



## TOREX GOLD ANNOUNCES Q3 2019 FINANCIAL AND OPERATING RESULTS

*(All amounts expressed in U.S. Dollars unless otherwise stated)*

TORONTO, Ontario, October 30, 2019 – Torex Gold Resources Inc. (the “Company” or “Torex”) (TSX: TXG) reports the Company’s financial and operating results for the three and nine months ended September 30, 2019.

Fred Stanford, President & CEO of Torex, stated:

“From every perspective, this was an excellent quarter. Safety performance continued to be outstanding with zero lost time injuries in the quarter. Record gold production of 138,145 ounces was more than 20% higher than the previous record set earlier in the year. Plant throughput increased in each month of the quarter, both in terms of tonnes per hour and number of hours operated. Throughput averaged 12,380 tpd in the quarter, 6% higher than the previous quarter, including 13,561 tpd in September. The mines continued the strong performance demonstrated throughout the year, with an average of 15,391 tpd of ore mined in the quarter. Total cash costs in the quarter were \$561 per ounce and all-in sustaining costs were \$675 per ounce. As would be expected, the production and cost performance, aided by the rising gold price, resulted in excellent quarterly earnings of \$0.32 per share (\$0.36 per share adjusted) and excellent cash flow from operations of over \$120 million (\$82 million before changes in non-cash working capital). Q4 is well set up to bring in a strong finish to the year. With production and costs tracking to expectations, guidance is maintained.

“With power to the SAG mill motor being the limiting factor, we are targeting average steady-state throughput of 13,000 tpd in the processing plant on a go forward basis. With the potential of Media Luna on the horizon as an 8,000 tpd operation, it does not make sense to invest capital for a higher capacity SAG mill motor to achieve the original design specification of 14,000 tpd. Continuous improvement initiatives to maximize plant throughput will be ongoing.

“On the Muckahi front, a patent application has been submitted and acknowledged. The Muckahi Mining System now has ‘patent pending’ status. We are now ready to move beyond testing the components individually and will commence testing the components as an integrated system. The ELD deposit has been dedicated to this purpose. Blasting and slusher mucking of the first long hole open stope is scheduled to begin in November. Two steep ramps to access the lower reaches of the deposit have been laid out and excavation of those will also begin in November. In the corporate office, work is accelerating to develop the support systems required to commercially leverage what could potentially be an industry disruptive technology.”

This release should be read in conjunction with the Company’s September 30, 2019 Financial Statements and MD&A on the Company’s website or on SEDAR.

### Q3 2019 HIGHLIGHTS

#### Operational results

- **Record gold production** of 138,145 ounces.
- **Mine production** averaged 144,989 tonnes per day.
- **Mine ore production** averaged 15,391 tonnes per day.
- **Grade mined** averaged 3.19 grams per tonne.
- **Plant throughput** averaged 12,380 tonnes per day.
- **Grade processed** averaged 4.11 grams per tonne.
- **Gold recovery** averaged 89%.
- **Total cash costs**<sup>1</sup> per ounce of gold sold of \$561.
- **All-in sustaining costs**<sup>1</sup> per ounce of gold sold of \$675.

## Financial results

- **Record gold sold** for the quarter was 132,535 ounces for proceeds of \$195.9 million at an **average realized gold price**<sup>1</sup> of \$1,478 per ounce.
- **Revenue** was \$198.2 million.
- **Earnings from mine operations** were \$68.1 million.
- **Income before income tax** was \$59.1 million.
- **Net income** was \$27.4 million or \$0.32 per share on a basic and diluted basis for the quarter, after \$32.8 million of current income and mining tax accrued but not paid in the quarter.
- **Adjusted net earnings**<sup>1</sup>, which excludes, amongst other items, certain foreign exchange gains and losses, totalled \$30.8 million, or \$0.36 per share on a basic and diluted basis.
- **Cash flow from operations** totalled \$120.7 million for the quarter (\$82.3 million prior to changes in non-cash working capital balances).
- **Cash balance** as at September 30, 2019 totalled \$168.0 million, all unrestricted.
- **Total outstanding debt** as at September 30, 2019 of \$255.7 million following principal repayments of \$39.5 million during the quarter, including a \$20.0 million prepayment on the Company's revolving facility. In October 2019, the remaining \$11.2 million outstanding on the equipment lease due to mature in December 2020, was repaid in full.

## Gold price protection program initiated

- In August 2019, the Company entered into a series of zero-cost collar hedges for a total of 96,000 ounces of gold sales hedged evenly over 12 months beginning September 2019.
- The floor price of the monthly gold collars has been set at \$1,400/oz with the ceiling price of the collars ranging from \$1,666/oz in September 2019 to \$1,768/oz in August 2020.

