EPS - A DETAILED LOOK AT Q1 2019

Prepared as of July 10, 2019

Safe Harbour Statement

Total cash costs and all-in sustaining costs ("**AISC**") are financial performance measures with no standard meaning under International Financial Reporting Standards ("**IFRS**"). Refer to "Non-IFRS Financial Performance Measures" in the management's discussion and analysis for the three and twelve months ended December 31, 2018 ("**Q4 2018 MD&A**") and for the three months ended March 31, 2019 ("**Q1 2019 MD&A**") of Torex Gold Resources Inc. ("**Torex**" or the "**Company**") for further information and a detailed reconciliation regarding historical performance measures.

The analyses and examples in this presentation (together, the "**Presentation**") are based on historical information derived from the Company's financial statements for the periods referred to in the Presentation. Historical information may not be indicative of future results. There can be no assurance that the application of the concepts, methodologies and algorithms referred to in the Presentation will result in forecasts which approximate actual results.

This Presentation 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, statements excerpted from the previous Presentation that were forward-looking at the time they were made, information with respect to the ability to exploit estimated mineral reserves, the Company's expectation that the ELG Mine Complex will be profitable with positive economics from mining, expectations that depreciation would generally increase subject to quarter to quarter variations, the expectation of increased expenses associated with depreciation and amortization commencing in Q2 2019 related to a greater portion of capitalized waste incurred in prior quarters being amortized as the associated ore begins to be processed, expectations regarding G&A expenses, revenues from operations, the ability to mine and process estimated mineral reserves, continued unimpeded operations, plans to further examine the potential of the new mining system technology ("**Muckahi**") and capitalize all costs pertaining to the development of such technology starting in Q1 2019, expectation that foreign exchange differences between the Mexican Peso and the USD will not have a significant impact on the amount of royalties included in the "Cost of Sales", expectations that this Presentation may enhance analysts understanding the Company's profit and loss statement, expectation of continued focus on Media Luna and Sub-sill development, the estimate of the unrealized portion of the derivative costs, the estimates of deferred income tax liabilities ("**DTL**", and deferred income tax assets ("**DTA**"), as the case may be) and the Company's expected future loss carryforwards and their effect on the Company's tax expense and effective tax rate, the forecasted impact on DTL (or DTA) of a change in the Mexican Peso to the USD based on historical data. 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," "should", "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 the ability to operate profitably and generate sufficient taxable income to use the loss carryforwards as expected, risk of change in tax laws, commodity price risk, currency exchange rate fluctuations, capital and operational cost estimates, illegal blockades, dependence on good relationships with employees and contractors and labour unions, limited operating history, hedging contracts, interest rate risk, accounting policies as well as those risk factors included herein and elsewhere in the Q4 2018 MD&A, the Q1 2019 MD&A, the Annual Information Form ("**AIF**") dated March 29, 2018 and the Company's other public disclosure which are available on www.sedar.com and www.torexgold.com. Certain material assumptions regarding such forward-looking information and forward-looking statements are discussed in the Presentation, the Q4 2018 MD&A, the Q1 2019 MD&A, the AIF and elsewhere in the Company's public disclosure. Readers are cautioned that the foregoing, together with the risks and assumptions set out in the Q4 2018 MD&A, the Q1 2019 MD&A, the AIF and elsewhere in the Company's public disclosure, 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 and forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information or statements 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.

Continued….

Safe Harbour Statement continued

The forward-looking information and forward-looking statements contained herein are 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 any other purpose(s). The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

The Muckahi system 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. 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 entitled "Morelos Property, NI 43-101 Technical Report, ELG Mine Complex Life of Mine Plan and Media Luna Preliminary Economic Assessment, Guerrero State, Mexico" dated effective March 31, 2018, and filed on September 4, 2018. 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 and production activities. Further studies would be required to verify the viability of Muckahi.

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Purpose

The purpose of this presentation is to share historical information, observations and methodologies to derive the Q1 2019 financial results of the company and compare these to the actual Q1 2019 financial results.

REVENUES

Revenues

(All figures in US dollars unless otherwise noted)

Utilizing the Company's April 3, 2019 press release results in a revenue model close to actual results

- **Application** - The Company's April 3, 2019 press indicated that 76,500 ounces were sold at an average realized price of $1,301
- At an average gold price for the quarter of $1,301/oz, (from press release), gold revenues of $101.8 million are modeled for the quarter.
- The Company generated approximately $0.9 million of silver and $1.4 million of copper revenues in the quarter.
- In total this model yields $101.8 million compared to actual revenues of $101.9 million.

COST OF SALES

Production costs

(All figures in US dollars unless otherwise noted)

Utilizing 29% higher than guidance for TCC results in a modelled production cost amount of $56.4 million

TCC consist of production costs, plus revenue-based royalties, less by-product sales.

Period	TCC/oz Au sold	TCC/oz Au sold	Au Sold	Analysis
Q1 2019 (Estimated)	$748 (Estimated)	$745 (Actual)	76,500	Prorated for guidance

- **Application** – Based on guidance of 430,000 ounces sold and with Q1 2019 ounces sold of 76,500 being 29% lower than ¼ of guidance, it is reasonable to expect TCC for Q1 2019 to be 29% higher than the guidance of $580/oz.

