



## TOREX ANNOUNCES 2017 YEAR END FINANCIAL AND OPERATIONAL RESULTS

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

TORONTO, Ontario, February 22, 2018 - Torex Gold Resources Inc. (the "Company" or "Torex") (TSX:TXG) reported today the Company's financial results for the year ended December 31, 2017.

Fred Stanford, President & CEO of Torex stated: "We are happy to have 2017 behind us, with its ramp-up challenges and illegal blockade, now in the rear-view mirror. I would like to acknowledge the team for their excellent contribution in solving the inevitable ramp-up challenges and for their disciplined execution of the strategy to resume operations under blockade conditions. 2018 will be the year that the team completes the last 10% of the ramp-up and showcases the potential of the ELG asset. It will be a year rich in catalysts with the re-start, completion of the SART plant, completion of the ramp-up of the processing plant and the Sub-Sill, continued exploration results from Sub-Sill, and an updated PEA for Media Luna. It will be a busy and productive year, and we all look forward to getting on with it." He added – "A special thanks to the great many that have supported the team in a myriad of ways as we worked to by-pass the illegal blockade. That support has enabled the potential that 2018 provides for Torex shareholders, employees, and communities."

### ***Operations Update:***

The processing plant is processing between 10,000 – 15,000 tonnes per day. The three day ball mill liner change has been completed. Recoveries have been on plan at approximately 86%, and grades have averaged 2.3 g/t, as we blend in some of the lower grade ore from the stockpile. Ore is being processed from all three open pits, El Limon, Guajes and El Limon Sur. Approximately 50% of our employees have been called back to work, with the remaining employees expected to be called back by the end of the month. As of last Sunday, 25,000 ounces of gold have been poured since January 16 when the operations re-start was initiated. Cash reserves at the beginning of this week were \$118 million, including \$14 million set aside for reclamation obligations.

At the February 13 meeting to set a date for the union selection vote, the Labour Board and the two unions agreed to defer the meeting to March 15. While this process unfolds, operations continue to ramp up with excellent support from local communities, unionized employees, staff employees and contractors.

*This release should be read in conjunction with the Company's year ended December 31, 2017 Financial Statements and MD&A on the Company's website or on SEDAR.*

### **HIGHLIGHTS**

#### **An illegal blockade has been by-passed**

- An illegal blockade (the "Blockade") of the ELG Mine Complex by a competing labour union, demanding a change in labour union resulted in a complete shutdown of operations from November 3, 2017 to January 15, 2018. With community and employee support, an alternative access to the plant was established, which by-passed the Blockade, and facilitated the re-start of operations on January 16, 2018. On January 26, 2018, with tensions escalating between local communities, the state government authorities intervened and removed the Blockade. The legal process to determine which union will represent the unionized employees is on-going. The Company is prepared to work with whichever union the majority of union eligible employees select.

**Plant ramp-up activities now focused on closing the final 10% gap to design throughput levels**

- **Gold produced** totalled 28,162 ounces for the quarter and 240,873 ounces for the year.
- **Mine production** in the quarter, 2,952 kt, averaged 86,824 tpd. Mine production for the year totalled 26,450 kt, and averaged 86,156 tpd. **Mine ore production** in the quarter, 633 kt, averaged 18,618 tpd. Mine ore production for the year totalled 3,648 kt, and averaged 11,883 tpd.
- **Average grade mined** in the quarter was 3.03 gpt and 2.50 gpt in the year.
- **Plant throughput** in the quarter, 428 kt, averaged 12,588 tpd, or 90% of design capacity of 14,000 tpd. Plant throughput in the year, 3,710 kt, averaged 12,084 tpd, or 86% of design capacity in the year.
- **Average grades processed** in the quarter of 2.72 gpt and 2.43 gpt in the year.
- **Gold recovery** in the quarter averaged 85% and 86% in the year, consistent with design expectations.

