income tax payments, interest costs, costs related to business acquisitions, costs related to growth projects and other expenses not related to ongoing operations. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation and amortization expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. Other companies may quantify these measures differently because of different underlying principles and policies applied. Differences may also occur due to different definitions of sustaining versus non-sustaining capital.

Reconciliation of Total Cash Costs and All-in Sustaining Costs to Production Costs and Royalties

The following table provides a reconciliation of total cash costs and all-in sustaining costs to production costs and royalties as per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income:

Table 10.

		Three Months Ended		
In millions of U.S. dollars, unless otherwise noted		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Gold sold	oz	**111,642**	138,794	118,455
Total cash costs per oz sold				
Production costs	$	**100.8**	116.5	81.5
Royalties	$	**6.9**	8.4	6.9
Less: Silver sales	$	**(1.5)**	(0.9)	(1.5)
Less: Copper sales	$	**(3.7)**	(1.2)	(2.9)
Total cash costs	$	**102.5**	122.8	84.0
Total cash costs per oz sold	$/oz	**918**	885	709
All-in sustaining costs per oz sold				
Total cash costs	$	**102.5**	122.8	84.0
General and administrative costs[1]	$	**8.0**	7.3	6.6
Reclamation and remediation costs	$	**1.3**	1.5	1.4
Sustaining capital expenditure	$	**22.4**	17.3	35.8
Total all-in sustaining costs	$	**134.2**	148.9	127.8
Total all-in sustaining costs per oz sold	$/oz	**1,202**	1,073	1,079
Gold equivalent sold[2]	oz AuEq	**114,199**	139,854	120,748
Total cash costs per oz AuEq sold				
Production costs	$	**100.8**	116.5	81.5
Royalties	$	**6.9**	8.4	6.9
Total cash costs	$	**107.7**	124.9	88.4
Total cash costs per oz AuEq sold[2]	$/oz AuEq	**943**	893	732
All-in sustaining costs per oz AuEq sold				
Total cash costs	$	**107.7**	124.9	88.4
General and administrative costs[1]	$	**8.0**	7.3	6.6
Reclamation and remediation costs	$	**1.3**	1.5	1.4
Sustaining capital expenditure	$	**22.4**	17.3	35.8
Total all-in sustaining costs	$	**139.4**	151.0	132.2
Total all-in sustaining costs per oz AuEq sold[2]	$/oz AuEq	**1,221**	1,080	1,095

1. This amount excludes a loss of $4.2 million, gain of $0.5 million and loss of $3.6 million for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023, respectively, in relation to the remeasurement of share-based payments. This amount also excludes corporate depreciation and amortization expenses totalling $0.1 million, $nil and $0.1 million for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023, respectively, within general and administrative costs. Included in general and administrative costs is share-based compensation expense in the amount of $2.3 million or $21/oz for the three months ended March 31, 2024, $1.1 million or $8/oz for the three months ended December 31, 2023, $1.9 million or $16/oz for the three months ended March 31, 2023. This amount excludes other expenses totalling $1.2 million, $2.1 million and $0.6 million for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
2. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity.

Reconciliation of Sustaining and Non-Sustaining Costs to Capital Expenditures

The following table provides a reconciliation of capital expenditures to additions to property, plant and equipment as reported in the Condensed Consolidated Interim Statements of Cash Flows:

Table 11.

		Three Months Ended		
In millions of U.S. dollars		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Sustaining	$	**21.6**	17.3	14.6
Capitalized Stripping (Sustaining)	$	**0.8**	–	21.2
Non-sustaining	$	**–**	0.3	0.7
Total ELG	$	**22.4**	17.6	36.5
Media Luna Project[1]	$	**126.4**	124.0	66.4
Media Luna Cluster Drilling/Other	$	**1.3**	3.8	3.1
Working Capital Changes & Other	$	**(24.0)**	(4.0)	(6.3)
Capital expenditures[2]	$	**126.1**	141.4	99.7

1. This amount includes a realized gain (or a reduction in the capitalized expenditures) of $0.8 million, $0.3 million and $nil for the three months ended March 31, 2024, December 31, 2023, and March 31, 2023, respectively, in relation to the settlement of foreign exchange zero cost collars that were entered into to manage the capital expenditure risk related to a further strengthening of the Mexican peso.
2. The amount of cash expended on additions to property, plant and equipment in the period as reported in the Condensed Consolidated Interim Statements of Cash Flows.

Average Realized Gold Price and Total Cash Costs Margin

Average realized gold price and total cash costs margin on a by-product basis (per oz sold) and a gold equivalent basis (per oz AuEq sold) are non-GAAP financial measures that do not have a standardized meaning under IFRS and as such, they may not be comparable to similar financial measures disclosed by other issuers. Management and certain investors use these measures to better understand the gold price and margin realized throughout a period.

Average realized gold price is calculated as revenue per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income, less silver sales and copper sales, adjusted for realized gains (losses) on gold contracts where applicable, divided by ounces of gold sold. Total cash costs margin per oz sold reflects average realized gold price per oz sold, less total cash costs per oz sold on both a by-product and gold equivalent basis.

Reconciliation of Average Realized Gold Price and Total Cash Costs Margin to Revenue

The following table provides a reconciliation of average realized gold price and total cash costs margin on a by-product basis (per oz sold) and a gold equivalent basis (per oz AuEq sold) to revenue as per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income:

Table 12.

