TOREX GOLD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2020

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 4, 2020 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, 2020. It should be read in conjunction with the Company's annual audited consolidated financial statements and annual management's discussion and analysis for the year ended December 31, 2019. This MD&A contains forward-looking statements that are subject to risks and uncertainties, as discussed under "Cautionary Notes". All dollar figures included therein and in the following MD&A are stated in United States dollars ("U.S. dollar") unless otherwise stated.

HIGHLIGHTS

Operational results

- **COVID-19** – In early April, due to the COVID-19 decree issued by the Government of Mexico, production at the El Limón Guajes Mine Complex (ELG Mine Complex) was temporarily suspended. Partial operations resumed in May with the processing of lower grade stockpiled material. Following the designation of mining as an essential activity in Mexico, full operations resumed at the ELG Mine Complex. Enhanced health protection protocols at site remain in place, at-risk employees and others that can work from home will continue to do so. The Company continued active engagement with local communities with respect to COVID-19 throughout the entire period, including during the temporary suspension of operations. Members of these communities were supportive of the Company restarting operations with enhanced COVID-19 protocols in place.
- **Revised 2020 operational outlook** has been set given the COVID-19 temporary suspension of operations.
- **Safety** – As of the end of June, we surpassed 7 million hours worked without a lost time injury.
- **Gold production** in the quarter totalled 59,508 oz. Gold produced for the six months totalled 168,045 oz.
- **Mine production** in the quarter totalled 5,132 kt, averaged 56,396 tpd[1]. Mine production for the six months totalled 18,695, averaged 102,720 tpd[1].
- **Mine ore production** in the quarter totalled 697 kt, averaged 7,659 tpd[1]. Mine ore production for the six months totalled 2,534 kt, averaged 13,923 tpd[1].
- **Grade mined** averaged 3.07 gpt for the quarter, and 2.67 gpt for the six months.
- **Plant throughput** averaged 7,560 tpd[1] for the quarter, and 10,011 tpd[1] for the six months. Throughput of 11,873 tpd was achieved in the month of June.
- **Grade processed** averaged 3.18 gpt for the quarter, and 3.29 gpt for the six months.
- **Gold recovery** averaged 89% for the quarter, and 89% for the six months.
- **Leadership changes** during the quarter with the promotion of Jody Kuzenko to President & Chief Executive Officer, Faysal Rodriguez to Vice President Mexico, Fred Stanford appointed Executive Chair, and Robin Bienenstock, Rick Howes and Roy Slack elected to the Board of Directors (with Rick Howes appointed Lead Independent Director).
- **ESG (Environment, Social, Governance)** – On August 4th, the Company issued its Responsible Gold Mining Report, which is available on our website (www.torexgold.com).

Financial results

- **Gold sold** for the quarter was 63,147 ounces for proceeds of $108.1 million at an **average realized gold price[2]** of $1,712 per ounce. Gold sold for the six months was 171,211 ounces for proceeds of $277.9 million at an **average realized gold price[2]** of $1,623 per ounce.

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[1] Based on calendar days in the quarter of 91 and 182 days for the three and six months ended June 30, 2020.

[2] Refer to "Non-IFRS Financial Performance Measures" for further information and a detailed reconciliation.

- **Revenue** for the quarter was $109.1 million. **Cost of sales** was $91.4 million, or $1,447 per oz of gold sold for the quarter. **Revenue** for the six months was $281.1 million. **Cost of sales** was $235.5 million or $1,375 per oz of gold sold for the six months.
- **Care and maintenance costs** of $11.1 million related to the COVID-19 suspension of operations have been excluded, $8.0 million from production costs and $3.1 million from depreciation.
- **Earnings from mine operations** were $17.7 million for the quarter, and $45.6 million for the six months.
- **Income before income tax** was $5.3 million for the quarter, and loss before income tax was $15.3 million for the six months.
- **Net income** for the quarter was $3.8 million, or $0.04 per share on a basic and diluted basis. Net loss for the six months was $43.2 million, or $0.51 per share on a basic and diluted basis.
- **Adjusted net earnings**[1] for the quarter totalled $3.6 million, or $0.04 per share on a basic and diluted basis, and for the six months totalled $23.5 million, or $0.28 per share on a basic and diluted basis. Adjusted net earnings for the three and six months ended June 30, 2020 excludes $11.1 million of care and maintenance costs related to the COVID-19 suspension of operations.
- **Cash flow from operations** for the quarter totalled $2.2 million ($28.1 million prior to changes in non-cash working capital), including income taxes paid of $14.8 million. **Cash flow from operations** for the six months totalled $31.7 million ($49.9 million prior to changes in non-cash working capital), including income taxes paid of $62.0 million.
- **Cash balances** as at June 30, 2020 totalled $176.9 million, all unrestricted.
- **Total cash costs**[1] per ounce of gold sold for the quarter were $740, and $774 per ounce of gold sold for the six months, which excludes $8.0 million of production costs related to the COVID-19 suspension of operations.
- **All-in sustaining costs**[1] per ounce of gold sold for the quarter totalled $1,015, and $990 for the six months, which excludes $8.0 million of production costs related to the COVID-19 suspension of operations.
- **EBITDA**[1] for the quarter totalled $44.8 million, and $84.2 million for the six months.
- **Adjusted EBITDA**[1] for the quarter totalled $49.3 million, and $116.7 million for the six months, which excludes $8.0 million of production costs related to the COVID-19 suspension of operations.
- **Free cash flow**[1] **deficiency** for the quarter totalled $28.5 million, and $26.4 million for the six months.
- **Net debt**[1] as at June 30, 2020 totalled $53.5 million.
- **Principal debt payments** in the six months of $43.5 million were made. Draws on the Revolving Facility totalled $90.0 million, bringing the Company's debt to $225.2 million.
- **Loss on derivative contracts** in the quarter was $2.7 million, and $40.5 million for the six months primarily due to depreciation of the Mexican peso and marked increase in gold price.

Muckahi[2]

- Muckahi testing and training activities were suspended for the months of April and May. Activities resumed in mid-June with a focus on the following:
    - Continued development of the 30-degree decline ramp to access the El Limón Deep (ELD) deposit. Upon its completion, the 30-degree conveyor will be installed, expected in the fourth quarter of 2020.
    - Installation and commissioning of a second locomotive system for use on the decline ramp.
    - Commencement of drilling a new long hole stope to further test ore fragmentation. After blasting, this stope will be mucked out with the slusher under test conditions for further optimization of the production method.

[1] Refer to "Non-IFRS Financial Performance Measures" for further information and a detailed reconciliation.

[2] The Media Luna PEA (as defined in this MD&A) is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. The Media Luna PEA includes information on the Muckahi Mining System ("Muckahi"). The PEA economics for the Media Luna Project in the Technical Report (as defined in this MD&A) are based on conventional mining methods. In addition, Muckahi, a Torex proprietary mining method, is introduced and described in the Technical Report. The Technical Report uses the Media Luna Project as a platform for comparison to demonstrate the potential benefits that could be possible if the Muckahi method is proven and ultimately applied to the Media Luna Project, or any other deposit that does not employ caving methods. It is important to note that Muckahi is experimental in nature and has not been tested in an operating mine. Many aspects of the systems are conceptual, and proof of concept has not been demonstrated.

Table 1. The following table summarizes key operating and financial highlights:

		Three Months Ended					Six Months Ended	
In millions of U.S. dollars, unless otherwise noted		**Jun 30, 2020**	**Mar 31, 2020**	**Dec 31, 2019**	**Sep 30, 2019**	**Jun 30, 2019**	**Jun 30, 2020**	**Jun 30, 2019**
Operating Data								
Mining								
Ore tonnes mined	kt	697	1,837	1,573	1,416	1,810	2,534	2,963
Waste tonnes mined	kt	4,435	11,726	10,795	11,923	11,450	16,161	23,731
Total tonnes mined	kt	5,132	13,563	12,368	13,339	13,260	18,695	26,694
Strip ratio [2]	waste:ore	6.7	6.8	7.3	9.1	6.8	6.7	8.6
Average gold grade of ore mined [4]	gpt	3.07	2.52	3.06	3.19	2.91	2.67	2.73
Ore in stockpile [5]	mt	3.1	3.1	2.4	1.9	1.7	3.1	1.7
Processing								
Total tonnes processed	kt	688	1,134	1,116	1,139	1,062	1,822	2,138
Average plant throughput [8]	tpd	7,560	12,464	12,130	12,380	11,670	10,011	11,812
Average gold recovery	%	89	89	89	89	88	89	88
Average gold grade of ore processed	gpt	3.18	3.35	3.87	4.11	3.92	3.29	3.27
Production and sales								
Gold produced	oz	59,508	108,537	125,151	138,145	113,645	168,045	191,515
Gold sold	oz	63,147	108,064	126,910	132,535	113,419	171,211	189,892
Financial Data								
Revenue	$	109.1	172.0	190.0	198.2	150.7	281.1	252.6
Cost of sales	$	91.4	144.1	149.0	130.1	115.7	235.5	200.8
Earnings from mine operations	$	17.7	27.9	41.0	68.1	35.0	45.6	51.8
Net income (loss)	$	3.8	(47.0)	35.1	27.4	10.0	(43.2)	8.7
Per share - Basic	$/share	0.04	(0.55)	0.41	0.32	0.12	(0.51)	0.10
Per share - Diluted	$/share	0.04	(0.57)	0.41	0.32	0.12	(0.51)	0.10
Adjusted net earnings [1]	$	3.6	19.9	34.0	30.8	8.8	23.5	3.0
Per share - Basic [1]	$/share	0.04	0.23	0.40	0.36	0.10	0.28	0.04
Per share - Diluted [1]	$/share	0.04	0.23	0.40	0.36	0.10	0.28	0.04
EBITDA [1]	$	44.8	39.4	102.2	116.6	74.3	84.2	111.5
Adjusted EBITDA [1]	$	49.3	67.4	105.1	115.1	76.5	116.7	112.7
Cost of sales [7]	$/oz	1,447	1,333	1,174	982	1,020	1,375	1,057
Total cash costs [1]	$/oz	740	794	617	561	606	774	662
All-in sustaining costs [1]	$/oz	1,015	975	767	675	760	990	922
Average realized gold price [1]	$/oz	1,712	1,571	1,481	1,478	1,314	1,623	1,309
Cash from operating activities	$	2.2	29.5	97.9	122.5	48.6	31.7	80.9
Cash from operating activities before changes in non-cash working capital [6]	$	28.1	21.8	101.4	116.9	72.6	49.9	109.0
Free cash flow (deficiency) [1]	$	(28.5)	2.1	71.6	96.4	20.6	(26.4)	13.2
Net debt [1]	$	53.5	26.3	21.7	97.2	221.2	53.5	221.2
Cash and cash equivalents	$	176.9	135.7	161.8	168.0	83.5	176.9	83.5
Restricted cash	$	-	-	-	-	32.3	-	32.3
Working capital (deficiency) [3]	$	191.9	105.1	96.5	116.7	(27.4)	191.9	(27.4)
Total debt	$	225.2	155.2	174.9	255.7	298.2	225.2	298.2
Total assets	$	1,204.1	1,154.7	1,229.6	1,263.1	1,230.2	1,204.1	1,230.2
Total liabilities	$	419.2	373.7	394.8	464.6	461.0	419.2	461.0

1. Adjusted net earnings, total cash costs, all-in sustaining costs, average realized gold price, EBITDA, adjusted EBITDA, free cash flow (deficiency) and net debt are financial performance measures with no standard meaning under International Financial Reporting Standards ("IFRS"). Refer to "Non-IFRS Financial Performance Measures" for further information and a detailed reconciliation.
2. Ore mined from the ELG Underground (defined herein) of 31 kt and 132 kt is included in ore tonnes mined and excluded from the strip ratio in the three and six months ended June 30, 2020. For the three months ended March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, ore mined from the ELG Underground was 101 kt, 98 kt, 102 kt and 117 kt, respectively.
3. Current liabilities at June 30, 2019 included a scheduled repayment of $75.0 million in June 2020 under the 2017 Revolving Facility (defined herein). As a result of the subsequent refinancing, the $75.0 million due under the 2017 Revolving Facility was deferred.
4. Included within average gold grade of ore mined is the mined long term, low grade inventory. Excluding the long term, low grade inventory, the average gold grade of ore mined is 3.32 gpt and 2.86 gpt for the three and six months ended June 30, 2020. For the three months ended March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, excluding the long term, low grade inventory, the average gold grade of ore mined is 2.62 gpt, 3.23 gpt, 3.37 gpt and 3.33 gpt, respectively.
5. Included within ore in stockpile is 1.0 mt of long term, low grade inventory, with a carrying value of nil at June 30, 2020. As at March 31, 2020, December 31, 2019, September 30, 2019, and June 30, 2019, the long term, low grade inventory was 0.9 mt, 0.8 mt, 0.6 mt and 0.5 mt, respectively, with nil carrying value. As at June 30, 2020 the long term, low grade inventory has an average grade of 0.87 gpt.
6. Cash generated from operating activities before changes in non-cash working capital was amended to exclude current income tax expense in order to align with changes in presentation of the Company's Statement of Cash Flows.

