



# TAKING ACTION AND DOING OUR PART

An Inaugural Climate Change Report Aligned with the  
Task Force on Climate-Related Financial Disclosures (TCFD)

November  
2022

# ABOUT TOREX GOLD

Torex Gold Resources Inc. (“Torex Gold” or the “Company”) (TSX:TXG) is an intermediate gold producer engaged in the exploration, development and operation of our wholly-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 is based in Canada, with our Corporate Office located in Toronto, Ontario. Torex is currently the second-largest gold producer in Mexico.

In 2021, our workforce was comprised of 1,020 direct employees and 1,689 contractors. We are proud that 99% of our workforce is from Mexico, with over 60% from Guerrero State.

The Company’s mining 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 extend and optimize production from the ELG Mining Complex, de-risk and advance the Media Luna Project to commercial production, build on ESG excellence, and grow organically through ongoing exploration across the entire Morelos Property and through potential value accretive M&A.

References to Torex Gold throughout this Report include “the Company”, “Torex”, “we”, “us”, and “our”.





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# REPORT OVERVIEW

## REPORT OVERVIEW

This Climate Change Report (the “Report”) is the Company’s inaugural stand-alone disclosure of our climate-related information in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”).

We are committed to enhancing our alignment with the TCFD recommendations over time and to continuous improvement in our transparency and reporting practices. An index for this reporting framework is provided on [page 23](#) of this Report. The Report should be read in conjunction with (1) our 2021 Responsible Gold Mining Report, which provides annual disclosure on our Environmental, Social, and Governance (ESG) performance, found at [www.torexgold.com](http://www.torexgold.com); and (2) our 2022 CDP Climate Change Questionnaire response which provides annual disclosure on our climate change performance for the 2021 year found at [www.cdp.net](http://www.cdp.net).

## BOUNDARIES AND SCOPE

The Report covers our corporate and operational climate change performance and approach to climate change, including our ELG Mine Complex and Media Luna Project. All performance data is current as of December 31, 2021 (unless otherwise indicated). Ongoing climate-related initiatives that have progressed throughout 2022 are discussed where relevant to provide a fuller picture of our work on climate change to date.

## CURRENCY

All financial figures are stated in United States dollars unless otherwise noted. Some figures and percentages may not add to the total figure or 100 percent due to rounding.

## CAUTIONARY NOTES

Please refer to [page 24](#) for full cautionary notes related to this Report, including notes on “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities laws.

Torex Gold’s targets have been set on both an ‘**Absolute**’ and ‘**Business as Usual**’ basis.

An **Absolute Target** is defined as an absolute reduction in GHG emissions against a defined baseline, which in our case is 2021 Scope 1 and Scope 2 emissions.

A **Business as Usual Target** is defined as a reduction of GHG emissions against a defined baseline, assuming no action is taken to take intervention measures to reduce carbon emissions. In our case, alongside an absolute emissions reduction target, we have developed a Business As Usual target which recognizes that energy consumption at our operations will change over time with continued operation and growth through our Media Luna Project. If no mitigation measures were to be adopted, overall GHG emissions would

be expected to increase significantly as we bring our Media Luna Project into full production. 2021 serves as a starting point from which discrete, opportunity-based mitigations are measured against a scenario in which we do not make strategic decisions and supporting investments to implement initiatives to reduce GHG emissions.

Note that some mining companies use an **Intensity Target**, which is a reduction in GHG emissions relative to productivity or economic output, for example GHG emissions per gold equivalent ounce produced. Given our heavy focus on exploration and our desire to enhance our current life of mine plan for our Morelos Property, we feel an absolute reduction target is more meaningful in terms of demonstrated reduction of our carbon footprint.



# MESSAGE FROM OUR LEADERSHIP



**Jody Kuzenko**  
*President and CEO*

We are pleased to present Torex Gold’s inaugural standalone Climate Change Report, as part of our commitment to accountability and transparency to all of our key partners on our approach to climate change.

Recognizing the need for urgent action to reduce greenhouse gas (“GHG”) emissions and the growing integration of climate change into the decision-making process of our shareholders globally, we made a commitment in 2021 to provide more information on our GHG emissions reduction targets and GHG emissions reduction roadmap. As such, we are pleased to disclose our 2030 GHG emissions reduction targets as part of this Report. These targets are the result of extensive foundational work conducted over the past few years to review and analyze baseline data, forecast future data, understand the evolving regulatory environment, and engage with site employees to identify economic and achievable energy efficiency and GHG emissions reduction opportunities that are beneficial to both our business and the planet. This foundational work allows us to have the confidence to set the following GHG emissions reduction targets, with clear and credible pathways to achievement, in support of our overall commitment to achieve net zero GHG emissions by 2050:

- ☛ A 10% reduction in absolute Scope 1 and 2 GHG emissions by 2030, compared to a 2021 baseline (10% absolute target)
- ☛ A 25% reduction from Scope 1 and 2 GHG emissions in 2030 forecasted if no action is taken on intervention measures to reduce carbon emissions at the Media Luna Project (25% Business as Usual target)

**Jody Kuzenko**  
President and  
Chief Executive Officer



**Jennifer Hooper**  
*Independent Director, Chair of  
the Safety and Corporate Social  
Responsibility (CSR) Committee*

Our targets are supported by a clear, credible and funded pathway, approved by the Torex Board of Directors, which includes a set of planned measures to 2030, including the development of our approved and permitted 8.7 megawatt (“MW”) solar plant, the introduction of new battery electric vehicles (“BEVs”) at our Media Luna Project, ventilation on demand (“VoD”) technology at both ELG and Media Luna, an energy and carbon management program, and biodiesel and diesel tracking. These initiatives will allow us to produce real emissions reductions in the economy through an absolute reduction in GHG emissions, while bringing the Media Luna Project into commercial production in 2025 – which will translate into one of Mexico’s largest underground mines. We are also proud that we will become an even bigger part of the solution when it comes to climate change as we become a much more significant copper producer with the introduction of Media Luna, with approximately 30% of the value of Media Luna residing in copper – a metal that is increasingly in demand to enable technologies the world needs to support a low carbon economy.

We are proud of the progress we have made on our Climate Change Strategy as we grow our Company in Mexico and beyond. The actions we are taking follow our history of utilizing innovative technology to reduce our footprint on the environment while making good business sense through safety improvements, cost savings and other operational efficiencies. As we grow, we look forward to keeping up the momentum in advancing our climate change commitments and providing annual progress updates on our performance against our climate change targets.

**Jennifer Hooper**  
Independent Director,  
Chair of the Safety and CSR Committee



# OUR APPROACH

## OUR PURPOSE

To transform finite mineral sources into lasting prosperity by positively impacting all the lives we touch.

At Torex Gold, mining with purpose beyond profit has always been at the heart of who we are. In 2021, our Executive Team worked together to articulate a clear organizational purpose statement – a purpose statement that truly captures who we are as a Company and what motivates our team to deliver their very best every day.

We know the mineral resources we mine are finite. As responsible stewards of these resources, we aim to leave a net positive legacy in the areas in which we operate throughout and after operations. This means respecting the environment and leaving it as good as or better than we found it; creating lasting value in the areas in which we operate; and positively impacting all the lives we touch – including our people, our communities, our business partners, our shareholders, and broader society as a whole.

As we grow, we look forward to doing more of the same, demonstrating to the world what responsible mining looks like.

Responsible mining is central to our business philosophy and is embedded in decision making at all levels of the Company from our Board of Directors and Executive Team through to our operations management and individual employees.

We recognize that climate change is one of the world's most pressing challenges. Climate change is a systemic risk with the potential to impact our business and stakeholders, including the communities in which we operate, our employees and our partners. We also understand and support the growing integration of climate-related risks and opportunities into investors' investment decision-making processes globally.