		Three Months Ended		
In millions of U.S. dollars, unless otherwise noted		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Gold sold	oz	**111,642**	138,794	118,455
Revenue	$	**236.5**	282.4	228.8
Less: Silver sales	$	**(1.5)**	(0.9)	(1.5)
Less: Copper sales	$	**(3.7)**	(1.2)	(2.9)
Less: Realized (loss) gain on gold contracts	$	**(5.4)**	(3.4)	0.5
Total proceeds	$	**225.9**	276.9	224.9
Total average realized gold price	$/oz	**2,023**	1,995	1,899
Less: Total cash costs	$/oz	**918**	885	709
Total cash costs margin	$/oz	**1,105**	1,110	1,190
Total cash costs margin	%	**55**	56	63
Gold equivalent sold[1]	oz AuEq	**114,199**	139,854	120,748
Revenue	$	**236.5**	282.4	228.8
Less: Realized (loss) gain on gold contracts	$	**(5.4)**	(3.4)	0.5
Total proceeds	$	**231.1**	279.0	229.3
Total average realized gold price	$/oz	**2,023**	1,995	1,899
Less: Total cash costs[1]	$/oz AuEq	**943**	893	732
Total cash costs margin[1]	$/oz AuEq	**1,080**	1,102	1,167
Total cash costs margin	%	**53**	55	61

1. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity.

All-in Sustaining Costs Margin and All-in Sustaining Costs Margin

AISC margin and AISC margin on a by-product basis (per oz sold) and a gold equivalent basis (per oz AuEq sold) are non-GAAP financial measures that do not have a standardized meaning under IFRS and as such, they may not be comparable to similar financial measures disclosed by other issuers. Management and certain investors use these measures to evaluate the Company's performance and ability to generate operating income to fund its capital investment and service its debt. AISC margin on a by-product basis is calculated as revenue per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income, less silver sales, copper sales, realized (losses) gains on gold contracts where applicable, and AISC. AISC margin on a gold equivalent basis is calculated as revenue per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income, less realized (losses) gains on gold contracts where applicable, and AISC. All-in sustaining costs margin per oz sold reflects the average realized gold price per oz sold less all-in sustaining costs per oz sold on both a by-product and gold equivalent basis.

Reconciliation of All-in Sustaining Costs Margin to Revenue

The following table provides a reconciliation of all-in sustaining costs margin to revenue as per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income:

Table 13.

		Three Months Ended		
In millions of U.S. dollars, unless otherwise noted		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Gold sold	oz	**111,642**	138,794	118,455
Revenue	$	**236.5**	282.4	228.8
Less: Silver sales	$	**(1.5)**	(0.9)	(1.5)
Less: Copper sales	$	**(3.7)**	(1.2)	(2.9)
Less: Realized (loss) gain on gold contracts	$	**(5.4)**	(3.4)	0.5
Less: All-in sustaining costs	$	**(134.2)**	(148.9)	(127.8)
All-in sustaining costs margin	$	**91.7**	128.0	97.1
Total all-in sustaining costs margin	$/oz	**821**	922	820
Total all-in sustaining costs margin	%	**39**	45	42
Gold equivalent sold[1]	oz AuEq	**114,199**	139,854	120,748
Revenue	$	**236.5**	282.4	228.8
Less: Realized (loss) gain on gold contracts	$	**(5.4)**	(3.4)	0.5
Less: All-in sustaining costs	$	**(139.4)**	(151.0)	(132.2)
All-in sustaining costs margin	$	**91.7**	128.0	97.1
Total all-in sustaining costs margin[1]	$/oz AuEq	**802**	915	804
Total all-in sustaining costs margin	%	**39**	45	42

1. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average realized prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" on page 5 for the relevant average realized prices by commodity.

Adjusted Net Earnings and Adjusted Net Earnings Per Share

Adjusted net earnings and adjusted net earnings per share (basic and diluted) are non-GAAP financial measures that do not have a standardized meaning under IFRS and as such, they may not be comparable to similar financial measures disclosed by other issuers. Management and certain investors use these metrics to measure the underlying operating performance of the Company. Presenting these measures from period to period helps management and investors evaluate earnings trends more readily in comparison with results from prior periods.

Adjusted net earnings is defined as net income (loss) adjusted to exclude specific items that are significant but not reflective of the underlying operating performance of the Company, such as: the impact of unrealized foreign exchange (gains) losses, unrealized (gains) losses on derivative contracts, impairment losses, remeasurement of share-based payments, derecognition of provisions for uncertain tax positions and the tax effect of currency translation on tax base, net of the tax effect of these adjustments. Adjusted net earnings per share amounts are calculated using the weighted average number of shares outstanding on a basic and diluted basis as determined under IFRS.

Reconciliation of Adjusted Net Earnings to Net Income

The following table provides a reconciliation of adjusted net earnings to net income as per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income:

Table 14.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended		
		Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Basic weighted average shares outstanding	shares	**85,949,559**	85,885,453	85,869,276
Diluted weighted average shares outstanding	shares	**86,499,360**	86,410,111	86,398,732
Net income	$	**43.1**	50.4	68.2
Adjustments:				
Unrealized foreign exchange gain	$	**(0.6)**	(0.7)	(0.5)
Unrealized loss on derivative contracts	$	**11.6**	28.4	27.1
Remeasurement of share-based payments	$	**4.2**	(0.5)	3.6
Derecognition of provisions for uncertain tax positions	$	**(12.1)**	–	(15.2)
Tax effect of above adjustments	$	**(3.3)**	(8.3)	(9.0)
Tax effect of currency translation on tax base	$	**(7.0)**	(20.2)	(23.9)
Adjusted net earnings	$	**35.9**	49.1	50.3
Per share - Basic	$/share	**0.42**	0.57	0.59
Per share - Diluted	$/share	**0.42**	0.57	0.58

Earnings before Interest, Taxes, Depreciation and Amortization (“EBITDA”) and Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP financial measures that do not have a standardized meaning under IFRS and as such, they may not be comparable to similar financial measures disclosed by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use these measures to evaluate the operating performance of the Company. Presenting these measures from period to period helps identify and evaluate earnings trends more readily in comparison with results from prior periods. EBITDA is defined as net income (loss) adjusted to exclude depreciation and amortization, net finance (income) costs and income tax expense (recovery). Adjusted EBITDA is defined as EBITDA adjusted to exclude specific items that are significant but not reflective of the underlying operating performance of the Company, such as the impact of unrealized foreign exchange (gains) losses, unrealized (gains) losses on derivative contracts, remeasurement of share-based payments, and certain impairment losses (if applicable).

