

TOREX GOLD RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

WHEN

Wednesday, June 17, 2020, at 10:00 a.m. (EDT)

WHERE

Out of an abundance of caution, to proactively deal with potential issues arising from the unprecedented public health impact of the Coronavirus Disease 2019 (COVID-19), and to mitigate risks to the health and safety of our communities, shareholders, employees, directors and other stakeholders, Torex Gold Resources Inc. (the “**Company**”) will hold the 2020 annual and special meeting of shareholders (the “**Meeting**”) by virtual meeting conducted via live audio webcast. Shareholders can access the Meeting by visiting <https://web.lumiagm.com/243951912>.

The Meeting is for the following purposes:

- to receive the audited financial statements of the Company for the year ended December 31, 2019 and the report of the auditors thereon;
- to elect directors of the Company for the ensuing year;
- to re-appoint KPMG LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
- to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution confirming the amendment of By-Law No. 1 of the Company to increase the quorum required at each meeting of Shareholders, as more particularly described in the accompanying management information circular (the “**Circular**”);
- to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution confirming the amendment of By-Law No. 2 of the Company with respect to advance notice of nomination of directors to bring the Company’s advance notice provisions in line with institutional investor guidelines and corporate best practices, as more particularly described in the accompanying Circular;
- to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution amending and reconfirming the shareholder rights plan of the Company, as more particularly described in the Circular;
- to consider and, if deemed appropriate, pass, with or without variation, a non-binding advisory resolution on executive compensation; and
- to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

RECEIVING MATERIALS FOR THE MEETING

This notice is accompanied by the Circular, a form of proxy, and a supplemental mailing list and consent for electronic delivery return card (collectively, the “**Meeting Materials**”). For those shareholders who did not request to receive a copy of the Company’s audited financial statements, a copy is available upon request to the Company and can also be found on the Company’s website at www.torexgold.com or on SEDAR at www.sedar.com.

This year, as described in the notice and access notification mailed to shareholders of the Company, the Company has decided to deliver the Meeting Materials to all registered and non-registered shareholders by posting it to the website found at www.envisionreports.com/HGIQ2020. The use of this alternative means of delivery is more environmentally friendly as it will reduce paper use and the Company’s carbon footprint, and it will also reduce the Company’s printing and mailing costs. The Meeting Materials will also be available on SEDAR at www.sedar.com. The Company pays the cost of delivery of proxy materials for all registered and non-registered shareholders.

Shareholders may request copies of the Meeting Materials at no cost by calling toll-free at 1-866-962-0498; or, if outside of North America, by calling 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 647-260-1500.

If you would like more information about the “notice-and-access” rules, please contact Computershare Investor Services Inc., the Company’s registrar and transfer agent, toll-free at 1-866-964-0492.

YOUR VOTE IS IMPORTANT

As mentioned above, the Company is conducting an online only shareholders’ meeting. Shareholders will not be able to attend the Meeting in person. In addition to mitigating the risks posed by COVID-19, the Company believes hosting the Meeting virtually will enable increased shareholder attendance from different geographic locations and will encourage more active shareholder engagement and participation at the Meeting. Shareholders will be able to listen to the Meeting live, submit questions and submit their vote while the Meeting is being held. Please note that Non-Registered Shareholder (as defined below) are required to take additional steps in order to participate, vote, or submit questions during the Meeting’s live webcast.

Registered Shareholders (as defined in this Circular under the heading “Article 2 - Attendance and Voting at the Meeting”) and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/243951912> where they can participate, vote, or submit questions during the Meeting’s live webcast.

Registered shareholders will need to enter the 15-digit control number (the “**Control Number**”) as your username. The Control Number is located on your form of proxy or in the email notification you received in order to access the Meeting. You will also need to enter the password, **torex2020**. Duly appointed proxyholders will be provided with a username after the voting deadline has passed and the same password, **torex2020**, will be required to access the Meeting.

Most shareholders of the Company are “non-registered” shareholders (“**Non-Registered Shareholders**”) because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares. **In order to participate, vote, or submit questions during the Meeting’s live webcast, a Non-Registered Shareholder will need to appoint themselves as a proxyholder.** See “Article 6 - Voting by Non-Registered Shareholders” in the Circular for information on how a Non-Registered Shareholder may make arrangements to be duly appointed proxyholder.

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the form of proxy.

The board of directors of the Company has by resolution fixed the close of business on May 4, 2020 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournment or adjournments thereof.

The board of directors of the Company has by resolution fixed 10:00 AM (EDT) on June 15, 2020, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournments, as the time by which proxies to be used or acted upon at the Meeting or any adjournment or adjournments thereof shall be deposited with the Company’s transfer agent, Computershare Investor Services Inc., in accordance with the instructions set forth in the accompanying management information circular and in the form of proxy. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario this 5th day of May, 2020.

BY ORDER OF THE BOARD OF DIRECTORS



Fred Stanford
President and Chief Executive Officer

TOREX GOLD RESOURCES INC.
MANAGEMENT INFORMATION CIRCULAR
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TOREX GOLD RESOURCES INC.
MANAGEMENT INFORMATION CIRCULAR
ARTICLE 1
BUSINESS OF THE MEETING

1.1 Receive Financial Statements

The audited consolidated financial statements ("**Financial Statements**") for the year ended December 31, 2019, as well as management's discussion and analysis for Torex Gold Resources Inc. ("**Torex**" or the "**Company**") for the year ended December 31, 2019, will be presented at the annual and special meeting of shareholders (the "**Meeting**") of the Company to be held virtually at the time and for the purposes set forth in the accompanying Notice of Annual and Special Meeting.

A copy of the Financial Statements and the auditors' report can be downloaded from the Company's website (www.torexgold.com). You may also request a copy from the Company (see "Article 18 - Additional Information").

1.2 Election of Directors

Our articles provide that the board of directors (the "**Board**") may consist of a minimum of three and a maximum of eleven directors. The Board presently consists of nine directors. The Board has determined to increase its size to ten directors and to nominate each of the persons listed below for election as a director at the Meeting. Six of the nominees are current members of the Board and four are proposed as new directors. The following four nominees are proposed as new directors: Robin Bienenstock, Rick Howes, Jody Kuzenko and Roy Slack.

Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of shareholders of the Company unless their office is earlier vacated.

The Company's by-laws require advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company, other than pursuant to a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the "**Act**") or a shareholder proposal made pursuant to the provisions of the Act. As at the date hereof, the Company has not received notice of any director nominations by shareholders in connection with the Meeting.

"Article 10 – Information About Director Nominees - Director Profiles" provides information on each director's background, education, experience and committee membership.

A shareholder may vote *for* all the nominated directors, vote *for* some of them and *withhold* votes for others or *withhold* votes for all the director nominees (see also "Article 10 – Information About Director Nominees - Majority Voting for Directors").

The Board and management recommend voting FOR each of the ten nominees.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote FOR each of the ten nominees.

1.3 Re-appointment of the Auditors

At the Meeting, shareholders will vote on the re-appointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration. KPMG LLP was first appointed as auditors of the Company on March 2, 2010. Additional information on the Company's auditors is included in the Company's most recent Annual Information Form available on SEDAR at www.sedar.com.

A shareholder may vote *for* the re-appointment of KPMG LLP or *withhold* their vote.

The Board and management recommend voting FOR re-appointing KPMG as the auditors of the Company.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote **FOR** the appointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Company until the close of the next annual meeting of shareholders.

