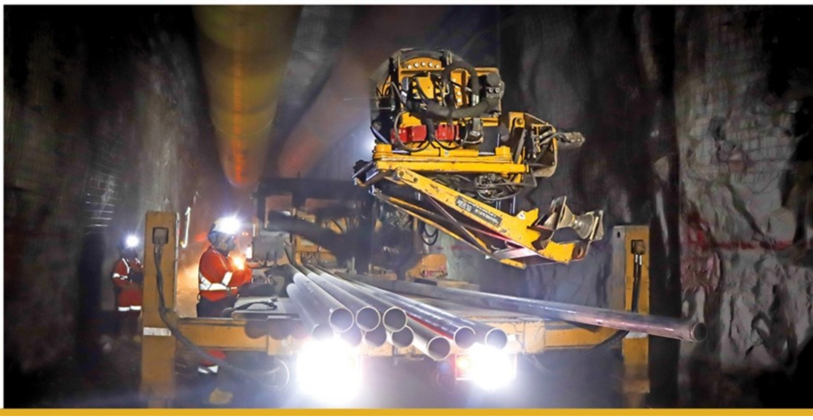
Torex Gold
RESOURCES INC.

TOREX GOLD RESOURCES INC.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024

(Unaudited)

(Expressed in millions of U.S. dollars)

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Condensed Consolidated Interim Statements of Financial Position
(unaudited)

Millions of U.S. dollars	Note		March 31, 2024		December 31, 2023
Assets					
Current assets:					
Cash and cash equivalents		**$**	**113.2**	$	172.8
Derivative contracts	11		**1.8**		2.3
Value-added tax receivables			**93.6**		77.6
Inventory	4		**124.5**		126.6
Prepaid expenses and other current assets	5		**18.6**		26.2
			351.7		405.5
Non-current assets:					
Value-added tax receivables			**1.4**		1.4
Other non-current assets	8		**32.9**		23.4
Deferred income tax assets			**171.4**		156.5
Property, plant and equipment	6		**1,361.6**		1,249.0
Total assets		**$**	**1,919.0**	$	1,835.8
Liabilities and shareholders' equity					
Current liabilities:					
Accounts payable and accrued liabilities		**$**	**190.2**	$	148.3
Income taxes payable			**68.5**		86.9
Lease-related obligations	8		**35.7**		23.9
Derivative contracts	11		**33.7**		22.6
			328.1		281.7
Non-current liabilities:					
Other non-current liabilities	9		**4.1**		4.4
Lease-related obligations	8		**8.3**		8.1
Decommissioning liabilities			**38.2**		41.0
Deferred income tax liabilities			**1.0**		5.5
Total liabilities		**$**	**379.7**	$	340.7
Shareholders' equity:					
Share capital			**1,033.2**		1,032.1
Contributed surplus			**24.2**		24.2
Other reserves			**(56.6)**		(56.6)
Retained earnings			**538.5**		495.4
			1,539.3		1,495.1
Total liabilities and shareholders' equity		**$**	**1,919.0**	$	1,835.8

Subsequent event (Note 7)
Commitments (Note 14)

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	Note	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
Revenue					
Metal sales		**$**	**236.5**	$	228.8
Cost of sales					
Production costs			**100.8**		81.5
Royalties			**6.9**		6.9
Depreciation and amortization			**49.7**		49.0
Earnings from mine operations		**$**	**79.1**	$	91.4
General and administrative expenses	9		**12.3**		10.2
Exploration and evaluation expenses			**1.2**		1.6
Other expenses	10		**1.2**		0.6
		$	**14.7**	$	12.4
Derivative loss, net	11		**16.2**		26.6
Finance income, net			**(1.7)**		(3.0)
Foreign exchange gain			**–**		(1.0)
		$	**14.5**	$	22.6
Income before income taxes		**$**	**49.9**	$	56.4
Current income tax expense			**26.2**		16.8
Deferred income tax recovery			**(19.4)**		(28.6)
Net income and comprehensive income		**$**	**43.1**	$	68.2
Earnings per share					
Basic	12	**$**	**0.50**	$	0.79
Diluted	12	**$**	**0.50**	$	0.79
Weighted average number of common shares outstanding					
Basic	12		**85,949,559**		85,869,276
Diluted	12		**86,499,360**		86,398,732

