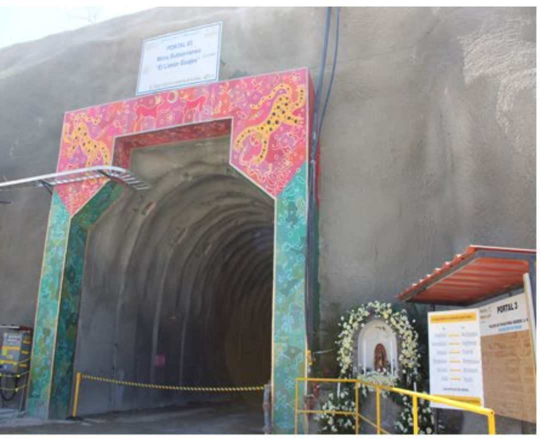
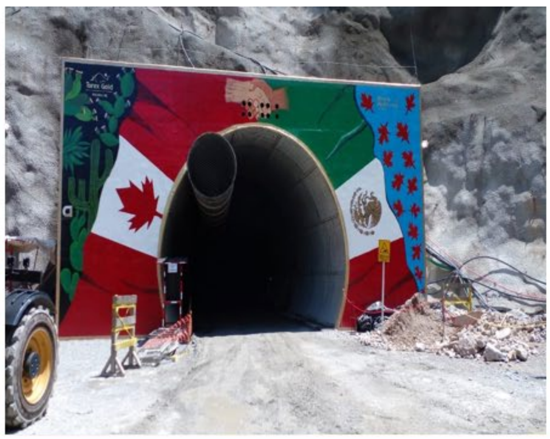
TOREX GOLD RESOURCES INC.





CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023

(Unaudited)

(Expressed in millions of U.S. dollars)

Condensed Consolidated Interim Statements of Financial Position
(unaudited)

Millions of U.S. dollars		**June 30, 2023**		December 31, 2022
Assets				
Current assets:				
Cash and cash equivalents	**$**	**285.3**	$	376.0
Derivative contracts (Note 11)		**2.4**		5.5
Value-added tax receivables		**40.3**		43.7
Inventory (Note 5)		**106.6**		120.2
Prepaid expenses and other current assets (Note 6)		**35.3**		16.5
		469.9		561.9
Non-current assets:				
Value-added tax receivables		**5.3**		4.5
Other non-current assets		**11.0**		4.6
Deferred income tax assets		**127.0**		90.4
Property, plant and equipment (Note 7)		**1,077.4**		931.9
Total assets	**$**	**1,690.6**	$	1,593.3
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable and accrued liabilities	**$**	**119.6**	$	132.8
Income taxes payable		**61.8**		107.9
Lease-related obligations (Note 10)		**9.7**		2.6
Derivative contracts (Note 11)		**5.0**		-
		196.1		243.3
Non-current liabilities:				
Derivative contracts (Note 11)		**5.7**		2.0
Other non-current liabilities (Note 12)		**4.5**		4.7
Lease-related obligations (Note 10)		**1.8**		1.3
Decommissioning liabilities		**39.4**		40.5
Deferred income tax liabilities		**8.9**		11.4
Total liabilities	**$**	**256.4**	$	303.2
Shareholders' equity:				
Share capital		**1,032.1**		1,031.5
Contributed surplus		**24.2**		24.2
Other reserves		**(56.6)**		(56.6)
Retained earnings		**434.5**		291.0
		1,434.2		1,290.1
Total liabilities and shareholders' equity	**$**	**1,690.6**	$	1,593.3

Commitments (Note 16)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Operations and Comprehensive Income

(unaudited)

