TOREX GOLD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

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 November 8, 2022 and should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and related notes for the three and nine months ended September 30, 2022. It should also be read in conjunction with the Company's audited consolidated financial statements and annual MD&A for the year ended December 31, 2021. This MD&A contains forward-looking statements that are subject to risks and uncertainties as discussed under "Cautionary Notes". This MD&A also includes the disclosure of certain non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" which identifies the non-GAAP financial measures discussed in this MD&A for further information, including a reconciliation to the comparable IFRS measures. All dollar figures included herein are United States dollars ("U.S. dollar") unless otherwise stated.

HIGHLIGHTS

- **Strong safety performance continues:** One lost-time injury in the quarter related to a finger pinch sustained by a contractor working on the Media Luna Project. The Company exited the quarter with a lost-time injury frequency ("LTIF") rate of 0.10 per million hours worked on a rolling 12-month basis.

- **Gold production:** Delivered gold production of 122,208 ounces ("oz") for the quarter (YTD – 357,839 oz) driven by a strong milling rate of 13,037 tonnes per day ("tpd") (YTD – 12,667 tpd) and a record gold recovery rate of 89.8% (YTD – 88.3%). The Company is tracking towards the upper end of 2022 production guidance of 430,000 to 470,000 oz.

- **Gold sold:** Sold 119,834 oz of gold (YTD – 351,209 oz) at an average realized gold price[1] of $1,715 per oz (YTD – $1,817 per oz), contributing to revenue of $209.3 million (YTD – $652.0 million). The average realized gold price is modestly below the average benchmark price as a higher proportion of September production was sold later in the month into a softer market.

- **Total cash costs[1] and all-in sustaining costs[1]:** Total cash costs of $760 per oz sold (YTD – $736 per oz sold) and all-in sustaining costs of $1,059 per oz sold (YTD – $999 per oz sold) puts the Company on track to achieve the high end of total cash cost guidance and mid-point of all-in sustaining cost guidance for the year. Cost of sales was $146.2 million (YTD – $418.0 million), or $1,220 per oz sold in the quarter (YTD – $1,190 per oz sold).

- **Net income and adjusted net earnings[1]:** Reported net income of $43.9 million or earnings of $0.51 per share on a basic and diluted basis (YTD – $154.2 million, or $1.80 per share on a basic basis and $1.77 per share on a diluted basis). Adjusted net earnings of $34.6 million or $0.40 per share on a basic and diluted basis (YTD – $128.8 million, or $1.50 per share on a basic and diluted basis). Net income includes an unrealized derivative gain of $20.0 million (YTD – $28.8 million) related to gold forward contracts entered into during Q1 2022 to reduce downside price risk during the construction of the Media Luna Project (approximately 25% of production between October 2022 to December 2023 at a weighted average price of $1,921 per oz).

- **EBITDA[1] and adjusted EBITDA[1]:** Generated EBITDA of $127.8 million (YTD – $386.8 million) and adjusted EBITDA of $107.8 million (YTD – $355.6 million).

- **Robust cash flow generation:** Net cash generated from operating activities totalled $102.4 million (YTD – $276.0 million) and $91.3 million before changes in non-cash operating working capital (YTD – $271.5 million), including income taxes paid of $19.2 million (YTD – $88.8 million) and positive free cash flow[1] of $33.5 million (YTD – $88.4 million).

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

- **Strong financial liquidity:** The Company extended and increased the available credit facilities with a syndicate of international banks in the quarter, providing a total of $250 million in available credit maturing in 2025. The quarter closed with net cash[1] of $336.1 million, including $339.2 million in cash and $3.1 million of lease obligations, no debt and the credit facilities undrawn, providing more than $589 million in available liquidity.
- **Media Luna Project:** Media Luna Project expenditures totalled $32.5 million during the quarter, with a remaining Project spend of $812.4 million. Expenditures in the quarter were primarily focused on continued development of the Guajes Tunnel and South Portals, with development of the Guajes Tunnel reaching 2,659 metres and South Portal Lower reaching 1,056 metres by the end of Q3. At the end of the quarter, physical progress on the Project was approximately 9%, with engineering, surface construction and underground development steadily progressing. Procurement activities are ramping up responsibly, with the focus being on key, long lead packages that are schedule critical. To date, lead times and costs of executed purchase orders are substantially in line with the assumptions made in the 2022 Technical Report. As a result of the lower procurement spend to date, there will be an underrun in capital expenditures on the Project for 2022, and full-year non-sustaining capital expenditure guidance for the Media Luna Project has been lowered to $120 million to $150 million. While these spend patterns have impacted the level invested to date, the pace of investment is expected to accelerate over the coming quarters, and the overall Project schedule remains on track at this early stage.
- **Receipt of Key Media Luna Environmental Permit:** Late in the third quarter, the Company received approval from Mexico's Secretariat of Environmental and Natural Resources ("SEMARNAT") on the key, culminating environmental permit for the Project (the "MIA Integral"), which allows for operations to begin at Media Luna.

OPERATING AND FINANCIAL HIGHLIGHTS

Table 1.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Operating Results						
Lost-time injury frequency[1]	/million hours	**0.10**	0.00	0.26	**0.10**	0.26
Total recordable injury frequency[1]	/million hours	**1.69**	1.32	2.44	**1.69**	2.44
Gold produced	oz	**122,208**	123,185	111,229	**357,839**	358,792
Gold sold	oz	**119,834**	123,363	118,989	**351,209**	359,432
Total cash costs[2]	$/oz	**760**	703	727	**736**	646
Total cash costs margin[2]	$/oz	**955**	1,162	1,059	**1,081**	1,146
All-in sustaining costs[2]	$/oz	**1,059**	911	900	**999**	883
All-in sustaining costs margin[2]	$/oz	**656**	954	886	**818**	909
Average realized gold price[2]	$/oz	**1,715**	1,865	1,786	**1,817**	1,792
Financial Results						
Revenue	$	**209.3**	235.0	216.7	**652.0**	653.8
Cost of sales	$	**146.2**	139.6	142.6	**418.0**	394.2
Earnings from mine operations	$	**63.1**	95.4	74.1	**234.0**	259.6
Net income	$	**43.9**	70.3	36.5	**154.2**	152.2
Per share - Basic	$/share	**0.51**	0.82	0.43	**1.80**	1.78
Per share - Diluted	$/share	**0.51**	0.80	0.41	**1.77**	1.72
Adjusted net earnings[2]	$	**34.6**	57.0	42.9	**128.8**	147.6
Per share - Basic[2]	$/share	**0.40**	0.66	0.50	**1.50**	1.72
Per share - Diluted[2]	$/share	**0.40**	0.66	0.50	**1.50**	1.72
EBITDA[2]	$	**127.8**	155.9	119.7	**386.8**	399.3
Adjusted EBITDA[2]	$	**107.8**	137.1	119.3	**355.6**	386.3
Cost of sales	$/oz	**1,220**	1,132	1,198	**1,190**	1,097
Net cash generated from operating activities	$	**102.4**	126.9	87.8	**276.0**	235.4
Net cash generated from operating activities before changes in non-cash operating working capital	$	**91.3**	120.6	100.2	**271.5**	277.8
Free cash flow[2]	$	**33.5**	74.0	29.4	**88.4**	60.6
Cash and cash equivalents	$	**339.2**	310.7	221.6	**339.2**	221.6
Net cash[2]	$	**336.1**	306.3	217.8	**336.1**	217.8

1. On a 12-month rolling basis, per million hours worked
2. Total cash costs, total cash costs margin, all-in sustaining costs, all-in sustaining costs margin, average realized gold price, adjusted net earnings, EBITDA, adjusted EBITDA, free cash flow and net cash are non-GAAP financial measures with no standardized meaning under International Financial Reporting Standards ("IFRS"). Refer to "Non-GAAP Financial Performance Measures" for further information and a detailed reconciliation to the comparable IFRS measures.

THIRD QUARTER REPORT

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

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COMPANY OVERVIEW

Torex Gold Resources Inc. is an intermediate gold producer based in Canada, engaged in the exploration, development and operation of its 100% owned Morelos Property (the "Morelos Property"), an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometres southwest of Mexico City.

The Company's principal asset is the Morelos Complex, which includes the El Limón Guajes ("ELG") Mining Complex, the Media Luna Project, and the processing plant and related infrastructure. Commercial production from the Morelos Complex commenced on April 1, 2016.

The Company released an updated technical report ("2022 Technical Report") for the Morelos Property on March 31, 2022, entitled "Morelos Property NI 43-101 Technical Report ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study". The 2022 Technical Report has an effective date of March 16, 2022 and is available on the Company's website at www.torexgold.com and filed on SEDAR at www.sedar.com. See also *Cautionary Notes – Media Luna*.

Torex's key strategic objectives are to extend and optimize production from the ELG Mine Complex, de-risk and advance Media Luna to commercial production, build on ESG excellence, and to grow through ongoing exploration across the entire Morelos Property.

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

2022 OBJECTIVES

The following table presents the Company’s objectives for 2022.

Operations
Safety – no fatalities, no lost-time injuries
Climate – establish Torex’s net zero carbon commitment and associated long-term plan
Environmental protection – zero reportable spills of 1,000 litres or more that report to a natural water body
ESG – Ongoing workplan to achieve compliance toward global ESG standards, including the Responsible Gold Mining Principles, International Cyanide Management Code and Global Industry Standard on Tailings Management
Production – 430,000 to 470,000 oz of gold produced
Cost Control:
Total cash costs of $695 to $735 per oz
All-in sustaining costs of $980 to $1,030 per oz
ELG mine and plant sustaining capital expenditure of $35 million to $45 million
ELG capitalized waste stripping of $50 million to $60 million
ELG non-sustaining capital expenditure of $15 million to $20 million
Media Luna non-sustaining capital expenditure of $240 million to $290 million including $20 million of drilling and feasibility related costs
Set up for growth
Strip 37 million tonnes of waste in the open pits; 12,500 metres of development in the underground
Continue Media Luna infill and step-out drilling program - $19 million of capital expenditures to execute 64,000 metres of infill and step-out drilling at Media Luna as well as an initial infill drill program at the adjacent EPO deposit
Complete Media Luna Feasibility Study in Q1 2022
Execute over 2,000 metres of development in each of Guajes Tunnel, South Portal Upper and South Portal Lower, obtain MIA Integral permit in H1/2022
Complete ELG Brownfield Exploration Program – 73,000 metres of drilling and $14 million in expenditures
Continue Morelos Exploration Program – $3 million to execute 6,000 metres of drilling

GUIDANCE

The Company reiterates full year production and cost guidance of 430,000 to 470,000 oz of gold at total cash costs[1] of $695 to $735 per oz sold and all-in sustaining costs[1] of $980 to $1,030 per oz sold. Sustaining capital expenditure[1] guidance also remains unchanged. As a result of the lower procurement spend to date, there will be an underrun in capital expenditures on the Project for 2022, and non-sustaining capital expenditure[1] for the Media Luna Project has been lowered to $120 million to $150 million. While these spend patterns have impacted the level invested to date, the pace of investment is expected to accelerate over the coming quarters, and the overall Project schedule remains on track at this early stage. For discussion of the Media Luna Project, refer to the "Development Activities" section of this MD&A.

The following table summarizes the Company's progress to date towards 2022 guidance:

Table 2.

In millions of U.S. dollars, unless otherwise noted		**2022 Guidance[2]**	**Revised 2022 Guidance**	**Q3 2022 YTD Progress**
Gold Production	oz	430,000 to 470,000	No change	357,839
Total Cash Costs[1]	$/oz	695 to 735	No change	736
All-in Sustaining Costs[1]	$/oz	980 to 1,030	No change	999
Capitalized Stripping[1]	$	50 to 60	No change	40.6
Other Sustaining Expenditures[1]	$	35 to 45	No change	30.0
Sustaining Capital Expenditures[1]	$	85 to 105	No change	70.6
ELG Non-Sustaining Capital Expenditures[1]	$	15 to 20	No change	15.0
Media Luna Project	$	170 to 210	120 to 150	80.6
Media Luna Infill Drilling/Other	$	20	No change	17.2
Non-Sustaining Capital Expenditures[1]	$	205 to 250	155 to 190	112.8

1. These measures are non-GAAP financial measures. Refer to "Non-GAAP Financial Performance Measures" for further information and a detailed reconciliation to historical IFRS measures.
2. 2022 guidance was revised mid-year to reflect lower guided non-sustaining capital expenditure for the Media Luna Project.