**Financing**

- On January 29, 2018, the Company announced that it had entered into an agreement with a syndicate of underwriters led by BMO Capital Markets, under which the underwriters agreed to purchase, on a "bought deal" basis, 4,370,000 common shares at a price of C\$12.60 per common share for gross proceeds of approximately C\$55.0 million (the "Offering"). The Offering closed on February 7, 2018 and resulted in aggregate net proceeds of C\$58.5 million to the Company. As part of the Offering, the underwriters partially exercised their over-allotment option and subsequently purchased an additional 12% of the Offering with the remainder of the over-allotment option being exercised and closing on February 16, 2018, for aggregate net proceeds of C\$60.0 million to the Company.

**Maiden ELG Underground mineral reserves and mine plan**

- The **ELG Underground mine plan** includes 29 months of production, delivering 480 kt at 11.65 gpt containing 180,000 Au ounces. Total capital required is \$23.0 million with the majority in the first year.
- Step-out exploration drilling for the **Sub-Sill zone** continued to demonstrate the potential to add resources, with high grade intercepts beyond the boundaries of the current mine plan.
- **ELG open pit** mineral reserves and resources remain largely unchanged, except for depletion.

**Grade and tonnage reconciliation to the reserve model for the ELG Open Pits**

- **Total ounce reconciliation** of 89% to the reserve model for the quarter, and 104% for the year.
- **Grade reconciliation** of 88% to the reserve model for the quarter, and 108% for the year.

**Media Luna Project progressing**

- 25-year common land, lease agreement signed for the use of the land required for the exploration, construction, and mining of minerals at Media Luna.
- The Company initiated an in-fill drilling program budgeted at \$15.0 million to upgrade, to the Indicated confidence level, 25% of the current inferred resource of 7.4 million Au Equivalent ounces (51.5Mt @4.48g/t Au Eq.). The program will form the basis for a Media Luna feasibility study scheduled for the second half of 2019.

## Financial results

- **Net loss** totalled \$12.6 million, or \$0.16 per share, on a basic and diluted basis for the year, and **net loss** of \$25.0 million, or \$0.31 per share, on a basic and diluted basis for the quarter.
- **Adjusted net loss**<sup>1</sup> totalled \$14.3 million, or \$0.18 per share on a basic and diluted basis for the year, and **adjusted net loss**<sup>1</sup> of \$20.0 million, or \$0.25 per share on a basic and diluted basis for the quarter.
- **Earnings from mine operations** totalled \$54.7 million for the year, and \$6.7 million for the quarter.
- **Cash flow from operations** totalled \$73.6 million for the year, and cash outflows from operations of \$6.6 million for the quarter.
- **Revenue** totalled \$314.9 million and **cost of sales** totalled \$260.2 million, or \$1,046 per ounce of gold sold for the year ended December 31, 2017. **Revenue** totalled \$40.8 million and **cost of sales** totalled \$34.1 million, or \$1,086 per ounce of gold sold for the quarter.
- **Gold sold** for the year ended December 31, 2017 totalled 248,797 ounces for total proceeds of \$311.9 million at an **average realized gold price**<sup>1</sup> of \$1,254 per ounce. **Gold sold** for the quarter totalled 31,398 ounces sold for total proceeds of \$40.3 million at an **average realized gold price**<sup>1</sup> of \$1,284 per ounce.
- **Cash balances** as at December 31, 2017 totalled \$58.8 million (including restricted cash of \$13.9 million).
- **Total cash costs**<sup>1</sup> of \$709 per ounce of gold sold for the year ended December 31, 2017, and \$755 per ounce of gold sold for the quarter.
- **All-in sustaining costs**<sup>1</sup> of \$989 per ounce of gold sold for the year ended December 31, 2017, and \$1,016 per ounce of gold sold for the quarter.

## 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 2017 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](http://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.*

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<sup>1</sup> Refer to "Non-IFRS Financial Performance Measures" in the Company's December 31, 2017 Management's Discussion and Analysis for further information and a detailed reconciliation.

## 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, El Limón Deep and 71, 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:

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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 expected successful completion of the ramp-up, completion of the SART plant, completion of the ramp-up of the processing plant and the Sub-Sill, exploration results from the Sub-Sill and the completion and timing of an updated PEA for Media Luna and the related in-fill drilling program, the union selection vote, the expected production from the ELG Underground mine plan and related capital requirements, 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" or "believes" 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.