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, 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 ERSUs	24,269	0.3	–	–	–	0.3
Net income	–	–	–	–	68.2	68.2
Balance, March 31, 2023	85,880,756	$ 1,032.0	$ 24.2	$ (56.6)	$ 359.2	$ 1,358.8

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, 2024	**85,885,453**	**$ 1,032.1**	**$ 24.2**	**$ (56.6)**	**$ 495.4**	**$ 1,495.1**
Redemption of restricted share units	**15,090**	**0.2**	**–**	**–**	**–**	**0.2**
Redemption of EPSUs and ERSUs	**84,213**	**0.9**	**–**	**–**	**–**	**0.9**
Net income	**–**	**–**	**–**	**–**	**43.1**	**43.1**
Balance, March 31, 2024	**85,984,756**	**$ 1,033.2**	**$ 24.2**	**$ (56.6)**	**$ 538.5**	**$ 1,539.3**

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

Torex Gold RESOURCES INC.

Condensed Consolidated Interim Statements of Cash Flows
(unaudited)

Millions of U.S. dollars	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating activities:		
Net income for the period	**$ 43.1**	$ 68.2
Adjustments for:		
Share-based compensation expense	**2.3**	1.9
Cash settlement of share-based compensation	**(1.0)**	(1.0)
Remeasurement of share-based payments	**4.2**	3.6
Depreciation and amortization	**49.8**	49.1
Unrealized loss on derivative contracts	**11.6**	27.1
Unrealized foreign exchange gain	**(0.6)**	(0.5)
Finance income, net	**(1.7)**	(3.0)
Interest received	**2.6**	4.0
Income tax expense (recovery)	**6.8**	(11.8)
Tax credit applicable to production costs	**(0.7)**	(0.2)
Income taxes paid	**(43.9)**	(75.5)
Net cash generated from operating activities before changes in non-cash operating working capital	**$ 72.5**	$ 61.9
Changes in non-cash operating working capital:		
Value-added tax receivables, net	**(4.7)**	1.3
Inventory	**(4.0)**	4.2
Prepaid expenses and other current assets	**7.6**	(7.9)
Accounts payable and accrued liabilities	**8.4**	(12.5)
Net cash generated from operating activities	**$ 79.8**	$ 47.0
Investing activities:		
Additions to property, plant and equipment	**(126.1)**	(99.7)
Borrowing costs capitalized to property, plant and equipment	**(0.9)**	–
Value-added tax receivables, net	**(10.3)**	(1.5)
Net cash used in investing activities	**$ (137.3)**	$ (101.2)
Financing activities:		
Lease payments	**(1.4)**	(0.8)
Interest paid	**(0.5)**	(0.5)
Net cash used in financing activities	**$ (1.9)**	$ (1.3)
Effect of foreign exchange rate changes on cash and cash equivalents	**$ (0.2)**	$ 1.4
Net decrease in cash and cash equivalents	**$ (59.6)**	$ (54.1)
Cash and cash equivalents, beginning of period	**$ 172.8**	$ 376.0
Cash and cash equivalents, end of period	**$ 113.2**	$ 321.9

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 months ended March 31, 2024 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 ("IASB"). These consolidated financial statements do not include all of the disclosures required by IFRS Accounting Standards ("IFRS") as issued by the IASB for annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023.

These consolidated financial statements were authorized for issuance by the Company’s Board of Directors on May 7, 2024.

NOTE 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied 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, 2023.