FINANCIAL RESULTS

Table 3.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended Sep 30, 2022	Three Months Ended Sep 30, 2021	Nine Months Ended Sep 30, 2022	Nine Months Ended Sep 30, 2021
Revenue	$	**209.3**	216.7	**652.0**	653.8
Gold	$	**205.5**	212.5	**638.3**	644.4
Silver	$	**0.6**	0.6	**2.0**	1.7
Copper	$	**3.2**	3.6	**11.7**	7.7
Cost of sales	$	**146.2**	142.6	**418.0**	394.2
Production costs	$	**88.7**	84.3	**252.8**	222.1
Royalties	$	**6.2**	6.4	**19.5**	19.6
Depreciation and amortization	$	**51.3**	51.9	**145.7**	152.5
Earnings from mine operations	$	**63.1**	74.1	**234.0**	259.6
General and administrative expenses	$	**4.8**	3.4	**15.9**	13.9
Exploration and evaluation expenses	$	**2.2**	1.7	**6.5**	4.0
Derivative gain, net	$	**(20.0)**	-	**(28.8)**	(3.1)
Finance (income) costs, net	$	**(0.8)**	0.3	**(0.7)**	0.1
Foreign exchange (gain) loss	$	**(0.3)**	1.4	**(0.5)**	(1.4)
Current income tax expense	$	**32.3**	34.6	**93.9**	102.6
Deferred income tax expense (recovery)	$	**1.0**	(3.8)	**(6.5)**	(8.7)
Net income	$	**43.9**	36.5	**154.2**	152.2
Per share - Basic	$/share	**0.51**	0.43	**1.80**	1.78
Per share - Diluted	$/share	**0.51**	0.41	**1.77**	1.72
Adjusted net earnings[1]	$	**34.6**	42.9	**128.8**	147.6
Per share - Basic[1]	$/share	**0.40**	0.50	**1.50**	1.72
Per share - Diluted[1]	$/share	**0.40**	0.50	**1.50**	1.72
Cost of sales	$/oz	**1,220**	1,198	**1,190**	1,097
Total cash costs[1]	$/oz	**760**	727	**736**	646
Total cash costs margin[1]	$/oz	**955**	1,059	**1,081**	1,146
All-in sustaining costs[1]	$/oz	**1,059**	900	**999**	883
All-in sustaining costs margin[1]	$/oz	**656**	886	**818**	909
Average realized gold price[1]	$/oz	**1,715**	1,786	**1,817**	1,792

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

THIRD QUARTER 2022 FINANCIAL RESULTS

Revenue totalled $209.3 million

Revenue decreased compared to the third quarter of 2021 primarily due to a lower average realized gold price, partially offset by a 1% increase in oz of gold sold. The Company sold 119,834 oz of gold at an average realized gold price[1] of $1,715 per oz in the third quarter of 2022, compared to 118,989 oz at an average realized gold price of $1,786 per oz in the third quarter of 2021. The increase in oz sold compared to the third quarter of 2021 was as a result of a 10% increase in the oz of gold produced, partially offset by 8,525 oz in finished goods inventory at the end of the quarter. The increase in gold production was largely due to the higher grade of ore tonnes mined at the ELG open pits and an increase in mining rates from the ELG underground as compared with the third quarter of 2021. The average realized gold price during the third quarter of 2022 was lower than the benchmark price given a higher proportion of production and sales during September.

Cost of sales was $146.2 million or $1,220 per oz sold

Cost of sales increased 3% compared to the third quarter of 2021 on a total basis and were higher on a per oz basis compared to a 1% increase in oz of gold sold. Production costs were higher than the comparative period in 2021 due to higher underground mining costs in the third quarter of 2022, and higher costs in 2022 in respect of the site-based employee profit sharing plan coupled with the increase in oz of gold sold. Royalties represent 2.5% of proceeds from all metal sales and an additional 0.5% of proceeds from gold and silver sales and were marginally lower due to a lower average realized gold price, partially offset by the marginal increase in oz sold in the third quarter of 2022. Depreciation and amortization were comparable with the third quarter of 2021 and were slightly lower on a per oz basis despite the marginally higher oz sold. For 2022, depreciation and amortization is expected to range between $175 million to $200 million.

Total Cash Costs[1] were $760 per oz sold

Total cash costs per oz of gold sold in the quarter increased relative to the comparative period, primarily due to the higher production costs described above.

All-in Sustaining Costs were $1,059 per oz sold

The increase in AISC relative to the third quarter of 2021 was primarily due to higher total cash costs per oz of gold sold coupled with higher sustaining capital expenditures, primarily due to higher capitalized stripping related to the El Limón pushback.

General and administrative expenses of $4.8 million

General and administrative expenses were higher than the third quarter of 2021, and are comprised primarily of corporate office employee costs, share-based compensation, and professional fee costs. Normalizing for the gain on remeasurement of share-based payments ($0.3 million during the third quarter of 2022 and $1.7 million for the comparative period), general and administrative expenses would have been comparable to the third quarter of 2021.

Finance income, net of finance costs, of $0.8 million

The increase in finance income, net of finance costs, was primarily related to higher interest income, primarily due to higher cash on hand.

Derivative gain of $20.0 million

The Company fully extinguished its interest rate swap and foreign currency forward contracts during the second quarter of 2021, and its remaining gold collar contracts outstanding in 2021 in the third quarter of 2021. In February 2022, the Company entered into gold forward contracts to sell 138,000 oz of gold between October 2022 and December 2023 at prices ranging from $1,906 to $1,942 per oz (or at a weighted average price of $1,921 per oz). These derivatives have not been designated as hedges, and therefore, movements in the fair value of the derivatives are recognized in net income as they occur. The $20.0 million unrealized derivative gain in the third quarter of 2022 was a result of gold forward prices decreasing during the three months ended September 30, 2022.

Foreign exchange gain of $0.3 million

The foreign exchange gain in the third quarter of 2022 was insignificant.

Current income and mining tax expense of $32.3 million

The decrease in income and mining tax expense over the comparative period was primarily due to the lower average realized gold price and higher production costs.

Deferred income tax expense of $1.0 million

The deferred income tax expense was primarily driven by the movement in inventory and provisions for accounting purposes during the period, which was partially offset by the recovery due to a higher depreciation for accounting than for tax purposes, which reduced the difference between the book value and tax value of the assets in the deferred tax calculation as well as the tax effect of currency translation on the tax base. As at September 30, 2022, the closing value of property, plant and equipment for tax purposes was $18.1 billion pesos and the closing value of inventory for tax purposes was $2.3 billion pesos.

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

Net income of $43.9 million

Net income for the quarter was $43.9 million compared to net income of $36.5 million in the third quarter of 2021. The increase was primarily due to an unrealized derivative gain of $20.0 million on gold contracts entered into in 2022, partially offset by lower earnings from mine operations.

YEAR TO DATE 2022 FINANCIAL RESULTS

Revenue totalled $652.0 million

Revenue decreased slightly during the nine months ended September 30, 2022 compared to the nine months ended September 30, 2021 primarily due to a 2% reduction in oz of gold sold, largely offset by a higher average realized gold price. The Company sold 351,209 oz of gold at an average realized gold price[1] of $1,817 per oz during nine months ended September 30, 2022, compared to 359,432 oz at an average realized gold price of $1,792 per oz during the nine months ended September 30, 2021. The decrease in oz sold was primarily due to the timing of sales, which resulted in 8,525 oz in finished goods inventory at the end of the quarter.

Cost of sales was $418.0 million or $1,190 per oz sold

Cost of sales increased compared to the nine months ended September 30, 2021 on both a total and per oz basis. Production costs were higher as a result of the lower average grade of ore processed and higher underground mining costs. Production costs were also lower in 2021 due to the legislative changes to the site-based profit sharing program in 2021, partially offset by lower volumes of capitalized waste stripping. Royalties were lower due to the 2% decrease in oz sold, partially offset by a higher average realized gold price in the nine months ended September 30, 2022. Depreciation and amortization were lower than the nine months ended September 30, 2021 primarily due to an increase to the units-of-production depreciation base on assets that will be used at Media Luna following the Technical Report issued on March 31, 2022.

Total Cash Costs[1] were $736 per oz sold

Total cash costs per oz of gold sold during the during nine months ended September 30, 2022 was higher than the comparative period, primarily due to lower oz of gold sold and higher production costs.

All-in Sustaining Costs were $999 per oz sold

The increase in AISC relative to the nine months ended September 30, 2021 was primarily due to higher total cash costs per oz of gold sold, coupled with higher sustaining capital expenditures, primarily due to higher capitalized stripping related to the El Limón pushback.

General and administrative expenses of $15.9 million

General and administrative expenses were higher than the nine months ended September 30, 2021 and are comprised primarily of corporate office employee costs, share-based compensation, and professional fee costs. Normalizing for the gain on remeasurement of share-based payments ($2.1 million year to date 2022 and $6.0 million for the comparative period), general and administrative expenses would have been comparable to the nine months ended September 30, 2021.

Finance income, net of finance costs, of $0.7 million

The increase in finance income, net of finance costs, was primarily related to higher interest income, primarily due to higher cash on hand.

Derivative gain of $28.8 million

The $28.8 million unrealized derivative gain during the nine months ended September 30, 2022 was a result of gold forward prices decreasing from the time the instruments were entered into to September 30, 2022.

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

Foreign exchange gain of $0.5 million

The foreign exchange gain during the nine months ended September 30, 2022 was insignificant. Based on closing rates, the Mexican Peso appreciated 1.3% since the beginning of 2022.

Current income and mining tax expense of $93.9 million

The decrease in income and mining tax expense over the comparative period was primarily due to higher production costs, resulting in lower corporate income tax and the 7.5% Mexican mining royalty.

Deferred income tax recovery of $6.5 million

The deferred income tax recovery was primarily driven by higher depreciation for accounting than for tax purposes, which reduced the difference between the book value and tax value of the assets in the deferred tax calculation, as well as the tax effect of currency translation on the tax base.

Net income of $154.2 million

Net income during the nine months ended September 30, 2022 was $154.2 million compared to net income of $152.2 million during the nine months ended September 30, 2021. The increase was primarily due to an unrealized derivative gain of $28.8 million on gold contracts entered into in 2022 and lower income tax expense, partially offset by higher production costs.

RESULTS OF OPERATIONS

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

Table 4.