## OUR CLIMATE CHANGE COMMITMENT

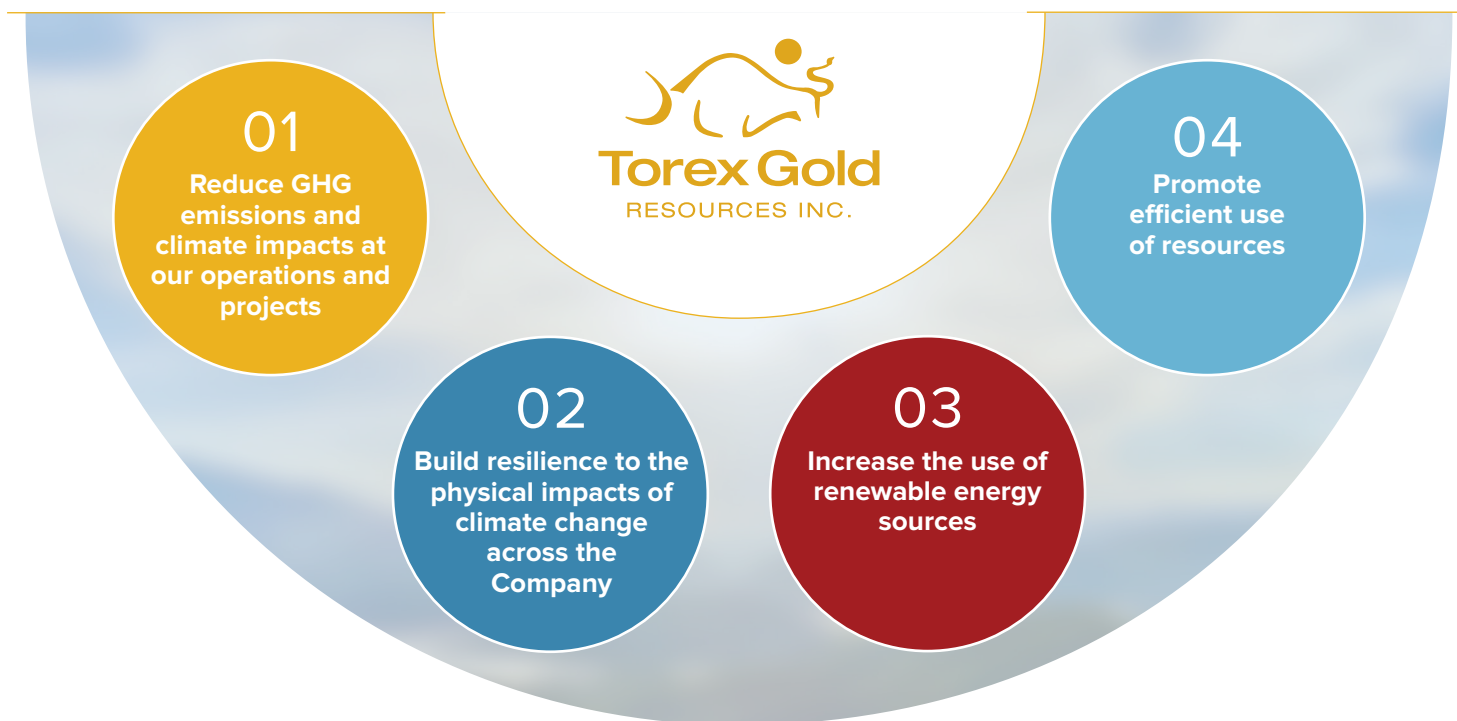
We support the Paris Agreement goals and the recommendations of the TCFD. We believe that the mining sector has a key role to play in reducing GHG emissions as well as supporting the transition to a lower carbon economy by supplying critical minerals and metals that advance low emissions technologies and solutions. We recognize that addressing climate change is inextricably linked to our organizational purpose: **“To transform finite mineral resources into lasting prosperity by positively impacting all the lives we touch”**.



## CLIMATE CHANGE STRATEGY

We are committed to analyzing the impacts of climate change on our business activities and integrating climate change factors into our long-term strategic planning.

Our approach to addressing climate change incorporates actions that have a positive impact on people and the planet, while making good financial sense for the health and sustainability of our business. Our strategy is guided by four key pillars, which align to the climate change factors that were identified as having the greatest potential to impact our Company's value through a Climate Change Materiality Assessment:



To support these pillars, our Board of Directors, Executive Team and all employees are expected to support our commitment to:

- ☛ Leverage Torex's culture of innovation to drive value through the continued development of an energy management strategy that promotes the adoption of efficient behaviours and solutions for reduced energy usage within our operating environment.
- ☛ Regularly identify and assess low-carbon technology options and renewable energy sources to reduce our GHG emissions intensity for current and future operations.
- ☛ Minimize our climate impacts and build resilience to climate change across our operations and projects.

Our Climate Change Strategy is designed to support achievement of our climate-related targets:

- ☛ A 10% reduction in absolute Scope 1 and 2 GHG emissions by 2030, compared to a 2021 baseline (10% absolute target)
- ☛ A 25% reduction from Scope 1 and 2 GHG emissions in 2030 forecasted if no action is taken on intervention measures to reduce carbon emissions at the Media Luna Project (25% Business as Usual target)
- ☛ An overall commitment to achieve net-zero GHG emissions by 2050

See [Climate Change Targets](#) for more details.



# GOVERNANCE

This section provides an overview of our governance around climate-related risks and opportunities. We continue to integrate climate change governance into all levels of our organization, from the Board of Directors and Executive Team through to operations management and site staff.







## BOARD OVERSIGHT

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The Safety and Corporate Social Responsibility (“Safety and CSR”) Committee of our Board of Directors maintains Board-level oversight of the Company’s environmental management, including climate change. On a quarterly basis, climate change is scheduled as a standing meeting agenda item, and Executive management reports to the Safety and CSR Committee on climate change.

Major capital expenditures and strategic initiatives related to energy and climate change are reviewed by the Board of Directors, who also approve ongoing climate-related targets and disclosures, including those found within this Report.

## BOARD EXPERTISE AND EDUCATION

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The Company's Director skills matrix (which can be found in our 2022 Management Information Circular) includes 'Sustainability' as a principal area of expertise. Competency on 'Sustainability' is defined as: Experience in or a strong understanding of the requirements and leading practices in workplace health and safety, environment and social responsibility, protection of human rights and sustainability including climate change and water management matters. 50% of the Board has an advanced degree of experience or expertise in Sustainability. The Chair of the Safety and CSR Committee has competence and experience on climate-related issues, specifically.

In 2021, we provided Board-level education on climate change. Two members of our Safety and CSR Committee attended a course called “Board Oversight on Climate Change” through the Institute of Corporate Directors (“ICD”), and the full Board engaged in a climate change education session led by third-party experts in climate change matters to understand best practices on climate change governance.

## EXECUTIVE ACCOUNTABILITY

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The President and Chief Executive Officer (“CEO”) has the highest level of accountability for climate-related issues. The CEO is the highest-ranking member of the Executive team and reports directly to the Board of Directors.

The Chief Financial Officer (“CFO”) has accountability for enterprise risk management and the risks that are

identified, which includes climate-related risks. This position reports to the CEO and is a member of the Executive team.

The Senior Vice President, Human Resources, ESG and Communications has been assigned senior corporate responsibilities for climate-related activities, including leading the development and implementation of Torex's climate change strategy as well as oversight of ongoing climate-related disclosures. This position reports to the CEO and is a member of the Executive team.

## OPERATIONAL ACCOUNTABILITY

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Overall operational accountability for managing climate-related risks and opportunities at our site in Mexico rests with the Senior Vice President, Mexico. This position reports to the CEO and is a member of the Executive team. The Company's Manager of Environment and Energy reports to the Senior Vice President, Mexico and has operational climate-related responsibilities, including managing environment-related, site-level risk and impact assessments, ensuring the Company is compliant with Mexican regulations related to climate change, including the maintenance of energy and GHG emissions inventories developed in conjunction with external energy experts and independently verified.

## CROSS-FUNCTIONAL COLLABORATION

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In 2020, an internal sustainability committee was formulated, called the 'ESG Working Group', which is comprised of leaders from both the Corporate Office and operations. The mandate of the group is to embed ESG across the Company and drive ESG excellence, which includes supporting the development and implementation of climate-related initiatives.

