TOREX GOLD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2019

This management's discussion and analysis of the financial condition and results of operations ("MD&A") for Torex Gold Resources Inc. ("Torex" or the "Company") was prepared as at May 7, 2019 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three months ended March 31, 2019. 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, 2018. All dollar figures included therein and in the following MD&A are stated in United States dollars ("U.S. dollar") unless otherwise stated.

HIGHLIGHTS

- **Gold produced** totalled 77,870 ounces.
- **Mine production** totalled 13,434 kt, averaged 149,272 tpd.
- **Mine ore production** totalled 1,153 kt, averaged 12,816 tpd.
- **Grade mined** averaged 2.45 gpt.
- **Plant throughput** achieved 1,076 kt, averaged 11,956 tpd.
- **Grade processed** averaged 2.62 gpt.
- **Gold recovery** averaged 88%.

Financial results

- **Gold sold** was 76,473 ounces for proceeds of $99.6 million at an average realized gold price[1] of $1,302 per ounce.
- **Revenue** was $101.9 million and **cost of sales** was $85.1 million, or $1,113 per ounce of gold sold.
- **Earnings from mine operations** were $16.8 million.
- **Income before income tax** was $4.9 million.
- **Net loss** was $1.3 million or $0.02 per share on a basic and diluted basis. The strengthening of the peso favourably impacted deferred tax expense for the quarter.
- **Adjusted net loss[1],** which excludes, amongst other items, certain foreign exchange gains and losses, totalled $5.7 million, or $0.07 per share on a basic and diluted basis.
- **Cash flow from operations** totalled $32.3 million.
- **Cash balances** as at March 31, 2019 totalled $118.5 million (including restricted cash of $26.9 million).
- **Total cash costs[1]** per ounce of gold sold of $745.
- **All-in sustaining costs[1]** per ounce of gold sold of $1,161.
- **Principal repayments** of $20.7 million were made to reduce the Company's debt to $318.3 million.

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

Positive results from first infill program targeting the El Limon Deep ("ELD") Zone[2]

- The Company announced the results from the first 32 holes of its infill drill program targeting the ELD zone, in preparation for a maiden underground resource estimate.
- Highlights include intercepts of 25.0 g/t Au over 8.5m in borehole LDUG-026, 24.9 g/t Au over 7.5m in borehole LDUG-013, 16.8 g/t Au over 15.2m in borehole LDUG-021, and 12.5 g/t Au over 45.9m in borehole LDUG-002.

Muckahi[3]

- Initial components have arrived on site with physical testing of the Muckahi Mining System ("Muckahi") underway and expected to be completed by the end of 2019.
- Field trials are underway for the first piece of equipment for Muckahi. The first tunneling blast of the field trials was taken in March 2019. The round was successfully drilled from the monorail mounted Muckahi jumbo drill. Two additional blasts have subsequently been successfully completed. The second piece of equipment, the Muckahi service platform, is expected to be in service in the second quarter.
- The goal is to demonstrate Muckahi's capabilities over the full development cycle for tunneling, including on a minus 30-degree gradient, and to demonstrate the capability of the system to lower costs in long hole open stope mining.

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[2] For more information on the drill results, see the Company's news release titled "Torex Announces Positive Results from its First Infill Program Targeting the El Limon Deep (ELD) Zone" issued on February 14, 2019, and filed on SEDAR at www.sedar.com and on the Company's website at www.torexgold.com.

[3] 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.

The following table summarizes key operating and financial highlights:

Table 1.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018 [3]
Operating Data						
Mining						
Ore tonnes mined	kt	1,153	1,234	1,246	1,278	571
Waste tonnes mined	kt	12,281	10,065	9,846	5,877	2,508
Total tonnes mined	kt	13,434	11,299	11,092	7,155	3,079
Strip ratio [2]	waste:ore	11.5	8.6	8.2	4.6	4.4
Average gold grade of ore mined	gpt	2.45	2.76	2.60	2.45	3.29
Ore in stockpile	mt	0.9	0.8	0.9	0.8	0.5
Processing						
Total tonnes processed	kt	1,076	1,197	1,170	1,000	785
Average plant throughput	tpd	11,956	13,011	12,717	10,989	10,467
Average gold recovery	%	88	85	89	87	87
Average gold grade of ore processed	gpt	2.62	2.93	3.01	2.86	3.13
Production and sales						
Gold produced	oz	77,870	96,316	101,481	80,096	76,054
Gold sold	oz	76,473	104,169	102,919	77,646	62,906
Financial Data						
Revenue	$	101.9	130.7	126.4	101.8	84.0
Cost of sales	$	85.1	96.5	94.7	78.3	65.2
Earnings from mine operations	$	16.8	34.2	31.7	23.5	18.8
Net (loss) income	$	(1.3)	1.4	23.9	(12.3)	10.2
Per share - Basic	$/share	(0.02)	0.02	0.28	(0.14)	0.12
Per share - Diluted	$/share	(0.02)	0.02	0.28	(0.14)	0.12
Adjusted net (loss) earnings [1, 4]	$	(5.7)	13.9	7.3	10.6	(12.2)
Per share - Basic [1, 4]	$/share	(0.07)	0.16	0.09	0.13	(0.15)
Per share - Diluted [1, 4]	$/share	(0.07)	0.16	0.09	0.13	(0.15)
Cost of sales	$/oz	1,113	926	920	1,008	1,036
Total cash costs [1]	$/oz	745	627	590	680	730
All-in sustaining costs [1]	$/oz	1,161	926	967	1,017	954
Average realized gold price [1]	$/oz	1,302	1,235	1,214	1,302	1,331
Cash and cash equivalents	$	91.6	122.2	121.6	91.4	110.5
Restricted cash	$	26.9	26.8	26.6	26.5	13.9
Working capital	$	18.1	41.6	56.8	59.2	86.0
Total debt	$	318.3	333.5	346.4	360.8	373.9
Total assets	$	1,251.7	1,271.4	1,253.4	1,219.2	1,225.9
Total liabilities	$	493.8	511.8	496.9	488.3	484.4

1. Adjusted net (loss) earnings, total cash costs, all-in sustaining costs, and average realized gold price 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 underground from the ELG Underground (defined herein) of 83 kt is included in ore tonnes mined and excluded from the strip ratio in the three months ended March 31, 2019. For the three months ended December 31, 2018, September 30, 2018, June 30, 2018 and March 31, 2018, ore mined from the ELG Underground (defined herein) was 67 kt, 38 kt, 5 kt and 4 kt, respectively.
3. Due to the illegal blockade that began in November 2017 and ended in April 2018 (the "Blockade"), the first quarter of 2018 represents 75 days of partial operations.
4. Beginning the second quarter of 2018, the Company updated adjusted net (loss) earnings to include the tax effect of currency translation on tax base. Comparatives have been restated. Refer to "Non-IFRS Financial Performance Measures" for further information.
5. Sum of the quarters may not add to the year to date amounts due to rounding.