		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Mining						
Total ELG Open Pits						
Ore tonnes mined	kt	**883**	987	1,406	**2,931**	3,896
Waste tonnes mined	kt	**9,097**	7,960	7,476	**26,015**	25,951
Total tonnes mined	kt	**9,980**	8,947	8,882	**28,946**	29,847
Ore tonnes mined per day	tpd	**9,598**	10,846	15,283	**10,736**	14,271
Strip ratio	w:o	**10.3**	8.1	5.3	**8.9**	6.7
Average gold grade of ore mined	gpt	**3.02**	3.58	2.43	**3.20**	2.81
ELG Underground						
Ore tonnes mined	kt	**143**	144	113	**401**	366
Ore tonnes mined per day	tpd	**1,554**	1,582	1,227	**1,468**	1,341
Average gold grade of ore mined	gpt	**6.06**	6.22	6.68	**6.01**	7.10
ELG Open Pits and Underground						
Ore tonnes mined	kt	**1,026**	1,131	1,519	**3,332**	4,262
Ore tonnes mined per day	tpd	**11,152**	12,429	16,510	**12,204**	15,612
Average gold grade of ore mined	gpt	**3.44**	3.92	2.75	**3.54**	3.18
Processing						
Total tonnes processed	kt	**1,199**	1,124	1,150	**3,457**	3,352
Average plant throughput	tpd	**13,037**	12,352	12,500	**12,667**	12,278
Average gold recovery	%	**89.8**	88.1	89.0	**88.3**	88.5
Average gold grade of ore processed	gpt	**3.38**	3.97	3.48	**3.60**	3.76
Gold produced	oz	**122,208**	123,185	111,229	**357,839**	358,792
Gold sold	oz	**119,834**	123,363	118,989	**351,209**	359,432
Financial Metrics						
Total cash costs[1]	$/oz	**760**	703	727	**736**	646
Total cash costs margin[1]	$/oz	**955**	1,162	1,059	**1,081**	1,146
All-in sustaining costs[1]	$/oz	**1,059**	911	900	**999**	883
All-in sustaining costs margin[1]	$/oz	**656**	954	886	**818**	909
Average realized gold price[1]	$/oz	**1,715**	1,865	1,786	**1,817**	1,792

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

Mining

A total of 1,026 kt of ore were mined in the third quarter of 2022, including 883 kt from the ELG Open Pits and 143 kt from the ELG Underground. Average waste to ore strip ratio ("strip ratio") in the open pits was 10.3:1. Excluding 66 kt of long-term, low-grade ore, the average gold grade of ore mined was 3.61 gpt.

In the third quarter of 2021, 1,519 kt of ore were mined, including 1,406 kt from the ELG Open Pits and 113 kt from the ELG Underground, with an average strip ratio in the open pits of 5.3:1. Excluding 302 kt of long-term, low-grade ore, the average gold grade of ore mined was 3.18 gpt in the third quarter of 2021.

The average strip ratio in the open pits was higher in the third quarter of 2022 compared to the comparative period in the prior year due to the El Limón pit expansion, which was approved in the second quarter of 2021. The expansion is expected to add approximately 150,000 oz of gold production and extend open pit mining to the end of 2024.

Total waste tonnes mined in the third quarter of 2022 were 14% higher than the second quarter of 2022 and 22% higher than the third quarter of 2021 primarily due to the El Limón pit expansion.

As at September 30, 2022, there were 4.7 mt of ore in stockpiles at an average grade of 1.26 gpt. Excluding 2.3 mt of long-term, low-grade stockpiles at an average grade of 0.95 gpt, the remaining 2.4 mt of ore in stockpiles are at an average grade of 1.55 gpt.

Plant Performance

Plant throughput achieved an average rate of 13,037 tpd, higher than the preceding quarter, and the highest quarterly rate since 2017. Ore feed characteristics continue to exhibit higher levels of copper and iron sulfides, which resulted in slightly higher cyanide consumption in comparison to the previous quarter. In the third quarter of 2022, the Company incurred $7.9 million in cyanide costs at a consumption rate of 2.51 kilograms per tonne milled, compared to $6.6 million in the second quarter of 2022 at a consumption rate of 2.31 kilograms per tonne milled. The higher cost was driven by the increase in cyanide consumption, the increase in ore processed, and slightly higher cyanide unit price. Gold recovery for the quarter was a record-setting 89.8%, higher than the budgeted value of 89%, and an improvement in comparison to the recovery of 88.1% in the previous quarter.

Gold Production and Sales

In the third quarter of 2022, 122,208 oz of gold were produced and 119,834 oz of gold were sold. Production in the third quarter of 2022 was higher than the comparative period primarily due to the higher average gold grade of ore mined, partially offset by the lower number of ore tonnes mined, both in line with the mine plan.

ENVIRONMENT, SOCIAL & GOVERNANCE

Safety

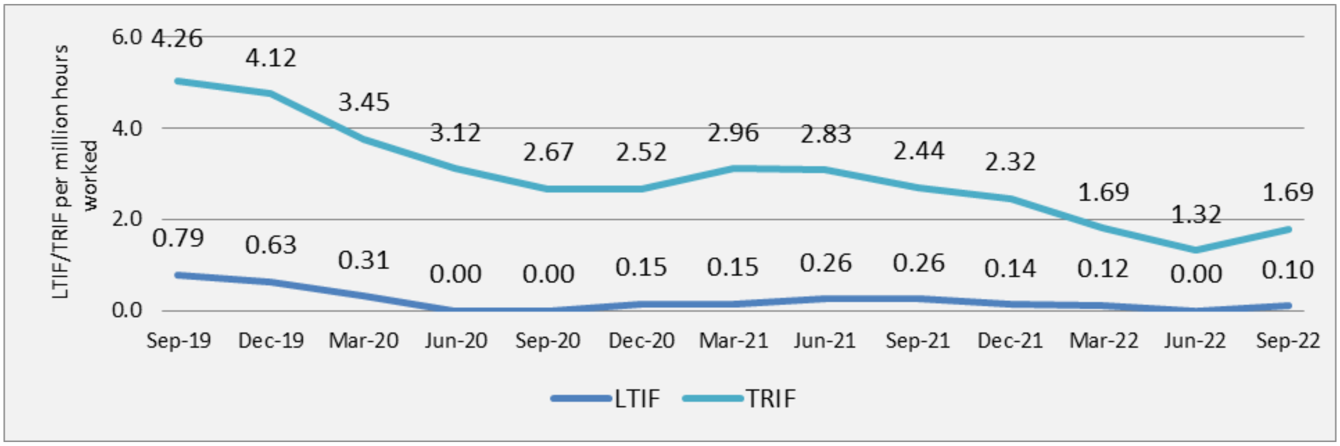
As at September 30, 2022, the Company's lost-time injury frequency (LTIF) was 0.10 and its total recordable injury frequency (TRIF) was 1.69. Both rates include employees and contractors and are calculated per million hours worked on a rolling 12-month basis.

In July, the Company recorded a lost-time injury related to a finger pinch sustained by a contractor working on the Media Luna Project. The individual received medical care and has resumed work.

In October, the Company recorded a lost-time injury when an employee suffered a fractured forearm.

The Company's fatigue management program (SmartCap) is in its final stages of implementation on all open pit mobile equipment. Data collected through 2023 using the open pit equipment will allow the team to prepare for implementation of SmartCap in the new underground mine mobile fleet in 2024.

Lost-Time Injury Frequency and Total Recordable Injury Frequency Per Million Hours Worked on a Rolling 12-Month Basis: September 2019 – September 2022



COVID-19 Update

The Company continues to work diligently to prevent the spread of COVID-19 both within the workforce and host communities, as per the recommendations of the Mexican Health authorities and Federal and State government requirements. The Company has implemented a COVID-19 vaccination policy, which requires all employees, contractors, and visitors to be vaccinated to enter the operations. At the end of September, 100% of employees and contractors were vaccinated against COVID-19. In partnership with Mexican regulatory authorities, boosters are being offered to personnel at site.

Environment & Climate Change

There were no reportable spills or environmental incidents during the quarter and there are currently no material claims, demands, or legal proceedings against the Company related to environmental matters. The Company remains on track to achieve its 2022 objective of zero reportable spills of 1,000 litres or more that report to a natural water body.

The Company made significant progress in advancing permitting activities for the Morelos Mine Complex during the quarter. Most notably, the Company received approval from Mexico's Secretariat of Environmental and Natural Resources (SEMARNAT) on the key, culminating environmental permit for the Media Luna Project. The approval of the MIA Integral builds on the receipt of the MIA Modification received last year, which allowed for the execution of development activities on the south side of the Balsas River. With the MIA Integral in hand, the Company has all key environmental approvals required to develop and operate Media Luna. Discussions about future in-pit tailings deposition and expanding the exploration boundaries are ongoing.

In the third quarter, the Company also received approval to increase the power draw at the Morelos Property to 45 megawatts (MW) to accommodate activities at both ELG and Media Luna. Discussions with the utility authorities to further increase the power draw to 65 MW, required to sustainably deliver full production at Media Luna, are also in process. In addition, a permit for construction of the Company's proposed 8.5 MW solar plant was granted by SEMARNAT in July. A generation permit will also be required from the Energy Regulatory Commission (CRE) to operate the facility.

The Company continued to engage third-party energy experts in the development of a Company-wide climate change strategy. The Company will be releasing a standalone climate disclosure in Q4 2022 outlining the Company's short-term carbon reduction targets. The report will be prepared in alignment with the Taskforce on Climate-related Financial Disclosures (TCFD) framework.

The Company continued to engage in a number of environmental social programs. For example, in July the Company signed a partnership agreement on reforestation with the municipality of Iguala to recover 40 hectares of forest that were affected by forest fires during the last dry season. Seedlings grown in the Company's greenhouse will be used in this effort.

Community & Government Relations

Relationships with local communities continue to be positive and productive.

During the quarter, the Company continued to invest in local communities both directly and through the implementation of unique community development agreements (known locally as CODECOPs) with eleven local communities. The CODECOPs define projects to be delivered in partnership with local communities, as defined by local CODECOP committees, including infrastructure, water, sewage, education and health initiatives. Examples of projects advanced this quarter include public lighting installations in Nuevo Balsas, construction of a recreation area in Valerio Trujano and construction of a regional classroom in Atzcala. The Company also donated school equipment and furniture to benefit approximately 70 schools in the municipality of Cocula, and worked with local contractors to improve five local schools in Nuevo Balsas through painting and renovations including installation of fencing and air conditioning.

This quarter also saw the official public declaration of the start of the Media Luna Project at a special event in Acapulco, Guerrero. A number of senior government officials were present to mark the occasion and celebrate the Company's investment in the State of Guerrero, including Tatiana Clouthier Carrillo, Secretary of Economy of the Federal Government and Evelyn Cecia Salgado Pineda, Governor of the State of Guerrero.

ESG Performance, Disclosure and Reporting Standards

The Company continued to advance the implementation of a comprehensive, integrated 3-year workplan to work toward compliance with global ESG standards including the World Gold Council Responsible Gold Mining Principles (RGMPs), the International Cyanide Management Code (ICMC), the Global Industry Standard on Tailings Management (GISTM) and the Voluntary Principles on Security and Human Rights.

During the quarter, human rights training was provided to the Company's security personnel at site, including members of the site's private security firm (MSI), and IPAE, the auxiliary security service operated by the state. The purpose of the training was to provide education about the Voluntary Principles, which addresses a recommendation made in a comprehensive human rights impact assessment conducted at site by a global expert in February 2022.

In addition, a comprehensive pre-audit was conducted at ELG in September by a third-party expert to identify gaps in compliance with the ICMC requirements. The pre-audit provided the Company with a roadmap of outstanding work to be completed before the certification audit, which will take place before the three-year compliance deadline in May 2024.

DEVELOPMENT ACTIVITIES

Media Luna Project Update

In the second quarter, following the completion of the Media Luna Feasibility Study and receipt of project approval by the Board of Directors, the Company commenced the execution phase of the Media Luna Project. During the third quarter, ramp up of project activities continued in earnest as the full project team was mobilized and project management processes were established. A key focus during the third quarter was the issuance of requests for proposals to the market for key long-lead equipment supply to both support engineering development and lock in lead times to conform to the project construction schedule. Additional key agreements were tendered and awarded related to surface work development contracts. Expenditures incurred in the third quarter were lower than planned primarily due to longer than expected negotiations and bid periods with vendors. This resulted in lower commitments in the current period and the redistribution of some indirect and payment milestone costs from 2022 to later periods. Despite the lower than planned spend to date and longer procurement timelines, the overall Project schedule remains intact. A summary of the Project expenditure can be found in the following table.

Table 5.

In millions of U.S. dollars, unless otherwise noted		Media Luna Project Capital
Per Technical Report	$	848.4
Adjustment for Q1 2022 underspend	$	26.1
Total budgeted spend post March 31, 2022	$	874.5
Expenditures incurred post March 31, 2022[1]	$	62.1
Remaining spend[2]	$	812.4
Percentage complete - relative to budgeted spend	%	7
Percentage complete - construction progress	%	9

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

Activities on the south side of the Balsas River (the “river”) during the third quarter included the advancement of earthworks associated with benching the paste plant area, and extension to develop the adjacent diesel power generation pad. At the South Portal Upper, an additional backup generator was installed as well as an upgrade to the mine power systems to enable continued development beyond the one-kilometre point of advance. At the South Portal Lower, the portal canopy construction was completed.