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

The following table provides a reconciliation of EBITDA and Adjusted EBITDA to net income as per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income:

Table 15.

In millions of U.S. dollars		Three Months Ended		
		Mar 31, 2024	Dec 31, 2023	Mar 31, 2023
Net income	$	**43.1**	50.4	68.2
Finance income, net	$	**(1.7)**	(2.0)	(3.0)
Depreciation and amortization[1]	$	**49.8**	66.8	49.1
Current income tax expense	$	**26.2**	50.5	16.8
Deferred income tax recovery	$	**(19.4)**	(50.3)	(28.6)
EBITDA	$	**98.0**	115.4	102.5
Adjustments:				
Unrealized loss on derivative contracts	$	**11.6**	28.4	27.1
Unrealized foreign exchange gain	$	**(0.6)**	(0.7)	(0.5)
Remeasurement of share-based payments	$	**4.2**	(0.5)	3.6
Adjusted EBITDA	$	**113.2**	142.6	132.7

1. Includes depreciation and amortization included in cost of sales, general and administrative expenses and exploration and evaluation expenses.

Free Cash Flow

Free cash flow is a non-GAAP financial measure with no standardized meaning under IFRS and as such, it may not be comparable to similar financial measures disclosed by other issuers. The Company defines free cash flow as net cash generated from operating activities less cash outlays for capital expenditures, lease payments and interest, including borrowing costs capitalized to property, plant and equipment. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company’s operating performance and its ability to fund operating and capital expenditures without reliance on additional borrowing.

Reconciliation of Free Cash Flow to Net Cash Generated from Operating Activities

The following table provides a reconciliation of free cash flow to net cash generated from operating activities as reported in the Condensed Consolidated Interim Statements of Cash Flows:

Table 16.

		Three Months Ended		
In millions of U.S. dollars		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Net cash generated from operating activities	$	**79.8**	120.0	47.0
Less:				
Additions to property, plant and equipment[1]	$	**(126.1)**	(141.4)	(99.7)
Lease payments	$	**(1.4)**	(1.6)	(0.8)
Interest paid[2]	$	**(1.4)**	(1.3)	(0.5)
Free cash flow	$	**(49.1)**	(24.3)	(54.0)

1. The amount of cash expended on additions to property, plant and equipment in the period as reported on the Condensed Consolidated Interim Statements of Cash Flows.
2. Including borrowing costs capitalized to property, plant and equipment.

Net Cash

Net cash is a non-GAAP financial measure with no standardized meaning under IFRS and as such, it may not be comparable to similar financial measures disclosed by other issuers. Net cash is defined as total cash and cash equivalents and short-term investments less lease-related obligations and debt, adjusted to exclude unamortized deferred financing charges, at the end of the period. This measure is used by management, and may be used by certain investors, to measure the Company's debt leverage.

Reconciliation of Net Cash to Cash and Cash Equivalents

The following table provides a reconciliation of net cash to cash and cash equivalents as reported in the Condensed Consolidated Interim Statements of Financial Position:

Table 17.

In millions of U.S. dollars		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Cash and cash equivalents	$	**113.2**	172.8	321.9
Less: Lease-related obligations	$	**(44.0)**	(32.0)	(3.5)
Net cash	$	**69.2**	140.8	318.4

Available Liquidity

Available liquidity is a non-GAAP financial measure with no standardized meaning under IFRS and as such, it may not be comparable to similar financial measures disclosed by other issuers. Available liquidity is defined as total cash and cash equivalents and short-term investments and the available credit on the Debt Facility (undrawn capacity less letters of credits utilized). This measure is used by management, and may be used by certain investors, to measure the Company's liquidity position.

Reconciliation of Available Liquidity to Cash and Cash Equivalents

The following table provides a reconciliation of available liquidity to cash and cash equivalents as reported in the Condensed Consolidated Interim Statements of Financial Position:

Table 18.

In millions of U.S. dollars		**Mar 31, 2024**	Dec 31, 2023	Mar 31, 2023
Cash and cash equivalents	$	**113.2**	172.8	321.9
Add: Available credit of the Debt Facility	$	**292.1**	292.1	242.1
Available liquidity	$	**405.3**	464.9	564.0

Unit Cost Measures

Unit cost measures are non-GAAP financial measures with no standardized meaning under IFRS and they may not be comparable to similar financial measures disclosed by other issuers. The Company defines unit cost measures as components of production costs calculated on a per unit basis (tonnes mined or tonnes processed). The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as costs of sales, certain investors use this information to evaluate the Company's operating performance and, in addition to sales, its ability to generate operating income and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating costs.

Reconciliation of Unit Cost Measures to Production Costs

The following table provides a reconciliation of unit cost measures to production costs as per the Condensed Consolidated Interim Statements of Operations and Comprehensive Income:

Table 19.

	Three Months Ended					
In millions of U.S. dollars, unless otherwise noted	**Mar 31, 2024**		Dec 31, 2023		Mar 31, 2023	
Gold sold (oz)	**111,642**		138,794		118,455	
Tonnes mined - open pit (kt)	**8,981**		9,626		9,354	
Tonnes mined - underground (kt)	**168**		212		156	
Tonnes processed (kt)	**1,194**		1,218		1,177	
Total cash costs:						
Total cash costs ($)	**102.5**		122.8		84.0	
Total cash costs per oz sold ($)	**918**		885		709	
Breakdown of production costs	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**
Mining - open pit	**31.6**	**3.52**	33.8	3.51	28.4	3.03
Mining - underground	**13.8**	**82.34**	16.3	77.02	12.6	80.42
Processing	**42.5**	**35.64**	45.5	37.36	39.7	33.72
Site support	**14.3**	**12.00**	14.1	11.58	12.1	10.25
Mexican profit sharing (PTU)	**3.0**	**2.50**	6.4	5.26	5.5	4.64
Capitalized stripping	**(0.8)**		–		(21.2)	
Inventory movement	**(4.3)**		–		3.5	
Other	**0.7**		0.4		0.9	
Production costs	**100.8**		116.5		81.5	

ADDITIONAL IFRS FINANCIAL MEASURES

The Company has included the additional IFRS measures “Earnings from mine operations” and “Net cash generated from operating activities before changes in non-cash operating working capital” in its financial statements.

