

Torex Gold Provides Third Quarterly Update on Media Luna Project

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TORONTO, July 26, 2023 - [Torex Gold Resources Inc.](#) (the "Company" or "Torex") (TSX: TXG) provides the third 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 June 30, 2023.

Jody Kuzenko, President & CEO of Torex, stated:

"Development activities related to the Media Luna Project continued to advance well during Q2 with the project remaining on budget and on schedule. At quarter-end, Media Luna was 35% complete across engineering, procurement, underground development, and surface construction. With \$143.6 million of expenditures incurred through H1 and the quarterly spend rate expected to increase further, full year guided expenditures are trending towards the lower end of the guided range of \$390 million to \$440 million. As of June 30th, 45% of upfront project expenditures had been committed or incurred.

"Detailed engineering and procurement activities increased materially during the quarter, with several key purchase orders awarded, the most significant being the battery electric mining fleet for production support and personnel transport, as well as the ball mill motors equipped with variable frequency drives. In addition, we awarded the vertical development and underground construction contract, and the contractor is now mobilizing to site. Work to expedite the paste plant filter presses has been successful in pulling the delivery dates forward by one month, while efforts to expedite the schedule critical underground electrical equipment to mitigate schedule risk are ongoing.

"The Guajes Tunnel has advanced 4,500 metres with breakthrough on track for early Q1 2024, if not earlier. At South Portal Lower, the main spiral ramp was completed post-quarter end and the primary tunnel has advanced 2,075 metres. Civil works on both sides of the Balsas River continued during the quarter, and concrete installation will commence as the site-wide concrete contractor is selected.

"With development activities tracking to plan, robust financial liquidity, and strong ongoing cash flow from El Limón Guajes, we are well positioned physically and financially to deliver Media Luna on time and on budget, with first concentrate production in Q4 2024 and commercial production in early 2025."

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 \$268.3 million of project period expenditures (31% to date) with \$395.9 million of expenditures committed or incurred (45% to date).

Table 1: Media Luna Project - Project Expenditures (April 1, 2022 through June 30, 2023)

<i>Millions of U.S. dollars</i>	Project To Date Q2 2023
Project expenditures per 2022 Technical Report	\$848.4
Adjustment for Q1 2022 underspend	\$26.1
Total budgeted spend post March 31, 2022	\$874.5
Expenditures incurred post March 31, 2022	(\$268.3)
Remaining spend	\$606.2
<i>Committed expenditures (inclusive of total project expenditures incurred to date)</i>	<i>\$395.9</i>

Uncommitted expenditures

\$478.6

- 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 has guided \$390 to \$440 million of capital expenditures related to the development of the Media Luna Project in 2023 (\$143.6 million accrued during H1 including \$77.2 million in Q2). Quarterly expenditures are expected to increase in 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 plan, with the project 35% complete, up from 24% at the end of Q1 2023. Detailed engineering is at the 60% completion mark, while procurement is 48% 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 is on track for late-2024.

Table 2: Media Luna Project - Project Completion (April 1, 2022 through June 30, 2023)

	Project To Date Q2 2023
Procurement	48%
Engineering	60%
Underground development/construction	33%
Surface construction	27%
Total Project	35%

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 numerous key purchase orders including the paste plant conveyors and hoppers, underground material handling transfer conveyors, rubber lined pipe spools for the tailings system feeding the paste plant, and additional camp modules to accommodate our underground construction contractor. For the surface plant, key orders included medium voltage switchgear, pad mounted transformers, air compressors, concrete reinforcing steel to initiate foundation installation next quarter, and most notably the ball mill motors with variable frequency drives.

Orders were also finalized with Maclean for our battery electric vehicle ("BEV") production support equipment and with Rokion for our BEV personnel transport equipment. With respect to contracts, both the vertical development and underground construction contract evaluations were completed and awarded on a combined basis to an already well established Torex contractor, with a view to creating cost and productivity synergies. Contractor mobilization has commenced.

Engineering

The pace of detailed engineering increased during the second quarter and continues to support procurement activities. Key engineering activities included detailing of the underground ore and waste handling infrastructure, advancement of electrical supply and distribution systems within the mine considering the selected BEV vendor's fleet requirements. For the surface facilities, final foundation designs for the water

treatment plant and flotation plant were issued and steel detailing was initiated with a view to advancing fabrication. Electrical foundations and layout designs were submitted and reviewed with the federal power regulator CFE, with the overall design and installation of the 115 kV and 230 kV systems and associated infrastructure advancing to plan.

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. Delivery of the Guajes conveyor table segments began during this period as well as preparation of the tunnel for conveyor anchor installation next quarter.

