

Torex Gold Provides Second Quarterly Update on Media Luna Project

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TORONTO, May 02, 2023 - [Torex Gold Resources Inc.](#) (the "Company" or "Torex") (TSX: TXG) provides the second quarterly update on the development of its Media Luna Project ("Media Luna"). Unless otherwise stated, progress and milestones referenced in this press release are as of March 31, 2023.

Jody Kuzenko, President & CEO of Torex, stated:

"With a full year of execution now behind us and 21 months remaining, the Media Luna Project continues to track to overall schedule and budget. At quarter-end, the project was 24% complete across engineering, procurement, underground development, and surface construction. With no major changes to the project execution plan, first concentrate production remains on track for late 2024, with commercial production still anticipated in early 2025. At quarter end, 34% of upfront project expenditures had been committed, including 22% incurred. The level of spending on the project is expected to increase throughout the remainder of the year, with total project expenditures of \$390 million to \$440 million guided in 2023.

"Detailed engineering and procurement activities increased significantly during the quarter, with several key purchase orders awarded, the most significant being the order for the primary mine production fleet. The fleet consists of 35 pieces of equipment including 15 battery electric and 20 diesel powered machines. First deliveries under the purchase order are expected later this year, in line with the project schedule. Post quarter end, the contract for the mobile production support equipment was signed. Contracts for the personnel transportation vehicles, underground construction, and underground vertical development are expected to be finalized shortly.

"Surface and underground development continue on pace. The schedule critical Guajes Tunnel has exceeded the 4-kilometre mark, with 18 active headings opened up within the deposit, and civil works for future infrastructure on both sides of the Balsas River in various stages of progress. With strong available liquidity and robust forecast cash flow from El Limón Guajes through the end of 2024, we are well-positioned to not only fund the development of Media Luna, but to continue to advance additional value-enhancing initiatives with a view to continuing to extend mine life and optimize economics at our flagship Morelos Property."

CAPITAL EXPENDITURES

Total upfront expenditures related to the development of Media Luna are tracking to the initial estimate of \$874.5 million. As at quarter-end, Torex had incurred \$191.1 million of project period expenditures (22% to date) and \$298.9 million of expenditures committed and incurred (34% to date).

Table 1: Media Luna Project - Project Expenditures (April 1, 2022 through March 31, 2023)

<i>Millions of U.S. dollars</i>	Project To Date Q1 2023
Project expenditures per 2022 Technical Report	\$ 848.4
Adjustment for underspend in Q1 2022	\$ 26.1
Total project expenditures	\$ 874.5
Total project expenditures incurred to date	(\$ 191.1)
Remaining project expenditures	\$ 683.4
<i>Committed expenditures (inclusive of total project expenditures incurred to date)</i>	\$ 298.9
<i>Uncommitted expenditures</i>	\$ 575.6

- 1) Project period commenced on April 1, 2022; excludes capital expenditures incurred prior to Board approval on March 31, 2022.
- 2) Project period is defined as April 1, 2022 through December 31, 2024.
- 3) Excludes borrowing costs capitalized.

The Company expects to incur \$390 to \$440 million of capital expenditures related to the development of the Media Luna Project in 2023 (\$66.4 million accrued during the first quarter), which is forecasted to be the peak year of investment. Quarterly expenditures are expected to increase into H2 2023, and remain relatively consistent through H1 2024, before declining as development activities wind down ahead of commercial production, which is anticipated in early 2025.

More detail on the Media Luna Project, including the feasibility study results, can be found in the Company's most recent Technical Report dated effective March 16, 2022, filed on March 31, 2022 ("Technical Report").

PROJECT COMPLETION

As at quarter-end, development of Media Luna was tracking to overall schedule, with the project 24% complete, up from the 15% complete status at the end of 2022. Detailed engineering is nearing the 50% completion mark, while procurement is almost 40% complete, with a majority of the schedule critical purchase orders either awarded, or soon to be awarded. Based on the current schedule, first concentrate production remains on track for late 2024.

