

TOREX GOLD PROVIDES Q4 2023 UPDATE ON MEDIA LUNA PROJECT

Available funding now exceeds remaining capex, with 84% of upfront expenditures committed

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

TORONTO, Ontario, February 7, 2024 – Torex Gold Resources Inc. (the “Company” or “Torex”) (TSX: TXG) provides Q4 2023 update on the development of its Media Luna Project (“Media Luna”). Unless otherwise stated, progress and milestones referenced in this press release are as of December 31, 2023.

Jody Kuzenko, President & CEO of Torex, stated:

“Development of Media Luna remains on track for first production in Q4 2024 followed by commercial production in early 2025. The successful completion of Media Luna is expected to result in a return to positive free cash flow in mid-2025 as production ramps up and capital expenditures normalize.

“We achieved several key de-risking milestones during Q4 2023. Importantly, we broke through in the schedule critical Guajes Tunnel in late December, three months ahead of plan, which has resulted in opportunities for efficiency gains in underground development. We also received the amended permit for in-pit tailings deposition in November, which means the project is now fully permitted for both the development and operational phases. With 84% of upfront expenditures committed (including 56% incurred), expenditures to date have tracked reasonably well to the initial budget of \$874.5 million, noting the stronger Mexican peso remains a headwind to contend with. Quarterly expenditures are expected to remain consistent through Q3 2024 before declining in Q4 2024 as the project nears completion.

“With more than \$450 million in available liquidity at year end, our liquidity position has surpassed the remaining estimated project spend of \$383.5 million. This favourable funding position, in addition to expected strong and consistent cash flow from ELG, will provide substantial capital buffer in the final year of project construction and ramp-up to commercial production in early 2025.

“With significant progress behind us and strong momentum going into 2024, we are confident in our ability to bring Media Luna into production by year end. The anticipated completion of the project, in addition to ongoing exploration success at Morelos, our track record of consistent and reliable production, and transition back to positive free cash flow in 2025, puts us on solid ground to drive long-term value for our current and future shareholders as we grow our operations in Mexico and beyond.”

CAPITAL EXPENDITURES

During Q4 2023, \$124.0 million was invested in the project, the highest quarterly spend to date. Total spend in 2023 was \$366.3 million, in line with revised annual project guidance of \$360 to \$390 million. \$350 to \$400 million has been guided for project capital expenditures in 2024, with quarterly expenditures through Q3 2024 expected to be similar to the level experienced in Q4 2023, before declining as the project nears completion.

Table 1: Media Luna Project – Project Expenditures (April 1, 2022 through December 31, 2023)

<i>Millions of U.S. dollars</i>	Project To Date Q4 2023
Project expenditures per 2022 Technical Report	\$848.4
Adjustment for Q1 2022 underspend	\$26.1
Total budgeted spend post March 31, 2022	\$874.5
Expenditures incurred post March 31, 2022	(\$491.0)
Remaining spend	\$383.5
<i>Committed expenditures (inclusive of total project expenditures incurred to date)</i>	<i>\$731.1</i>
<i>Uncommitted expenditures</i>	<i>\$143.4</i>

1) Project period commenced on April 1, 2022; excludes capital expenditures incurred prior to Board approval on March 31, 2022.

2) Project period is defined as April 1, 2022 through December 31, 2024.

3) Excludes borrowing costs capitalized.

To date, upfront expenditures have tracked reasonably well to the initial budget of \$874.5 million, noting the strength of the Mexican peso and general inflationary environment remain headwinds to contend with. As at year end, \$731.1 million of expenditures had been committed (84%), including \$491.0 million incurred (56%).

As reported previously, the Company has entered into a series of zero-cost collars to hedge against changes in foreign exchange rates of the Mexican peso. The average floor price of the collars is 17.38 Mexican pesos per U.S. dollar and the average ceiling price is 20.00, with the collars covering the remaining project period (through December 2024). Approximately 45% of the remaining expenditures are expected to be denominated in pesos and the level hedged represents approximately 50% of the peso-denominated expenditures. The initial upfront capital cost of developing Media Luna assumed a Mexican peso of 20.0, which, weighted by quarterly expenditures, has averaged 18.6 since the project commenced on April 1, 2022 through year-end 2023. During 2023, the Mexican peso averaged 17.7 and is currently trading around 17.0.

