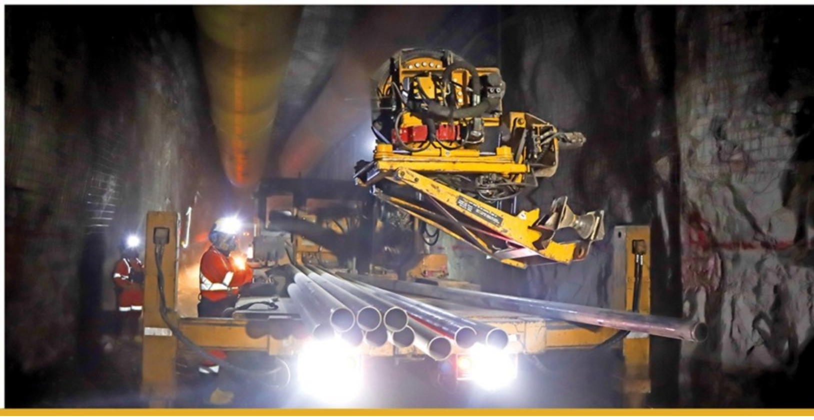
Torex Gold
RESOURCES INC.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 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 August 6, 2024 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three and six months ended June 30, 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 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:** As at June 30, 2024, the lost-time injury frequency ("LTIF") for the Morelos Complex was 0.22 per million hours worked for both employees and contractors on a rolling 12-month basis. The Company recorded two lost-time injuries at the Media Luna Project during the quarter with an employee suffering a hand injury and a contractor suffering an eye injury.

- **Gold production:** Delivered gold production of 113,822 ounces ("oz") for the quarter (YTD - 229,316 oz) with an average gold recovery of 90.5% (YTD - 90.6%), the second consecutive quarter with recoveries above 90%. Throughput rates remained above 13,000 tonnes per day ("tpd") for the sixth consecutive quarter, averaging 13,214 tpd (YTD - 13,166 tpd). With the strong production through the first half of the year, the Company is on track to achieve annual production guidance of 400,000 to 450,000 oz, which assumes a planned one-month shutdown of the processing plant in the fourth quarter as part of the Media Luna Project. On a gold equivalent ounce basis ("oz AuEq"), the Company produced 116,350 oz AuEq[1] for the quarter (YTD - 233,591 oz AuEq[1]) and is on track to achieve guidance of 410,000 to 460,000 oz AuEq[1].

- **Gold sold**: Sold 113,513 oz of gold (YTD - 225,155 oz) at an average realized gold price[2] of $2,193 per oz (YTD - $2,109 per oz), contributing to revenue of $270.3 million (YTD - $506.8 million). On a gold equivalent ounce basis, the Company sold 115,890 oz AuEq[1] for the quarter (YTD - 229,996 oz AuEq[1]). The average realized gold price in the second quarter of 2024 includes a realized loss of $16.0 million or $141 per oz (YTD - $21.4 million or $95 per oz) on gold forward contracts.

- **Total cash costs[2] and all-in sustaining costs[2]:** Total cash costs were $1,014 per oz sold (YTD - $966 per oz sold) and all-in sustaining costs were $1,239 per oz sold (YTD - $1,220 per oz sold). All-in sustaining costs margin[2] were $954 per oz sold (YTD - $889 per oz sold), implying an all-in sustaining costs margin[2] of 44% (YTD - 42%). Cost of sales was $166.3 million (YTD - $323.7 million) or $1,465 per oz sold in the quarter (YTD - $1,438 per oz sold). Higher costs quarter-over-quarter reflect higher royalties and Mexican profit sharing given the $268 per oz increase in average spot gold price. Costs are expected to decrease through the second half of 2024 as stripping requirements continue to decline with the wind down of the open pits. The Company expects to be at the upper end of full year total cash costs guidance of $860 to $910 per oz sold and all-in sustaining costs guidance of $1,100 to $1,160 per oz sold primarily due to higher gold prices (guidance assumed a gold price of $1,900 per oz) resulting in increased Mexican profit sharing and royalties, as well as the strength of the average value of the Mexican peso through the first half of the year. On a gold equivalent ounce basis, total cash costs were $1,040 per oz AuEq sold[1] (YTD - $992 per oz AuEq sold[1]) and all-in sustaining costs were $1,260 per oz AuEq sold[1] (YTD - $1,241 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 $1.9 million or earnings of $0.02 per share on a basic and diluted basis (YTD - $45.0 million, or $0.52 per share on a basic and diluted basis), significantly impacted by deferred income tax expense of $51.4 million, largely due to the 10% depreciation of the Mexican peso, which closed the quarter at 18.4:1 against the U.S. dollar versus the quarterly average of 17.2:1. Adjusted net earnings of $52.4 million or $0.61 per share on a basic basis and $0.60 per share on a diluted basis (YTD - $88.3 million, or $1.03 per share on a basic basis and $1.02 per share on a diluted basis). Net income includes a net derivative loss of $10.1 million (YTD - $26.3 million loss) related to gold forward contracts and foreign exchange collars entered into to mitigate downside price risk during the construction of the Media Luna Project. In the second quarter of 2024, the Company entered into an additional series of zero-cost collars to hedge against changes in foreign exchange rates of the Mexican peso between July 2024 and December 2024 for a total notional value of $23.7 million. Subsequent to June 30, 2024, the Company entered into an additional series of zero-cost collars to hedge against the impact of changes in foreign exchange rates of the Mexican peso on production costs between January 2025 and December 2025 for a total notional value of $48.0 million.

- **EBITDA[2] and adjusted EBITDA[2]:** Generated EBITDA of $123.3 million (YTD - $221.3 million) and adjusted EBITDA of $121.2 million (YTD - $234.4 million).

- **Cash flow generation:** Net cash generated from operating activities totalled $97.4 million (YTD - $177.2 million) and $112.5 million (YTD - $185.0 million) before changes in non-cash operating working capital, including income taxes paid of $10.2 million (YTD - $54.1 million) and $23.9 million paid in the second quarter of 2024 in relation to the site-based employee profit sharing program for 2023 in Mexico. Negative free cash flow[2] of $62.3 million (YTD - $111.4 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 $108.2 million (YTD - $234.6 million) invested in the Media Luna Project.

- **Strong financial liquidity:** The quarter closed with $345.8 million in available liquidity[2], including $108.7 million in cash and $237.1 million available on the credit facilities of $300.0 million, net of borrowings of $55.0 million and letters of credit outstanding of $7.9 million. In July, the Company amended the credit facilities with a syndicate of international banks, replacing the Term Loan Facility (previously $100.0 million available through to the end of 2024), with an increase in the Revolving Credit Facility to $300.0 million (an increase from $200.0 million), with a maturity date in December 2027 (extended from the 2026 maturity) and a $150.0 million accordion feature which is available at the discretion of the lenders. The amended credit facility continues to include sustainability-linked KPIs, which have now been established for 2025 and 2026.

- **Media Luna Project:** As of June 30, 2024, physical progress on the Project was approximately 78%, with detailed engineering, procurement activities, underground development, and surface construction advancing. 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 the fourth quarter of 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production expected in the first quarter of 2025. As a result of near completion of engineering and procurement activities, and incorporating the strength of the Mexican peso, budgeted project capital expenditures have been updated to $950.0 million. This represents a $75.5 million increase (+8.6%) over the original budget of $874.5 million. The key driver is the stronger Mexican peso which represents $48.0 million (+5.5%) of the increase, with the remaining $27.5 million (+3.1%) related to out-of-scope items and additional carryover costs as commercial production is now expected to be declared towards the middle of the first quarter of 2025. For the full year, Media Luna Project spend is now expected to be between $430.0 and $450.0 million versus original guidance of $350.0 to $400.0 million. During the quarter, Media Luna Project expenditures totalled $108.2 million (YTD - $234.6 million), with a remaining project spend of $224.4 million.

- **Release of the 2023 Responsible Gold Mining Report:** In May, the Company released its 2023 Responsible Gold Mining Report (RGMR), the Company's ninth annual disclosure of its ESG performance. The Report can be found on the Company's website at www.torexgold.com.

- **Exploration Strategy:** In June, the Company outlined the Morelos Property's multi-year exploration strategy[3] which is expected to enable the Company to deliver on its objective of maintaining more than 450,000 oz AuEq of production annually beyond 2027 and to make at least one new discovery at the Morelos Property in the coming years. The exploration and drilling strategy will focus on three distinct areas: extending the mine life of ELG Underground and Media Luna through infill and near-mine step-out drilling; expanding resources within the Media Luna Cluster, including at Media Luna, EPO, Media Luna West, Media Luna East, and Todos Santos; and advancing targets through the growth pipeline by delivering new discoveries, including at El Naranjo, Atzcala, Esperanza, Querenque, Tecate, El Olvido, and Victoria.

- **Exploration and Drilling Activities:** In June, the Company announced initial assay results from the 2024 drilling program at ELG Underground[4]. Newly reported drill holes confirm mineralization beyond the boundary of known resources – to the south and at depth at the El Limón Sur Trend, to the west along the El Limón Deep Trend, and to the north along the Sub-Sill Trend. Overall, initial results from the 2024 drilling program at ELG Underground continued to build off the success of the programs from prior years, demonstrating the potential to grow mineral resources, extend high-grade mineralization, and support extending the reserve life of ELG Underground beyond 2028.

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 market prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" for the relevant average market prices by commodity and "Guidance" 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 For more information on the multi-year exploration strategy, see the Company's news release titled "Torex Gold Outlines Multi-Year Exploration Strategy" issued on June 10, 2024, and filed on SEDAR+ at www.sedarplus.ca and on the Company's website at www.torexgold.com.

4 For more information on ELG Underground drilling results, see the Company's news release titled "Torex Gold Reports Positive Results From The 2024 ELG Underground Drilling Program" issued on June 27, 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 **Jun 30, 2024**	Three Months Ended Mar 31, 2024	Three Months Ended Jun 30, 2023	Six Months Ended **Jun 30, 2024**	Six Months Ended Jun 30, 2023
Safety						
Lost-time injury frequency[1]	/million hours	**0.22**	0.15	0.58	**0.22**	0.58
Total recordable injury frequency[1]	/million hours	**1.44**	0.97	1.66	**1.44**	1.66
Operating Results - Gold only basis						
Gold produced	oz	**113,822**	115,494	107,507	**229,316**	230,425
Gold sold	oz	**113,513**	111,642	105,749	**225,155**	224,204
Total cash costs[2]	$/oz	**1,014**	918	848	**966**	775
All-in sustaining costs[2]	$/oz	**1,239**	1,202	1,308	**1,220**	1,187
Average realized gold price[2]	$/oz	**2,193**	2,023	1,960	**2,109**	1,928
Operating Results - Gold Equivalent basis						
Gold equivalent produced[3]	oz AuEq	**116,350**	117,240	108,878	**233,591**	233,669
Gold equivalent sold[3]	oz AuEq	**115,890**	114,106	107,446	**229,996**	228,096
Total cash costs[2,3]	$/oz AuEq	**1,040**	944	866	**992**	796
All-in sustaining costs[2,3]	$/oz AuEq	**1,260**	1,222	1,319	**1,241**	1,201
Financial Results						
Revenue	$	**270.3**	236.5	211.3	**506.8**	440.1
Cost of sales	$	**166.3**	157.4	138.1	**323.7**	275.5
Earnings from mine operations	$	**104.0**	79.1	73.2	**183.1**	164.6
Net income	$	**1.9**	43.1	75.3	**45.0**	143.5
Per share - Basic	$/share	**0.02**	0.50	0.88	**0.52**	1.67
Per share - Diluted	$/share	**0.02**	0.50	0.85	**0.52**	1.66
Adjusted net earnings[2]	$	**52.4**	35.9	37.9	**88.3**	88.2
Per share - Basic[2]	$/share	**0.61**	0.42	0.44	**1.03**	1.03
Per share - Diluted[2]	$/share	**0.60**	0.42	0.44	**1.02**	1.02
EBITDA[2]	$	**123.3**	98.0	125.3	**221.3**	227.8
Adjusted EBITDA[2]	$	**121.2**	113.2	105.7	**234.4**	238.4
Cost of sales - gold only basis	$/oz	**1,465**	1,410	1,306	**1,438**	1,229
Net cash generated from operating activities	$	**97.4**	79.8	89.6	**177.2**	136.6
Net cash generated from operating activities before changes in non-cash operating working capital	$	**112.5**	72.5	92.8	**185.0**	154.7
Free cash flow[2]	$	**(62.3)**	(49.1)	(37.4)	**(111.4)**	(91.4)
Cash and cash equivalents	$	**108.7**	113.2	285.3	**108.7**	285.3
Debt, net of deferred finance charges	$	**53.9**	–	–	**53.9**	–
Lease-related obligations	$	**59.0**	44.0	11.5	**59.0**	11.5
Net (debt) cash[2]	$	**(5.3)**	69.2	273.8	**(5.3)**	273.8
Available liquidity[2]	$	**345.8**	405.3	527.4	**345.8**	527.4

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 (debt) 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 market prices for each commodity sold in the period. Refer to “Gold Equivalent Reporting” for the relevant average market prices by commodity.