The site experienced higher than typical rainfall amounts during the quarter, which resulted in the failure of a slope adjacent to the South Portal access road. This caused road access restrictions and corresponding slope remediation work required along the South Portal access road. Progress in the South Portal Lower ramp continued; however, civil works associated with the permanent sediment and decant ponds were deferred to allow for a temporary access route while the permanent road access slopes were stabilized. The sediment dam work is not critical to schedule and is expected to continue in the fourth quarter.

Additionally, key civil contractors mobilized in the third quarter to begin the camp expansion civil works in preparation for additional camp modules to arrive as scheduled by the end of the year. Road improvement works also continued in various areas, including completion of design of the upgraded Mazapa-San Miguel bypass road and bridge to allow for work to begin in the fourth quarter. This upgraded road will help facilitate the receipt of large equipment and supplies to the South Portal areas.

The 7-kilometre long Guajes Tunnel development from the north achieved a total of 2,659 metres of advance by quarter end. A raise bore has been established on the north side of the river and will begin drilling a ventilation raise to further enable the development of the Guajes Tunnel. The South Portal Lower tunneling progressed with a total development of 1,056 metres and breakthrough with the Guajes Tunnel on track with the Feasibility Study schedule of Q1 2024. The South Portal Upper Tunnel progressed with a total development of 1,730 metres and is now advancing in two headings, one towards the ore body and the other towards the west vent adit location. It should be noted that advancement along the tunnel declines will be completed in the fourth quarter as the development transitions to the internal ramp and along various production levels.

Work north of the Balsas River began in the third quarter to prepare the site for the new flotation plant. Existing facilities have been relocated in anticipation of initiating civil works before year end.

In addition to advancing underground development, procurement on the Project continues to ramp up responsibly. Key project purchase orders including the flotation cells, regrind mills, and thickeners to support the early flotation plant installation have been committed. Most importantly, a purchase order was completed for the 7-kilometre Guajes Tunnel conveyor, which will be the primary ore transport system from south of the Balsas River to the process plant in the north. Battery electric mine production equipment proposals have also been received, and are currently under evaluation. On the high volume, non-schedule critical procurement packages, there has been some rescheduling of cost flow estimates assumed in the 2022 Technical Report in several categories – extra time to expand the pool of vendors, extra time for the vendors to provide bids, as well as timing and quantum of staged payments, which vary from the allocations initially assumed. Although timing of non-schedule critical procurement and cost flow estimates differ from those originally assumed, the overall lead times and upfront costs of purchase orders executed to date, are substantially in line with the Technical Report estimates.

Capital expenditure for Media Luna is expected to continue to increase in the fourth quarter of 2022 as engineering continues to ramp up in support of procurement activities and additional mobilization of contractors on both the south and north sides. As a result of the lower procurement spend to date, there will be an underrun in capital expenditures on the Project for 2022, and non-sustaining capital expenditure guidance for the Media Luna Project has been lowered to $120 million to $150 million. While these spend patterns have impacted the level invested to date, the pace of investment is expected to accelerate over the coming quarters, and the overall Project schedule remains on track at this early stage.

Pre-commercial capital expenditures following project approval remain forecasted at $874.5 million as per the 2022 Technical Report and Q1 carryover (Table 5). As the project team tests the market for key equipment supply, any notable impacts of industry wide inflation or risks associated with broader supply chain issues will be highlighted and mitigated, to the extent possible, as commitments are made. Procurement activities to date, particularly related to long-lead items, are tracking to the prices set out in the Feasibility Study despite inflationary pressures and on-going global supply chain issues.

In July 2021, the Company applied for a ‘MIA Integral’ to allow for integrated operations at the ELG Mine Complex and the Media Luna Project. Late in the third quarter, the Company received approval of the MIA Integral which marks the achievement of a significant permitting milestone and allows for integrated operations at the ELG Mine Complex and the Media Luna Project. Before commercial production from Media Luna, the Company is required to secure appropriate environmental, land use, water and infrastructure construction permits, all of which continue to track to schedule.

EXPLORATION ACTIVITIES

There is significant potential to expand Mineral Reserves in the ELG Underground, within the broader Media Luna area, and across the entire Morelos land package, which is 75% unexplored. The Company is investing approximately $39 million in exploration and drilling in 2022, with the purpose of increasing the overall resource and reserve base of the Morelos Property.

Table 6.

In millions of U.S. dollars		Total Expenditure (Q3 2022 YTD)	Guided Expenditure	Total Expenditure (2021)
Media Luna drilling - capitalized[1]	$	**15.1**	19.0	22.0
ELG:				
ELG infill and step-out drilling - capitalized[2]	$	**2.7**	6.0	4.4
ELG near mine program - expensed	$	**4.7**	6.0	4.0
Regional exploration and drilling - expensed	$	**1.8**	3.0	3.0
Total	$	**24.3**	34.0	33.4

1. Included in non-sustaining capital
2. Included in sustaining capital

Media Luna Drilling

During the third quarter of 2022, a total of 18,685 metres were drilled in the Media Luna cluster, which included both the Media Luna and EPO infill and expansion programs.

The EPO program is divided into two phases. The first phase is to upgrade a portion of the 8 mt of Inferred Resources to Indicated, referred to as the infill drill program, and the second phase is to add additional Inferred Resources, referred to as the expansion drill program. In the third quarter 3,994 metres were drilled as part of the EPO infill drilling program.

The EPO expansion drilling program progressed with an additional 4,357 metres completed at EPO South with the objective to add new Inferred Resources[1].

Both programs advanced in parallel with a total progress of 60%. Results to date confirm the extension of the EPO zone to the south. EPO represents an important area for potentially adding new resources in the Media Luna cluster. Geophysics and the ongoing drilling confirm the continuity of the skarn and the mineralization, and that the EPO area remains open to the north, south and west.

An additional 10,333 metres of drilling was also completed near the main Media Luna ore body with an aim of adding new Inferred Resources.

A small underground drill program was also initiated in the South Portal Lower with 1,813 metres completed during the third quarter. This program was planned to drill around the 2021 high grade hole located under the ramp 990.

The original Media Luna cluster program consisted of seven rigs; however, due to water availability, the program is ongoing with five rigs. Despite these constraints, the program has advanced according to the plan with 70% of the overall program completed (138 holes finished).

ELG Infill and Step-Out Drilling

Infill and step-out drilling is carried out every year at ELG to increase the confidence in the Mineral Resource models used in the mine plans, and to expand the existing resources along extensions to current operations.

Infill drilling is targeting to upgrade Inferred Resources to the Measured and Indicated category within the open pits and the Sub-Sill and ELD underground deposits. Step-out drilling is targeting new mineral resources in lateral and vertical extensions to current underground workings in both deposits, as well as expanding other zones such as Sub-Sill South.

The infill and step-out drilling programs conducted in prior years have been successful in adding Measured and Indicated Resources and defining additional mineralized material to maintain production rates, which have the potential to extend the life of the mine.

[1] For more information on expansion drilling, see the Company's news release titled "Torex Gold Reports Results of Expansion Drilling within Media Luna Cluster" issued on July 7, 2022, and filed on SEDAR at www.sedar.com and on the Company's website at www.torexgold.com.

In 2022, the Company plans to drill 27,000 metres within the ELG Underground through a mix of infill and step-out drilling, compared to 26,030 metres drilled in 2021. As of the end of the third quarter of 2022, 14,171 metres of drilling, specific to the ELG Underground program have been completed. In addition, 5,211 metres of infill drilling have been completed in El Limón and El Limón Sur open pits.

The 2022 underground program started in January with one drill rig in operation and ramped up in July with three drill rigs operating full time. During the third quarter of 2022, a total of 8,712 metres were drilled at ELD and Sub-Sill deposits. In both deposits, the program was focused on southern extensions including the new Sub-Sill South area. The program will continue to focus on defining new resources in both deposits, in lateral extensions and at depth from the newly enabled drilling platform in Portal 3.

In the third quarter of 2022, infill drilling was completed at El Limón B and El Limón D pits, totaling 2,567 metres. The objective was to confirm extensions of the mineralization below the surface of the current El Limón B pit and deepen a section of El Limón D pit.

ELG Near Mine Program

The objective of the near mine drilling program is to explore additional geological potential within the ELG Mine Complex and identify new mineralized material. Over the last year, the ELG operations and exploration geology teams have conducted an extensive evaluation of the potential for additional discoveries around ELG mining areas. Nine well-supported target areas in the near-mine environment have been identified. In 2021, a total of 21,313 metres were drilled in areas around current operations at ELG, with a view to identifying and prioritizing the best targets to follow up in 2022. The 2022 program allocated a total of 28,500 metres for exploration of underground resources at El Limón Sur and El Limón East areas, and for potential open pit resources at Polvorin in the Guajes area.

During the third quarter, 6,371 metres in 33 holes were drilled at El Limón Sur in order to explore its underground potential south of the current underground operations. In addition, during the third quarter 1,275 metres in 10 holes were added to the Polvorin target. To date, the near mine program totals 25,716 metres completed, representing 90% of the total program metres. Results available for the third quarter drilling are positive, confirming the underground potential south from current operations as well as the low-grade open pit potential at Polvorin. The evaluation of the results from both targets is in progress to decide on next steps. The positive results of the high-resolution magnetometry survey completed in the second quarter of 2022 over the entire ELG Mine Complex, and its correlation with known mineralized areas, was analyzed in detail. A drilling plan is being prepared to test some of the magnetic anomalies especially at depth, where the current geological interpretation, based on restricted deep drilling data, indicates potential skarn mineralization. Complementary geophysical surveys have been considered in others.

The ELG brownfield program will continue in 2022 and beyond, with the intention to add additional mine life to operations at the ELG Mine Complex. Positive exploration results reinforce the Company’s confidence in extending the life of the ELG Underground beyond current reserves, and to maintain a consistent underground production profile beyond 2027.

Regional Exploration and Drilling

The Morelos Property covers 29,000 hectares of highly prospective terrain in the prolific Guerrero Gold Belt in Mexico. More than ten target areas have been identified through a combination of surface mapping, sampling, and remote sensing work. Exploration along the property was reactivated in 2019, which started with a review of historical targets and additional target generation.

The Company has allocated $3.0 million in the 2022 budget to fund the expansion of a regional greenfield exploration program within the Morelos Property. The 2022 exploration program will focus on testing the most prospective targets including Esperanza, Querenque, and Tecate on the northern portion of the property. Work planned includes detailed surface mapping and sampling, geophysical surveys and drilling. A total of $0.4 million was spent in the third quarter of 2022 on geophysics, sampling, permits, and the ongoing construction of new core shack facilities at Nuevo Balsas. This forms part of a longer-term exploration strategy intended to identify and prove up sources of mill feed to extend the life of ELG and Media Luna, and to increase annual production post-2027.

During the third quarter, exploration of the Morelos Property focused on surface mapping and sampling in the northern part of Esperanza. From the results of the 2022 magnetic and gravimetric geophysical survey on the Esperanza area, two zones were selected to carry out some scout drilling. A total of 3,000 metres of drilling are planned on this target which started at the beginning of October.

FINANCIAL CONDITION REVIEW

Summary Balance Sheet

The following table summarizes key balance sheet items as at September 30, 2022:

Table 7.