“Earnings from mine operations” provides useful information to management and investors as an indication of the Company’s principal business activities before consideration of how those activities are financed, investments made in respect of sustaining capital expenditures, and costs of corporate general and administrative expenses, exploration and evaluation expenses, other expenses, foreign exchange gains and losses, derivative gains and losses, finance costs and income, and taxation.

“Net cash generated from operating activities before changes in non-cash operating working capital” provides useful information to management and investors as an indication of the cash flows from operations before consideration of the impact of changes in operating working capital in the period.

ECONOMIC TRENDS

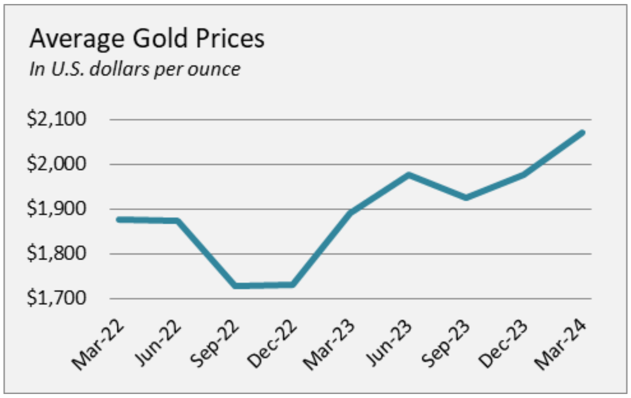
The market price for gold and foreign currency exchange rates are the most significant external factors that affect the Company’s financial performance.

Table 20.

		Three Months Ended	
		Mar 31, 2024	Mar 31, 2023
Average market spot prices[1]			
Gold	$/oz	**2,071**	1,891
Closing market exchange rates[2]			
Mexican peso : U.S. dollar	Peso : $	**16.7**	18.0
Canadian dollar : U.S. dollar	C$: $	**1.36**	1.35
Average market exchange rates[2]			
Mexican peso : U.S. dollar	Peso : $	**17.0**	18.7
Canadian dollar : U.S. dollar	C$: $	**1.35**	1.35

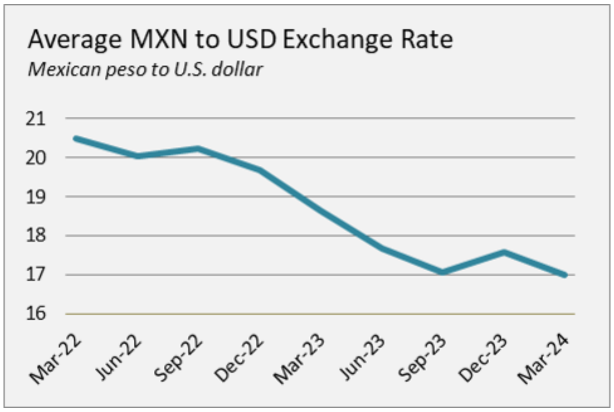
1. Source: Bloomberg
2. Sources: Bank of Mexico, Bank of Canada

Metal prices



The Company’s profitability and operating cash flows are significantly impacted by the price of gold. From December 31, 2023 to March 31, 2024 based on closing prices, gold prices increased 8%. From December 31, 2022 to March 31, 2023 based on closing prices, gold prices increased 8%. The Company has taken initiatives to mitigate price uncertainty during the development of the Media Luna Project. As at March 31, 2024, the remaining gold forward contracts to sell a total of 114,500 oz of gold between April 2024 and December 2024 have a weighted average price of $1,975 per oz. For details of the remaining gold forward contracts, refer to Table 24.

Foreign exchange rates



The functional currency of the Company and its subsidiaries is the U.S. dollar, and it is, therefore, exposed to financial risk related to foreign exchange rates. Changes in exchange rates are expected to have an impact on the Company's results. In particular, approximately 65% of the Company's payments for the three months ended March 31, 2024 were incurred in Mexican pesos. In addition, the Company is exposed to foreign exchange risk on its non-U.S. dollar denominated monetary assets and liabilities. The average exchange rates of the Mexican peso relative to the U.S. dollar were 17.0 and 18.7 pesos to $1 for the three months ended March 31, 2024, and 2023, respectively, representing an 8.8% appreciation in the Mexican peso. The Company has taken initiatives to mitigate price uncertainty during the development of the Media Luna Project.

As at March 31, 2024, the remaining MXN/USD foreign exchange collar contracts to settle a notional value of $43.5 million between April 2024 and December 2024 have a weighted average put strike (floor) rate of 17.38:1 and a weighted average call strike (ceiling) rate of 20.00:1. For details of the remaining foreign exchange collar contracts, refer to Table 23. In addition, approximately 45% of the remaining Media Luna Project capital expenditures are expected to be denominated in Mexican pesos. The annual impact of a change by 1 Mexican peso relative to the U.S. dollar is expected to be approximately $10 million on operating costs and approximately $15 million on the budgeted Media Luna Project spend of $874.5 million.

SUMMARY OF QUARTERLY RESULTS

Quarterly Results for the Eight Most Recently Completed Quarters

Table 22.

		2024	2023				2022		
In millions of U.S. dollars, unless otherwise noted		**Mar 31**	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Financial Results									
Revenue	$	**236.5**	282.4	160.1	211.3	228.8	216.5	209.3	235.0
Net income	$	**43.1**	50.4	10.5	75.3	68.2	34.6	43.9	70.3
Per share - Basic	$/share	**0.50**	0.59	0.12	0.88	0.79	0.40	0.51	0.82
Per share - Diluted	$/share	**0.50**	0.58	0.09	0.85	0.79	0.40	0.51	0.80

For each of the eight most recently completed quarters, the financial data was prepared in accordance with IFRS. The presentation and functional currency are in U.S. dollars. The quarterly results are unaudited. Sum of all the quarters may not add up to annual or year to date totals due to rounding.