A summary of Torex's quarterly operating and financial results can be found in Table 1 of this press release.

## Conference Call and Webcast details

The Company will host a conference call today at 9:00 AM (ET) where senior management will discuss the Q3 2019 operating and financial results.

Please call the below numbers approximately 10 minutes prior to the start of the call:

- Toronto local or international: 1-416-915-3239
- Toll-Free (North America): 1-800-319-4610
- Toll-Free (France): 0800-900-351
- Toll-Free (Switzerland): 0800-802-457
- Toll-Free (United Kingdom): 0808-101-2791

A live audio webcast of the conference call will be available on the Company's website at [www.torexgold.com](http://www.torexgold.com). The webcast will be archived on the Company's website.

<sup>1</sup> Refer to "Non-IFRS Financial Performance Measures" in the Company's September 30, 2019 MD&A for further information and a detailed reconciliation.

## About Torex Gold Resources Inc.

Torex is an intermediate gold producer based in Canada, engaged in the exploration, development and operation of its 100% owned Morelos Gold Property, an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometers southwest of Mexico City. The Company's principal assets are the El Limón Guajes mining complex ("ELG" or the "ELG Mine Complex"), comprised of the El Limón, Guajes and El Limón Sur open pits, the El Limón Guajes underground mine including zones referred to as Sub-Sill and El Limón Deep ("ELD"), and the processing plant and related infrastructure, which is in the

commercial production stage as of April 1, 2016, and the Media Luna deposit, which is an early stage development project, and for which the Company issued an updated preliminary economic assessment in September 2018 (the "Technical Report"). The property remains 75% unexplored.

For further information, please contact:

**TOREX GOLD RESOURCES INC.**

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**CAUTIONARY NOTES**

**Muckahi Mining System**

The Technical Report includes information on Muckahi. It is important to note that Muckahi is experimental in nature and has not been tested in an operating mine. Many aspects of the system are conceptual, and proof of concept has not been demonstrated. Drill and blast fundamentals, standards and best practices for underground hard rock mining are applied in the Muckahi, where applicable. The proposed application of a monorail system for underground transportation for mine development and production mining is unique to underground hard rock mining. There are existing underground hard rock mines that use a monorail system for transportation of materials and equipment, however not in the capacity described in the Technical Report. Aspects of Muckahi mining equipment are currently in the design and test stage. The mine design, equipment performance and cost estimations are conceptual in nature, and do not demonstrate technical or economic viability. The Company expects to complete the development and test the concept by the end of 2019 for the mine development and production activities. Further studies would be required to verify the viability of Muckahi.

**Forward Looking Statements**

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation. Notwithstanding the Company's efforts, there can be no guarantee that the Company will not face unforeseen delays or disruptions of its operations including without limitation, delays caused by blockades limiting access to the ELG Mine Complex and the Media Luna Project or by blockades or trespassers impacting the Company's ability to operate. Forward-looking information also includes, but is not limited to, expectation that the Company performance in the fourth quarter will bring in a strong finish to 2019, production and cost tracking to expectations to achieve guidance, targeting average steady state throughput of 13,000 t/day in the processing plant on go forward basis, the potential of Media Luna to be brought into production and run at 8,000 t/day, plans to continue improvement initiatives to maximize plant throughput with the current SAG mill motor capacity, plans to move the new mining technology (Muckahi) to testing the system as an integrated mining method, including without limitation, the testing of the tramming conveyor, fragmentation and mucking with a slusher, plans to mine the El Limón Deep deposit using Muckahi, including without limitation, the excavation of two steep ramps to access the lower part of the deposit, plans to develop the support systems required to commercially leverage Muckahi, and the potential for Muckahi to be an industry disruptive technology. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "believes", "future" or variations of such words and phrases or state that certain actions, events or results "can", "may", "could", "would", "might", "on track", "be achieved", or "to deliver". 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, without limitation, uncertainty involving reserve estimates and production forecasts, the success of the Muckahi mining system, and those risk factors identified in the Technical Report and the Company's annual information form and management's discussion and analysis. Forward-looking information are based on the assumptions discussed in the Technical Report and such other reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws.