SECOND 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), megawatt (MW), kilovoltage (kV), 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 (debt) 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. 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 the first quarter of 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 leading to commercial production of Media Luna towards the middle of Q1 2025. Gold equivalent ounces produced and sold includes production of silver and copper converted to a gold equivalent based on a ratio of the average market prices for each commodity sold in the period. The following table provides a summary of the quantities produced and sold and average market prices for each commodity in the respective periods.

Table 2.

		Three Months Ended			Six Months Ended	
		Jun 30, 2024	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Gold produced	oz	**113,822**	115,494	107,507	**229,316**	230,425
Gold sold	oz	**113,513**	111,642	105,749	**225,155**	224,204
Gold equivalent produced	oz AuEq	**116,350**	117,240	108,878	**233,591**	233,669
Gold equivalent sold	oz AuEq	**115,890**	114,106	107,446	**229,996**	228,096
Average market gold price[1]	$/oz	**2,338**	2,070	1,976	**2,203**	1,932
Silver produced	koz	**58.2**	53.1	49.6	**111.3**	110.1
Silver sold	koz	**53.1**	63.5	53.9	**116.6**	118.2
Average market silver price[1]	$/oz	**28.84**	23.34	24.13	**26.07**	23.31
Copper produced	mlb	**1.0**	0.6	0.4	**1.6**	0.9
Copper sold	mlb	**0.9**	0.9	0.5	**1.8**	1.2
Average market copper price[1]	$/lb	**4.42**	3.83	3.84	**4.12**	3.95

1. Based on the London Bullion Market Association ("LBMA") PM fix for gold, LBMA fix for silver and London Metal Exchange ("LME") cash-settlement price for copper.

GUIDANCE

The Company's annual production, cost and sustaining capital expenditure guidance for 2024 remains unchanged and there has been no change to the operational outlook for 2024. Media Luna Cluster drilling and other non-sustaining capital expenditure guidance also remains unchanged.

Non-sustaining capital expenditure guidance for Media Luna has been revised upward to $430.0 to $450.0 million (previously $350.0 to $400.0 million), primarily due to the stronger Mexican peso and out-of-scope items.

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

Table 3.

In millions of U.S. dollars, unless otherwise noted		Initial 2024 Guidance[1]	Revised 2024 Guidance	Q2 2024 YTD Performance
Production				
Gold	oz	400,000 to 450,000	No change	229,316
Gold Equivalent[2]	oz AuEq	410,000 to 460,000	No change	233,591
Total Cash Costs[3]				
By-Product basis	$/oz	860 to 910	No change	966
Gold Equivalent basis	$/oz AuEq	900 to 950	No change	992
All-in Sustaining Costs[3]				
By-Product basis	$/oz	1,100 to 1,160	No change	1,220
Gold Equivalent basis	$/oz AuEq	1,130 to 1,190	No change	1,241
Sustaining Capital Expenditures[3]				
Sustaining Capital Expenditures	$	50 to 60	No change	38.0
Capitalized Stripping	$	5	No change	1.4
Total Sustaining Capital Expenditures	$	55 to 65	No change	39.4
Non-Sustaining Capital Expenditures[3]				
Media Luna Project	$	350 to 400	430 to 450	234.6
Media Luna Cluster Drilling/ Other	$	10 to 15	No change	3.2
Total Non-Sustaining Capital Expenditures	$	360 to 415	440 to 465	237.8

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 six months ended June 30, 2024, refer to "Gold Equivalent Reporting" for the relevant average market 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 the fourth quarter, 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, which assumes a planned one-month shutdown of the processing plant in the fourth quarter as part of the Media Luna Project.

The Company expects to be at the upper end of full year total cash costs guidance of $860 to $910 per oz sold and all-in sustaining costs guidance of $1,100 to $1,160 per oz sold primarily due to higher gold prices (guidance assumed a gold price of $1,900 per oz) resulting in increased Mexican profit sharing and royalties, as well as the strength of the average value of the Mexican peso through the first half of the year. The higher gold price experienced during the first half of 2024 relative to the $1,900 per oz assumed in the 2024 guidance resulted in higher royalties (second quarter of 2024 impact of $13 per oz and first half of 2024 impact of $9 per oz) and Mexican profit sharing (second quarter of 2024 impact of $29 per oz and first half of 2024 impact of $21 per oz).

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 4.

In millions of U.S. dollars, unless otherwise noted		**Three Months Ended Jun 30, 2024**	Three Months Ended Jun 30, 2023	**Six Months Ended Jun 30, 2024**	Six Months Ended Jun 30, 2023
Revenue	$	**270.3**	211.3	**506.8**	440.1
Gold	$	**264.9**	207.9	**496.2**	432.3
Silver	$	**1.6**	1.3	**3.1**	2.8
Copper	$	**3.8**	2.1	**7.5**	5.0
Cost of sales	$	**166.3**	138.1	**323.7**	275.5
Production costs	$	**113.0**	86.7	**213.8**	168.2
Royalties	$	**7.5**	6.4	**14.4**	13.3
Depreciation and amortization	$	**45.8**	45.0	**95.5**	94.0
Earnings from mine operations	$	**104.0**	73.2	**183.1**	164.6
General and administrative expenses	$	**8.1**	4.2	**20.4**	14.4
Exploration and evaluation expenses	$	**2.9**	1.6	**4.1**	3.2
Other expenses	$	**2.1**	1.6	**3.3**	2.2
Derivative loss (gain), net	$	**10.1**	(14.7)	**26.3**	11.9
Finance income, net	$	**(1.0)**	(3.2)	**(2.7)**	(6.2)
Foreign exchange loss (gain)	$	**3.4**	0.2	**3.4**	(0.8)
Current income tax expense	$	**25.1**	18.6	**51.3**	35.4
Deferred income tax expense (recovery)	$	**51.4**	(10.4)	**32.0**	(39.0)
Net income	$	**1.9**	75.3	**45.0**	143.5
Per share - Basic	$/share	**0.02**	0.88	**0.52**	1.67
Per share - Diluted	$/share	**0.02**	0.85	**0.52**	1.66
Adjusted net earnings[1]	$	**52.4**	37.9	**88.3**	88.2
Per share - Basic[1]	$/share	**0.61**	0.44	**1.03**	1.03
Per share - Diluted[1]	$/share	**0.60**	0.44	**1.02**	1.02
Cost of sales	$/oz	**1,465**	1,306	**1,438**	1,229
Total cash costs[1]	$/oz	**1,014**	848	**966**	775
All-in sustaining costs[1]	$/oz	**1,239**	1,308	**1,220**	1,187
Average realized gold price[1]	$/oz	**2,193**	1,960	**2,109**	1,928

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

SECOND QUARTER AND YEAR TO DATE 2024 FINANCIAL RESULTS

Revenue totalled $270.3 million (YTD - $506.8 million)

Revenue in the second quarter of 2024 increased 28% relative to the second quarter of 2023, primarily due to a 12% higher average realized gold price[1] and a 7% increase in gold ounces sold. The average realized gold price in the second quarter of 2024 includes a realized loss of $16.0 million ($141 per oz) on gold forward contracts compared to a loss of $0.6 million ($6 per oz) in the second quarter of 2023. The 7% increase in gold ounces sold primarily resulted from a 6% increase in gold produced, primarily due to a higher average gold grade of ore processed and an increase in the average gold recovery.

Revenue in the first half of 2024 increased 15% relative to the first half of 2023, primarily due to a 9% higher average realized gold price, and a marginal increase in gold ounces sold. The average realized gold price in the

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

first half of 2024 includes a realized loss of $21.4 million ($95 per oz) on gold forward contracts compared to a loss of $0.1 million ($nil per oz) in the first half of 2023. The marginal increase in ounces sold is comparable with the change in gold produced. Gold production was comparable to the prior year largely due to an increase in the average gold recovery and marginally higher processing plant throughput, partially offset by a lower average gold grade of ore mined and processed.

Cost of sales was $166.3 million or $1,465 per oz sold (YTD - $323.7 million or $1,438 per oz sold)

Cost of sales in the second quarter of 2024 was $28.2 million or 20% higher than the second quarter of 2023 and 12% higher on a per oz basis, partially due to the 7% increase in gold ounces sold. Production costs in the second quarter of 2024 were higher than the second quarter of 2023 primarily due to an increase in gold ounces sold, lower capitalized stripping (resulting in higher costs expensed) as the El Limón open pit layback was completed in the third quarter of 2023 resulting in negligible capitalized stripping in the second quarter of 2024, the increase in long-term, low-grade ore mined, an increase in processing costs largely due to higher cyanide consumption and maintenance activities, an increase in mining costs as a result of higher diesel prices and consumption, the strength of the Mexican peso and a higher Mexican profit sharing expense in the second quarter of 2024 primarily as a result of higher average realized gold prices, partially offset by a lower strip ratio due to the decline in the level of waste mined as the open pits near depletion. Royalties, representing 2.5% of proceeds from all metal sales and an additional 0.5% of proceeds from gold and silver sales, were higher than the second quarter of 2023 due to a higher average realized gold price and an increase in ounces sold. Depreciation and amortization expense was 2% higher than the second quarter of 2023 on a total basis and 5% lower on a per oz sold basis primarily due to an increase to the units-of-production depreciation base on assets as a result of the annual reserve and resource update.

Cost of sales in the first half of 2024 was $48.2 million or 17% higher than the first half of 2023 and was 17% higher on a per oz basis despite the comparable gold ounces sold. Production costs were higher than the first half of 2023 primarily due to a higher average value of the Mexican peso (17.1:1 in the first half of 2024 relative to 18.2:1 in the first half of 2023), higher cyanide costs as a result of increased consumption, lower capitalized stripping, an increase in long-term, low-grade ore mined and an increase in mining costs as a result of higher diesel prices and consumption, partially offset by lower Mexican profit sharing expense. Royalties were higher than the first half of 2023 due to a higher average realized gold price. Depreciation and amortization expense was 2% higher than the first half of 2023 on a total basis and 1% higher on a per oz sold basis. For 2024, depreciation and amortization expense is expected to range between $175 to $200 million.

Total Cash Costs[2] were $1,014 per oz sold (YTD - $966 per oz sold)

TCC in the second quarter of 2024 and in the first half of 2024 increased relative to the comparative periods in 2023, primarily due to higher production costs and less costs capitalized to stripping as described above.

All-in Sustaining Costs[2] were $1,239 per oz sold (YTD - $1,220 per oz sold)

The decrease in AISC relative to the second quarter of 2023 was primarily due to lower planned sustaining capital expenditures and lower stripping capitalized, partially offset by higher total cash costs per oz of gold sold including higher stripping expensed. Capitalized stripping in the second quarter of 2023 was $21.9 million primarily due to higher waste tonnes mined related to the layback to extend the life of the El Limón pit.

The increase in AISC relative to the first half of 2023 was primarily due to higher total cash costs per oz of gold sold including higher stripping expensed, partially offset by lower planned sustaining capital expenditures. Capitalized stripping in the first half of 2023 was $43.1 million primarily due to higher waste tonnes mined related to the layback to extend the life of the El Limón pit.

General and administrative expenses of $8.1 million (YTD - $20.4 million)

General and administrative expenses primarily comprise corporate office employee costs, share-based compensation, and professional fee costs. Excluding the remeasurement of share-based payments (loss of

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

$0.8 million in the second quarter of 2024 and gain of $1.8 million in the second quarter of 2023), general and administrative expenses would have been higher than the second quarter of 2023 by $1.3 million, primarily due to higher employee costs, and consulting and other professional fees.