FIRST QUARTER REPORT

This MD&A contains forward-looking statements that are subject to risks and uncertainties, as discussed under "Cautionary Notes". 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 a growth-oriented, Canadian-based resource company engaged in the exploration, development, and operation 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"), 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. In addition, the Media Luna deposit (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 assets. 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 zone. 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 will seek opportunities to acquire assets in the Americas that enable profitable and effective geographic diversification.

OBJECTIVES FOR 2019

Production within constraints:

- Production – 430,000, +/- 7% gold ounces sold
- Constraints:
  - No fatalities
  - Lost time injury frequency of < 2 per million hours worked (employees and on-site contractors)
  - Zero reportable spills of 1,000 litres or more, that report to the river or reservoir
  - Total cash costs of $580, +/- 7% per gold ounce sold
  - All-in sustaining costs of $790, +/- 7% per gold ounce sold
  - Sustaining capital expenditure of < $66 million
  - Non-sustaining capital expenditure of < $36 million

Set up 2020 production:

- Strip 42 million tonnes of waste, of which 16 million tonnes will be capitalized

Set up for growth:

- Drill out and prepare a reserve for El Limón Deep
- Complete the drilling to intersect the remaining 115 targets, in the 175 target Media Luna infill drill program
- Test Muckahi
  - Development on the level
  - Development on a 30 degree down ramp
  - Long hole open stope fragmentation to 95% passing 400 millimeters
  - Mucking a long hole open stope with a slusher

As previously communicated, 2019 guidance is weighted toward the second half of the year. We expect to achieve at least the lower end of the guidance range, by producing for the remainder of the year at an average throughput rate of 12,600 tpd, at grades predicted by the reserve model, and at design gold recovery levels.

FINANCIAL RESULTS

The following table summarizes the financial results of the Company:

Table 2.

In millions of U.S. dollars, unless otherwise noted	**Three Months Ended March 31, 2019**	**Three Months Ended March 31, 2018** [1]
Revenue	101.9	84.0
Gold	99.6	83.7
Silver	0.9	0.3
Copper	1.4	-
Cost of sales	85.1	65.2
Earnings from mine operations	16.8	18.8
Exploration and evaluation expenses	0.2	0.3
General and administrative expenses	6.1	6.5
Blockade and other charges	-	4.1
Loss (gain) on derivative contracts	0.3	(2.4)
Finance costs, net	6.4	6.8
Foreign exchange gain	(1.1)	(2.7)
Income tax expense (recovery), net	6.2	(4.0)
Net (loss) income	(1.3)	10.2
Per share - Basic ($/share)	(0.02)	0.12
Per share - Diluted ($/share)	(0.02)	0.12
Adjusted net loss [2, 3]	(5.7)	(12.2)
Per share - Basic ($/share) [2, 3]	(0.07)	(0.15)
Per share - Diluted ($/share) [2, 3]	(0.07)	(0.15)
Cost of sales ($/oz)	1,113	1,036
Total cash costs ($/oz) [2]	745	730
All-in sustaining costs ($/oz) [2]	1,161	954
Average realized gold price ($/oz) [2]	1,302	1,331
Average realized margin ($/oz) [2]	557	601

1. Due to the Blockade, the first quarter of 2018 represents 75 days of partial operations.
2. Adjusted net loss, total cash costs, AISC, average realized gold price and average realized margin are non-IFRS financial performance measures with no standard meaning under IFRS. Refer to "Non-IFRS Financial Performance Measures" for further information and a detailed reconciliation.
3. Beginning in the second quarter of 2018, the Company updated adjusted net loss to include the tax effect of currency translation on tax base. Comparatives have been restated. Refer to "Non-IFRS Financial Performance Measures" for further information.

FIRST QUARTER 2019 FINANCIAL RESULTS

Processed gold grade was 2.62 grams per tonne

The processed grade was greater than the mined grade due to preferential feeding of higher grades to the process plant and stockpiling of lower grades in accordance with the stockpile plan. The grade estimate for mined material is based on blast hole and diamond drill assays whereas the mill grade is determined by metal balance for the process plant. The net result is a processed gold grade of 2.62 gpt, versus a mined grade of 2.45 gpt.

Processed average daily tonnage of 11,956 tpd

Throughput rates for the quarter averaged 11,956 tpd or 85% of design capacity of 14,000 tpd.

Revenue totalled $101.9 million

During the first quarter of 2019, the Company earned $101.9 million in revenue compared to $84.0 million for the first quarter of 2018. The Company sold 76,473 ounces of gold at an average realized price of $1,302 per ounce in the first quarter of 2019, compared to 62,906 ounces of gold at an average realized price of $1,331 in the first quarter of 2018. The increase in ounces sold in the first quarter of 2019 compared to the first quarter of 2018 reflects the fact that for the first quarter of 2018 the Company operated for 75 days only, under constrained arrangements, because of the Blockade that began in November 2017. Furthermore, 8,887 ounces from carbon fines that were produced in the first quarter of 2018 were not settled by quarter end and for which revenue had not been recognized.

The average realized gold price per ounce sold does not have any standardized meaning prescribed by IFRS. Refer to “Non-IFRS Financial Performance Measures” for further information and a detailed reconciliation.

Cost of sales was $85.1 million or $1,113 per ounce sold

Cost of sales for the first quarter of 2019 was $85.1 million compared to $65.2 million for the first quarter of 2018. This increase reflects more working days in the first quarter of 2019 compared to 2018 as a result of the Blockade, higher tonnage mined and processed, greater Sub-Sill mining activity, increased reagent consumption and higher electricity costs. Included in cost of sales in the first quarter of 2019 is a charge of $4.0 million to adjust long term, low grade stockpile inventory to net realizable value. Of this amount, $2.4 million is related to production costs and $1.6 million is related to depreciation and amortization.