Millions of U.S. dollars, except per share amounts	Three Months Ended **June 30, 2023**	Three Months Ended June 30, 2022	Six Months Ended **June 30, 2023**	Six Months Ended June 30, 2022
Revenue				
Metal sales	**$ 211.3**	$ 235.0	**$ 440.1**	$ 442.7
Cost of sales				
Production costs	**86.7**	84.5	**168.2**	164.1
Royalties	**6.4**	7.1	**13.3**	13.3
Depreciation and amortization	**45.0**	48.0	**94.0**	94.4
Earnings from mine operations	**$ 73.2**	$ 95.4	**$ 164.6**	$ 170.9
General and administrative expenses (Note 12)	**4.2**	2.7	**14.4**	11.1
Exploration and evaluation expenses	**1.6**	2.0	**3.2**	4.3
Other expenses (Note 13)	**1.6**	-	**2.2**	-
	$ 7.4	$ 4.7	**$ 19.8**	$ 15.4
Derivative (gain) loss, net (Note 11)	**(14.7)**	(17.0)	**11.9**	(8.8)
Finance (income) costs, net (Note 9)	**(3.2)**	(0.3)	**(6.2)**	0.1
Foreign exchange loss (gain)	**0.2**	(0.1)	**(0.8)**	(0.2)
	$ (17.7)	$ (17.4)	**$ 4.9**	$ (8.9)
Income before income taxes	**83.5**	108.1	**139.9**	164.4
Current income tax expense	**18.6**	37.0	**35.4**	61.6
Deferred income tax (recovery) expense	**(10.4)**	0.8	**(39.0)**	(7.5)
Net income and comprehensive income	**$ 75.3**	$ 70.3	**$ 143.5**	$ 110.3
Earnings per share (Note 14)				
Basic	**$ 0.88**	$ 0.82	**$ 1.67**	$ 1.29
Diluted	**$ 0.85**	$ 0.80	**$ 1.66**	$ 1.27
Weighted average number of common shares outstanding (Note 14)				
Basic	**85,884,895**	85,840,954	**85,877,128**	85,819,446
Diluted	**86,565,950**	86,115,071	**86,464,387**	86,095,060

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(unaudited)

Millions of U.S. dollars, except number of common shares	Number of Common Shares	Share Capital	Contributed Surplus	Other Reserves	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 2022	85,749,183	$ 1,030.5	$ 24.3	$ (56.6)	$ 102.2	$ 1,100.4
Exercise of stock options	5,666	0.1	(0.1)	-	-	-
Redemption of restricted share units	21,919	0.2	-	-	-	0.2
Redemption of EPSUs and ERSUs	67,040	0.7	-	-	-	0.7
Net income	-	-	-	-	110.3	110.3
Balance, June 30, 2022	85,843,808	$ 1,031.5	$ 24.2	$ (56.6)	$ 212.5	$ 1,211.6

Millions of U.S. dollars, except number of common shares	Number of Common Shares	Share Capital	Contributed Surplus	Other Reserves	Retained Earnings	Total Shareholders' Equity
Balance, January 1, 2023	**85,843,808**	**$ 1,031.5**	**$ 24.2**	**$ (56.6)**	**$ 291.0**	**$ 1,290.1**
Redemption of restricted share units	**12,679**	**0.2**	**-**	**-**	**-**	**0.2**
Redemption of EPSUs and ERSUs	**28,966**	**0.4**	**-**	**-**	**-**	**0.4**
Net income	**-**	**-**	**-**	**-**	**143.5**	**143.5**
Balance, June 30, 2023	**85,885,453**	**$ 1,032.1**	**$ 24.2**	**$ (56.6)**	**$ 434.5**	**$ 1,434.2**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