Table 2: Media Luna Project - Project Completion (April 1, 2022 through March 31, 2023)

	Project To Date Q1 2023	
Procurement	36	%
Engineering	47	%
Underground development/construction	23	%
Surface construction	15	%
Total Project	24	%

Notes to Table

- 1) Physical progress measured starting as of April 1, 2022; excludes progress made prior to Board approval on March 31, 2022.
- 2) Project period is defined as April 1, 2022 through December 31, 2024.
- 3) Total Project is weighted average based on activity levels.

Procurement

During the quarter, the Company executed several key purchase orders, including those for the filter presses and positive displacement pump for the paste plant, filter presses for the copper concentrate circuit, the gravity concentrator, the reverse osmosis unit for the water treatment plant, and fixed equipment for the underground operation (conveyors, belt magnets, and vibratory feeders).

The major procurement achievement in the quarter was awarding the purchase order for the primary production fleet to Sandvik, an order worth approximately \$63 million with deliveries scheduled to begin in Q3 2023. The order includes 35 vehicles in total, including 15 battery electric vehicles which, according to Sandvik, is the company's third-largest battery electric vehicle fleet order to date.

The process for technical and commercial evaluation of bids for the underground construction vertical development contracts is nearing completion, with contract awards anticipated shortly. Mobilization of the successful underground construction contractor is anticipated during Q2 2023.

Engineering

The pace of detailed engineering increased during the first quarter and continues to track well with procurement activities. Key engineering packages that advanced during the quarter included equipment specifications for soliciting pricing from vendors, finalization of deliverables ahead of surface construction

activities, final orientation of ore and waste handling infrastructure, and initial simulations with charging of batteries for the electric vehicle fleet.

Underground Development and Construction

Steady progress was made in advancing the Guajes Tunnel and South Portal Lower. Breakthrough of the Guajes Tunnel on the south side of the Balsas River remains on track for Q1 2024, if not earlier. The thousand plus conveyor tables to be installed in the tunnel have now been ordered from a Mexican supplier and delivery is expected to commence mid-year.

As at the end of April, the Guajes Tunnel had advanced 4,080 metres, with daily advance rates averaging 7.0 metres over the last three months, including a record average daily rate of 7.4 metres in February. At South Portal Lower, development rates have increased throughout 2023 with a 3-month average daily advance rate of 4.3 metres through April (including 5.1 metres per day in April), compared with an average rate of 3.8 metres over the last twelve months. The increased rates reflect improved ground conditions now that tunnelling has moved into the competent granodiorite lithology from the less competent shale and limestone lithologies encountered last year. With the lower access tunnel completed on the south side, development of the main lower spiral ramp is underway and is on track for completion by the end of June.

Figure 1: Breakthrough of Guajes Tunnel on schedule for early Q1 2024 (advance rates as at end of April)

Steady progress was also made on ventilation and in-mine development during the quarter. The Guajes Tunnel ventilation raise was completed and the pilot hole for the first ventilation raise within the Media Luna underground commenced. As at the end of March, there were 18 active headings, including 6 in Media Luna Lower and 12 in Media Luna Upper. Development across all headings continues to advance well, with high monthly development rates achieved as ground conditions have improved and intermittent water inflows are less frequent and well managed. Vertical development was initiated with the start of raise-boring in Media Luna Upper.

Surface Construction

New work fronts were started on the north side of the Balsas River during the quarter, including civil development for the water treatment plant as well as rough grading for the 230 kV substation. Expansion of the additional laydown area in Atzcala also commenced, which included mobilization of additional camp modules to house project staff. Installation of new buried power conduits around the flotation plant began in anticipation of starting civil works later this year.

On the south side of the Balsas River, expansion of the construction camp pad continued ahead of the receipt of additional camp modules by the end of June. Slope remediation of the South Portal access road neared completion which, once complete, will allow for civil works to continue at a more rapid pace on the sediment and decant ponds. During the quarter, final blasts related to the paste plant excavation were completed, with pouring of the concrete generator pad to commence shortly.