Depreciation

(All figures in US dollars unless otherwise noted)

Utilizing historical actuals which equate to $321/oz provides reasonable guidance for a Q1 depreciation estimate

- **Application:** at 76,500 ounces sold at $321/oz, Q1 2019's depreciation could have been forecasted to be $24.6 million.

	Q1 19	Q4 18	Q3 18	Q2 18	Q1 18	Q4 17	Q3 17
Depreciation ($ millions)	24.6	29.1	32.5	24.8	19.0	9.9	25.8
Au Ozs sold	76,500*	104,529	102,919	77,646	62,906	31,398	78,254
Depreciation per Au Ozs Sold	$321(1)	$278	$316	$319	$302	$315	$330

*This amount was derived in the "Revenues" slide.

(1) Derived within the April 2019 presentation.

Commencing in Q2 2019, the Company expects to incur a higher level of depreciation and amortization expense. This relates to a greater portion of capitalized waste incurred in prior quarters being amortized as the associated ore begins to be processed. Based on preliminary estimates, expenses associated with depreciation and amortization in Q2 2019 are expected to increase by $25-$45 per ounce gold sold relative to the level of depreciation and amortization expense reported in Q1 2019.

Royalties

(All figures in US dollars unless otherwise noted)

Utilizing the press released total sales amount times 3% results in a royalties amount in line with actuals

- The royalties included in cost of sales are concession and revenue-based royalties equal to 2.5% and 0.5% of revenue (3% total).
- **Application:** Based on press released ounces sold and estimated revenues of $101.8 million as derived in the "Revenues" slide times 3% produces the actual royalties amount of $3.1 million for Q1 2019:

	Q1 2019
Metal sales (millions)	$101.8
Sales-based royalty percentage	3%
Royalties included in cost of sales (millions)	$3.1

G&A, E&E

General and Administrative

(All figures in US dollars unless otherwise noted)

General and administrative costs fund the corporate office and include non-cash stock-based compensation expenses

The cash burn-rate for operating the corporate office is currently trending at approximately $1.1 million per month.

Stock-based compensation is highest in the first quarter of each year (due to options issued to directors, which vest in this period each year) at $2.7 million and relatively consistent thereafter at $1.7 million.

- **Application:** $3.3 million in corporate office cash costs, plus $2.7 million in stock-based compensation results in $6.0 million of G&A, which is within $0.1M or 2% of Q1 2019 actuals.

Exploration and Evaluation

(All figures in US dollars unless otherwise noted)

TorexGold RESOURCES INC.

Exploration & Evaluation are expected at $1 million/quarter as of Q1 2019 since Muckahi project spend will be capitalized

Exploration and evaluation expenditures expected to be approximately $1 million per quarter.

Application: Assuming $4 million of E&E expenditures for the year results in $1.0 million for Q1 2019.

Actual results for Q1 were $0.2 million.

N.b. Commencing Q1 2019, the Company has capitalized all costs pertaining to the development of the Muckahi technology.

OTHER EXPENSES

Derivative costs

(All figures in US dollars unless otherwise noted)

The difference between the contract LIBOR and forward LIBOR multiplied by the notional amount is most of the derivative cost

- There are main component within the derivative cost line in the Company's profit and loss statement:
  - Unrealized portion – notional amount and contracts price per the Company's MD&A; forward LIBOR taken from Bloomberg based on expected realization timing. Each quarter, the notional amount is expected to be reduced by approximately $10.0 million. The Company entered into $150.0 million of interest rate swaps in Q1 2019.
  - **Application:**

Notional Amount (millions USD) A	Contract LIBOR (%) B	Forward LIBOR (%) C	Difference D	Unrealized E = A/C-A/B
140.0	2.490	2.510	0.02	0.4
Less: Unrealized at Q4 2018 (per balance sheet)				(0.0)
Unrealized derivative loss, Q1 2019				0.4

Finance costs

(All figures in US dollars unless otherwise noted)

Interest incurred on debt net of interest earned on cash represents the finance costs in the profit and loss statement

- Principal payments on the debt are made at quarter end – Assuming a LIBOR of 2.5% for a three-month period.

Source of debt	Principal, end of prior quarter (Q4 18) – A (millions)	Interest rate - B	Interest expense = A*B (millions)
Debt Facility	$325.5	(LIBOR+4%)/4	$5.3
Finance Leases	$15.4	(LIBOR+4%)/4	$0.3
Equipment Loan	$1.6	(LIBOR+3.75%)/4	$0.0
Deferred finance charges	*Amortized at effective interest rate of 1.6%*		$1.5
Interest income	*Primarily interest collected on VAT*		$(1.0)
	Finance costs, net		**$6.1**

Foreign exchange loss

(All figures in US dollars unless otherwise noted)

Foreign exchange loss is primarily due to the impact of FX on peso-denominated VAT receivables, net of A/P

Monetary accounts	Q4 2018 Balance (millions) A	Peso Change – B	Impact C = A*B (millions)	Notes
VAT	\$49.5	1.5%	\$0.8	(1)
Prepaid expenses	\$4.2	1.5%	\$0.1	(2)
A/P & accruals	(\$43.9)	1.5%	(\$0.7)	(3)
FX gain	**\$9.8**	1.5%	**\$0.2**	(4)

Peso change – from a Q4 2018 closing exchange rate of 19.7 to a closing exchange rate of 19.4 – an appreciation of 1.5%.