7. Cost of sales for the three and six months ended June 30, 2020 includes $11.1 million of care and maintenance costs related to the COVID-19 suspension.
8. Based on calendar days in the period of 91 and 182 days for the three and six months ended June 30, 2020.
9. Sum of quarters may not add to the year to date amounts due to rounding.

SECOND QUARTER REPORT

The following abbreviations are used throughout this document: $ (United States dollar), C$ (Canadian dollar), AISC (all-in sustaining costs), Au (gold), Ag (silver), Cu (copper), oz (ounce), gpt (grams per tonne), kt (thousand tonnes), mt (million tonnes), m (metres), km (kilometres), and tpd (tonnes per day).

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COMPANY OVERVIEW AND STRATEGY

The Company is an intermediate gold producer based in Canada engaged in the mining, developing and exploring of the Morelos Gold property (the "Morelos Gold Property"). The Morelos Gold Property is located in the prolific Guerrero Gold Belt in southern Mexico, approximately 180 kilometres to the southwest of Mexico City and consists of 7 mineral concessions covering a total area of approximately 29,000 hectares.

The Company's principal assets are the El Limón Guajes mining complex (the "ELG Mine Complex") and the Media Luna deposit (the "Media Luna Project"). The ELG Mine Complex is comprised of the El Limón, Guajes and El Limón Sur open pits (the "ELG Open Pits"), the El Limón Guajes underground mine including zones referred to as Sub-Sill and El Limón Deep (collectively, the "ELG Underground") and the processing plant and related infrastructure. The Media Luna Project is an early stage development project (for which the Company issued a Preliminary Economic Assessment (the "PEA") on September 4, 2018).

The Company's strategy is to grow production from high quality conventional mining assets, or those with the potential to achieve high value through the deployment of our Muckahi technology. The Morelos Gold Property provides significant opportunity to implement this strategy. The Media Luna Project provides mid-term growth potential. The developing ELG Underground provides near-term growth opportunity in both the Sub-Sill and the El Limón Deep deposits. The many untested exploration targets on this prolific property provide long-term growth opportunities.

In addition to realizing the full potential of the Morelos Gold Property, the Company is seeking opportunities to acquire assets in the Americas that enable profitable and productive geographic diversification.

ORIGINAL OBJECTIVES FOR 2020

Production within constraints:

- Safety – no fatalities, lost time injury frequency of <1 per million hours worked
- Environmental protection – zero reportable spills of 1,000 litres or more, that report to the river or reservoir
- Production – 420,000 to 480,000 oz of gold produced
- Cost control:
  - Total cash costs of $640 to $670 per oz of gold sold
  - All-in sustaining costs of $900 to $960 per oz of gold sold
  - Sustaining capital expenditure of <$85 million
  - Non-sustaining capital expenditure of <$82 million

Prepare for 2021:

- Strip 42 million tonnes of waste in the open pits

Set up for growth:

- Complete the $13 million infill drilling program for Media Luna
- Substantially complete a Media Luna feasibility study
- Start the tunnel from ELG to Media Luna before mid Q3 2020
- Test Muckahi
  - Successfully demonstrate the ability to load a conveyor on a 30-degree ramp and to convey up that ramp
  - Successfully demonstrate the functionality of the tramming conveyor
  - Across multiple long hole open stopes, demonstrate the ability to achieve fragmentation of 95% passing 400mm
  - Across multiple long hole open stopes, demonstrate the ability to 'remote muck' with a slusher

REVISED 2020 OPERATIONAL OUTLOOK

With the resumption of full operations at ELG in June 2020, the Company has revised its operational outlook for 2020. The lower guided output and higher costs primarily reflect the impact the COVID-19 related suspension had on operations during the second quarter of 2020. As with everywhere else in the world, uncertainty still exists over the extent and duration of the impacts that COVID-19 could have on operations, and as such, may impact our ability to achieve the revised outlook outlined in the table below.

There are no changes to the safety and environmental objectives.

Table 2.

	Revised Outlook
Gold production	390,000 to 420,000 ounces
Total cash costs per ounce of gold sold	$695 to $740
All-in sustaining costs per ounce of gold sold	$965 to $1,025
Capitalized waste stripping	$46 million (38 million tonnes)
Sustaining capital expenditures	$83 million
Non-sustaining capital expenditures [1]	$92 million

1. Increase in non-sustaining capital expenditure includes $7.0 million increase in investment in the Media Luna project for the 'South Portal' and additional equipment, to ensure that the project stays on schedule; and $3.5 million to develop 'Portal 3' in order to mine the Sub-Sill Extension area and the El Limón Deep Extension in an efficient and cost-effective manner.

Set up for growth:

- Complete the $13 million infill drilling program for Media Luna
- On schedule to complete the Media Luna feasibility study by mid-year 2021
- Start the tunnel from ELG to Media Luna before mid Q3 2020
- Test Muckahi
  - Successfully demonstrate the ability to load a conveyor on a 30-degree ramp and to convey up that ramp
  - Successfully demonstrate monorail-based muck transport
  - Across multiple long hole open stopes, demonstrate the ability to achieve fragmentation of 95% passing 400mm
  - Across multiple long hole open stopes, demonstrate the ability to 'remote muck' with a slusher

FINANCIAL RESULTS

The following table summarizes the financial results of the Company:

Table 3.

	Three Months Ended		Six Months Ended	
In millions of U.S. dollars, unless otherwise noted	**June 30, 2020**	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Revenue	109.1	150.7	281.1	252.6
Gold	108.1	149.0	277.9	248.6
Silver	0.3	0.5	0.8	1.4
Copper	0.7	1.2	2.4	2.6
Cost of sales	91.4	115.7	235.5	200.8
Production costs	44.4	65.9	127.3	122.1
Depreciation and amortization	32.6	45.3	88.7	71.1
Royalties	3.3	4.5	8.4	7.6
Care and maintenance	11.1	-	11.1	-
Earnings from mine operations	17.7	35.0	45.6	51.8
Exploration and evaluation expenses	0.3	0.6	1.3	0.8
General and administrative expenses	7.0	4.6	10.3	10.7
Loss on derivative contracts	2.7	1.0	40.5	1.3
Finance costs, net	3.6	6.2	7.3	12.6
Foreign exchange (gain) loss	(1.2)	-	1.5	(1.1)
Current income tax expense (recovery)	4.3	5.5	(2.0)	7.6
Deferred income tax (recovery) expense	(2.8)	7.1	29.9	11.2
Net income (loss)	3.8	10.0	(43.2)	8.7
Per share - Basic ($/share)	0.04	0.12	(0.51)	0.10
Per share - Diluted ($/share)	0.04	0.12	(0.51)	0.10
Adjusted net earnings [1]	3.6	8.8	23.5	3.0
Per share - Basic ($/share) [1]	0.04	0.10	0.28	0.04
Per share - Diluted ($/share) [1]	0.04	0.10	0.28	0.04
Cost of sales ($/oz)	1,447	1,020	1,375	1,057
Total cash costs ($/oz) [1]	740	606	774	662
All-in sustaining costs ($/oz) [1]	1,015	760	990	922
Average realized gold price ($/oz) [1]	1,712	1,314	1,623	1,309
Average realized margin ($/oz) [1]	972	708	849	647

1. Refer to "Non-IFRS Financial Performance Measures" for further information and a detailed reconciliation.

SECOND QUARTER 2020 FINANCIAL RESULTS

Processed gold grade was 3.18 gpt

The processed grade for the second quarter of 2020 was 3.18 gpt, compared to a mined grade of 3.07 gpt, or 3.32 gpt excluding long term, low grade inventory. For the first half of 2020, the processed grade was 3.29 gpt, versus a mined grade of 2.67 gpt, or 2.86 gpt excluding long term, low grade inventory.

Processed average daily tonnage of 7,560 tpd

Throughput rates based on calendar days averaged 7,560 tpd in the quarter, and 10,011 tpd for the first half of 2020. These rates reflect the suspension of operations due to COVID-19.

Revenue totalled $109.1 million

During the second quarter of 2020, the Company earned $109.1 million in revenue compared to $150.7 million for the second quarter of 2019. The Company sold 63,147 ounces of gold at an average realized price of $1,712 per ounce in the second quarter of 2020, compared to 113,419 ounces of gold at an average realized price of $1,314 in the second quarter of 2019. The decrease in revenue is primarily due to the temporary suspension of operations due to COVID-19. During the first half of 2020, the Company earned $281.1 million in revenue compared to $252.6 million for the first half of 2019. The Company sold 171,211 ounces of gold at an average realized price of $1,623 in the first half of 2020, compared to 189,892 ounces of gold at an average realized price of $1,309 per ounce in the first half of 2019. The increase in revenue is primarily due to higher average realized prices, partially offset by lower production in 2020 due to the temporary suspension of operations due to COVID-19.

Cost of sales was $91.4 million or $1,447 per oz sold

Cost of sales for the second quarter of 2020 was $91.4 million compared to $115.7 million in the second quarter of 2019. The decrease is primarily due to fewer ounces sold resulting from the temporary suspension of operations due to COVID-19 in the second quarter of 2020. Cost of sales for the first half of 2020 was $235.5 million compared to $200.8 million in the first half of 2019. The increase reflects higher production costs due to a reduction in deferred stripping costs capitalized and an increase in depreciation and amortization.

In the three and six months ended June 30, 2020, production costs totalling $8.0 million, related to the COVID-19 suspension of operations, have been excluded from production costs and are presented as 'Care and maintenance' costs, which appear as a separate expense line within cost of sales. These costs include abnormally high production costs on a per ounce basis, due to the suspension of operations, plus incremental costs incurred to respond to COVID-19.

Depreciation and amortization expense amounted to $32.6 million for the second quarter of 2020 compared to $45.3 million for the second quarter of 2019. The decrease is due to lower ounces sold, partially offset by a greater portion of depreciation related to previously capitalized deferred stripping being amortized as the associated ore is processed. Capitalized deferred stripping is generally depreciated over 12 to 24 months. Depreciation and amortization expense in the first half of 2020 amounted to $88.7 million compared to $71.1 million for the first half of 2019. The increase is largely due to higher depreciation of capitalized stripping.