In millions of U.S. dollars		**Sep 30, 2022**		Dec 31, 2021
Cash and cash equivalents	**$**	**339.2**	$	255.7
Value-added tax receivables		**40.5**		63.0
Inventory		**127.8**		123.3
Deferred income tax assets		**61.3**		55.4
Property, plant and equipment		**871.4**		836.1
Other assets		**58.7**		25.4
Total assets	**$**	**1,498.9**	$	1,358.9
Accounts payable and accrued liabilities	**$**	**105.4**	$	121.4
Income taxes payable		**75.7**		70.9
Deferred income tax liabilities		**22.7**		23.3
Decommissioning liabilities		**34.5**		37.3
Other liabilities		**5.1**		5.6
Total liabilities	**$**	**243.4**	$	258.5
Total shareholders' equity	**$**	**1,255.5**	$	1,100.4

Cash and cash equivalents

The Company ended the third quarter of 2022 with cash and cash equivalents on hand of $339.2 million. The Company primarily holds cash balances in U.S dollars but also holds accounts in Canadian dollars and Mexican pesos for operating and administrative purposes.

Value-added tax ("VAT") receivables

VAT decreased by $22.5 million compared to December 31, 2021, primarily as a result of delays in receipt of $13 million of refunds in the fourth quarter of 2021, nearly all of which was received in January 2022. In addition, during 2022, the Company collected $5.2 million related to VAT from years prior to 2021. The Company has VAT receivables primarily denominated in Mexican pesos. The VAT receivables balance fluctuates as additional VAT is paid and refunds are received, as well as with the movement of the Mexican peso exchange rate relative to the U.S. dollar and any provisions.

Inventory

The increase in inventory is largely due to an increase in finished goods and materials and supplies, partially offset by lower stockpile ending balances and in-circuit inventory.

Deferred income tax assets

The deferred tax asset relates to tax losses at the parent company level, and tax pools and temporary differences in Mexico. The increase in the deferred tax asset is primarily driven by higher depreciation for accounting purposes, which reduces the difference between the book value and tax value of the assets.

Property, plant and equipment

Property, plant and equipment increased due to additions of $200.3 million in the nine months ended September 30, 2022, partially offset by depreciation of $161.1 million and a decrease in the estimated discounted closure and rehabilitation costs on decommissioning liabilities of $3.9 million. See Table 11 for a breakdown of capital expenditures during the nine months ended September 30, 2022.

Other assets

The other assets balance includes accounts receivable, prepaid expenses, advances and deposits and the mark to market adjustment on derivative instruments. The increase in other assets is primarily due to gold contract derivative assets. In February 2022, the Company entered into gold forward contracts to sell 138,000 oz of gold between October 2022 and December 2023 at prices ranging from $1,906 to $1,942 per oz (or at a weighted average price of $1,921 per oz). Based on gold forward prices as at September 30, 2022, the estimated asset related to the contracts of $28.8 million has been recognized as $24.2 million in current assets and $4.6 million in non-current assets. Other assets also increased due to increases in trade receivables of $8.9 million as a result of the timing of receipts.

Accounts payable and accrued liabilities

Accounts payable and accrued liabilities have decreased significantly since December 31, 2021, primarily due to the timing and payments of trade payables. Accounts payable and accrued liabilities is generally highest at year end due to the full year accrual of the site-based profit sharing program and the timing of payments over the holiday season.

Decommissioning liabilities

Decommissioning liabilities decreased by $2.8 million primarily due to the effect of discounting. Certain reclamation expenditures associated with the plant and associated infrastructure were previously planned for the end of the ELG open pits; however, with the approval of the Media Luna Project extending the life of the plant and other assets, the related reclamation expenditures have been delayed until the end of the current life of mine of the Media Luna Project.

Income taxes payable

The increase in the balance is primarily due to income tax expense of $93.9 million, partially offset by corporate income tax payments of $58.5 million and the 7.5% Mexican mining royalty of $30.3 million paid in the first quarter of 2022 in respect of 2021.

Other liabilities

Other liabilities include lease obligations of which $2.0 million is in current liabilities and $1.1 million in non-current liabilities.

DEBT FINANCING

2021 Revolving Facility

On March 30, 2021, the Company’s subsidiary Minera Media Luna, S.A. de C.V (“MML”) signed a Third Amended and Restated Credit Agreement (the “TARCA”), resulting in the refinancing of the 2019 Debt Facility with the Banks in connection with a two-year secured $150.0 million revolving debt facility (the “2021 Revolving Facility”). Proceeds of the 2021 Revolving Facility were permitted to be used for general corporate and working capital purposes, including development expenditures and certain acquisitions, and for letters of credit or funding of capital expenditures, in all cases subject to the conditions of the 2021 Revolving Facility.

The 2021 Revolving Facility allowed the Company to make distributions to its shareholders in the aggregate amount of up to C$100.0 million, subject to the conditions of the 2021 Revolving Facility.

The 2021 Revolving Facility bore interest at a rate of LIBOR (subject to a zero floor) plus an applicable margin based on the net leverage ratio on any loan or letter of credit outstanding ranging from 2.75% to 3.75%.

The 2021 Revolving Facility was to mature on March 30, 2023 with a step down in capacity by $25.0 million on September 30, 2022 and again on December 31, 2022.

2022 Revolving Facility and Term Loan

On August 17, 2022, the Company (as borrower) signed a Fourth Amended and Restated Credit Agreement (the “FARCA”) with the Bank of Montreal, Bank of Nova Scotia, Canadian Imperial Bank of Commerce, ING Capital LLC, National Bank of Canada, and Société Générale (the “Banks”) in connection with a secured $250.0 million debt facility (the “Debt Facility”), replacing the TARCA (under which the Company’s subsidiary MML was the borrower). The Debt Facility consists of a $100.0 million term loan (the “Term Facility”) and a $150.0 million revolving debt facility (the “Revolving Facility”). As of September 30, 2022, the full amount of the Debt Facility was undrawn. Proceeds of the Debt Facility may be used for general corporate purposes, including certain development expenditures and acquisitions, in all cases subject to the conditions of the Debt Facility.

The Debt Facility bears an interest rate of Term SOFR (subject to a zero floor), a forward-looking term rate based on SOFR, plus a credit spread adjustment and an applicable margin based on the Company’s leverage ratio. The applicable margin applied is 2.50% based on a leverage ratio less than 1.0 times, 2.75% at a ratio less than 2.0 times, 3.00% at a ratio less than 2.5 times, and 3.50% at a ratio equal to or greater than 2.5 times. The credit spread adjustment will range from 0.10% to 0.25%.

The $150.0 million Revolving Facility matures on December 31, 2025 and is subject to quarterly commitment reductions of $12.5 million commencing on March 31, 2024. The $100.0 million Term Facility can be drawn until December 31, 2023, matures on June 30, 2025 and is subject to four equal quarterly repayment instalments commencing on September 30, 2024. Both the Revolving Facility and Term Facility can be repaid in full anytime without penalty.

The Debt Facility permits spending to facilitate the development of the Media Luna Project and other existing and future projects of the Company. The development expenditures are subject to the conditions of the Debt Facility, including compliance with financial covenants related to maintaining a net leverage ratio of less than or equal to 3.0, an interest coverage ratio of greater than or equal to 3.0 and minimum liquidity of $50.0 million.

The Debt Facility is secured by all of the assets of the Company and its material subsidiaries, which currently are its subsidiaries with a direct or indirect interest in the ELG Mine Complex and or the Media Luna Project.

As at September 30, 2022, the Company was in compliance with the financial and other covenants under the FARCA. The FARCA is available under the Company’s profile on SEDAR at www.sedar.com.

LIQUIDITY AND CAPITAL RESOURCES

The total assets of the Company as at September 30, 2022 were $1,498.9 million (December 31, 2021 - $1,358.9 million), which includes $339.2 million in cash and cash equivalents (December 31, 2021 - $255.7 million).

Net cash generated from operating activities before changes in non-cash operating working capital was $271.5 million during the nine months ended September 30, 2022, compared to $277.8 million during the nine months ended September 30, 2021. The decrease in net cash generated from operating activities before changes in non-cash operating working capital of $6.3 million is largely due to a lower oz of gold sold and higher production costs, partially offset by higher average realized gold price and less income taxes paid.

Net cash used in investing activities during the nine months ended September 30, 2022 was $185.8 million compared to $144.9 million during the nine months ended September 30, 2021. Net cash used in investing activities was higher due to an increase in additions to property, plant and equipment, largely related to the Media Luna Project, and the release of short-term investments during the nine months ended September 30, 2021.

Net cash used in financing activities for the nine months ended September 30, 2022 primarily related to lease payments ($3.0 million), transaction costs related to the FARCA ($1.7 million) and interest paid ($1.2 million). The net cash used in financing activities for the comparative period related to the full repayment of the 2019 Debt Facility of $40.0 million, leases paid of $2.0 million, interest paid of $1.3 million and transaction costs related to the TARCA of $0.5 million.

The Company does not currently have any debt outstanding and has $150.0 million available under the Revolving Facility and $100.0 million available under the Term Facility. The Revolving Facility matures on December 31, 2025 and is subject to quarterly commitment reductions of $12.5 million commencing on March 31, 2024. The Term Facility can be drawn until December 31, 2023, matures on June 30, 2025 and is subject to four equal quarterly repayment instalments commencing on September 30, 2024. The Company expects to fund the development of the Media Luna Project and its exploration plans using available liquidity, including the Debt Facility, and forecasted future cash flow. The Company continues to assess alternatives including the high yield market, assuming favourable market conditions and pricing.

As at September 30, 2022, the Company's contractual obligations included office lease agreements; office equipment leases; long-term land lease agreements with Rio Balsas, Real del Limón, Atzcala, Puente Sur Balsas and Valerio Trujano Ejidos and the individual owners of land parcels within certain of those Ejido boundaries; and contractual commitments related to the purchases of goods and services used in the operation of the ELG Mine Complex and the Media Luna Project. All long-term land lease agreements can be terminated within one year at the Company's discretion at any time without penalty.

In addition, production revenue from certain concessions is subject to a 2.5% royalty payable to the Mexican Geological Survey agency. The royalty is accrued based on revenue and is payable on a quarterly basis. In January 2022, the Company paid $5.1 million for the 2.5% royalty relating to the fourth quarter of 2021. In April 2022, the Company paid $5.3 million for the 2.5% royalty relating to the first quarter of 2022. In July 2022, the Company paid $5.7 million for the 2.5% royalty relating to the second quarter of 2022. In October 2022, the Company paid $5.3 million for the 2.5% royalty relating to the third quarter of 2022.

The Company is subject to a mining tax of 7.5% on earnings before the deduction of taxes, interest, depreciation and amortization, and a royalty of 0.5% on sales of gold, silver and platinum. Both the mining tax and 0.5% royalty are payable on an annual basis. In March 2022, the Company paid $34.6 million in respect of the 7.5% and 0.5% royalties for 2021.

Production for the fourth quarter of 2022 is expected to be lower than production achieved in the third quarter of the year. However, given timing of tax and employee profit sharing payments, the Company's net cash generated from operating activities is generally weighted towards the second half of the year as was the case in 2021 and 2020. Net cash generated from operating activities during the nine months ended September 30, 2022 was impacted by payment of the Mexican based mining tax and 0.5% royalty of $34.6 million in respect of 2021. Production in the third quarter of 2022 was higher than production during the first and marginally lower than the second quarter of 2022, which was marginally lower than the mine plan.

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

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

Contractual Commitments

Table 8.

		Payments Due by Period				
In millions of U.S. dollars		**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**Greater than 5 years**
Operating commitments[1]	$	216.8	196.0	20.8	-	-
Capital commitments[1]	$	108.1	88.4	19.7	-	-
Accounts payable and accrued liabilities	$	105.4	105.4	-	-	-
Lease obligations	$	3.7	2.2	0.9	0.5	0.1
Total	$	434.0	392.0	41.4	0.5	0.1

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

OUTSTANDING SHARE DATA

Table 9.

Outstanding Share Data as of November 8, 2022	Number
Common shares	85,843,808
Share purchase options[1]	51,545
Restricted share units[2, 3]	431,418
Performance share units[4]	460,446

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-GAAP FINANCIAL PERFORMANCE MEASURES

The Company has presented certain non-GAAP financial 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 standardized meaning under IFRS and as such, it may not be comparable to similar financial measures disclosed by other issuers. The Company reports total cash costs on a per oz sold basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, such as costs of sales and net cash generated from operating activities, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating costs. In addition, the Compensation Committee of the Board of Directors uses certain of these measures, together with other measures, to set incentive compensation goals and assess performance. Cash costs are calculated as production costs and royalties less by-product sales.