1.4 Approval of Amendments to By-Law No. 1

The quorum requirement for meetings of shareholders is set out in Section 9.11 of the Company's By-Law No.1 ("**By-Law No. 1**"). On May 5, 2020, in accordance with the Act, the Board approved the amendments to Section 9.11 of By-Law No. 1 set out below:

9.11 Quorum

Subject to the Act, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than ~~20%~~ 25% of the issued shares of the Corporation ~~enjoying entitled to~~ voting rights at such meeting.

The amendments to By-Law No.1 were adopted in order to keep pace with evolving corporate governance practices. The amendments increase the quorum requirements for meetings of shareholders to two persons present in person and holding or representing by proxy not less than in the aggregate 25% of the votes attached to all of the common shares (the "**Common Shares**") of the Company then outstanding and entitled to voting rights at such meeting.

The amendments to By-Law No.1 are in effect until they are confirmed, confirmed as amended, or rejected by shareholders at the Meeting and, if confirmed, will continue in effect. Accordingly, shareholders are being asked to confirm the amendments to By-Law No.1 at the Meeting so that they can continue in effect (the "**By-Law No. 1 Amendment Resolution**").

Shareholders may vote *for* or *against* the By-Law No. 1 Amendment Resolution.

The Board and management recommend voting FOR the By-Law No. 1 Amendment Resolution.

Unless the shareholder has specified in the accompanying form of proxy that their Common Shares are to be voted against the By-Law No. 1 Amendment Resolution, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby **FOR** the By-Law No. 1 Amendment Resolution.

The By-Law No. 1 Amendment Resolution must be passed, with or without amendment, by not less than a majority of votes cast by shareholders who vote in person or by proxy in respect of the By-Law No. 1 Amendment Resolution at the Meeting. No shareholders are excluded from voting in respect of the By-Law No. 1 Amendment Resolution.

"RESOLVED as an ordinary resolution that:

- (a) the amendments to the Company's By-Law No. 1, in the form adopted by the Board of Directors of the Company on May 5, 2020 and set out in the management information circular of the Company dated May 5, 2020, be and are hereby ratified and confirmed; and
- (b) any director or officer is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this resolution."

1.5 Approval of Amendment of By-Law No. 2

The Company has adopted By-Law No. 2 ("**By-Law No. 2**"), which was approved by the Board on May 8, 2013 and confirmed by the shareholders on June 19, 2013. By-Law No. 2 sets out the advance notice requirements for the nomination of directors of the Company, the purpose of which is to facilitate a transparent, orderly, and fair director nomination process.

On May 5, 2020, in accordance with the Act, the Board approved the amendments to By-Law No. 2 attached hereto as "Schedule A – By-Law No. 2" to this management information circular (the "**Circular**"). The following is a summary only of the principal provisions of the amendments to By-Law No. 2 and is

qualified by reference to the full text of By-Law No. 2 attached as “Schedule A – By-Law No. 2” to this Circular.

The purpose of the amendments was to bring the Company's advance notice provisions in line with institutional investor guidelines and corporate governance best practices. The amendments to By-Law No. 2 make the procedures to nominate directors less onerous on shareholders and their respective director nominees, including as follows:

- the requirement that a director nomination notice be provided no earlier than 65 days prior to the applicable shareholder meeting has been removed;
- for shareholder meetings where the “notice-and-access” method of delivering meeting materials is employed by the Company, the minimum time for proposing a director has been increased from 30 to 40 days; and
- the time period for giving a timely notice shall be determined based on the date of the adjourned or postponed shareholder meeting, if applicable, as opposed to the original shareholder meeting date.

The Board believes that the amendments to the Company's advance notice provisions in By-Law No. 2 provide a clear and transparent process for all shareholders to follow if they intend to nominate directors. The advance notice provisions in By-Law No. 2 provide a reasonable time frame for shareholders to notify the Company of their intention to nominate directors. The provisions require shareholders to disclose information concerning the proposed nominees that is mandated by applicable securities laws and relevant for the Board and other shareholders to evaluate the proposed nominees' qualifications, independence and suitability as directors.

The amendments to By-Law No. 2 are in effect until they are confirmed, confirmed as amended, or rejected by shareholders at the Meeting and, if confirmed, will continue in effect. Accordingly, shareholders are being asked to confirm the amendments to By-Law No. 2 at the Meeting so that they can continue in effect (the “**By-Law No. 2 Amendment Resolution**”).

Shareholders may vote *for* or *against* the By-Law No. 2 Amendment Resolution.

The Board and management recommend voting FOR the By-Law No. 2 Amendment Resolution.

Unless the shareholder has specified in the accompanying form of proxy that their Common Shares are to be voted against the By-Law No. 2 Amendment Resolution, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby **FOR** the By-Law No. 2 Amendment Resolution.

The By-Law No. 2 Amendment Resolution must be passed, with or without amendment, by not less than a majority of votes cast by shareholders who vote in person or by proxy in respect of the By-Law No. 2 Amendment Resolution at the Meeting. No shareholders are excluded from voting in respect of the By-Law No. 2 Amendment Resolution.

“**RESOLVED** as an ordinary resolution that:

- (a) the amendments to the Company's By-Law No. 2, in the form adopted by the Board of Directors of the Company on May 5, 2020 and set out in “Schedule A – By-Law No. 2” in the management information circular of the Company dated May 5, 2020, be and are hereby ratified and confirmed; and
- (b) any director or officer is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this resolution.”

1.6 Reconfirmation and Amendment of Shareholder Rights Plan

At the Company's annual and special meeting of shareholders on June 26, 2014, the shareholders approved the adoption of a shareholder rights plan between the Company and Computershare Investor Services Inc., as rights agent. At the Company's annual and special meeting of shareholders on June 21, 2017, the shareholders approved the adoption of an amended and restated shareholder rights plan (the “**Rights Plan**”) between the Company and Computershare Investor Services Inc., as rights agent. The

Rights Plan was not adopted, or amended and restated, as applicable, in response to, or in contemplation of, any specific proposal to acquire control of the Company.

The Rights Plan must be approved by shareholders at every third annual meeting of shareholders. Shareholders are being asked to consider and, if deemed appropriate, approve an ordinary resolution (the “**Rights Plan Resolution**”) to amend and reconfirm the Rights Plan at the Meeting. For the Rights Plan to be amended and continue in effect after the Meeting, the Rights Plan Resolution must be approved by a majority of votes cast by shareholders at the Meeting. If the Rights Plan Resolution is not approved, the Rights Plan will terminate on June 17, 2020. If the Rights Plan Resolution is approved, the Rights Plan will require reconfirmation by shareholders at the 2023 annual meeting of shareholders.

In 2017, the Rights Plan was amended to take into account amendments to the new regime governing take-over bids adopted by the Canadian Securities Administrators pursuant to National Instrument 62-104 – *Take-Over Bids and Issuer Bids* that came into effect on or about May 9, 2016 (“**NI 62-104**”) and to make clerical modifications.