In the first half of 2020, $3.1 million of depreciation was incurred during the temporary suspension of operations due to COVID-19. These costs are presented as 'Care and maintenance' costs, which appear as a separate expense within cost of sales.

Included in cost of sales in the second quarter of 2020 is a charge of $0.8 million to adjust long term, low grade stockpile inventory to net realizable value, comprising $0.2 million and $0.6 million through production costs and depreciation, respectively. Included in cost of sales in the first half of 2020 is a charge of $2.5 million to adjust long-term, low grade stockpile inventory to net realizable value, comprising $0.9 million and $1.6 million through production costs and depreciation, respectively.

Royalties were $3.3 million and $8.4 million for the three and six months ended June 30, 2020 compared to $4.5 million and $7.6 million for the three and six months ended June 30, 2019, representing 3% of proceeds from gold and silver sales. The fluctuation in the royalties correlates with the change in revenue and the average realized price. Of the 3% royalty expense, 2.5% is payable to the Mexican Geological Survey agency and 0.5% is payable annually to the Ministry of Finance.

Total cash costs[1] were $740 per oz sold

Total cash costs[1] (net of by-product sales) for the second quarter of 2020 were $740 per oz of gold sold (63,147 ounces of gold sold), an increase of $134 per ounce of gold sold compared to the second quarter of 2019 at $606 per oz of gold sold (113,419 ounces of gold sold). Total cash costs (net of by-product sales) for the first half of 2020 were $774 per oz of gold sold compared to $662 per oz of gold sold in the first half of 2019.

In the second quarter of 2020, the Company mined 5.1 million tonnes (0.7 million tonnes of ore) and processed 0.7 million tonnes of ore, compared to 13.3 million tonnes mined (1.8 million tonnes of ore) and 1.1 million tonnes of ore processed in the second quarter of 2019. In the first half of 2020, the Company mined 18.7 million tonnes (2.5 million tonnes of ore) and processed 1.8 million tonnes of ore, compared to 26.7 million tonnes mined (3.0 million tonnes of ore) and 2.1 million tonnes of ore processed in the first half of 2019.

Total cash costs per ounce of gold sold in the three and six months ended June 30, 2020 were higher than the prior year largely due to the temporary suspension of operations related to COVID-19, significantly reducing the comparative ounces of gold sold and deferred stripping costs capitalized, as well as a change in the accounting estimate related to stockpile inventory. Effective January 1, 2020, open pit and underground ore are accounted for separately and on a per ounce basis (compared to on a per tonne basis previously). The impact of these changes in the three and six months ended June 30, 2020 is estimated to be approximately $55 and $85 per oz to total cash costs. This effect is expected to decline quarter over quarter in 2020.

As the temporary suspension of operations stemming from COVID-19 led to partial operations in the second quarter of 2020, total cash costs exclude $8.0 million of production costs incurred during the temporary suspension of operations, including incremental costs, during which time operating activities could not take place. Refer to “Non-IFRS Financial Performance Measures” for further information and a detailed reconciliation.

All-in sustaining costs[1] were $1,015 per oz sold

All-in sustaining costs[1] for the second quarter of 2020 were $1,015 per ounce of gold sold compared to $760 per ounce of gold sold for the second quarter of 2019. Sustaining capital expenditures for both the second quarter of 2020 and 2019 amounted to $11.8 million. Sustaining capital expenditures in the second quarter of 2020 were $4.9 million for capitalized stripping activities, and $6.9 million for sustaining equipment and infrastructure.

All-in sustaining costs[1] for the first half of 2020 were $990 per ounce of gold sold compared to $922 per ounce of gold sold for the first half of 2019. Sustaining capital expenditures in the first half of 2020 amounted to $23.9 million, compared to $36.9 million in the first half of 2019. Sustaining capital expenditures were $11.6 million for capitalized stripping activities, and $12.3 million for sustaining equipment and infrastructure.

General and administrative expenses of $7.0 million

General and administrative expenses totalled $7.0 million and $10.3 million in the three and six months ended June 30, 2020 compared to $4.6 million and $10.7 million in the three and six months ended June 30, 2019. The increase in the second quarter of 2020, compared to the previous year, is primarily due to an unrealized loss of $2.0 million related to the revaluation of share-based payment awards. The loss in the second quarter largely offset the unrealized gain recognized in the first quarter of 2020. Excluding the impact of the revaluation of share-based payment awards, general and administrative expenses have remained comparable with the prior year.

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

Finance costs, net of finance income, of $3.6 million

Finance costs, net of finance income, amounted to $3.6 million and $7.3 million in the three and six months ended June 30, 2020 compared to net finance costs of $6.2 million and $12.6 million in the three and six months ended June 30, 2019. Net finance cost relates to interest expense on the Debt Facility and leases, net of finance income earned on the VAT receivables and cash on hand. The decrease is primarily due to lower total debt balances in the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2019.

Derivative loss of $2.7 million

In the three and six months ended June 30, 2020, the Company recognized losses of $2.7 million and $40.5 million relating to the currency forwards, interest rate swaps and gold zero-cost collars, compared to losses of $1.0 million and $1.3 million in the three and six months ended June 30, 2019 primarily in relation to interest rate swaps. The $2.7 million derivative loss recognized in the second quarter of 2020, includes unrealized gains of $8.8 million offset by realized losses of $11.5 million in the period. Of the $40.5 million derivative loss recognized in the first half of 2020, $18.8 million is unrealized.

The Company entered into the currency forwards in the first half of 2020 for approximately 50% of its estimated 2020 peso-denominated expenditures totaling $234.0 million or 4.6 billion Mexican pesos. The Company recognized a gain of $3.3 million and a loss of $32.6 million on the currency forwards in the three and six months ended June 30, 2020. This is due to the impact of the devaluation in the Mexican peso since year-end and the corresponding impact on peso forward rates. In the second quarter of 2020, the Company extended the maturity dates of certain currency contracts due to settle in the second quarter of 2020, with a total notional value of $24.0 million, to future periods ranging from 7 to 11 months.

The Company entered into a series of zero-cost collars to hedge against changes in gold prices for a total of 8,000 ounces of gold per month. In the second quarter of 2020, the Company extended the gold hedging arrangements to June 2021. The Company recognized derivative losses of $5.7 million and $6.3 million for the three and six months ended June 30, 2020. Subsequent to the second quarter of 2020, the Company extended the gold hedging arrangements to September 2021.

The Company entered into interest rate swap contracts in 2019 for a fixed LIBOR of 2.492% on interest payments related to $150.0 million of the Debt Facility to hedge against unfavourable changes in interest rates. The Company recognized derivative losses of $0.3 million and $1.6 million for the three and six months ended June 30, 2020.

Foreign exchange gain of $1.2 million

The Company recognized a foreign exchange gain of $1.2 million and loss of $1.5 million in the three and six months ended June 30, 2020 respectively, compared to no significant gains or losses in the three months ended June 30, 2019 and a gain of $1.1 million six months ended June 30, 2019. Based on closing exchange rates, the Mexican peso appreciated by 2.1% in the second quarter of 2020.

Current income and mining tax expense of $4.3 million

The Company recognized a current income tax expense of $4.3 million and a current income tax recovery of $2.0 million in the three and six months ended June 30, 2020 related to Mexican corporate income tax and the 7.5% Mexican mining royalty, compared to a current tax expenses of $5.5 million and $7.6 million in the three and six months ended June 30, 2019. The recovery in the six months ended June 30, 2020 is largely due to foreign exchange gains that more than offset amounts accrued for the 7.5% royalty. The 7.5% Mexican mining royalty is considered an income tax for IFRS purposes. During 2019, the remaining Mexican tax loss carryforwards were fully utilized as expected, and, as a result, the Company is subject to Mexican federal income tax for 2019. Instalment payments commenced in December 2019 (in respect of November) with the remaining balance paid in March 2020.

Deferred income tax recovery of $2.8 million

The Company recognized a deferred income tax recovery of $2.8 million and a deferred income tax expense of $29.9 million for the three and six months ended June 30, 2020, compared to a deferred income tax expense of $7.1 million and $11.2 million for the three and six months ended June 30, 2019. For the three and six months ended June 30, 2020 compared to the three and six months ended June 30, 2019, the deferred income tax is primarily driven by the tax effect of currency translation on tax base and the fixed asset balance.

The Company's deferred tax expense is sensitive to the foreign exchange fluctuations of the Mexican peso relative to the U.S. dollar because the tax reporting currency of its Mexican subsidiaries is the Mexican peso while the accounting functional currency is the U.S. dollar. Therefore, the U.S. dollar value of Mexican tax attributes available for future deduction will change as the value of the Mexican peso changes relative to the U.S. dollar. Generally, a decline in the value of the Mexican peso relative to the U.S. dollar will increase deferred tax expense (or decrease deferred tax recovery), while an increase in the value of the Mexican peso relative to the U.S. dollar will reduce deferred tax expense (or increase deferred tax recovery). The closing value of property, plant and equipment, and inventory for tax purposes at June 30, 2020 was 14.0 billion Mexican pesos.

For the three months ended June 30, 2020, the Mexican peso appreciated by 2.1% to 23.0 pesos relative to the U.S. dollar resulting in an estimated expense of $0.3 million of foreign exchange included in deferred tax recovery, while for the six months ended June 30, 2020, the Mexican peso depreciated by 22.3% to 23.0 relative to the U.S. dollar, which created an estimated expense of $16.8 million related to foreign exchange included in deferred tax expense.

For the three months ended June 30, 2019, the Mexican peso appreciated by 1.1% to 19.2 relative to the U.S. dollar resulting in an estimated recovery of $1.8 million of foreign exchange included in deferred tax expense, while for the six months ended June 30, 2019, the Mexican peso appreciated by 2.6% to 19.2 relative to the U.S. dollar leading to an estimated recovery of $4.8 million of foreign exchange included in deferred tax expense.

Net income of $3.8 million

Net income for the second quarter of 2020 was $3.8 million, or $0.04 per share on a basic and diluted basis, while adjusted net earnings[1] amounted to $3.6 million, or $0.04 per share on a basic and diluted basis. In the second quarter of 2019, the Company had net income of $10.0 million, or $0.12 per share on a basic and diluted basis while adjusted net earnings[1] amounted to $8.8 million, or $0.10 per share on a basic and diluted basis. Net income is lower in the second quarter of 2020 compared to the second quarter of 2019, primarily due to the temporary suspension of operations related to COVID-19. Net loss for the first half of 2020 was $43.2 million, or $0.51 per share on a basic and diluted basis, while adjusted net earnings[1] amounted to $23.5 million, or $0.28 per share on a basic and diluted basis. In the first half of 2019, net income was $8.7 million, or $0.10 per share on a basic and diluted basis, while adjusted net earnings[1] was $3.0 million, or $0.04 per share on a basic and diluted basis. Net loss is higher in the first half of 2020 compared to the first half of 2019 largely due to higher derivative losses, partially offset by higher earnings from mine operations.

[1] Refer to the section "Non-IFRS Financial Performance Measures" for a reconciliation of net income (loss) to adjusted net earnings.

RESULTS OF OPERATIONS

Mining

A total of 5,132 kt were mined in the second quarter of 2020, including 5,101 kt from ELG Open Pits and 31 kt from the ELG Underground. Average waste to ore strip ratio in the open pits was 6.7:1. In total, 56% of the material mined in the second quarter was mined from El Limón and 43% from Guajes. The remaining 1% was from the ELG Underground.