Operational Readiness

In parallel with development and construction activities, the surface and underground operational readiness planning is progressing to plan. Operational readiness teams are accountable for ensuring that processes and systems for all new work areas are established and ready in advance of the handover from the project team to operations. This includes workforce transition planning and training (hiring for roles has commenced with initial job-specific training expected to start shortly), developing the operating strategy (including all standard operating procedures), maintenance plans for all fixed and mobile equipment, blend and feed strategies, detailed commissioning plans, first fills, concentrate shipment logistics, and all other requirements to ensure a smooth ramp up to commercial production in Q1 2025.

PROJECT EXECUTION PLAN

Based on progress made during Q1 2023, the project execution plan is unchanged compared to the prior plan outlined within the inaugural Media Luna update press release published on February 9, 2023.

Figure 2: Project execution plan for the Media Luna Project

The current project plan relative to the Technical Report reflects the Company's estimates for the completion of key project deliverables. These updated deliverables have not impacted the overall project schedule given the original plan had assumed the potential for schedule adjustments and the possibility for supply chain disruptions.

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 Property, an area of 29,000 hectares in the highly prospective Guerrero Gold Belt located 180 kilometres southwest of Mexico City. The Company's principal 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 optimize and extend production from the ELG Mine Complex, de-risk and advance Media Luna to commercial production, build on ESG excellence, and to grow through ongoing exploration across the entire Morelos Property.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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QUALIFIED PERSON

The technical and scientific information in this press release has been reviewed and approved by Dave Stefanuto, P. Eng, Executive Vice President, Technical Services and Capital Projects of the Company, and a qualified person under National Instrument 43-101.

CAUTIONARY NOTES

Forward-Looking Statements

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements that: the Media Luna Project continues to track to overall schedule and budget; first concentrate production remains on track for late 2024, with commercial production still anticipated in early 2025; the level of spending on the project is expected to increase throughout the remainder of the year, with total project expenditures of \$390 million to \$440 million guided for 2023; the expected first deliveries under the Sandvik purchase order in Q3 2023, in line with the project schedule; the expected finalization of the contracts for the personnel transportation vehicles, underground construction, and underground vertical development; the Company's position to not only fund the development of Media Luna, but to continue to advance additional value-enhancing initiatives with a view to continuing to extend mine life and optimize economics at our flagship Morelos Property; expected capital expenditures of \$390 to \$440 million related to the development of the Media Luna Project in 2023 (\$66.4 million accrued during the first quarter), which is forecasted to be the peak year of investment; expectation that quarterly expenditures to increase into H2 2023, and remain relatively consistent through H1 2024, before declining as development activities wind down ahead of commercial production, which is anticipated in early 2025; contract awards anticipated shortly for the underground construction vertical development; the mobilization of the successful underground construction contractor is anticipated during Q2 2023; breakthrough of the Guajes Tunnel on the south side of the Balsas River remains on track for Q1 2024, if not earlier; expected commencement mid year of the delivery of conveyor tables; completion of the slope remediation of the South Portal access road allowing for

civil works to continue at a more rapid pace on the sediment and decant ponds; the operation readiness planning, including workforce transition planning and training, developing the operating strategy, maintenance plans for all fixed and mobile equipment, blend and feed strategies, detailed commissioning plans, first fills, concentrate shipment logistics, and all other requirements to ensure a smooth ramp up to commercial production in Q1 2025; the Project execution plan; and the Company's key strategic objectives are to optimize and extend production from the ELG Mining Complex, de-risk and advance Media Luna to commercial production, build on ESG excellence, and to grow through ongoing exploration across the entire Morelos Property. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "expect", "plan", "strategy", "schedule", "anticipate", "guide", "continue", "forecast", or variations of such words and phrases or statements that certain actions, events or results "will" occur or are "on track" to occur. 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, risks and uncertainties identified in the technical report ("Technical Report") titled ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study, with an effective date of March 16, 2022, and a filing date of March 31, 2022 and in the Company's annual information form ("AIF") and management's discussion and analysis ("MD&A") or other unknown but potentially significant impacts. Forward-looking information is based on the reasonable assumptions, estimates, analyses and opinions of management made in light of its experience and perception of trends, current conditions and expected developments as set out in the Technical Report, AIF and MD&A, 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.

Photos accompanying this announcement are available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/287cb9f8-a012-4bdf-ad8e-5eb9d94c846f>

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