Net income has fluctuated based on, among other factors, the quantity and grade of ore mined and processed, gold prices, foreign exchange rates, current and deferred income tax recoveries and expenses, cost of reagents consumed, interest income, and impairment losses. Gold prices affect the Company's realized sales prices of its gold production, and gains and losses on the gold forward contracts entered into. Fluctuations in the value of the Mexican peso and Canadian dollar relative to the U.S. dollar affect the Company's operating and corporate expenses, foreign currency derivative gains and losses, income taxes, and the value of non-U.S. dollar denominated monetary assets and liabilities such as cash, VAT receivables, accounts payable and lease-related obligations. Changes in the value of the Mexican peso also impact the tax basis of non-monetary assets and liabilities considered in the Company's deferred tax assets and liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

Refer to Notes 3 and 4 in the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 3 in the Company's condensed consolidated interim financial statements for the three months ended March 31, 2024 and Note 3 in the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

FINANCIAL RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk, interest rate risk, foreign currency risk and commodity price risk, and are detailed in Note 24 of the Company's audited consolidated financial statements for the years ended December 31, 2023 and 2022.

Foreign Currency Risk

In 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 between September 2023 and December 2024 for a total notional value of $107.3 million, with a weighted average put strike (floor) rate of 17.37:1 and a weighted average call strike (ceiling) rate of 20.00:1.

As at March 31, 2024, the remaining MXN/USD foreign exchange collar contracts to settle a notional value of $43.5 million between April 2024 and December 2024 have a weighted average put strike (floor) rate of 17.38:1 and a weighted average call strike (ceiling) rate of 20.00:1.

Table 23.

Settlement Date (Quarter)	Weighted Average Put Strike (Floor) Rate (MXN/USD)	Weighted Average Call Strike (Ceiling) Rate (MXN/USD)	Weighted Average Collar Amount (USD)
Q2 2024	17.38	20.00	24,500,000
Q3 2024	17.38	20.00	11,500,000
Q4 2024	17.38	20.00	7,500,000
Total	17.38	20.00	43,500,000

Commodity Price Risk

Gold prices have fluctuated widely in recent years, and there is no assurance that a profitable market will exist for gold produced by the Company. The Company has taken initiatives to mitigate price uncertainty during the development of the Media Luna Project.

In 2022, the Company executed monthly forward price contracts on future gold production to sell 198,000 oz of gold between October 2022 and December 2024 at a weighted average price of $1,919 per oz.

In 2023, the Company executed additional monthly forward price contracts on future gold production to sell 131,000 oz of gold between July 2023 and December 2024 at a weighted average price of $2,007 per oz.

As at March 31, 2024, the remaining gold forward contracts to sell a total of 114,500 oz of gold between April 2024 and December 2024 have a weighted average price of $1,975 per oz.

Table 24.

Settlement Date (Quarter)	Weighted Average Price ($/oz)	Quantity (oz)
Q2 2024	1,966	43,500
Q3 2024	2,006	44,000
Q4 2024	1,939	27,000
Total	1,975	114,500

RISKS AND UNCERTAINTIES

The Company is subject to various operational, financial, compliance and other risks, uncertainties, contingencies and other factors which could materially adversely affect the Company's future business, operations, and financial condition and could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described under the heading "Cautionary Notes".

Management monitors the principal risks and uncertainties to the Company's business, financial condition, and results of operations for new or elevated risks and supplements, when necessary, its disclosure under "Financial Risk Management" and below. Readers are cautioned that no enterprise risk management framework or system can ensure that all risks to the Company, at any point in time, are accurately identified, assessed, managed or effectively controlled and mitigated.

The nature of the Company's activities and the locations in which it operates mean that the Company's business generally is exposed to significant risk factors, known and unknown, many of which are beyond its control.

For a comprehensive discussion of risks faced by the Company, which may cause the actual financial results, performance or achievements of the Company to be materially different from the Company's estimated future results, performance or achievements expressed or implied by forward-looking information or forward-looking statements, please refer to the Company's latest Annual Information Form ("AIF"), filed on SEDAR+ at www.sedarplus.ca and available on the Company's website.

INTERNAL CONTROL OVER FINANCIAL REPORTING

The President and Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

There was no change in the Company's internal control over financial reporting that occurred during the first quarter of 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's President and Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the design of the disclosure controls and procedures, that as at March 31, 2024, the Company's disclosure controls and procedures have been designed effectively to provide reasonable assurance that material information is made known to them by others within the Company.

Limitations of Controls and Procedures

The Company's management, including the President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

QUALIFIED PERSONS

The scientific and technical information contained in this MD&A pertaining to Mineral Reserves and Mineral Resources have been reviewed and approved by Johannes (Gertjan) Bekkers, P.Eng., Vice President, Mine Technical Services of Torex Gold Resources Inc. and a Qualified Person under NI 43-101.

All other scientific and technical information contained in this MD&A has been reviewed and approved by Dave Stefanuto, P. Eng., Executive Vice President, Technical Services and Capital Projects of Torex Gold Resources Inc. and a Qualified Person under NI 43-101.

ADDITIONAL INFORMATION

Additional information relating to the Company, including the Company's most recent annual information form, is filed on SEDAR+ at www.sedarplus.ca, and is available upon request from the Company.

Mineral Reserve Estimate – Morelos Complex (December 31, 2023)

Table 25.