A total of 18,695 kt were mined in the first half of 2020, including 18,563 kt from ELG Open Pits and 132 kt from the ELG Underground. Average waste to ore strip ratio in the open pits was 6.7:1. In total, 67% of the material mined in the first half of 2020 was from El Limón and 32% from Guajes. The remaining 1% was from the ELG Underground.

At June 30, 2020, there were 3.1 mt of ore in stockpiles at an average grade of 1.35 gpt. Excluding 1.0 mt of long term, low grade stockpiles at an average grade of 0.87 gpt, the remaining 2.1 mt of ore in stockpiles are at an average grade of 1.57 gpt.

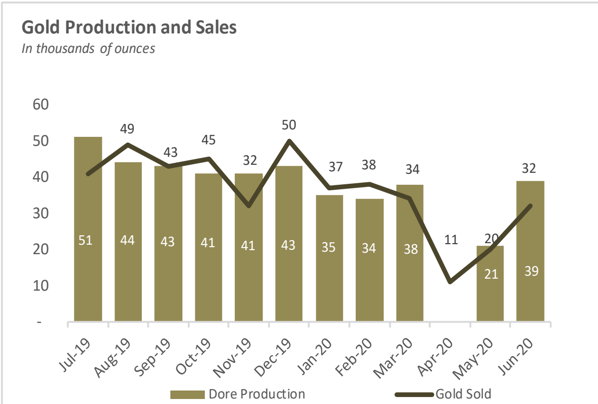
The following table summarizes the mining activities for the Company's ELG Mine Complex:

Table 4.

		Three Months Ended					Six Months Ended	
		Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Jun 30, 2020	Jun 30, 2019
Mining								
Guajes								
Ore tonnes mined	kt	229	584	445	412	92	813	120
Waste tonnes mined	kt	1,969	3,297	3,799	5,483	3,506	5,266	6,648
Total tonnes mined	kt	2,198	3,881	4,244	5,895	3,598	6,079	6,768
Strip ratio	w:o	8.6	5.6	8.5	13.3	38.1	6.5	55.4
Average gold grade of ore mined	gpt	2.61	2.10	2.85	2.16	1.34	2.24	1.28
El Limón								
Ore tonnes mined	kt	437	1,152	1,030	902	1,601	1,589	2,643
Waste tonnes mined	kt	2,466	8,429	6,996	6,440	7,944	10,895	17,083
Total tonnes mined	kt	2,903	9,581	8,026	7,342	9,545	12,484	19,726
Strip ratio	w:o	5.6	7.3	6.8	7.1	5.0	6.9	6.5
Average gold grade of ore mined	gpt	2.86	2.29	2.70	3.20	2.61	2.45	2.39
Total ELG Open Pits								
Ore tonnes mined	kt	666	1,736	1,475	1,314	1,693	2,402	2,763
Waste tonnes mined	kt	4,435	11,726	10,795	11,923	11,450	16,161	23,731
Total tonnes mined	kt	5,101	13,462	12,270	13,237	13,143	18,563	26,494
Strip ratio	w:o	6.7	6.8	7.3	9.1	6.8	6.7	8.6
Average gold grade of ore mined	gpt	2.77	2.23	2.75	2.87	2.54	2.38	2.34
ELG Underground								
Ore tonnes mined	kt	31	101	98	102	117	132	200
Average gold grade of ore mined	gpt	9.49	7.50	7.65	7.26	8.23	7.97	8.08

1. The strip ratio for Guajes is high for the three and six months ended June 30, 2019 because the activities within Guajes were focused on stripping activities without significant ore being mined.

Gold Production and Sales



In the second quarter of 2020, 59,508 ounces of gold were produced and 63,147 ounces of gold were sold, for a total of 168,045 gold ounces produced and 171,211 ounces of gold sold-year-to-date in 2020. Lower production relative to prior quarters was a result of the temporary suspension of operations due to COVID-19.

Safety

The Company continued to extend its excellent safety performance; as of the end of June, the Company surpassed 7 million hours and more than one year worked without a lost time injury. There were no fatalities (including on site contractor employees) in the quarter. The Company exited the quarter with an annualized lost time injury frequency of zero per million hours worked, with the last reported lost time injury on April 22, 2019. Overall, incident reporting continues to be robust, and the number of minor injuries remains low.

The enhanced COVID-19 control measures we put in place in March remain in place today, and our screening measures appear to have been effective. To date we have had four confirmed cases of COVID-19 within our workforce. Three of those individuals displayed symptoms and tested positive at home while away from site and are now fully recovered. The fourth individual tested positive at site and was quarantined as outlined in our COVID-19 protocols.

Environmental

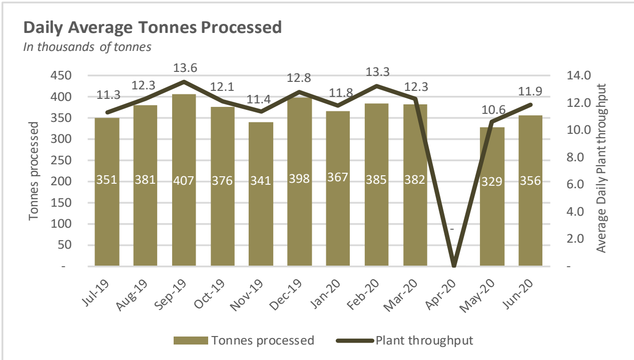
There were no reportable environmental incidents in the second quarter of 2020. Environmental initiatives undertaken by the Company to monitor water quality, air quality and biodiversity continue. As part of the COVID-19 temporary suspension of operations, a care and maintenance team was kept on site to maintain environmental compliance and to keep the facilities and equipment in a state of production readiness.

Community

Various infrastructure projects in the communities were advanced in the quarter, including the renovation of a church, home repairs, road maintenance, the re-engineering of the wastewater treatment system in La Fundición, and troughs construction in Real del Limón.

Continued support has been provided for COVID-19 management in the local communities, including the implementation of infection prevention education campaigns for adults and children, the delivery of medical equipment for local health centres, and the donation of hand sanitizer and medical masks to the local communities.

Plant Performance



The second quarter plant performance was impacted materially by COVID-19 restrictions. During the month of April, the plant was placed on care and maintenance following a Decree issued by the Mexican Government. At the time of the suspension decree, end-to-end maintenance of the plant was in progress and in that process, a worn load speed coupling was detected in the ball mill drive train. The replacement part could only be sourced outside Mexico and owing to COVID-19 travel restrictions, did not arrive at site until June, at which time it was replaced. For the month of May, plant production was partially resumed with the processing of lower grade material from stockpile. In June, the plant transitioned back into full production. The milling rate of 11,873 tpd in June reflects the down time associated with the replacement of the load speed coupling, together with some additional power related interruptions resulting from storm and lightning events during the rainy season in Mexico. The metallurgy at the plant, including gold recoveries and reagent consumption, has been excellent throughout the period.

EXPLORATION AND DEVELOPMENT ACTIVITIES

Media Luna Project Update

The Company's plan for the Media Luna Project is to advance the project from early stage development to production in 2024. In 2019, the infill drilling program at Media Luna was completed, successfully upgrading 25% of the previous Inferred resource to the Indicated confidence resource category, suitable for use in a feasibility study and the estimation of a Mineral Reserve. The objective of the infill drill program was to upgrade sufficient resources to generate a reserve that would pay back the initial capital investment. A subsequent infill drill program is currently underway, with the intent to upgrade a greater portion of Inferred Resources to the Indicated category in time to be incorporated into the feasibility study.

Only the Indicated portion of a Mineral Resource estimate can be included in a feasibility study to generate a Mineral Reserve. As such, the mineable tonnes presented in the feasibility study will be significantly lower than the 2018 PEA, since all of the Inferred tonnes considered in the PEA will not have been upgraded to Indicated for inclusion in the study. Future infill drill programs will target the remaining Inferred tonnes for upgrading to the Indicated confidence category.

As at June 30, 2020, the Company has capitalized $50.9 million of expenditure since the commencement of development, including $10.0 million in the quarter ended June 30, 2020, in relation to development activities for the Media Luna Project.

Key trade-off studies are nearing completion and early field survey and technical study work in support of the permitting/approval process has commenced. A feasibility study with a budget of $11.0 million commenced in early 2020 and is expected to be completed in mid-2021. During the second half of 2020, an early works program will start excavating the access tunnel to Media Luna, thereby de-risking this component of the development schedule.

Before the commencement of commercial production from Media Luna, the Company is required to secure appropriate environmental, exploitation, land use, water and infrastructure construction permits. This is on track.

Pre-commercial capital expenditures, net of pre-commercial revenues, are estimated at $411.4 million as per the Technical Report (as defined below). The Company intends to fund these expenditures from cash flows generated from the existing mining operations or other financing arrangements.

An updated PEA for the Media Luna Project was included as part of the updated technical report (the "Technical Report") released on September 4, 2018, entitled "NI 43-101 Technical Report ELG Mine Complex Life of Mine Plan and Media Luna Preliminary Economic Assessment", which has an effective date of March 31, 2018 and is available on the Company's website at www.torexgold.com and filed on SEDAR at www.sedar.com.

Muckahi Mining System Update

Muckahi testing and training activities remained suspended for the months of April and May. Operations have resumed in mid-June with a focus on the following test activities:

- Continued development of the 30-degree decline ramp to access the ELD deposit. Upon its completion, the 30-degree conveyor will be installed, expected in the fourth quarter of 2020
- Installation and commissioning of a second locomotive system for use on the decline ramp
- Continued drilling a new long hole stope to further test the ore fragmentation. After blasting, this stope will also be mucked out with the slusher under test conditions for optimization of the production method

The tramming conveyor testing and pre-commissioning at the manufacturer is planned to resume early in the third quarter and once complete it will be transported to ELD for installation, commissioning and field trails. A priority is to continue the training of new miners on the Muckahi system equipment and mining processes through the test activities to build internal capability in advance of the development of the Media Luna tunnel using a monorail-based transport system for the removal of blasted rock.

Morelos Gold Property Exploration Update

The Morelos property covers 29,000 ha of highly prospective terrain in the relatively under-explored Guerrero Gold Belt in Mexico. In excess of ten well-supported target areas have been identified through a combination of surface mapping, sampling and remote sensing work. The Media Luna deposit, currently in feasibility-level evaluation was the first discovery on the property by the Torex team. Subsequent near mine exploration efforts identified and drilled out down dip extensions to the near-surface ore bodies, two of which, El Limón Deep and Sub-Sill are being mined today from underground and contributing high-grade feed to the open pit ore.

Over the last three quarters the site geology and exploration teams have conducted an extensive evaluation of the potential for additional discovery in the El Limón-Guajes area. We have identified six, well-supported target areas in the near-mine environment, which includes the direct down-dip extension to current underground workings. The total proposed ELG “brownfields” program is expected to continue over the next three years, with the intention to add extension to the mine operations at the ELG Mine Complex.

Drilling under this new “near-mine” program commenced in the first quarter of 2020 but was suspended in the second quarter of 2020 due to COVID-19 contagion prevention measures. Drilling recommenced early in the third quarter of 2020, as did the 2020 resource delineation drilling at Media Luna. We expect to issue further details on the near-mine program along with drill results, later in the second half of 2020. Further evaluation of the known regional targets is under preparation for a 2021 start-up.

FINANCIAL CONDITION REVIEW

The Company's Debt Facility (defined below and discussed in the "Debt Financing" section of this MD&A) has financial covenants, which, if not met, could result in an event of default. As at June 30, 2020, the Company is in compliance with all financial and other covenants.

Summary Balance Sheet

The following table summarizes key balance sheet items at June 30, 2020:

Table 5.