## COMPENSATION AND PERFORMANCE ON CLIMATE CHANGE

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A significant percentage of Torex's Company-wide short-term incentive plan (“STIP”) applicable to our Executive Team and staff employees is allocated to ESG. Developing a net-zero carbon commitment and associated plan on carbon reduction, including 2030 carbon reduction targets, was a major component of the Company's 2022 ESG STIP objective. This link helps establish climate performance as a key strategic focus for our Company.

# STRATEGY

This section describes the actual and potential impacts of climate-related risks and opportunities on our business, strategy and financial planning.



## CLIMATE-RELATED RISKS AND OPPORTUNITIES IDENTIFIED OVER THE SHORT, MEDIUM AND LONG TERM

While we believe climate change is a major global issue and support the Paris agreement, we also have a real business need and interest in pursuing the strategy we have outlined, as we believe it will mitigate business risk and provide real opportunities to create value through health and safety improvements, cost savings and operational efficiencies that will benefit our operations.

Through the development of our Climate Change Strategy, we sought to advance our understanding of climate-related risks and opportunities and their potential for impact on the value of our company over the short (0 to 3 years), medium (3 to 10 years) and long term (10+ years).




We assessed the materiality of the climate-related physical and transition risks and opportunities outlined in the TCFD recommendations over the short, medium and long term. We used a materiality threshold aligned with Canadian and U.S. securities law materiality definitions

as well as the International Financial Reporting Standards (“IFRS”) materiality definition. We assessed the risks and opportunities using the impact and likelihood criteria and time horizons from our enterprise risk management (“ERM”) system to ensure alignment and integration with our existing business processes.

The tables on the following pages provide an overview of the results of the assessment, including the potential impacts to the company, alongside a summary of the strategies we have implemented to mitigate potential risks or capture opportunities. Over the short term (and into the future), Acute Physical Risks, Energy Source Opportunities and Resource Efficiency Opportunities were identified as the climate change factors with the greatest potential to impact company value. Policy and Legal Risks, Chronic Physical Risks, Reputational Risks, Technology Risks, Resilience Opportunities and Market Opportunities were identified as having the potential to impact company value over the medium and long term. Market Risks and Product and Services Opportunities were identified as climate change factors that could have impact to value over the long term.



**TABLE 1 Torex’s Potential Climate Change Risks and Opportunities over the Short, Medium and Long Term**

 Short term (0-3 years)
  Medium term (3-10 years)
  Long term (10+ years)

**Acute Physical Risks**



DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO MITIGATE RISK
<ul style="list-style-type: none"> <li>Torex operates in a region that is exposed to natural disasters (e.g., earthquakes), extreme weather events (e.g., hurricanes), and forest fires. The company has experienced extreme weather events in recent years without material operational disruptions or asset damage. However, there is a risk that extreme weather events could increase costs to repair damage and/or reduce revenue due to operational shutdowns.</li> <li>Both 2020 and 2021 registered record rain events at our operations in Mexico, although there were no material impacts to operations given the planning undertaken to manage these events.</li> <li>Recently, there have been forest fires in the regions surrounding the mine site, again without impacts to operations.</li> </ul>	<ul style="list-style-type: none"> <li>Risk mitigation measures have been incorporated into project design and operational management plans in order to manage risks and potential impacts associated with natural hazards, including extreme meteorological, geomorphic, and seismic events.</li> <li>These measures were informed by a natural hazards risk assessment that was developed as part of the operations' Environmental and Social Impact Assessment (“ESIA”). The mitigation measures were subsequently incorporated into mine and facility designs as well as risk registers and operational protocols.</li> </ul>

**Chronic Physical Risks**



DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO MITIGATE RISK
<ul style="list-style-type: none"> <li>Water is a key input in our mining and processing activities, and there is the potential for impacts on water availability due to climate change. Our primary uses of water are in our processing plant, for dust suppression on haul and access roads, and for domestic use. Impacts to our ability to access water could lead to increased costs and/or disruption in operations.</li> <li>According to the World Resource Institute’s Aqueduct Water Risk Atlas, our operations are located in an area of “medium-high” overall water stress. There are seasonal periods of very dry weather, which can exacerbate challenges of access to reliable water sources, both for the Company and our host communities.</li> </ul>	<ul style="list-style-type: none"> <li>Because water is such an important resource for both the Company and our host communities, water management is one of our key operational priorities. We work diligently to embed effective water management across the business and sustainable water initiatives are a key component of our community development programming.</li> <li>Our approach to water management and our performance on the issue is described in detail in our 2021 Responsible Gold Mining Report (pages 73-76).</li> </ul>



### //// Policy and Legal Risks

DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO MITIGATE RISK
<ul style="list-style-type: none"> <li>☛ Mining and processing operations can be energy intensive. Torex has high reliance on the electricity grid in Mexico, which includes fossil fuel-based electricity.</li> <li>☛ Global climate change continues to attract considerable public, scientific and regulatory attention. In response to the potential impacts of climate change, governments and other regulatory agencies are moving to introduce legislation and treaties at the international, national, state/provincial and local levels.</li> <li>☛ There is some regulatory uncertainty in Mexico and policy changes with respect to electricity that could impact our ability to achieve our GHG emissions target. For example, given our current reliance on Mexico's electricity grid carbon intensity factor, uncertainty around Mexico's grid factor may have an impact on the reductions we achieve. This could result in increased costs at our operations (e.g., increased compliance and/or operational costs and capital expenditures).</li> <li>☛ Currently, Torex is indirectly exposed to carbon pricing in Mexico through our energy consumption. The cost of the carbon pricing system in Mexico is incorporated in energy and fuel costs as a pass-through to the company.</li> </ul>	<ul style="list-style-type: none"> <li>☛ In order to mitigate this potential risk, the Company has made investments in low carbon technologies, with a number of short to medium term investments planned.</li> <li>☛ In 2022, we conducted a detailed energy audit at the operations to identify energy efficiency and GHG emissions reduction opportunities. Over 25 opportunities were identified, which informed the development of a roadmap for lowering emissions in line with our short, medium and long-term targets, with the ultimate goal of net zero emissions. For more details on specific initiatives, see the Pathway to 2030 section below.</li> </ul>



### //// Technology Risks

DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO MITIGATE RISK
<ul style="list-style-type: none"> <li>☛ The development and use of emerging technologies (e.g., renewable energy, battery storage, carbon capture and storage, etc.) could impact competitiveness, costs, and require increased capital investment.</li> <li>☛ Increasingly, mining companies are announcing GHG emissions reduction targets and will rely on investments in new technology to achieve these targets. The achievement of net-zero GHG emissions by 2050 is largely dependent on significant advances in technologies that have yet to be commercialized.</li> <li>☛ As a mining company with long-lived fixed assets and progressive GHG emissions reduction targets, making timely investments in new technologies is important for Torex.</li> </ul>	<ul style="list-style-type: none"> <li>☛ In order to mitigate this risk, we have made investments in low carbon technologies, with a number of shorter-medium term investments planned.</li> <li>☛ Our Media Luna Project has been designed with the future in mind and will incorporate several key initiatives to reduce carbon emissions by leveraging new technologies, including the use of battery electric vehicles and ventilation on demand technology for the underground mines.</li> </ul>



### Reputational Risks

DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO MITIGATE RISK
<ul style="list-style-type: none"> <li>Reputational impacts could occur if stakeholders perceive Torex’s response to climate change to be inadequate.</li> <li>The perception of an inadequate response to climate change could lead to increased challenges in developing and maintaining community relations, decreased investor confidence and could impede our ability to advance projects, which could ultimately have adverse impact on financial performance, cash flow and growth prospects.</li> <li>Additionally, given that now we have set GHG emissions reduction targets, our exposure to reputational risk could be negatively impacted if we are not able to deliver on these commitments.</li> </ul>	<ul style="list-style-type: none"> <li>We are committed to continuous improvement with respect to our ESG and climate change reporting to investors and capital markets participants and seek to align disclosure with leading ESG reporting frameworks.</li> <li>We seek to link our success with the success of the people, communities, businesses and institutions neighbouring our operations. We work to establish close and meaningful relationships, predicated upon gaining an understanding of each community and its unique nature, concerns and expectations.</li> <li>We have worked very hard to build strong relationships with stakeholders and local communities based on trust, transparency and ongoing dialogue. We believe the potential impacts of reputational risk have been mitigated by the time and effort we put into these relationships, including the development of 11 unique Community Development Agreements which address the needs of each individual local community.</li> <li>Our approach to community relations and our performance is described in detail in our 2021 Responsible Gold Mining Report (pages 48-56).</li> </ul>