Depreciation and amortization expense amounted to $25.8 million for the first quarter of 2019 compared to $19.0 million for the first quarter of 2018. In the first quarter of 2018, there is an additional $1.3 million of depreciation included in ‘Blockade and other charges’. The increase in depreciation is primarily driven by an increase in gold ounces recovered which forms the basis for the depreciation for most of the Company’s property, plant and equipment.

Royalties were $3.1 million for the first quarter of 2019 compared to $2.6 million for the first quarter of 2018, representing 3% of proceeds from gold and silver sales. The increase correlates with the increase in ounces sold. Of the 3% royalty expense, 2.5% is payable to the Mexican Geological Survey agency and 0.5% is payable to the Ministry of Finance.

Total cash costs were $745 per ounce sold

Total cash costs (net of by-product sales) for the first quarter of 2019 were $745 per ounce of gold sold, an increase of $15 per ounce from the first quarter of 2018 of $730 per ounce of gold sold.

In the first quarter of 2019, the Company mined 13.4 million tonnes and processed 1.1 million tonnes, compared to 3.1 million tonnes mined and 0.8 million tonnes processed in the first quarter of 2018. Total cash costs per ounce of gold sold in the first quarter of 2019 were higher primarily due to the processing of lower-grade ore, higher electricity costs and reagent consumption, and increased Sub-Sill mining activity.

As the Blockade led to partial operations in the first quarter of 2018, total cash costs exclude $2.8 million of costs during the first 15 days of 2018 during which time no operating activity could take place.

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

All-in sustaining costs were $1,161 per ounce sold

All-in sustaining costs for the first quarter of 2019 were $1,161 per ounce of gold sold compared to $954 per ounce of gold sold for the first quarter of 2018. Sustaining capital expenditures in the first quarter of 2019 amounted to $25.1 million, compared to $7.0 million in the first quarter of 2018. Sustaining capital expenditures were $19.0 million for capitalized stripping activities, and $6.1 million for sustaining equipment and infrastructure.

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

General and administrative expenses of $6.1 million

General and administrative expenses decreased from $6.5 million in the three months ended March 31, 2018 to $6.1 million in the three months ended March 31, 2019, primarily due to the timing of certain salaries and benefits, and severance costs.

Finance costs, net of finance income, of $6.4 million

Finance costs, net of finance income, amounted to $6.4 million in the three months ended March 31, 2019 compared to $6.8 million in the three months ended March 31, 2018. Finance income primarily relates to the interest received on the VAT receivables and cash on hand whereas finance costs largely reflect the interest expense on the Debt Facility, equipment loan, and leases.

Derivative costs of $0.3 million primarily due to the interest rate swaps

In the first quarter of 2019, the Company executed interest rate swaps to hedge the floating rate debt associated with its previously entered into Debt facility for a notional value of $150.0 million from February 2019 to June 2022. As at March 31, 2019, the Company recognized an unrealized loss of $0.6 million on the interest rate swaps.

The Company settled the remaining currency derivative contracts during the three months ended March 31, 2019. Based on forward prices for Mexican pesos as at March 31, 2019, the Company recognized an unrealized gain of $0.3 million.

Foreign exchange gain of $1.1 million due to appreciation of the Mexican peso

The Company recognized a foreign exchange gain of $1.1 million for the quarter ended March 31, 2019, compared to a gain of $2.7 million for the quarter ended March 31, 2018. Based on closing exchange rates, the Mexico peso appreciated by 1.5% in the quarter ended March 31, 2019.

Current income and mining tax expense of $2.1 million

The Company recognized a current income tax expense of $2.1 million in the three months ended March 31, 2019 primarily related to the 7.5% Mexican mining royalty, compared to a current tax expense of $2.0 million in the three months ended March 31, 2018. The 7.5% Mexican mining royalty is considered an income tax for IFRS purposes.

Deferred income tax expense of $4.1 million

The Company recognized a deferred income tax expense of $4.1 million in the three months ended March 31, 2019, compared to a deferred income tax recovery of $6.0 million for the three months ended March 31, 2018. The increase in the deferred income tax expense is due to higher taxable earnings, a corresponding decrease in tax loss carryforwards, and other temporary differences.

The Company's deferred tax estimate 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).

For the three months ended March 31, 2019, the Mexican peso appreciated by 1.5% to 19.4 relative to the U.S. dollar which created an estimated recovery of $3.7 million of foreign exchange included in deferred tax expense. For the three months ended March 31, 2018, the Mexican peso appreciated 7.0% to 18.3 relative to the U.S. dollar, which created an estimated recovery of $19.2 million of foreign exchange included in deferred tax recovery.

Net loss of $1.3 million

Net loss for the first quarter of 2019 was $1.3 million, or $0.02 per share on a basic and diluted basis, while the adjusted net loss amounted to $5.7 million, or $0.07 per share on a basic and diluted basis. In the first quarter of 2018, the Company had net income of $10.2 million, or $0.12 per share on a basic and diluted basis while the adjusted net loss amounted to $12.2 million, or $0.15 per share on a basic and diluted basis. There was a net loss in the first quarter of 2019 compared to net income in the first quarter of 2018, largely due to higher current and deferred income tax expenses, lower earnings from mine operations stemming from higher production costs and lower grades processed, partially offset by no blockade and other charges in the three months ended March 31, 2019.

Refer to the section “Non-IFRS Financial Performance Measures” for a reconciliation of net loss to adjusted net loss.

RESULTS OF OPERATIONS

Mining

A total of 13,434 kt were mined in the first quarter of 2019, including 83 kt from the Sub-Sill zone, at an average waste to ore strip ratio of 11.5. Approximately 76% of the tonnes mined in the first quarter were from El Limón and 24% from Guajes.

At March 31, 2019, there were 0.9 mt of ore in stockpiles at an average grade of 1.48 gpt.