The significant judgments, estimates and nature of assumptions made by management in applying the Company’s accounting policies are consistent with those applied in the audited consolidated financial statements for the year ended December 31, 2023.

Accounting Pronouncements

Recent Accounting Pronouncements Issued but not yet Effective

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

IFRS 18, *Presentation and Disclosure in Financial Statements* (“IFRS 18”)

In April 2024, the IASB issued a new accounting standard, IFRS 18, to improve the reporting of financial performance, which will replace IAS 1, *Presentation of Financial Statements* (“IAS 1”), while maintaining many of the existing requirements in IAS 1. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the Consolidated Statements of Operations and Comprehensive Income, provide disclosures on management-defined performance measures in the notes to consolidated financial statements and adding new principles for the aggregation and disaggregation of information. In addition, some of the requirements in IAS 1 will be moved to IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* and IFRS 7, *Financial*

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

Instruments: Disclosures, as well as minor amendments to IAS 7, *Statement of Cash Flows* and IAS 33, *Earnings per Share*. IFRS 18 is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently evaluating the impact of the standard on its consolidated financial statements.

NOTE 4. INVENTORY

	March 31, 2024	December 31, 2023
Ore stockpiled	**$ 52.9**	$ 55.0
In-circuit	**4.1**	10.5
Finished goods	**18.0**	11.1
Materials and supplies	**49.5**	50.0
	$ 124.5	$ 126.6

The amount of depreciation included in inventory as at March 31, 2024 was $30.5 (December 31, 2023 - $36.5). For the three months ended March 31, 2024, a total charge of $3.9 was recorded to adjust long-term, low-grade stockpile inventory to net realizable value: $2.2 and $1.7 through production costs and depreciation and amortization, respectively (three months ended March 31, 2023 - total charge of $0.8, $0.3 and $0.5 through production costs and depreciation and amortization, respectively). As at March 31, 2024, the net carrying value of long-term, low-grade stockpile inventory was $nil (December 31, 2023 - $nil). As at March 31, 2024, materials and supplies are shown net of a provision of $3.0 (December 31, 2023 - $4.2). For the three months ended March 31, 2024, $1.2 was recorded as a reversal of a provision for materials and supplies (three months ended March 31, 2023 - $nil). The Company has a secured debt facility (the "Debt Facility") (Note 7) that 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 5. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	March 31, 2024	December 31, 2023
Trade receivables	**$ 1.3**	$ 10.1
Prepayments	**13.3**	12.9
Other current assets	**4.0**	3.2
	$ 18.6	$ 26.2

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

	Mexico			Canada	Total
	Mineral Property	Property & Equipment	Construction in Progress	Property & Equipment	
Net book value as at December 31, 2023	$ 146.2	$ 343.6	$ 758.0	$ 1.2	$1,249.0
Additions	**1.0**	**19.9**	**138.9**	**–**	**159.8**
Transfers within property, plant and equipment	**–**	**1.8**	**(1.8)**	**–**	**–**
Closure and rehabilitation	**–**	**(2.3)**	**(0.9)**	**–**	**(3.2)**
Depreciation	**(20.7)**	**(23.2)**	**–**	**(0.1)**	**(44.0)**
Net book value as at March 31, 2024	**$ 126.5**	**$ 339.8**	**$ 894.2**	**$ 1.1**	**$1,361.6**

For the three months ended March 31, 2024, property, plant and equipment additions included $1.1 of capitalized borrowing costs (year ended December 31, 2023 - $2.1). As at March 31, 2024, property, plant and equipment included, net of accumulated depreciation, $11.1 of capitalized borrowing costs (December 31, 2023 - $10.2), and $10.6 related to the decommissioning liability for the Morelos Complex (December 31, 2023 - $14.7). Mineral property included, net of accumulated depreciation, $70.0 of capitalized deferred stripping costs (December 31, 2023 - $88.2), which included $18.1 of capitalized depreciation of property and equipment (December 31, 2023 - $22.1). Included within property and equipment, net of accumulated depreciation, are right-of-use assets (Note 8) of $5.7 as at March 31, 2024 for leases of light vehicles and office space (December 31, 2023 - $4.9).