Millions of U.S. dollars	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Operating activities:				
Net income for the period	**$ 75.3**	$ 70.3	**$ 143.5**	$ 110.3
Adjustments for:				
Share-based compensation expense	**1.2**	0.8	**3.1**	2.6
Cash settlement of share-based compensation	**(0.6)**	-	**(1.6)**	(2.3)
Remeasurement of share-based payments	**(1.8)**	(2.2)	**1.8**	(1.8)
Depreciation and amortization	**45.0**	48.1	**94.1**	94.5
Unrealized (gain) loss on derivative contracts	**(15.3)**	(17.0)	**11.8**	(8.8)
Unrealized foreign exchange (gain) loss	**(2.5)**	0.4	**(3.0)**	(0.6)
Finance costs	**0.9**	1.0	**1.9**	2.1
Income tax expense (recovery)	**8.2**	37.8	**(3.6)**	54.1
Tax credit applicable to production costs	**(0.9)**	-	**(1.1)**	(0.3)
Income taxes paid	**(16.7)**	(18.6)	**(92.2)**	(69.6)
Net cash generated from operating activities before changes in non-cash operating working capital	**$ 92.8**	$ 120.6	**$ 154.7**	$ 180.2
Changes in non-cash operating working capital:				
Value-added tax receivables, net	**4.2**	6.0	**5.5**	13.8
Inventory	**(1.9)**	(6.3)	**2.3**	(5.9)
Prepaid expenses and other current assets	**0.4**	13.0	**(7.5)**	0.2
Accounts payable and accrued liabilities	**(5.9)**	(6.4)	**(18.4)**	(14.7)
Net cash generated from operating activities	**$ 89.6**	$ 126.9	**$ 136.6**	$ 173.6
Investing activities:				
Additions to property, plant and equipment	**(124.5)**	(52.5)	**(224.2)**	(117.8)
Borrowing costs capitalized to property, plant and equipment	**(0.4)**	-	**(0.4)**	-
Value-added tax receivables, net	**(0.3)**	1.4	**(1.8)**	1.9
Net cash used in investing activities	**$ (125.2)**	$ (51.1)	**$ (226.4)**	$ (115.9)
Financing activities:				
Lease payments	**(1.4)**	(0.9)	**(2.2)**	(1.5)
Interest paid	**(0.7)**	(0.4)	**(1.2)**	(0.9)
Net cash used in financing activities	**$ (2.1)**	$ (1.3)	**$ (3.4)**	$ (2.4)
Effect of foreign exchange rate changes on cash and cash equivalents	**$ 1.1**	$ (0.8)	**$ 2.5**	$ (0.3)
Net (decrease) increase in cash and cash equivalents	**$ (36.6)**	$ 73.7	**$ (90.7)**	$ 55.0
Cash and cash equivalents, beginning of the period	**$ 321.9**	$ 237.0	**$ 376.0**	$ 255.7
Cash and cash equivalents, end of the period	**$ 285.3**	$ 310.7	**$ 285.3**	$ 310.7

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

NOTE 1. CORPORATION INFORMATION

Torex Gold Resources Inc. (the "Company" or "Torex") is an intermediate gold producer based in Canada, engaged in the exploration, development and operation of its 100% owned Morelos Property (the "Morelos Property"), southwest of Mexico City. The Company's principal asset is the Morelos Complex, which includes the El Limón Guajes ("ELG") Mine Complex, the Media Luna Project, a processing plant, and related infrastructure.

The Company is a corporation governed by the *Business Corporations Act* (Ontario). The Company's shares are listed on the Toronto Stock Exchange under the symbol TXG. Its registered address is 130 King Street West, Suite 740, Toronto, Ontario, Canada, M5X 2A2.

These unaudited condensed consolidated interim financial statements (herein referred to as "consolidated financial statements") of the Company as at and for the three and six months ended June 30, 2023 include the accounts of the Company and its subsidiaries.

NOTE 2. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board. These consolidated financial statements do not include all of the disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2022.

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on August 1, 2023.

NOTE 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies followed in these consolidated financial statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2022.

