Torex Rebounds From Blockade with Excellent Q2 2018 Results and Near Record Gold Production

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

TORONTO, Aug. 09, 2018 - Torex Gold Resources Inc. (the "Company" or "Torex") (TSX:TXG) reported today the Company’s financial results for the three and six months ended June 30, 2018.

Fred Stanford, President & CEO of Torex stated: “Having successfully emerged from the blockade, we are pleased to announce solid second quarter results, from near-record level gold production. These operational results reflect the impressive success our team has had in dealing with the uncertainty of a restart and ramp up.

Coming out of the blockade with minimal ore stockpiles, mining was the priority issue. By June, we had rehired a workforce and had the mine running at design rates, with the mine exceeding design rates in July. In the processing plant the focus has been on throughput rates, which rose steadily through the quarter and met design levels in the latter half of July. The team is well on track to completing the ramp-up and being able to consistently produce at design rates by year end. The SART plant construction was completed on schedule by the end of the quarter, and we will continue to refine the plant's operation through Q3, when it will deliver on cost reduction. Sub-Sill mining rates have ramped up aggressively during the quarter. Mining activity is still largely focused on installing infrastructure in waste. In July, the second portal into the underground mine was collared and the final mining permits were received. Sub-Sill ore production will ramp up later in the year.

There are many upcoming catalysts for an exciting second half of 2018. At Media Luna, four diamond drills are turning on a program to intersect 175 infill targets by late 2019. Nineteen targets have been intersected by the end of July, and assays are pending. The comprehensive property-wide Technical Report, which includes an updated PEA for Media Luna is advancing well and is expected to be released in the next few weeks. This Technical Report will also include an examination of the potential of a new mining technology (Muckahi) that we are developing. We look forward to a technical session in September to share the potential of the technology with investors and analysts. In conclusion, it promises to be a productive year, and we all look forward to advancing the multiple ways that are available to deliver value from this property."

This release should be read in conjunction with the Company's June 30, 2018 Financial Statements and MD&A on the Company's website or on SEDAR.

HIGHLIGHTS

- Gold produced in the quarter totalled 78,796 ounces in Dore, and an additional 1,300 ounces in carbon fines. Gold produced for the six months totalled 145,963 ounces in Dore, and an additional 10,187 ounces in carbon fines.
- Mine production in the quarter totalled 7,155 kt, averaged 78,629 tpd. For the six months, mine production totalled 10,234 kt, averaged 61,652 tpd[1].
- Mine ore production in the quarter totalled 1,278 kt, averaged 14,046 tpd. For the six months, mine ore production totalled 1,849 kt, averaging 11,140 tpd.
- Average grade mined in the quarter was 2.45 gpt, and 2.71 gpt for the six months.
- Plant throughput in the quarter of 1,000 kt, averaged 10,989 tpd. Plant throughput in the six months of 1,785 kt, averaged 10,753 tpd. Throughput in the month of June 2018 was 12,718 tpd and throughput in the month of July 2018 was 12,608 tpd, including 14,144 tpd in second half of July 2018.
- Average grade processed in the quarter of 2.86 gpt and 2.98 gpt for the six months.

- Gold recovery averaged 87% in the quarter and 87% in the six months, consistent with design expectations.
- SART plant construction is complete and has been turned over to the operating team to continue the ramp up to design capacity.
- Principal repayments of $12.9 million in the quarter and $22.2 million in the six months were made to reduce the Term Loan under the Debt Facility to $277.8 million.

The blockade ended and full access to the ELG Mine Complex has been restored

- On April 6, 2018, after a negotiation with community leaders that the Company was not a party to, the supporters of the Miners Union (Los Mineros) ended the illegal blockade (the “Blockade”). On April 10, 2018, the Company received notification from the Federal Labour Board that the Miners Union had withdrawn their application to challenge to become the legally constituted incumbent union for the Company’s union-eligible employees. In April 2018, plant throughput was constrained as mine production transitioned to the El Limón Pit, which had been unavailable during the Blockade. Ramp up to full production and throughput continued throughout the quarter, ramping up to the declared objective in June.

Grade and tonnage continue to reconcile well to the reserve model for the ELG Open Pits

- Total ounce reconciliation of 103% to the reserve model for the quarter, and 104% for the six months.
- Grade reconciliation of 93% to the reserve model for both the quarter and for the six months.