The Board continues to be concerned that current Canadian take-over bid rules permit a person or company to obtain control or effective control of the Company without treating all shareholders equally. The Rights Plan is designed to encourage any bidder to provide shareholders with equal treatment and full and fair value for their Common Shares. It is not intended to prevent a take-over bid or deter offers for shares. In particular, exemptions to take-over bid legislation can allow a shareholder (or shareholders) to gain control of a company without making a formal take-over bid to all of the shareholders (for example, through transactions outside Canada, by making private agreements with a small group of shareholders or by slowly accumulating shares over time through stock exchange trading). This could result in a shareholder or group of shareholders acquiring control without paying fair value to all shareholders (this is sometimes called a “creeping bid”). NI 62-104 does not prevent offerors from making exempt take-over bids (or “creeping bids”), and the Rights Plan provides protection against such bids. The Rights Plan also provides the Board with more control over any sale process and increases the likelihood of a better offer to the Company’s shareholders in the context of a take-over bid for the Company.

On May 5, 2020, the Board determined that it is in the best interests of the Company that the Rights Plan be reconfirmed and amended to further align the Rights Plan with the provisions of NI 62-104 and to reflect current Canadian best corporate practices and institutional investor guidelines.

Apart from the following amendments, the Rights Plan that shareholders will be asked to consider and approve at the Meeting is identical in all material respects to the Rights Plan approved at the annual and special meeting of Shareholders held on June 21, 2017:

- an amendment to revise the definition of “Exempt Acquisition” to include acquisitions made as an intermediate step in a series of related transactions in connection with an acquisition by the Company or its subsidiaries of a person or assets, provided that the person who acquires such Common Shares and/or convertible securities distributes or is deemed to distribute such securities to its securityholders within 10 business days of the completion of such acquisition, and following such distribution no person has become the beneficial owner of 20% or more of the Company’s then-outstanding Common Shares;
- amendments to revise the definitions of “Pro Rata Acquisitions” and “Stock Acquisition Date” in order to better align with current corporate governance best practices;
- an amendment to Section 1.4 clarifying the meaning of “Acting Jointly or in Concert” to better align with NI 62-104 and current corporate governance best practices; and
- certain other amendments of a non-substantive, technical and administrative nature to provide for greater clarity and consistency.

The Rights Plan is also not intended to secure the continuance in office of the existing members of the Board or management, or to avoid an acquisition of control of the Company in a transaction that is fair and in the best interests of shareholders. The amendment and reconfirmation of the Rights Plan is not being

proposed in response to or in anticipation of any specific proposal to acquire control of the Company. The Board believes that the Rights Plan, as amended, is consistent with the provisions of NI 62-104 and current Canadian corporate best practices and addresses institutional investor guidelines.

For a summary of the purpose and principal terms of the Rights Plan, as proposed to be amended, please see “Schedule B – Summary of Shareholder Rights Plan” to this Circular. Shareholders are urged to carefully review the summary. The summary is qualified in its entirety by the full text of the Rights Plan which will be available on the Company’s website (www.torexgold.com). The blacklined version of the Rights Plan showing the proposed amendments is attached to hereto as “Schedule C – Blackline of Shareholder Rights Plan Amendments”. You may also request a copy from the Company.

The Board and management recommends voting FOR the Rights Plan Resolution.

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** the Rights Plan Resolution.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve the following Rights Plan Resolution to amend and reconfirm the Rights Plan. If the Rights Plan Resolution is passed at the Meeting, the Rights Plan, as amended, will be effective as of the date the Rights Plan Resolution is passed. If the Rights Plan Resolution is not passed, the Rights Plan will become void and of no further force and effect and the Company will no longer have any form of shareholder rights plan.

“RESOLVED as an ordinary resolution that:

1. The Rights Plan of Torex Gold Resources Inc., including the amendments thereto, be confirmed, and the Amended and Restated Shareholder Rights Plan Agreement dated June 21, 2017, as amended and reconfirmed as of the date of the meeting, between the Company and Computershare Investor Services Inc., as rights agent, which continues the rights issued thereunder, be and is hereby ratified, confirmed and approved.
2. The Board of the Company may revoke this resolution before it is acted upon, without further approval of the shareholders.
3. Any one director or officer of the Company is hereby authorized to execute and deliver, whether under corporate seal or otherwise, the agreement referred to above and any other agreements, instruments, notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such director or officer in his discretion may consider to be necessary or advisable from time to time in order to give effect to this resolution.”

1.7 “Say on Pay” Advisory Vote

The Board has adopted a policy that provides for an annual advisory shareholder vote on executive compensation known as “Say on Pay”. The Say on Pay Policy is designed to enhance accountability for the Board’s compensation decisions by giving shareholders a formal opportunity to provide their views on the Board’s approach to executive compensation through an annual non-binding advisory vote. This is an advisory vote and the results will not be binding upon the Board. However, the Board will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions and in determining whether there is a need to significantly increase their engagement with shareholders on compensation and related matters. The Company will disclose the results of the shareholder advisory vote as a part of its report on voting results for the Meeting.

The Corporation’s approach to executive compensation was accepted at the previous shareholder meeting held on June 20, 2019; 64,800,234 (98.04%) of the votes were “for” and 1,294,008 (1.96%) of the votes were “against” the non-binding advisory resolution.

Shareholders are encouraged to review and consider the detailed information regarding the Company’s approach to compensation in “Article 12 - Statement of Executive and Director Compensation”.

Shareholders may vote *for* or *against* the Say on Pay advisory resolution.

The Board and management recommend voting FOR the Say on Pay advisory resolution.

Unless authority to do so is withheld, the persons named in the enclosed form of proxy intend to vote **FOR** the Say on Pay resolution.

At the Meeting, shareholders will be asked to consider the following non-binding advisory resolution on the acceptance of the Company's approach to executive compensation:

"BE IT RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in the Company's information circular dated May 5, 2020 and delivered in advance of the Meeting."

**ARTICLE 2
ATTENDANCE AND VOTING AT MEETING**

Shareholders and duly appointed proxyholders can attend the meeting online by going to <https://web.lumiagm.com/243951912>.

- A registered holder of Common Shares (a **"Registered Shareholder"**), and duly appointed proxyholders can participate in the Meeting by clicking **"I have a login"** and entering a username and password before the start of the meeting.
 - Registered Shareholders - The 15-digit control number located on the form of proxy or in the email notification you received is the username and the password is **torex2020**.
 - Duly appointed proxyholders – Computershare Investor Services Inc. (**"Computershare"**) will provide the proxyholder with a username after the voting deadline has passed. The password to the meeting is **torex2020**.
- Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders (as defined in this Circular under the heading "Article 6 - Voting by Non-Registered Shareholders") who have not appointed themselves may attend the meeting by clicking **"I am a guest"** and completing the online form.

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/Torex> by **10:00 AM EDT on June 15, 2020** and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a username via email, see the heading "Article 4 - Appointment and Revocation of Proxies" for further information.

It is important that you are connected to the internet at all times during the Meeting in order to vote when voting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

In order to participate online, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a username.

Participating at the Meeting

The Meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the online Meeting is provided below. The Meeting will begin at 10:00 AM EDT on June 17, 2020.

- Registered Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a username by Computershare (see details under the heading “Article 6 - Voting by Non-Registered Shareholders”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/243951912> prior to the start of the Meeting to login. Click on “I have a login” and enter your 15-digit control number or username along with the password **torex2020**. Non-Registered Shareholders who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on “I am a Guest” and complete the online form.
- United States Beneficial holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare Investor Services Inc.
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1
OR
Email at uslegalproxy@computershare.com

Requests for registration must be labeled as “Legal Proxy” and be received no later than **June 15, 2020 by 10:00 AM EDT**. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/243951912> during the Meeting. Please note that you are required to register your appointment at <https://www.computershare.com/Torex>.