As of the end of June, the Guajes Tunnel had advanced 4,500 metres and South Portal Lower had advanced 2,075 metres. Development of the main Media Luna Lower spiral ramp continued and was completed in mid-July. This crew then moved to advancing infrastructure excavation in the lower part of the mine in preparation for the arrival of the underground construction crews, all of which was enabled by the excellent progress of the Guajes development crews. With this work complete post-quarter end, the development crew will now commence advancing the Guajes Tunnel from south to north.

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

Steady progress was also made on ventilation and in-mine development during the quarter. The first 112 metre ventilation raise was completed in Media Luna Upper and the second 175 metre raise pilot was started. As of the end of June, there were eighteen active headings, including six in Media Luna Lower and twelve in Media Luna Upper. Development across all headings continues to advance well, with high monthly development rates achieved as ground conditions are excellent.

Surface Construction

On the north side of the Balsas River, civil works for the water treatment plant were completed as well as rough grading for the 230 kV substation with concrete foundations planned to start next quarter. The expanded laydown area in Atzcala began receiving large equipment such as the 100 cubic metre Cu flotation cells and Guajes conveyor table segments. Additional camp modules to house project staff were also installed. Extension of the main water management culvert below the area of the new flotation plant and Cu concentrate storage facilities were significantly advanced, allowing remaining mass civil works to begin. Relocation of the power distribution and installation of new buried power conduits around the flotation plant are expected to be completed early next quarter allowing preparation for the start of the plant concrete foundations and slab on grade.

On the south side of the Balsas River, expansion of the construction camp pad continued, and work began on the foundation preparation for the new kitchen and project office areas. Slope remediation of the South Portal access road was completed which allowed for advancing the construction of both the south sedimentation and decant pond dams. Final slope reinforcement of the west paste plant wall excavation was completed and grading of the backup generator area for foundation work to start next quarter was completed. Work advanced well on both the Mazapa - San Miguel bypass road, which received final regulatory clearance (archeological), and the Mazapa bridge, which will be in place by Q4 2023 to accept deliveries of larger equipment related to both the paste plant construction and the underground construction.

Operational Readiness

In parallel with development and construction activities, the surface and underground operational readiness strategy 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 Q2 2023, and a detailed review of both the surface and underground

schedules completed late in the quarter, the overall project execution plan is unchanged compared to the prior plan outlined within the inaugural Media Luna update press release published on February 9, 2023, with some potential movement within the plan as set out below.

Figure 2: Project execution plan for the Media Luna Project

Initiatives to expedite the delivery of the paste plant filter presses are progressing and the delivery schedule has been improved by one month since the last update. The Company is also working to expedite the underground electrical equipment to reduce schedule risk given delivery times for the underground electrical equipment are some of the longest for the project. Plans for the installation of the early Phase 1 FeS flotation circuit and water treatment plant have been adjusted. Given the Company's success with reducing cyanide consumption levels over the last 18 months, the business benefits of a single schedule for construction and commissioning the FeS circuit and water treatment plant at the same time as the Cu flotation circuit outweighed the benefits to landing the FeS circuit early. In terms of underground development, schedule gains have been made since the last update.

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 ON 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: development activities related to the Media Luna Project continued to advance well during Q2 with the Project remaining on budget and on schedule; with \$143.6 million of expenditures incurred through H1 and the quarterly spend rate expected to increase further, full year guided expenditures are trending towards the lower end of the guided range of \$390 million to \$440 million; the Guajes Tunnel has advanced 4,500 metres with breakthrough on track for early Q1 2024, if not earlier; with development activities tracking to plan, robust financial liquidity, and strong ongoing cash flow from El Limón Guajes, the Company is well positioned physically and financially to deliver Media Luna on time and on budget, with first

concentrate production in Q4 2024 and commercial production in early 2025; total upfront expenditures related to the development of Media Luna are tracking to the initial estimate of \$874.5 million; quarterly expenditures are expected to increase in 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; as at quarter-end, development of Media Luna was tracking to plan; based on the current schedule, first concentrate production is on track for late-2024; overall design and installation of the 115 kV and 230 kV systems and associated infrastructure advancing to plan; relocation of the power distribution and installation of new buried power conduits around the flotation plant is expected to be completed early next quarter allowing preparation for the start of the plant concrete foundations and slab on grade; the Mazapa Bridge will be in place by Q4 2023 to accept deliveries of larger equipment related to both the paste plant construction and the underground construction; the surface and underground operational readiness strategy is progressing to plan; the overall project execution plan; the current project plan relative to the Technical Report reflects the Company's estimates for the completion of key project deliverables; 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/fd8df85a-7939-44fc-9d46-1a834b44bac0>

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