### Market Risks



DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO MITIGATE RISK
<ul style="list-style-type: none"> <li>It is possible that over the long-term gold mining companies could lose some investment flows to low-carbon transition sectors in a 1.5 degree scenario.</li> <li>There is the potential for increased operational costs due to changing input prices of raw materials (e.g., fuel, water).</li> </ul>	<ul style="list-style-type: none"> <li>We conducted a detailed energy audit at the operations and have identified over 25 opportunities to improve energy efficiency and reduce GHG emissions. These opportunities will also help us to mitigate exposure to market risks and support profitability by reducing consumption of materials that could be subject to changing input prices (e.g., fuel, water).</li> <li>Approximately 30% of the value of Media Luna resides in copper, which diversifies Torex’s production into a metal that supports the transition to a low carbon economy.</li> </ul>



### Energy Source Opportunities



DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO CAPTURE OPPORTUNITIES
<ul style="list-style-type: none"> <li>Increasingly, companies are diversifying the energy sources used in production as improved affordability and enhanced storage capabilities are accelerating adoption of renewable energy.</li> <li>Given that the grid in Mexico is energy-intensive, Torex has an opportunity to reduce reliance on the grid through the development of on site renewable energy, which could result in reduced operating costs and lower GHG emissions, and provide reputational benefits.</li> </ul>	<ul style="list-style-type: none"> <li>We are permitted by the Mexican government to build an 8.7 MW solar plant to provide renewable energy to our processing facilities. Expected energy cost savings are up to \$1M per year over a 20-year lease period. The solar plant has the potential to reduce Scope 2 GHG emissions by up to 8.6% and overall Scope 1 and Scope 2 emissions by up to 3.9% compared to the 2021 baseline.</li> <li>We plan to use a fleet comprised of both battery electric and diesel-powered vehicles at our Media Luna underground mine, with most of the lighter-duty fleet being battery electric as well as a new BEV scoop fleet.</li> <li>We are employing ventilation on demand technology at both ELG underground and Media Luna.</li> <li>We are installing an electric conveyor at our Guajes Tunnel to move ore and waste between Media Luna and our Processing Plant as an alternative to using diesel equipment.</li> </ul>

### Resource Efficiency Opportunities



DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO CAPTURE OPPORTUNITIES
<ul style="list-style-type: none"> <li>Many new approaches and technologies are being deployed or developed in the mining industry to optimize processes and improve resource efficiency.</li> <li>Reducing use of key resources (e.g., fuel, water) by improving efficiency offers an opportunity for Torex to reduce operating costs and GHG emissions, and could provide reputational benefits.</li> </ul>	<ul style="list-style-type: none"> <li>As previously mentioned, we conducted a detailed energy audit at the operations and have identified over 25 opportunities to improve energy efficiency and reduce GHG emissions.</li> <li>We will implement an energy management program to drive energy efficiencies across operations and reduce energy consumption. For more details on this initiative, see the Pathway to 2030 section on <a href="#">page 19</a>.</li> <li>Examples of opportunities include mine planning exercises to optimize haul routes, and ball mill and blast optimization. For more details on specific initiatives, see the Pathway to 2030 section on <a href="#">page 19</a>.</li> </ul>



### Resilience Opportunities

DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO CAPTURE OPPORTUNITIES
<ul style="list-style-type: none"> <li>There exists opportunity to develop adaptive capacity to respond to climate-related risks and increase the resilience of infrastructure to the physical risks of climate change.</li> <li>This can have positive financial impacts for Torex by limiting disruptions to operations and limiting capital expenditures to repair damaged infrastructure, as well as potentially providing positive impacts to our reputation.</li> </ul>	<ul style="list-style-type: none"> <li>The risk mitigation measures described above for Acute Physical Risks also apply here and enable us to build resilience to extreme weather events.</li> <li>Torex’s infrastructure is designed to accommodate a 1 in 100 year storm, beyond the standard practice of designing to accommodate a 1 in 20 year storm.</li> <li>We designed the filtered tailings storage facility (“FTSF”) at our ELG mine with leading edge technology to mitigate dam failure risk in a seismically active region and to withstand extreme weather events. The planned in-pit tailings facility contemplated for our Media Luna Project similarly mitigates the risk of dam failure as well as the risk of damage to infrastructure or the environment. For more details, see the Tailings Management section in our 2021 Responsible Gold Mining Report (pages 70-71).</li> </ul>



### Market Opportunities

DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO CAPTURE OPPORTUNITIES
<ul style="list-style-type: none"> <li>There are opportunities for Torex to use new and innovative sources of green financing (e.g., green and sustainability bonds, green loans, sustainability-linked loans and sustainability-linked bonds). These products can offer financial incentives for the attainment of climate change targets and objectives, as well as reputational benefits.</li> </ul>	<ul style="list-style-type: none"> <li>We have had exploratory conversations regarding the sustainable financing options that are available in the market and plan to continue to progress these conversations as we refine our plan for net zero and now that we have developed 2030 GHG emissions reduction targets.</li> </ul>



### Products and Services Opportunities

DESCRIPTION OF POTENTIAL IMPACT	STRATEGIES TO CAPTURE OPPORTUNITIES
<ul style="list-style-type: none"> <li>The mining industry has growth opportunities to support the low carbon transition, such as providing precious metals that are required as inputs to batteries, solar panels, wind turbines, etc.</li> <li>Approximately 30% of the value of Media Luna resides in copper – a metal that is increasingly in demand to enable technologies the world needs to support a low carbon economy. This could increase our revenue, improve access to capital as investors increasing seek exposure to companies that are supporting the low carbon transition, and provide reputational benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Our copper reserves at Media Luna will allow us to become an even bigger part of the solution when it comes to climate change and allow Torex to capture opportunities to diversify its products over the long term. Further, Media Luna has been designed with the future in mind and will incorporate several key initiatives to reduce carbon emissions.</li> </ul>



