

Torex Gold Closes 2020 With Record Financial Results

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TORONTO, Feb. 24, 2021 - [Torex Gold Resources Inc.](#) (the "Company" or "Torex") (TSX: TXG) reports financial and operational results for the three months and year ended December 31, 2020.

Jody Kuzenko, President & CEO of Torex, stated:

"2020 was a record-breaking year for many aspects of our business despite the challenges associated with COVID-19. Gold sales of 437,310 ounces at a realized gold price of \$1,771/oz resulted in revenue of \$789 million, a 23% increase from last year and the highest in our history. Our strong operational performance, in combination with a resurgent gold price, underpinned our strongest annual financial performance ever, with record net income of \$109 million, record adjusted EBITDA of \$431 million and record operating cash flow of \$342 million. Our ongoing focus on cost containment also paid off, with full year TCC¹ and AISC¹ coming in below the bottom end of revised guidance.

"Our balance sheet has never been stronger. We exited 2020 with net cash of \$162 million, a \$183 million increase in net cash year-over-year. As of year-end, total debt outstanding excluding finance leases stood at \$40 million compared to \$180 million at the end of 2019.

"With the Company forecast to be debt free in Q1 2021 and strong ongoing cash flow expected from ELG, Torex is well positioned to fully fund and bring Media Luna into production in early 2024. In doing so, we will deliver a smooth transition between the ramp down of the ELG open pits and Media Luna coming online, prove out the potential of Muckahi, and invest in exploration to further develop the ELG underground and find our next mine within the broader Morelos land package.

"As I reflect upon our 2020 results, I am most proud of our record-breaking safety performance, achieving 10 million hours worked without a lost-time injury from April 2019 to December 2020 and exiting the year with a lost-time injury frequency of 0.15 per million hours worked.

"Against the backdrop of COVID-19 and all the complexities that presented, our strong operational and financial performance is a direct result of the hard work and dedication of Torex's employees and contractors as well as the strong relationships we have built with our host communities. We have created significant momentum in our ability as a team to deliver exceptional operational and financial results, and we are well-positioned to keep it up in 2021."

FULL YEAR 2020 HIGHLIGHTS

- Record safety performance: Exited the year with a lost-time injury frequency of 0.15 per million hours worked following a finger injury in December. Prior to the injury, the Company achieved more than 10 million hours worked without a lost time injury, with the last lost time injury recorded in April 2019. The total recordable injury frequency stood at 2.52 per million hours worked at year-end versus 4.05 at the end of 2019.
- Gold production: Produced 430,484 ounces in 2020, surpassing the high end of revised guidance (390,000 to 420,000 ounces) issued following the COVID-19 shutdown and the low end of original guidance (420,000 to 480,000 ounces).
- Gold sold: Full year sales of 437,310 ounces at an average realized gold price¹ of \$1,771/oz, which resulted in record total revenue of \$789 million, a 23% increase year-over-year.

- Total cash costs per ounce of gold sold¹: Total cash costs (TCC) of \$672/oz, better than the revised guidance range (\$695/oz to \$740/oz).
- All-in sustaining costs per ounce of gold sold¹: All-in sustaining costs (AISC) of \$924/oz, better than the bottom end of revised guidance (\$965/oz to \$1,025/oz) and within the original guidance range (\$900/oz to \$960/oz).
- Record net income and adjusted net earnings¹: Reported record net income of \$109.0 million or \$1.27 per share on a basic basis and \$1.25 per share on a diluted basis. Excluding, amongst other items, care and maintenance costs, unrealized gains and losses and non-cash foreign exchange adjustments, adjusted net income totalled a record \$135.7 million, or \$1.59 per share on a basic and \$1.58 diluted basis.
- Record EBITDA¹ and adjusted EBITDA¹: Record EBITDA of \$413.0 million and record adjusted EBITDA of \$431.4 million.
- Record cash flow from operations: Record cash flow from operations of \$342.1 million (\$328.8 million prior to changes in non-cash working capital). During the year, the Company paid \$103.3 million in taxes (including the 7.5% mining tax) of which \$38.9 million related to taxes outstanding at the end of 2019. The Company anticipates \$53.6 million of taxes related to 2020 (including the 7.5% mining tax), in addition to monthly income tax installments for 2021, to be paid out in March 2021.
- Free cash flow¹: Free cash flow of \$168.1 million (\$253.4 million prior to non-sustaining capital expenditures).
- Cash balance: Ended the year with cash and short-term investments of \$206.2 million.
- Total outstanding debt: As of year-end, total debt excluding finance leases stood at \$40.0 million compared to \$180.0 million at the end of 2019.
- Net cash¹: Exited 2020 with net cash of \$161.6 million, reflecting a \$183.3 million increase year-over-year. Over the last two years, net cash has improved \$381.9 million.