PROJECT COMPLETION

As at quarter end, development of Media Luna was tracking to plan, with the project 60% complete, up from 49% at the start of the quarter. Detailed engineering is at the 84% completion mark, while procurement is 63% complete. The pace of underground development/construction and surface construction picked up as anticipated, with completion levels at 60% and 41% respectively. Based on the current schedule, the tie-in of upgrades to the processing plant are still on track to occur over a four-week period during the fourth quarter of 2024, which will allow for commissioning and first concentrate production in late 2024 and commercial production in early 2025.

Table 2: Media Luna Project – Project Completion (April 1, 2022 through December 31, 2023)

	Project To Date Q4 2023
Procurement	63%
Engineering	84%
Underground development/construction	60%
Surface construction	41%
Total Project	60%

Notes to Table

- 1) Physical progress measured starting as of April 1, 2022; excludes progress made prior to Board approval on March 31, 2022.
- 2) Project period is defined as April 1, 2022 through December 31, 2024.
- 3) Total Project is weighted average based on activity levels.

Engineering

The pace of detailed engineering continued to increase during the fourth quarter. Underground engineering activities included issuing steel and concrete drawings for construction of the battery swap and charging stations. On surface, drawings were issued for construction in key areas including paste plant steel and flotation area piping. Engineering teams are completing detailed drawings for the electrical e-houses and gear, focusing on design that supports the advancement of priority construction activities and purchase orders, and expediting vendor reviews to shorten delivery timelines.

Procurement

During the quarter, the Company awarded several key purchase orders covering flotation, water treatment, underground fire suppression systems, and contracts for structural, mechanical, piping, and electrical instrumentation (SMPEI). The balance of orders for surface electrical rooms and large electrical gear have been placed. Deliveries of the pipe for the slurry line through the Guajes Tunnel are underway, with more than 900 metres (“m”) delivered in December. Ventilation louvers and door regulators for underground were also delivered to site.

Mobile equipment deliveries began during the quarter, including the delivery of a Sandvik Rhino raise borer and the first Sandvik electric jumbo. A Sandvik equipment training simulator arrived the first week of December and initial training for jumbo crews has been conducted. Deliveries have been moved forward for ore and waste grizzly screens, press frames and chutes to account for earlier delivery of first ore with the completion of the Guajes Tunnel ahead of schedule.

Underground Development and Construction

Breakthrough of the Guajes Tunnel on the south side of the Balsas River was achieved in late December, well ahead of the March 2024 breakthrough date assumed in the Technical Report. Following the breakthrough, the tunnel crews were re-deployed to progress development work on Media Luna Lower. Anchor bolting for the Guajes Tunnel conveyor commenced in January as the majority of the conveyor components, including all of the conveyor tables and belt segments, have been received.

Steady progress was also made on in-mine development during the quarter. Of the 23,289 m of lateral and vertical development targeted for the project to date, underground development teams had achieved an impressive 22,297 m by year end. Approximately 7,400 m of capital development (lateral and vertical) and approximately 7,400 m of operating development remain for 2024. Important electrical infrastructure was installed and commissioned, including ground fault panels and electrical panels to feed Media Luna Lower equipment from the Guajes Tunnel. On the ventilation front, the temporary west adit vent fans were installed and commissioned during the quarter, which greatly improved the circulation of fresh air supply through Media Luna. As of the end of December, there were twenty active headings, including eleven in Media Luna Lower and nine in Media Luna Upper. Development in areas of key underground infrastructure advanced, including completion of four out of the five rock-breaker station excavations and pilot Alimak raises for both ore bins in Media Luna Lower.

Surface Construction

On the north side of the Balsas River, concrete has been poured for the screen tower at the grinding building and steel erection has started with the plan to tie-in the new screen during a planned April plant shutdown. Concrete foundation work for the Guajes conveyor drive station, flotation plant, water treatment plant, and 230kV substation continues to make progress with planned completion in Q1 2024.

On the south side of the Balsas River, significant headway was made on foundation preparation for the paste plant, with concrete work starting in the paste plant thickener area. Civil works for the construction of ponds and dams in the South Portal area are nearing completion. Planned improvements to the Mazapa – San Miguel bypass road were completed, pending a few culvert installations. The Mazapa bridge concrete deck was poured and asphalt work finalized subsequent to year end. Construction of the bridge was completed in January.