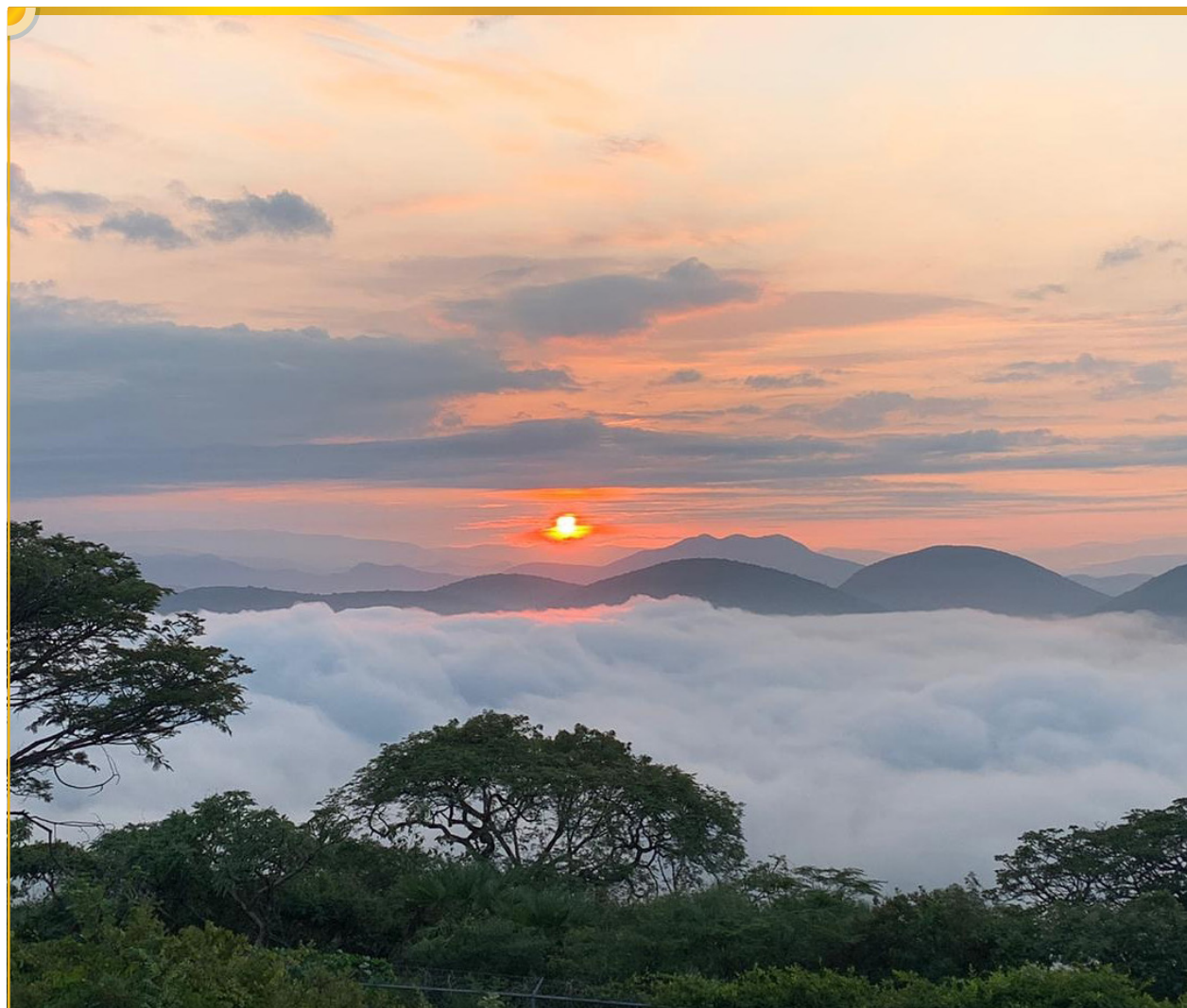
## IMPACT OF CLIMATE CHANGE FACTORS ON BUSINESS, STRATEGY AND FINANCIAL PLANNING

Torex is committed to analyzing the impacts of climate change on our business activities and integrating climate change factors into our long-term strategic planning. Our Climate Change Strategy is described above and outlines the four key pillars that guide our approach.

The impacts of climate-related risks and opportunities are considered in our new developments (over the long term) as well as our existing projects (in the short and medium term). We consider how our operating costs and capital expenditures could be impacted by the physical risks of climate change, existing and emerging regulation and the potential reputational impacts to our company related to climate change.

In direct response to the risks and opportunities presented by climate change and their potential financial impacts, Torex has allocated capital and resources to a number of initiatives to reduce GHG emissions and climate impacts at its operations and projects, build resilience to the physical impacts of climate change across the company, increase the use of renewable energy sources, and promote efficient use of resources in a manner that is not only beneficial to the planet, but also to the financial health of our business.

A clear indication that climate-related risks and opportunities have influenced our operational strategy is that our Media Luna Project has been designed with the future in mind and will incorporate several key initiatives to reduce GHG emissions, including battery electric vehicles, ventilation on demand technology and other opportunities.







## FINANCIAL PLANNING

Financial planning has been driven by the potential impact of identified climate-related risks and opportunities. We seek to invest in innovative adaptation and mitigation activities that make good business sense, and we have made decisions at the operational level in direct response to climate-related risks and opportunities.

- 🔦 **Investment in innovative technology:** Torex has made investments in an innovative ore conveyance system, RopeCon®, to transport ore from our open pits to our processing facilities. Doing so significantly reduces the need for haul trucks, which are a key source of emissions for mining operations. The RopeCon® acts as a net generator of electricity consuming 40% of what it generates, the remaining 60% is consumed by other electrical equipment on site, and with this investment, we save approximately 5,520 in tonnes of CO<sub>2</sub>e emissions annually.
- 🔦 **Operating costs:** We signed an agreement to build an 8.7 MW solar plant at our Morelos property to provide renewable energy to our processing facilities. Expected energy cost savings are up to \$1 million per year over a 20-year lease period, with full payback of the solar plant realized within approximately nine years. The solar plant has the potential to reduce Scope 2 GHG emissions by up to 8.6% and overall Scope 1 and Scope 2 emissions by up to 3.9% from the 2021 baseline.
- 🔦 **Operating costs:** We began implementing a ventilation on demand system at our ELG Underground Mine. The system is supported by a fiber optic network to enable a wireless communications system within the mine. The ventilation on demand system is expected to reduce our emissions by approximately 900 tonnes of CO<sub>2</sub>e annually. As outlined in the Feasibility Study for the Media Luna Project, we also plan to design the Media Luna Underground Mine to include a ventilation on demand system.
- 🔦 **Capital expenditures:** We also decided to incorporate battery electric vehicles into its fleet at Media Luna. The fleet will be comprised of both battery electric and diesel-powered vehicles, with the majority of the lighter-duty fleet being battery electric as well as a new BEV scoop fleet. It is estimated that this will provide carbon savings of approximately 7,600 tonnes of CO<sub>2</sub>e annually. This will also help reduce ventilation requirements, which we anticipate will have a positive impact on operating costs. In addition, the largest portion of the material handling system at Media Luna will be an electric conveyance system, which has less impact on the environment than traditional diesel trucks and lower expected operating costs.

While we have not yet conducted climate change scenario analysis, we are committed to continuing to enhance our understanding of climate-related risks and opportunities and the ways in which they could impact our business, strategy and financial planning. At an appropriate time, we will conduct climate change scenario analysis as we continue to enhance the alignment of our climate change disclosure with the TCFD Recommendations.



# RISK MANAGEMENT

This section provides an overview of our approach to identifying, assessing and managing climate-related risks.

## ENTERPRISE RISK MANAGEMENT (ERM) PROCESS

We maintain a robust risk management framework to identify, assess, mitigate and control risks across the business. The Board of Directors is responsible for ensuring that processes are in place to appropriately manage the principal business risks of the Company and reviewing these risks with the Executive team to ensure adequate controls are in place to manage the risks appropriately. This includes monitoring the emergence of new opportunities, trends and risks, and understanding the potential implications of these factors on the strategic direction of the Company.

In addition to an annual Board review of the ERM, Board Committees oversee risk management as part of their respective mandates and report quarterly on their activities to the Board. The highest-ranking executives with responsibility for risk management at an enterprise and operations level are our CFO and our Senior Vice President, Mexico, respectively. Overall ERM accountability rests with our CEO.

## INTEGRATION OF CLIMATE-RELATED RISKS INTO ERM PROCESSES

Climate-related risks are integrated into our overall ERM system. Climate-related risks are assessed according to potential impact and likelihood, which include established financial thresholds. Individual risks are assigned a residual risk rating based on existing management controls. Risk status is monitored regularly to ensure appropriate management.

All corporate and operational risks are recorded in risk registers, and they are regularly reviewed by senior management. We conduct regular risk assessments for major projects, the most recent of which was conducted in 2021 and early 2022 for the Media Luna Project. Environmental and social risk assessments are also key components of ESIA's, the most recent of which was conducted as part of permitting for the Media Luna Project.

A climate-related risk assessment was integrated into our 2015 ESIA for the ELG project. This provided an understanding of climate-related impacts on the project

and, in turn, supported the development of associated mitigation plans. As part of permitting activities for the Media Luna Project, modelling was conducted that included analysis on GHG emissions sources during the life of the project, GHG emissions reduction initiatives that the company is putting in place, and projected energy use and associated GHG emissions. This analysis supported the identification of opportunities to reduce GHG emissions and the development of mitigation plans, and will feed into future climate-related risk assessments. More information related to project-level risks for the Media Luna Project can be found in Section 25.10 of the Morelos Property NI 43-101 Technical Report dated March 31, 2022, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on our public website.