Excluding the remeasurement of share-based payments (loss of $5.0 million in the first half of 2024 and loss of $1.8 million in the first half of 2023), general and administrative expenses would have been higher compared to the first half of 2023 by $2.8 million, primarily due to higher employee costs, and consulting and other professional fees.

Other expenses of $2.1 million (YTD - $3.3 million)

Other expenses comprise expenditures related to an upgrade and consolidation of the Company's enterprise resource planning system to support the integration of the Media Luna Project into the operations and broader optimization opportunities and training expenditures related to the Media Luna Project, which must be expensed for accounting purposes. Other expenses in the second quarter of 2024 were $2.1 million, compared to $1.6 million in the second quarter of 2023.

Other expenses in the first half of 2024 were $3.3 million, compared to $2.2 million in the first half of 2023. For 2024, other expenses are expected to be up to $10 million.

Derivative loss, net, of $10.1 million (YTD - $26.3 million loss)

The Company has taken initiatives to mitigate price uncertainty during the development of the Media Luna Project. As at June 30, 2024, the remaining gold forward contracts to sell a total of 71,000 oz of gold between July 2024 and December 2024 have a weighted average price of $1,980 per oz. As at June 30, 2024, the remaining MXN/USD foreign exchange collar contracts to settle a notional value of $42.7 million between July 2024 and December 2024 have a weighted average put strike (floor) rate of 17.84:1 and a weighted average call strike (ceiling) rate of 20.00:1. These derivatives have not been designated as hedges; therefore, movements in the fair value of the derivatives are recognized in net income each period.

In the second quarter of 2024, the Company recognized a net loss of $9.0 million as a result of the 43,500 oz of gold forwards that settled 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, coupled with the increase in gold forward prices at quarter-end, compared to the net gain of $14.7 million in the second quarter of 2023.

In the second quarter of 2024, the Company recognized a net loss of $1.1 million on foreign exchange collars, primarily due to unfavourable changes in the MXN/USD forward exchange rates. The Company realized a gain of $0.5 million on the $16.1 million of foreign exchange collars that settled at a weighted average MXN/USD foreign exchange rate of 17.45:1, which on average was favourable to the spot rate at the time of settlement, compared to the $nil realized derivative (gain) loss in the second quarter of 2023. The remaining $8.4 million of foreign exchange collars expired in the second quarter of 2024 unexercised as the spot rate was favourable at the time of expiry.

In the first half of 2024, the Company recognized a net loss of $25.8 million as a result of the 87,000 oz of gold forwards that settled 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, coupled with the increase in gold forward prices at quarter-end, compared to the net derivative loss of $11.9 million in the first half of 2023.

In the first half of 2024, the Company recognized a net loss of $0.5 million on foreign exchange collars, primarily due to unfavourable changes in the MXN/USD forward exchange rates. The Company realized a gain of $1.3 million on the $41.8 million of foreign exchange collars that settled at a weighted average MXN/USD foreign exchange rate of 17.47:1, which on average was favourable to the spot rate at the time of settlement, compared to the $nil realized derivative (gain) loss in the first half of 2023. The remaining $12.2 million of foreign exchange collars expired in the first half of 2024 unexercised as the spot rate was favourable at the time of expiry.

Finance income, net, of $1.0 million (YTD - $2.7 million income)

The decrease in finance income, net, in the second quarter of 2024 and in the first half of 2024 relative to the comparative periods in 2023 was primarily related to lower interest income earned as a result of lower cash on hand.

Foreign exchange loss of $3.4 million (YTD - $3.4 million loss)

The foreign exchange loss in the second quarter of 2024 and in the first half of 2024 were primarily due to the depreciation of the Mexican peso by 10.2% and 8.8%, respectively.

Current income and mining tax expense of $25.1 million (YTD - $51.3 million expense)

The increase in current income and mining tax expense compared to the second quarter of 2023 was primarily due to an increase in earnings from mine operations and a lower deduction for the payment of the site-based employee profit sharing program for 2023 in the second quarter of 2024 compared to the prior year, partially offset by foreign exchange and the tax effect of the currency translation of the tax liability due to the 10.2% depreciation of the Mexican peso at the end of the second quarter of 2024 compared to the 5.7% appreciation in the prior year.

The increase in current income and mining tax expense compared to the first half of 2023 was primarily due to an increase in earnings from mine operations, a lower deduction for the payment of the 7.5% Mexican mining royalty, a lower recovery from the derecognition of a provision for an uncertain tax position of $12.1 million in the first quarter of 2024 compared to $15.2 million in the prior year and a lower deduction for the payment of the site-based employee profit sharing program for 2023 in the second quarter of 2024 compared to the prior year, partially offset by foreign exchange and the tax effect of the currency translation of the tax liability due to the 8.8% depreciation of the Mexican peso in the first half of 2024 compared to the 11.8% appreciation in the prior year.

Deferred income tax expense of $51.4 million (YTD - $32.0 million expense)

The increase in deferred income tax expense compared to the recovery in the second quarter of 2023 was primarily driven by the tax effect of currency translation on the tax base as a result of a depreciation of the Mexican peso compared to the prior year, 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 determination of deferred tax.

The increase in deferred income tax expense compared to the recovery the first half of 2023 was primarily driven by the tax effect of currency translation on the tax base as a result of a depreciation of the Mexican peso compared to the prior year, 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 determination of deferred tax.

As at June 30, 2024, the closing value of property, plant and equipment for tax purposes was $29.8 billion Mexican pesos and the closing value of inventory for tax purposes was $2.1 billion Mexican pesos.

Net income of $1.9 million (YTD - $45.0 million income)

Net income for the quarter was $1.9 million compared to net income of $75.3 million in the second quarter of 2023. The decrease in net income was primarily due to a higher net income tax expense, a higher net derivative loss on gold forward and foreign exchange collar contracts and higher production costs, partially offset by the 7% increase in gold ounces sold and a higher average realized gold price.

Net income in the first half of 2024 was $45.0 million compared to net income of $143.5 million in the first half of 2023. The decrease in net income was primarily due to a higher net income tax expense, a higher net derivative loss on gold forward and foreign exchange collar contracts, higher production costs and lower interest income, partially offset by a higher average realized gold price and a marginal increase in gold ounces sold.

RESULTS OF OPERATIONS

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

Table 5.

		Three Months Ended			Six Months Ended	
		Jun 30, 2024	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Mining[1]						
Total ELG Open Pits						
Ore tonnes mined	kt	**1,622**	969	644	**2,591**	1,560
Waste tonnes mined	kt	**7,047**	8,012	11,124	**15,059**	19,561
Total tonnes mined	kt	**8,669**	8,981	11,768	**17,650**	21,121
Ore tonnes mined per day	tpd	**17,822**	10,651	7,074	**14,236**	8,619
Waste tonnes mined per day	tpd	**77,440**	88,040	122,243	**82,740**	108,074
Strip ratio	w:o	**4.3**	8.3	17.3	**5.8**	12.5
Average gold grade of ore mined	gpt	**2.61**	2.74	2.72	**2.66**	3.66
ELG Underground						
Ore tonnes mined	kt	**195**	168	174	**363**	330
Ore tonnes mined per day	tpd	**2,145**	1,843	1,913	**1,994**	1,826
Average gold grade of ore mined	gpt	**4.69**	4.96	4.79	**4.81**	4.96
ELG Open Pits and Underground						
Ore tonnes mined	kt	**1,817**	1,137	818	**2,954**	1,891
Ore tonnes mined per day	tpd	**19,967**	12,494	8,987	**16,230**	10,445
Average gold grade of ore mined	gpt	**2.84**	3.07	3.16	**2.93**	3.88
Processing[1]						
Total tonnes processed	kt	**1,202**	1,194	1,210	**2,396**	2,386
Average plant throughput	tpd	**13,214**	13,118	13,293	**13,166**	13,184
Average gold recovery	%	**90.5**	90.7	88.3	**90.6**	88.0
Average gold grade of ore processed	gpt	**3.34**	3.15	3.13	**3.24**	3.31
Gold produced	oz	**113,822**	115,494	107,507	**229,316**	230,425
Gold sold	oz	**113,513**	111,642	105,749	**225,155**	224,204
Gold equivalent produced[2]	oz AuEq	**116,350**	117,240	108,878	**233,591**	233,669
Gold equivalent sold[2]	oz AuEq	**115,890**	114,106	107,446	**229,996**	228,096

1. Rounding may result in apparent summation differences.
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 market prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" for the relevant average market prices by commodity.

Mining

A total of 1,817 kt of ore were mined in the second quarter of 2024, including 1,622 kt from the ELG open pits and 195 kt from ELG Underground. Average waste to ore strip ratio ("strip ratio") in the open pits was 4.3:1. Excluding 284 kt of long-term, low-grade ore, the average gold grade of ore mined was 3.17 gpt.

In the second quarter of 2023, 818 kt of ore were mined, including 644 kt from the ELG open pits and 174 kt from ELG Underground, with an average strip ratio in the open pits of 17.3:1. Excluding 133 kt of long-term, low-grade ore, the average gold grade of ore mined was 3.59 gpt.

As at June 30, 2024, there were 5.5 mt of ore in stockpiles at an average grade of 1.15 gpt. Excluding 3.5 mt of long-term, low-grade stockpiles at an average grade of 0.97 gpt, the remaining 2.0 mt of ore in stockpiles are at an average grade of 1.47 gpt.

Plant Performance

Plant throughput in the second quarter of 2024 achieved an average rate of 13,214 tpd (YTD - 13,166 tpd), marginally higher than the preceding quarter of 13,118 tpd. The average gold recovery for the quarter was 90.5% (YTD - 90.6%), comparable to the recovery of 90.7% in the previous quarter. In the second quarter of 2024, the Company incurred $10.1 million in cyanide costs at a consumption rate of 3.33 kilograms per tonne milled, compared to $9.1 million in the first quarter of 2024 at a consumption rate of 3.10 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 second quarter of 2024, 113,822 oz of gold were produced and 113,513 oz of gold were sold. Production in the second quarter of 2024 increased relative to the comparative period in the prior year primarily due to higher ore tonnes mined, a higher average gold grade of ore processed, and an increase in the average gold recovery.

ENVIRONMENT, SOCIAL & GOVERNANCE

Safety

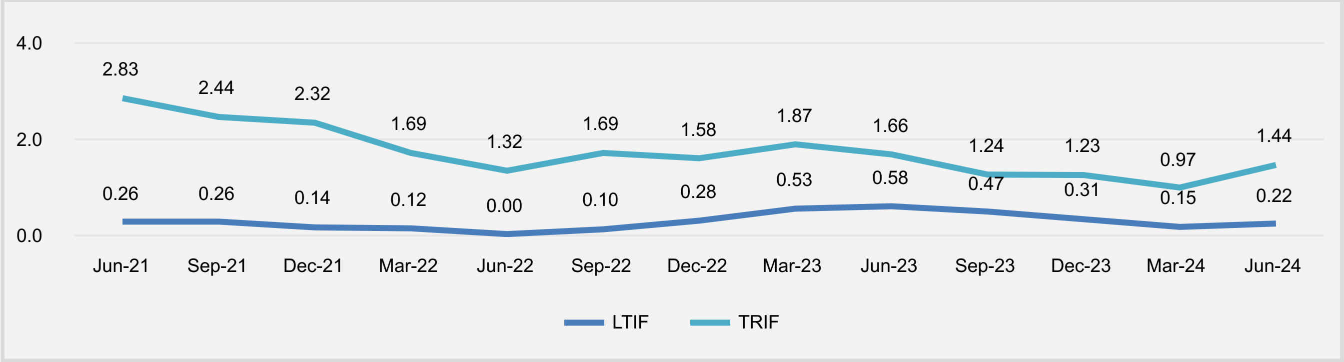
With the significant and continued increase of activity at site with the construction of the Media Luna Project, safety and reporting of all incidents, including near misses, continues to be a key focus. As at June 30, 2024, the Company's lost-time injury frequency ("LTIF") was 0.22 and its total recordable injury frequency ("TRIF") was 1.44. Both rates include employees and contractors and are calculated per million hours worked on a rolling 12-month basis.