In millions of U.S. dollars		June 30, 2020		December 31, 2019
Cash and cash equivalents	$	176.9	$	161.8
Value-added tax receivables		28.1		37.7
Inventory		117.1		129.2
Income tax receivable		20.2		-
Property, plant and equipment		835.3		874.4
Other assets		26.5		26.5
Total assets	$	1,204.1	$	1,229.6
Accounts payable and accrued liabilities	$	58.7	$	90.6
Income tax payable		24.9		68.7
Debt		225.2		174.9
Derivative contracts		20.2		1.6
Deferred income tax liabilities		63.6		33.7
Other liabilities		26.6		25.3
Total liabilities	$	419.2	$	394.8
Total shareholders' equity	$	784.9	$	834.8

Cash and cash equivalents and restricted cash

The Company ended the second quarter of 2020 with cash on hand of $176.9 million. The Company holds cash balances in both Canadian dollars and Mexican pesos, as well as U.S. dollar holdings.

Value-added tax ("VAT") receivables

The Company has VAT receivables 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. During the first half of 2020, the Company collected $28.1 million in VAT receivables, and interest of $1.7 million.

Inventory

The decrease in inventory of $12.1 million is largely due to the accounting for stockpile inventory for open pit and underground material separately and on a per ounce basis effective January 1, 2020.

Income tax receivable

The Company has an income tax receivable balance at June 30, 2020 of $20.2 million primarily representing income tax instalments made in Mexico with respect to 2020.

Property, plant and equipment

Property, plant and equipment decreased by $39.1 million due to depreciation and amortization of $98.9 million, offset by additions to infrastructure, equipment, capitalized stripping costs and net closure and rehabilitation of $59.8 million.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities were $58.7 million at June 30, 2020 compared to $90.6 million at December 31, 2019. The decrease is primarily due to the timing of payments and the depreciation in the Mexican peso.

Income tax payable

Income tax payable decreased from $68.7 million at December 31, 2019 to $24.9 million at June 30, 2020. Income tax payable at June 30, 2020 is fully related to the 7.5% mining royalty whereas the income tax payable at December 31, 2019 included both $35.3 million related to the 7.5% mining royalty and $33.4 million related to income tax payable on taxable income in 2019. The remaining tax loss carryforwards available to offset current income tax payable were fully utilized in the third quarter of 2019 and the Company commenced accruing current income taxes payable. The Company commenced paying income tax instalments in December 2019.

Derivative contracts

The liability for outstanding derivative contracts increased from $1.6 million at December 31, 2019 to $20.2 million on June 30, 2020. This balance is primarily made up of currency contracts and zero-cost collar gold contracts that will be settled within the next 12 months. The Company's other non-current liabilities of $26.6 million includes derivative liabilities of $0.8 million for contracts to be settled after the next 12 months.

DEBT FINANCING

Debt Facility

On July 30, 2019, the Company through its subsidiary MML (as borrower) signed a Second Amended and Restated Credit Agreement ("SARCA") with the Bank of Montreal, BNP Paribas, ING Bank N.V., Dublin Branch, Société Générale and the Bank of Nova Scotia (the "Banks") in connection with a secured $335.0 million debt facility (the "Debt Facility"). The Debt Facility is comprised of a $185.0 million term loan (the "Term Facility") and a $150.0 million revolving loan facility (the "Revolving Facility"). Proceeds of the Revolving Facility may be used for general corporate purposes, including certain development expenditures and acquisitions, in all cases subject to the conditions of the Debt Facility. The Debt Facility contained cross-default provisions with certain of the Company's equipment lease and equipment loan, however the equipment lease and equipment loan were fully repaid in the fourth quarter of 2019. The Debt Facility restricts the Company from making distributions, except that the Company may distribute the Muckahi Subsidiaries (as defined below) or the Muckahi System Rights (as defined below, including by way of a "spin out" transaction) if there is no default or event of default. A Muckahi Subsidiary is a direct or indirect subsidiary of the Company whose assets are primarily comprised of the rights to and interest in the design of the Muckahi Mining System or assets related thereto (the "Muckahi System Rights").

The Debt Facility bears interest at a rate of LIBOR +3%. It includes standard and customary finance terms and conditions including with respect to fees, representations, warranties, covenants and conditions precedent to additional draws under the Revolving Facility. The Debt Facility is secured by all of the assets of MML and secured guarantees of the Company and each of its other subsidiaries with a direct or indirect interest in the ELG Mine Complex and or the Media Luna Project. The total borrowing capacity under the Revolving Facility will be reduced to $100.0 million on December 31, 2021.

On December 19, 2019, the Company executed an amendment to the SARCA, increasing the proceeds allowable for development expenditure and accelerating the Term Facility repayment schedule. The Revolving Facility will mature on June 30, 2022 and the Term Facility will mature on March 31, 2022, as amended from June 30, 2022. The Term Facility may be repaid in full at any time without penalty or premium.

During the six months ended June 30, 2020, the Company made principal repayments of $42.5 million under the Debt Facility.

The Debt Facility permits, including by use of the Revolving Facility, potential spending to facilitate the development of the Media Luna Project, the Muckahi Mining System, and other existing and future projects of the Company, subject to the conditions of the Debt Facility, including compliance with (i) financial covenants related to maintaining a net leverage ratio of 3.0, a debt service coverage ratio of 1.15 and minimum liquidity of $50.0 million and (ii) certain thresholds with respect to the quantum of development expenditures and the amount spent on the Muckahi Mining System. The Debt Facility also includes a Reserve Tail Test that replaces the Reserve Tail Ratio. Non-compliance with the Reserve Tail Test is not an event of default, but instead restricts the amount that can be drawn under the Revolving Facility, and depending on the amount drawn, may also require prepayments of the Debt Facility. As at June 30, 2020, the full amount of the Revolving Facility ($150.0 million) was available based on the Reserve Tail Test, of which $140.0 million was drawn.

As at June 30, 2020, the Company is in compliance with the financial and other covenants under the Debt Facility.

The SARCA is available on SEDAR at www.sedar.com.

The Decree issued by the Government of Mexico on March 30, 2020 resulted in the Company declaring a force majeure event under the SARCA. The occurrence of a force majeure event which continues for any period longer than 180 consecutive days constitutes an event of default, which would entitle the Banks to demand repayment of any outstanding balances under the SARCA. The Company declared the end of the force majeure event on May 19, 2020.

On April 23, 2020, the Company drew an additional $50.0 million on the Revolving Facility. On June 4, 2020, the Company drew a further $40.0 million, bringing the total outstanding balance under the Revolving Facility to $140.0 million.

LIQUIDITY AND CAPITAL RESOURCES

The total assets of the Company as at June 30, 2020 were $1,204.1 million (December 31, 2019 - $1,229.6 million), which includes $176.9 million in cash and cash equivalents (December 31, 2019 - $161.8 million).

Cash flow generated from operating activities, excluding changes in non-cash working capital, for the first half of 2020 was $49.9 million compared to $109.0 million for the first half of 2019. Cash flow generated from operating activities after non-cash working capital for the first half of 2020 was $31.7 million compared to $80.9 million for the first half of 2019. The decrease in cash generated from operating activities is largely due to the temporary suspension of operations in relation to COVID-19 and the income taxes paid in the first quarter of 2020 to settle taxes payable related to 2019.

Investing activities resulted in net cash outflows of $53.4 million in the six months ended June 30, 2020, compared with net cash outflows of $66.8 million for the six months ended June 30, 2019. The decrease in cash outflows is largely due to the decrease in additions to property, plant and equipment, primarily related to the temporary suspension of operations in relation to COVID-19 and the decrease in deferred stripping activity.

Financing activities resulted in net cash inflows of $42.1 million for the six months ended June 30, 2020 compared with net cash outflows of $52.7 million in the six months ended June 30, 2019. Net cash flows from financing activities for the six months ended June 30, 2020 resulted from draws on the Revolving Facility totalling $90.0 million for the six months ended June 30, 2020 offset by scheduled repayments under the Debt Facility and leases totalling $43.5 million, and interest paid of $4.5 million. In comparison, for the first half of 2019, net cash flows used in financing activities relate primarily to repayment of debt of $42.4 million and interest paid of $11.6 million, partially offset by cash flows of $1.3 million from exercise of stock options.

As at June 30, 2020, the Company's contractual obligations included office lease agreements, office equipment leases, long-term land lease agreements with the Rio Balsas, the Real del Limón, Atzcala and the Puente Sur Balsas 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 of the long-term land lease agreements can be terminated within a year at the Company's discretion at any time without penalty.

In addition, production revenue from concessions are subject to a 2.5% royalty payable to the Mexican Geological Survey agency. The royalty is accrued based on revenue and payable on a quarterly basis. In January 2020, the Company paid $4.8 million relating to the 2.5% royalty for the fourth quarter of 2019. In April 2020, the Company paid $4.3 million relating to the 2.5% royalty for the first quarter of 2020. In July 2020, the Company paid $2.7 million relating to the 2.5% royalty for the second quarter of 2020.

The Company is subject to a mining tax of 7.5% on 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 0.5% royalty are payable on an annual basis. In March 2020, the Company paid $17.5 million in respect of the 7.5% and 0.5% royalties for 2019.

The trends that affect the Company's liquidity are further described in the "Economic Trends" section of this MD&A. The liquidity risks associated with the Company's financial instruments are set out in the "Financial Risk Management" section of this MD&A.

For discussion of liquidity risks pertaining to COVID-19, refer to sections "Financial Risk Management" and "Risks and Uncertainties" of this MD&A.

Contractual Commitments

Table 6.

	Payments Due by Period				
In millions U.S. dollars	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**Greater than 5 years**
ELG Mine Complex operating commitments	75.2	75.2	-	-	-
ELG Mine Complex capital commitments	17.0	17.0	-	-	-
Debt	230.8	64.0	165.7	0.7	0.4
Total	**$ 323.0**	**$ 156.2**	**$ 165.7**	**$ 0.7**	**$ 0.4**

OUTSTANDING SHARE DATA

Table 7.

Outstanding Share Data at August 4, 2020	**Number**
Common shares	85,530,176
Share purchase options [1]	231,350
Restricted share units [2, 3]	541,832
Performance share units [4]	615,162

1. *Each share purchase option is exercisable into one common share of the Company.*
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-IFRS FINANCIAL PERFORMANCE MEASURES

The Company has presented certain non-IFRS measures in this document. The Company believes that these measures, while not a substitute for measures of performance prepared in accordance with IFRS, provide investors 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 standard meaning under IFRS. The Company reports total cash costs on a per ounce sold basis. 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 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. Total cash costs are calculated in accordance with the standard developed by the Gold Institute. Adoption of the standard is voluntary and other companies may quantify this measure differently as a result of different underlying principles and policies applied.

All-In Sustaining Costs

AISC is a common financial performance measure in the gold mining industry; however, it has no standard meaning under IFRS. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as cost of sales and cash flows from operations, 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.

Torex reports AISC in accordance with the guidance issued by the World Gold Council ("WGC"). 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), exploration and study costs (capitalized and expensed), capitalized stripping costs, sustaining capital expenditures and sustaining leases and represents the total costs of producing gold from current operations. AISC excludes income tax payments, interest costs, costs related to business acquisitions and certain items needed to normalize earnings. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation 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. In November 2018, the WGC updated its guidance for all-in-sustaining costs. The Company adopted the updated guidance beginning January 1, 2019.

Reconciliation of Total Cash Costs and All-in Sustaining Costs to Cost of Sales

Table 8.

