



## **TOREX GOLD RESOURCES INC.**

### **Insider Trading Policy**

#### **Purpose**

The trading of securities of a public company is governed by extensive and complex securities laws and regulations, the fundamental idea being that everyone investing in securities of a public company should have equal access to information that may affect their investment decisions.

To provide equal access to information, and to ensure that Torex Gold Resources Inc. (the "**Corporation**") and its directors, officers and other employees comply with applicable securities laws, instruments, rules, policies and regulatory requirements (collectively "**Applicable Laws**"), the Board of Directors (the "**Board**") of the Corporation has approved, and the Corporation has adopted, a Disclosure Policy. One of the purposes of the Disclosure Policy is to ensure that the Corporation makes timely disclosure of material changes affecting the business or affairs of the Corporation in order to prevent disclosure of such material changes being made on a selective basis.

The purpose of this Insider Trading Policy (this "**Policy**") is to ensure that the directors, officers and other employees of the Corporation do not trade in the securities of the Corporation while in possession of material information affecting the business or affairs of the Corporation that has not been generally disclosed to the public which would, itself, undermine the principle purpose of Applicable Laws relating to insider trading (as defined below).

This Policy is intended not only to ensure that the directors, officers and other employees of the Corporation act, but also that they are perceived to act, in accordance with Applicable Laws and high standards of ethical and professional behaviour in order to protect the reputation of the Corporation.

#### **Prohibited Trading**

##### ***Trading While In Possession of Undisclosed Material Information***

Applicable Laws prohibit a reporting issuer and any person in a "special relationship" with a reporting issuer (which includes, but is not limited to, directors, officers and other employees) from trading in securities of the reporting issuer (including the granting of stock options) with knowledge of a "material fact" or a "material change" (collectively "**material information**") about the reporting issuer that has not been generally disclosed (known as "insider trading"). The definitions of "material fact" and "material change" are based on a market impact test, whereby the fact or change would (or would reasonably be expected to) significantly affect the market price or value of a security. Examples of potentially material information include:

- (a) changes in the ownership of securities that may affect control of the Corporation;
- (b) changes in the corporate structure of the Corporation, such as a reorganization or amalgamation;

- (c) take-over bids or issuer bids involving the Corporation;
- (d) material acquisitions or dispositions by the Corporation;
- (e) material changes in the capital structure of the Corporation;
- (f) borrowing or establishing a facility which allows the borrowing of a material amount of funds by the Corporation;
- (g) a public or private sale of a material number of additional securities of the Corporation;
- (h) material changes in the reserves or resources of the Corporation or a material exploration discovery;
- (i) firm evidence of a material increase or decrease in the near-term earnings prospects of the Corporation;
- (j) changes in the capital investment plans or corporate objectives of the Corporation;
- (k) material changes in the management of the Corporation;
- (l) litigation which may have a material impact on the Corporation;
- (m) major labour disputes involving, or disputes with major contractors or suppliers of, the Corporation;
- (n) material changes to the financial results of the Corporation;
- (o) any material criminal indictment or material governmental investigation of the Corporation;
- (p) material changes in the accounting policies of the Corporation;
- (q) the bankruptcy or insolvency of the Corporation;
- (r) the occurrence of a material event of default under any material financing or other agreement to which the Corporation is a party;
- (s) material deviations from previously announced development costs or timing;
- (t) achieving significant milestones (for example, commercial production); and
- (u) any other matter relating to the business or affairs of the Corporation that would reasonably be expected to significantly affect the market price or value of any of the securities of the Corporation or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

The prohibition on trading applies not only to trading in the securities of the Corporation but also to trading in the securities of another reporting issuer if the person wishing to trade possesses undisclosed material information about that reporting issuer (for example, a reporting issuer that the Corporation is doing business with).

Applicable Laws also prohibit “tipping”, defined as communicating non-public material information, other than in the necessary course of business, to another person. All directors, officers and other employees of the Corporation must ensure that they do not divulge such non-public information to any unauthorized person.

### ***Scheduled Blackout Periods***

Directors, officers and other employees the Corporation are subject to blackout periods surrounding the release by the Corporation of the financial results of the Corporation. No trades shall be carried out from 15 calendar days in advance of the issuance of the relevant earnings news release until two clear trading days following the issuance of the relevant earnings news release. The Corporation will promptly disseminate an e-mail notification to the directors, officers and other employees of the Corporation that are subject to the blackout, notifying such persons of the commencement of the blackout period and of the termination of the blackout period.

### ***Unscheduled Blackout Periods***

Additional blackout periods, due to material developments which may arise, as specified by the Disclosure Committee (as defined in the Disclosure Policy) may be imposed from time to time. The Corporation will promptly disseminate an e-mail notification to the directors, officers and other employees of the Corporation that are subject to the blackout, notifying such persons of the commencement of the blackout period and of the termination of the blackout period. All directors, officers and employees of the Corporation with knowledge of such material developments will be covered by the blackout. No trades shall be carried out until the termination of the blackout period which will, if applicable, be two clear trading days following the issuance of the relevant news release regarding the material development.