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

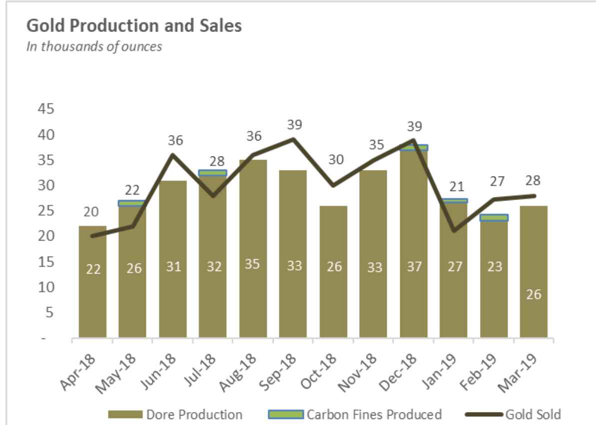
Table 3.

		Three Months Ended				
		Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018
Mining						
Guajes						
Ore tonnes mined	kt	28	-	-	27	497
Waste tonnes mined	kt	3,142	2,063	2,635	1,484	1,958
Total tonnes mined	kt	3,170	2,063	2,635	1,511	2,455
Strip ratio [1]	w:o	112.2	-	-	55.0	3.9
Average gold grade of ore mined	gpt	1.10	-	-	2.62	3.47
El Limón						
Ore tonnes mined	kt	1,042	1,167	1,208	1,246	70
Waste tonnes mined	kt	9,139	8,002	7,211	4,393	550
Total tonnes mined	kt	10,181	9,169	8,419	5,639	620
Strip ratio	w:o	8.8	6.9	6.0	3.5	7.9
Average gold grade of ore mined	gpt	2.06	2.50	2.35	2.42	1.99
Total ELG Open Pits						
Ore tonnes mined	kt	1,070	1,167	1,208	1,273	567
Waste tonnes mined	kt	12,281	10,065	9,846	5,877	2,508
Total tonnes mined	kt	13,351	11,232	11,054	7,150	3,075
Strip ratio	w:o	11.5	8.6	8.2	4.6	4.4
Average gold grade of ore mined	gpt	2.03	2.50	2.35	2.42	3.29
ELG Underground						
Ore tonnes mined	kt	83	67	38	5	4
Average gold grade of ore mined [2]	gpt	7.86	7.37	10.57	8.71	3.72

1. The strip ratio for Guajes is high for the three months ended March 31, 2019 (nil for the three months ended December 31, 2018 and September 30, 2018), and high in the three months ended June 30, 2018 because the activities within Guajes were focused on stripping activities without significant ore being mined.
2. In the three months ended March 31, 2018, the average gold grade of ore mined from the ELG Underground development activities was below the cut-off grade and represents incremental ore. For the ELG Underground, the Company's operational diluted cut-off grades for ore and incremental material is 4.20 gpt and 0.91 gpt, respectively.

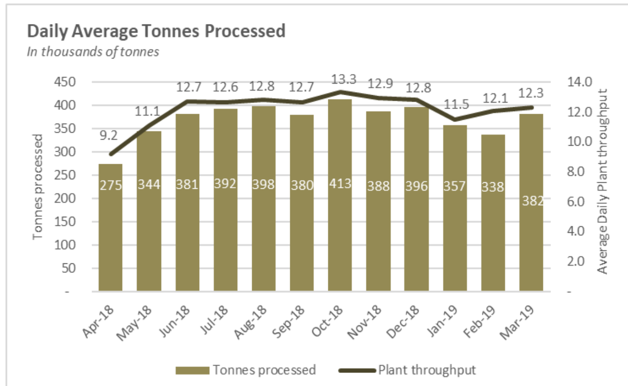
Gold Production and Sales

In the first quarter of 2019, 77,870 ounces of gold were produced and 76,473 ounces of gold were sold.



Plant Performance

Plant throughput in the first quarter of 2019 was challenged by variability in the hardness of rock types within the deposit. A large amount of hornfels was mined in the quarter which, on average, is harder than other types of rock. Over time the effect of averages will prevail and throughput levels are expected to revert to previous experience. From a cost perspective a further challenge came from cyanide soluble iron from the El Limón Sur pit that has not been encountered previously. This increased cyanide consumption rates, which were brought back under control during the quarter. Cyanide consumption rates were 5.7 kg/t in January and were down to 3.2 kg/t in March. Averages worked against us in the quarter. Over time, averages are expected to return performance to levels previously experienced. Continuous improvement is expected to deliver performance above previous experience.



Safety

At the end of the first quarter of 2019, the lost time injury frequency rate was 0.97 per million hours worked. There were two lost time injuries in the quarter.

The total hours worked in 2019 year to date (Company employees and on-site contractors) was approximately 1.5 million.

Community

Participatory community development agreements with each of our local communities have been signed for 2019. The regular community meetings continue monthly and projects are now being advanced. We worked with government agencies and the local people involved in fishing to release over half a million Tilapia fingerlings into the Presa Caracol reservoir aiming to support a sustainable fishery. During the quarter, we supplied medicines for the Nuevo Balsas clinic, supported the start of school vegetable gardens and started training for local people to develop a business supplying safety vests and other clothing to the mine.

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. Work towards this goal includes infill drilling with the goal of upgrading approximately 25% of the inferred resource to the measured and indicated confidence categories, which are suitable for inclusion in a feasibility study. The total budget for this undertaking is estimated at $15.0 million with completion targeted for late 2019 with an updated resource estimate planned for two months after the completion of the drill program. As at March 31, 2019, the Company capitalized $20.5 million, including $4.7 million in the quarter ended March 31, 2019 in relation to development activities at the Media Luna Project.

Key trade-off studies prior to the commencement of a feasibility study are targeted for completion by mid-2019 and are budgeted at $1.0 million. A feasibility study with a budget of $9.0 million is planned to start in late 2019 with completion aimed for late 2020 or mid-2021. Pending the results of the feasibility study, the current strategy is to have Media Luna ramped up to full production when the open pits are exhausted at the end of 2024.

At the Media Luna Project, the Company is subject to various environmental, exploration, land use, water and infrastructure construction permits, which the Company works under.

Pre-commercial capital expenditures, net of pre-commercial revenues, are estimated at $411.4 million. The Company intends to fund these expenditures from cash flows generated from the existing ELG Open Pits and ELG Underground.

An updated PEA for the Media Luna Project was included as part of the updated 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.