- Non-Registered Shareholders who do not have a 15-digit control number or username will only be able to attend as a guest which allows them listen to the Meeting however will not be able to vote or submit questions. Please see the information under the heading “Article 6 - Voting by Non-Registered Shareholders” for an explanation of why certain shareholders may not receive a form of proxy.
- If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

Voting at the Meeting

A Registered Shareholder, or a Non-Registered Shareholder who has appointed themselves or a third party proxyholder to represent them at the Meeting, will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the Meeting. To have their Common Shares voted at the Meeting, each Registered Shareholder or proxyholder will be required to enter their control number or username provided by Computershare at <https://web.lumiagm.com/243951912> prior to the start of the Meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <https://www.computershare.com/Torex> after submitting their voting instruction form in order to receive a username (please see the information under the heading “Article 6 - Voting by Non-Registered Shareholders” below for details).

ARTICLE 3 SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by management and the directors of Torex Gold Resources Inc. for use at the Meeting of the Company to be held virtually, at the time and for the purposes set forth in the accompanying Notice of Annual and Special Meeting. References in the Circular to the Meeting include any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail, using notice and access; however, proxies may also be solicited personally by the directors and by regular employees of the Company. The cost of solicitation will be borne by the Company.

The Board of the Company has fixed the close of business on May 4, 2020 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of and to vote at the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent, Computershare Investor Services Inc., at the address indicated on the envelope accompanying the form of proxy no later than 10:00 AM (EDT) on June 15, 2020, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Unless otherwise stated, the information contained in the Circular is as of May 5, 2020. **In the Circular, all dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.**

Registered shareholders and duly appointed proxyholders (including beneficial shareholders who have duly appointed themselves as proxyholders) who participate at the meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided that they are connected to the Internet, please see "Article 2 - Attendance and Voting at the Meeting" for further information.

ARTICLE 4 APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy are officers and/or directors of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company's transfer agent, Computershare, no later than 10:00 AM (EDT) on June 15, 2020, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.** A proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at www.investorvote.com.

A shareholder forwarding the proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares of the Company represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the head office of the Company (Torex Gold Resources Inc., Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2, Attention: Mary Batoff, General Counsel and Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

Shareholders who wish to appoint a third party proxyholder to represent them at the online Meeting **must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST visit

<https://www.computershare.com/Torex> by June 15, 2020 at 10:00 a.m. (EDT) and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a username via email.

Without a Username, proxyholders will not be able to vote at the meeting.

If you are using a 15-digit control number to login to the online Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

ARTICLE 5 EXERCISE OF DISCRETION BY PROXIES

The persons named in the form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of all the resolutions described above. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting and with respect to other matters which may properly come before the Meeting.** As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

ARTICLE 6 VOTING BY NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice and access notification, a voting instruction form and the supplemental mailing list and consent for electronic delivery return card (collectively, the "**Mailed Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders, and posted the Circular and the accompanying Notice of Annual and Special Meeting on the website found at <http://www.envisionreports.com/HGIQ2020>. The Company is not sending the Mailed Materials directly to non-objecting beneficial owners. The Company intends to pay for Intermediaries to deliver the Mailed Materials to the objecting beneficial owners. See also "Article 7 - Notice and Access" for further information.

Intermediaries are required to forward the Mailed Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Mailed Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Mailed Materials will either:

- be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one

page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, at the appropriate address noted on the form of proxy.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the on line Meeting (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Mailed Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Mailed Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

ARTICLE 7 NOTICE AND ACCESS

Securities laws governing the delivery of proxy-related materials, permit public companies to advise their shareholders of the availability of the management information circular on an easily-accessible website, rather than mailing physical copies. The use of this alternative means of delivery is more environmentally friendly as it will reduce paper use and the Company's carbon footprint, and it will also reduce the Company's printing and mailing costs. The Company has therefore decided to deliver the Circular to shareholders by posting it on the website found at <http://www.envisionreports.com/HGIQ2020>. The Circular and related meeting materials will also be available on SEDAR at www.sedar.com. All shareholders will also receive a notice and access notification which will contain information on how to obtain electronic and paper copies of the Circular in advance of the Meeting.

Shareholders who wish to receive paper copies of the Circular may request copies at no cost by calling toll-free at 1-866-962-0498; or, if outside of North America, by calling 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 647-260-1500.

Requests for paper copies must be received by June 7, 2020, or at least 10 days in advance of any date the Meeting is adjourned to, in order to receive the Circular in advance of the proxy deposit deadline (being 10:00 AM (EDT) on June 15, 2020, or 48 hours prior to any adjourned Meeting date). The Circular will be sent to such shareholders within three business days of their request, if such requests are made within the foregoing timeframe.

If you would like more information about the "notice-and-access" rules, please contact Computershare Investor Services Inc., the Company's registrar and transfer agent, toll-free at 1-866-964-0492.

ARTICLE 8

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of May 5, 2020, 85,516,268 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting has been fixed at May 4, 2020. All such holders of record of Common Shares are entitled either to attend and vote at the on line Meeting the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent within the time specified in the attached Notice of Annual and Special Meeting, to attend and vote at the Meeting by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Company, as of May 5, 2020, there were no persons, or companies who beneficially owned, directly or indirectly, or exercised control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company, other than:

Name	Number of Common Shares Held ⁽¹⁾	Percentage of Common Shares Issued and Outstanding
BlackRock, Inc.	8,790,737	10.27%

Notes:

- (1) The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, is based on the filings made on SEDAR by the shareholder(s) listed above pursuant to National Instrument 62-103.

ARTICLE 9

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No (a) director or executive officer of the Company who has held such position at any time since January 1, 2019; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the advisory shareholder vote on executive compensation. See "Section 1.7 – "Say on Pay" Advisory Vote".

ARTICLE 10 INFORMATION ABOUT DIRECTOR NOMINEES

10.1 Director Profiles

The following profiles set forth information about each director nominee. In addition to each director nominee's involvement with the Company, each nominee has also been involved in the mining or natural resources sector as part of management, a director or an advisor, and has skills and experience that are important in fulfilling a director's responsibilities as a member of the Board. For more information on Share Ownership Guidelines see page 37.

ANDREW B. ADAMS⁽¹⁾

- Director (Independent)⁽²⁾
- Chartered Accountant (United Kingdom), Bachelor of Social Sciences (Accounting and Statistics)
- Director since: November 26, 2009
- 2019 election results: 59,453,630 "For" (89.94%) and 6,650,362 "Withheld" (10.06%)
- Age: 63
- Ontario, Canada

Andrew Adams is a corporate director and has over 30 years of international financial experience in extractive industries. He served as Chief Financial Officer of Aber Diamond Corporation from 1999 to 2003 and Chief Financial Officer of Anglo Gold North America from 1995 to 1999. From 2004 onwards, he has served as an independent, non-executive director on several Canadian mineral resource companies. Mr. Adams is the independent Chairman of TMAC Resources Inc. ("**TMAC**") and also serves as an independent, non-executive director of First Quantum Minerals Ltd. ("**First Quantum**"). He is the chair of the corporate governance and nominating committee and compensation committee and a member of the audit committee of TMAC. He is also a member of the audit committee and corporate governance and nominating committee of First Quantum. Mr. Adams obtained his Bachelor of Social Sciences (Accounting and Statistics) from Southampton University and then qualified as a Chartered Accountant in the United Kingdom in 1981.