		Three Months Ended		Six Months Ended	
In millions of U.S. dollars, unless otherwise noted		**June 30, 2020**	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Gold sold	oz	63,147	113,419	171,211	189,892
Total cash costs per ounce sold					
Production costs and royalties [1]	$	47.7	70.4	135.7	129.7
Less: Silver sales	$	(0.3)	(0.5)	(0.8)	(1.4)
Less: Copper sales	$	(0.7)	(1.2)	(2.4)	(2.6)
Total cash costs	$	46.7	68.7	132.5	125.7
Total cash costs per ounce sold	$/oz	740	606	774	662
All-in sustaining costs per ounce sold					
Total cash costs	$	46.7	68.7	132.5	125.7
General and administrative costs [2]	$	4.8	4.5	10.4	10.5
Reclamation and remediation costs	$	0.6	0.7	1.6	1.3
Sustaining exploration costs	$	0.2	0.5	1.1	0.6
Sustaining capital expenditure [3]	$	11.8	11.8	23.9	36.9
Total all-in sustaining costs	$	64.1	86.2	169.5	175.0
Total all-in sustaining costs per ounce sold	$/oz	1,015	760	990	922

1. Included within production costs and royalties is the cash component of an inventory impairment charge for long-term, low-grade stockpiles planned for processing at the end of the Company's life of mine of $0.2 million or $3/oz and $0.9 million of $5/oz for the three and six months June 30, 2020 (for the three and six months ended June 30, 2019, $5.2 million or $46/oz and $7.1 million or $37/oz).
2. This amount excludes a loss of $2.0 million for the three months ended June 30, 2020 and a gain of $0.4 million for the six months ended June 30, 2020 in relation to the remeasurement of share-based compensation, and corporate depreciation and amortization expenses totalling $0.1 million and $0.2 million for the three and six months ended June 30, 2020 recorded within general and administrative costs. Included in general and administrative costs is share-based compensation expense in the amount of $1.3 million or $21/oz and $3.1 million or $18/oz for the three and six months ended June 30, 2020 (for the three and six months ended June 30, 2019, $1.0 million or $9/oz and $2.9 million or $15/oz).
3. Based on additions to property, plant and equipment per the Statement of Cash Flows for the three and six months ended June 30, 2020 of $28.8 million and $52.5 million. Before changes in net working capital, capital expenditures for the three and six months ended June 30, 2020 totalled $28.7 million and $53.6 million. Sustaining capital expenditures of $11.8 million and $23.9 in the three and six months ended June 30, 2020 are related to $4.9 million and $11.6 million for the cash component of capitalized stripping activities, and $6.9 million and $12.3 million for sustaining equipment and infrastructure expenditures. Non-sustaining capital expenditures of $16.9 million and $29.7 million in the three and six months ended June 30, 2020 relating to Muckahi, El Limón Deep, the Sub-Sill, and the Media Luna Project, have been excluded from AISC.

Average Realized Price and Average Realized Margin

Average realized price and average realized margin per ounce of gold sold are non-IFRS financial measures that do not have a standard meaning under IFRS. Management and certain investors use these measures to better understand the gold price and margin realized throughout a period.

Average realized price is quantified as revenue per the Statement of Operations and Comprehensive Income (Loss) less silver and copper sales. Average realized margin reflects average realized price per ounce of gold sold less total cash costs per ounce of gold sold.

The average realized price for the second quarter of 2020 was $1,712 per ounce of gold sold compared to $1,314 per ounce of gold sold for the second quarter of 2019. The average realized price for the first half of 2020 was $1,623 per ounce of gold sold compared to $1,309 per ounce of gold sold for the first half of 2019. The increase is a result of higher average spot prices.

The average realized margin for the second quarter of 2020 was $972 per oz of gold sold compared to $708 per oz of gold sold for the second quarter of 2019. The average realized margin for the first half of 2020 was $849 per oz of gold sold compared to $647 per oz of gold sold for the first half of 2019. The increase primarily reflects higher average spot prices, partially offset by higher total cash costs per oz of gold sold.

Reconciliation of Average Realized Price and Average Realized Margin to Revenue

Table 9.

In millions of U.S. dollars, unless otherwise noted		**Three Months Ended June 30, 2020**	**Three Months Ended June 30, 2019**	**Six Months Ended June 30, 2020**	**Six Months Ended June 30, 2019**
Gold sold	oz	63,147	113,419	171,211	189,892
Revenue	$	109.1	150.7	281.1	252.6
Less: Silver sales	$	(0.3)	(0.5)	(0.8)	(1.4)
Less: Copper sales	$	(0.7)	(1.2)	(2.4)	(2.6)
Total proceeds	$	108.1	149.0	277.9	248.6
Total average realized price per ounce	$/oz	1,712	1,314	1,623	1,309
Less: Total cash costs per ounce	$/oz	740	606	774	662
Total average realized margin per ounce	$/oz	972	708	849	647

Adjusted Net Earnings

Adjusted net earnings and adjusted net earnings per share (basic and diluted) are non-IFRS financial measures with no standard meaning under IFRS. 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 care and maintenance costs, unrealized foreign exchange gains and losses, non-cash unrealized gains and losses on derivative contracts, certain impairment provisions, remeasurement of share-based payments and the tax effect of currency translation on tax base, net of tax.

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.

Adjusted net earnings for the second quarter of 2020 was $3.6 million, compared to $8.8 million for the second quarter of 2019. The decrease in adjusted net earnings is due to lower net income, the unrealized impact of derivative contracts and the tax effect of currency translation on tax base, partially offset by the exclusion of care and maintenance costs. Adjusted net earnings for the first half of 2020 was $23.5 million compared to adjusted net earnings of $3.0 million for the first half of 2019. The increase in adjusted net earnings is largely due to the effect of currency translation on tax base, unrealized loss on derivative contracts and care and maintenance costs, partially offset by a higher net loss.

Reconciliation of Adjusted Net Earnings to Net Income (Loss)

Table 10.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Basic weighted average shares outstanding	shares	86,456,007	85,258,280	85,482,202	85,171,378
Diluted weighted average shares outstanding	shares	86,497,058	85,655,755	85,482,202	85,553,680
Net income (loss)	$	3.8	10.0	(43.2)	8.7
Adjustments, after-tax:					
Care and maintenance costs	$	11.1	-	11.1	-
Unrealized foreign exchange loss (gain)	$	3.3	1.2	6.1	(0.1)
Unrealized (gain) loss on derivative contracts	$	(8.8)	1.0	18.8	1.3
Remeasurement of share-based payments	$	2.0	-	(0.4)	-
Tax effect of adjustments	$	(2.3)	(0.7)	(10.7)	(0.5)
Tax effect of currency translation on tax base	$	(5.5)	(2.7)	41.8	(6.4)
Adjusted net earnings	$	3.6	8.8	23.5	3.0
Per share - Basic	$/share	0.04	0.10	0.28	0.04
Per share - Diluted	$/share	0.04	0.10	0.28	0.04

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

EBITDA and Adjusted EBITDA are non-IFRS measures with no standard meaning under IFRS. 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 costs and income tax (recovery) expense. 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 and losses, non-cash unrealized gains and losses on derivative contracts, remeasurement of share-based payments, and certain impairment provisions.

Reconciliation of EBITDA and Adjusted EBITDA to Net Income (Loss)

Table 11.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net income (loss)	$	3.8	10.0	(43.2)	8.7
Finance costs, net	$	3.6	6.2	7.3	12.6
Depreciation and amortization [1]	$	35.9	45.5	92.2	71.4
Current income tax expense (recovery)	$	4.3	5.5	(2.0)	7.6
Deferred income tax (recovery) expense	$	(2.8)	7.1	29.9	11.2
EBITDA	$	44.8	74.3	84.2	111.5
Adjustments:					
Care and maintenance	$	8.0	-	8.0	-
Unrealized foreign exchange loss (gain)	$	3.3	1.2	6.1	(0.1)
Unrealized (gain) loss on derivative contracts	$	(8.8)	1.0	18.8	1.3
Remeasurement of share-based payments	$	2.0	-	(0.4)	-
Adjusted EBITDA	$	49.3	76.5	116.7	112.7

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

Free cash flow

Free cash flow is a non-IFRS measure with no standardized meaning under IFRS. The Company defines free cash flow as free cash flow before non-sustaining capital expenditures less cash outlays for non-sustaining capital expenditures. Free cash flow before non-sustaining capital expenditures is defined as net cash generated from operating activities less cash outlays for sustaining capital expenditure and interest payments. 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.

Table 12.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net cash generated from operating activities	$	2.2	48.6	31.7	80.9
Less:					
Sustaining capital expenditures	$	(11.8)	(11.8)	(23.9)	(36.9)
Interest paid	$	(2.0)	(5.8)	(4.5)	(11.6)
Free cash flow (deficiency) before non-sustaining capital expenditures	$	(11.6)	31.0	3.3	32.4
Less:					
Non-sustaining capital expenditures	$	(16.9)	(10.4)	(29.7)	(19.2)
Free cash flow (deficiency)	$	(28.5)	20.6	(26.4)	13.2

Net debt

Net debt is a non-IFRS measure with no standardized meaning under IFRS. Net debt is defined as total debt adjusted for unamortized deferred financing charges less cash and cash equivalents at the end of the period. These measures are used by management, and may be used by certain investors, to measure the Company's debt leverage.

Net debt at June 30, 2020 was $53.5 million, compared to $21.7 million at December 31, 2019. The increase is largely due to additional drawings on the Revolving Facility, partially offset by an increase in the cash and cash equivalents balance and principal repayments.

Table 13.

In millions of U.S. dollars, unless otherwise noted		**June 30, 2020**	**December 31, 2019**
Debt	$	225.2	174.9
Add: Deferred financing charges	$	5.2	8.6
Less: Cash and cash equivalents	$	(176.9)	(161.8)
Net Debt	$	53.5	21.7

ADDITIONAL IFRS FINANCIAL MEASURES

The Company has included the additional IFRS measures "Earnings from mine operations" and "Cash generated from operating activities before change in non-cash working capital balances" 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, and expended in respect of sustaining capital expenditures, corporate general and administrative expenses, exploration and evaluation expenses, foreign exchange gains, derivative gains and losses, finance costs and income, and taxation.

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

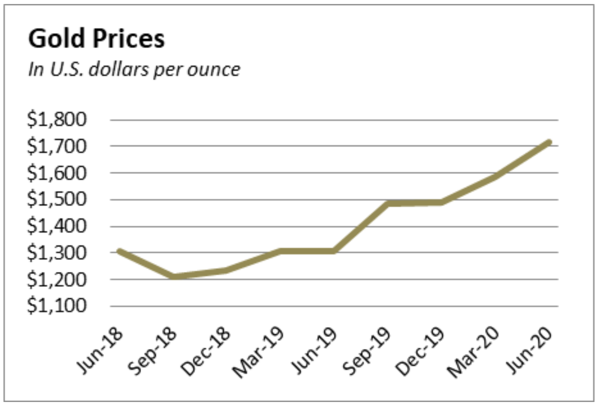
ECONOMIC TRENDS

The Company's results from operations, financial condition, and cash flows are affected by various business conditions and economic trends that are beyond the Company's control. The market price for gold and foreign currency exchange rates are the most significant external factors that affect the Company's financial performance.

Table 14.