The Company recorded two lost-time injuries in the quarter at the Media Luna Project, including one in April when an employee suffered a hand injury while performing a bolter inspection and another in May when a contract mechanic performed maintenance under a vehicle and dust fell into his eye. In both cases, corrective actions were implemented following the incident investigations. As at the end of June, more than 16 million hours have been worked without a lost-time injury at ELG.

The Company plans to leverage its Fatigue Risk Management Program by using the SmartCap system on all open pit mobile equipment in preparation for transitioning to the underground mobile fleet following the installation of the 5G/LTE network in the Underground mine in late 2024.

During the second quarter of 2024, the Health and Safety Team ran an eye safety campaign to improve the consistency and correct selection, fit, and usage of eye protection across the Morelos Complex.

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



Environment

There were no reportable spills or environmental incidents during the second quarter of 2024 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.

The Company continued to advance a number of regulatory approvals in the second quarter of 2024. SEMARNAT approved the Company's Closure Plan, which is a requirement under the federal Mining Law Reforms that were introduced in 2023. In June, the water regulator CONAGUA approved the water volume reallocation of 2 million cubic metres from the Atzcala water wells on the north side of the Balsas River to the San Miguel water wells on the south side. With this approval, the Company is fully covered in terms of water concession permitting requirements for Media Luna.

For the eighth consecutive year, a Participative Environmental Monitoring Agreement was renewed with the Autonomous University of Guerrero ("UAGro"), through which the UAGro conducts independent water quality testing of the nearby El Caracol dam and shares results with local and state government officials and community members. In addition, an annual Fisheries and Aquaculture Agreement was signed with local fishermen and fishing cooperatives through which the Company supports economic development through aquaculture training, fingerling campaigns and the donation of fishing equipment.

Social

During the second quarter of 2024, positive and productive relationships were maintained with local communities. The Company continued to implement unique community development agreements (known locally as CODECOPs) with eleven communities that are in close proximity to the Morelos Complex. The CODECOPs define community investment projects to be delivered in partnership with local communities, as defined by local CODECOP committees. Projects associated with the 2024 CODECOPs include community infrastructure, water, education and health initiatives.

The Company's annual "Advancing Together" scholarships were disbursed in the second quarter of 2024, benefiting more than 60 students from local communities and representing an investment of $435,000 Mexican pesos to support learning in high school and post-secondary education.

ESG Performance, Disclosure and Reporting Standards

In May, the Company released its 2023 Responsible Gold Mining Report (RGMR) titled *At the Heart of Who We Are*, the Company's ninth annual disclosure of its ESG performance. The RGMR was prepared with reference to the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard. It also includes energy and climate-related data aligned with the Phase 1 recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The Report can be found on the Company's website at www.torexgold.com.

Work continued to progress in the second quarter of 2024 to comply with recognized global sustainability performance and disclosure standards, including the International Cyanide Management Code (ICMC), the World Gold Council Responsible Gold Mining Principles (RGMPs) and the Global Industry Standard on Tailings Management (GISTM). Following three years of preparation, the full compliance audit for the ICMC took place in the second quarter of 2024 by a registered ICMC auditor, who determined the Company is in full compliance with all nine guiding principles and the 29 standards of practice. It is expected that full certification from the International Cyanide Management Institute (ICMI) will be granted following the submission and review of the audit report.

In May, the Company disclosed its first disclosure under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), which came into force in Canada on January 1, 2024. The report outlines measures taken in the previous reporting year (2023) to mitigate the risk of forced labour and child labour within the business and supply chain. The report can be found under the ESG Reporting Portal on the Company's website at www.torexgold.com.

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. Development of Media Luna continues to track to schedule, with first production of copper concentrate anticipated by year end and commercial production expected in the first quarter of 2025. As at the end of June, Media Luna was 78% complete across engineering, procurement, underground development/construction, and surface construction, compared to 69% at the end of March. With engineering and procurement largely complete and project execution continuing to track to schedule, the team has undertaken a final, detailed review of the remaining expenditures and finalized the budgeted project expenditures for Media Luna at $950.0 million. The $75.5 million increase over the original budget of $874.5 million is predominantly driven by the stronger Mexican peso, which has consistently been flagged as a cost headwind. The stronger peso to date and anticipated strength over the remainder of the build represents $48.0 million of the increase in capital expenditures. The remaining $27.5 million reflects additional scope items and carryover costs expected to be incurred in early 2025 prior to declaration of commercial production. Given the project capital increase, the Media Luna Project capital expenditures guidance for 2024 has been adjusted and the range narrowed to $430.0 to $450.0 million, from $350.0 to $400.0 million.

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

Table 6.

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
Final adjustments for stronger Mexican peso / out-of-scope items (June 30, 2024)	$	75.5
Revised budgeted spend	$	950.0
Expenditures incurred post March 31, 2022[1,2]	$	725.6
Remaining spend[2]	$	224.4
Percentage complete - construction progress	%	78

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

The continued strength of the Mexican peso over the project period has been an ongoing cost headwind, with the Mexican peso averaging 17.9 relative to the U.S. dollar weighted by quarterly expenditures from April 1, 2022 to June 30, 2024. This compares to the rate of 20:1 assumed within the original budget for which approximately 45% of the total capital expenditures were expected to be incurred in Mexican pesos. The estimated increase reflects the impact of the stronger Mexican peso incurred to date and estimated impact over the remainder of the project, for which the Company has assumed a Mexican peso of 18:1.

Another driver of the increase is $18.5 million of out-of-scope upgrades to the regional power infrastructure requested by the power authority as part of the permitting approval received in 2023. The requested upgrades relate to the Company's overall power strategy, which will see on-site electricity supply increase to 45 MW from 25 MW through the existing 115 kV power line in October, and a subsequent increase to 60 MW from 45 MW by tying into the nearby 230 kV line, expected later in in the fourth quarter of 2024. Approvals for the increased draws have been received from the power regulators and construction is well underway. The investment in this power infrastructure positions the Company to add further mining areas, including EPO, without the need for additional upgrades to power infrastructure.

During the second quarter of 2024, $108.2 million was spent on Media Luna, bringing the year-to-date total to $234.6 million. For the full year, the Company now expects to spend $430.0 to $450.0 million on Media Luna in

2024 versus original guidance of $350.0 to $400.0 million. Expenditures in the third quarter of 2024 are expected to be consistent with the quarterly expenditures during the first half of the year, before subsequently declining in the fourth quarter of 2024 and again in the first quarter of 2025 when commercial production is expected to be declared.

Project Completion

As at quarter end, development of Media Luna was tracking to plan with the project 78% complete, up from 69% at the start of the quarter. Detailed engineering is at the 96% completion mark, while procurement is 89% complete. Underground development/construction and surface construction are advancing, with completion levels at 69% and 56%, 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 the fourth quarter of 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production in the first quarter of 2025.

Engineering

As engineering works are now substantially complete (96%), the focus has been on finalization of electrical and network control system drawings for surface facilities, programmable logic controller ("PLC") programming, and final incorporation of remaining technical specifications. The remaining engineering focus turns towards field support through the balance of the construction period.

Procurement

Procurement for Media Luna is nearing completion, surpassing 89% as of the end of the second quarter, up from 78% complete at the end of the first quarter. The level of procurement remaining represents delivery of equipment and materials to site, with all major purchase orders and contracts now awarded. During the quarter, purchase orders were completed for supply pumps and tanks for the underground conveyor fire suppression system. Orders were also placed for servers and computers for control rooms, automatic valves, piping for surface works, and the underground paste pipe distribution system. The paste plant filter press is still on track for delivery in August.

Deliveries continued through the quarter. At the paste plant, approximately 100 tonnes of steel per week were delivered in June and deliveries are expected to remain at this pace through the end of September. Mechanical steel for the flotation circuit requirements, including boxes, chutes, and hoppers, were also delivered in June. Of the eight electrical houses ("e-houses") required for the project, the units for the Guajes conveyor, ball mill variable frequency drives, and first of two for the flotation circuit have been delivered to site. The second unit for the flotation circuit and unit for the water treatment plant are anticipated in August, with units for the copper filtration/storage area and Guajes Tunnel thickener expected in September and Guajes Tunnel tailings system in early October. All e-houses are expected to be delivered prior to process plant commissioning in the fourth quarter of 2024.

Critical materials were received for the water treatment plant, including shop fabricated tanks, pumps, clarifier, and multimedia filters. The 230 kV substation transformer and switchgear were also delivered during the quarter. Other notable deliveries included additional 15 kV electrical cable, fire and vent doors, and network cabinets.

Underground Development and Construction

Significant progress has been made with the installation of the Guajes conveyor. The majority of the conveyor belt tables are now installed and aligned, and the belt has begun to be fed onto the conveyor. Commissioning of the conveyor is expected to begin in late Q3 2024 (Figure 1).

Figure 1: Installation of the Guajes conveyor belt has commenced following installation of conveyor tables

Installation of the mine-wide pumping system and service water is underway. Concrete has been placed for the roof of the underground control room and interior finishing activities have commenced. In-mine development to support schedule-critical construction and production areas in both Media Luna Upper and Media Luna Lower continued to advance steadily to plan. It should be noted that, as of the second quarter of 2024, all development is now being executed solely by the Company's workforce. Definition drilling has commenced in advance of first stope mining in August.

Surface Construction

Surface construction continues to progress steadily, with the pace of construction expected to materially increase over the remainder of the year. On the north side of the Balsas River, steel deliveries for the flotation circuit are ongoing and preassembly of copper cleaner flotation cells has commenced. Assembly of the copper rougher flotation cells is nearing completion and the installation of the thickeners and regrind mills is in progress (Figure 2).

Figure 2: Construction activities at the flotation area, including the flotation tanks, thickeners, and regrind mills

Steel erection at the paste plant began at the end of May and the plant is expected to be completed in the first quarter of 2025 given paste plant commissioning is sequenced to occur after the process plant infrastructure is commissioned. Progress was made on the binder silo and tailings thickener adjacent to the filter building (Figure 3).

Figure 3: Construction activities at the paste plant, located outside of South Portal Upper

Civil work for the 230 kV switchyard pad was completed. Concrete work advanced in June and is expected to be completed towards the end of the third quarter of 2024. Erection of the transmission towers began for the transmission line between the 230 kV switchyard and substation. Stainless-steel tanks and the clarifier at the water treatment plant were installed and structural platforms for the leach tanks were assembled. Excavation has commenced for the pipe rack from the tailings pump near the Guajes thickener to the Guajes Tunnel Portal area. Concrete work also progressed in both the reagents area and copper concentrate storage and blending building (6 of 8 bays completed).

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, commissioning plans, first fills, concentrate shipment logistics, and all other requirements for a smooth ramp up.