Mr. Adams is the Chair of the Audit Committee of the Company. The Board has determined that Mr. Adams is an audit committee financial expert based on his professional designation, education and extensive international financial experience in extractive industries.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Corporate Finance
Senior Management Experience	Mining Operations	Communications	Compensation/HR

2019 Board/Committee Membership	2019 Attendance		Public Board Membership
Board of Directors	11 of 11	100%	First Quantum Minerals Ltd. TMAC Resources Inc.
Audit Committee (Chair)	4 of 4	100%	
Corporate Governance and Nominating Committee	5 of 5	100%	

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
84,550	30,145	114,695	2,343,219	3,626,851	Yes

FRANKLIN L. DAVIS⁽¹⁾

- Director (Independent)⁽²⁾
- Certified Director (ICD.D), Juris Doctor (J.D.), Master of Business Administration, and Bachelor of Commerce
- Director since: November 26, 2009
- 2019 election results: 58,808,298 “For” (88.96%) and 7,295,694 “Withheld” (11.04%)
- Age: 65
- Ontario, Canada

Frank Davis was counsel to the law firm Bennett Jones LLP between March 2013 and September 2019, and prior thereto, counsel to the law firm Fraser Milner Casgrain LLP (“**FMC**”) from January 2011 to February 2013. Prior thereto, Mr. Davis was a partner of FMC, practicing principally in the areas of securities and capital markets, corporate finance, mergers and acquisitions, mining and corporate governance. Mr. Davis has represented various public companies and investment banking firms in public and private offerings of equity and debt securities. He has acted as counsel to offerors, target companies and financial advisors in both hostile and negotiated merger and acquisition transactions and has been active in a variety of takeover bids, mergers, acquisitions, amalgamations, arrangements and divestitures.

Mr. Davis holds a Bachelor of Commerce, Master of Business Administration and Juris Doctor from the University of Toronto. He is a certified director, Institute of Corporate Directors, and was recognized as a leader in his field by such authorities as The Best Lawyers in Canada, and listed in The Canadian Legal LEXPERT Directory, Who’s Who Legal: Canada, The International Who’s Who of Business Lawyers and Canadian Who’s Who.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Corporate Finance
Legal	Communications	Compensation/HR	

2019 Board/Committee Membership	2019 Attendance		Public Board Membership
Board of Directors	11 of 11	100%	-
Corporate Governance and Nominating Committee (Chair)	5 of 5	100%	
Audit Committee	4 of 4	100%	

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
9,476	12,853	22,329	456,181	608,656	Yes

DAVID A. FENNELL⁽¹⁾

- Director (Independent)⁽²⁾
- Bachelor of Laws, Bachelor of Arts
- Director since: November 26, 2009
- 2019 election results: 53,250,619 “For” (80.56%) and 12,853,373 “Withheld” (19.44%)
- Age: 67
- Nassau, Bahamas

David Fennell has over 35 years’ experience in the mining industry. He practiced law until he founded Golden Star Resources Ltd in 1983. During his term as president and CEO, Golden Star became a TSE 300 company and one of the largest and most successful exploration companies. In 1998, Mr. Fennell became chairman and CEO of Cambiex Explorations Ltd, which became Hope Bay Gold Corporation. He held this position through the merger of Hope Bay and Miramar Mining Corporation, and remained as executive vice-chairman and director for the combined entity until its takeover by Newmont Mining Corporation in 2008. Mr. Fennell has been instrumental in the success of several resource companies. He currently serves as Chairman of Reunion Gold Corporation and Highland Copper Company Inc., and he is a director of Sabina Gold & Silver Corp, of which he is a member of the safety, health and environment committee and the nominating committee.

Mr. Fennell holds a Bachelor of Arts from the University of North Dakota and a Bachelor of Laws from the University of Alberta.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Corporate Finance
Senior Management Experience	Legal	Mineral Exploration	Sustainability
Communications	Compensation/HR		

2019 Board/Committee Membership	2019 Attendance		Public Board Membership
Board of Directors	11 of 11	100%	Reunion Gold Corporation Highland Copper Company Inc. Sabina Gold and Silver Corp.
Corporate Governance and Nominating Committee	4 of 5	80%	
Environment and Corporate Social Responsibility Committee	4 of 4	100%	

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
14,917	Nil	14,917	304,754	463,223	Yes

MICHAEL D. MURPHY⁽¹⁾

- Director (Independent)⁽²⁾
- Certified Director (ICD.D), Master of Business Administration, Master of Science (Finance), and Bachelor of Arts
- Director since: April 23, 2008
- 2019 election results: 53,377,678 “For” (80.75%) and 12,726,314 “Withheld” (19.25%)
- Age: 55
- British Columbia, Canada

Michael Murphy is the President and Chief Executive Officer of Global Battery Metals Ltd., a Canadian based mineral exploration company with a focus on metals that make up and support the rapid evolution to battery power, and President of Woodman Capital Ltd., a private consulting company. Mr. Murphy currently serves as a non-executive director of Ethos Gold Corp. Mr. Murphy previously spent 15 years working in institutional equities in London, with Merrill Lynch, Donaldson, Lufkin & Jenrette and Credit Suisse, where he managed the hedge fund coverage team.

Mr. Murphy graduated from the University of British Columbia with a Bachelor of Arts, from the London School of Economics and Political Science with a Master of Science in Finance, and from Saint Mary's University with a Master of Business Administration and he is a certified director, Institute of Corporate Directors.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Corporate Finance
Senior Management Experience	Legal	Sustainability	Communications
Compensation/HR			

2019 Board/Committee Membership	2019 Attendance		Public Board Membership
Board of Directors	11 of 11	100%	Global Battery Metals Ltd. Ethos Gold Corp.
Compensation Committee	7 of 7	100%	
Environment and Corporate Social Responsibility Committee (Chair)	4 of 4	100%	

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
7,900	16,765	24,665	503,906	731,754	Yes

ELIZABETH A. WADEMAN⁽¹⁾

- Director (Independent)⁽²⁾
- Certified Director (ICD.D), Bachelor of Commerce, Chartered Financial Analyst
- Director since: August 10, 2016
- 2019 election results: 61,794,588 “For” (93.48%) and 4,309,404 “Withheld” (6.52%)
- Age: 44
- Ontario, Canada

Elizabeth Wademan is a corporate director with over 23 years of financial services experience as a senior capital markets executive. Ms. Wademan most recently spent 18 years in investment banking at BMO Capital Markets where she was one of the firm’s most senior capital markets professionals, responsible for leading capital markets advisory and complex transactions. She focused on the global metals and mining and technology sectors and was Head of Global Metals & Mining Equity Capital Markets prior to retiring in 2016. As a former Managing Director in Investment Banking, Ms. Wademan has extensive experience in capital markets and strategic advisory as well as a deep expertise in commodities and securities markets. She currently serves on the boards of SSR Mining Inc., of which she is the chair of the compensation committee and member of the safety and sustainability committee, BSR Real Estate Investment Trust (“**BSR REIT**”), of which she is the chair of the compensation, governance and nominating committee and a member of the audit committee, and St. Joseph’s Health Centre Foundation.