At the corporate level, Torex conducted a Climate Change Materiality Assessment. The purpose of this exercise was to identify and assess the climate change risks and opportunities outlined by the TCFD and ensure that the unique nature and characteristics of climate-related risks were being fully considered across the Company and that material risks were integrated into the risk register. As part of the Climate Change Materiality Assessment, we considered:

- Existing climate-related regulations (e.g., Canadian Securities Administrators ("CSA") Staff Notices, U.S. Securities and Exchange Commission ("SEC") guidance regarding climate-related disclosure, and climate-related regulation in Mexico).
- Climate-related guidance and industry initiatives (e.g., World Gold Council's Responsible Gold Mining Principles).
- Climate change frameworks and standards (e.g., SASB Standards, SASB Climate Risk Technical Bulletin, TCFD recommendations, Climate Action 100+ Net-Zero Company Benchmark).
- Peers' disclosure on climate change.
- Investors' climate-related priorities.

We also held a training session in the first half of 2022 for our Vice President, Risk led by third party experts in climate change matters to share best practices for integration of climate change risks into ERM.



# METRICS & TARGETS

This section provides an overview of our approach to assessing and managing our performance on climate change.

## KEY CLIMATE-RELATED METRICS

We maintain comprehensive inventories of our energy consumption and associated GHG emissions, including our Scope 1 (direct) and Scope 2 (indirect) GHG emissions. The inventories are developed by external energy experts annually and the results are verified by independent energy experts. We receive limited assurance on our Scope 1 and 2 GHG emissions in accordance with ISO 14064 Part 3.<sup>1</sup> We publicly disclose our Scope 1 and 2 GHG emissions on an annual basis in our Responsible Gold Mining Report. We have publicly reported on our emissions since 2019.

Our primary uses of energy include electricity to power our processing facilities and diesel for mobile equipment, such as our mining fleet. In 2021, electricity and diesel each accounted for half of our energy consumption, and our associated emissions were split evenly between Scope 1 and Scope 2 GHG emissions. Our energy consumption increased by 3% in 2021 from 2020. This was primarily due to a temporary suspension at our operations in the second quarter of 2020 following a decree of the Mexican Federal Government related to COVID-19. Our emissions intensity decreased due to an increase in tonnes processed and ounces of gold produced in 2021 relative to 2020.

/// TABLE 2 Key Climate-related Metrics

METRIC	2021	2020	2019
Scope 1 emissions (t of CO <sub>2</sub> e) <sup>2</sup>	99,248.89	84,402.38	88,380.61
Scope 2 emissions (t of CO <sub>2</sub> e) <sup>3</sup>	97,455.52	106,739.82	109,099.79
Total emissions (Scope 1 + Scope 2 emissions in t of CO <sub>2</sub> e)	196,704.41	191,142.20	197,480.40
GHG emissions intensity (t of CO <sub>2</sub> e per oz gold produced)	0.420	0.444	0.434
GHG emissions intensity (t of CO <sub>2</sub> e per t ore processed)	0.044	0.046	0.045
Total energy consumption (GJ)	2,070,106	1,897,802	1,943,092
GJ/oz gold produced	4.42	4.41	4.27
GJ/tonne processed	0.46	0.46	0.44
Percentage of energy consumption that was renewable (%)	0%	0%	0%
Percentage of electricity purchased from the grid (%)	100%	100%	100%

<sup>1</sup> 2021 GHG Verification Report

<sup>2</sup> Calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Purchasing records and warehouse data were used to verify data.

<sup>3</sup> Emissions factors provided by the Comisión Federal de Electricidad (CFE) were used to calculate Scope 2 emissions. Calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Purchasing records were used to verify data.



Our energy profile will significantly change once our Media Luna Project is constructed and enters commercial production. Over the life-of-mine, we expect our energy consumption will switch from about 50% electricity and 50% diesel to approximately 70% and 25%, respectively. This is primarily due to increased electrical power loads required for ventilation at the Media Luna underground mine as well as for the conveyance system within the Guajes Tunnel, a portion of which will be built under the Balsas River.

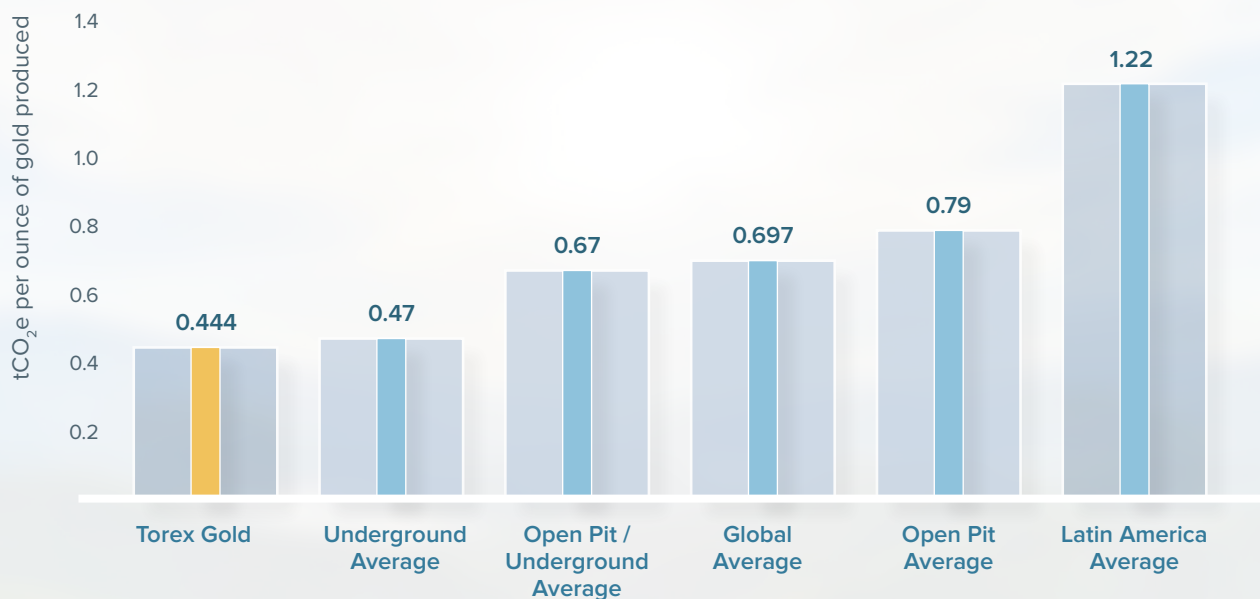
Overall GHG emissions would be expected to increase slightly in 2024 as our Media Luna Project ramps up production and our ELG mines continue operations, and then return to steady state as Media Luna becomes the primary source of feed and the ELG open pits wind down.

Table 2 presents our key climate metrics. Future work in 2022 will include assessing our key climate metrics against the TCFD’s cross-industry, climate-related metric categories and identify, if needed, additional climate metrics. We do not currently calculate Scope 3 emissions although we plan to do so as part of our ongoing climate change strategy.

Torex’s GHG emissions intensity is lower than the global industry average and one of the lowest in Mexico given our volume of production and our efforts over the years to employ technologies such as RopeCon™ to limit our carbon footprint and reduce energy consumption. In 2020, global gold production GHG emissions intensity averaged 0.697 tCO<sub>2</sub>e per ounce of gold produced. In Latin America, gold production GHG emissions intensity averaged 1.22 tCO<sub>2</sub>e per ounce of gold produced.

**Torex’s GHG emissions intensity is lower than the global industry average and one of the lowest in Mexico.**

**FIGURE 1 Gold Production Average GHG Emissions Intensity 2020**



Source: S&P Global Market Intelligence – Greenhouse gas and gold mines – Emissions intensities unaffected by lockdowns



## CLIMATE CHANGE TARGETS

We are pleased to disclose our 2030 GHG emissions reduction targets, as we committed in our 2021 Responsible Gold Mining Report. These targets are the result of extensive foundational work conducted over the past few years to review and analyze baseline data, forecast future data, understand the evolving regulatory environment, and engage with site employees to identify economic and achievable energy efficiency and GHG emissions reduction opportunities. This foundational work allows us to have the confidence to set the

following GHG emissions reduction targets with clear and credible pathways to achievement, in support of our overall commitment to achieve net zero GHG emissions by 2050:

- A 10% reduction in absolute Scope 1 and 2 GHG emissions by 2030, compared to a 2021 baseline
- A 25% reduction from Scope 1 and 2 GHG emissions in 2030 forecasted if no action is taken on intervention measures to reduce carbon emissions at the Media Luna Project (25% Business as Usual target)

Alongside a 10% absolute emissions reduction target by 2030, we have developed a **Business as Usual** target which recognizes that energy consumption at our operations will change over time with continued operation and growth through our Media Luna Project.