Operational Readiness

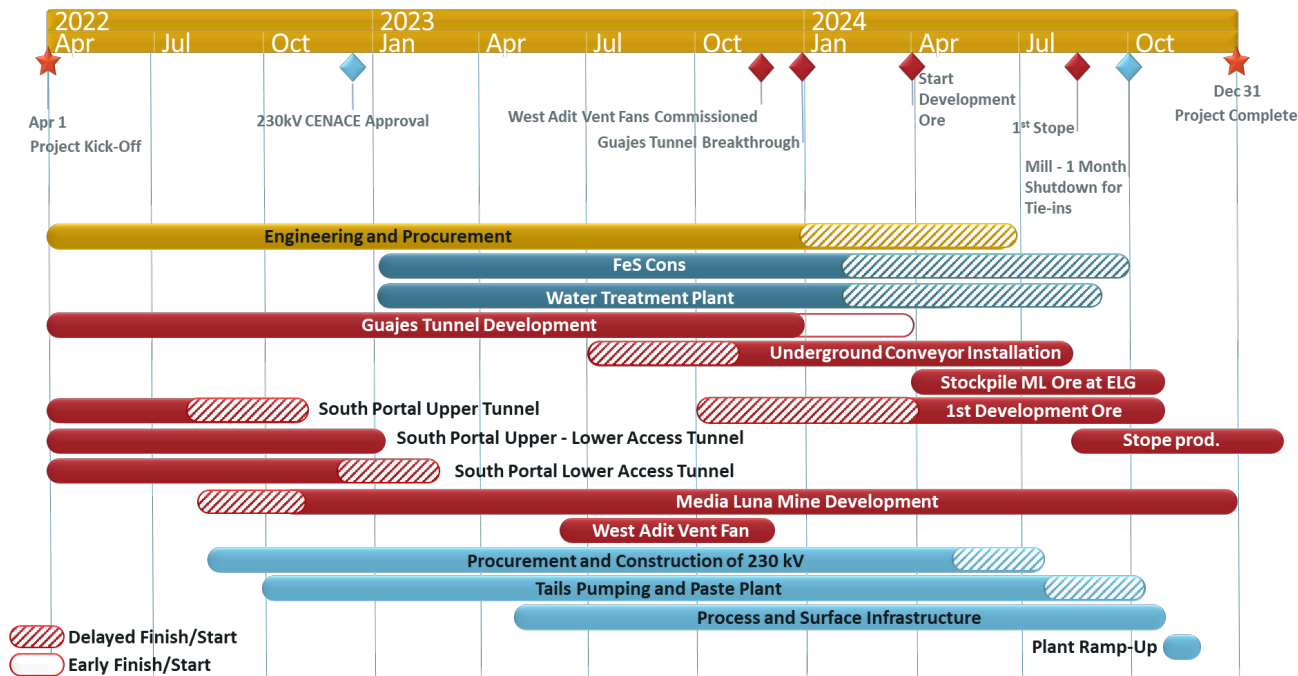
In parallel with development and construction activities, the surface and underground operational readiness strategy continues to advance. Operational readiness teams are accountable for ensuring that processes and systems for all new work areas are established and ready in advance of the handover from the project team to operations. This includes workforce transition planning and training, developing the operating strategy (including all standard operating procedures) and maintenance plans for all fixed and mobile equipment, blend and feed strategies, detailed commissioning plans, first fills, concentrate shipment logistics, and all other requirements to ensure a smooth ramp-up. Simulators for onsite training have been received and operator training began utilizing the new production equipment delivered.

PROJECT EXECUTION PLAN

Based on progress made during Q4 2023 and a detailed review of both the surface and underground schedules completed late in the quarter, the overall project end dates are unchanged compared to the prior plan outlined

within the last Media Luna update press release published on October 30, 2023, with only modest adjustments to interim activities in the overall schedule, including earlier stope production relative to the last update, given the benefit of completing the Guajes Tunnel three months ahead of schedule.

Figure 2: Project execution plan for the Media Luna Project



The Company also continues to focus on expediting the surface and underground equipment to ensure vendors meet their delivery obligations. Electrical equipment specifically remains a focus to manage schedule risk given the long-lead times for delivery of this equipment.