NOTE 4. SIGNIFICANT JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and contingent liabilities as at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Judgments, estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ materially from these estimates. The significant judgments, estimates and nature of assumptions made by management in applying the Company's accounting policies are consistent with those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2022.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 5. INVENTORY

		June 30, 2023		December 31, 2022
Ore stockpiled	$	**43.0**	$	58.6
In-circuit		**7.4**		12.7
Finished goods		**9.0**		2.0
Materials and supplies		**47.2**		46.9
	$	**106.6**	$	120.2

The amount of depreciation included in inventory as at June 30, 2023 is $31.3 (December 31, 2022 - $42.6). During the six months ended June 30, 2023, a total charge of $4.6 was recorded to adjust long-term, low-grade stockpile inventory to net realizable value: $2.0 and $2.6 through production costs and depreciation and amortization, respectively (six months ended June 30, 2022 - total charge of $2.5, $1.0 and $1.5 through production costs and depreciation and amortization, respectively). As at June 30, 2023, the net carrying value of long-term, low-grade stockpile inventory is nil (December 31, 2022 - nil). As at June 30, 2023, materials and supplies are shown net of a provision of $4.3 (December 31, 2022 - $4.3). The Debt Facility (Note 8) is secured by all the assets, including inventory, 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.

NOTE 6. PREPAID EXPENSES AND OTHER CURRENT ASSETS

		June 30, 2023		December 31, 2022
Trade receivables	$	**10.6**	$	2.6
Prepayments		**9.7**		11.1
Income taxes receivable		**11.9**		-
Other current assets		**3.1**		2.8
	$	**35.3**	$	16.5

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 7. PROPERTY, PLANT AND EQUIPMENT

	Mexico			Canada	Total
	Mineral Property	Property & Equipment	Construction in Progress	Property & Equipment	
Cost					
As at January 1, 2022	$ 545.8	$ 1,106.6	$ 228.7	$ 12.0	$ 1,893.1
Additions	78.8	81.9	154.4	-	315.1
Closure and rehabilitation	-	1.2	0.5	-	1.7
As at December 31, 2022	624.6	1,189.7	383.6	12.0	2,209.9
Additions	**54.7**	**30.6**	**156.1**	**0.3**	**241.7**
Closure and rehabilitation	**-**	**(1.2)**	**(0.7)**	**-**	**(1.9)**
As at June 30, 2023	**$ 679.3**	**$ 1,219.1**	**$ 539.0**	**$ 12.3**	**$ 2,449.7**
Accumulated depreciation					
As at January 1, 2022	$ 343.9	$ 702.3	$ -	$ 10.8	$ 1,057.0
Depreciation	104.5	116.3	-	0.2	221.0
As at December 31, 2022	448.4	818.6	-	11.0	1,278.0
Depreciation	**42.2**	**52.0**	**-**	**0.1**	**94.3**
As at June 30, 2023	**$ 490.6**	**$ 870.6**	**$ -**	**$ 11.1**	**$ 1,372.3**
Net book value					
As at December 31, 2022	$ 176.2	$ 371.1	$ 383.6	$ 1.0	$ 931.9
As at June 30, 2023	**$ 188.7**	**$ 348.5**	**$ 539.0**	**$ 1.2**	**$ 1,077.4**

During the six months ended June 30, 2023, property, plant and equipment additions include $0.4 of capitalized borrowing costs (year ended December 31, 2022 - $0.8). As at June 30, 2023, property, plant and equipment includes, net of accumulated depreciation, $8.9 of capitalized borrowing costs (December 31, 2022 - $8.9), and $15.7 related to the decommissioning liability for the Morelos Complex (December 31, 2022 - $19.6). Mineral property includes, net of accumulated depreciation, $127.2 of capitalized deferred stripping costs (December 31, 2022 - $111.4), which includes $31.6 of capitalized depreciation of property and equipment (December 31, 2022 - $31.8). Included within property and equipment, net of accumulated depreciation, are right-of-use assets of $5.5 as at June 30, 2023 for leases of light vehicles, plant equipment, mining equipment and office space (December 31, 2022 - $4.7).