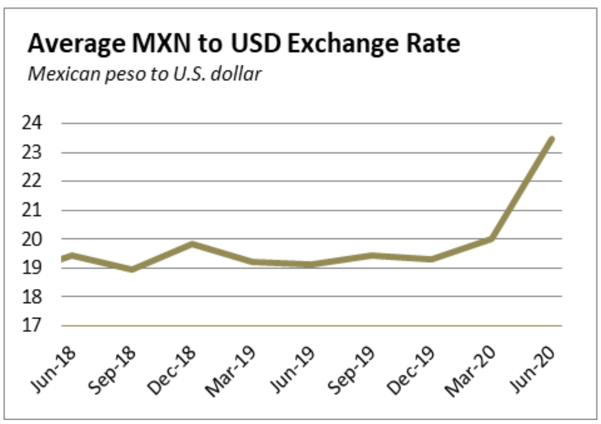
		Three Months Ended June 30,		**Six Months Ended June 30,**	
		2020	**2019**	**2020**	**2019**
Average market spot prices					
Gold	$/oz	1,714	1,307	1,649	1,307
Average market exchange rates					
Mexican peso : U.S. dollar	Peso : $	23.3	19.1	21.7	19.2
Canadian dollar : U.S. dollar	C$: $	1.39	1.34	1.37	1.33

Metal prices



The Company's profitability and operating cash flows are significantly impacted by the price of gold. The market price of gold continued to exhibit volatility during the first half of 2020, and averaged $1,649 per oz of gold, up 26% over the average price for the first half of 2019. Since the beginning of the year and based on closing prices, gold prices increased 18%. As at June 30, 2020, the Company has protected 8,000 ounces per month, for a total of 96,000 ounces, through the second quarter of 2021 at an average floor price of $1,450 per ounce and an average ceiling price of $1,802. In July 2020, the Company protected a further 8,000 ounces per month in respect of the third quarter of 2021, at an average floor price of $1,400 per ounce and an average ceiling price of $2,680 per ounce. An increasing gold price will tend to increase the liability recorded for the fair market value of contracts due to settle in future periods.

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. In particular, approximately 47% of the Company's costs for first half of 2020 were incurred in Mexican pesos. In the first half of 2020, the Company entered into currency forwards to hedge approximately 50% of its estimated peso-denominated expenditures for a total of $234.0 million. As at June 30, 2020, $85.0 million are outstanding with contract prices from 19.43 to 20.98 pesos. $26.0 million and $39.0 million will be settled in the third and fourth quarter of 2020, respectively. The remaining $20.0 million of contracts will be settled in the first half of 2021. Changes in exchange rates are expected to have an impact on the Company's results. In addition, the Company is exposed to foreign exchange risk on its non-U.S. dollar denominated monetary assets and liabilities. The average exchange rate of the Mexican peso relative to the U.S. dollar was 21.7 and 19.2 pesos during the first half of 2020 and first half of 2019, representing a depreciation of 13% in the Mexican peso.

SUMMARY OF QUARTERLY RESULTS

Quarterly Results for the Eight Most Recently Completed Quarters

Table 15.

		2020		2019				2018	
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	$	109.1	172.0	190.0	198.2	150.7	101.9	130.7	126.4
Net income (loss)	$	3.8	(47.0)	35.1	27.4	10.0	(1.3)	1.4	23.9
Per share - Basic	$/share	0.04	(0.55)	0.41	0.32	0.12	(0.02)	0.02	0.28
Per share - Diluted	$/share	0.04	(0.57)	0.41	0.32	0.12	(0.02)	0.02	0.28

For each of the eight most recent 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. The Company adopted IFRS 16, Leases in the annual period beginning January 1, 2019. The Company elected to apply IFRS 16 using a modified retrospective approach and therefore, comparative amounts were not restated. The impact of the adoption of the new standard was not material to the Company's consolidated financial statements.

Net income (loss) has fluctuated based on, among other factors, the temporary suspension of operations due to COVID-19, the quantity and grade of ore mined and processed, gold prices, foreign exchange rates, current and deferred income tax expenses, interest income on VAT receivables, cost of reagents consumed, and impairment provisions. Gold prices affect the Company's realized sales prices of its gold production. 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, income taxes, and the value of non-U.S. dollar denominated monetary assets and liabilities such as cash, amounts receivable, accounts payable and debt. 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 liability.

TRANSACTIONS WITH RELATED PARTIES

In June 2018, Fred Stanford, the Company's President and Chief Executive Officer ("CEO") at that time, sold, assigned and transferred to the Company (the "Assignment"), with the exception of trademarks, his entire right, title and interest in a proprietary mining system (the "Mining System" which is sometimes referred to as "Muckahi") for use in underground mines for nominal consideration. The Company has granted an irrevocable license (the "License" and together with the Assignment, the "IP Agreements"), in any intellectual property associated with the Mining System, including any improvements, to Muckahi Inc., an entity controlled by Fred Stanford. The License restricted Muckahi Inc. from making use of the License during Fred Stanford's tenure as CEO. On June 17, 2020, the License was amended such that Muckahi Inc. may not make use of the License while Fred Stanford, now Executive Chairman, holds any position with the Company as employee, officer or director. For more information on the IP Agreements, please see the Company's annual management's discussion and analysis for the financial year ended December 31, 2019.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no changes in the accounting policies adopted by the Company or significant judgments, estimates and assumptions made by the Company from those detailed in Note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2019.

RECENT ACCOUNTING PRONOUNCEMENTS

There have been no changes in the accounting policies adopted by the Company from those detailed in Note 3 in the Company's audited consolidated financial statements for the year ended December 31, 2019.

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, foreign currency risk, commodity price risk and interest rate risk, and are detailed in Note 13 of the Company's unaudited condensed consolidated financial statements for the three and six months ended June 30, 2020.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company is exposed to liquidity risks in meeting its operating expenditures in instances where cash positions are unable to be maintained or appropriate financing is unavailable. The primary sources of funds available to the Company are cash flow generated by the ELG Mine Complex, its cash reserves and any available funds under the Revolving Facility.

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2020, the Company had cash balances of $176.9 million (December 31, 2019 – $161.8 million). The Company maintains its cash in fully liquid business accounts. At June 30, 2020, the cash balance held by MML was $130.3 million (December 31, 2019 - $101.4 million).

As at June 30, 2020, the amount outstanding under the Debt Facility, excluding unamortized deferred financing fees, totalled $227.5 million. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Cash flows that are expected to fund the operation of the ELG Mine Complex and settle current liabilities are dependent on, among other things, proceeds from gold sales. If operations at the ELG Mine Complex are shut down for a prolonged period of time due to COVID-19 or for other reasons, the Company may not be able to generate sufficient cash flow to meet its obligations or satisfy the financial covenants under the Debt Facility, including but not limited to the minimum liquidity threshold and debt service coverage, and service its debt on a timely basis.

If operations at the ELG Mine Complex are shut down for a prolonged period, depending on the length of such shut down, the Company may not be able to generate sufficient cash flow or have sufficient cash reserves to meet its obligations as they become due or satisfy the financial covenants under the Debt Facility, including but not limited to the minimum liquidity threshold, and service its debt on a timely basis.

The Company may also have various options available to mitigate the risk of breaching the covenants under the SARCA, including securing additional financing, deferring payments, renegotiation of the minimum liquidity and debt service covenants with the Banks, strategic investments, joint ventures and sale of assets. These options are necessarily based on the agreement of other parties outside of the Company's direct control. There can be no assurances that the Company would be able access additional financing, obtain any necessary waivers or consents from the Banks or complete any strategic investments, joint ventures and sale of assets.

Foreign Currency Risk

The Company is exposed to financial risk related to foreign exchange rates. The Company operates in Canada and Mexico and has foreign currency exposure to non-U.S. dollar denominated transactions. The Company expects a significant amount of exploration, capital development, operating and decommissioning expenditures associated with the Morelos Gold Property to be paid in Mexican pesos and U.S. dollars.

As at June 30, 2020, the Company had cash and cash equivalents, VAT receivables, accounts payable and accrued liabilities and income taxes payable that are denominated in Mexican pesos and in Canadian dollars. A 10% appreciation or depreciation of the Mexican peso relative to the U.S. dollar would have resulted in a decrease or increase of $0.4 million in the Company's net loss for the six months ended June 30, 2020. This excludes the impact of the Mexico peso forward contracts. A 10% appreciation or depreciation of the Canadian dollar relative to the U.S. dollar would have resulted in a decrease or increase of $0.3 million in the Company's net loss for the six months ended June 30, 2020.

In the first quarter of 2020, the Company entered into forward contracts for approximately 50% of its estimated Mexico peso expenditures or $234.0 million at a weighted average rate of 19.70 until December 2020. In the second quarter, the Company extended the maturity dates of certain currency contracts due to settle in the second quarter of 2020, with a total notional value of $24.0 million, to future periods ranging from 7 to 11 months. There were $85.0 million of contracts remaining at June 30, 2020 at a weighted average rate of 20.25. A 10% appreciation or depreciation of the Mexican peso relative to the U.S. dollar would have resulted in a decrease or increase of $5.6 million in the Company's net loss for the six months ended June 30, 2020 in relation to the forward contracts.

As at June 30, 2020, based on ending spot rates compared to the end of the previous quarter, March 31, 2020, the Mexican peso appreciated by 2.3%. This led to an increase in the U.S. dollar equivalent tax value of the Company's property, plant and equipment, which for tax purposes is denominated in Mexican pesos. This increase in value for tax purposes, without a change in the value of the property, plant and equipment for IFRS purposes (as it is denominated in U.S. dollars) decreased the temporary difference between the values. The difference in these values at June 30, 2020, multiplied by the applicable Mexican tax rate, derives an associated deferred tax liability. This value was higher than the equivalent deferred tax liability value calculated for the prior year. The difference in these liabilities resulted in a deferred tax recovery for the quarter.

Commodity Price Risk

Gold prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of gold may be produced in the future, a profitable market will exist for them. In the third quarter of 2019, the Company entered into zero-cost collar hedges to deliver 8,000 ounces of gold per month over a 12-month period commencing in September 2019. Each quarter since, the Company extended the hedges to deliver 8,000 ounces of gold per month. As at June 30, 2020, the contracts extend until June 2021. The remaining gold collar contracts have an average floor price of $1,450 per ounce and an average ceiling price of $1,802.

As at June 30, 2020, a 10% change in the gold price would result in a decrease or increase of $0.5 million (using the spot rate as at June 30, 2020 of $1,782 per ounce) in the Company's net loss for the six months ended June 30, 2020 relating to the zero-cost collar hedges.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument or its fair value will fluctuate because of changes in market interest rates. The Debt Facility bears interest at a rate of LIBOR +3%.

In the first quarter of 2019, the Company entered into interest rate swap contracts for a fixed LIBOR of 2.492% on interest payments related to $150.0 million of the Debt Facility to hedge against unfavourable changes in interest rates. As at June 30, 2020, a 100 basis points change in the LIBOR would result in a decrease or increase of $0.9 million (using the LIBOR rate as at June 30, 2020 of 0.3%) in the Company's net loss for the six months ended June 30, 2020 relating to the interest rate swap contracts.

RISKS AND UNCERTAINTIES

There are various claims and litigation, with which the Company is involved. The Company's management does not consider the exposure to such litigation to be material, although this cannot be predicted with certainty. For a comprehensive discussion of litigation risk and other 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 www.sedar.com.

COVID-19 and Other Global Pandemics

On April 2, 2020, in response to the Decree issued by the Government of Mexico for all non-essential businesses in the country to temporarily suspend operations in order to mitigate the spread of COVID-19, the Company announced that operations would not re-start at the conclusion of a planned maintenance shutdown of the processing plant that was underway at the time the Decree was issued. As of May 1st, we started to introduce stockpiled ore to the processing plant to test the effectiveness and durability of the repairs that were made during the maintenance shutdown and partial operations resumed on May 18, 2020. Full operations resumed in June 2020.