Morelos Gold Property Exploration Update

The Morelos property has many highly prospective targets that are untested. From amongst the targets that have been tested, large zones of mineralization and resources have been discovered. At this time, the exploration teams are primarily focused on advancing known mineralization and resources towards production. This takes the form of in-fill diamond drilling programs in Media Luna, Sub-Sill and El Limón Deep, with a purpose of upgrading the confidence class of the known mineralization and resources. In Media Luna, the in-fill drill program has an objective of upgrading 25% of the inferred 7.4 million ounce gold-equivalent resource to the indicated confidence class.

There are currently 11 diamond drills operating on the Morelos property. Results will be released as they come available and are analyzed.

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. The Company's Debt Facility also contains cross-default provisions with the Company's leases and equipment loan. As at March 31, 2019, the Company is in compliance with all financial and other covenants.

Summary Balance Sheet

The following table summarizes key balance sheet items at March 31, 2019:

Table 4.

In millions of U.S. dollars	March 31, 2019	December 31, 2018
Cash and cash equivalents	$ 91.6	$ 122.2
Restricted cash	26.9	26.8
Value-added tax receivables	47.3	49.5
Inventory	69.1	58.3
Property, plant and equipment	995.6	984.2
Other assets	21.2	30.4
Total assets	$ 1,251.7	$ 1,271.4
Accounts payable and accrued liabilities	$ 83.5	$ 93.4
Debt	318.3	333.5
Deferred income tax liabilities	55.5	51.4
Other liabilities	36.5	33.5
Total liabilities	$ 493.8	$ 511.8
Total shareholders' equity	$ 757.9	$ 759.6

Cash and cash equivalents and restricted cash

The Company ended the first quarter of 2019 with cash on hand of $91.6 million, with an additional $26.9 million in restricted cash. The Company holds cash balances in both Canadian dollars and Mexican pesos, as well as U.S. dollar holdings.

Pursuant to the Debt Facility, the Company maintains restricted cash of $26.9 million in respect of reserve funds for estimated reclamation obligations. Each year the Company completes an updated progressive mine closure plan to assess the estimated costs to remediate disturbed areas and if necessary, sets aside additional funds. In April 2019, the Company transferred an additional $5.2 million to restricted cash for potential reclamation obligations pursuant to the Debt Facility.

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. During the first quarter of 2019, the Company collected $15.3 million in VAT receivables, and interest of $0.2 million.

Inventory

The increase in inventory of $10.8 million is largely due to the timing of gold sales and increased activities in the first quarter of 2019 compared to December 31, 2018.

Property, plant and equipment

Property, plant and equipment increased by $45.5 million for infrastructure, equipment, and capitalized stripping costs offset by depreciation and amortization and disposals of $34.1 million.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities were $83.5 million at March 31, 2019 compared to $93.4 million at December 31, 2018. The decrease is primarily due to the timing of payments.

Debt

The Company's debt obligations include the amounts outstanding under the Debt Facility, the equipment loan, and leases. Refer to "Debt Financing" for further details.

DEBT FINANCING

Debt Facility

On July 21, 2017, the Company, through its subsidiary Minera Media Luna, S.A. DE C.V. ("MML"), signed an Amended and Restated Credit Agreement ("ARCA") with BNP Paribas, Commonwealth Bank of Australia, ING Capital LLC., and SG Americas Securities, LLC, as joint bookrunners and BMO Harris Bank N.A. and The Bank of Nova Scotia (the "Banks") in connection with a secured $400.0 million debt facility (the "Debt Facility"). The Debt Facility comprises a $300.0 million term loan (the "Term Facility") and a $100.0 million revolving loan facility (the "Revolving Facility"). On July 25, 2017, the Company drew the full amount of the Term Facility and $75.0 million of the Revolving Facility to repay the loan facility that was previously entered into with the Banks. The Company may use the Revolving Facility for MML's general corporate purposes, including development expenditures, subject to the conditions of the Debt Facility.

The Debt Facility bears interest at a rate of LIBOR plus 4.00% for the first two years, LIBOR plus 4.25% for years three and four, and LIBOR plus 4.50% thereafter and includes standard and customary finance terms and conditions. The Debt Facility is secured by all of the assets of MML and secured guarantees of the Company and each of its other subsidiaries. The Revolving Facility and the Term Facility will mature June 30, 2020 and June 30, 2022, respectively. The first scheduled repayment of the Term Facility of $9.3 million was made on March 31, 2018, and varying repayments continue in quarterly instalments until maturity. The Revolving Facility and the Term Facility may be repaid in full at any time without penalty or premium. In the three months ended March 31, 2019, the Company repaid $18.6 million of the Debt Facility.

The Debt Facility provides for, as part of the permitted payments, potential spending to facilitate the Company's Media Luna Project and the Sub-Sill from ELG cash flow, subject to satisfaction of the terms of the Debt Facility, including compliance with financial covenants related to maintaining a minimum liquidity of $50.0 million, minimum current and prospective debt service coverage ratio of 1.2, maximum net leverage ratio of 3.0, and mandatory cash sweeps as described below.

The net leverage ratio means, as at any calculation date, the ratio of MML's net indebtedness divided by a four-quarter rolling Earnings Before Interest, Taxes, Depreciation and Amortization as defined by the ARCA.

Under the terms of the ARCA, a mandatory cash sweep is introduced until $50.0 million of the Term Facility has been repaid if (i) any mine plan or base case financial model requiring approval of the majority lenders does not receive such approval or (ii) the ELG Mine Complex does not meet 90% of certain projected operating and economic performance parameters for the six months ended December 31, 2018. The Company met the required threshold for these parameters for the six months ended December 31, 2018 and therefore the introduction of a cash sweep is limited to (i) above.

In accordance with the ARCA, the Company provided the Banks with an updated mine plan by June 30, 2018. The ARCA required a minimum reserve tail ratio of 30%. In September 2018, the Banks agreed to waive compliance with the reserve tail covenant for purposes of the 2018 mine plan so that the Company could submit an alternative optimized mine plan that meets the requirements of the ARCA, except as it relates to the reserve tail covenant. This consent is effective until the date ("Waiver End Date") that is the earlier of (i) the date on which a mine plan delivered in accordance with the ARCA evidences compliance with the reserve tail covenant ("RTR Compliant Mine Plan"); (ii) the date on which a mine plan delivered in accordance with the ARCA evidences a reserve tail ratio of less than 27% ("RTR Floor Non-Compliant Mine Plan"); and (iii) the date on which the Company is required to deliver a mine plan under the ARCA and fails to do so.

