



Torex Gold

RESOURCES INC.

Tailings Management Report

February 6, 2020

Tailings Management Report

Overview of tailings management system



Our El Limón Guajes mine in Mexico is within 100 kilometres of the Pacific coast, which makes it a seismically active area. The mine is also adjacent to the Balsas River, which is a culturally and commercially important waterway. Mitigating the 'tailings risk' to this waterway started with the design of the tailings storage facility and continues with disciplined adherence to the design specifications.

Gravity, acting on water contained in the tailings storage facility is the energy source that needs to be prevented from causing harm. There is nothing that can be done about gravity, but we can minimize the amount of water that is available for gravity to act on. This led to the design of a tailings management system that filters water out of the tailings before the tailings are placed in the storage facility. While all the water cannot be filtered out, we are able to reduce the moisture content to 17%. At 17% moisture, the tailings are of a consistency that you could make a 'snowball' with them.

At 17% water content the density of the tailings is too high to be pumped, so the tailings are conveyed from the filtration plant to the tailings storage facility. Tailings are then spread out using mechanical equipment and further dried by the sun and wind. After a suitable period of natural drying, tailings are mechanically compacted into place, and the cycle repeats with the next layer of tailings placed above the previous layer.

Even at the low water content of 17%, reduced further by natural drying, there is still a risk of liquefaction during a seismic event and gravity could then do what gravity does with liquids. To protect against this risk, a massive bulkhead (buttress) of waste rock from the open pit has been placed on the 'downhill' side of the tailings disposal facility. This bulkhead provides enough mass to contain the tailings should they become liquified during a seismic event. The bulkhead also provides erosion protection during heavy rain events. To further protect the facility during heavy rain events, the tailings are sloped away from the bulkhead so water does not pool in that area.

We believe the storage facility employed at El Limón Guajes is a best in class tailings disposal facility. Our operations systems are intended to keep it at that status. We have internal technical teams that monitor to ensure that the tailings storage facility is being operated as per design. Their work is audited by external experts who inspect the site twice a year, once during the dry season, and again during the rainy season. The facility is also inspected annually by an independent consultant. Considerable expense has been taken to mitigate the potential for tailings to negatively impact the Balsas River, first in the design and then through operations. We welcome the opportunity to allow interested parties to inspect the facility.



Tailings Management Report

Approach to tailings management



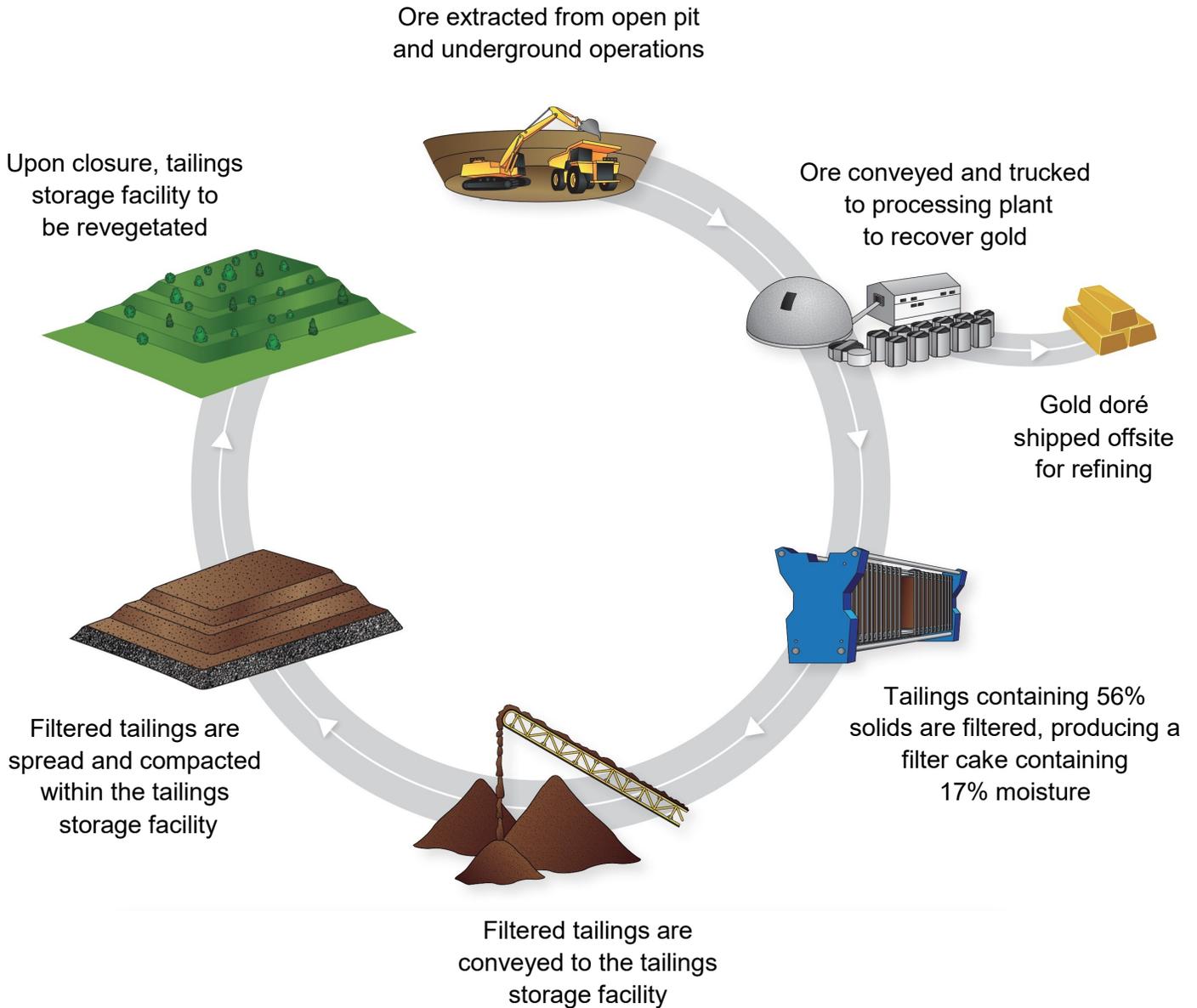
Our approach to tailings management has not changed following the recent tailings failures at Brumadinho, Mariana, Mount Polley, and other sites with conventional wet tailings.