In terms of underground development, schedule gains were realized since the last update as the Guajes Tunnel breakthrough was completed in late December. Consequently, first development ore and first stope have been rescheduled to facilitate haulage directly through the Guajes Tunnel to avoid stockpiling and rehandling from the south side. Given this advancement in schedule, installation of the conveyor table anchors was rescheduled to post-breakthrough to avoid any coordination issues with the development crews as they worked towards early breakthrough. The revised execution plan will improve the installation and commissioning of the Guajes Tunnel conveyor, which remains on track for completion in August 2024.

The current project plan relative to the Technical Report reflects the Company’s estimates for the completion of key project deliverables. These updated deliverables have not impacted the overall project schedule given the original plan had assumed the potential for schedule adjustments and the possibility for supply chain disruptions.

More detail on the Media Luna Project, including the Feasibility Study results, can be found in the Company’s most recent Technical Report dated effective March 16, 2022, filed on March 31, 2022 (“Technical Report”).

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 Property, an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometres 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. Commercial production from the Morelos Complex commenced on April 1, 2016, and an updated Technical Report for the Morelos Complex was released in March 2022. Torex’s key strategic objectives are to optimize and extend production from the ELG Mine Complex, de-risk and advance Media Luna to commercial production, build on ESG excellence, and to grow through ongoing exploration across the entire Morelos Property.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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QUALIFIED PERSON

The technical and scientific information in this press release has been reviewed and approved by Dave Stefanuto, P. Eng, Executive Vice President, Technical Services and Capital Projects of the Company, and a qualified person under National Instrument 43-101.

CAUTIONARY NOTES ON FORWARD LOOKING STATEMENTS

This press 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, statements that: development of Media Luna remains on track for first production in Q4 2024 followed by commercial production in early 2025; the successful completion of Media Luna is expected to result in a return to positive free cash flow in mid-2025 as production ramps up and capital expenditures normalize; quarterly expenditures are expected to remain consistent through Q3 2024 before declining in Q4 2024 as the project nears completion; the Company’s more than \$450 million in available liquidity at year end; the remaining estimated project spend of \$383.5 million; the Company’s favourable funding position, in addition to expected strong and consistent cash flow from ELG, will provide substantial capital buffer in the final year of project construction and ramp-up to commercial production in early 2025; the Company’s confidence in its ability to bring Media Luna into production by year end; the anticipated completion of the project, in addition to ongoing exploration success at Morelos, the Company’s track record of consistent and reliable production, and transition back to positive free cash flow in 2025, puts us on solid ground to drive long-term value for our current and future shareholders as the Company grows its operations in Mexico and beyond; \$350 to \$400 million has been guided for project capital expenditures in 2024, with quarterly expenditures through Q3 2024 expected to be similar to the level experienced in Q4 2023, before declining as the project nears completion; concrete foundation work for the Guajes conveyor drive station, flotation plant, water treatment plant, and 230kV substation continues to make progress with planned completion in Q1 2024; the Project execution plan for the Media Luna Project; the revised execution plan will improve the installation and commissioning of the Guajes Tunnel conveyor, which remains on track for completion in August 2024; and the Company’s key strategic objectives are to optimize and extend production from the ELG Mine Complex, de-risk and advance Media Luna to commercial production, build on ESG excellence, and to grow through ongoing exploration across the entire Morelos Property. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “expect”, “plan”, “strategy”, “schedule”, “anticipate”, “guide”, “continue”, or variations of such words and phrases or statements that certain actions, events or results “will” occur or are “on track” 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 identified in the technical report (“Technical Report”) titled ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study, with an effective date of March 16, 2022, and a filing date of March 31, 2022 and in the Company’s annual information form (“AIF”) and management’s discussion and analysis (“MD&A”) or other unknown but potentially significant impacts. Forward-looking information is based on the reasonable assumptions, estimates, analyses and opinions of management made in light of its experience and perception of trends, current conditions and expected developments as set out in the Technical Report, AIF and MD&A, 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.

The Technical Report, AIF and MD&A are filed on SEDAR+ at www.sedarplus.ca and available on the Company's website at www.torexgold.com.