



TOREX GOLD ANNOUNCES YEAR-END 2019 FINANCIAL RESULTS

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

TORONTO, Ontario, February 19, 2020 – Torex Gold Resources Inc. (the “Company” or “Torex”) (TSX: TXG) reports the Company’s financial and operating results for the three months and year ended December 31, 2019.

Fred Stanford, President & CEO of Torex, stated:

“The record operational and safety performance in 2019 was equally matched by the strong financial performance, with the Company generating record EBITDA and record free cash flow. Balance sheet strength materially improved year-over-year, as evident in the almost \$200 million decline in net debt. With the price of gold remaining buoyant, and production guided to be in a similar range as last year, 2020 holds the potential to be another excellent year for Torex. We exited the year with a Lost Time Injury rate of 0.63 over the trailing 12 months and in February surpassed 5 million hours lost time injury free, an amazing accomplishment.

“Advancing Media Luna was a priority in 2019 and it will continue to be a key focus in the next few years. The infill drill program that was concluded in 2019 had a 100% success rate in upgrading targeted Inferred tonnes to the Indicated confidence category. This is an excellent indicator of the robustness of the geological model. The 2020 infill drill program is anticipated to be completed in time to incorporate the results into the upcoming feasibility study, which is expected to be concluded in Q1 2021. One of the trade-off studies completed in 2019 resulted in a decision as to how to access the Media Luna deposit. Tunneling under the Balsas River to reach the deposit reduces the social complexity, minimizes surface disturbance, reduces costs, and in our view, reduces permitting risk. This 7 km tunnel will take longer to excavate than the other options. An early start is essential to minimize schedule risk, hence some of the Media Luna build capital has been advanced to 2020 to facilitate getting started with the excavation of this tunnel in the second half of this year.

“On the Muckahi front, we successfully demonstrated the viability of the most innovative aspects of the mining system in 2019. We are now excavating our second 30-degree down ramp and are continuously improving the technique. Incorporating 30-degree ramps into mine designs will be a game changer for the industry. Moving beyond tunneling to ore production, we demonstrated we could achieve ‘conveyable fragmentation’ when blasting a long hole open stope. The team then demonstrated they could completely ‘muck out’ the long hole open stope with a low cost electric slusher. With the major innovations demonstrated as viable in 2019, 2020 will focus on optimizing the processes tested in 2019, and initiating testing of the various conveyor applications in the Muckahi Mining System. A conveyor for the 30-degree ramp has been designed, manufactured, and is currently in transit to the mine. It will be installed in the ELD deposit in Q2. We all look forward to getting the conveyor installed and demonstrating the potential of a mine that can eliminate diesel trucks and transport ore up and out of the mine with an electrically powered conveyor.

“The coming year promises to be one of solid cash flow, advancement of our Media Luna growth project, and pushing forward with our proprietary Muckahi Mining System to fuel future growth. Exciting times for Torex.”

This release should be read in conjunction with the Company’s December 31, 2019 Financial Statements and MD&A on the Company’s website or on SEDAR. A summary of Torex’s operating and financial results can be found in Table 1.

Full Year 2019 Highlights

- **Safety milestone:** 5 million hours worked with no lost time injury reached in February 2020.
- **Gold production:** Produced 454,811 ounces of gold in 2019, surpassing the previous annual production record of 353,947 ounces established in 2018 by 28%.
- **Gold sold:** Record full year sales of 449,337 ounces at an average realized gold price¹ of \$1,408/oz, towards the upper end of the full year guidance of 400,000 to 460,000 ounces.

