

# Torex Gold Initiates Gold Price Protection Program

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TORONTO, Aug. 22, 2019 - [Torex Gold Resources Inc.](#) (the "Company" or "Torex") (TSX: TXG) announces the Company has entered into a series of zero-cost collar hedges which are consistent with the policy approved by the Board of Directors. A total of 96,000 ounces of gold sales have been hedged evenly over the next 12 months. The floor price of the monthly gold collars has been set at \$1,400/oz with the ceiling price of the collars ranging from \$1,666/oz in September 2019 to \$1,768/oz in August 2020.

Fred Stanford, President and CEO of Torex, stated:

"We are currently in a debt repayment phase and after this is complete, we will be building cash to fund the construction of Media Luna, and other initiatives. Given these uses for near term cash flow, it is a prudent business decision to lock in some price protection for our primary product. This is the first decision under the policy that guides our price protection program. We expect it will become normal course to evaluate the business need for price protection and whether there are suitable products available to provide it. Currently, the market conditions for collar hedges are favorable, with the collar range skewed to the upside. We have taken advantage of this opportunity.

"To update on other milestones – The Media Luna infill diamond drill program is now complete. An updated resource estimate is expected before year end. The Muckahi testing progresses well. A team is pulling together designs to mine, with Muckahi, the portions of ELD that are below current infrastructure. Trade-off studies for mining Media Luna with Muckahi are also advancing. Confidence is increasing."

A total of 96,000 ounces of gold sales have been hedged between September 2019 and August 2020 at an average floor price of \$1,400/oz and an average ceiling price of \$1,720/oz. The difference between the average floor price and average ceiling price over the term of the collars offers a favourable spread around the spot price of gold, which is currently trading slightly above \$1,500/oz. Recall, 2019 sales guidance is 430,000 ounces (+/- 7%).

## Summary of gold price collars (September 2019 through August 2020)

Period	Gold Sales (ounces)	Floor Price (\$ per ounce)	Ceiling Price (\$ per ounce)
September 2019	8,000	\$1,400	\$1,666
October 2019	8,000	\$1,400	\$1,682
November 2019	8,000	\$1,400	\$1,688
December 2019	8,000	\$1,400	\$1,696
January 2020	8,000	\$1,400	\$1,703
February 2020	8,000	\$1,400	\$1,717
March 2020	8,000	\$1,400	\$1,728
April 2020	8,000	\$1,400	\$1,739
May 2020	8,000	\$1,400	\$1,745
June 2020	8,000	\$1,400	\$1,752
July 2020	8,000	\$1,400	\$1,758
August 2020	8,000	\$1,400	\$1,768
Total <sup>(1)</sup>	96,000	\$1,400	\$1,720

(1) Represents total gold sales hedged to date as well as weighted average floor and ceiling gold prices

#### 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 Gold Property, an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometers southwest of Mexico City. The Company's principal assets are the El Limón Guajes mining complex (the "ELG Mine Complex"), comprised of the El Limón, Guajes and El Limón Sur open pits, the El Limón Guajes underground mine including zones referred to as Sub-Sill and El Limón Deep, and the processing plant and related infrastructure, which is in the commercial production stage as of April 1, 2016, and the Media Luna deposit, which is an early stage development project, and for which the Company issued an updated preliminary economic assessment in September 2018 (the "Technical Report"). The property remains 75% unexplored.

For further information, please contact:

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#### CAUTIONARY NOTES

##### Muckahi Mining System

The Technical Report includes information on Muckahi. It is important to note that Muckahi is experimental in nature and has not been tested in an operating mine. Many aspects of the system are conceptual, and proof of concept has not been demonstrated. Drill and blast fundamentals, standards and best practices for underground hard rock mining are applied in the Muckahi, where applicable. The proposed application of a monorail system for underground transportation for mine development and production mining is unique to underground hard rock mining. There are existing underground hard rock mines that use a monorail system for transportation of materials and equipment, however not in the capacity described in the Technical Report. Aspects of Muckahi mining equipment are currently in the design and test stage. The mine design, equipment performance and cost estimations are conceptual in nature, and do not demonstrate technical or economic viability. The Company expects to complete the development and test the concept by the end of 2019 for the mine development and production activities. Further studies would be required to verify the viability of Muckahi.

##### 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 Company will not face unforeseen delays or disruptions of its operations including without limitation, delays caused by blockades limiting access to the ELG Mine Complex and the Media Luna Project or by blockades or trespassers impacting the Company's ability to operate. Forward-looking information also includes, but is not limited to, the Company's ability to repay debt and thereafter build cash to fund the construction of the Media Luna project and other initiatives, future transactions under the price protection program, the sales guidance for 2019, the expectation that an updated mineral resources estimate for the Media Luna project will be completed by year-end, plans to further examine the potential of the new mining technology (Muckahi), and the intention to mine the El Limon Deep deposit using Muckahi. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "estimates", "intends", "anticipates", "believes" or "potential" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", 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 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, uncertainty involving resource and reserve estimates and production forecasts, the success of the Muckahi mining system, the ability to fund the development and testing of Muckahi, and those risk factors identified in the Technical Report and the Company's annual information form and management's discussion and analysis. Forward-looking information are based on the assumptions discussed in the Technical Report 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.

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