### **Trading Procedures**

In order to prevent violations of Applicable Laws and to avoid any perception of impropriety, prior notice of the intention to carry out a purchase or sale of the securities of the Corporation or the exercise of any stock option by a director or officer must be provided to one of the President and Chief Executive Officer or the Chief Financial Officer, and no trade shall be carried out without the prior approval of one of them. Any approval granted for any proposed trade will be valid for a period of seven days, unless revoked prior to that time. No trade may be carried out after the expiry of seven days following the receipt of approval, unless such approval is renewed.

In order to avoid the perception of impropriety, the directors, officers and other employees of the Corporation should not speculate in the securities of the Corporation. For the purposes of this Policy, “speculate” means the purchase or sale of the securities of the Corporation with the intention of reselling or buying back such securities in a relatively short period of time, with the expectation of a rise or fall in the market price of the securities. Speculating in the securities of the Corporation for a short-term profit is distinguished from purchasing and selling the securities of the Corporation as part of a long-term investment program. The directors, officers and other employees of the Corporation should not at any time:

- (a) sell securities of the Corporation if they do not own or have not fully paid for them (a short sale) except for sales of common shares (“**Common Shares**”) of the Corporation where the individual holds a stock option, restricted share unit or performance share unit issued by the Corporation and convertible into Common Shares of the Corporation, and within 10 calendar days after the sale, the individual exercises the option or redeems

the right, as the case may be, and delivers the Common Shares so acquired to the purchaser;

- (b) buy or sell a call or a put on securities of the Corporation or enter into any equity monetization transaction that would have an equivalent effect; or
- (c) enter into any other financial instrument designed to hedge or offset a decrease in the market value of the securities of the Corporation, including without limitation, pre-paid variable forward contracts, equity swaps, collars or units of exchange funds.

## **Public Reporting Requirements**

Directors and certain officers are required to electronically file insider reports through the System for Electronic Disclosure by Insiders (“**SEDI**”). Such reports are due within ten calendar days of becoming an insider, disclosing such person’s beneficial ownership of, or control or direction over, securities of the Corporation and within five calendar days of the date on which a change in the ownership, or control or direction, occurs.

A trade includes the grant of equity settled instruments including restricted share rights, performance share rights and options or the voluntary redemption or exercise thereof as well as a change in the nature of the ownership, or control or direction over, the securities of the Corporation (e.g. a disposition to a company controlled, but not wholly-owned, by the insider or a determination that the securities are held in trust for another person). However, the following trades are not restricted during a blackout period:

- a) trades of securities of the Corporation with a company which is wholly-owned by the insider or a trust of which the insider is the sole beneficiary; and
- b) transfers of securities of the Corporation by an insider from his or her account (solely in his or her name) with a brokerage firm, bank or trust company (a “**Broker**”) to the insider or to the insider’s account (solely in his or her name) with another Broker.

Failure to file a report on time will result in late fees being levied on the insider (which fees will not be paid or reimbursed by the Corporation) and may cause future regulatory filings by the Corporation to be reviewed or cleared on an untimely basis by securities regulators, thereby potentially impairing its access to capital markets.

## **Questions & Enforcement**

This Policy presents only a general framework of the restrictions imposed by securities legislation. The directors, officers and other employees of the Corporation bear the ultimate responsibility for complying with Applicable Laws and should therefore view this Policy as the minimum criteria for compliance with Applicable Laws and should obtain additional guidance when uncertainty exists regarding a contemplated transaction.

Failure to comply with this Policy or the procedures set out herein may result in disciplinary action, which may include termination of employment. Applicable Laws provide that a breach of the prohibition against trading in securities with knowledge of undisclosed material information or providing undisclosed material information to others, in addition to civil liability for damages, may result in imprisonment for up to five years less a day and/or a fine of up to the greater of (a) \$5 million, and (b) an amount equal to three times the profit obtained or loss avoided by reason of

the contravention. Penalties may also be levied by Canadian securities regulatory authorities for not complying with the requirement to file insider reports.

Any questions concerning this Policy should be directed to the President and Chief Executive Officer, the Chief Financial Officer or the General Counsel of the Corporation.

Violations or suspected violations of this Policy should be reported in accordance with the procedures under the Whistleblower Policy of the Corporation.

### **Certification**

When your employment or association with the Corporation begins, you must sign an acknowledgement form confirming that you have read and understand this Policy and agree to abide by its provisions. Requests to make similar acknowledgements will be made on a periodic basis.

**Failure to read or understand this Policy, sign any acknowledgement form does not excuse you from compliance with this Policy.**

### **Policy Review**

This Policy shall be reviewed, and amendments proposed as necessary, from time to time by the Corporate Governance and Nominating Committee and any amendments will be submitted to the Board for consideration, and if approved, will be brought to the attention of each director, officer and other employee of the Corporation upon such amendment becoming effective.