NOTE 8. DEBT

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 in connection with a secured $250.0 debt facility (the "Debt Facility"), replacing the Third Amended and Restated Credit Agreement (under which the Company's subsidiary, Minera Media Luna, S.A. de C.V. ("MML"), was the borrower). The Debt Facility consists of a $100.0 term loan (the "Term Facility") and a $150.0 revolving debt facility (the "Revolving Facility"). As at June 30, 2023, the Company had nil borrowings on the Debt Facility and had utilized $7.9 for letters of credit, reducing the available liquidity of the Debt Facility to $242.1 (December 31, 2022 - nil, $3.4 and $246.6, respectively). 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 Revolving Facility matures on December 31, 2025 and is subject to quarterly commitment reductions of $12.5 commencing on March 31, 2024. The $100.0 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.

In May 2023, the Company amended the existing Debt Facility to a Sustainability-Linked Loan ("SLL"), which integrates ESG performance measures. The SLL includes incentive pricing terms related to achieving various Sustainability Performance Targets ("SPTs") including those in safety, climate change, and alignment with the World Gold Council's Responsible Gold Mining Principles. The SPTs linked to the revised financing terms have been set for fiscal years 2023 and 2024, considering the current loan maturity of June 30, 2025 for the Term Facility and December 31, 2025 for the Revolving Facility.

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.

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

As at June 30, 2023, the Company was in compliance with the financial and other covenants under the FARCA.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 9. FINANCE (INCOME) COSTS

The following table shows net finance (income) costs for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Finance costs, excluding lease obligations	**$ 0.7**	$ 0.5	**$ 1.2**	$ 1.1
Interest income	**(4.1)**	(1.3)	**(8.1)**	(2.0)
Accretion of decommissioning liabilities	**0.4**	0.4	**0.7**	0.8
Interest on lease obligations	**(0.2)**	0.1	**-**	0.2
	$ (3.2)	$ (0.3)	**$ (6.2)**	$ 0.1

NOTE 10. LEASE-RELATED OBLIGATIONS

The Company leases several assets including light vehicles, plant equipment, mining equipment and office space.

For the three and six months ended June 30, 2023, the total cash outflows for leases including principal, interest and capitalized interest amounted to $1.5 and $2.5, respectively (three and six months ended June 30, 2022 - $1.0 and $1.7, respectively).

The following table shows the lease-related obligations as at June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
Lease obligations	**$ 5.3**	$ 3.9
Lease-related promissory notes	**6.2**	-
	$ 11.5	$ 3.9
Less: Current portion of lease-related obligations	**9.7**	2.6
Non-current portion of lease-related obligations	**$ 1.8**	$ 1.3

During the three and six months ended June 30, 2023, MML executed a master leasing arrangement in connection with the purchase of mobile equipment for the Media Luna Project, in which the ownership of the assets was assigned to a financer as lessor and then will be leased to MML. MML expects to recognize the lease obligations and the corresponding right-of-use assets when the underlying assets are available for use by MML. In connection with the assignment of the mobile equipment purchases, MML executed promissory notes totaling $6.2 relating to advance payments paid by the lessor for the capital purchases, with maturities from January 2024 to August 2024.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 11. DERIVATIVE CONTRACTS

The following table shows the fair value of derivative contracts and their classification in the Condensed Consolidated Interim Statements of Financial Position as at June 30, 2023 and December 31, 2022:

	Classification		Fair Value as at June 30, 2023		Fair Value as at December 31, 2022
Gold contracts	Current assets	$	2.4	$	5.5
Total derivative assets		$	2.4	$	5.5
Gold contracts	Current liabilities	$	5.0	$	-
Gold contracts	Non-current liabilities		5.7		2.0
Total derivative liabilities		$	10.7	$	2.0

As at June 30, 2023, the remaining gold forward contracts have a weighted average price of $1,956 per ounce to sell 228,000 ounces of gold between July 2023 and December 2024 (December 31, 2022 - a weighted average price of $1,921 per ounce to sell 168,000 ounces of gold between January 2023 to December 2024).

