



Dear Fellow Shareholder:

As Chair of the Board of Torex Gold, I want to thank you for your continued support and interest in Torex. I am very proud of what the Company accomplished on behalf of shareholders in 2021, despite the backdrop of continued challenges associated with COVID-19. It was truly a pivotal year for the Company – one that has set the foundation for growth and increasing value generation for the business, our shareholders, and everyone who shares stakes in Torex.

2021 was an exceptional year, with annual gold production of 468,200 ounces – a new record for Torex. The full year result was exactly as planned, and at the upper end of the guided range of 430,000 to 470,000 ounces, beating the prior annual record of 454,811 ounces achieved in 2019. The Company also set a record milling rate and a record underground mining rate in 2021 – demonstrating the Company's ongoing commitment to continuous improvement and track record of reliably delivering on the commitments that are made to our shareholders. From a financial perspective, record gold production in tandem with robust margins led to an impressive year-end result, with more than US\$250 million in cash and no long-term debt, in addition to an undrawn US\$150 million credit facility.

True to Torex form, our safety performance was also remarkable in 2021, finishing the year with a lost time injury frequency of 0.14 per million hours worked, a benchmark in the industry. This relentless focus on safety will always remain a core part of who we are, and remains foundational to our culture, our sustained operational excellence, and our ESG leadership position more broadly. As shareholders, we have much to be proud of in terms of the performance of the team we have entrusted to manage the business.

In March 2022, the Company achieved a mission critical milestone in its growth journey with the release of the updated Technical Report for our Morelos Complex and approval from the Board of Directors to proceed with the development of the Media Luna Project. With tremendous future exploration potential, advancing this project is fundamental to setting up our wholly owned flagship Morelos Complex for a long life of safe and reliable production, strong free cash flow post the construction period, and lasting economic prosperity. I am proud of the role that the Board of Directors played to ensure strong governance through the project approval process. With this investment, the foundation for the future growth plans of Torex have been firmly and responsibly laid.

We recognize that responsible and sustainable mining starts with the Board of Directors. We are constantly looking for ways to improve on our performance as a Board and as a Company according to governance best practices and with the highest level of ethics, rigour and corporate social responsibility. In 2020, we took the decision to join the World Gold Council, and in so doing, are working toward compliance with Responsible Gold Mining Principles. In May 2021, the Company became a signatory to the International Cyanide Management Code, and importantly, the Board recently made a decision to formally adopt the Global Industry Standard for Tailing Management.

We are also proud to be recognized as leaders in the mining industry with respect to diversity and inclusion. With the recent changes made to our Board in 2021, we now have 44% female representation on our Board of Directors, complementing our Executive Team, of which 43% are female. We will continue to look for opportunities to complement the skills and diversity of our Board through our ongoing Board renewal process.



Recognizing the growing integration of climate change into the decision-making process of our shareholders globally, we have also made progress in constructing our climate change and GHG emissions reduction roadmap, which we intend to share with you in more detail in 2022. We have an overall commitment to achieve net zero emissions by 2050 and we are defining the nearer-term concrete steps that will allow us to credibly move towards that goal. The design of our Media Luna project has incorporated several key initiatives on reducing emissions, including the adoption of battery electric vehicles for the underground mine.

In order to further strengthen our relationships with key shareholders at the Board level, in 2022 we initiated our first formal Board shareholder engagement program. Together with our Governance & Nominating Committee Chair, Jay Kellerman, I've recently had the pleasure of meeting with several of our largest shareholders, all of whom have showed a strong interest in discussing company strategy, growth opportunities, governance and other ESG matters. We plan to continue this engagement, and we welcome any interest our shareholders may have to meet with us in the future.

The next 12 months will continue to be critical as we quite literally build our future in Mexico. We are off to a stellar start with gold production of 112,440 ounces of gold produced in the first quarter of 2022, setting us up well to deliver on full year production guidance. Fortunately, pandemic-related health risks are declining as our workforce is now fully vaccinated, and previously high infection rates in the country are starting to decrease. Our community relationships have never been stronger as we continue to make a positive difference in the lives of those we touch.

We have every intention of making our next decade of operations successful and profitable for the shareholders of the Company, and if there is any team that can deliver that, it is ours.

In closing, I would like to acknowledge Frank Davis, who is stepping down from the Board of Directors after more than a decade of outstanding service. I want to thank Frank for the wisdom and guidance he has provided over the years; he has been instrumental in building Torex into the Company it is today.

And finally, I would like to recognize the efforts and accomplishments of our employees, key contractors and consultants. Thank you for working safely and for your dedication and hard work throughout the year. I wish everyone a healthy, safe and prosperous 2022 – and from all of us at Torex, thank you to our shareholders for your continuing support as we transition to the next phase of the Company.

Richard A. Howes, Chair of the Board  
May 2022