Ms. Wademan obtained her Bachelor of Commerce in Finance and International Business from McGill University, Montreal, Quebec. She is a CFA charterholder and she is a certified director, Institute of Corporate Directors.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Corporate Finance
Senior Management Experience	Sustainability	Communications	Compensation/HR

2019 Board/Committee Membership	2019 Attendance		Public Board Membership
Board of Directors	11 of 11	100%	BSR REIT SSR Mining Inc.
Audit Committee	4 of 4	100%	
Compensation Committee (Chair)	7 of 7	100%	

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
2,000	25,728	27,728	566,483	674,842	Yes

FREDERICK M. STANFORD⁽¹⁾

- President, Chief Executive Officer of the Company and Director (Non-Independent)⁽²⁾
- Certified Director (ICD.D), Professional Engineer, Bachelor of Industrial Engineering, Bachelor of Science
- Director since: November 16, 2009
- 2019 election results: 65,975,869 “For” (99.81%) and 128,123 “Withheld” (0.19%)
- Age: 61
- Ontario, Canada

Fred Stanford is the President and Chief Executive Officer of the Company. He is a mining executive with over 35 years of experience in the mining industry. Mr. Stanford started his career at Vale Canada Limited (“**Vale**”, formerly Vale Inco and Inco Limited) in 1981 as a software designer and then moved into operations management as an underground mine foreman. He progressed through senior roles in mines operations, processing plant operations, engineering, environmental, health and safety, human resources, and production services operations. In 2006, he was appointed to the role of President of Vale’s Ontario operations, a position he held until June of 2009.

Mr. Stanford graduated in Industrial Engineering from the Technical University of Nova Scotia. Mr. Stanford is also a certified director, Institute of Corporate Directors. He has served on the board of directors of Laurentian University, Cambrian College and the Northern Centre for Advanced Technology (“**NORCAT**”), a non-profit commercial incubator.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Senior Management Experience
Mine Development and Construction	Mining Operations	Sustainability	Communications
Compensation/HR			

2019 Board/Committee Membership	2019 Attendance		Public Board Membership
Board of Directors	11 of 11	100%	-

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
190,228	Nil	190,228	3,888,358	5,791,650	Yes

As at May 5, 2020, in addition to the RSUs set out in the table above, Mr. Stanford held 129,916 unvested RSUs and 194,875 unvested PSUs issued pursuant to the Company’s Employee Share Unit Plan (the “**ESU Plan**”). The value of the unvested RSUs as at May 5, 2020, is \$2,654,184. Assuming an adjustment factor of 1.0, the value of these PSUs as at May 5, 2020, is \$3,981,296. See “Section 12.4(k) – Compensation Discussion and Analysis - Long-Term Incentive Plan”.

ROBIN A. BIENENSTOCK

- New Nominee for Director (Independent)⁽²⁾
- Master of Arts in International Economics and Management, Master of Arts in International Relations from the University of Toronto, and a Bachelor of Arts degree in Politics, Philosophy and Economics
- Director since: NA (new director nominee)
- Age: 51
- Ontario, Canada

Robin Bienenstock is a founder and investment partner of RBMP Capital LLP, an investment advisory firm, founded in London, United Kingdom in 2017. Prior thereto, Ms. Bienenstock was a partner at Marlin Sams Fund LP, a hedge fund, from 2014 until 2016. She was a senior research analyst at Sanford C. Bernstein & Co., LLC, Research Division from 2007 until 2014. Ms. Bienenstock currently serves as a non-executive director of Pretium Resources Inc. of which she is chair of the compensation committee. Ms. Bienenstock previously served as a non-executive director and member of the audit committee of Sunrise Communications Group AG, a Swiss telecommunications provider, member of the supervisory board of Tele Columbus AG, a German cable provider, and a director and chair of the committee responsible for audit, risks and contingencies of Oi S.A., a large telecommunications company in Brazil and South America.

Ms. Bienenstock holds a Master of Arts degree in International Economics and Management from SDA Bocconi in Milan, Italy, Master of Arts in International Relations from the University of Toronto, and a Bachelor of Arts degree in Politics, Philosophy and Economics from the University of Oxford.

Key Areas of Expertise/Experience					
General Experience	Board and Governance	Financial Reporting	Corporate Finance		
Senior Management Experience	Communications	Compensation/HR			

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
21,312	Nil	21,312	435,404	435,404	N/A

Note: As a new nominee, Ms. Bienenstock is not yet subject to the Share Ownership Guidelines. RBMP Capital Fund LLP, also controls 181,500 Common Shares.

RICHARD A. HOWES

- New Nominee for Director (Independent)⁽²⁾
- Professional Engineer; Bachelor of Applied Science with Honours in Mining Engineering
- Director since: NA (new director nominee)
- Age: 62
- Ontario, Canada

Rick Howes recently retired as President and Chief Executive Officer of Dundee Precious Metals Inc. having served in the role since April 2013. He is a seasoned senior mining executive with over 39 years of experience in the mining industry. He is a visionary leader in mining, organizational innovation and transformation to create competitive advantage and was recognized as the Outstanding Innovator of 2016 by the International Mining Technology Hall of Fame. Throughout his career, Mr. Howes has been closely associated with the practices that make for world-class mining operations, including Inco's North Mine which won the 2006 Ryan Award as the safest mine in Canada. His extensive industry experience includes progressive technical, operating, management and project roles in many of the largest underground mines and mining companies throughout Canada and internationally. Mr. Howes joined Dundee Precious Metals in early 2009. He was General Manager and Executive Director of the Chelapech mine until November 2010 when he was appointed Executive Vice President and Chief Operating Officer and he served in that role until April 2013, when he was appointed President and Chief Executive Officer. Mr. Howes also serves as a non-executive director of Sabina Gold and Silver Corp., of which he is chair of the safety, health and environment committee and a member of the compensation committee and a non-executive director of Hudbay Minerals Inc., of which he is a member of the compensation and human resources committee and a member of the technical committee.

Mr. Howes holds a Bachelor of Applied Science with Honours in Mining Engineering from Queen's University, Kingston, Ontario and he is a member of the Institute of Corporate Directors.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Financial Reporting	Senior Management Experience
Mine Exploration	Mine Development and Construction	Mining Operations	Sustainability
Communications	Compensation/HR		

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾⁽⁶⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
Nil	Nil	Nil	Nil	Nil	N/A

Note: As a new nominee, Mr. Howes is not yet subject to the Share Ownership Guidelines. Mr. Howes will have five years from the date of election to achieve the target level under the Company's Share Ownership Guidelines.

JODY L.M. KUZENKO

- Chief Operating Officer of the Company
- New Nominee for Director (Non-Independent)⁽²⁾
- Bachelor of Laws and an Honours Bachelor of Arts
- Director since: NA (new director nominee)
- Age: 50
- Ontario, Canada

Jody Kuzenko joined the Company as Chief Operating Officer in October 2018. She is a mining executive with over 20 years of operational and business experience, mainly acquired at Vale (formerly Vale Inco and Inco Limited). She has a proven record of execution and leadership in the areas of base metals refining, sustainability, energy, safety, health and environmental protection, transport functions, oxygen and acid plants, maintenance shops, and community, labour and government relations. Ms. Kuzenko joined Vale as Chief Legal Officer in 2004 and in 2009 moved to the operational side of the business where she held roles of increasing responsibility in operations management until July 2018. Her most recent role with Vale was Director, Business Strategy, Ontario Operations of Vale. Ms. Kuzenko is also a founding Advisory Board member of the Centre for Research in Occupational Safety and Health at Laurentian University.