Derivatives arising from gold forward contracts are intended to manage the Company's risk management objectives associated with changing market values. These derivatives have not been designated as hedges. Changes in the fair value of these derivative contracts are recognized as derivative costs in the Condensed Consolidated Interim Statements of Operations and Comprehensive Income.

The table below provides a summary of the gold contracts outstanding as at June 30, 2023:

	Gold Ounces		Average Price per Ounce		Notional Value		Fair Value as at June 30, 2023
Current assets	59,250	$	2,002	$	118.6	$	2.4
Current liabilities	114,750		1,940		222.7		(5.0)
Non-current liabilities	54,000		1,939		104.7		(5.7)
	228,000			$	446.0	$	(8.3)

The following table shows the (gains) losses on derivative contracts for the three and six months ended June 30, 2023 and 2022:

	Three Months Ended				Six Months Ended			
		June 30, 2023		June 30, 2022		June 30, 2023		June 30, 2022
Unrealized (gain) loss on gold contracts	$	(15.3)	$	(17.0)	$	11.8	$	(8.8)
Realized loss on gold contracts		0.6		-		0.1		-
	$	(14.7)	$	(17.0)	$	11.9	$	(8.8)

NOTE 12. SHARE-BASED PAYMENTS

The Company has three share-based compensation plans: the Stock Option Plan (the "SOP Plan"), the Restricted Share Unit Plan (the "RSU Plan") and the Employee Share Unit Plan (the "ESU Plan").

The ESU Plan allows for the issuance of Employee Restricted Share Units ("ERSUs") and Employee Performance Share Units ("EPSUs") to employees of the Company.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

The following is a summary of the number of common share options (the "Options") outstanding under the SOP Plan, Restricted Share Units ("RSUs") outstanding under the RSU Plan, and ERSUs and EPSUs outstanding under the ESU Plan as at June 30, 2023 and the amounts of share-based compensation (recovery) expense recognized for the three and six months ended June 30, 2023 and 2022:

	Number Outstanding	Three Months Ended		Six Months Ended	
	June 30, 2023	**June 30, 2023**	June 30, 2022	**June 30, 2023**	June 30, 2022
Options	**24,707**	**$ -**	$ -	**$ -**	$ -
RSUs	**127,063**	**-**	-	**0.9**	1.0
ERSUs	**399,629**	**0.4**	0.3	**0.7**	0.6
EPSUs	**599,458**	**0.8**	0.5	**1.5**	1.0
	1,150,857	**$ 1.2**	$ 0.8	**$ 3.1**	$ 2.6
(Gain) loss on remeasurement		**(1.8)**	(2.2)	**1.8**	(1.8)
Share-based compensation (recovery) expense		**$ (0.6)**	$ (1.4)	**$ 4.9**	$ 0.8

Options

A summary of changes in the number of Options outstanding for the six months ended June 30, 2023 is presented as follows:

	Number of Options	Weighted Average Exercise Price (C$)[1]
Outstanding balance, December 31, 2022	**24,707**	**$ 17.56**
Outstanding and exercisable balance, June 30, 2023	**24,707**	**$ 17.56**

1. The CAD/USD foreign exchange rate as at June 30, 2023 was 0.7548.

No new Options may be granted, and the SOP Plan will be terminated once all outstanding Options are exercised or have expired.