In the event that the mine plan delivered by the Company pursuant to the ARCA following the end of fiscal 2018 is neither an RTR Compliant Mine Plan nor a RTR Floor Non-Compliant Mine Plan, the Company shall, from and including November 15, 2019 and on each quarterly date thereafter (each a "RTR Prepayment Date") until the Waiver End Date, prepay outstanding credit under the ARCA in an amount equal to the RTR Prepayment Amount, which is the greater of

(i) $2.6 million and (ii) such amount as is required to ensure that equal quarterly repayments will be made on each RTR Prepayment Date so that the ARCA is repaid in full as at the last fiscal quarter the Company is in compliance with the reserve tail covenant based on the mine plan as at such RTR Repayment Date. The next mine plan is due on June 30, 2019.

As at March 31, 2019, the Company is in compliance with the financial and other covenants under the Debt Facility.

LIQUIDITY AND CAPITAL RESOURCES

The total assets of the Company as at March 31, 2019 were $1,251.7 million (December 31, 2018 - $1,271.4 million), which includes $91.6 million in cash and cash equivalents (December 31, 2018 - $122.2 million), excluding restricted cash of $26.9 million (December 31, 2018 - $26.8 million).

The Company had working capital of $18.1 million as at March 31, 2019, compared to $41.6 million at December 31, 2018.

Cash flow generated from operating activities, excluding changes in non-cash working capital, for the first quarter of 2019 was $34.3 million compared to $29.2 million for the first quarter of 2018.

Investing activities resulted in net cash outflows of $37.1 million in the first quarter of 2019, compared with net cash outflows of $17.4 million for the comparative period in 2018. The increase in cash outflows is largely due to higher additions to property, plant, and equipment by $20.1 million.

Financing activities resulted in net cash outflows of $25.3 million for the first quarter of 2019 compared with cash inflows of $31.1 million in the comparative period. Net cash flows from financing activities for the three months ended March 31, 2019 relate primarily to interest paid of $5.8 million, and repayments under the Debt Facility, leases, and equipment loan totalling $20.7 million, partially offset by cash flow from the exercise of stock options of $1.2 million. In comparison, for the three months ended March 31, 2018 net cash flows from financing activities relate primarily to proceeds from the Offering of $48.1 million, net of share issuance costs, less interest paid of $6.0 million, and repayments under the Debt Facility, leases, and equipment loan totalling $11.0 million.

As at March 31, 2019, 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 Media Luna. All of the long-term land lease agreements can be terminated within a year at the Company's discretion at any time without penalty.

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.

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 the three months ended March 31, 2019, the Company paid $4.6 million relating to the 2.5% royalty relating to the fourth quarter of 2018. As at March 31, 2019, the Company has $2.9 million accrued relating to 2019 for the 2.5% royalty, which was paid in April 2019.

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 April 2019, the Company paid $8.0 million relating to royalties due for 2018 in respect of the 7.5% and 0.5% royalties.

Contractual Commitments

Table 5.

			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	52.6	52.6	-	-	-
ELG Mine Complex capital commitments	3.2	3.2	-	-	-
Debt	328.0	85.8	209.6	32.3	0.3
Total	**$ 383.8**	**$ 141.6**	**$ 209.6**	**$ 32.3**	**$ 0.3**

OUTSTANDING SHARE DATA

Table 6.

Outstanding Share Data at May 7, 2019	**Number**
Common shares	85,266,579
Share purchase options [1]	390,392
Restricted share units [2, 3]	485,310
Performance share units [4]	560,837

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") in June 2013. 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 exclude income tax payments, interest costs, costs related to business acquisitions and 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 7.

		Three Months Ended	
In millions of U.S. dollars, unless otherwise noted		**March 31, 2019**	**March 31, 2018**
Gold sold	oz	76,473	62,906
Total cash costs per ounce sold			
Production costs and royalties [1]	$	59.3	46.2
Less: Silver sales	$	(0.9)	(0.3)
Less: Copper sales	$	(1.4)	-
Total cash costs	$	57.0	45.9
Total cash costs per ounce sold	$/oz	745	730
All-in sustaining costs per ounce sold			
Total cash costs	$	57.0	45.9
General and administrative costs [2]	$	6.0	6.5
Reclamation and remediation costs	$	0.5	0.4
Sustaining exploration costs	$	0.2	0.2
Sustaining capital expenditure [3]	$	25.1	7.0
Total all-in sustaining costs	$	88.8	60.0
Total all-in sustaining costs per ounce sold	$/oz	1,161	954

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 $2.4 million or $31/oz for the three months ended March 31, 2019.
2. Includes share-based compensation expense in the amount of $1.9 million, or $25/oz for the three months ended March 31, 2019, respectively.
3. Based on additions to property, plant and equipment per the Statement of Cash Flows for the three months ended March 31, 2019 of $37.7 million. Before changes in net working capital for the three months ended March 31, 2019 of $3.8 million, capital expenditures for the three months ended March 31, 2019 totalled $33.9 million. Sustaining capital expenditures of $25.1 million in the three months ended March 31, 2019 are related to $19.0 million for the cash component of capitalized stripping activities, and $6.1 million for sustaining equipment and infrastructure expenditures. Non-sustaining capital expenditures of $9.3 million in the three months ended March 31, 2019 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 used by management 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 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 first quarter of 2019 was $1,302 per ounce of gold sold compared to $1,331 per ounce of gold sold for the first quarter of 2018. The decrease is primarily a result of lower average spot prices.

The average realized margin for the first quarter of 2019 was $557 per ounce of gold sold compared to $601 per ounce of gold sold for the first quarter of 2018. The decrease primarily reflects higher total cash costs and lower average spot prices.

Reconciliation of Average Realized Price and Average Realized Margin to Revenue

Table 8.

		Three Months Ended	
In millions of U.S. dollars, unless otherwise noted		**March 31, 2019**	**March 31, 2018**
Gold sold	oz	76,473	62,906
Revenue	$	101.9	84.0
Less: Silver sales	$	(0.9)	(0.3)
Less: Copper sales	$	(1.4)	-
Total proceeds	$	99.6	83.7
Total average realized price per ounce	$/oz	1,302	1,331
Less: Total cash costs per ounce	$/oz	745	730
Total average realized margin per ounce	$/oz	557	601

Adjusted Net Loss

Adjusted net loss and adjusted net loss per share (basic and diluted) are used by management and investors 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 loss is defined as net 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 foreign exchange gains and losses, non-cash unrealized gains and losses on derivative contracts, impairment provisions (if any), the tax effect of currency translation on tax base, and other non-recurring items, net of tax.