**Table 1: Operating and financial results summary**

		Three Months Ended				Nine Months Ended	
		Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Sep 30, 2019
<i>In millions of U.S. dollars, unless otherwise noted</i>							
<b>Operating Data</b>							
<i>Mining</i>							
Ore tonnes mined	kt	1,416	1,810	1,153	1,234	1,246	4,379
Waste tonnes mined	kt	11,923	11,450	12,281	10,065	9,846	35,654
Total tonnes mined	kt	13,339	13,260	13,434	11,299	11,092	40,033
Strip ratio <sup>2</sup>	waste:ore	9.1	6.8	11.5	8.6	8.2	8.7
Average gold grade of ore mined	gpt	3.19	2.91	2.45	2.76	2.60	2.88
Ore in stockpile <sup>4</sup>	mt	1.9	1.7	0.9	0.8	0.9	1.9
<i>Processing</i>							
Total tonnes processed	kt	1,139	1,062	1,076	1,197	1,170	3,277
Average plant throughput	tpd	12,380	11,670	11,956	13,011	12,717	12,004
Average gold recovery	%	89	88	88	85	89	88
Average gold grade of ore processed	gpt	4.11	3.92	2.62	2.93	3.01	3.56
<i>Production and sales</i>							
Gold produced	oz	138,145	113,645	77,870	96,316	101,481	329,660
Gold sold	oz	132,535	113,419	76,473	104,169	102,919	322,427
<b>Financial Data</b>							
Revenue	\$	198.2	150.7	101.9	130.7	126.4	450.8
Cost of sales	\$	130.1	115.7	85.1	96.5	94.7	330.9
Earnings from mine operations	\$	68.1	35.0	16.8	34.2	31.7	119.9
Net income (loss)	\$	27.4	10.0	(1.3)	1.4	23.9	36.1
Per share - Basic	\$/share	0.32	0.12	(0.02)	0.02	0.28	0.42
Per share - Diluted	\$/share	0.32	0.12	(0.02)	0.02	0.28	0.42
Adjusted net earnings (loss) <sup>1</sup>	\$	30.8	8.8	(5.7)	13.9	7.3	33.8
Per share - Basic <sup>1</sup>	\$/share	0.36	0.10	(0.07)	0.16	0.09	0.40
Per share - Diluted <sup>1</sup>	\$/share	0.36	0.10	(0.07)	0.16	0.09	0.39
Cost of sales	\$/oz	982	1,020	1,113	926	920	1,026
Total cash costs <sup>1</sup>	\$/oz	561	606	745	627	590	620
All-in sustaining costs <sup>1</sup>	\$/oz	675	760	1,161	926	967	820
Average realized gold price <sup>1</sup>	\$/oz	1,478	1,314	1,302	1,235	1,214	1,379
Cash from operating activities before changes in non-cash working capital	\$	82.3	67.1	34.3	57.2	63.2	183.7
Cash generated from operating activities	\$	120.7	48.6	32.3	59.3	77.8	201.6
Cash and cash equivalents	\$	168.0	83.5	91.6	122.2	121.6	168.0
Restricted cash	\$	-	32.3	26.9	26.8	26.6	-
Working capital (deficiency) <sup>3</sup>	\$	116.7	(27.4)	18.1	41.6	56.8	116.7
Total debt	\$	255.7	298.2	318.3	333.5	346.4	255.7
Total assets	\$	1,263.1	1,230.2	1,251.7	1,271.4	1,253.4	1,263.1
Total liabilities	\$	464.6	461.0	493.8	511.8	496.9	464.6

1. Adjusted net earnings (loss), total cash costs, all-in sustaining costs, and average realized gold price are financial performance measures with no standard meaning under International Financial Reporting Standards ("IFRS"). Refer to "Non-IFRS Financial Performance Measures" in the MD&A for further information and a detailed reconciliation.

2. Ore mined from the ELG Underground (defined in the MD&A) of 102 kt and 302 kt is included in ore tonnes mined and excluded from the strip ratio in the three and nine months ended September 30, 2019, respectively. For the three months ended June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, ore mined from the ELG Underground (defined in the MD&A) was 117 kt, 83 kt, 67 kt and 38 kt, respectively.

3. Current liabilities at June 30, 2019 included a scheduled repayment of \$75.0 million in June 2020 under the 2017 Revolving Facility (defined in the MD&A). As a result of the refinancing, the \$75.0 million due under the 2017 Revolving Facility is no longer required.

4. Included within ore in stockpile is 0.6 mt of long term, low grade inventory, with a carrying value of nil at September 30, 2019. As at June 30, 2019, March 31, 2019, December 31, 2018 and September 30, 2018, the long term, low grade inventory was 0.5 mt, 0.2 mt, 0.1 mt and nil, respectively, with nil carrying value. As at September 30, 2019 the long term, low grade inventory has an average grade of 0.85 gpt.

5. Sum of the quarters may not add to the year to date amounts due to rounding.