FOURTH QUARTER 2020 HIGHLIGHTS

- Gold production: Produced 130,649 ounces of gold, the third highest quarter of production on record.
- Record gold sold: Record gold sold of 133,063 ounces of gold at an average realized price of \$1,847/oz.
- Total cash costs¹ and All-in sustaining costs¹: Total cash cost of \$579/oz and all-in sustaining cost of \$886/oz.
- Record net income and adjusted net earnings¹: Reported record net income of \$91.9 million or \$1.07 per share on a basic basis and \$1.05 per share on a diluted basis. Record adjusted net income of \$60.9 million, or \$0.71 per share on a basic and diluted basis.
- Record EBITDA¹ and Adjusted EBITDA¹: Generated record EBITDA of \$165.9 million and record adjusted EBITDA of \$158.5 million.
- Cash flow from operations: Cash flow from operations totalled \$137.1 million (\$140.8 million prior to changes in non-cash working capital).
- Free cash flow¹: Generated \$70.3 million in free cash flow (\$104.1 million prior to non-sustaining capital expenditures).
- Debt payments: Repaid \$116.3 million (\$116.9 including leases) of outstanding debt during the quarter.

¹Refer to "Non-IFRS Financial Performance Measures" in the Company's December 31, 2020 MD&A for further information and a detailed reconciliation.

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 or access the webcast 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 webcast of the conference call will be available on the Company's website at www.torexgold.com/investors/webcasts. The webcast will be archived on the Company's website.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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CAUTIONARY NOTES

Non-IFRS Performance Measures

Average realized price is a financial performance measure with no standard meaning under International Financial Reporting Standards ("IFRS"). Please refer to the "Non-IFRS Financial Performance Measures" section in the Company's management discussion and analysis for the year ended December 31, 2020 dated February 23, 2021, available on the Company's SEDAR profile at www.sedar.com and the Company's website at www.torexgold.com for further information with respect to total cash costs per ounce of gold sold, all-in sustaining costs per ounce of gold sold, record net income and adjusted net earnings, average realized price, EBITDA, adjusted EBITDA and free cash flow, and a detailed reconciliation of these non-IFRS financial performance measures to the most directly comparable measures under IFRS.

Muckahi Mining System

The Media Luna PEA includes information on Muckahi. It is important to note that Muckahi is experimental in nature and has not yet been tested in an operating mine. Since the date of the Technical Report, the majority of the components of the Muckahi system have been tested by Torex and their functionality demonstrated. Although, the components have not yet been tested together as a system to demonstrate the rates per day in which tunnels can be excavated and material removed from long hole open stopes. Testing of the integrated system will continue and is expected to be completed in the second quarter of 2021. Drill and blast fundamentals, standards and best practices for underground hard rock mining are applied in the Muckahi system as described in of the Technical Report, where applicable. The proposed application of a monorail system for underground transportation for mine development and production mining is unique to underground mining. There are existing underground mines that use a monorail system for transportation of materials and equipment, however not in the capacity of Muckahi which is described in detail in the Technical Report. The mine design, equipment performance and cost estimations involving Muckahi in the Technical Report are conceptual in nature, and do not demonstrate technical or economic viability.

Forward Looking Information

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information also includes, but is not limited to, statements that: with the Company forecast to be debt free in Q1 2021 and strong ongoing cash flow expected from ELG, Torex is well positioned to fully fund and bring Media Luna into production in early 2024; in doing so, we will deliver a smooth transition between the ramp down of the ELG open pits and Media Luna coming online, prove out the potential of Muckahi, and invest in exploration to further develop

the ELG underground and find our next mine within the broader Morelos land package; we have created significant momentum in our ability as a team to deliver exceptional operational and financial results, and we are well-positioned to keep it up in 2021; and, Testing of the integrated Muckahi system will continue and is expected to be completed in the second quarter of 2021. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "forecast" and "expects" or variations of such words and phrases or statements that certain actions, events or results "will", "well positioned to", or "is expected to" occur. 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, risks and uncertainties associated with: the ability of the Company to obtain permits for the Media Luna Project; the ability of the Company to conclude a feasibility study of the Media Luna Project that demonstrates within a reasonable confidence that the Media Luna Project can be successfully constructed and operated in a technically sound and economically viable manner; the ability of the Company to fully fund bringing the Media Luna Project into production; the ability of the Company's mining and exploration operations to operate as intended due to shortage of skilled employees or shortages in supply chains; the ability of employees to access sufficient healthcare; significant social upheavals; government or regulatory actions or inactions; taxation; the decreased demand or the ability to sell precious metals or declines in the price of precious metals; capital market volatility; uncertainty involving skarns deposits and the management of soluble iron; and those risk factors identified in the Technical Report and the Company's annual information form and management's discussion and analysis or other unknown but potentially significant impacts. Notwithstanding the Company's efforts, there can be no guarantee that the Company's measures to protect employees and surrounding communities from COVID-19 during this period will be effective. 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 & FINANCIAL RESULTS SUMMARY