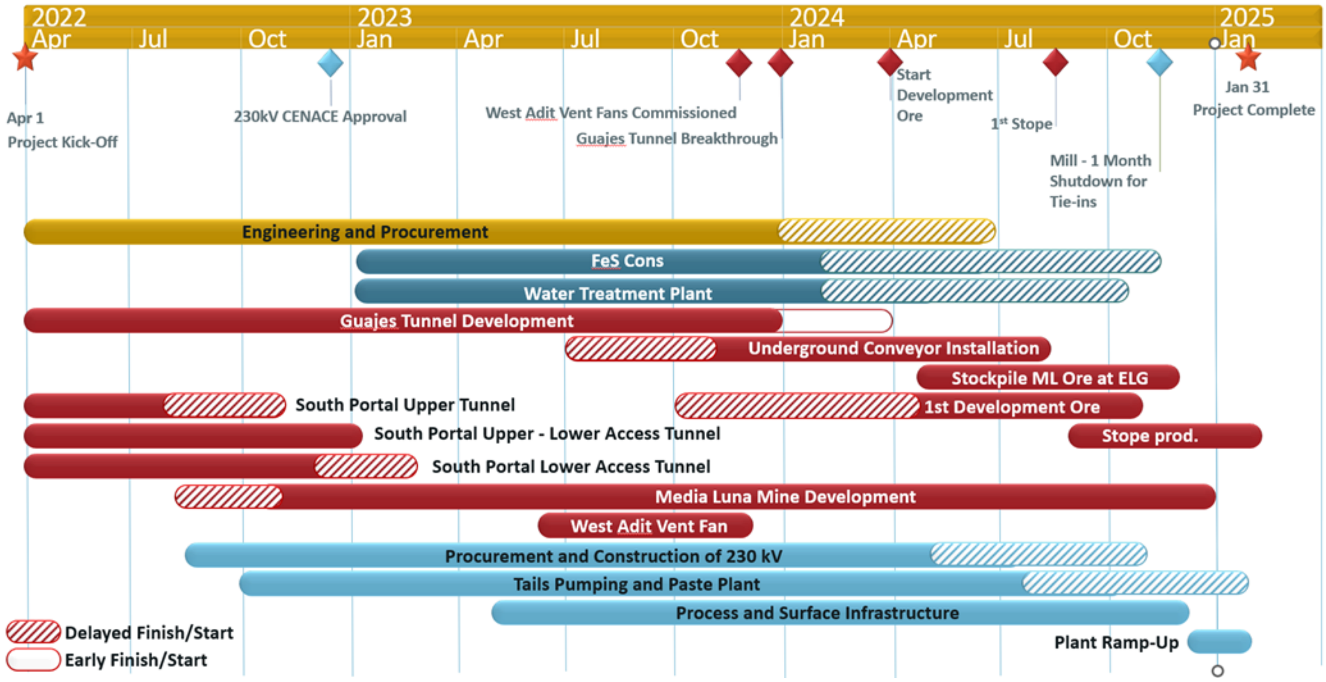
Recruitment of personnel for both the underground and new process areas is tracking to plan. Systems have been put in place for technical training progression across various levels of theory, simulator training, and field training. In addition to the above, the Operational Readiness team continues to develop Standard Operating and Maintenance procedures for the new assets as well as the cataloging of requisite capital and operational spares in advance of handover. Training for underground miners continued for new employees and employees transitioning from the open pits, focusing on basic underground mining courses and new underground equipment operation. Additionally, training commenced at site with the supplier on flotation cell operation.

Negotiations continued with the 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. Metal 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 to date and a detailed review of both the surface and underground schedules completed late in the quarter, modest updates have been made to the overall project schedule including expectation of commercial production towards the middle of the first quarter of 2025 versus start of the first quarter of 2025 as outlined in the Technical Report (Figure 4).

Figure 4: 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 remains a key focus to manage schedule risk given the long lead times for delivery of this equipment (e-houses and switchgear).

With ELG Open Pit production available through mid-2025 and ELG Underground production continuing through the transition period and beyond, risk to the business associated with any schedule shift is very low. The overriding consideration associated with finalizing the timing of the process plant tie-in period is the state of readiness to ensure that it takes no longer than four weeks to complete. If, as the project is nearing completion, the timing of delivery of long-lead items is assessed to potentially impact the duration of the shutdown, the schedule will shift accordingly, with a view to avoiding any lost production days beyond the four weeks.

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 second quarter of 2024, the annual drilling programs at ELG Underground and the Media Luna Cluster continued to progress, while the geological delineation of two out of five drilling targets at El Naranjo was completed. Additionally, the target selection stage at Atzcala is underway, supported by remote sensing reinterpretation, systematic geochemistry and handheld spectrometry.

The drilling and exploration programs are key facets of the Company's new multi-year exploration strategy reported on June 10, 2024[1]. This strategy is expected to enable Torex to achieve its objective of maintaining more than 450,000 oz AuEq of production annually beyond 2027 and making at least one new discovery at Morelos in the coming years. The exploration and drilling strategy will focus on three distinct areas:

1. **Extending the mine life of ELG Underground and Media Luna:** Delineating higher-value ore to extend the life of mine plan at Morelos by defining upside at ELG Underground and Media Luna through infill and near-mine step-out drilling;

2. **Expanding resources within the Media Luna Cluster:** Enhancing and extending the production profile by unlocking the full potential of the Media Luna Cluster, including zones currently identified as Media Luna, EPO, Media Luna West, Media Luna East, and Todos Santos;

3. **Advancing targets through the growth pipeline:** Strengthening the exploration target pipeline to deliver new discoveries across Morelos by prioritizing best-ranked projects, including zones currently identified as El Naranjo, Atzcala, Esperanza, Querenque, Tecate, El Olvido, and Victoria.

In 2024, the Company plans to invest $30.0 million in exploration and drilling with total forecasted drilling of approximately 91,000 m. In the first half of 2024, the Company invested $9.6 million with a total of 28,268 m drilled. Exploration and drilling spending is expected to increase in the second half of 2024 and is on track to achieve full year guidance.

Table 7.

In millions of U.S. dollars		**Total Q2 2024 YTD Expenditure**	Guided 2024 Expenditure	Total 2023 Expenditure
ELG Underground:				
ELG infill and step-out drilling - capitalized[1]	$	**2.8**	6.0	5.7
ELG near mine program - expensed[2]	$	**1.1**	6.0	4.8
Media Luna Cluster:				
Media Luna Cluster drilling - capitalized[3]	$	**3.2**	10.0	16.0
Media Luna Cluster drilling - expensed[2]	$	**1.6**	5.0	–
Near-mine and regional exploration and drilling - expensed[2]	$	**0.9**	3.0	2.3
Total[4]	$	**9.6**	30.0	28.8

1. Included in sustaining capital.
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

The 2024 ELG Underground drilling program is aligned with the new exploration strategy announced in June 2024, with the program focused on reserve definition, resource delineation, and advanced exploration, targeting extensions of high-grade mineralization along the El Limón Sur, El Limón Deep, El Limón West, and Sub-Sill trends.

At ELG Underground, a total of 12,313 m in 52 drill holes were drilled in the second quarter of 2024, with a total of 18,612 m drilled in the first half of 2024 (total forecasted drilling of 54,500 m for 2024), with the assay results up to April 2024 reported on June 27, 2024[2].

Drilling along the El Limón Sur trend has been focused on the resource categorization within the northern ore shoot and confirming the continuity at depth of the high-grade mineralization at the south ore shoot. As part of the resource delineation drilling program at the north ore shoot, drill hole LDUG-314 encountered 10.26 gpt AuEq[2,3] over 7.68 m, supporting the expected conversion of Inferred Resources to the Indicated category with the year-end 2024 mineral reserve and resource update. Drill hole LDUG-321 confirmed high-grade mineralization down to 500 m above sea level with two notable intercepts (10.70 gpt AuEq[2,3] over 3.1 m and 3.42 gpt AuEq[2,3] over 3.0 m). At the north ore shoot of El Limón Sur, ten holes totaling 2,745 m have been completed in the second quarter of 2024, most of them intercepting favorable alteration.

The first drilled hole (LS-310) of the advanced exploration program at the southern ore shoot of El Limón Sur intercepted 7.19 gpt AuEq[2,3] over 12.2 m, more than 100 m below the high-grade intercepts of LS-293 and LS-295 reported in 2023, opening the potential extension of the mineralization to the south and at depth. During the second quarter of 2024, another eight holes totaling 1,816 m were completed as follow-up of high-grade mineralization previously reported.

At El Limón Deep, the drilling program is advancing at the western extension at the intersection with El Limón Sur mineralized corridors, with 2,681 m of drilling completed in the second quarter of 2024. Analytical results for the first six holes returned multiple mineralized intercepts including hole LDUG-315 with two high-grade intercepts of 14.29 gpt AuEq[2,3] over 5.4 m and 11.16 gpt AuEq[2,3] over 15.3 m that confirm a high-grade southwest plunging mineralization. Current results over 600 m above sea level show strong potential for new Inferred Resources in this area once the program is completed. Intercepts at depth showed lower-grade mineralization that was slightly above cut-off grade. Given these results, exploration to further test depth extensions has been deferred for the time being to prioritize higher-grade targets.

Resource delineation work is being undertaken along the Sub-Sill Trend, with step-out drilling focused around current Inferred and Indicated Resources. Drilling 50 m to the north of the main ore shoot confirms the continuity of high-grade mineralization in this direction, with drill hole LDUG-317 encountering 11.82 gpt AuEq[2,3] over 5.0 m and 19.85 gpt AuEq[2,3] over 8.5 m. Along the Sub-Sill Trend, four holes totaling 1,113 m were completed in the second quarter of 2024. In addition, as part of the advanced exploration program in the first half of 2024, six holes totaling 1,221 m were completed from Portal 3 towards the northern extension of the Sub-Sill Trend.

Furthermore, eleven holes totaling 2,737 m were drilled at the southern extension of the El Limón West trend.

Media Luna Cluster Drilling

In the second quarter of 2024, 7,566 m were drilled in the Media Luna Cluster, with a total of 9,656 m drilled in the first half of 2024 (total forecasted drilling of 33,500 m for 2024). The exploration strategy for the area is focused on extending the production profile by unlocking the full potential of the cluster.

At EPO, three drilling rigs are dedicated to the exploration program focused on expanding Inferred Resources in the northern zone and upgrading additional underground resources to the Indicated category in the southern zone. During the second quarter of 2024, 4,756 m were drilled, with a total of 5,790 m drilled in the first half of 2024 (total forecasted drilling of 21,000 m for 2024). All six drill holes completed in the area to date have intercepted alteration and target-type mineralization as planned. The bulk of the laboratory results are expected in the third quarter of 2024. Directional drilling commenced in June, contributing to keeping the program on schedule and within budget.

At Media Luna West, the Advanced Exploration program for 2024 is being executed with one rig. During the second quarter of 2024, 2,810 m were drilled, with a total of 3,866 m drilled in the first half of 2024 (total forecasted drilling of 9,500 m for 2024). During the quarter, drilling at Media Luna West continued along east-west sections. Progress in interpreting the area has identified north-south faults defining structural blocks, with regional contacts progressively deepening towards the southwest. These contacts control the carbonate replacement deposits (CRD) related massive oxide-sulfide mineralization, which favors the deposition of intermediate sulphidation (IS) type copper-gold mineralization. Additionally, a widening of the alteration zone in the footwalls of the faults and dikes suggests the presence of mineralized feeders.

In the Todos Santos area, intense magnetic anomalies, potentially indicative of blind mineralization with no surface expression, are being modeled based on reprocessing of geophysical data by subject matter experts. Simultaneously, progress is being made on constructing access roads to facilitate the 3,000 m drilling exploration program planned for the fourth quarter of 2024.

Regional Exploration and Drilling

In 2024, the Company plans to invest $3.0 million in the near-mine and regional exploration and drilling program budget, which includes an intermediate drill testing stage program of 3,000 m in El Naranjo, focused on completing the geological delineation and testing of the three best drilling targets. Additionally, a target selection program in Atzcala aims to delineate an area of 15 x 5 km, focusing on identifying the top three targets to advance.

Based on key geological criteria, five targets have been identified in the El Naranjo project. A work plan is underway to conduct a detailed geological delineation of each area to define drilling targets, with the first two areas already completed. These targets will be ranked, and the highest priority will be drilled in the third quarter 2024. Fieldwork and historical drill holes have confirmed the presence of maar-diatreme-dome complexes. Alteration and mineralization are structurally controlled, with at least two styles of mineralization (IS and CRD) appearing as vein-like bodies in porphyritic rocks and, to a lesser extent, in metasediments, as well as superimposed in the maar-diatreme systems.

At Atzcala, geochemical testing of several areas with phreatomagmatic rocks has revealed anomalous pathfinder values that indicate at least two superimposed mineralizing events. These anomalies are associated with vein-like structures within volcanic facies related to maar-diatreme-dome complexes. The reprocessing of available remote sensing hyperspectral data reveals mineralogical associations related to epithermal systems preserved in the Atzcala block. A field validation and calibration stage has been initiated, focusing particularly on the responses of alunite and kaolinite related to high-sulphidation systems.

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1 For more information on the multi-year exploration strategy, see the Company's news release titled "Torex Gold Outlines Multi-Year Exploration Strategy" issued on June 10, 2024, and filed on SEDAR+ at www.sedarplus.ca and on the Company's website at www.torexgold.com.

2 For more information on ELG Underground drilling results, see the Company's news release titled "Torex Gold Reports Positive Results From The 2024 ELG Underground Drilling Program" issued on June 27, 2024, and filed on SEDAR+ at www.sedarplus.ca and on the Company's website at www.torexgold.com.

3 The gold equivalent grade calculation used is as follows: AuEq (gpt) = Au (gpt) + Ag (gpt) * 0.0127 + Cu (%) * 1.6104 and use the same metal prices ($1,650/oz Au, $22/oz Ag, and $3.75/lb Cu) and metallurgical recoveries (90% Au, 86% Ag, and 93% Cu) used in the year-end 2023 mineral resource estimate for ELG Underground.