(1) This figure is taken directly from the Company's Q4 2018 balance sheet and combines the current portion of \$33.8M and the non-current portion of \$15.7M.

(2) The Company's Q4 2018 MD&A on page 23 indicates that approximately 47% of the Company's costs are incurred in pesos and therefore 47% of the Q4 2018 prepaid expenses balance of \$9.0M results in a figure of \$4.2M.

(3) The aforementioned 47% multiplied by the Q4 2018 A/P and accruals balance of \$93.4M results in a figure of \$43.9M.

(4) Note that this results in a difference of \$0.9M compared to the actual gain of \$1.1M per Q1 2019 FS.

INCOME TAXES

Current income taxes

(All figures in US dollars unless otherwise noted)

TorexGold RESOURCES INC.

Due to utilization of tax loss carry-forwards, current income tax is primarily made up of the 7.5% mining royalty

Metal Sales (millions) A	Less: Production Costs (millions) B	Less: Others (millions) C	=Basis *7.5%	Current tax expense (millions)
$101.8	($56.4)	($3.0)	$42.4*7.5%	**$3.2**

A – This amount was derived in the "Revenues" slide.

B – This amount was forecasted based on the methodology in slide "Production costs".

C – Various tax deductions allowed in respect of the 7.5% mining royalty, the $ value of which have been consistent historically

Foreign exchange in deferred income taxes

(All figures in US dollars unless otherwise noted)

The most significant element affecting deferred taxes is the translation of tax base from Mexican Pesos to USD

- Historically, a 1% movement(1) in the value of the Mexican Peso compared to USD resulted in approximately $1.6 million aggregate change in the deferred tax liability.

(millions)		Analysis
Earnings from mine operations	$17.7	See calculation in slide 23 based on all figures forecast up to that point.
Tax rate	27.75%	Excluding the 7.5% royalty which is current, but including the tax deductibility effect of the 7.5% royalty
Expected deferred tax before FX	$4.9	Earnings from mine operations * tax rate
Foreign exchange depreciation (depreciation)	($2.4)	'1.5%' depreciation of peso times $1.6 million =$2.4 million
Expected deferred tax expense	$2.5	

* Actual Deferred Tax expense $2.5 million (per slide 23)

(1) Based on an analysis of the two most recent rolling four quarter periods.

PUTTING IT ALL TOGETHER FOR UNADJUSTED EPS

Putting it all together – unadjusted loss

(All figures in US dollars unless otherwise noted)

TorexGold RESOURCES INC.

The Q1 model would have yielded an unadjusted net loss result consistent with actual results

(millions)	Q1 Model	Actual
Revenues	$101.8	$101.9
Production costs	(56.4)	(56.2)
Depreciation	(24.6)	(25.8)
Royalties	(3.1)	(3.1)
Earnings from mine operations	**17.7**	**16.8**
General and Admin	(6.0)	(6.1)
Exploration	(1.0)	(0.2)
Derivative cost	(0.4)	(0.3)
Finance costs, net	(6.1)	(6.4)
Foreign exchange gain	0.2	1.1
Income before tax	**4.4**	**4.9**
Current tax expense	(3.2)	(2.1)
Deferred tax expense	(2.5)	(4.1)
Net Loss	**(1.3)**	**(1.3)**
Net Loss, unadjusted	**(0.02)**	**(0.02)**

PUTTING IT ALL TOGETHER FOR ADJUSTED LOSS

Putting it all together – adjusted loss

(All figures in US dollars unless otherwise noted)

The Q1 model would have yielded adjusted net loss of $0.08, within $0.01 of the actual Q1 2019 result

(millions)	Q1 Model	Actual	Notes
Net (Loss) income	**(1.3)**	**(1.3)**	(1)
Tax effect of currency translation on tax base	(3.8)	(3.7)	(2)
Other unrealized adjustments, net of tax	(1.5)	(0.7)	(3)
Adjusted net loss	**(6.6)**	**(5.7)**	
Adjusted net loss	**(0.08)**	**(0.07)**	

(1) The net loss figure was derived on slide 23 "Putting it all together – unadjusted EPS".

(2) While subject to variations quarter to quarter, the algorithm derived indicates that for every 1% change in foreign exchange, the impact on the tax effect of currency translation on tax base is $2.5 million. In Q1 2019, the Peso appreciated by 1.5% (1.5*2.5=~$3.8).

(3) Historical experience has indicated that this impact ranges between $1.0 million and $2.0 million. If the Mexican peso depreciates, this impact should be added, and if the Mexican peso appreciates this impact should be deducted from. For simplicity, the midpoint of $1.5M is taken.