NOTE 7. DEBT

Revolving Facility and Term Facility

On August 3, 2023, the Company (as borrower) executed an amendment to the 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 and National Bank of Canada, increasing the capacity of the Debt Facility to $300.0. The capacity on the Revolving Facility increased from $150.0 to $200.0 and the Term Facility remained unchanged at $100.0. As at March 31, 2024, the Company had $nil borrowings on the Debt Facility and had utilized $7.9 for letters of credit, reducing the available credit of the Debt Facility to $292.1 (December 31, 2023 - $nil, $7.9 and $292.1, respectively). In April 2024, $30.0 was drawn on the Revolving Facility.

The Debt Facility incorporated Sustainability-Linked Loan (“SLL”) targets, which integrate ESG performance measures. The SLL includes incentive pricing terms related to achieving various Sustainability Performance Targets including those in safety, climate change, and alignment with the World Gold Council’s Responsible Gold Mining Principles.

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 is 0.10%.

The $200.0 Revolving Facility matures on December 31, 2026 and is subject to quarterly commitment reductions of $12.5 commencing on March 31, 2025 and increasing to $25.0 commencing on March 31, 2026. Prior to the August 3, 2023 amendment, the $150.0 Revolving Facility matured on December 31, 2025 and was subject to quarterly commitment reductions of $12.5 commencing on March 31, 2024. The $100.0 Term Facility can be drawn until December 31, 2024, matures on June 30, 2026 and is subject to four equal quarterly repayment instalments commencing on September 30, 2025. Both the Revolving Facility and Term Facility can be repaid in full anytime without penalty.

The Debt Facility permits spending for general corporate and working capital purposes and to facilitate the development of the Media Luna Project and other existing and future projects of the Company. The Debt Facility is subject to conditions, 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 on and before June 30, 2025 and decreasing to the greater of $30.0 and 20% of the Debt Facility commitment thereafter. 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 March 31, 2024, 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 8. LEASE-RELATED OBLIGATIONS

The Company leases several assets including light vehicles, mining equipment, including the primary production equipment for the Media Luna operations, and office space.

For the three months ended March 31, 2024, the total cash outflows for leases including principal, interest and capitalized interest amounted to $2.3 (three months ended March 31, 2023 - $1.0).

The following table shows the lease-related obligations as at March 31, 2024 and December 31, 2023:

		March 31, 2024		December 31, 2023
Lease obligations	**$**	**13.0**	$	12.3
Lease-related promissory notes		**31.0**		19.7
	$	**44.0**	$	32.0
Less: Current portion of lease-related obligations		**35.7**		23.9
Non-current portion of lease-related obligations	**$**	**8.3**	$	8.1

During the year ended December 31, 2023, the Company executed purchase agreements with suppliers for the primary production equipment, underground support equipment and personnel transport equipment for operations at Media Luna totalling $99.3. Subsequently, the purchases were assigned to financiers who will own the equipment once delivered by the suppliers. In connection with the arrangements, the Company and the financiers executed master leasing agreements, which required the financiers to provide advance payments to the suppliers ahead of equipment being delivered. In the event of non-compliance of the purchase agreements by the suppliers, the Company is obligated to provide payment to the financiers for the advance payments paid to date. In connection with advanced payments made by the financiers ahead of equipment being delivered by the suppliers, the Company executed interest-bearing promissory notes, of which $31.0 remain outstanding as at March 31, 2024 (December 31, 2023 - $19.7). The promissory notes act as surety for the financiers. The promissory notes are accounted for as financial liabilities in accordance with IFRS 9, *Financial Instruments* ("IFRS 9"). As at March 31, 2024, the Company recognized a corresponding $31.0 asset in other non-current assets in the Condensed Consolidated Interim Statements of Financial Position (December 31, 2023 - $19.7).