FINANCIAL CONDITION REVIEW

Summary of the Condensed Consolidated Interim Statements of Financial Position

The following table summarizes key financial position items as at June 30, 2024:

Table 8.

In millions of U.S. dollars		**Jun 30, 2024**		Dec 31, 2023
Cash and cash equivalents	**$**	**108.7**	$	172.8
Value-added tax receivables		**81.2**		79.0
Inventory		**130.2**		126.6
Deferred income tax assets		**120.6**		156.5
Property, plant and equipment		**1,461.8**		1,249.0
Other assets		**66.7**		51.9
Total assets	**$**	**1,969.2**	$	1,835.8
Accounts payable and accrued liabilities	**$**	**165.7**	$	148.3
Income taxes payable		**81.3**		86.9
Debt		**53.9**		–
Lease-related obligations		**59.0**		32.0
Decommissioning liabilities		**33.9**		41.0
Deferred income tax liabilities		**1.6**		5.5
Other liabilities		**32.6**		27.0
Total liabilities	**$**	**428.0**	$	340.7
Total shareholders' equity	**$**	**1,541.2**	$	1,495.1

Cash and cash equivalents

The Company ended the second quarter of 2024 with cash and cash equivalents of $108.7 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 $2.2 million compared to December 31, 2023, primarily as a result of increased claims due to higher spending, partially offset by receipts of refunds related to 2023 and the currency translation as the VAT receivables are primarily denominated in Mexican pesos. 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 June 30, 2024, the VAT receivables of $81.2 million comprises $79.9 million in current assets and $1.3 million in non-current assets.

Inventory

The increase in inventory is due to an increase in finished goods primarily due to the timing of pours, and higher stockpile ending balances, partially offset by lower gold in-circuit 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 decrease in the deferred tax asset is primarily driven by the tax effect of currency translation on the tax base, 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 determination of deferred tax.

Property, plant and equipment

Property, plant and equipment increased primarily due to additions of $315.0 million, of which $234.6 million relates to the Media Luna Project, partially offset by depreciation of $94.1 million and a decrease in the estimated discounted closure and rehabilitation costs on decommissioning liabilities of $8.0 million. Refer to Table 12 for a breakdown of capital expenditures for the six months ended June 30, 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 $18.7 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 the current portion of derivative contract assets.

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, partially offset by the payment of $23.9 million in relation to the site-based employee profit sharing program for 2023 in Mexico in the second quarter of 2024.

Income taxes payable

The decrease in the balance is primarily due to corporate income tax payments of $29.3 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 current income tax expense of $51.3 million.

Debt

The increase in debt is due to the drawdowns on the Revolving Credit Facility to fund the development of the Media Luna Project. The carrying amount of debt is presented net of unamortized deferred finance charges.

Lease-related obligations

The increase in lease-related obligations is primarily due to $18.7 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. In addition, $15.5 million in lease obligations were recognized in the first half of 2024 as a result of the commencement of new leases for certain pieces of the primary production equipment, underground support equipment and personnel transport equipment for the Media Luna operations. As at June 30, 2024, the lease-related obligations of $59.0 million comprises $44.5 million in current liabilities and $14.5 million in non-current liabilities.

Decommissioning liabilities

Decommissioning liabilities decreased by $7.1 million primarily due to the effect of discounting and the effect of foreign exchange rate changes, partially offset by accretion and increases due to additional disturbances as a result of ongoing mining operations and the development of Media Luna.

Other liabilities

Other liabilities primarily relate to a current liability of $26.9 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 June 30, 2024.

DEBT FINANCING

Revolving Credit Facility and Term Loan Facility

On August 3, 2023, the Company (as borrower) executed an amendment (the "2023 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 Bank N.V. and National Bank of Canada (the "Lenders"), increasing the capacity of the secured debt facility (the "Debt Facility") to $300.0 million. As at June 30, 2024, the Debt Facility consisted of a revolving credit facility (the "Revolving Credit Facility") and a term loan facility (the "Term Loan Facility"). As a result of the 2023 Amendment, the capacity on the Revolving Credit Facility increased from $150.0 million to $200.0 million and the Term Loan Facility remained unchanged at $100.0 million. During the three and six months ended June 30, 2024, the Company drew $55.0 million on the Revolving Credit Facility (three and six months ended June 30, 2023 - $nil). As at June 30, 2024, the Company had borrowings of $55.0 million on the Debt Facility and had utilized $7.9 million for letters of credit, reducing the available credit of the Debt Facility to $237.1 million (December 31, 2023 - $nil, $7.9 million and $292.1 million, respectively).

On July 25, 2024, the Company and its Mexican subsidiary (as co-borrowers) executed an amended and restated credit agreement (the "2024 Amendment") with the Lenders. The 2024 Amendment maintained the capacity of the Debt Facility at $300.0 million, although eliminated the Term Loan Facility and increased the capacity of the Revolving Credit Facility. The 2024 Amendment also includes an accordion feature for an additional $150.0 million in available capacity at the discretion of the Lenders.

The Debt Facility incorporates 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 2024 Amendment continues to include sustainability-linked KPIs, which have now been established for 2025 and 2026.

The Debt Facility bears interest at a 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. As at June 30, 2024, the applicable margin was 2.50%. The credit spread adjustment is 0.10%. As a result of the 2024 Amendment, there were no changes to the applicable interest rate.

Prior to the 2024 Amendment, the $200.0 million Revolving Credit Facility matured on December 31, 2026 and was 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 Loan Facility could have been drawn until December 31, 2024, matured on June 30, 2026 and was subject to four equal quarterly repayment instalments commencing on September 30, 2025. Both the Revolving Credit Facility and Term Loan Facility could have been repaid in full anytime without penalty. As a result of the 2024 Amendment, the $300.0 million Revolving Credit Facility matures on December 31, 2027, with no quarterly commitment reductions, and 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. As a result of the 2024 Amendment, the minimum liquidity covenant was replaced with a covenant on tangible net worth of $1.0 billion, plus 50% of positive quarterly net income from January 1, 2024.

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 June 30, 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 June 30, 2024 were $1,969.2 million (December 31, 2023 - $1,835.8 million), which includes $108.7 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 $185.0 million in the first half of 2024, compared to $154.7 million in the first half of 2023. The increase in net cash generated from operating activities before changes in non-cash operating working capital of $30.3 million is largely due to a higher average realized gold price, lower income taxes paid, partially offset by higher production costs.

Net cash used in investing activities in the first half of 2024 was $291.7 million compared to $226.4 million in the first half of 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.

Net cash generated from financing activities in the first half of 2024 related to proceeds from the Revolving Credit Facility of $55.0 million, partially offset by lease principal payments of $3.2 million and other borrowing costs paid of $1.0 million. The net cash used in financing activities for the comparative period related to lease principal payments of $2.2 million and other borrowing costs paid of $1.2 million.

The Company had debt outstanding of $55.0 million as at June 30, 2024 and had $237.1 million available under the Debt Facility with $7.9 million utilized for letters of credit. Prior to the 2024 Amendment, the $200.0 million Revolving Credit Facility matured on December 31, 2026 and was 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 Loan Facility could have been drawn until December 31, 2024, matured on June 30, 2026 and was subject to four equal quarterly repayment instalments commencing on September 30, 2025. Both the Revolving Credit Facility and Term Loan Facility could have been repaid in full anytime without penalty. As a result of the 2024 Amendment, the $300.0 million Revolving Credit Facility matures on December 31, 2027, with no quarterly commitment reductions, and can be repaid in full anytime without penalty. 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 with 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 $38.4 million remain outstanding as at June 30, 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 June 30, 2024, a corresponding $38.4 million asset has been recorded in other non-current assets in the Condensed Consolidated Interim Statements of Financial Position (December 31, 2023 - $19.7 million).

As at June 30, 2024, lease obligations included $15.5 million of leases for certain pieces of the primary production equipment, underground support equipment and personnel transport equipment for the Media Luna operations that had been delivered and for which the leases had commenced (December 31, 2023 - $8.0 million of leases for certain pieces of the primary production equipment). 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. Upon commencement of the leases, the Company recognized a corresponding asset in property, plant and equipment in the Condensed Consolidated Interim Statements of Financial Position.

As at June 30, 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 six months ended June 30, 2024, the Company paid $13.1 million for the 2.5% royalty relating to the fourth quarter of 2023 and the first quarter of 2024 (six months ended June 30, 2023 - $11.5 million relating to the fourth quarter of 2022 and the first quarter of 2023). As at June 30, 2024, the Company accrued $6.3 million for the 2.5% royalty relating to the second quarter of 2024, which was paid in July 2024 (December 31, 2023 - $7.0 million relating to the fourth quarter of 2023, which was paid in January 2024).

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 (paid in March 2023 - $34.2 million for 2022). As at June 30, 2024, the Company accrued $15.5 million and $2.4 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 production is expected to be relatively consistent through the first three quarters of 2024, with the lowest quarter of production in the fourth quarter 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 second quarter of 2024 was lower than production during the first quarter of 2024, primarily due to the timing of pours, partially offset by a higher average grade of ore processed.

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 9.

In millions of U.S. dollars		Payments Due by Period: Total	Less than 1 year	1-3 years	4-5 years	Greater than 5 years
Operating commitments[1]	$	385.8	234.8	99.6	51.4	–
Capital commitments[1]	$	195.1	174.7	4.1	14.5	1.8
Accounts payable and accrued liabilities	$	165.7	165.7	–	–	–
Derivative contracts	$	26.9	26.9	–	–	–
Debt	$	66.0	4.4	61.6	–	–
Lease-related obligations	$	63.8	46.1	8.9	8.8	–
Total	$	903.3	652.6	174.2	74.7	1.8

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 six months ended June 30, 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 June 30, 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 June 30, 2024 is $97.4 million relating to the power purchase agreement.

OUTSTANDING SHARE DATA

Table 10.

Outstanding Share Data as at August 6, 2024	Number
Common shares	85,984,756
Stock options[1]	24,707
Restricted share units[2, 3]	707,250
Performance share units[4]	793,717

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 (debt) 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 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 11.

In millions of U.S. dollars, unless otherwise noted		**Three Months Ended**			**Six Months Ended**	
		Jun 30, 2024	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Gold sold	oz	**113,513**	111,642	105,749	**225,155**	224,204
Total cash costs per oz sold						
Production costs	$	**113.0**	100.8	86.7	**213.8**	168.2
Royalties	$	**7.5**	6.9	6.4	**14.4**	13.3
Less: Silver sales	$	**(1.6)**	(1.5)	(1.3)	**(3.1)**	(2.8)
Less: Copper sales	$	**(3.8)**	(3.7)	(2.1)	**(7.5)**	(5.0)
Total cash costs	$	**115.1**	102.5	89.7	**217.6**	173.7
Total cash costs per oz sold	$/oz	**1,014**	918	848	**966**	775
All-in sustaining costs per oz sold						
Total cash costs	$	**115.1**	102.5	89.7	**217.6**	173.7
General and administrative costs[1]	$	**7.3**	8.0	5.9	**15.3**	12.5
Reclamation and remediation costs	$	**1.2**	1.3	1.3	**2.5**	2.7
Sustaining capital expenditure	$	**17.0**	22.4	41.4	**39.4**	77.2
Total all-in sustaining costs	$	**140.6**	134.2	138.3	**274.8**	266.1
Total all-in sustaining costs per oz sold	$/oz	**1,239**	1,202	1,308	**1,220**	1,187
Gold equivalent sold[2]	oz AuEq	**115,890**	114,106	107,446	**229,996**	228,096
Total cash costs per oz AuEq sold						
Production costs	$	**113.0**	100.8	86.7	**213.8**	168.2
Royalties	$	**7.5**	6.9	6.4	**14.4**	13.3
Total cash costs	$	**120.5**	107.7	93.1	**228.2**	181.5
Total cash costs per oz AuEq sold[2]	$/oz AuEq	**1,040**	944	866	**992**	796
All-in sustaining costs per oz AuEq sold						
Total cash costs	$	**120.5**	107.7	93.1	**228.2**	181.5
General and administrative costs[1]	$	**7.3**	8.0	5.9	**15.3**	12.5
Reclamation and remediation costs	$	**1.2**	1.3	1.3	**2.5**	2.7
Sustaining capital expenditure	$	**17.0**	22.4	41.4	**39.4**	77.2
Total all-in sustaining costs	$	**146.0**	139.4	141.7	**285.4**	273.9
Total all-in sustaining costs per oz AuEq sold[2]	$/oz AuEq	**1,260**	1,222	1,319	**1,241**	1,201