- **Total cash costs per ounce of gold sold¹:** Total cash costs of \$619/oz, at the upper end of the guided range of \$540/oz to \$620/oz.
- **All-in sustaining costs per ounce of gold sold¹:** All-in sustaining costs of \$805/oz, above the midpoint of full year guided range of \$735/oz to \$845/oz.
- **Net income and Adjusted net income¹:** Reported net income of \$71.2 million or \$0.84 per share on a basic basis and \$0.83 per share on a diluted basis. Excluding, amongst other items, certain impairment provisions and unrealized gains and losses, adjusted net income totalled \$67.8 million, or \$0.80 per share on a basic and \$0.79 diluted basis.
- **EBITDA¹ and Adjusted EBITDA¹:** Record EBITDA of \$330.3 million and record adjusted EBITDA of \$332.9 million.
- **Cash flow from operations:** Cash flow from operations totalled \$301.3 million (\$327.3 million prior to changes in non-cash working capital). Cash flow from operations includes \$64.5 million of current income tax accrued but expected to be paid out in Q1 2020, noting a modest tax installment made in December 2019.
- **Free cash flow¹:** Free cash flow of \$181.2 million (\$223.7 million prior to non-sustaining capital expenditures). Free cash flow includes interest paid and changes in non-cash working capital.
- **Cash balance:** Ended the year with cash of \$161.8 million compared with \$122.2 million the end of 2018 (\$149.0 million including \$26.8 million of restricted cash).
- **Total outstanding debt:** Following \$164.4 million of debt repayments in 2019, total debt (excluding \$8.6 million of deferred financing charges) stood at \$174.9 million at year-end compared with \$333.5 million at the end of 2018.
- **Net debt¹:** Exited 2019 with net debt of \$21.7 million, reflecting a \$198.6 million decline year-over-year.
- **Updated Media Luna resource estimate²:** Upgraded approximately 25% of the Inferred resource at Media Luna following completion of a 175-hole infill drill program. The National Instrument 43-101 compliant resource estimate includes 2.24 million gold equivalent ounces at a gold equivalent grade of 5.55 g/t in the Indicated category and 4.23 million gold equivalent ounces at a gold equivalent grade of 4.23 g/t in the Inferred category.
- **Achieved key deliverables set out for Muckahi:** In 2019, demonstrated the ability to drill on the level and at a 30-degree down angle using a jumbo mounted from a monorail. Achieved desired fragmentation within first long-hole open stope and mucked out the stope using a slusher. The Company plans to pilot the individual components of Muckahi as an integrated system in ELD in 2020, with the goal of proving out the key aspects of Muckahi by year-end.

Fourth Quarter 2019 Highlights

- **Gold production:** Produced 121,151 ounces of gold, the second highest quarter of production on record.
- **Gold sold:** Sold 126,910 ounces of gold at an average realized price of \$1,481/oz.
- **Total cash costs¹ and All-in sustaining costs¹:** Total cash cost of \$617/oz and all-in sustaining cost of \$767/oz.
- **Net income and Adjusted net income¹:** Reported net income of \$35.1 million or \$0.41 per share on a basic and diluted basis. Adjusted net income of \$34.0 million, or \$0.40 per share on a basic and diluted basis.
- **EBITDA¹ and Adjusted EBITDA¹:** Generated EBITDA of \$102.2 million and adjusted EBITDA of \$105.1 million.
- **Cash flow from operations:** Cash flow from operations totalled \$97.9 million (\$101.4 million prior to changes in non-cash working capital).
- **Free cash flow¹:** Generated \$71.6 million in free cash flow (\$82.5 million prior to non-sustaining capital expenditures).
- **Debt payments:** Repaid \$82.5 million of outstanding debt during the quarter.

Conference Call and Webcast Details

The Company will host a conference call today at 9:00 AM (ET) where senior management will discuss the fourth quarter and year end 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. The webcast will be archived on the Company's website.

¹ Refer to "Non-IFRS Financial Performance Measures" in the Company's December 31, 2019 MD&A for further information and a detailed reconciliation.

² For more information on the updated Mineral Resource estimate for the Media Luna project see news release issued on January 13, 2020, and filed on SEDAR at www.sedar.com and on the Company's website at www.torexgold.com.

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:

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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 has completed the development and the first phase of testing the concept for the mine development and production activities and will move to optimization in 2020 to further verify the viability of Muckahi.

