



## TOREX ANNOUNCES SUSPENSION OF EMPLOYMENT CONTRACTS

TORONTO, Ontario, December 18, 2017 - Torex Gold Resources Inc. (the "Company" or "Torex") (TSX:TXG) announces, with great regret, that it has suspended the employment contracts of its workforce in Mexico. This suspension is the direct result of an illegal blockade of its ELG Mine, by the Los Mineros Union, an outside union that wants to take over representation of the employees who already have a union. Since the blockade began, on November 3, 2017, the Company has continued to pay its workforce, except for the minority that have participated in the illegal blockade. The suspension of the employment contracts was effective on December 16, 2017, and will affect all employees in Mexico, with the exception of a small number that will manage the Company's ongoing responsibilities.

Torex had been hopeful the blockade would have been lifted after a majority of the Company's union eligible employees voted last week to remove the blockade. The Company believes that vote discredited the Los Mineros claim of legitimacy. That outside union, Los Mineros, has now had time to honour the democratic will of the employees and has chosen to ignore it. In fact, over the weekend, they have ramped up their intimidation efforts, with threats of cutting the power to the facilities, and by denying access for food and water to the Federal Gendarmerie that are on-site to protect the assets.

It is now clear Los Mineros does not intend to honour the democratic will of the employees. With this clarity, it is time for government authorities to remove the illegal blockade, as they have committed to do, and restore the rule of law. If the blockade is removed by the end of day on December 20, 2017, the Company will reconsider the employment contract suspension. Otherwise it simply cannot continue paying employees as it has been since the beginning of the illegal blockade. It is not financially feasible.

Fred Stanford, President and CEO of Torex stated: "It is truly unfortunate this illegal blockade has caused such economic hardship for families of employees and contractors, and for our shareholders. The workers have clearly spoken with 99% of those who voted calling for the illegal blockade to be taken down. Los Mineros has not respected the rights of the workers who they claim to care about. We hope the government will respect those rights, and will act quickly to get them back to work." He added, "Through these challenging times, we appreciate the continued support of so many who have shouldered personal and financial risk in solidarity to stand behind the effort to end this illegal action. We will continue to work with the Federal Labour Board to expedite the legal process that leads to a secret ballot for employees to select the union they wish to have represent them. As we have previously stated, we are willing to work with the union the employees select. While this process unfolds, it is essential the illegal blockade be lifted and the employees return to work immediately after Christmas."

The first meeting in the formal Labour Board process was on December 13<sup>th</sup>. The purpose of the meeting was to establish a date for the secret ballot, so the union representation question could be resolved through a vote by union eligible employees. The Los Mineros union started the illegal blockade, and submitted the paperwork to start the legal union selection process. At the meeting, witnessed by Company representatives, Los Mineros asked for a delay of the decision to establish a vote date until January 30<sup>th</sup>, 2018. This delay tactic speaks to continued Los Mineros disregard for the economic hardship they are causing employees.

Since its inception, the Company has strived to be a constructive and productive member of the societies where we operate. Our success, and unique approach, has been repeatedly acknowledged, particularly given the socially challenging environment of this economically depressed region in the north of Guerrero State, Mexico. Our values call on us to be Courageous, Loving, Dignifying, Honest, Fair, and Trustworthy. We work hard to live those values, and at times there is a price to be paid for that commitment. This is one of those times. However, we take a long-

term view, and believe the future of families, our shareholders, and other stakeholders, will be better served if we continue on the path we were on before Los Mineros, with the support of USW and UNIFOR interjected their destructively self-serving presence. In keeping with our core values, Torex will be paying the annual Aguinaldo (13<sup>th</sup> month of salary) to help employees get through the holidays, despite not being required to do so under the laws surrounding the suspension of employment contracts. Beyond that, Torex is unable to reconsider its suspension of its employment contracts unless the illegal blockade of our operations is lifted by December 20<sup>th</sup>.

Torex is an emerging intermediate gold producer based in Canada, engaged in the exploration, development and operation of its 100% owned Morelos Gold Property, an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometers southwest of Mexico City. Within this property, Torex has the El Limón Guajes Mine, which announced commercial production in March of 2016, the Sub-Sill Project, currently under development, and the Media Luna Project, an early stage development project for which the Company issued a preliminary economic assessment (PEA) in 2015. The property remains 75% unexplored.

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## CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This press release contains “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities legislation. Notwithstanding the Company’s efforts, there can be no guarantee that the blockade will be removed to permit the Company to re-start operations. Forward-looking information also includes, but is not limited to, the availability of the government sanctioned process to resolve the labour dispute, including the vote to elect the union, the outcome of such process, the ability of the government to remove the blockade in a peaceful manner, the duration and impact of the suspension of the employment contracts, the time period to re-start operations, the prospect that operations may again be shut down if they are re-started and the circumstances of such shut down. Generally, forward-looking information can be identified by the use of forward-looking terminology such “purpose”, “budgeted”, “scheduled”, “potentially”, “proposed”, “pending”, “contemplates”, “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes”, or “subsequent” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur”, or “be achieved”. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the activities of the Company to be materially different from those expressed or implied by such forward-looking information, including, without limitation, those risk factors identified in the Company’s annual information form and management’s discussion and analysis. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.