If no mitigation measures were to be adopted, overall GHG emissions would be expected to increase significantly as we bring our Media Luna Project into full production. 2021 serves as a starting point from which discrete, opportunity-based mitigations are measured against a scenario in which we do not make strategic decisions and supporting investments to implement initiatives to reduce GHG emissions.

Through our **Business as Usual** target, we are targeting a cumulative reduction of 55,000 tCO<sub>2</sub>e by 2030, which represents a 25% reduction from the Scope 1 and 2 GHG emissions in 2030 forecasted if conventional mining methods were deployed.

## PATHWAY TO 2030

Our targets are supported by a clear and credible pathway that was determined by conducting a detailed energy audit at our operations to identify carbon savings opportunities. A Marginal Abatement Cost Curve (“MACC”) was leveraged to help identify opportunities that would help us reach our 2030 GHG emissions reduction targets in a cost-effective manner that considers return on investment.

Our energy profile is expected to significantly change once our Media Luna Project is constructed and enters commercial production. At that point, the majority of our

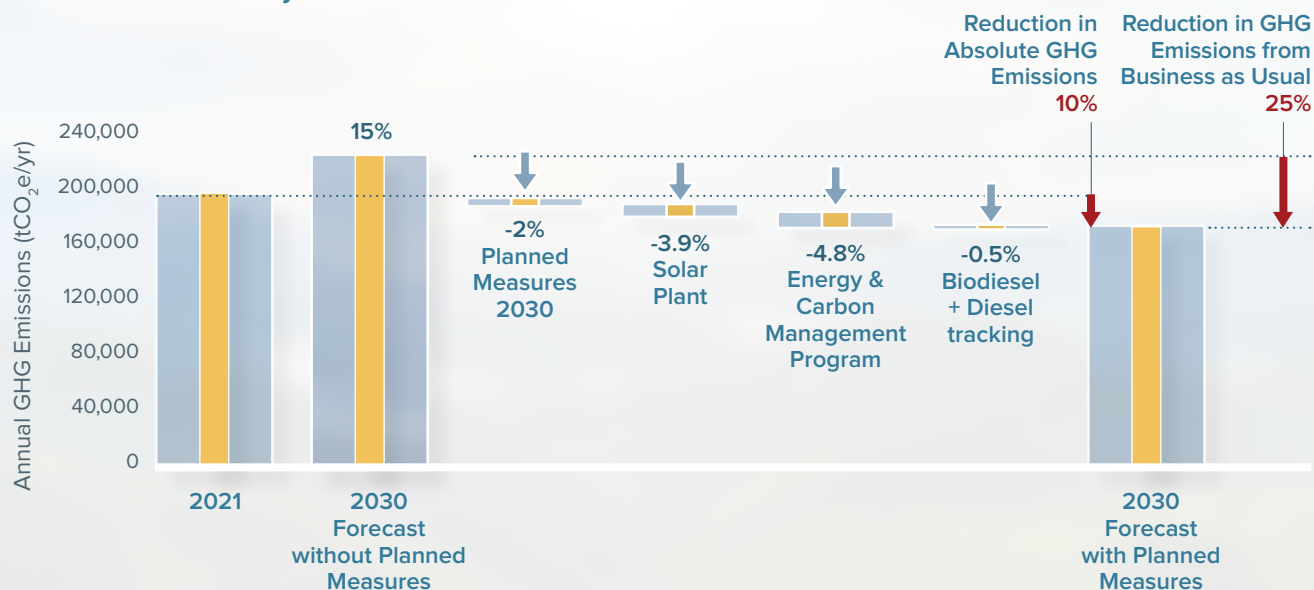
emissions will be coming from Scope 2 GHG emissions; therefore, electrical efficiency projects will be very important to achieving our GHG emissions reduction targets.

Our pathway to achieving our 2030 GHG emissions reduction targets includes a set of planned measures to 2030, including the development of our approved and permitted 8.7 MW solar plant, the introduction of new battery electric vehicles at our Media Luna Project, ventilation on demand technology at both ELG underground and Media Luna, an energy and carbon management program, and biodiesel and diesel tracking.



These initiatives (referred to as our 'Pathway to 2030') will allow us to produce real emissions reductions in the economy through an absolute reduction in GHG emissions, while bringing a new project into commercial production.

**FIGURE 2 Pathway to 2030**





## //// Pathway to 2030

<b>PLANNED MEASURES TO 2030</b>	<ul style="list-style-type: none"> <li>☛ Electrification of traditionally diesel operations including electric conveyance systems, battery electric vehicles, and pumping versus trucking of filtered tailings.</li> <li>☛ Reduced emissions from energy efficiency measures planned for the Media Luna project such as no above ground compressor, ventilation on demand, and rigid ducting.</li> <li>☛ Energy efficiency measures currently being planned or implemented such as filter press decommissioning, ball mill Variable Frequency Drive (“VFD”), ventilation on demand at ELG underground, carbon regeneration boiler replacement, blast optimization, ore tracking, and haul route optimization.</li> <li>☛ These planned measures are expected to reduce GHG emissions by approximately 2%.</li> </ul>
<b>SOLAR PLANT</b>	<ul style="list-style-type: none"> <li>☛ We have signed an agreement and received regulatory approval to build an 8.7 MWh solar plant to provide renewable energy to our processing facilities. Expected energy cost savings are up to \$1M per year over a 20-year lease period, with full payback of the solar plant realized within approximately nine years.</li> <li>☛ The solar plant has the potential to reduce Scope 2 GHG emissions by up to 8.6% and overall emissions by up to 3.9% from the 2021 baseline.</li> </ul>
<b>ENERGY AND CARBON MANAGEMENT PROGRAM</b>	<ul style="list-style-type: none"> <li>☛ An Energy Management Information System (“EMIS”) will be developed to measure and monitor energy use. The EMIS is being used to inform equipment use and management of operations to understand trends and changes in operational efficiency. Based on the knowledge acquired through the EMIS and using a robust ISO 50001-aligned energy management program, the team is now evaluating a number of operational opportunities for efficiency and energy and carbon mitigation.</li> <li>☛ This program is expected to reduce GHG emissions by approximately 4.8% by 2030.</li> </ul>
<b>BIODIESEL AND DIESEL TRACKING</b>	<ul style="list-style-type: none"> <li>☛ We plan to leverage diesel consumption tracking from our mobile equipment. Diesel will be tracked as it is distributed to each piece of equipment and this data will be monitored regularly. When anomalies are noted in diesel burn, the route cause will be investigated, and action will be taken to either address the issue leading to higher fuel burn or adapt as standard practice the condition that led to a lower fuel burn.</li> <li>☛ This initiative is expected to reduce GHG emissions by approximately 0.5%.</li> </ul>

Our Pathway to 2030 is achievable and credible and is expected to result in an absolute reduction of GHG emissions of 10% by 2030 and a 25% reduction from the Scope 1 and 2 GHG emissions in 2030 forecasted if no action is taken on intervention measures to reduce carbon emissions at the Media Luna Project (Business as Usual).

This is significant, given our growth plans that will see Torex bring the Media Luna project, which is expected to be one of Mexico’s largest underground mines, into commercial production during the 2030 timeline.