Forward-Looking Statements

This news release 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 exploration, development and exploitation plans concerning the Morelos Gold Property; the adequacy of the Company's financial resources; the Company's business plans and strategy, including without limitation, the strategy to grow production from high quality conventional mining assets, or those with the potential to achieve high value through the deployment of Muckahi, if proven, and other events or conditions that may occur in the future; the results set out in the Technical Report including the PEA including with respect to mineral resource and mineral reserve estimates, the ability to exploit estimated mineral reserves, the Company's expectation that the ELG Mine Complex will be profitable with positive economics from mining, expected recoveries, grades, annual production, receipt of all necessary approvals and permits, the

parameters and assumptions underlying the mineral resource and mineral reserve estimates and the financial analysis, and expected gold prices; the potential for 2020 to be another excellent year for Torex; the indication from the success of the infill drill program that was concluded in 2019 of the robustness of the geological model; expectation that the tunnel under the Balsas River to reach the Media Luna deposit reduces the social complexity, minimizes surface disturbance, reduces costs, and reduces permitting risk; expectation that incorporating 30-degree ramps into mine designs will be a game changer for the industry; planned installation of the 30-degree ramp conveyor and expectation of demonstrating the potential of a mine that can eliminate diesel trucks and transport ore up and out of the mine with an electrically powered conveyor; the expectation that 2020 to be a year of solid cash flow, advancement of the Media Luna growth project, and pushing forward with the proprietary Muckahi Mining System to fuel future growth; the expectation that the Company will be able to generate sufficient cash flow to satisfy the financial covenants under the Debt Facility and service its indebtedness on a timely basis; the expected successful completion of the ramp-up of the processing plant and achieving a steady state throughput rate of 13,000 tpd; near term growth opportunities in both the Sub-Sill and El Limón Deep zone and mid-term growth potential of Media Luna; plans to seek opportunities to acquire assets in the Americas that enable profitable and effective geographic diversification; achieving guidance and other objectives for 2020; expected metal recoveries; expected gold production, total cash costs per ounce of gold sold, AISC per ounce of gold sold and revenues from operations, and capital costs; goals of the Muckahi test program to successfully demonstrate the ability to load a conveyor on a 30-degree ramp and convey up that ramp, demonstrate the functionality of the tramming conveyor, demonstrate the ability to achieve the required fragmentation across multiple long hole open stopes, and demonstrate ability to remove muck completely with a slusher across multiple long hole open stopes; expectation the second stope to test Muckahi will further validate the fragmentation results of the blasting and the mucking rates of the slusher; expected timing of installing the 30-degree conveyor and the delivery of the tramming conveyor; the ability to mine and process estimated mineral reserves; expectation that depreciation in 2020 will range between \$250 to \$300 million reflecting in part an increase in depreciation of previously capitalized deferred stripping; the expectation for 2020 that the diesel credit in Mexico will no longer be available and the effective tax rate for the Company will be 45% to 50%; plans to continue with gold hedging arrangements beyond the current 12-month hedge; expected recovery and timing of receipt of value-added tax; further advances of funds if required, pursuant to the Debt Facility (which is subject to certain customary conditions precedent); continued unimpeded operations; expectation that the Debt Facility will provide greater flexibility and permit the development of Media Luna, the Muckahi mining system and other existing and future projects of the Company; plans to continue testing the Muckahi