



Letter to shareholders:

The quote – “We live in interesting times” seems rife with understatement for Torex, the gold industry, and the world at large. For Torex, ‘the times of 2019’ were truly excellent. As a company, we made significant advancements in the commercial, technical, and social aspects of our strategy. On the commercial front, record gold production complemented by a robust gold price resulted in a material upgrading of our balance sheet with net debt reduced by \$199M to just \$22M at year end.

On the technical front, our team has sorted out the complexities of processing ore that at times has more soluble iron and copper than we would prefer. They have also achieved all the milestones that were targeted in 2019 to demonstrate the viability of our proprietary Muckahi system for underground mining. (Muck-ah-Hi). This system shows the exciting promise of providing Torex with a technical competitive advantage in the future.

On the social front, significant progress has been made in integrating the culture of a modern industrial entity with a local culture that is attuned to sustenance farming. The relationship with communities has evolved to the point that we now work together to achieve mutual benefit. This achievement of mutual benefit can be seen in the safety results that the team has delivered; over one year, and more than 6 million hours worked without a lost time injury. In an industry that is proud to celebrate 1M hours without a lost time injury, achieving 6M hours is almost unheard of. This commitment to safe work practices has transitioned well to the healthy work practices that are required to manage through the COVID-19 pandemic.

2020 was well set-up to be another excellent year until COVID-19 disrupted the world. We have done our part to help achieve the broader societal goals of containing the spread of the virus, by implementing a myriad of contagion prevention measures both on site and in the surrounding communities and, ultimately, putting our operations into care and maintenance mode. Our teams will be equally conscientious when it comes to protecting the vulnerable when we restart, which we look forward to doing in the very near future. Until we restart the operations, the gold in the ground is patiently waiting for us to return and transform it into tangible wealth that is going to be much needed when we come out on the other side of this pandemic.

In closing, 2020 is also going to be transformational from a governance perspective. A renewal process is underway to start bringing the next generation to the Board. Three Directors are not going to stand for re-election at the 2020 shareholder meeting. These include Terry MacGibbon, co-founder of the company and current Chair, Bill Shaver, and Jim Crombie. We thank them deeply for their contribution to making Torex the success that it has become. Four new Directors are standing for election at the 2020 shareholder meeting. Robin Bienenstock, Rick Howes, Roy Slack, and Jody Kuzenko. Collectively they will bring deep expertise and diversity to our Board.

At the 2020 shareholder meeting, Jody Kuzenko will take on the roles of President and CEO. I look forward to her leadership as the company continues to grow. I will take on the role of Executive Chair, with the normal duties of an Executive Chair, and a focus on the design and build of Media Luna and the continuing development of the Muckahi Mining System. An independent Lead Director will be appointed as well.

Interesting times indeed! Many thanks for your continued support.

Fred Stanford
President & CEO, May 2020.

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President & CEO

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