RSU Plan

A summary of changes in the number of RSUs issued by the Company and the weighted average grant date fair values for the six months ended June 30, 2023 is presented below:

	Number of RSUs	Weighted Average Grant Date Fair Value (C$)[1]
Balance, December 31, 2022	**124,461**	**$ 15.57**
Granted	**70,456**	**17.03**
Settled	**(67,854)**	**16.48**
Balance, June 30, 2023	**127,063**	**$ 15.89**

1. The CAD/USD foreign exchange rate as at June 30, 2023 was 0.7548.

As at June 30, 2023, the RSUs had a fair value of $1.8 (December 31, 2022 - $1.4), which was recorded in accounts payable and accrued liabilities in the Condensed Consolidated Interim Statements of Financial Position.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

ESU Plan

Employee restricted share units

A summary of changes in the number of ERSUs issued by the Company and the weighted average grant date fair values for the six months ended June 30, 2023 is presented below:

	Number of ERSUs		Weighted Average Grant Date Fair Value (C$)[1]
Balance, December 31, 2022	**307,877**	**$**	**15.24**
Granted	**193,649**		**17.07**
Settled	**(89,524)**		**19.60**
Forfeited	**(12,373)**		**16.04**
Balance, June 30, 2023	**399,629**	**$**	**15.12**

1. The CAD/USD foreign exchange rate as at June 30, 2023 was 0.7548.

As at June 30, 2023, the ERSUs earned to date based on the service condition had a fair value of $2.3 (December 31, 2022 - $2.1), the current portion of which was recorded in accounts payable and accrued liabilities and the non-current portion in other non-current liabilities in the Condensed Consolidated Interim Statements of Financial Position.

Employee performance share units

A summary of changes in the number of EPSUs issued by the Company and the weighted average grant date fair value for the six months ended June 30, 2023 is presented below:

	Number of EPSUs		Weighted Average Grant Date Fair Value (C$)[1]
Balance, December 31, 2022	**461,828**	**$**	**22.22**
Granted	**290,479**		**23.38**
Forfeited	**(152,849)**		**24.01**
Balance, June 30, 2023	**599,458**	**$**	**22.32**

1. The CAD/USD foreign exchange rate as at June 30, 2023 was 0.7548.

As at June 30, 2023, the EPSUs had a fair value of $4.8 (December 31, 2022 - $2.4), the current portion of which was recorded in accounts payable and accrued liabilities and the non-current portion in other non-current liabilities in the Condensed Consolidated Interim Statements of Financial Position.

NOTE 13. OTHER EXPENSES

During the three and six months ended June 30, 2023, other expenses of $1.6 and $2.2, respectively, comprises expenditures related to an upgrade and consolidation of the Company’s enterprise resource planning system (three and six months ended June 30, 2022 - nil and nil, respectively).

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

NOTE 14. EARNINGS PER SHARE

Earnings per share has been calculated using the weighted average number of common shares outstanding for the three and six months ended June 30, 2023 and 2022 as follows:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Net income	**$ 75.3**	$ 70.3	**$ 143.5**	$ 110.3
Gain on remeasurement of share-based payments, net of tax	**(1.3)**	(1.5)	**-**	(1.3)
Net income, net of remeasurement of share-based payments	**$ 74.0**	$ 68.8	**$ 143.5**	$ 109.0
Basic weighted average shares outstanding	**85,884,895**	85,840,954	**85,877,128**	85,819,446
Weighted average shares dilution adjustments:				
Share options	**4,300**	2,607	**2,604**	5,556
RSUs	**161,448**	150,393	**137,356**	115,894
ERSUs	**210,332**	99,271	**177,200**	109,403
EPSUs	**304,975**	21,846	**270,099**	44,761
Diluted weighted average shares outstanding	**86,565,950**	86,115,071	**86,464,387**	86,095,060
Earnings per share				
Basic	**$ 0.88**	$ 0.82	**$ 1.67**	$ 1.29
Diluted	**$ 0.85**	$ 0.80	**$ 1.66**	$ 1.27

The following is a summary for the three and six months ended June 30, 2023 and 2022 of the Options, RSUs, ERSUs and EPSUs excluded in the diluted weighted average number of common shares outstanding as their exercise or settlement would be anti-dilutive in the earnings per share calculation:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	**June 30, 2023**	June 30, 2022
Options	**-**	36,378	**-**	32,202
RSUs	**-**	-	**-**	-
ERSUs	**1,032**	2,759	**5,186**	2,759
EPSUs	**21,964**	218,020	**514,253**	216,661
	22,996	257,157	**519,439**	251,622

NOTE 15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, trade receivables, accounts payable and accrued liabilities, and derivative contracts. Other than the derivative contracts and trade receivables related to copper sales, these financial instruments are recorded at amortized cost in the Condensed Consolidated Interim Statements of Financial Position. The fair values of these financial instruments approximate their carrying values due to their short-term maturity.