All-In Sustaining Costs (AISC)

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

Torex reports AISC in accordance with the guidance issued by the World Gold Council ("WGC"). The WGC definition of AISC seeks to extend the definition of total cash costs by adding corporate general and administrative costs, reclamation and remediation costs (including accretion and amortization), sustaining exploration and study costs (capitalized and expensed), capitalized stripping costs, sustaining capital expenditures and sustaining leases, and represents the total costs of producing gold from current operations. Non-sustaining costs are primarily those related to new operations and major projects at existing operations that are expected to materially benefit the current operation. The determination of classification of sustaining versus non-sustaining requires judgement by management. AISC excludes income tax payments, interest costs, costs related to business acquisitions, and costs related to growth projects. Consequently, these measures are not representative of all of the Company's cash expenditures. In addition, the calculation of AISC does not include depreciation and amortization expense as it does not reflect the impact of expenditures incurred in prior periods. Therefore, it is not indicative of the Company's overall profitability. Other companies may quantify these measures differently because of different underlying principles and policies applied. Differences may also occur due to different definitions of sustaining versus non-sustaining capital. In November 2018, the WGC updated its guidance for AISC. 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 10.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Gold sold	oz	**119,834**	123,363	118,989	**351,209**	359,432
Total cash costs per oz sold						
Production costs and royalties	$	**94.9**	91.6	90.7	**272.3**	241.7
Less: Silver sales	$	**(0.6)**	(0.7)	(0.6)	**(2.0)**	(1.7)
Less: Copper sales	$	**(3.2)**	(4.2)	(3.6)	**(11.7)**	(7.7)
Total cash costs	$	**91.1**	86.7	86.5	**258.6**	232.3
Total cash costs per oz sold	$/oz	**760**	703	727	**736**	646
All-in sustaining costs per oz sold						
Total cash costs	$	**91.1**	86.7	86.5	**258.6**	232.3
General and administrative costs[1]	$	**5.0**	5.0	4.9	**17.8**	19.4
Reclamation and remediation costs	$	**1.4**	1.2	1.1	**4.0**	3.4
Sustaining exploration costs expensed	$	**-**	-	0.9	**-**	2.9
Sustaining capital expenditure[2]	$	**29.4**	19.5	13.7	**70.6**	59.2
Total all-in sustaining costs	$	**126.9**	112.4	107.1	**351.0**	317.2
Total all-in sustaining costs per oz sold	$/oz	**1,059**	911	900	**999**	883

1. This amount excludes a gain of $0.3 million, $2.2 million and $1.7 million for the three months ended September 30, 2022, June 30, 2022, and September 30, 2021, respectively, and a gain of $2.1 million and gain of $6.0 million for the nine months ended September 30, 2022 and September 30, 2021, respectively, in relation to the remeasurement of share-based payments. This amount also excludes corporate depreciation and amortization expenses totalling $0.1, nil and $0.2 million for the three months ended September 30, 2022, June 30, 2022, and September 30, 2021, respectively, $0.2 million and $0.5 million for the nine months ended September 30, 2022 and September 30, 2021, respectively, recorded within general and administrative costs. Included in general and administrative costs is share-based compensation expense in the amount of $0.8 million or $7/oz for the three months ended September 30, 2022, $0.8 million or $6/oz for the three months ended June 30, 2022, $0.9 million or $8/oz for the three months ended September 30, 2021, $3.4 million or $10/oz for the nine months ended September 30, 2022 and $4.5 million or $13/oz for the nine months ended September 30, 2021.
2. Before changes in net working capital and other, capital expenditures for the three and nine months ended September 30, 2022 totalled $71.6 million and $183.4 million, respectively, excluding lease payments of $1.5 million and $3.0 million, respectively. Sustaining capital expenditures of $29.4 million and $70.6 million in the three and nine months ended September 30, 2022, respectively, are related to $16.6 million and $40.6 million, respectively, for the cash component of capitalized stripping activities, and $12.8 million and $30.0 million, respectively, for sustaining equipment and infrastructure expenditures. Non-sustaining capital expenditures of $42.2 million and $112.8 million for the three and nine months ended September 30, 2022, respectively, relating to ELG Underground and the Media Luna Project, have been excluded from AISC.

Reconciliation of Sustaining and Non-Sustaining Costs to Capital Expenditures

Table 11.

In millions of U.S. dollars		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Sustaining	$	**12.8**	11.6	10.3	**30.0**	25.3
Capitalized Stripping	$	**16.6**	7.9	3.4	**40.6**	33.9
Non-sustaining	$	**4.3**	5.0	15.8	**15.0**	31.1
Total ELG	$	**33.7**	24.5	29.5	**85.6**	90.3
Media Luna Project	$	**32.5**	29.6	25.3	**80.6**	61.3
Media Luna Infill Drilling/Other	$	**5.4**	5.9	6.8	**17.2**	19.1
Working Capital Changes & Other	$	**(3.0)**	(7.5)	(3.6)	**3.0**	2.8
Capital expenditures[1]	$	**68.6**	52.5	58.0	**186.4**	173.5

1. The amount of cash expended on additions to property, plant and equipment in the period as reported in the consolidated statements of cash flows.

Average Realized Gold Price and Total Cash Costs Margin

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

Average realized gold price is calculated as revenue per the Statements of Operations and Comprehensive Income, less silver sales and copper sales, adjusted for realized gains and losses on gold contracts where applicable, divided by oz of gold sold. Total cash costs margin reflects average realized gold price per oz of gold sold, less total cash costs per oz of gold sold.

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

Table 12.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Gold sold	oz	**119,834**	123,363	118,989	**351,209**	359,432
Revenue	$	**209.3**	235.0	216.7	**652.0**	653.8
Less: Silver sales	$	**(0.6)**	(0.7)	(0.6)	**(2.0)**	(1.7)
Less: Copper sales	$	**(3.2)**	(4.2)	(3.6)	**(11.7)**	(7.7)
Less: Realized loss on Gold Contracts	$	**-**	-	-	**-**	(0.2)
Total proceeds	$	**205.5**	230.1	212.5	**638.3**	644.2
Total average realized gold price	$/oz	**1,715**	1,865	1,786	**1,817**	1,792
Less: Total cash costs	$/oz	**760**	703	727	**736**	646
Total cash costs margin	$/oz	**955**	1,162	1,059	**1,081**	1,146
Total cash costs margin	%	**56**	62	59	**59**	64

All-in Sustaining Costs Margin

AISC margin and AISC margin per oz of gold sold are non-GAAP financial measures that do not have a standardized meaning under IFRS and as such, they may not be comparable to similar financial measures disclosed by other issuers. Management and certain investors use these measures to better understand the AISC margin throughout a period. AISC margin is calculated as revenue per the Statements of Operations and Comprehensive Income, less silver sales, copper sales, realized gains and losses on gold derivative contracts where applicable, and AISC. All-in sustaining costs margin per oz reflects the average realized gold price per oz of gold sold less all-in sustaining costs per oz of gold sold.

Reconciliation of All-in Sustaining Costs Margin to Revenue

Table 13.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Gold sold	oz	**119,834**	123,363	118,989	**351,209**	359,432
Revenue	$	**209.3**	235.0	216.7	**652.0**	653.8
Less: Silver sales	$	**(0.6)**	(0.7)	(0.6)	**(2.0)**	(1.7)
Less: Copper sales	$	**(3.2)**	(4.2)	(3.6)	**(11.7)**	(7.7)
Less: Realized loss on Gold Contracts	$	**-**	-	-	**-**	(0.2)
Less: All-in sustaining costs	$	**(126.9)**	(112.4)	(107.1)	**(351.0)**	(317.2)
All-in sustaining costs margin	$	**78.6**	117.7	105.4	**287.3**	327.0
Total all-in sustaining costs margin	$/oz	**656**	954	886	**818**	909
Total all-in sustaining costs margin	%	**38**	50	49	**44**	50

Adjusted Net Earnings

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

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

Reconciliation of Adjusted Net Earnings to Net Income

Table 14.

In millions of U.S. dollars, unless otherwise noted		Three Months Ended **Sep 30, 2022**	Jun 30, 2022	Sep 30, 2021	Nine Months Ended **Sep 30, 2022**	Sep 30, 2021
Basic weighted average shares outstanding	shares	**85,843,808**	85,840,954	85,748,013	**85,827,656**	85,703,270
Diluted weighted average shares outstanding	shares	**86,039,606**	86,115,071	86,020,975	**86,059,576**	86,034,295
Net income	$	**43.9**	70.3	36.5	**154.2**	152.2
Adjustments:						
Unrealized foreign exchange loss (gain)	$	**0.3**	0.4	1.3	**(0.3)**	(1.6)
Change in unrealized gains and losses on derivative contracts	$	**(20.0)**	(17.0)	-	**(28.8)**	(5.4)
Remeasurement of share-based payments	$	**(0.3)**	(2.2)	(1.7)	**(2.1)**	(6.0)
Tax effect of above adjustments	$	**6.0**	5.7	0.1	**9.4**	3.9
Tax effect of currency translation on tax base	$	**4.7**	(0.2)	6.7	**(3.6)**	4.5
Adjusted net earnings	$	**34.6**	57.0	42.9	**128.8**	147.6
Per share - Basic	$/share	**0.40**	0.66	0.50	**1.50**	1.72
Per share - Diluted	$/share	**0.40**	0.66	0.50	**1.50**	1.72

Earnings before Interest, Taxes, Depreciation and Amortization "EBITDA" and Adjusted EBITDA

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

Reconciliation of EBITDA and Adjusted EBITDA to Net Income

Table 15.

In millions of U.S. dollars		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Net income	$	**43.9**	70.3	36.5	**154.2**	152.2
Finance (income) costs, net	$	**(0.8)**	(0.3)	0.3	**(0.7)**	0.1
Depreciation and amortization[1]	$	**51.4**	48.1	52.1	**145.9**	153.1
Current income tax expense	$	**32.3**	37.0	34.6	**93.9**	102.6
Deferred income tax expense (recovery)	$	**1.0**	0.8	(3.8)	**(6.5)**	(8.7)
EBITDA	$	**127.8**	155.9	119.7	**386.8**	399.3
Adjustments:						
Change in unrealized gains and losses on derivative contracts	$	**(20.0)**	(17.0)	-	**(28.8)**	(5.4)
Unrealized foreign exchange loss (gain)	$	**0.3**	0.4	1.3	**(0.3)**	(1.6)
Remeasurement of share-based payments	$	**(0.3)**	(2.2)	(1.7)	**(2.1)**	(6.0)
Adjusted EBITDA	$	**107.8**	137.1	119.3	**355.6**	386.3

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

Free Cash Flow

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

Table 16.

In millions of U.S. dollars		Three Months Ended			Nine Months Ended	
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Net cash generated from operating activities	$	**102.4**	126.9	87.8	**276.0**	235.4
Less:						
Additions to property, plant and equipment[1]	$	**(68.6)**	(52.5)	(58.0)	**(186.4)**	(173.5)
Interest paid	$	**(0.3)**	(0.4)	(0.4)	**(1.2)**	(1.3)
Free cash flow	$	**33.5**	74.0	29.4	**88.4**	60.6

1. The amount of cash expended on additions to property, plant and equipment in the period as reported on the consolidated statements of cash flows.

Net Cash

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

Table 17.

In millions of U.S. dollars		**Sep 30, 2022**	Jun 30, 2022	Sep 30, 2021
Cash and cash equivalents	$	**339.2**	310.7	221.6
Less: Lease obligations	$	**(3.1)**	(4.4)	(3.8)
Net cash	$	**336.1**	306.3	217.8

Unit Cost Measures

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

Table 18.