1. This amount excludes a loss of $0.8 million, loss of $4.2 million and gain of $1.8 million for the three months ended June 30, 2024, March 31, 2024, and June 30, 2023, respectively, and a loss of $5.0 million and loss of $1.8 million for the six months ended June 30, 2024 and June 30, 2023, respectively, in relation to the remeasurement of share-based payments. This amount also excludes corporate depreciation and amortization expenses totalling $nil, $0.1 million and $nil for the three months ended June 30, 2024, March 31, 2024, and June 30, 2023, respectively, $0.1 million and $0.1 million for the six months ended June 30, 2024 and June 30, 2023, respectively, within general and administrative costs. Included in general and administrative costs is share-based compensation expense in the amount of $1.6 million or $14/oz ($14/oz AuEq) for the three months ended June 30, 2024, $2.3 million or $21/oz ($20/oz AuEq) for the three months ended March 31, 2024, $1.2 million or $11/oz ($11/oz AuEq) for the three months ended June 30, 2023, $3.9 million or $17/oz ($17/oz AuEq) for the six months ended June 30, 2024 and $3.1 million or $14/oz ($14/oz AuEq) for the six months ended June 30, 2023. This amount excludes other expenses totalling

$2.1 million, $1.2 million and $1.6 million for the three months ended June 30, 2024, March 31, 2024, and June 30, 2023, respectively, and $3.3 million and $2.2 million for the six months ended June 30, 2024 and June 30, 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 market prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" for the relevant average market 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 12.

		Three Months Ended			Six Months Ended	
In millions of U.S. dollars		**Jun 30, 2024**	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Sustaining	$	**16.4**	21.6	19.5	**38.0**	34.1
Capitalized Stripping (Sustaining)	$	**0.6**	0.8	21.9	**1.4**	43.1
Non-sustaining	$	**–**	–	0.4	**–**	1.1
Total ELG	$	**17.0**	22.4	41.8	**39.4**	78.3
Media Luna Project[1]	$	**108.2**	126.4	77.2	**234.6**	143.6
Media Luna Cluster Drilling/Other	$	**1.9**	1.3	4.9	**3.2**	8.0
Working Capital Changes & Other	$	**28.4**	(24.0)	0.6	**4.4**	(5.7)
Capital expenditures[2]	$	**155.5**	126.1	124.5	**281.6**	224.2

1. This amount includes a realized gain (or a reduction in the capitalized expenditures) of $0.5 million, $0.8 million and $nil for the three months ended June 30, 2024, March 31, 2024, and June 30, 2023, respectively, $1.3 million and $nil for the six months ended June 30, 2024 and June 30, 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 13.

		Three Months Ended			Six Months Ended	
In millions of U.S. dollars, unless otherwise noted		**Jun 30, 2024**	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Gold sold	oz	**113,513**	111,642	105,749	**225,155**	224,204
Revenue	$	**270.3**	236.5	211.3	**506.8**	440.1
Less: Silver sales	$	**(1.6)**	(1.5)	(1.3)	**(3.1)**	(2.8)
Less: Copper sales	$	**(3.8)**	(3.7)	(2.1)	**(7.5)**	(5.0)
Less: Realized loss on gold contracts	$	**(16.0)**	(5.4)	(0.6)	**(21.4)**	(0.1)
Total proceeds	$	**248.9**	225.9	207.3	**474.8**	432.2
Total average realized gold price	$/oz	**2,193**	2,023	1,960	**2,109**	1,928
Less: Total cash costs	$/oz	**1,014**	918	848	**966**	775
Total cash costs margin	$/oz	**1,179**	1,105	1,112	**1,143**	1,153
Total cash costs margin	%	**54**	55	57	**54**	60
Gold equivalent sold[1]	oz AuEq	**115,890**	114,106	107,446	**229,996**	228,096
Revenue	$	**270.3**	236.5	211.3	**506.8**	440.1
Less: Realized loss on gold contracts	$	**(16.0)**	(5.4)	(0.6)	**(21.4)**	(0.1)
Total proceeds	$	**254.3**	231.1	210.7	**485.4**	440.0
Total average realized gold price	$/oz AuEq	**2,193**	2,023	1,960	**2,109**	1,928
Less: Total cash costs[1]	$/oz AuEq	**1,040**	944	866	**992**	796
Total cash costs margin[1]	$/oz AuEq	**1,153**	1,079	1,094	**1,117**	1,132
Total cash costs margin	%	**53**	53	56	**53**	59

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 market prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" for the relevant average market 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 14.

		Three Months Ended			Six Months Ended	
In millions of U.S. dollars, unless otherwise noted		**Jun 30, 2024**	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Gold sold	oz	**113,513**	111,642	105,749	**225,155**	224,204
Revenue	$	**270.3**	236.5	211.3	**506.8**	440.1
Less: Silver sales	$	**(1.6)**	(1.5)	(1.3)	**(3.1)**	(2.8)
Less: Copper sales	$	**(3.8)**	(3.7)	(2.1)	**(7.5)**	(5.0)
Less: Realized loss on gold contracts	$	**(16.0)**	(5.4)	(0.6)	**(21.4)**	(0.1)
Less: All-in sustaining costs	$	**(140.6)**	(134.2)	(138.3)	**(274.8)**	(266.1)
All-in sustaining costs margin	$	**108.3**	91.7	69.0	**200.0**	166.1
Total average realized gold price	$/oz	**2,193**	2,023	1,960	**2,109**	1,928
Total all-in sustaining costs margin	$/oz	**954**	821	652	**889**	741
Total all-in sustaining costs margin	%	**44**	41	33	**42**	38
Gold equivalent sold[1]	oz AuEq	**115,890**	114,106	107,446	**229,996**	228,096
Revenue	$	**270.3**	236.5	211.3	**506.8**	440.1
Less: Realized loss on gold contracts	$	**(16.0)**	(5.4)	(0.6)	**(21.4)**	(0.1)
Less: All-in sustaining costs	$	**(146.0)**	(139.4)	(141.7)	**(285.4)**	(273.9)
All-in sustaining costs margin	$	**108.3**	91.7	69.0	**200.0**	166.1
Total average realized gold price	$/oz AuEq	**2,193**	2,023	1,960	**2,109**	1,928
Total all-in sustaining costs margin[1]	$/oz AuEq	**933**	801	641	**868**	727
Total all-in sustaining costs margin	%	**43**	40	33	**41**	38

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 market prices for each commodity sold in the period. Refer to "Gold Equivalent Reporting" for the relevant average market 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 15.

		Three Months Ended			Six Months Ended	
In millions of U.S. dollars, unless otherwise noted		**Jun 30, 2024**	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Basic weighted average shares outstanding	shares	**85,984,756**	85,949,559	85,884,895	**85,967,157**	85,877,128
Diluted weighted average shares outstanding	shares	**86,888,359**	86,499,360	86,565,950	**86,664,299**	86,464,387
Net income	$	**1.9**	43.1	75.3	**45.0**	143.5
Adjustments:						
Unrealized foreign exchange loss (gain)	$	**2.5**	(0.6)	(2.5)	**1.9**	(3.0)
Unrealized (gain) loss on derivative contracts	$	**(5.4)**	11.6	(15.3)	**6.2**	11.8
Remeasurement of share-based payments	$	**0.8**	4.2	(1.8)	**5.0**	1.8
Derecognition of provisions for uncertain tax positions	$	**–**	(12.1)	–	**(12.1)**	(15.2)
Tax effect of above adjustments	$	**0.8**	(3.3)	5.9	**(2.5)**	(3.1)
Tax effect of currency translation on tax base	$	**51.8**	(7.0)	(23.7)	**44.8**	(47.6)
Adjusted net earnings	$	**52.4**	35.9	37.9	**88.3**	88.2
Per share - Basic	$/share	**0.61**	0.42	0.44	**1.03**	1.03
Per share - Diluted	$/share	**0.60**	0.42	0.44	**1.02**	1.02

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 16.

		Three Months Ended			Six Months Ended	
In millions of U.S. dollars		**Jun 30, 2024**	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Net income	$	**1.9**	43.1	75.3	**45.0**	143.5
Finance income, net	$	**(1.0)**	(1.7)	(3.2)	**(2.7)**	(6.2)
Depreciation and amortization[1]	$	**45.9**	49.8	45.0	**95.7**	94.1
Current income tax expense	$	**25.1**	26.2	18.6	**51.3**	35.4
Deferred income tax expense (recovery)	$	**51.4**	(19.4)	(10.4)	**32.0**	(39.0)
EBITDA	$	**123.3**	98.0	125.3	**221.3**	227.8
Adjustments:						
Unrealized (gain) loss on derivative contracts	$	**(5.4)**	11.6	(15.3)	**6.2**	11.8
Unrealized foreign exchange loss (gain)	$	**2.5**	(0.6)	(2.5)	**1.9**	(3.0)
Remeasurement of share-based payments	$	**0.8**	4.2	(1.8)	**5.0**	1.8
Adjusted EBITDA	$	**121.2**	113.2	105.7	**234.4**	238.4

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 and other borrowing costs paid (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 17.

		Three Months Ended			Six Months Ended	
In millions of U.S. dollars		**Jun 30, 2024**	Mar 31, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Net cash generated from operating activities	$	**97.4**	79.8	89.6	**177.2**	136.6
Less:						
Additions to property, plant and equipment[1]	$	**(155.5)**	(126.1)	(124.5)	**(281.6)**	(224.2)
Lease payments	$	**(1.8)**	(1.4)	(1.4)	**(3.2)**	(2.2)
Interest and other borrowing costs paid[2]	$	**(2.4)**	(1.4)	(1.1)	**(3.8)**	(1.6)
Free cash flow	$	**(62.3)**	(49.1)	(37.4)	**(111.4)**	(91.4)

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 (debt) cash

Net (debt) 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 (debt) cash is defined as total cash and cash equivalents and short-term investments less lease-related obligations and debt, adjusted to exclude unamortized deferred finance 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 (debt) cash to Cash and Cash Equivalents

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

Table 18.

In millions of U.S. dollars		**Jun 30, 2024**	Mar 31, 2024	Dec 31, 2023	Jun 30, 2023
Cash and cash equivalents	$	**108.7**	113.2	172.8	285.3
Less:					
Debt	$	**(53.9)**	–	–	–
Lease-related obligations	$	**(59.0)**	(44.0)	(32.0)	(11.5)
Deferred finance charges	$	**(1.1)**	–	–	–
Net (debt) cash	$	**(5.3)**	69.2	140.8	273.8

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 19.

In millions of U.S. dollars		**Jun 30, 2024**	Mar 31, 2024	Dec 31, 2023	Jun 30, 2023
Cash and cash equivalents	$	**108.7**	113.2	172.8	285.3
Add: Available credit of the Debt Facility	$	**237.1**	292.1	292.1	242.1
Available liquidity	$	**345.8**	405.3	464.9	527.4

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 20.

	Three Months Ended						Six Months Ended			
In millions of U.S. dollars, unless otherwise noted	**Jun 30, 2024**		Mar 31, 2024		Jun 30, 2023		**Jun 30, 2024**		Jun 30, 2023	
Gold sold (oz)	**113,513**		111,642		105,749		**225,155**		224,204	
Tonnes mined - open pit (kt)	**8,669**		8,981		11,768		**17,650**		21,121	
Tonnes mined - underground (kt)	**195**		168		174		**363**		330	
Tonnes processed (kt)	**1,202**		1,194		1,210		**2,396**		2,386	
Total cash costs:										
Total cash costs ($)	**115.1**		102.5		89.7		**217.6**		173.7	
Total cash costs per oz sold ($)	**1,014**		918		848		**966**		775	
Breakdown of production costs	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**
Mining - open pit	**31.9**	**3.69**	31.6	3.52	32.1	2.73	**63.5**	**3.60**	60.5	2.87
Mining - underground	**16.8**	**86.18**	13.8	82.34	14.3	82.29	**30.6**	**84.40**	26.9	81.41
Processing	**46.0**	**38.19**	42.5	35.64	43.0	35.60	**88.5**	**36.92**	82.7	34.68
Site support	**14.4**	**11.98**	14.3	12.00	14.3	11.84	**28.7**	**11.99**	26.4	11.05
Mexican profit sharing (PTU)	**6.5**	**5.41**	3.0	2.50	5.3	4.38	**9.5**	**3.96**	10.8	4.52
Capitalized stripping	**(0.6)**		(0.8)		(21.9)		**(1.4)**		(43.1)	
Inventory movement	**(2.5)**		(4.3)		(0.9)		**(6.8)**		2.6	
Other	**0.5**		0.7		0.5		**1.2**		1.4	
Production costs	**113.0**		100.8		86.7		**213.8**		168.2	

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.