Pursuing underground mining innovation (Muckahi)

- In June 2018, the Company’s President and Chief Executive Officer (“CEO”) sold, assigned and transferred to the Company (the “Assignment”), with the exception of trademarks, his entire right, title and interest in a proprietary mining system (the “Mining System” which is sometimes referred to as “Muckahi”) for use in underground mines for nominal consideration. The transaction is accounted for at the exchange amount based on the consideration. All subsequent improvements to this system will be owned by the Company. The Company will grant an irrevocable license (the “License” and together with the Assignment, the “IP Agreements”), any intellectual property associated with the Mining System, including any improvements, to Muckahi Inc., an entity controlled by the Company’s CEO. During his tenure as CEO, Muckahi Inc. will not be permitted to make use of the License. The Mining System is currently in the evaluation stage and if determined viable, the Company may use the system in current or future underground mining operations or for commercial purposes. The board of directors of the Corporation (the “Board”) appointed a committee of independent directors (the “Independent Committee”) to negotiate the terms of the IP Agreements and make a recommendation to the Board thereon. The Board approved the IP Agreements, taking into consideration, among other matters, the Independent Committee’s determination that the terms of the IP Agreements are fair, reasonable and in the best interests of the Corporation and their recommendation to approve the IP Agreements.

Financial results

- Gold sold for the quarter totalled 77,646 ounces for total proceeds of $101.1 million at an average realized gold price[1] of $1,302 per ounce. Gold sold for the six months ended June 30, 2018 totalled 140,552 ounces for total proceeds of $184.8 million at an average realized gold price[1] of $1,315 per ounce.

- Revenue totalled $101.8 million and cost of sales totalled $78.3 million, or $1,008 per ounce of gold sold for the quarter. Revenue totalled $185.8 million and cost of sales totalled $143.5 million, or $1,021 per ounce of gold sold for the six months ended June 30, 2018.

- Earnings from mine operations totalled $23.5 million for the quarter, and $42.3 million for the six months ended June 30, 2018.

- Income before income tax totalled $5.4 million for the quarter, and $11.6 million for the six months ended June 30, 2018.

- Net loss after current and deferred income tax expense totalled $12.3 million or $0.14 share, on a basic and diluted basis for the quarter, and $2.1 million, or $0.03 per share, on a basic and diluted basis for the six months ended June 30, 2018. The weakening of the Peso had a significant impact on the deferred tax expense calculated for the periods.

- Adjusted net earnings[2], which excludes, amongst other items, unrealized derivative and foreign exchange gains and losses, totalled $10.6 million, or $0.13 per share on a basic and diluted basis for the quarter, and adjusted net loss of $1.5 million, or $0.02 per share on a basic and diluted basis for the six months ended June 30, 2018.

- Cash flow from operations totalled $37.2 million for the quarter, and $89.7 million for the six months ended June 30, 2018.

- Cash balances as at June 30, 2018 totalled $117.9 million (including restricted cash of $26.5 million).

- Total cash costs[1] of $680 per ounce of gold sold for the quarter, and $702 per ounce of gold sold for the six months ended June 30, 2018.

- All-in sustaining costs[1] of $1,017 per ounce of gold sold for the quarter, and $989 per ounce of gold sold for the six months ended June 30, 2018.

- Ore in stockpile as at June 30, 2018 was 0.8 million tonnes at an average estimated grade of 1.48 gpt.

- Full year guidance is unchanged from initial release.

Qualified Persons

Scientific and technical information contained in this news release has been reviewed and approved by Dawson Proudfoot, P.Eng., Vice President, Engineering of Torex Gold Resources Inc. and a Qualified Person under NI 43-101 – Standards of Disclosure for Mineral Projects.

Conference Call

The Company will host a conference call today at 9:00 am (ET) where senior management will discuss the second quarter of 2018 operational and financial results. Access the conference call as follows:

Webcast access: A live audio webcast of the conference call will be available on the Company’s website at www.torexgold.com.

Telephone access: Please call the numbers below approximately ten minutes prior to the scheduled start of the call.
Toronto local or international 1 (416) 915-3239
Toll-Free (North America) 1 800-319-4610
Toll-Free (France) 0 800-900-351
Toll-Free (Switzerland) 0-800-802-457
Toll-Free (United Kingdom) 0 808-101-2791

The webcast will be archived on the Company’s website.

About Torex

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 (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, 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 a preliminary economic assessment in 2015. The property remains 75% unexplored.

For further information, please contact:

Torex Gold Resources Inc.

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CAUTIONARY NOTE REGARDING 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 further disruptions of its operations. Forward-looking information also includes, but is not limited to, the Company will achieve the full year guidance as initially released, the expected successful completion of the ramp-up, including, the ramp-up of the processing plant to consistently produce at design rates by year-end and the ramp up of Sub-Sill ore production, completing the commissioning and ramp up of the SART plant and achieving the expected cost reductions, the completion and timing of an updated Technical Report, including an updated PEA for Media Luna, the completion and timing of the drilling program on Media Luna, plans to further examine the potential of the new mining technology (Muckahi) , and continued safety and security. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or “potential” or variations of such words and phrases or state 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, without limitation, those risk factors identified in the Company's annual information form and management's discussion and analysis. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management, made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. 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. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

[1] Due to the Blockade, there were only 75 days of partial operations in the first quarter of 2018.

[2] Refer to “Non-IFRS Financial Performance Measures” in the Company’s Q2 2018 Management’s Discussion and Analysis for further information and a detailed reconciliation.

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