Ms. Kuzenko holds a Bachelor of Laws from the University of Western Ontario, London, Ontario and an Honours Bachelor of Arts from McMaster University, Hamilton, Ontario.

Key Areas of Expertise/Experience			
General Experience	Senior Management Experience	Legal	Mining Operations
Sustainability	Communications	Compensation/HR	

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾⁽⁶⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
7,438	Nil	7,438	151,958	166,983	N/A

Note: Ms Kuzenko joined the Company in October 2018 and has until 2023 to achieve the target level under the Share Ownership Guidelines, and five years following any change in salary to achieve the associated incremental ownership level.

ROY S. SLACK

- New Nominee for Director (Independent)⁽²⁾
- Professional Engineer, Bachelor of Science, Mining Engineering
- Director since: NA (new director nominee)
- Age: 61
- Ontario, Canada

Mr. Slack has extensive experience acquired over a career of 38 years in mine design and mine construction throughout North America and overseas. He is the founder and a board member of Cementation Americas and served as president from inception in 1998 to 2018. Cementation Americas was acquired by Murray & Roberts in 2004 and Mr. Slack was responsible for their mining operations in North and South America as well as Europe. He also served as a board member of Cementation Sudamérica (Chile) and Murray & Roberts UK. Cementation, part of the Murray & Roberts worldwide mine service group, established to provide mine contracting and consulting services to the North and South American market, as well as services for North American companies carrying out work overseas. In 2019 the company was recognized as the Gold Winner safest employer in Canada in the Natural Resources Sector. Mr. Slack also currently serves on the board of NORCAT. Mr. Slack also served as President of the Canadian Institute of Mining, Metallurgy & Petroleum ("CIM"), the leading technical industry institute in Canada, for the 2019/2020 term ending May 3, 2020.

In 2008 he was awarded the Engineer's Medal for Entrepreneurship by the Professional Engineers of Ontario and in 2009 he was given the Metal Mining Society Award by the CIM. In 2012 he was named a Paul Harris Fellow by Rotary International. In 2017 Nipissing University bestowed upon him an Honorary Doctorate.

He has been active in numerous safety initiatives over the years including a past board member of the Ontario Mine Contractors Safety Association, the Mines Accident Safety & Health Association and of the Workplace Safety North Mining Advisory committee. In 2013 he was appointed to the Province of Ontario's first Prevention Council to advise the government on workplace safety, where he served for four years. In 2018 he was inducted into the Sudbury Area Mining Supply and Service Association Hall of Fame and in 2019 he was inducted as a Lifetime Member into the Ontario Mine Contractors Safety Association, only the 12th induction in the 70- year history of the organization. He currently chairs the CIM Safety Committee.

Mr. Slack holds a Bachelor of Science, Mining Engineering from Queen's University in Kingston, Ontario.

Key Areas of Expertise/Experience			
General Experience	Board and Governance	Senior Management Experience	Legal
Mine Development and Construction	Mining Operations	Sustainability	Compensation/HR

Common Shares held (#)	Vested RSUs held (#)	Total Ownership Position (#) ⁽³⁾⁽⁶⁾	Value At Market Price May 5, 2020 ⁽⁴⁾	Value Per Company Policy May 5, 2020 ⁽⁵⁾	Share Ownership Guidelines Met?
Nil	Nil	Nil	Nil	Nil	N/A

Note: As a new nominee, Mr. Slack is not yet subject to the Share Ownership Guidelines. Mr. Slack will have five years from the date of election to achieve the target level under the Company's Share Ownership Guidelines.

Notes:

- (1) For additional compensation information, see "Article 12 - Statement of Executive and Director Compensation".
- (2) "Independent" refers to the standards of independence under National Instrument 52-110 – *Audit Committees*.
- (3) "Total Ownership Position" refers to the number of Common Shares and vested RSUs beneficially owned, controlled or directed (directly or indirectly) by the director as at May 5, 2020. The number of Common Shares held by each director nominee is in each case based on information provided by such nominee. For current holding of Common Shares and vested RSUs see also "Section 12.2(c) – Compensation Related Governance - Share Ownership Guidelines".
- (4) "Value at Market Price – May 5, 2020" is calculated by multiplying the "Total Ownership Position" by the closing price of the Common Shares on the TSX on May 4, 2020 of \$20.43.
- (5) For a discussion of the calculation of "Value per Company Policy – May 5, 2020" see "Section 12.2(c) – Compensation Related Governance - Share Ownership Guidelines".
- (6) For additional compensation information for Mr. Stanford with respect to options, RSUs and PSUs, see "Section 12.5 - Summary Compensation and Other Compensation Tables" including "Incentive Plan Awards".

10.2 Director Expertise

The Directors have a diverse range of skills and experience. Their principal areas of competence are:

	General Experience	Board & Governance	Financial Reporting	Corporate Finance	Senior Management Experience	Legal	Mineral Exploration	Mine Development & Construction	Mining Operations	Sustainability	Communications	Compensation/HR
Andrew Adams	✓	✓	✓	✓	✓				✓		✓	✓
Frank Davis	✓	✓	✓	✓		✓					✓	✓
David Fennell	✓	✓	✓	✓	✓	✓	✓			✓	✓	✓
Michael Murphy	✓	✓	✓	✓	✓	✓				✓	✓	✓
Elizabeth Wademan	✓	✓	✓	✓	✓					✓	✓	✓
Fred Stanford	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
Robin Bienenstock	✓	✓	✓	✓	✓						✓	✓
Rick Howes	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
Jody Kuzenko	✓				✓	✓			✓	✓	✓	✓
Roy Slack	✓	✓			✓	✓		✓	✓	✓		✓

10.3 Corporate Cease Trade Orders

No proposed director of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

10.4 Bankruptcies and Other Proceedings

Other than as disclosed below, no proposed director of the Company is, as of the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Robin Bienenstock was a member of the Board of Directors of Oi S.A. ("Oi"), a Brazilian telecommunications company from September 1, 2015 to June 13, 2016, Oi filed for bankruptcy protection in Brazil on June 20, 2016 and in the United States on June 22, 2016.

No proposed director of the Company has within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

10.5 Penalties and Sanctions

No proposed director of the Company is, as at the date hereof, or has been subject to:

- any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

10.6 Majority Voting for Directors

The Board has adopted a majority voting policy stipulating that shareholders are entitled to vote annually in favour of each individual director nominee at a shareholders' meeting. If the votes in favour of the election of a director nominee at a shareholders' meeting represent less than the number of votes withheld, the nominee will submit their resignation promptly after the meeting for the Corporate Governance and Nominating Committee's consideration (which resignation will be effective upon acceptance by the Board). In such circumstances, the Corporate Governance and Nominating Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the stated reasons, if any, why shareholders withheld votes, the length of service and the qualifications of the director, the director's contribution to the Company, the Company's governance guidelines and TSX listing standards. The Board will consider such recommendation and, within 90 days of the shareholders' meeting, make a decision whether or not to accept the resignation. The Board will accept the resignation absent exceptional circumstances. Following the Board's decision regarding the resignation, the Company will publicly disclose whether the Board has accepted or rejected the resignation, including the reasons for rejecting the resignation, if applicable, and will provide a copy of the news release to the Toronto Stock Exchange. A director who tenders their resignation pursuant to the majority voting policy is not permitted to participate in any portion of any meetings of the Board at which their resignation is being considered. The policy does not apply in circumstances involving contested director elections.