Adjusted net loss per share amounts are calculated using the weighted average number of shares outstanding on a basic and diluted basis as determined under IFRS.

Beginning in the second quarter of 2018, the Company updated adjusted net loss to include the tax effect of currency translation on tax base to better reflect the underlying operating performance of the Company. Comparatives have been restated.

Adjusted net loss for the first quarter of 2019 was $5.7 million, compared to the adjusted net loss of $12.2 million for the first quarter of 2018. The decrease in adjusted net loss is largely due to a lower tax effect of currency translation on tax base, partially offset by lower net loss.

Reconciliation of Adjusted Net Loss to Net (Loss) Income

Table 9.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended March 31, 2019	Three Months Ended March 31, 2018
Basic weighted average shares outstanding	shares	85,083,405	82,730,897
Diluted weighted average shares outstanding	shares	85,083,405	82,792,246
Net (loss) income	$	(1.3)	10.2
Adjustments, after-tax:			
Unrealized foreign exchange gain	$	(1.3)	(2.5)
Unrealized loss (gain) on derivative contracts	$	0.3	(2.1)
Tax effect of adjustments	$	0.3	1.4
Tax effect of currency translation on tax base [1]	$	(3.7)	(19.2)
Adjusted net loss	$	(5.7)	(12.2)
Per share - Basic	$/share	(0.07)	(0.15)
Per share - Diluted	$/share	(0.07)	(0.15)

1. Beginning in the second quarter of 2018, the Company updated adjusted net loss to include the tax effect of currency translation on tax base. Comparatives have been restated.

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 costs, 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.

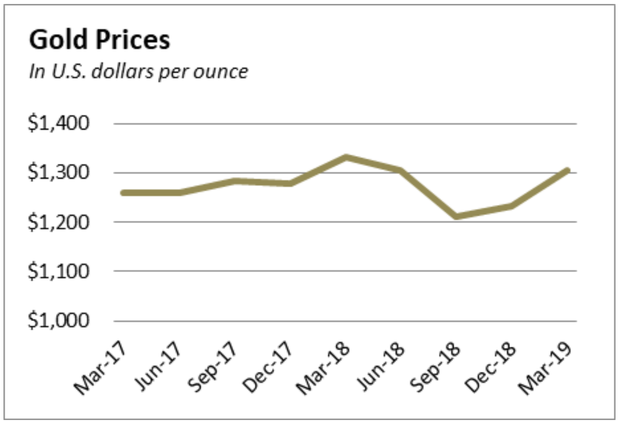
ECONOMIC TRENDS

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 10.

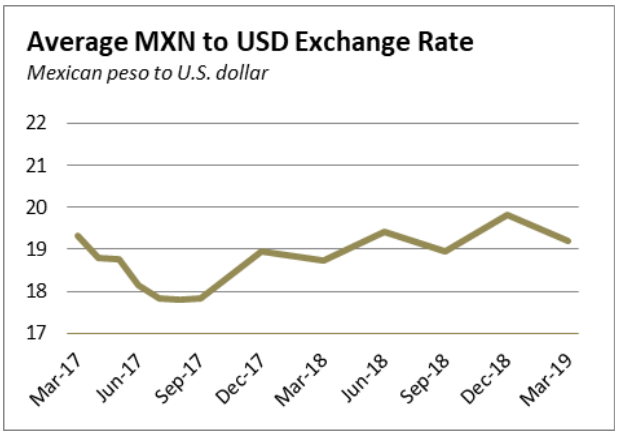
		Three Months Ended March 31, 2019	Three Months Ended March 31, 2018	Year Ended December 31, 2018
Average market spot prices				
Gold	$/oz	1,306	1,332	1,269
Average market exchange rates				
Mexican peso : U.S. dollar	Peso : $	19.2	18.7	19.2
Canadian dollar : U.S. dollar	C$: $	1.33	1.26	1.30

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 three months of 2019, and averaged $1,306 per ounce of gold, down 2% over the average price for the three months ended March 31, 2018.

Foreign exchange rates



The Company's functional currency is the U.S. dollar and it is therefore exposed to financial risk related to foreign exchange rates. In particular, approximately 46% of the Company's costs for first three months of 2019 were incurred in Mexican pesos. Although the Company had previously entered into Mexican Peso contracts ("Peso Contracts") to fix a portion of its Mexican peso-denominated costs and operating expenditures, however the remaining Peso Contracts were settled in the first quarter of 2019. 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 19.2 and 18.7 pesos for the three months ended March 31, 2019 and the three months ended March 31, 2018, representing a depreciation of 3% in the Mexican peso.

SUMMARY OF QUARTERLY RESULTS

Quarterly Results for the Eight Most Recently Completed Quarters

Table 11.

		2019	2018				2017		
In millions of U.S. dollars, unless otherwise noted		**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**
Financial Results									
Revenue	$	101.9	130.7	126.4	101.8	84.0	40.8	100.5	86.6
Net (loss) income	$	(1.3)	1.4	23.9	(12.3)	10.2	(25.0)	(1.6)	5.1
Per share - Basic	$/share	(0.02)	0.02	0.28	(0.14)	0.12	(0.31)	(0.02)	0.06
Per share - Diluted	$/share	(0.02)	0.02	0.28	(0.14)	0.12	(0.31)	(0.02)	0.06

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

Net (loss) income has fluctuated based on, among other factors, gold prices, foreign exchange rates, deferred income taxes, interest collected on VAT receivables, and the Blockade. 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") 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 transaction was accounted for at the exchange amount based on the consideration. All subsequent improvements to this system will be owned by the Company. 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 Company's CEO. During Fred Stanford's tenure as CEO, Muckahi Inc. will not be permitted to make use of the License. The Mining System is currently in the development stage, and if determined viable, the Company may use the system in current or future underground mining operations or for commercial purposes. The board of directors of the Corporation (the "Board") appointed a committee of independent directors (the "Independent Committee") to negotiate the terms of the IP Agreements and make a recommendation to the Board thereon. The Board approved the IP Agreements, taking into consideration, among other matters, the Independent Committee's determination that the terms of the IP Agreements are fair, reasonable and in the best interests of the Corporation and their recommendation to approve the IP Agreements. In August 2018, the Company and Muckahi Inc. entered into an agreement that grants to the Company the right to use the name "Muckahi" on a royalty-free basis. The term of the agreement is perpetual, however, Muckahi Inc. may terminate the agreement at any time by giving the Company 60 days prior notice.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

With the exception of the changes detailed within Notes 3 and 4 of the Company's unaudited condensed consolidated financial statements for the three months ended March 31, 2019, there have been no changes in the accounting policies adopted by the Company from those detailed in Note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2018.