	Tonnes (kt)	Au (gpt)	Ag (gpt)	Cu (%)	Au (koz)	Ag (koz)	Cu (Mlb)	AuEq (gpt)	AuEq (koz)
Media Luna Underground									
Proven	2,001	4.28	33.1	1.09	276	2,129	48	6.48	417
Probable	21,568	2.56	24.2	0.84	1,775	16,749	401	4.24	2,943
Proven & Probable	**23,569**	**2.71**	**24.9**	**0.86**	**2,050**	**18,877**	**448**	**4.43**	**3,360**
ELG Underground									
Proven	1,497	5.77	8.0	0.30	277	385	10	6.28	302
Probable	2,007	4.91	7.5	0.29	317	482	13	5.46	352
Proven & Probable	**3,504**	**5.28**	**7.7**	**0.30**	**594**	**867**	**23**	**5.81**	**654**
ELG Open Pit									
Proven	1,813	4.30	5.4	0.16	251	313	6	4.36	254
Probable	3,741	2.51	4.5	0.20	302	538	16	2.58	310
Proven & Probable	**5,553**	**3.09**	**4.8**	**0.18**	**552**	**851**	**23**	**3.16**	**565**
Surface Stockpiles									
Proven	4,972	1.17	2.8	0.07	187	443	8	1.20	192
Probable	-	-	-	-	-	-	-	-	-
Proven & Probable	**4,972**	**1.17**	**2.8**	**0.07**	**187**	**443**	**8**	**1.20**	**192**
Total Morelos Complex									
Proven	10,283	3.00	9.9	0.32	991	3,269	72	3.52	1,165
Probable	27,316	2.73	20.2	0.71	2,393	17,769	430	4.11	3,606
Proven & Probable	**37,598**	**2.80**	**17.4**	**0.61**	**3,384**	**21,038**	**502**	**3.95**	**4,771**

Notes to accompany Mineral Reserve table:
1. Mineral reserves were developed in accordance with CIM (2014) guidelines.
2. Rounding may result in apparent summation differences between tonnes, grade, and contained metal content. Surface stockpile mineral reserves are estimated using production and survey data and apply the same gold equivalent ("AuEq") formula as ELG Open Pits.
3. AuEq of total reserves is established from combined contributions of the various deposits.
4. The qualified person for the mineral reserve estimate is Johannes (Gertjan) Bekkers, P. Eng., VP of Mines Technical Services.
5. The qualified person is not aware of mining, metallurgical, infrastructure, permitting, or other factors that materially affect the mineral reserve estimates.

Notes to accompany the Media Luna Underground Mineral Reserves:
1. Mineral reserves are based on Media Luna Measured & Indicated mineral resources with an effective date of December 31, 2023.
2. Media Luna Underground mineral reserves are reported above an in-situ ore cut-off grade of 2.4 gpt AuEq.
3. Media Luna Underground cut-off grades and mining shapes are considered appropriate for a metal price of $1,500/oz gold ("Au"), $19/oz silver ("Ag") and $3.50/lb copper ("Cu") and metal recoveries of 90% Au, 86% Ag, and 93% Cu.

4. Mineral reserves within designed mine shapes assume long-hole open stoping, supplemented with mechanized cut-and-fill mining and includes estimates for dilution and mining losses.
5. Media Luna Underground AuEq = Au (gpt) + Ag (gpt) * (0.0121) + Cu (%) * (1.6533), accounting for metal prices and metallurgical recoveries.

Notes to accompany the ELG Underground Mineral Reserves:

1. Mineral reserves are founded on Measured and Indicated mineral resources, with an effective date of December 31, 2023, for ELG Underground (including Sub-Sill, El Limón Deep and El Limón Sur Trend deposits).
2. ELG Underground mineral reserves are reported above an in-situ ore cut-off grade of 2.8 gpt AuEq and an in-situ incremental cut-off grade of 1.6 gpt AuEq.
3. Cut-off grades and mining shapes are considered appropriate for a metal price of $1,500/oz gold ("Au"), $19/oz silver ("Ag") and $3.50/lb copper ("Cu") and metal recoveries of 90% Au, 86% Ag, and 93% Cu, accounting for the planned copper concentrator.
4. Mineral reserves within designed mine shapes assume mechanized cut and fill mining method and include estimates for dilution and mining losses.
5. Mineral reserves are reported using an Au price of US$1,500/oz, Ag price of US$19/oz, and Cu price of US$3.50/lb.
6. ELG Underground AuEq = Au (gpt) + Ag (gpt) * (0.0121) + Cu (%) * (1.6533), accounting for metal prices and metallurgical recoveries.

Notes to accompany ELG Open Pit Mineral Reserves and Surface Stockpiles:

1. Mineral reserves are founded on Measured and Indicated mineral resources, with an effective date of December 31, 2023, for El Limón and El Limón Sur deposits.
2. ELG Open Pit mineral reserves are reported above an in-situ cut-off grade of 1.2 gpt Au.
3. ELG Low Grade mineral reserves are reported above an in-situ cut-off grade of 0.88 gpt Au.
4. It is planned that ELG Low Grade mineral reserves within the designed pits will be stockpiled during pit operation and processed during pit closure.
5. Mineral reserves within the designed pits include assumed estimates for dilution and ore losses.
6. Cut-off grades and designed pits are considered appropriate for a metal price of $1,500/oz Au and metal recovery of 89% Au.
7. Mineral reserves are reported using an Au price of US$1,500/oz, Ag price of US$19/oz, and Cu price of US$3.50/lb.
8. Average metallurgical recoveries of 89% for Au, 30% for Ag, and 15% for Cu.
9. ELG Open Pit (including surface stockpiles) AuEq = Au (gpt) + Ag (gpt) * (0.0043) + Cu (%) * (0.2697), accounting for metal prices and metallurgical recoveries.

Mineral Resource Estimate – Morelos Complex (December 31, 2023)

Table 26.