As at March 31, 2024, lease obligations included $7.7 of leases for certain pieces of the primary production equipment for the Media Luna operations that had been delivered and for which the leases had commenced (December 31, 2023 - $8.0). As the Company is deemed to have control of the equipment prior to delivery and subsequently, upon entering into the lease agreement, control of the equipment is retained by the Company, the assignment of the purchases to the financiers did not qualify as a sale in accordance with IFRS 15, *Revenue from Contracts with Customers*, and therefore IFRS 16, *Leases*, sale-leaseback accounting was not applied. Rather, the lease obligations are accounted for as financial liabilities in accordance with IFRS 9. As at March 31, 2024, the Company recognized a corresponding $7.7 asset in property, plant and equipment in the Condensed Consolidated Interim Statements of Financial Position (December 31, 2023 - $8.0) (Note 6).

NOTE 9. 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.

Effective January 1, 2024, unless otherwise determined by the Board of Directors, or otherwise specified in any employment agreement, each grant of ERSUs shall vest in three approximately equal instalments commencing one year following the grant date on a vesting date determined by the Board of Directors. ERSUs will only vest if the participant is an Eligible Person (as defined in the ESU Plan) on the relevant vesting date(s).

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

Subject to certain exceptions set forth in the ESU Plan: (a) if the employment of a participant is terminated due to resignation by, or retirement of, the participant, then a pro rata portion of the participant's unvested EPSUs and ERSUs granted prior to December 31, 2023 shall vest immediately prior to the termination date in accordance with the relevant formula set forth in the ESU Plan, and unvested EPSUs and ERSUs granted on or after January 1, 2024 shall be forfeited; (b) if the employment of a participant is terminated without cause, or due to disability or death, then a pro rata portion of the participant's unvested EPSUs and ERSUs shall vest immediately prior to the termination date in accordance with the relevant formula set forth in the ESU Plan; and (c) if the employment of a participant is terminated for cause, then all EPSUs and ERSUs shall be forfeited. The vested EPSUs in circumstances described in (a) and (b) will be redeemed at the end of the relevant performance period using the adjustment factor determined for the performance period. The vested ERSUs in circumstances described in (a) and (b) may be redeemed by the participant during the period commencing on the date the participant's employment is terminated and ending on the earlier of the 90th day after the participant's termination date and the applicable expiry date upon which any outstanding ERSUs will automatically be redeemed.

Unless otherwise noted, grants under the ESU plan prior to January 1, 2024 apply the same accounting policies in these consolidated financial statements as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2023.

The following is a summary of the amounts of share-based compensation expense recognized for the three months ended March 31, 2024 and 2023:

	Three Months Ended	
	March 31, 2024	March 31, 2023
Restricted Share Units	**$ 0.8**	$ 0.9
ERSUs	**0.6**	0.3
EPSUs	**0.9**	0.7
	$ 2.3	$ 1.9
Loss on remeasurement	**4.2**	3.6
Share-based compensation expense	**$ 6.5**	$ 5.5

Stock Option Plan

As at March 31, 2024, 24,707 stock options were outstanding and exercisable under the SOP Plan (December 31, 2023 - 24,707). No new stock options may be granted, and the SOP Plan will be terminated once all outstanding stock options are exercised or have expired.

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

RSU and ESU Plans

The following is a summary of the number of Restricted Share Units ("RSUs") outstanding under the RSU Plan, and ERSUs and EPSUs outstanding under the ESU Plan as at March 31, 2024 and December 31, 2023 and the fair value as at March 31, 2024 and December 31, 2023:

	Number Outstanding		Fair Value	
	March 31, 2024	December 31, 2023	**March 31, 2024**	December 31, 2023
RSUs	**179,253**	127,063	**$ 2.6**	$ 1.4
ERSUs	**524,670**	401,890	**3.0**	2.5
EPSUs	**788,727**	602,851	**6.2**	3.8
	1,492,650	1,131,804	**$ 11.8**	$ 7.7

The current portion of the RSUs, ERSUs and EPSUs fair value 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.