mining system, including without limitation, the testing of the tramming conveyor, fragmentation and mucking with a slusher; expected continued mining of the ELD using Muckahi; expectation of achieving goal of demonstrating the effectiveness of the Muckahi mining system; plan to advance the Media Luna Project from early stage development to production; plans to complete the infill drilling programs on Media Luna and related budgets; expectation that the infill drill program in 2020 at Media Luna will upgrade a greater proportion of mineral resources to indicated confidence category and in time to incorporate into the feasibility study; expectation that additional infill drill programs will be completed at Media Luna and that the programs will be successful in upgrading inferred tonnes to indicated confidence category; plans to complete key trade off studies; plans to complete early field survey and technical study work in support of the permitting and approval process for Media Luna; plans to start the tunnel from the ELG to Media Luna in Q3 2020 and expectation that this early start to the tunnel will de-risk this component of the development schedule; expectation that the Company will be able to secure required permits in order to commence commercial production; plan and timeline to complete a feasibility study and subject to the outcome of the feasibility study, among other things, projected timeline for commencement of production; plans to fund expenditures to construct Media Luna from cash flows from the ELG Open Pits and ELG Underground; the estimate of Media Luna's precommercial expenditures, net of precommercial revenues; plans to diversify the Company's single asset risk; the focus of exploration programs on advancing known mineralization and mineral resources to production, and remediation plans and estimated associated costs; status of the patent application for Muckahi as patent pending; and plans to advance known mineralization and resources to production, including, infill drilling programs on Sub-Sill and El Limon Deep to with a purpose of upgrading resource confidence class. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans," "expects," or "does not expect," "is expected," "budget," "scheduled," "goal," "estimates," "forecasts," "intends," "anticipates," or "does not anticipate," "believes" or "potential" or variations of such words and phrases or statements that certain actions, events or results "may," "could," "would," "might," or "will be taken," "occur," or "be achieved." Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including risks associated with the ramp-up of the processing plant to steady state production of 13,000 tpd; predictability of the grade; ability to achieve design gold recovery levels; fluctuation in gold and other metal prices; commodity price risk; currency exchange rate fluctuations; capital and operational cost estimates; satisfying financial covenants under the Debt Facility; illegal blockades; dependence on good relationships with employees and contractors and labour unions; dependence on key executives and employees; limited operating history; generating positive cash flow; the ability of the Company to secure additional financing if required; the safety and security of the Company properties; servicing of the indebtedness of the Company; the ability to secure necessary permits and licenses, title to the land on which the Company operates, including surface and access rights; foreign operations and political and country risk; the uncertainty of diversifying the Company's single asset risk; government policies and practices in respect of the administration of recovery of VAT funds and recovery of VAT funds; exploration, development, exploitation and the mining industry generally; environmental risks and hazards; decommissioning and reclamation costs; parameters and assumptions underlying mineral resource and mineral reserve estimates and financial analyses being incorrect; actual results of current exploration, development and exploitation activities not being consistent with expectation; risks associated with skarn deposits; potential litigation; hiring the required personnel and maintaining personnel relations; future commodity prices; infrastructure; single property focus; use and reliance