	Tonnes (kt)	Au (gpt)	Ag (gpt)	Cu (%)	Au (koz)	Ag (koz)	Cu (Mlb)	AuEq (gpt)	AuEq (koz)
Media Luna Underground									
Measured	1,835	5.26	41.7	1.37	310	2,463	55	8.00	472
Indicated	25,616	2.99	29.5	1.04	2,463	24,328	585	5.03	4,146
Measured & Indicated	**27,451**	**3.14**	**30.4**	**1.06**	**2,774**	**26,791**	**640**	**5.23**	**4,618**
Inferred	7,330	2.54	23.0	0.88	598	5,408	142	4.25	1,001
ELG Underground									
Measured	3,451	5.48	7.9	0.32	608	876	24	6.10	677
Indicated	4,725	4.46	7.4	0.30	677	1,126	31	5.03	765
Measured & Indicated	**8,176**	**4.89**	**7.6**	**0.31**	**1,285**	**2,002**	**55**	**5.48**	**1,441**
Inferred	2,396	4.60	8.0	0.35	355	620	19	5.28	407
EPO Underground									
Measured	-	-	-	-	-	-	-	-	-
Indicated	6,979	2.66	30.0	1.27	597	6,728	195	5.14	1,153
Measured & Indicated	**6,979**	**2.66**	**30.0**	**1.27**	**597**	**6,728**	**195**	**5.14**	**1,153**
Inferred	4,960	2.00	37.0	1.24	318	5,908	136	4.52	721
ELG Open Pit									
Measured	1,812	4.41	5.5	0.16	257	323	6	4.47	261
Indicated	4,299	2.50	4.4	0.18	346	606	17	2.57	355
Measured & Indicated	**6,110**	**3.07**	**4.7**	**0.17**	**602**	**929**	**23**	**3.13**	**615**
Inferred	399	2.06	1.5	0.05	26	19	0	2.08	27
Total Morelos Complex									
Measured	7,098	5.15	16.0	0.55	1,175	3,662	86	6.18	1,409
Indicated	41,619	3.05	24.5	0.90	4,083	32,787	827	4.80	6,418
Measured & Indicated	**48,717**	**3.36**	**23.3**	**0.85**	**5,258**	**36,449**	**913**	**5.00**	**7,828**
Inferred	15,085	2.67	24.7	0.89	1,297	11,955	297	4.45	2,156

Notes to accompany the Mineral Resource Table:

1. CIM (2014) definitions were followed for mineral resources.
2. Mineral resources are depleted above a mining surface or to the as-mined solids as of December 31, 2023.
3. Gold equivalent ("AuEq") of total mineral resources is established from combined contributions of the various deposits.
4. Mineral resources for all deposits are based on an underlying gold ("Au") price of US$1,650/oz, silver ("Ag") price of US$22/oz, and copper ("Cu") price of US$3.75/lb.
5. Mineral resources are inclusive of mineral reserves.
6. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.
8. The estimate was prepared by Ms. Carolina Milla, P.Eng. (Alberta), Principal, Mineral Resources.

Notes to accompany Media Luna Underground Mineral Resources:

1. The effective date of the estimate is December 31, 2023.
2. Mineral resources for Media Luna Underground are reported above a 2.0 gpt AuEq cut-off grade.
3. Metallurgical recoveries at Media Luna Underground average 90% Au, 86% Ag, and 93% Cu.
4. The assumed mining method is from underground methods, using a combination of long-hole open stoping and mechanized cut-and-fill.
5. Media Luna Underground AuEq = Au (gpt) + (Ag (gpt) * 0.0127) + (Cu (%) * 1.6104), accounting for underlying metal prices and metallurgical recoveries for Media Luna Underground.

Notes to accompany the ELG Underground Mineral Resources:

1. The effective date of the estimate is December 31, 2023.
2. Mineral resources for ELG Underground are reported above a cut-off grade of 2.2 gpt AuEq.
3. Average metallurgical recoveries are 90% Au, 86% Ag, and 93% Cu, accounting for recoveries with planned copper concentrator.
4. The assumed mining method is underground cut and fill.
5. ELG Underground AuEq = Au (gpt) + (Ag (gpt) * 0.0127) + (Cu (%) * 1.6104), accounting for underlying metal prices and metallurgical recoveries for ELG Underground.

Notes to accompany EPO Underground Mineral Resources:

1. The effective date of the estimate is December 31, 2023.
2. Mineral resources for EPO Underground are reported above a 2.0 gpt AuEq cut-off grade.
3. Metallurgical recoveries at EPO average 87% Au, 85% Ag, and 92% Cu.
4. The assumed mining method is from underground methods, using long-hole open stoping.
5. EPO Underground AuEq = Au (gpt) + (Ag (gpt) * 0.0130) + (Cu (%) * 1.6480), accounting for underlying metal prices and metallurgical recoveries for EPO Underground.

Notes to accompany ELG Open Pit Mineral Resources:

1. The effective date of the estimate is December 31, 2023.
2. Mineral resources for ELG Open Pit are reported above an in-situ cut-off grade of 0.78 gpt Au.
3. Average metallurgical recoveries are 89% Au, 30% Ag, and 15% Cu.
4. Mineral resources are reported inside an optimized pit shell, underground mineral reserves at ELD within the El Limón pit shell have been excluded from the open pit mineral resources.
5. ELG Open Pit AuEq = Au (gpt) + (Ag (gpt) * 0.0045) + (Cu (%) * 0.2627), accounting for underlying metal prices and metallurgical recoveries for ELG Open Pit.