Restricted Share Units

During the three months ended March 31, 2024, 73,066 RSUs were granted and 20,876 RSUs were redeemed.

Employee Restricted Share Units

During the three months ended March 31, 2024, 201,978 ERSUs were granted, which will vest in three approximately equal instalments in January 2025, 2026, and 2027 and have an estimated weighted average fair value at the grant date of C$14.10 per ERSU, 76,383 ERSUs were settled and 2,815 ERSUs were forfeited.

Employee Performance Share Units

For the three months ended March 31, 2024, 302,972 EPSUs were granted, which will vest in January 2027 and have an estimated weighted average fair value at the grant date of C$21.69 per EPSU, 94,024 EPSUs were settled and 23,072 EPSUs were forfeited.

The following is a summary of the weighted average assumptions used in the Monte Carlo simulation model for EPSUs granted during the three months ended March 31, 2024 and 2023:

	Three Months Ended	
	March 31, 2024	March 31, 2023
Risk-free interest rate	**4.19 %**	3.54 %
Expected share price volatility	**48 %**	55 %
Expected life of units (in years)	**2.95**	2.95
Annual dividends	**0 %**	0 %
Estimated forfeiture rate	**6 %**	0 %

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

NOTE 10. OTHER EXPENSES

During the three months ended March 31, 2024, other expenses of $1.2 comprise expenditures related to an upgrade and consolidation of the Company's enterprise resource planning system and training expenditures related to the Media Luna Project (three months ended March 31, 2023 - $0.6).

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 March 31, 2024 and 2023:

	Classification		Fair Value as at March 31, 2024		Fair Value as at December 31, 2023
Currency contracts	Current assets	$	1.8	$	2.3
Total derivative assets		$	1.8	$	2.3
Gold contracts	Current liabilities	$	33.6	$	22.2
Currency contracts	Current liabilities		0.1		0.4
Total derivative liabilities		$	33.7	$	22.6

As at March 31, 2024, the outstanding gold forward contracts had a weighted average price of $1,975 per ounce to sell 114,500 ounces of gold between April 2024 and December 2024 (December 31, 2023 - a weighted average price of $1,972 per ounce to sell 158,000 ounces of gold between January 2024 and December 2024).

The table below provides a summary of the gold contracts outstanding as at March 31, 2024:

	Gold Ounces		Average Price per Ounce		Notional Value		Fair Value as at March 31, 2024
Current liabilities	114,500	$	1,975	$	226.1	$	(33.6)
	114,500			$	226.1	$	(33.6)

As at March 31, 2024, the outstanding MXN/USD foreign exchange collar contracts had a weighted average put strike (floor) rate of 17.38:1 and a weighted average call strike (ceiling) rate of 20.00:1 to settle a notional value of $43.5 between April 2024 and December 2024 (December 31, 2023 - weighted average put strike (floor) rate of 17.38:1 and a weighted average call strike (ceiling) rate of 20.00:1 to settle a notional value of $73.0 between January 2024 and December 2024).

The table below provides a summary of the foreign exchange collar contracts outstanding by maturity as at March 31, 2024:

	Average Put Strike (Floor) Rate (MXN/USD)	Average Call Strike (Ceiling) Rate (MXN/USD)		Notional Value		Fair Value as at March 31, 2024
Less than 1 year	17.38	20.00	$	43.5	$	1.7
			$	43.5	$	1.7

Derivatives arising from gold forward contracts and foreign exchange collar 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 a derivative loss (gain), net in the Condensed Consolidated Interim Statements of Operations and Comprehensive Income.