	Three Months Ended						**Nine Months Ended**			
In millions of U.S. dollars, unless otherwise noted	**Sep 30, 2022**		Jun 30, 2022		Sep 30, 2021		**Sep 30, 2022**		Sep 30, 2021	
Gold sold (oz)	**119,834**		123,363		118,989		**351,209**		359,432	
Tonnes mined - open pit (kt)	**9,980**		8,947		8,882		**28,946**		29,847	
Tonnes mined - underground (kt)	**143**		144		113		**401**		366	
Tonnes processed (kt)	**1,199**		1,124		1,150		**3,457**		3,352	
Total cash costs:										
Total cash costs ($)	**91.1**		86.7		86.5		**258.6**		232.3	
Total cash costs per oz sold ($)	**760**		703		727		**736**		646	
Breakdown of production costs	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**	**$**	**$/t**
Mining - open pit	**28.6**	**2.87**	27.4	3.06	26.1	2.94	**81.8**	**2.82**	76.9	2.58
Mining - underground	**13.2**	**91.89**	12.0	83.64	9.7	86.24	**35.0**	**87.30**	29.6	80.75
Plant	**38.2**	**31.82**	38.2	33.95	40.7	35.41	**113.5**	**32.82**	117.8	35.14
Site support	**12.8**	**10.64**	12.4	11.02	11.4	9.88	**36.1**	**10.44**	33.8	10.09
Mexican profit sharing (PTU)	**5.9**	**4.96**	5.7	5.08	4.0	3.48	**19.8**	**5.72**	11.7	3.50
Capitalized stripping	**(16.6)**		(7.9)		(3.4)		**(40.6)**		(33.9)	
Inventory movement	**5.2**		(4.6)		(4.9)		**3.3**		(15.3)	
Other	**1.4**		1.3		0.6		**3.9**		1.5	
Production costs	**88.7**		84.5		84.3		**252.8**		222.1	

ADDITIONAL IFRS FINANCIAL MEASURES

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

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

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

ECONOMIC TRENDS

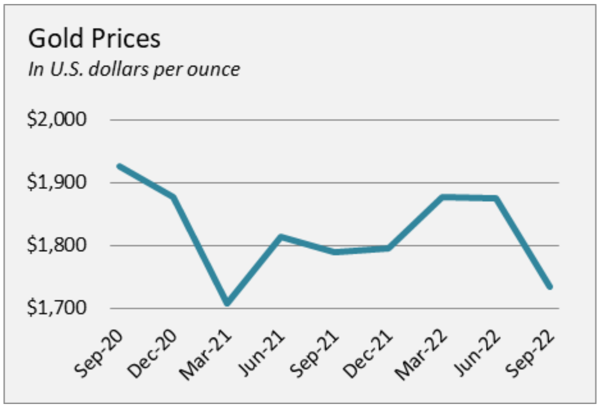
The market price for gold and foreign currency exchange rates are the most significant external factors that affect the Company's financial performance.

Table 19.

		Three Months Ended		Nine Months Ended	
		Sep 30, 2022	Sep 30, 2021	**Sep 30, 2022**	Sep 30, 2021
Average market spot prices[1]					
Gold	$/oz	**1,734**	1,790	**1,831**	1,800
Closing market exchange rates[2]					
Mexican peso : U.S. dollar	Peso : $	**20.1**	20.6	**20.1**	20.6
Canadian dollar : U.S. dollar	C$: $	**1.37**	1.27	**1.37**	1.27
Average market exchange rates[2]					
Mexican peso : U.S. dollar	Peso : $	**20.2**	20.0	**20.3**	20.1
Canadian dollar : U.S. dollar	C$: $	**1.31**	1.26	**1.28**	1.25

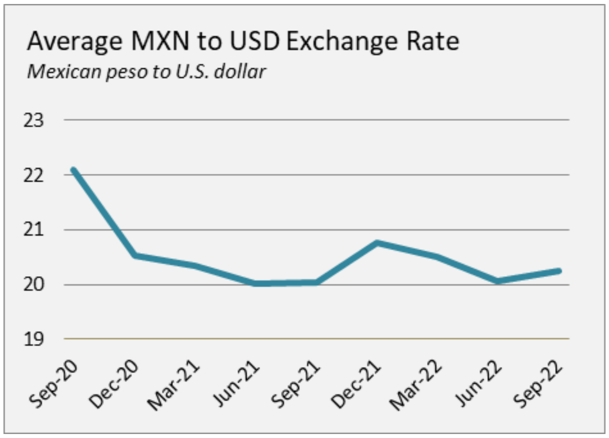
1. Source: Bloomberg
2. Sources: Bank of Mexico, Bank of Canada

Metal prices



The Company's profitability and operating cash flows are significantly impacted by the price of gold. From January 2022 to September 2022, based on closing prices, gold prices decreased 8%. From January 2021 to September 2021 and based on closing prices, gold prices decreased 7%. In February 2022 the Company entered into gold forward contracts to sell 138,000 oz of gold between October 2022 and December 2023 at prices ranging from $1,906 to $1,942 per oz (or at a weighted average price of $1,921 per oz).

Foreign exchange rates



The functional currency of the Company and its subsidiaries is the U.S. dollar, and it is, therefore, exposed to financial risk related to foreign exchange rates. Changes in exchange rates are expected to have an impact on the Company's results. In particular, approximately 55% of the Company's payments for nine months ended September 30, 2022 were incurred in Mexican pesos. In addition, the Company is exposed to foreign exchange risk on its non-U.S. dollar denominated monetary assets and liabilities. The average exchange rates of the Mexican peso relative to the U.S. dollar were 20.2 and 20.0 pesos to $1 during the three months ended September 30, 2022 and 2021, respectively, representing a depreciation of 1.1% in the Mexican peso.

SUMMARY OF QUARTERLY RESULTS

Quarterly Results for the Eight Most Recently Completed Quarters

Table 20.

		2022			2021				2020
In millions of U.S. dollars, unless otherwise noted		**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Financial Results									
Revenue	$	**209.3**	235.0	207.7	202.0	216.7	205.9	231.2	251.6
Net income (loss)	$	**43.9**	70.3	40.0	(0.5)	36.5	60.7	55.0	91.9
Per share - Basic	$/share	**0.51**	0.82	0.47	(0.01)	0.43	0.71	0.64	1.07
Per share - Diluted	$/share	**0.51**	0.80	0.46	(0.01)	0.41	0.69	0.62	1.05

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

Net income (loss) has fluctuated based on, among other factors, the quantity and grade of ore mined and processed, gold prices, foreign exchange rates, current and deferred income tax recoveries and expenses, cost of reagents consumed, interest income on VAT receivables, the temporary suspension of operations due to COVID-19 in the second quarter of 2020, and impairment provisions particularly in the fourth quarter of 2021. Gold prices affect the Company's realized sales prices of its gold production, and gains and losses on the gold forward contracts entered into in the first quarter of 2022 and the past gold collar contracts that were in place prior to September 30, 2021. Fluctuations in the value of the Mexican peso and Canadian dollar relative to the U.S. dollar affect the Company's operating and corporate expenses, foreign currency derivative gains and losses, income taxes, and the value of non-U.S. dollar denominated monetary assets and liabilities such as cash, 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 assets and liabilities.

OFF-BALANCE SHEET ARRANGEMENTS

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to Notes 3 and 4 in the Company's audited consolidated financial statements for the year ended December 31, 2021.

RECENT ACCOUNTING PRONOUNCEMENTS

Refer to Note 3 in the Company's audited consolidated financial statements for the year ended December 31, 2021.

FINANCIAL RISK MANAGEMENT

The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include liquidity risk, foreign currency risk, commodity price risk and interest rate risk, and are detailed in Note 14 of the Company's unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2022.

In the first quarter of 2022, the Company executed monthly forward price contracts on future gold production to reduce downside price risk during the build-out of the Media Luna Project. Under the contracts, the Company will sell 138,000 oz of gold (approximately 25% of production) between October 2022 to December 2023 at a weighted average price of $1,921 per oz.

Table 21.

Settlement Date (Quarter)	Weighted Average Price ($/oz)	Quantity (Oz)
Q4 2022	1,910	30,000
Q1 2023	1,924	27,000
Q2 2023	1,924	27,000
Q3 2023	1,924	27,000
Q4 2023	1,924	27,000
Total	1,921	138,000

RISKS AND UNCERTAINTIES

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

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

Media Luna Project Development Risk

The ability of the Company to achieve its strategic growth plans is dependent, in part, on the successful development of the Media Luna Project.

Upon approval of the Project from its Board of Directors in March 2022, the Company commenced Project period development and construction activities and procurement of long-lead items. The capital expenditure and resources allocated for the development of Media Luna are expected to be significant until the Project achieves commercial production, expected in 2025. Complex mine development projects such as Media Luna involve a high degree of uncertainty driven by factors including changes in costs and market conditions.

Currently, the activities on the south side of the river continue to advance substantially in accordance with the plan; however, the construction timelines and costs can be impacted by a wide variety of factors, many of which are beyond the Company's control. These include, but are not limited to:

- unanticipated adverse geotechnical conditions;
- availability and performance of engineering, construction contractors, mining contractors, suppliers and consultants;
- price increase, availability concerns and logistic delays of equipment and construction materials;

- design changes;
- weather conditions and adequacy of water supply;
- accidents, labour actions and force majeure events;
- unexpected labour issues, labour shortages, strikes or community blockades;
- quality of existing infrastructure;
- availability of accommodations for the workforce;
- the receipt of required governmental approvals and permits in connection with the construction of mining facilities and the conduct of mining operations (including environmental permits); and
- global economic and inflationary conditions.

As the Company continues to advance the Media Luna Project to commercial production in 2025, there can be no assurance that the expected outcomes in the Feasibility Study will be successfully achieved, including the expectation that the Media Luna Project can be constructed and operated in an economically viable manner.

Mitigation measures include extensive operational and economic reviews, with a focus on Project budget, future cash flows, profitability, results of operations and the financial condition of the Company. Project oversight activities include schedule and cost tracking, along with clear execution and oversight responsibilities.

During the third quarter, the activities related to the development of the Media Luna Project continued to ramp-up. The Company has maintained its focus on Project execution by advancing procurement activities, advancing the earth works and underground tunnels, upgrading mine power systems, initiating the camp expansion civil works, progressing on the detailed engineering design, and continuing site preparation work.

Liquidity Risk

The significant investment needed for the development of the Media Luna Project, along with general market conditions, and volatile metal and key consumable prices, could increase the Company's liquidity risk in the upcoming years. To mitigate this risk, management uses a rigorous planning, budgeting and forecasting process to estimate the funds the Company will need to support ongoing operations and the development of the Media Luna Project. As mentioned previously, the Company expects to fund the development of the Media Luna Project and its exploration plans using available liquidity, including the Debt Facility, and forecasted future cash flow. In addition, the Company continues to assess alternatives including the high yield market, assuming favourable market conditions and pricing. While the Company has implemented measures to mitigate the liquidity risk associated with its investment in Media Luna, and the Company's forecasts support the expectation such sources of funding will be sufficient to support the Media Luna Project and its exploration plans, there is no assurance that such mitigation measures will be effective or that sources of funding will be sufficient.

For a comprehensive discussion of the risks faced by the Company, please refer to the Company's latest annual information form ("AIF") and Technical Report, each available under the Company's SEDAR profile on www.sedar.com and on the Company's website.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

There was no change in the Company's internal control over financial reporting that occurred during the third quarter of 2022 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 September 30, 2022, 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 Johannes Bekkers, P.Eng, Vice President, Mine Technical Services 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 SEDAR profile on www.sedar.com, and is available upon request from the Company.

Mineral Reserves for the Morelos Complex

Table 22.