CAUTIONARY NOTES

Forward-Looking Statements

This MD&A contains “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the future mining, development and exploration plans concerning the Morelos Property; the adequacy of the Company’s financial resources; the Company’s key strategic objectives to integrate and optimize its Morelos Property, deliver Media Luna to full production, grow reserves and resources, disciplined growth and capital allocation, retain and attract best industry talent and build on ESG excellence; plans to realize the full potential of the Morelos Property and opportunities to acquire assets that enable diversification and deliver value to shareholders; the Company’s 2024 guidance and objectives as described in the MD&A; the exploration strategic priorities of the Company, and the summary of the Media Luna Project schedule. Forward-looking information also includes, but is not limited to, the following forward-looking statements: with the solid start to the year, the Company is on track to achieve annual production guidance of 400,000 to 450,000 oz. On a gold equivalent ounce basis ("oz AuEq"), the Company produced 117,306 oz AuEq and is on track to achieve guidance of 410,000 to 460,000 oz AuEq; costs are expected to decrease through 2024 as stripping requirements continue to decline with the wind down of the open pits and as such, the Company is on track to achieve full year total cash costs guidance of $860 to $910 per oz and all-in sustaining costs guidance of $1,100 to $1,160 per oz; on a gold equivalent ounce basis, total cash costs of $943 per oz AuEq sold and all-in sustaining costs of $1,221 per oz AuEq sold relative to guidance of $900 to $950 per oz AuEq sold and $1,130 to $1,190 per oz AuEq sold, respectively; a remaining Media Luna Project spend of $257.1 million; the strength of the Mexican peso remains a headwind to contend with; quarterly expenditures are expected to remain above $100 million through Q3 2024 before declining in Q4 2024 as Media Luna nears completion and commercial production is subsequently declared; at ELG Underground, Proven and Probable reserves increased to 654 koz AuEq, extending the reserve life out to late 2028; the updated resource will form the basis of an internal prefeasibility study to be completed in the second half of 2024; the positive results from the 2023 drilling program support the Company’s goal to maintain annual production of more than 450,000 oz AuEq beyond 2027 and extend the overall life of the Morelos Complex well beyond 2033; the expected increased contribution of copper and silver production starting in late 2024 upon completion of the Media Luna Project; with continued stable performance expected from ELG in 2024, complemented by the plan to start processing ore from Media Luna in Q4, the Company is well-positioned to deliver on full year production guidance of 400,000 to 450,000 oz (410,000 to 460,000 oz AuEq) for the sixth consecutive year; with approximately 12,700 oz of gold in finished inventory as at March 31, 2024, it is expected that the level of finished inventory will decline over the coming quarters; for 2024, depreciation and amortization expense is expected to range between $175 to $200 million; for 2024, other expenses are expected to be approximately $10 million; safety and reporting of all incidents, including near misses, continues to be a key focus; an optimized implementation plan across the underground mobile fleet following the installation of the 5G/LTE network in the Underground mine to be completed in late 2024; the Company is on track to achieve its 2024 objective of zero reportable spills of 1,000 litres or more that report to a natural water body; progress continued on the construction of the Company's new solar facility, which is a key component of the Company's climate change strategy and target to achieve a 10% absolute reduction in Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 2030 against the 2021 baseline; timing of completion and commissioning is pending the receipt of an operating permit from the energy regulator in Mexico; approximately 45% of the remaining expenditures are expected to be denominated in pesos and the level hedged represents approximately 38% of the peso-denominated expenditures; based on the current schedule, the tie-in of upgrades to the processing plant are still on track to occur over a four-week period during Q4 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production in early 2025; as engineering works near completion, both surface and underground teams continue to focus on electrical deliverables, such as electrical schematics, and are working closely with vendors to expedite purchase orders and compress delivery timelines where possible; the paste plant filter presses have completed testing and are expected to be delivered in early August; conveyor belt segments have arrived at site and belt splicing (flaking) has started in anticipation of installation commencing mid-Q2, well ahead of commissioning in August; on the south side of the Balsas River, all concrete for the paste plant thickener area has been poured, with the balance of the plant concrete to be completed during the second quarter to facilitate the start of steel erection in May; electrical equipment, specifically, remains a focus to manage schedule risk given the long-lead times for delivery of this equipment (e-houses and switch gear); the Company's strategy to grow reserves and resources and to optimize and extend the current mine life at ELG with a view to filling the mill with higher-grade feed beyond 2027; the Company's five-year strategic exploration plan is to extend and sustain production of 450,000 oz AuEq or more beyond 2027, while also fostering organic growth through enhanced production or through standalone discoveries; in 2024, the Company plans to invest $30.0 million in exploration and drilling with a total of approximately 91,000 m of drilling planned; advanced exploration drilling to follow up on previously identified high-grade intercepts is expected to start in May in lateral extension at El Limón Sur Trend and at El Limón West; at EPO, drilling is underway with 1,034 m completed to date with two rigs and the program is planned to complete 24,000 m of delineation drilling in 2024; at Media Luna West, the Advanced Exploration program for 2024 includes 9,500 m of drilling and it is being executed with one rig; the Company expects to fund the development of the Media Luna Project and its exploration plans using available liquidity, forecasted future cash flow, and available credit facilities; gold equivalent production is expected to be relatively consistent through the first three quarters of 2024, with the lowest quarter of production in Q4 given the planned one-month shutdown of the processing plant; during the shutdown, upgrades to the processing plant will be carried out as part of the Media Luna Project, including the tie-in of the copper and iron sulphide flotation circuits, regrind mills and water treatment plant, as well as the installation of a variable speed drive on the ball mill; the Company entered into a power purchase agreement for the delivery of 236,520 megawatt hours of electricity per year over a period of five years, which is expected to commence in the second half of 2024, at a fixed rate per megawatt hour, subject to annual inflation adjustments; and approximately 45% of the remaining Media Luna Project capital expenditures are expected to be denominated in Mexican pesos.

Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans," "expects," or "does not expect," "is expected," "budget," "scheduled," "goal," "estimates," "forecasts," "intends," "anticipates," or "does not anticipate," "believes", "potential", "objective", "target", "guided", "trends" or "tends" or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "will occur," or "be achieved." Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks factors included herein and elsewhere in the Company's public disclosure, including without limitation the Technical Report, the AIF, annual MD&A and the Climate Change Report.

Forward-looking information and statements are based on the assumptions discussed in the Technical Report, AIF and this MD&A, the annual MD&A, the Climate Change Report, and such other reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. The forward-looking information contained herein is presented for the purposes of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

May 7, 2024