



Review of Torex Gold Resources Inc. GHG Emissions Reduction Calculations for Solar Plant

October 22, 2020

Lead Verifier: Sarah Keyes, CPA, CA
Principal, ESG Global Advisors

Address: First Canadian Place
100 King Street West
Suite 5600
Toronto, Ontario
M5X 1C9
Canada

Introduction

Torex Gold Resources Inc. (Torex Gold) has engaged ESG Global Advisors Inc. (ESG Global) to perform a third-party review of the company’s internal calculations for potential reductions in Scope 2 greenhouse gas (GHG) emissions from the installation of a new solar photovoltaic electricity generation plant at the Minera Media Luna SA de CV facility. The internal calculations for third-party review can be found in Appendix A.

Project Description

Torex Gold proposes supplementing their power supplied from the CFE electricity grid with a solar power plant located between Atzcala and their process plant. Planned changes to reconfigure the existing process plant and develop the Media Luna underground mine will increase the overall power consumption of the facility and the addition of this solar plant will complement the existing power supply with a renewable energy source without requiring any upgrade to the transmission line feeding the plant. The site selected is within the CUST mine boundary and was the best of several sites considered, primarily based on topography, but also with consideration to access, shading and land parcel boundaries. The plant is sized at 7.26 MW AC (8.47 MW (DC)).

Scope of Review

ESG Global has performed a reasonableness assessment of Torex Gold’s calculations in Appendix A. The review procedures performed, and the conclusion reached are outlined in this report.

ESG Global is not providing third-party verification in accordance with any specified standards as part of this engagement. The purpose is to provide Torex Gold with comfort on the accuracy and reasonableness of its forward-looking calculations for Scope 2 GHG emission reductions as a result of implementing the solar facility described.

Review Parameters

Objectives	<ul style="list-style-type: none">• Provide comfort on accuracy and reasonableness of calculations included in Appendix A.
Criteria	<ul style="list-style-type: none">• None.
Scope	<ul style="list-style-type: none">• Review calculations of Scope 2 GHG emissions reductions from resulting from the implementation of the solar plant.• Review underlying assumptions to calculations for accuracy and reasonableness.

Documents Reviewed

The following documents were provided by the Torex Gold and reviewed by ESG Global as part of this engagement.

- “2020-9-19 Solar Plant Brief”
- “Project description - Solar Plant”
- Internal calculations for third-party review – see Appendix A

Review Findings

The table below describes the results of each review procedure that was completed.

Description	Procedure	Findings
Solar Electricity Production	Substantive Test: Review projected energy production of proposed solar plant relative to installed capacity.	The system characteristics of the proposed solar plant were reviewed for reasonableness and input into the U.S. National Renewable Energy Laboratory PVWatts tool and the results compared to the documents provided for review. No discrepancies were detected.
Emission Reduction Quantification	Substantive Test: Compare information used to calculate emission reductions with documents provided for review	The characteristics of the proposed solar plant were reviewed and compared to the calculations in Appendix A. Emissions from electricity are categorized as Scope 2 and as such the proposed solar plant will reduce Scope 2 emissions. Scope 1 emissions will increase very slightly due to maintenance activities for the solar plant, but are not material relative to the Scope 2 emission reductions. No discrepancies were detected.
	Substantive Test: Recalculate annual emission reductions using information in documents provided for review	Emission reductions were recalculated using the information provided in the documents for review and compared to the emissions reductions calculated in Appendix A and the relevant grid electricity emission factor. No discrepancies were detected.

Conclusion

The estimated GHG reductions described in Appendix A and the underlying assumptions to these calculations appear reasonable based on our review of the documents provided, and prior knowledge of and experience working with Torex Gold.

Sincerely,

A handwritten signature in blue ink that reads "Sarah Keyes". The signature is written in a cursive style with a large initial 'S'.

Sarah Keyes, CPA, CA
Principal
ESG Global Advisors Inc.

Appendix A – Torex Gold GHG Emissions Reductions Calculations for Third-Party Review

The following calculations were provided by Torex Gold to ESG Global for a third-party review:

2019 electricity consumption (MWh)	216,039
Average annual solar production (MWh)	18,582
Estimated electricity consumption with reductions (MWh)	197,457
Potential electricity consumption reduction (%)	-8.60%
<hr/>	
2019 Scope 2 emissions (tCO ₂ e)	109,099
Estimated Scope 2 emissions with reductions (tCO ₂ e)	99,715
Potential Scope 2 emissions reduction (%)	-8.60%
<hr/>	
2019 total (Scope 1 + Scope 2) emissions without reductions (tCO ₂ e)	197,480
Estimated total (Scope 1 + Scope 2) emissions with reductions (tCO ₂ e)	188,096
Potential overall (Scope 1 + Scope 2) reduction (%)	-4.75%