		Three Months Ended			
		Dec 31, 2020	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020
<i>In millions of U.S. dollars, unless otherwise noted</i>					
Operating Data					
<i>Mining</i>					
Ore tonnes mined	kt	1,809	1,521	697	1,809
Waste tonnes mined	kt	10,399	10,097	4,435	11,131
Total tonnes mined	kt	12,208	11,618	5,132	13,040
Strip ratio ¹	waste:ore	6.2	7.2	6.7	6.8
Average gold grade of ore mined ²	gpt	3.14	3.15	3.07	2.5
Ore in stockpile ³	mt	4.1	3.4	3.1	3.1
<i>Processing</i>					
Total tonnes processed	kt	1,156	1,184	688	1,156
Average plant throughput ⁴	tpd	12,565	12,870	7,560	12,565
Average gold recovery	%	89	89	89	89
Average gold grade of ore processed	gpt	4.01	3.83	3.18	3.3
<i>Production and sales</i>					
Gold produced	oz	130,649	131,790	59,508	100,000
Gold sold	oz	133,063	133,036	63,147	100,000
Financial Data					
Revenue	\$	251.6	256.5	109.1	173.1
Cost of sales	\$	143.0	153.5	91.4	143.0
Earnings from mine operations	\$	108.6	103.0	17.7	27.1

Net income (loss)	\$	91.9	60.3	3.8	(47
Per share - Basic	\$/share	1.07	0.71	0.04	(0.
Per share - Diluted	\$/share	1.05	0.69	0.04	(0.
Adjusted net earnings ⁵	\$	60.9	51.3	3.6	19.
Per share - Basic ⁵	\$/share	0.71	0.60	0.04	0.2
Per share - Diluted ⁵	\$/share	0.71	0.59	0.04	0.2
EBITDA ⁵	\$	165.9	162.9	44.8	39.
Adjusted EBITDA ⁵	\$	158.5	156.2	49.3	67.
Cost of sales ⁶	\$/oz	1,075	1,154	1,447	1,3
Total cash costs ⁵	\$/oz	579	633	740	79.
All-in sustaining costs ⁵	\$/oz	886	877	1,015	97.
Average realized gold price ⁵	\$/oz	1,847	1,884	1,712	1,5
Cash from operating activities	\$	137.1	173.3	2.2	29.
Cash from operating activities before changes in non-cash working capital	\$	140.8	138.1	28.1	21.
Free cash flow (deficiency) ⁵	\$	70.3	124.2	(28.5)) 2.1
Net (cash) debt ⁵	\$	(161.6)	(77.1)	53.5	26.
Cash and cash equivalents and short-term investments	\$	206.2	236.0	176.9	13.
Working capital (deficiency)	\$	166.7	186.7	191.9	10.
Total debt	\$	43.4	155.0	225.2	15.
Total assets	\$	1,252.4	1,214.1	1,204.1	1,1
Total liabilities	\$	306.3	368.8	419.2	37.

- Ore mined from the ELG Underground (defined herein) of 120 kt and 366 kt is included in ore tonnes mined and excluded from the strip ratio in the three and twelve months ended December 31, 2020. For the three months ended September 30, 2020, June 30, 2020, March 31, 2020, and December 31, 2019, ore mined from the ELG Underground was 114 kt, 31 kt, 101 kt, and 98 kt, respectively.
- 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 3.62 gpt and 3.18 gpt for the three and twelve months ended December 31, 2020. For the three months ended September 30, June 30, 2020, March 31, 2020, and December 31, 2019, excluding the long term, low grade inventory, the average gold grade of ore mined is 3.25 gpt, 3.32 gpt, 2.62 gpt, and 3.23 gpt, respectively.
- Included within ore in stockpile is 1.4 mt of long term, low grade inventory, with a carrying value of nil at December 31, 2020. As at September 30, 2020, June 30, 2020, March 31, 2020, and December 31, 2019, the long term, low grade inventory was 1.0 mt, 1.0 mt, 0.9 mt, and 0.8 mt, respectively, with nil carrying value. As at December 31, 2020, the long term, low grade inventory has an average grade of 0.91 gpt.
- Tonnes per day for the three months ended June 30, 2020 and the twelve months ended December 31, 2020 are based on calendar days in the period of 91 and 366 days.
- Adjusted net earnings, total cash costs, all-in sustaining costs, average realized gold price, EBITDA, adjusted EBITDA, free cash flow (deficiency) and net (cash) debt 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.
- Cost of sales for the three months ended June 30, 2020 and the year ended December 31, 2020 includes \$11.1 million of care and maintenance costs incurred in the second quarter related to the COVID-19 suspension.
- Sum of quarters may not add to the year to date amounts due to rounding.

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