The derivative contracts and trade receivables related to copper sales are recorded at fair value and revalued through income at the end of each reporting period and are classified as Level 2 within the fair value hierarchy. The fair value of derivative contracts is estimated using a combination of quoted prices and market-derived inputs. The fair value of trade receivables related to copper sales is estimated using the forward price based on when the sale is expected to settle in final.

(Amounts in millions of U.S. dollars, except share and per share amounts, unless otherwise noted)

There were no amounts transferred between levels of the fair value hierarchy during the three and six months ended June 30, 2023 and the year ended December 31, 2022.

The carrying values and fair values of the Company's financial instruments as at June 30, 2023 and December 31, 2022 are as follows:

		As at June 30, 2023		As at December 31, 2022	
	Level	**Carrying Value**	**Fair Value**	Carrying Value	Fair Value
Financial assets					
Derivative contracts	**2**	**$ 2.4**	**$ 2.4**	$ 5.5	$ 5.5
Trade receivables[1]		**10.6**	**10.6**	2.6	2.6
		$ 13.0	**$ 13.0**	$ 8.1	$ 8.1
Financial liabilities					
Derivative contracts	**2**	**$ 10.7**	**$ 10.7**	$ 2.0	$ 2.0
		$ 10.7	**$ 10.7**	$ 2.0	$ 2.0

1. As at June 30, 2023, trade receivables include $1.2 of trade receivables related to copper sales, which are classified as Level 2 within the fair value hierarchy (December 31, 2022 - $2.9).

NOTE 16. COMMITMENTS

Purchase commitments

As at June 30, 2023, the total purchase commitments for the ELG Mine Complex and the Media Luna Project are as follows:

					As at June 30, 2023
	Less than 1 year	**1-3 years**	**4-5 years**	**Greater than 5 years**	**Total**
Operating commitments	**$ 217.3**	**$ 125.7**	**$ -**	**$ -**	**$ 343.0**
Capital commitments	**170.3**	**154.6**	**-**	**-**	**324.9**
	$ 387.6	**$ 280.3**	**$ -**	**$ -**	**$ 667.9**

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

ELG Mine Complex royalties

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. During the six months ended June 30, 2023, the Company paid $11.5 on the 2.5% royalty relating to the fourth quarter of 2022 and first quarter of 2023 (six months ended June 30, 2022 - $10.4 relating to the fourth quarter of 2021 and the first quarter of 2022). As at June 30, 2023, the Company has accrued $5.3 on the 2.5% royalty relating to the second quarter of 2023 (December 31, 2022 - $5.6 relating to the fourth quarter of 2022).

The Company is subject to a mining tax of 7.5% on taxable earnings before the deduction of taxes, interest, depreciation and amortization, and a royalty of 0.5% on sales of gold, silver and platinum. Both the mining tax and royalty are payable to the Servicio de Administración Tributaria on an annual basis in the following year. The mining tax is considered an income tax for IFRS purposes. In March 2023, the Company paid $34.2 in respect of the 7.5% and 0.5% royalties for 2022 (paid in March 2022 - $34.6). As at June 30, 2023, the Company has accrued $13.7 and $2.2 for the 7.5% and 0.5% royalties to be paid in March 2024, respectively (December 31, 2022 - $28.0 and $4.3 accrued for the 7.5% and 0.5% royalties to be paid in March 2023, respectively).