RECENT ACCOUNTING PRONOUNCEMENTS

With the exception of the changes detailed within Note 3 of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2019, there have been no changes in the accounting pronouncements adopted by the Company from those detailed in Note 3 in the Company's audited consolidated financial statements for the year ended December 31, 2018.

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 are detailed in Note 13 of the Company's unaudited condensed consolidated financial statements for the three months ended March 31, 2019.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At March 31, 2019, the Company had cash balances of $91.6 million, excluding restricted cash of $26.9 million (December 31, 2018 – cash balance of $122.2 million, excluding restricted cash of $26.8 million). The Company maintains its cash in fully liquid business accounts. At March 31, 2019, the cash balance held by MML was $59.0 million (December 31, 2018 - $87.4 million).

As at March 31, 2019, the amounts outstanding under the Debt Facility, equipment loan, and leases, totalled $306.9 million, $1.2 million, and $19.9 million, respectively.

The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

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. A significant change in the currency exchange rates between the Canadian dollar and Mexican peso compared to the U.S. dollar is expected to influence the Company's results of operations in the future periods. The remaining Peso Contracts used to hedge the Company's risk against the Mexican peso matured prior to quarter end.

As at March 31, 2019, based on ending spot rates compared to the end of the prior quarter, December, 31 2018, the Mexican peso appreciated by 1.5%. 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 March 31, 2019, multiplied by the applicable Mexican tax rate, derives the associated deferred tax liability for this year. This value was still greater than the equivalent deferred tax liability value calculated for the prior year. The difference in these liabilities resulted in a deferred tax expense for the year.

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. In the first quarter of 2019, the Company executed interest rate swaps to hedge the floating rate debt associated with its Debt Facility. As at March 31, 2019, a 100-basis point change in the LIBOR rate would result in a $3.3 million change per annum in interest expense relating to the Company's Debt Facility, equipment loan and leases based on current market spreads.

As at March 31, 2019, a 100 basis points change in the LIBOR would result in a decrease or increase of $0.2 million (using the LIBOR rate as at March 31, 2019 of 2.49%) in the Company's net loss for the quarter relating to the interest rate swap contracts.

RISKS AND UNCERTAINTIES

For a comprehensive discussion of the 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.

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 first quarter of 2019 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 March 31, 2019, 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 President and Chief Executive Officer and Chief Financial Officer, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

QUALIFIED PERSONS

Scientific and technical information contained in this MD&A has been reviewed and approved by Dawson Proudfoot, P.Eng., Vice President, 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 expects to complete the development and test the concept by the end of 2019 for the mine development activities and up to five years for the mine production activities (approx. second quarter 2023). Further studies would be required to verify the viability of Muckahi. Muckahi is not intended as a "trade off study" but is shown in the PEA to merely demonstrate the potential benefits Muckahi may have using the Media Luna deposit as an example. It 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, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The ability to develop and test Muckahi is dependent on available funding from Torex's resources including distributions from MML. The ARCA places restrictions on the amount that MML may distribute to Torex. 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 exploration, development and exploitation plans concerning the Morelos Gold Property, the adequacy of the Company's financial resources, business plans and strategy and other events or conditions that may occur in the future, and 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, 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 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, the expected successful completion of the ramp-up of the processing plant and achieving an average throughput rate of 12,600 t/d by year-end, achieving at least the lower end of guidance, the expectation that reagent consumption levels will improve further with the upgrade to the SART plant in the third quarter of 2019, expectation that uptime of the plant will be higher in the remainder of the quarter, expected metal recoveries, gold production, total cash costs per ounce of gold sold, AISC per ounce of gold sold and revenues from operations, and capital costs, the ability to mine and process estimated mineral reserves, near term growth opportunities in both the Sub-Sill and El Limón Deep zone and mid-term growth potential of Media Luna, plans to complete the drilling programs on Media Luna and El Limón Deep and budgets to complete drilling programs, plans to seek opportunities to acquire assets in the Americas that enable profitable and effective geographic diversification, plans to complete a maiden underground resource estimate for El Limón Deep, expectation that reagent consumption will return to previous levels, expectation that continuous improvement is expected to deliver performance above previous experience, further advances of funds if required, pursuant to the Debt Facility (which is subject to certain customary conditions precedent), continued unimpeded operations, and plans to further examine the potential of the new mining technology (Muckahi) including the expected completion of the testing by the end of 2019, plan to advance the Media Luna Project from early stage development to production, including, the goal of the infill drilling program to upgrade 25% of the inferred resources to indicated, completing key trade off studies by mid-2019 and the associated budget, 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 ELG Open Pits and ELG Underground, the estimate of Media Luna's precommercial expenditures, net of precommercial revenues, and expected future loss carryforwards and their effect on the Company's tax expense and effective tax rate, plans to diversify the Company's single asset risk, and the Company's alternatives for redirecting restricted cash balance under the Debt Facility. 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 ramp-up of the processing plant to full production, 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, 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, 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, the possibility of amendments to the restrictions in the Debt Facility, 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 expectations, 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 exploration, development and exploitation activities planned for the Morelos Gold Property, the continued ramp-up to full production, grade as predicted in the reserve model, ability to achieve design gold recovery levels, timely access to the high grade material, timely completion, the benefit expected from the operation of the SART plant, the price of gold, sufficient cash flow to satisfy its financial covenants under the Debt Facility and service its indebtedness, 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 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 financing on acceptable terms, the ability to conclude the land access agreements for the additional target areas on the Morelos Property, 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.

May 7, 2019