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

The following table shows the losses (gains) on derivative contracts for the three months ended March 31, 2024 and 2023:

	Three Months Ended	
	March 31, 2024	March 31, 2023
Unrealized loss on gold contracts	**$ 11.4**	$ 27.1
Unrealized loss on currency contracts	**0.2**	–
Realized loss (gain) on gold contracts	**5.4**	(0.5)
Realized gain on currency contracts	**(0.8)**	–
	$ 16.2	$ 26.6

NOTE 12. EARNINGS PER SHARE

Earnings per share was calculated using the weighted average number of common shares outstanding for the three months ended March 31, 2024, and 2023 as follows:

		Three Months Ended	
	Note	**March 31, 2024**	March 31, 2023
Net income		**$ 43.1**	$ 68.2
Gain on remeasurement of share-based payments	9	**–**	–
Net income, net of remeasurement of share-based payments		**$ 43.1**	$ 68.2
Basic weighted average shares outstanding		**85,949,559**	85,869,276
Weighted average shares dilution adjustments:			
Stock options		**–**	1,146
RSUs		**145,265**	134,664
ERSUs		**177,521**	156,799
EPSUs		**227,015**	236,847
Diluted weighted average shares outstanding		**86,499,360**	86,398,732
Earnings per share			
Basic		**$ 0.50**	$ 0.79
Diluted		**$ 0.50**	$ 0.79

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

The following is a summary for the three months ended March 31, 2024, and 2023 of the stock 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	
	March 31, 2024	March 31, 2023
Stock options	**24,707**	–
RSUs	**–**	–
ERSUs	**200,480**	188,872
EPSUs	**607,999**	566,321
	833,186	755,193

NOTE 13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, trade receivables, accounts payable and accrued liabilities, derivative contracts, and lease-related obligations. 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, excluding lease-related obligations, 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.

There were no amounts transferred between levels of the fair value hierarchy for the three months ended March 31, 2024 and the year ended December 31, 2023.

NOTE 14. COMMITMENTS

Purchase Commitments

As at March 31, 2024, the total purchase commitments for the ELG Mine Complex and the Media Luna Project are as follows:

	As at March 31, 2024				
	Less than 1 year	**1-3 years**	**4-5 years**	**Greater than 5 years**	**Total**
Operating commitments[1]	**$ 264.3**	**$ 110.7**	**$ 51.5**	**$ –**	**$ 426.5**
Capital commitments[1]	**188.2**	**4.2**	**8.7**	**11.4**	**212.5**
	$ 452.5	**$ 114.9**	**$ 60.2**	**$ 11.4**	**$ 639.0**

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

During the three months ended March 31, 2024, the Company entered into a power purchase agreement for the delivery of 236,520 megawatt hours of electricity per year over a period of five years, which is expected to commence in the second half of 2024, at a fixed rate per megawatt hour, subject to annual inflation adjustments. As at March 31, 2024, the agreement is accounted for as an executory contract on the basis that the contract is held for the purpose of the receipt of a non-financial item in accordance with the expected electricity usage by the Company over the contract term. Included in operating commitments as at March 31, 2024 is $97.4 relating to the power purchase agreement.

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. For the three months ended March 31, 2024, the Company paid $7.2 for the 2.5% royalty relating to the fourth quarter of 2023 (three months ended March 31, 2023 - $5.6 relating to the fourth quarter of 2022). As at March 31, 2024, the Company accrued $5.8 for the 2.5% royalty relating to the first quarter of 2024 (December 31, 2023 - $7.0 relating to the fourth quarter of 2023).

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 March of the following year. The mining tax is considered an income tax for the purposes of IFRS Accounting Standards. In March 2024, the Company paid $29.4 in respect of the 7.5% and 0.5% royalties for 2023 (paid in March 2023 - $34.2). As at March 31, 2024, the Company accrued $8.9 and $1.1 for the 7.5% and 0.5% royalties to be paid in March 2025, respectively (December 31, 2023 - $25.4 and $4.4 accrued for the 7.5% and 0.5% royalties to be paid in March 2024, respectively).