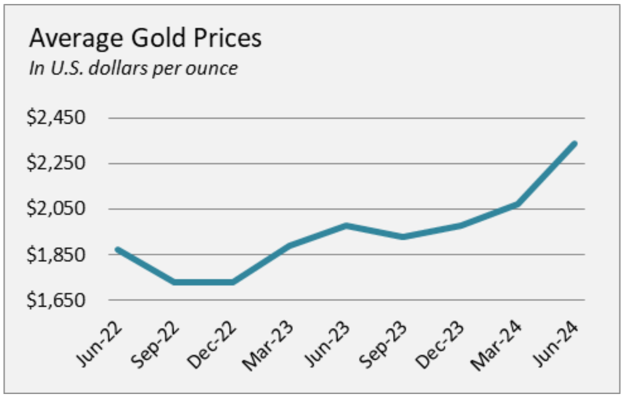
Table 21.

		Three Months Ended		Six Months Ended	
		Jun 30, 2024	Jun 30, 2023	**Jun 30, 2024**	Jun 30, 2023
Average market spot prices[1]					
Gold	$/oz	**2,338**	1,976	**2,203**	1,930
Closing market exchange rates[2]					
Mexican peso : U.S. dollar	Peso : $	**18.4**	17.1	**18.4**	17.1
Canadian dollar : U.S. dollar	C$: $	**1.37**	1.32	**1.37**	1.32
Average market exchange rates[2]					
Mexican peso : U.S. dollar	Peso : $	**17.2**	17.7	**17.1**	18.2
Canadian dollar : U.S. dollar	C$: $	**1.37**	1.34	**1.36**	1.35

1. Based on the LBMA PM fix.
2. Sources: Bank of Mexico for the Mexican peso and Bank of Canada for the Canadian dollar.

Metal prices

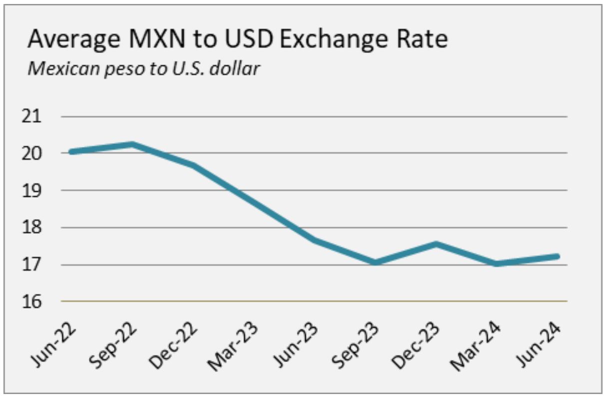
The Company's profitability and operating cash flows are significantly impacted by the price of gold.



From December 31, 2023 to June 30, 2024 based on closing prices, gold prices increased 12%. From December 31, 2022 to June 30, 2023 based on closing prices, gold prices increased 5%. The Company has taken initiatives to mitigate price uncertainty during the development of the Media Luna Project. As at June 30, 2024, the remaining gold forward contracts to sell a total of 71,000 oz of gold between July 2024 and December 2024 have a weighted average price of $1,980 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 60% of the Company's payments in the first half of 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 17.1 and 18.2 pesos to $1 for the six months ended June 30, 2024 and 2023, respectively, representing an 5.8% appreciation in the Mexican peso. The Company has taken initiatives to mitigate price uncertainty during the development of the Media Luna Project.
As at June 30, 2024, the remaining MXN/USD foreign exchange collar contracts to settle a notional value of $42.7 million between July 2024 and December 2024 have a weighted average put strike (floor) rate of 17.84:1 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.

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		**Jun 30**	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
Financial Results									
Revenue	$	**270.3**	236.5	282.4	160.1	211.3	228.8	216.5	209.3
Net income	$	**1.9**	43.1	50.4	10.5	75.3	68.2	34.6	43.9
Per share - Basic	$/share	**0.02**	0.50	0.59	0.12	0.88	0.79	0.40	0.51
Per share - Diluted	$/share	**0.02**	0.50	0.58	0.09	0.85	0.79	0.40	0.51

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 and six months ended June 30, 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.

In June 2024, the Company entered into an additional series of zero-cost collars for $nil cash premium to hedge against changes in foreign exchange rates of the Mexican peso between July 2024 and December 2024 for a total notional value of $23.7 million, with a weighted average put strike (floor) rate of 18.21:1 and a weighted average call strike (ceiling) rate of 20.00:1.

As at June 30, 2024, the remaining MXN/USD foreign exchange collar contracts to settle a notional value of $42.7 million between July 2024 and December 2024 have a weighted average put strike (floor) rate of 17.84:1 and a weighted average call strike (ceiling) rate of 20.00:1.

Subsequent to June 30, 2024, the Company entered into an additional series of zero-cost collars for $nil cash premium to hedge against the impact of changes in foreign exchange rates of the Mexican peso on production costs between January 2025 and December 2025 for a total notional value of $48.0 million, with a weighted average put strike (floor) rate of 19.38:1 and a weighted average call strike (ceiling) rate of 21.21:1.

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)
Q3 2024	17.86	20.00	27,400,000
Q4 2024	17.80	20.00	15,300,000
Q1 2025	19.38	21.21	12,000,000
Q2 2025	19.38	21.21	12,000,000
Q3 2025	19.38	21.21	12,000,000
Q4 2025	19.38	21.21	12,000,000
Total	18.65	20.64	90,700,000

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 June 30, 2024, the remaining gold forward contracts to sell a total of 71,000 oz of gold between July 2024 and December 2024 have a weighted average price of $1,980 per oz.

Table 24.

Settlement Date (Quarter)	Weighted Average Price ($/oz)	Quantity (oz)
Q3 2024	2,006	44,000
Q4 2024	1,939	27,000
Total	1,980	71,000

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 second 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 June 30, 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 drilling results and exploration results have been reviewed and approved by Dr. Volker Moeller, Ph.D., P.Geo. (ON), and a Qualified Person under NI 43-101. Dr. Moeller is a Senior Resource Geologist employed by SLR Consulting (Canada) Ltd. and is independent of Torex.

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.

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, exploration and drilling 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 and drilling strategy of the Company, and the summary of the Media Luna Project schedule and project expenditures. Forward-looking information also includes, but is not limited to, the following forward-looking statements: with the strong production through the first half of the year, the Company is on track to achieve annual production guidance of 400,000 to 450,000 oz, which assumes a planned one-month shutdown of the processing plant in the fourth quarter as part of the Media Luna Project; on a gold equivalent ounce basis ("oz AuEq"), the Company produced 116,350 oz AuEq for the quarter (YTD - 233,591 oz AuEq) and is on track to achieve guidance of 410,000 to 460,000 oz AuEq; costs are expected to decrease through the second half of 2024 as stripping requirements continue to decline with the wind down of the open pits; the Company expects to be at the upper end of full year total cash costs guidance of $860 to $910 per oz sold and all-in sustaining costs guidance of $1,100 to $1,160 per oz sold primarily due to higher gold prices (guidance assumed a gold price of $1,900 per oz) resulting in increased Mexican profit sharing and royalties as well as the strength of the average value of the Mexican peso through the first half of the year; a remaining project spend of $148.9 million; 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 the fourth quarter of 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production expected in the first quarter of 2025; commercial production is now expected to be declared towards the middle of the first quarter of 2025; for the full year, Media Luna Project spend is now expected to be between $430.0 and $450.0 million versus original guidance of $350.0 to $400.0 million; the Company expects to be at the upper end of full year total cash costs guidance of $860 to $910 per oz sold and all-in sustaining costs guidance of $1,100 to $1,160 per oz sold; the Morelos Property's multi-year exploration strategy which is expected to enable the Company to deliver on its objective of maintaining more than 450,000 oz AuEq of production annually beyond 2027 and to make at least one new discovery at the Morelos Property in the coming years; the Morelos Property's multi-year exploration strategy which is expected to enable the Company to deliver on its objective of maintaining more than 450,000 oz AuEq of production annually beyond 2027 and to make at least one new discovery at the Morelos Property in the coming years; the exploration and drilling strategy will focus on three distinct areas: extending the mine life of ELG Underground and Media Luna through infill and near-mine step-out drilling; expanding resources within the Media Luna Cluster, including at Media Luna, EPO, Media Luna West, Media Luna East, and Todos Santos; and advancing targets through the growth pipeline by delivering new discoveries, including at El Naranjo, Atzcala, Esperanza, Querenque, Tecate, El

Olvido, and Victoria; the potential to grow mineral resources, extend high-grade mineralization, and support extending the reserve life of ELG Underground beyond 2028; 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, which assumes a planned one-month shutdown of the processing plant in the fourth quarter as part of the Media Luna Project; for 2024, depreciation and amortization expense is expected to range between $175 to $200 million; for 2024, other expenses are expected to be up to $10 million; it is expected that full certification from the International Cyanide Management Institute (ICMI) will be granted following the submission and review of the audit report; development of Media Luna continues to track to schedule, with first production of copper concentrate anticipated by year end and commercial production expected in the first quarter of 2025; the team has undertaken a final, detailed review of the remaining expenditures and finalized the budgeted project expenditures for Media Luna at $950.0 million; the stronger peso to date and anticipated strength over the remainder of the build represents $48.0 million of the increase in capital expenditures; the remaining $27.5 million reflects additional scope items and carryover costs expected to be incurred in early 2025 prior to declaration of commercial production; the estimated increase reflects the impact of the stronger Mexican peso incurred to date and estimated impact over the remainder of the project, for which the Company has assumed a Mexican peso of 18:1; the requested upgrades relate to the Company's overall power strategy, which will see on-site electricity supply increase to 45 MW from 25 MW through the existing 115 kV power line in October, and a subsequent increase to 60 MW from 45 MW by tying into the nearby 230 kV line, expected later in in the fourth quarter of 2024; expenditures in the third quarter of 2024 are expected to be consistent with the quarterly expenditures during the first half of the year, before subsequently declining in the fourth quarter of 2024 and again in the first quarter of 2025 when commercial production is expected to be declared; 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 the fourth quarter of 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production in the first quarter of 2025; the paste plant filter press is still on track for delivery in August; the second unit for the flotation circuit and unit for the water treatment plant are anticipated in August, with units for the copper filtration/ storage area and Guajes Tunnel thickener expected in September and Guajes Tunnel tailings system in early October; all e-houses are expected to be delivered prior to process plant commissioning in the fourth quarter of 2024; commissioning of the conveyor is expected to begin in late Q3 2024; surface construction continues to progress steadily, with the pace of construction expected to materially increase over the remainder of the year; the plant is expected to be completed in the first quarter of 2025; this strategy is expected to enable Torex to achieve its objective of maintaining more than 450,000 oz AuEq of production annually beyond 2027 and making at least one new discovery at Morelos in the coming years; in 2024, the Company plans to invest $30.0 million in exploration and drilling with total forecasted drilling of approximately 91,000 m; exploration and drilling spending is expected to increase in the second half of 2024, and is on track to achieve full year guidance; the expected conversion of Inferred Resources to the Indicated category with the year-end 2024 mineral reserve and resource update; progress is being made on constructing access roads to facilitate the 3,000 m drilling exploration program planned for the fourth quarter of 2024; in 2024, the Company plans to invest $3.0 million in the near-mine and regional exploration and drilling program budget; 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 production is expected to be relatively consistent through the first three quarters of 2024, with the lowest quarter of production in the fourth quarter 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 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.

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.

August 6, 2024