COVID-19 may have a material adverse impact on the Company as it may result in disruptions to production, delays in the development timeline and increased costs. In addition, Mexican authorities could impose new or additional requirements resulting in further limitations on the activities, or the suspension of all activities, at the ELG Mining Complex and Media Luna. Alternatively, in the event of an outbreak of COVID-19 at the ELG Mining Complex or Media Luna, Mexican authorities, either federally or in the State of Guerrero, or the Company could determine that a full suspension of all of its operations is necessary for the safety and protection of the workers. A complete suspension of operations at the ELG Mining Complex or Media Luna could result in further delays in production, the development of the project, result in additional increases in costs and have a material adverse effect on the financial position of the Company. If Mexican authorities were to re-introduce suspension orders caused by the COVID-19 virus outbreak, or if there is a full suspension of operations at the ELG Mining Complex or Media Luna for an undefined period of time there could be additional medical and other costs to be incurred, project delays, cost overruns, and operational restart costs.

Moreover, the actual and threatened further spread of COVID-19 globally could negatively impact stock markets, including the trading price of the Company's Common Shares, could adversely impact the Company's ability to raise capital, could cause continued interest rate volatility and movements that could make obtaining financing more challenging or more expensive and could result in any operations affected by COVID-19 becoming subject to quarantine. Any of these developments, and others, could have a material adverse effect on the Company's business and results of operations.

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 in order 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 controls over financial reporting that occurred during the second quarter of 2020 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 of June 30, 2020, the Company's disclosure controls and procedures have been designed 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 Chief Executive Officer and President 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

Scientific and technical information contained in this MD&A has been reviewed and approved by Clifford Lafleur, P.Eng., Director, Resource Management and Mine Engineering 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 available under the Company's profile on SEDAR at www.sedar.com, and is available upon request from the Company.

CAUTIONARY NOTES

Preliminary Economic Assessment

A preliminary economic assessment should not be considered a prefeasibility study or feasibility study, as the economics and technical viability of the Media Luna Project have not been demonstrated at this time. The PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. It cannot be assumed that all or any part of the inferred mineral resources will ever be upgraded to a higher category. Furthermore, there is no certainty that the conclusions or results as reported in the Media Luna PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Media Luna PEA includes information on Muckahi. It is important to note that Muckahi is experimental in nature and has not been tested in an operating mine. Many aspects of the system are conceptual, and proof of concept has not been demonstrated. Drill and blast fundamentals, standards and best practices for underground hard rock mining are applied in the Muckahi, where applicable. The proposed application of a monorail system for underground transportation for mine development and production mining is unique to underground hard rock mining. There are existing underground hard rock mines that use a monorail system for transportation of materials and equipment, however not in the capacity described in the Technical Report. Aspects of Muckahi mining equipment are currently in the design stage. The mine design, equipment performance and cost estimations are conceptual in nature, and do not demonstrate technical or economic viability. The Company has completed the development and the first phase of testing the concept for the mine development and production activities and will move to optimization in 2020 to further verify the viability of Muckahi.

The ability to develop and test Muckahi is dependent on available funding from Torex's resources including distributions from MML. The SARCA places restrictions on the amount that Torex may spend on Muckahi from distributions from MML. There is no assurance that the Company will be able to complete the development and testing of Muckahi as planned.

Forward-Looking Statements

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the future mining, development and exploration plans concerning the Morelos Gold Property; the adequacy of the Company's financial resources, particularly in light of the COVID-19 pandemic; the Company's business plans and strategy, including without limitation, the strategy to grow production from high quality conventional mining assets, or those with the potential to achieve high value through the deployment of Muckahi, if proven, and other events or conditions that may occur in the future; the results set out in the Technical Report including the PEA including with respect to mineral resource and mineral reserve estimates, the ability to exploit estimated mineral reserves, the Company's expectation that the ELG Mine Complex will be profitable with positive economics from mining, expected recoveries, grades, annual production, receipt of all necessary approvals and permits, the parameters and assumptions underlying the mineral resource and mineral reserve estimates and the financial analysis, and expected gold prices; the expectation that the Company will be able to generate sufficient cash flow to satisfy the financial covenants under the Debt Facility and service its indebtedness on a timely basis, particularly in light of the COVID-19 pandemic; near term growth opportunities in both the Sub-Sill and El Limón Deep zone and mid-term growth potential of Media Luna; plans to seek opportunities to acquire assets in the Americas that enable profitable and productive geographic diversification; achieving planned production levels, development and exploration activities with the COVID-19 prevention efforts; the original objectives for 2020 as updated by the revised 2020 operational outlook set out herein; the planned increase in non-sustaining capital expenditure to keep the Media Luna Project on schedule; expected effectiveness of the enhanced COVID-19 control measures; a feasibility study for the Media Luna Project with a budget of $11.0 million being completed in mid-2021; expected metal recoveries; expected gold production, total cash costs per ounce of gold sold, AISC per ounce of gold sold and revenues from operations, and capital costs; goals of the Muckahi test program to successfully demonstrate the ability to load a conveyor on a 30-degree ramp and convey up that ramp, demonstrate the functionality of the tramming conveyor, across multiple long hole open stopes, demonstrate the ability to achieve fragmentation of 95% passing 400mm, across multiple long hole open stopes, demonstrate the ability to 'remote muck' with a slusher; the ability to mine and process estimated mineral reserves; expected recovery and timing of receipt of value-added tax; further advances of funds if required, pursuant to the Debt Facility (which is subject to certain customary conditions precedent); continued unimpeded operations; expectation of achieving goal of demonstrating the effectiveness of the Muckahi mining system; plans for Muckahi testing and training activities including, continued development of the 30-degree decline ramp to access the ELD deposit, and upon its completion, expected in the fourth quarter of 2020, the installation of the 30-degree conveyor, the expected installation and commissioning of a second locomotive system for use on the decline ramp, the expected continued drilling a new long hole stope to further test the ore fragmentation, and after blasting, the expectation that this stope will also be mucked out with the slusher under test conditions for optimization of the production method; the tramming conveyor testing and pre-commissioning at the manufacturer is planned to resume early in the third quarter and once complete it will be transported to ELD for installation, commissioning and field trails; plans to continue, as a priority, the training of new miners on the Muckahi system equipment and mining processes through the test activities to build internal capability in advance of the development of the Media Luna tunnel using monorail-based transport system for removal of blasted rock; plan to advance the Media Luna Project from early stage development to production; plans to complete the infill drilling programs on Media Luna and related budgets; expectation that the infill drill program in 2020 at Media Luna will upgrade a greater proportion of mineral resources to indicated confidence category and in time to incorporate into the feasibility study; expectation that additional infill drill programs will be completed at Media Luna and that the programs will be successful in upgrading inferred tonnes to indicated confidence category; plans to complete key trade off studies; plans to complete early field survey and technical study work in support of the permitting and approval process for Media Luna; plans to start the tunnel from the ELG to Media Luna in the second half of 2020 and expectation that this early start to the tunnel will de-risk this component of the development schedule; expectation that the Company will be able to secure required permits in order to commence commercial production; plan and timeline to complete a feasibility study and subject to the outcome of the feasibility study, among other things, projected timeline for commencement of production; plans to fund expenditures to construct Media Luna from cash flows from the existing operations or other financing arrangements; the estimate of Media Luna's precommercial expenditures, net of precommercial revenues; plans to diversify the Company's single asset risk; the focus of exploration programs on advancing known mineralization and mineral resources to production, and remediation plans and estimated associated costs; status of the patent application for Muckahi as patent pending; plans to advance known mineralization and resources to production, including, infill drilling programs on Sub-Sill and El Limon Deep to with a purpose of upgrading resource confidence class; identification of six, well-supported target areas in the near-mine environment and plans to develop a detailed drill evaluation program; priority has been given to targets that may influence open pit life extension, and, which includes the direct down-dip extension to current underground workings; expectation that the total proposed ELG "brownfields" program will continue over the next three years, with the intention to add extension to the mine operations at the ELG Mine Complex; drilling this new "near-mine" program recommenced early in the third quarter of 2020, and the expectation that the Company will issue further details on the near-mine program along with drill results, later in the second half of 2020; and plans for further evaluation of the known regional targets is under preparation for a 2021 start-up. 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" or "potential" or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "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 associated with the COVID-19 pandemic; risks associated with the adequacy of the Company's liquidity position; predictability of the grade; ability to achieve design gold recovery levels; fluctuation in gold and other metal prices; commodity price risk; currency exchange rate fluctuations; risks associated with hedging programs; capital and operational cost estimates; satisfying financial covenants under the Debt Facility; illegal blockades; dependence on good relationships with employees and contractors and labour unions; dependence on key executives and employees; limited operating history; generating positive cash flow; the ability of the Company to secure additional financing if required; the safety and security of the Company properties; servicing of the indebtedness of the Company; the ability to secure necessary permits and licenses, title to the land on which the Company operates, including surface and access rights; foreign operations and political and country risk; the uncertainty of diversifying the Company's single asset risk; government policies and practices in respect of the administration of recovery of VAT funds and recovery of VAT funds; exploration, development, exploitation and the mining industry generally; environmental risks and hazards; decommissioning and reclamation costs; parameters and assumptions underlying mineral resource and mineral reserve estimates and financial analyses being incorrect; actual results of current exploration, development and exploitation activities not being consistent with expectation;, risks associated with skarn deposits; potential litigation; hiring the required personnel and maintaining personnel relations; future commodity prices; infrastructure; single property focus; use and reliance of experts outside Canada; competition; hedging contracts; interest rate risk; price and volatility of public stock; conflicts of interest of certain personnel; credit and liquidity risk; compliance with anti-corruption laws; enforcement of legal rights; accounting policies and internal controls as well as those risk factors included herein and elsewhere in the Company's public disclosure.

Forward-looking information is based on the 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. In addition to other factors and assumptions which may be identified in this MD&A and in the Company's annual information form ("AIF") and Technical Report, assumptions have been made regarding, among other things:

the Company's ability to carry on its mining, development and exploration activities planned for the Morelos Gold Property; the Company's ability to complete the feasibility study for the Media Luna Project on the timing and budget set out herein; material assumptions with respect to the COVID-19 pandemic, including, but not limited to: the Company being able to continue planned mining, development and exploration operations at the ELG Mine Complex and the Media Luna Project; the effectiveness of the COVID-19 mitigation measures in respect of limiting the spread of COVID-19 in the Company's workforce; the responses of the relevant governments to the COVID-19 pandemic being sufficient to contain the impact of the COVID-19 pandemic; and there being no material disruption to the Company's supply chains and workforce that would interfere with the Company's mining and exploration operations at the ELG Mine Complex and the Media Luna Project; and the long-term economic effects of the COVID-19 pandemic not having a material adverse impact on the Company's operations or liquidity position; there being no ability to achieve design gold recovery levels; timely access to the high grade material; the continued benefit expected from the operation of the SART plant; ability to successfully manage the soluble iron in the mill feed; the price of gold; sufficient cash flow to satisfy its financial covenants under the Debt Facility and service its indebtedness, particularly in light of the COVID-19 pandemic; the ability of the Company to satisfy other covenants under the Debt Facility; the ability of the Company to access the ELG Mine Complex and the Media Luna Project without disruption; the ability of the Company to obtain qualified personnel, equipment, goods, consumables and services in a timely and cost-efficient manner; the timing and receipt of any required approvals and permits; the equivalency of the Muckahi mining systems under applicable regulations; the ability of the Company to operate in a safe, efficient and effective manner; the ability of the Company to fund the development and testing of Muckahi; the ability of the Company to obtain additional financing on acceptable terms if required; the ability to conclude the land access agreements for the additional target areas on the Morelos Gold Property, if needed; the accuracy of the Company's mineral resource and mineral reserve estimates, annual production, the financial analysis contained in the Technical Report including the PEA, and geological, operational and price assumptions on which these are based, and the regulatory framework regarding environmental matters. Readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. 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 4, 2020