These are recent examples of tailings dam failures, but there have been many more before them. The tailings disposal facility employed at our El Limón Guajes mine is 'young' and was designed with leading edge technology to mitigate dam failure risk in a seismically active region. It is our understanding that our high pressure tailings filtration facility is one of the largest in the world, if not the largest. Given that we use cutting edge technology already, backed up with disciplined operating practices, we have not had to change our tailings management systems. However, the recent disasters have been effective at illustrating to all through the hierarchy why it matters that they perform their tasks as per design.



Tailings Management Report

Filtered tailings process



El Limón Guajes

Filtered tailings storage facility



EL LIMÓN GUAJES MINE

Tailings facility name/identifier?	El Limón Guajes Filtered Tailings Storage Facility
Location?	Guerrero State, Mexico (18.0075 N 99.7443 W)
Ownership?	Subsidiary - 100% owned (Minera Media Luna S.A. de C.V.)
Status?	Active
Date of initial operation?	December 2015
Is the facility currently operated or closed as per currently approved design?	Yes
Raising method?	Other (Valley filled filtered tailings with a structural zone and waste rock buttress)
Current maximum height?	82 metres
Current tailings storage impoundment volume?	7,033,953 metres ³
Planned tailings storage impoundment volume in 5 years time?	14,043,333 metres ³
Most recent independent expert review?	January 2020 (Tierra Group)
Do you have full and complete relevant engineering records including design, construction, operation, maintenance, and/or closure?	Yes
What is your hazard categorisation of this facility, based on the consequence of failure?	"Significant" based on environmental risk
What guideline do you follow for the classification system?	Canadian Dam Association (CDA) Technical Bulletin: Application of Dam Safety Guidelines to Mining Dams (2019)
Has this facility, at any point in its history, failed to be confirmed or certified as stable, or experienced notable stability concerns, as identified by an independent engineer?	No
Do you have internal/in-house engineering specialist oversight of this facility? Or do you have external engineering support for this purpose?	Both
Has a formal analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of catastrophic failure been undertaken and to reflect final conditions?	No (Filtered tailings facility with a waste rock buttress)
Is there a closure plan in place for this facility, and does the closure plan include long-term monitoring?	Yes / Yes
Have you, or do you plan to assess your tailings facilities against the impact of more regular extreme weather events as a result of climate change?	Yes
Other relevant information?	Tailings containing 56% solids are filtered, reducing the moisture content to 17%. Filtered tailings are then conveyed, stacked, and compacted within the storage facility, which is to be revegetated upon closure.