of experts outside Canada; competition; hedging contracts; interest rate risk; price and volatility of public stock; conflicts of interest of certain personnel; credit and liquidity risk; compliance with anti-corruption laws; enforcement of legal rights; accounting policies and internal controls as well as those risk factors included herein and elsewhere in the Company's public disclosure.

Table 1: Operating and financial results summary

		Three Months Ended				Year Ended		
		Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Dec 31, 2018	
<i>In millions of U.S. dollars, unless otherwise noted</i>								
Operating Data								
Mining								
Ore tonnes mined	kt	1,573	1,416	1,810	1,153	1,234	5,952	4,329
Waste tonnes mined	kt	10,795	11,923	11,450	12,281	10,065	46,449	28,296
Total tonnes mined	kt	12,368	13,339	13,260	13,434	11,299	52,401	32,625
Strip ratio ²	waste:ore	7.3	9.1	6.8	11.5	8.6	8.4	6.7
Average gold grade of ore mined ⁴	gpt	3.06	3.19	2.91	2.45	2.76	2.92	2.69
Ore in stockpile ⁵	mt	2.4	1.9	1.7	0.9	0.8	2.4	0.8
Processing								
Total tonnes processed	kt	1,116	1,139	1,062	1,076	1,197	4,393	4,152
Average plant throughput	tpd	12,130	12,380	11,670	11,956	13,011	12,036	11,863
Average gold recovery	%	89	89	88	88	85	88	87
Average gold grade of ore processed	gpt	3.87	4.11	3.92	2.62	2.93	3.64	2.97
Production and sales								
Gold produced	oz	125,151	138,145	113,645	77,870	96,316	454,811	353,947
Gold sold	oz	126,910	132,535	113,419	76,473	104,169	449,337	347,640
Financial Data								
Revenue	\$	190.0	198.2	150.7	101.9	130.7	640.8	442.9
Cost of sales	\$	149.0	130.1	115.7	85.1	96.5	479.9	334.7
Earnings from mine operations	\$	41.0	68.1	35.0	16.8	34.2	160.9	108.2
Net income (loss)	\$	35.1	27.4	10.0	(1.3)	1.4	71.2	23.2
Per share - Basic	\$/share	0.41	0.32	0.12	(0.02)	0.02	0.84	0.27
Per share - Diluted	\$/share	0.41	0.32	0.12	(0.02)	0.02	0.83	0.27
Adjusted net earnings (loss) ¹	\$	34.0	30.8	8.8	(5.7)	13.9	67.8	19.7
Per share - Basic ¹	\$/share	0.40	0.36	0.10	(0.07)	0.16	0.80	0.23
Per share - Diluted ¹	\$/share	0.40	0.36	0.10	(0.07)	0.16	0.79	0.23
EBITDA ¹	\$	102.2	116.6	74.3	37.2	56.1	330.3	185.7
Adjusted EBITDA ¹	\$	105.1	115.1	76.5	36.2	57.5	332.9	181.9
Cost of sales	\$/oz	1,174	982	1,020	1,113	926	1,068	963
Total cash costs ¹	\$/oz	617	561	606	745	627	619	646
All-in sustaining costs ¹	\$/oz	767	675	760	1,161	926	805	964
Average realized gold price ¹	\$/oz	1,481	1,478	1,314	1,302	1,235	1,408	1,261
Cash from operating activities	\$	97.9	122.5	48.6	32.3	59.3	301.3	226.8
Cash from operating activities before changes in non-cash working capital ⁶	\$	101.4	116.9	72.6	36.4	61.2	327.3	185.5
Free cash flow ¹	\$	71.6	96.4	20.6	(7.4)	18.8	181.2	85.9
Net debt ¹	\$	21.7	97.2	221.2	234.4	220.3	21.7	220.3
Cash and cash equivalents	\$	161.8	168.0	83.5	91.6	122.2	161.8	122.2
Restricted cash	\$	-	-	32.3	26.9	26.8	-	26.8
Working capital (deficiency) ³	\$	96.5	116.7	(27.4)	18.1	41.6	96.5	41.6
Total debt	\$	174.9	255.7	298.2	318.3	333.5	174.9	333.5
Total assets	\$	1,229.6	1,263.1	1,230.2	1,251.7	1,271.4	1,229.6	1,271.4
Total liabilities	\$	394.8	464.6	461.0	493.8	511.8	394.8	511.8

- Adjusted net earnings (loss), total cash costs, all-in sustaining costs, average realized gold price, EBITDA, adjusted EBITDA, free cash flow and net debt are financial performance measures with no standard meaning under International Financial Reporting Standards ("IFRS"). Refer to "Non-IFRS Financial Performance Measures" for further information and a detailed reconciliation.
- Ore mined from the ELG Underground of 98 kt and 400 kt is included in ore tonnes mined and excluded from the strip ratio in the three and twelve months ended December 31, 2019, respectively. For the three months ended September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, ore mined from the ELG Underground was 102 kt, 117 kt, 83 kt and 67 kt, respectively.
- Current liabilities at June 30, 2019 included a scheduled repayment of \$75.0 million in June 2020 under the 2017 Revolving Facility. As a result of the refinancing, the \$75.0 million due under the 2017 Revolving Facility was deferred.
- Included within average gold grade of ore mined is the mined long term, low grade inventory. Excluding the long term, low grade inventory, the average gold grade of ore mined is 3.23 gpt and 3.18 gpt for the three and twelve months ended December 31, 2019. For the three months ended September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, the average gold grade of ore mined is 3.37 gpt, 3.33 gpt, 2.66 gpt and 2.92 gpt, respectively.
- Included within ore in stockpile is 0.8 mt of long term, low grade inventory, with a carrying value of nil at December 31, 2019. As at September 30, 2019, June 30, 2019, March 31, 2019, and December 31, 2018, the long term, low grade inventory was 0.6 mt, 0.5 mt, 0.2 mt and 0.1 mt, respectively, with nil carrying value. As at December 31, 2019 the long term, low grade inventory has an average grade of 0.87 gpt.
- Cash generated from operating activities before changes in non-cash working capital was amended to exclude current income tax expense in order to align with changes in presentation of the Company's Statement of Cash Flows.
- Sum of the quarters may not add to the year to date amounts due to rounding. 2018 represents 350 days of operations due to the illegal 'Blockade'.