	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Au (koz)	Ag (koz)	Cu (Mlb)	AuEq (g/t)	AuEq (koz)
El Limón Guajes Open Pit (ELG OP)									
Proven	4,900	3.95	4.6	0.14	623	719	15	4.00	630
Probable	5,471	2.35	4.5	0.12	414	784	15	2.39	421
Proven & Probable	**10,371**	**3.11**	**4.5**	**0.13**	**1,037**	**1,503**	**30**	**3.15**	**1,051**
El Limón Guajes Underground (ELG UG)									
Proven	110	7.23	10.5	0.59	25	37	1	7.38	26
Probable	2,566	5.68	5.7	0.22	469	474	13	5.74	474
Proven & Probable	**2,675**	**5.74**	**5.9**	**0.24**	**494**	**511**	**14**	**5.81**	**500**
Media Luna Underground (ML UG)									
Proven	-	-	-	-	-	-	-	-	-
Probable	23,017	2.81	25.6	0.88	2,077	18,944	444	4.54	3,360
Proven & Probable	**23,017**	**2.81**	**25.6**	**0.88**	**2,077**	**18,944**	**444**	**4.54**	**3,360**
Surface Stockpiles									
Proven	4,808	1.35	3.1	0.07	209	484	7	1.38	213
Probable	-	-	-	-	-	-	-	-	-
Proven & Probable	**4,808**	**1.35**	**3.1**	**0.07**	**209**	**484**	**7**	**1.38**	**213**
Total Morelos Complex									
Proven	9,817	2.72	3.9	0.11	858	1,240	23	2.75	869
Probable	31,054	2.96	20.2	0.69	2,959	20,202	472	4.26	4,254
Proven & Probable	**40,871**	**2.90**	**16.3**	**0.55**	**3,817**	**21,442**	**495**	**3.90**	**5,123**

Notes to accompany summary Mineral Reserve table:

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

Notes to accompany the ELG Open Pit Mineral Reserves:

6. Mineral Reserves are founded on Measured and Indicated Mineral Resources, with an effective date of December 31, 2021, for ELG Open Pits (including El Limón, El Limón Sur and Guajes deposits).
7. ELG Open Pit Mineral Reserves are reported above a diluted cut-off grade of 1.1 g/t Au.
8. ELG Low Grade Mineral Reserves are reported above a diluted cut-off grade of 1.0 g/t Au.
9. It is planned that ELG Low Grade Mineral Reserves within the designed pits will be stockpiled during pit operation and processed during pit closure.
10. Mineral Reserves within the designed pits include assumed estimates for dilution and ore losses.
11. Cut-off grades and designed pits are considered appropriate for a metal price of $1,400/oz Au and metal recovery of 89% Au.
12. Mineral Reserves are reported using a gold price of US$1,400/oz, silver price of US$17/oz, and copper price of US$3.25/lb.
13. Average metallurgical recoveries of 89% for gold and 30% for silver and 10% for copper.
14. ELG AuEq = Au (g/t) + Ag (g/t) * (0.0041) + Cu (%) * (0.1789), accounting for metal prices and metallurgical recoveries.

Notes to accompany the ELG Underground Mineral Reserves:

15. Mineral Reserves are founded on Measured and Indicated Mineral Resources, with an effective date of December 31, 2021, for ELG Underground (including Sub-Sill and ELD deposits).
16. Mineral Reserves were developed in accordance with CIM guidelines.
17. El Limón Underground mineral reserves are reported above an in-situ ore cut-off grade of 3.58 g/t Au and an in-situ incremental cut-off grade of 1.04 g/t Au.
18. Cut-off grades and mining shapes are considered appropriate for a metal price of $1,400/oz Au and metal recovery of 89% Au.
19. Mineral Reserves within designed mine shapes assume mechanized cut and fill mining method and include estimates for dilution and mining losses.
20. Mineral Reserves are reported using a gold price of US$1,400/oz, silver price of US$17/oz, and copper price of US$3.25/lb.
21. Average metallurgical recoveries of 89% for gold and 30% for silver and 10% for copper.
22. ELG AuEq = Au (g/t) + Ag (g/t) * (0.0041) + Cu (%) * (0.1789), accounting for metal prices and metallurgical recoveries.

Notes to accompany the ML Underground Mineral Reserves:

23. Mineral Reserves are based on Media Luna Indicated Mineral Resources with an effective date of October 31st, 2021.
24. Media Luna Underground Mineral Reserves are reported above a diluted ore cut-off grade of 2.2 g/t AuEq
25. Media Luna Underground cut-off grades and mining shapes are considered appropriate for a metal price of $1,400/oz Au, $17/oz Ag and $3.25/lb Cu and metal recoveries of 85% Au, 79% Ag, and 91% Cu.
26. Mineral Reserves within designed mine shapes assume long-hole open stoping, supplemented with mechanized cut-and-fill mining and includes estimates for dilution and mining losses.
27. Media Luna AuEq = Au (g/t) + Ag (g/t) * (0.011188) + Cu (%) * (1.694580), accounting for metal prices and metallurgical recoveries.

Mineral Resources for the Morelos Complex

Table 23.

	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu (%)	Au (koz)	Ag (koz)	Cu (Mlb)	AuEq (g/t)	AuEq (koz)
El Limón Guajes Open Pit (ELG OP)									
Measured	5,727	3.89	5.0	0.13	716	919	17	3.93	724
Indicated	11,027	2.37	4.7	0.12	842	1,660	28	2.41	856
Measured & Indicated	**16,754**	**2.89**	**4.8**	**0.12**	**1,557**	**2,579**	**45**	**2.93**	**1,580**
Inferred	812	1.80	3.5	0.08	47	90	1	1.83	48
El Limón Guajes Underground (ELG UG)									
Measured	584	7.24	10.0	0.52	136	187	7	7.37	138
Indicated	3,968	6.11	7.1	0.27	779	900	23	6.18	789
Measured & Indicated	**4,551**	**6.25**	**7.4**	**0.30**	**915**	**1,088**	**30**	**6.34**	**927**
Inferred	1,380	4.88	6.2	0.25	217	275	8	4.95	220
Media Luna Underground (ML UG)									
Measured	-	-	-	-	-	-	-	-	-
Indicated	25,380	3.24	31.5	1.08	2,642	25,706	602	5.38	4,394
Measured & Indicated	**25,380**	**3.24**	**31.5**	**1.08**	**2,642**	**25,706**	**602**	**5.38**	**4,394**
Inferred	5,991	2.47	20.8	0.81	476	3,998	106	4.05	780
EPO									
Measured	-	-	-	-	-	-	-	-	-
Indicated	-	-	-	-	-	-	-	-	-
Measured & Indicated	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inferred	8,019	1.52	34.6	1.27	391	8,908	225	3.97	1,024
Total Morelos Complex									
Measured	6,311	4.20	5.5	0.17	852	1,106	24	4.25	862
Indicated	40,375	3.28	21.8	0.73	4,263	28,266	653	4.65	6,039
Measured & Indicated	**46,685**	**3.41**	**19.6**	**0.66**	**5,114**	**29,373**	**677**	**4.60**	**6,901**
Inferred	16,202	2.17	25.5	0.95	1,131	13,271	340	3.98	2,071

Notes to accompany summary Mineral Resource table:

1. CIM (2014) definitions were followed for Mineral Resources.
2. Mineral Resources are depleted above a mining surface or to the as-mined solids as of December 31, 2021.
3. Mineral Resources are reported using a gold price of US$1,550/oz, silver price of US$20/oz, and copper price of US$3.50/lb.
4. AuEq of total Mineral Resources is established from combined contributions of the various deposits.
5. Mineral Resources are inclusive of Mineral Reserves.
6. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
7. Numbers may not add due to rounding.
8. The estimate was prepared by Mr. John Makin, MAIG, a consultant with SLR Consulting (Canada) Ltd. Mr. Makin is independent of the company and is a “Qualified Person” under NI 43-101.

Notes to accompany the ELG Mineral Resources:

9. The effective date of the estimate is December 31, 2021.
10. Average metallurgical recoveries are 89% for gold, 30% for silver and 10% for copper.
11. ELG AuEq = Au (g/t) + (Ag (g/t) * 0.0043) + (Cu (%) * 0.1740). AuEq calculations consider both metal prices and metallurgical recoveries.

Notes to accompany the ELG Open Pit Mineral Resources:

12. Mineral resources are reported above a cut-off grade of 0.9 g/t Au.
13. Mineral Resources are reported inside an optimized pit shell, underground mineral reserves at ELD within the El Limón shell have been excluded from the open pit Mineral Resources.

Notes to accompany ELG Underground Mineral Resources:

14. Mineral Resources are reported above a cut-off grade of 2.6 g/t Au.
15. The assumed mining method is underground cut and fill.
16. Mineral Resources from ELD that are contained within the El Limón pit optimization and that are not underground Mineral Reserves have been excluded from the underground Mineral Resources.

Notes to accompany ML Mineral Resources:

17. The effective date of the estimate is October 31, 2021.
18. Mineral Resources are reported above a 2.0 g/t AuEq cut-off grade.
19. Metallurgical recoveries at Media Luna (excluding EPO) average 85% for gold, 79% for silver, and 91% for copper. Metallurgical recoveries at EPO average 85% for gold, 75% for silver, and 89% for copper.
20. Media Luna (excluding EPO) AuEq = Au (g/t) + (Ag (g/t) * 0.011889) + (Cu (%) * 1.648326). EPO AuEq = Au (g/t) + Ag (g/t) * (0.011385) + Cu % * (1.621237). AuEq calculations consider both metal prices and metallurgical recoveries.
21. The assumed mining method is from underground methods, using a combination of long-hole stoping and, cut and fill.

CAUTIONARY NOTES

Forward-Looking Statements

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information with respect to the future mining, development and exploration plans concerning the Morelos Property; the adequacy of the Company's financial resources; the Company being on track to meet full year gold production and cost guidance (TCC and AISC) and guidance on sustaining capital expenditures; Media Luna's long-lead procurement and earthworks being on schedule; the guidance on non-sustaining capital expenditure for the Media Luna Project lowered being to $120 million to $150 million; the Company's key strategic objectives to extend and optimize production from the ELG Mine Complex, de-risk and advance Media Luna to commercial production, build on ESG excellence, and to grow through ongoing exploration across the entire Morelos Property; plans to realize the full potential of the Morelos Property and opportunities to acquire assets that enable diversification and deliver value to shareholders; the expectation that depreciation and amortization to be in the range between $175 million to $200 million for 2022; the expectation that the El Limón pit expansion will add approximately 150,000 oz of gold production and extend open pit mining to the end of 2024; the Company's commitment to fully implement the new Responsible Gold Mining Principles, International Cyanide Management Code and Global Industry Standard on Tailings Management; the significant potential to expand Mineral Reserves in the ELG Underground, within the broader Media Luna area, and across the entire land package; plans to invest approximately $39 million in exploration and drilling in 2022, with the purpose of increasing the overall resource and reserve base of the Morelos Property; the guided expenditures for drilling programs in 2022; the objective to add new Inferred Resources through the EPO expansion drilling program at the EPO South Extension; confirming the extension of the EPO zone to the south based on drilling results to date; EPO represents an important area for potentially adding new resources in the Media Luna cluster; confirming the continuity of the skarn and the mineralization and that the EPO area remains open to the north, south and west based on geophysics and the ongoing drilling; additional drilling completed near the main Media Luna ore body aimed to add new Inferred Resources; the objective of the ELG infill and step-out programs to increase the confidence in the Mineral Resources included in short to medium term underground and open pit mine plans, and, to identify new resources in the direct down-dip and along strike extensions to current underground workings; the near mine program objective of exploring the geological potential and identifying new mineralized material in the area around the ELG Mine Complex; the underground program continuing to be focused in defining new resources in extension at depth and laterally in both the Sub-Sill and ELD deposits; at depth, within the ELG area, where the current geological interpretation, based on restricted deep drilling data, indicates potential skarn mineralization; the ELG brownfield program will continue in 2022 and beyond, with the intention to add additional mine life to operations at the ELG Mine Complex; positive exploration results reinforce the Company's confidence in extending the life of the ELG Underground beyond current reserves, and to maintain a consistent underground production profile beyond 2026; the longer-term exploration strategy is intended to identify and prove up sources of mill feed to extend the life of ELG and Media Luna and increase annual production post-2027.

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

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

November 8, 2022