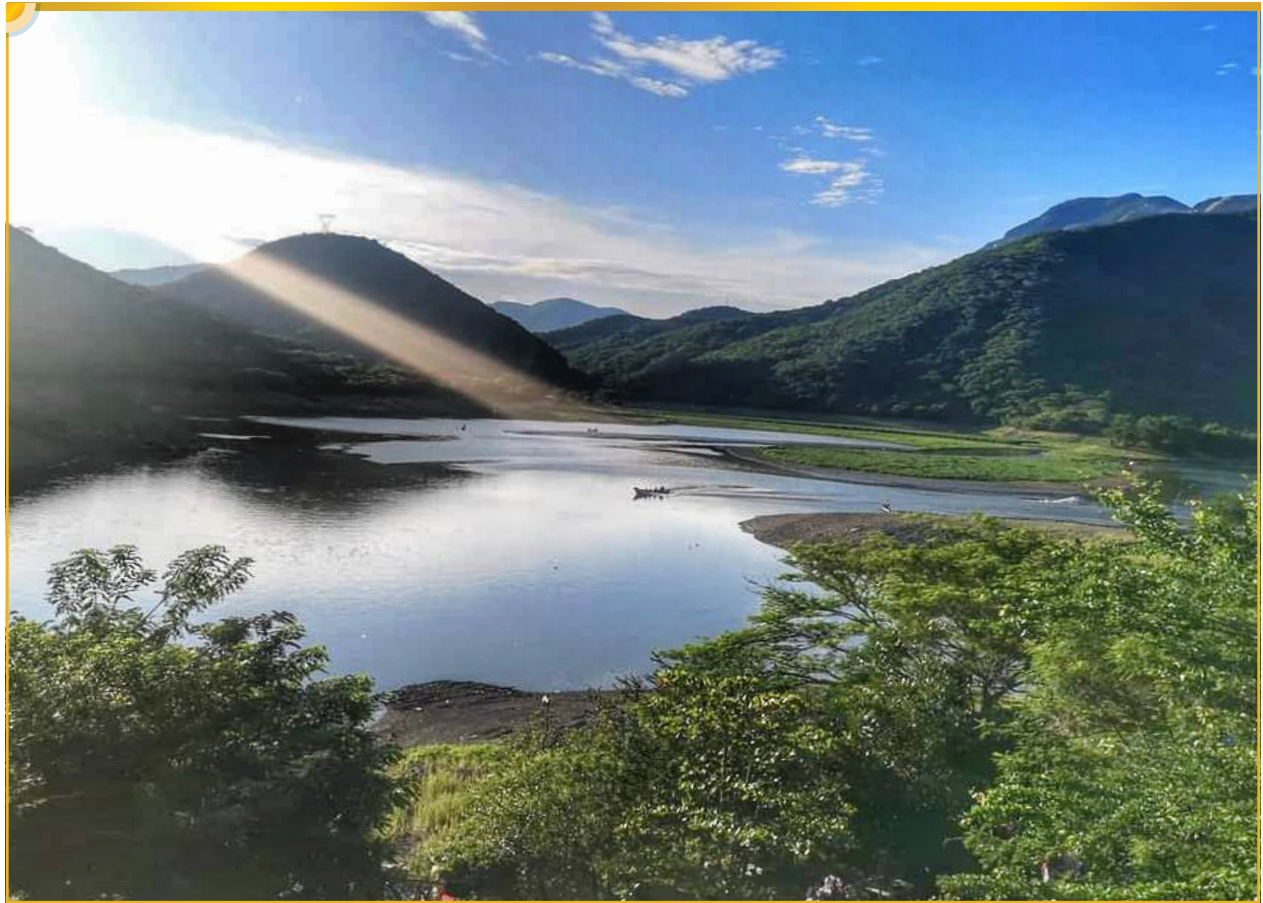
We have also identified additional opportunities that build upon the Pathway to 2030 outlined above that

could allow us to reduce unmitigated emissions further, potentially by 30% on a BAU basis by 2030. The biggest opportunity is to increase our renewable energy capacity through expansion of our solar plant, and we will continue to evaluate this opportunity moving forward.

We are committed to periodically reviewing our GHG emissions reduction targets and pathways and will report on our performance on an annual basis. Our objective is to maintain responsible and achievable GHG emission reduction targets with credible and proven pathways, and prioritizing reductions in absolute GHG emissions as supported by climate science.

# NEXT STEPS

We are proud of the progress we have made on our Climate Change Strategy over the past few years. Setting our baseline GHG emissions and developing credible GHG emissions reduction targets, including an absolute emissions reduction target, was a critical milestone for Torex.



Our immediate climate change priorities are to continue to develop our internal capacity on climate change, assess our key climate metrics against the TCFD's cross-industry, climate-related metric categories, and capitalize on the identified opportunities to reduce GHG emissions by pursuing our Pathway to 2030.

In the medium term, we are also committed to continue to enhance the alignment of our climate change disclosure with the TCFD recommendations and evaluate our capacity to conduct scenario analysis to

further enhance our understanding of climate-related risks and opportunities and the ways in which they could impact our business, strategy and financial planning. Assessing the significance of our Scope 3 GHG emissions will also be an important part of our future work on climate change.

We look forward to continuing this important work and providing annual progress updates to provide transparency on our performance against our climate change targets.





# TCFD INDEX

## TCFD Index

CATEGORY	RECOMMENDATION	SUPPORTING RECOMMENDED DISCLOSURES	RESPONSE
GOVERNANCE	Disclose the organization's governance around climate-related risks and opportunities.	(a) Describe the board's oversight of climate-related risks and opportunities.	Page 6-7
		(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Page 6-7
STRATEGY	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Page 8-13
		(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Page 8-15
		(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	N/A*
RISK MANAGEMENT	Disclose how the organization identifies, assesses, and manages climate-related risks.	(a) Describe the organization's processes for identifying and assessing climate-related risks.	Page 16
		(b) Describe the organization's processes for managing climate-related risks.	Page 16
		(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Page 16
METRICS & TARGETS	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Page 17-18
		(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Page 17-18
		(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Page 19-21

\*We have not yet conducted climate change scenario analysis given our size and stage; however, we are committed to continuing to enhance our understanding of climate-related risks and opportunities and the ways in which they could impact our business, strategy and financial planning. We continue to evaluate our capacity to conduct scenario analysis and are committed to continue to enhance the alignment of our climate change disclosure with the TCFD Recommendations.



# CAUTIONARY NOTES

This report contains “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking statements and information includes, but is not limited to: the Company’s key strategic objectives to extend and optimize production from the ELG Mining Complex, de-risk and advance the Media Luna Project to commercial production, build on ESG excellence, and grow organically through ongoing exploration across the entire Morelos Property and through potential value accretive M&A; the Company’s overall commitment to achieve net zero GHG emissions by 2050; the Company’s targets of a 10% reduction in absolute Scope 1 and 2 GHG emissions by 2030, compared to a 2021 baseline (10% absolute target) and a 25% reduction from Scope 1 and 2 GHG emissions in 2030 forecasted if no action is taken on intervention measures to reduce carbon emissions of the Media Luna Project (25% Business as Usual target); pathway to achieve the targets including the set of planned measures described in the report and the implementation of the solar plant, the BEVs, the VoD, an energy and carbon management program, and biodiesel and diesel tracking; the Company’s organizational purpose: “To transform finite mineral resources into lasting prosperity by positively impacting all the lives we touch”; Company’s belief that the strategy outlined will mitigate business risk and provide real opportunities to create value through health and safety improvements, cost savings and operational efficiencies that will benefit our operations; the 25 opportunities identified to improve energy efficiency and reduce GHG emissions will also mitigate exposure to market risks and support profitability by reducing consumption of materials that could be subject to changing input prices (e.g., fuel, water); the expected energy cost savings from the solar plant; the potential reduction in Scope 1 and Scope 2 emissions are set out in the report. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “targets”, “aim”, “plans”, “expects”, “estimates”, “believes”, “goal”, “potential”, “strategy” or commitment or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “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, risk associated with the ability to accurately identify and assess issues that are important to stakeholders and the ability to identify, assess, mitigate and monitor risks to the enterprise and those risk factors identified in the report and the Company’s technical report titled “Morelos Property - NI 43-101 Technical Report - ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study” dated effective March 16, 2022 (Technical Report) and the Company’s annual information form (AIF) and management’s discussion and analysis (MD&A) each available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.torexgold.com](http://www.torexgold.com). Forward-looking information is based on the assumptions discussed in the Technical Report, AIF and MD&A 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.



[www.torexgold.com](http://www.torexgold.com)