At the annual and special meeting of shareholders of the Company held on June 20, 2019, each director nominee was elected within a range of approximately 80.56% - 99.81% of the votes represented in person or by proxy at the meeting cast in favour of the election of such nominee (with a range of approximately 0.19% - 19.44% of the votes withheld).

Following the Meeting, the Company will file on SEDAR at www.sedar.com a report of voting results pursuant to Section 11.3 of National Instrument 51-102 – *Continuous Disclosure Obligations* disclosing the outcome of each matter voted upon at the Meeting and issue a press release regarding all items of business conducted at the Meeting, including the detailed results of the vote for the election of directors. A copy of the majority voting policy is available on the Company's website at www.torexgold.com.

ARTICLE 11 CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* (the "**Governance Guidelines**") sets out best practice guidelines for effective corporate governance. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in the management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees, shareholders and other stakeholders. The Company's approach to significant issues of corporate governance is designed with a view to

ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board has considered the Governance Guidelines and believes that its approach to corporate governance is appropriate and works effectively given the Company's current status. The Company continues to monitor developments in Canada and the U.S. with a view to keeping its governance policies and practices current.

The Governance Disclosure Rule mandates the disclosure of the corporate governance practices of the Company, which disclosure is set out below.

11.1 The Board

The Board currently consists of nine directors, eight of whom are independent based upon the test for director independence set forth in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Messrs. MacGibbon, Adams, Crombie, Davis, Fennell, Murphy and Shaver and Ms. Wademan are independent directors. Mr. Stanford is the President and Chief Executive Officer of the Company and is not an independent director as a result.

In 2019 and early 2020, in connection with the Board and management succession plans, the Board, through the Corporate Governance and Nominating Committee, conducted a search to identify individuals with the qualifications, skills and experience to meet the attributes the Board was seeking. The Corporate Governance and Nominating Committee recommended an increase in the number of Directors from nine to ten, and each of Ms. Bienenstock and Messrs. Howes and Slack were recommended to the Board as director nominees and are considered to be independent in accordance with NI 52-110. As announced in October 2019, Ms. Kuzenko is nominated as a director nominee in contemplation of her succeeding Mr. Stanford as President and Chief Executive Officer, and it is contemplated that Mr. Stanford, if re-elected, will be appointed Executive Chairman as Mr. MacGibbon will be retiring from the Board at the conclusion of the Meeting. As a result, two nominees will not be independent directors. See "Section 1.2 - Election of Directors".

The Board also assessed the transactional, professional, financial, charitable and other relationships (as such terms are defined in the voting guidelines of ISS Shareholder Services, Inc.). The Board determined that there were no such relationships which impacted the independence of the non-executive directors. The assessment included the consideration of the roles of Messrs. MacGibbon and Murphy as co-founders of the Company. As Mr. MacGibbon has not served in an executive capacity, and Mr. Murphy has not served as an executive of the Company since November 2009, the Board determined that their roles as co-founders do not impact their independence.

Mr. MacGibbon is the independent Chairman of the Board. Mr. MacGibbon is primarily responsible for the management and effective performance of the Board and provides leadership to the Board by: leading, managing and organizing the Board consistent with the approach to corporate governance established by the Board; promoting cohesiveness among the directors; being satisfied that the responsibilities of the Board and the committees of the Board are well understood by the Board; assisting the Board in ensuring the integrity of the senior officers and that such senior officers create a culture of integrity throughout the Company; together with the Chairman of the Corporate Governance and Nominating Committee, reviewing the committees of the Board, the Chairs of such committees and the mandates of such committees; and together with the Chairman of the Corporate Governance and Nominating Committee, assisting the Board, the committees of the Board, individual directors and the senior officers understand and discharge their respective obligations consistent with the approach to corporate governance established by the Board.

The Board will appoint a Lead Director in circumstances where the Chairman of the Board is not considered independent under applicable laws or the Board considers such appointment appropriate in order to provide independent leadership to the Board. The Board has determined that Mr. MacGibbon, the current Chairman of the Board is independent and accordingly, it was not necessary to appoint a Lead Director. As mentioned above, Mr. MacGibbon is retiring and it is contemplated that Mr. Stanford, if re-

elected, will be appointed Executive Chairman. Upon such appointment, the Board will appoint a Lead Director.

11.2 Inter-locking Directorships

None of the directors of the Company serve on the same boards of directors of other reporting issuers. There are no inter-locking relationships between the Compensation Committee members and the President and Chief Executive Officer of the Company.

11.3 Board Meetings

In connection with meetings of the Board, the Chairman of the Board is responsible for (in consultation with the Chairman of the Corporate Governance and Nominating Committee, as appropriate): scheduling meetings of the Board; coordinating with the Chairs of the committees of the Board the scheduling of meetings of the committees; reviewing matters for consideration by the Board; ensuring that all matters required to be considered by the Board are presented to the Board, such that the Board is able to supervise the management of the business and affairs of the Company; setting the agenda for meetings of the Board; monitoring the adequacy of materials provided to the Board; ensuring that the Board has sufficient time to review the materials provided and to fully discuss the business that is presented to the Board; presiding over meetings of the Board; and encouraging free and open discussion at meetings of the Board.

See “Section 10.1 - Director Profiles” for a summary of the attendance record of each director for all Board and committee meetings held during the year ended December 31, 2019.

11.4 Meetings of Independent Directors

After each meeting, as a regular item on each Board and committee agenda, the independent directors hold an *in camera* session at which non-independent directors and members of management are not in attendance unless such a session is not considered necessary by the independent directors present. In fiscal 2019, the Board held 11 meetings and an *in camera* session of the independent directors was held at the end of each meeting.

11.5 Board Mandate

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company and to act in the best interests of the Company. In discharging its mandate, the Board is primarily responsible for the oversight and review of the development of, among other things, the following matters:

- succession planning, including appointing, training and monitoring senior management;
- annually consider the additional skills and competencies would be helpful to the Board;
- if the Chairman of the Board is not independent, appointing a Lead Director;
- reviewing the financial and operational performance of the Company;
- the strategic planning process of the Company;
- the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- a communications policy for the Company to facilitate communications with investors and other interested parties; and
- the integrity of the Company's internal control and management information systems.

The Board may at any time retain outside financial, legal or other advisors at the expense of the Company and any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Company.

The Board also has the mandate to assess the effectiveness of the Board as a whole, its committees and the contribution of individual directors. The Board, Committee and Director Review Process is conducted annually (see “Section 11.19 - Assessments”).

The Board discharges its responsibilities directly and through its standing committees, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Health and Safety Committee and the Environment and Corporate Social Responsibility

Committee. Other committees may be appointed from time to time to carry out mandates as approved by the Board.

A copy of the Mandate of the Board setting out the Board's mandate and responsibilities and the duties of its members is attached as Schedule D to the Circular. A copy of the Mandate of the Board and the mandates of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Health and Safety Committee and the Environment and Corporate Social Responsibility Committee are available on the Company's website at www.torexgold.com.

11.6 Executive Succession Planning

The operational efficiency and future growth of the Company depends on, among other things, having executive roles performed by individuals who have the required capability to fulfill the Company's business strategy and to continuously improve the productivity of the operations. The Company has a succession plan for the President and CEO as well as other senior officers who are critical to the execution of the business strategy. The purpose of the succession plan is to mitigate the risks to business growth and continuity by identifying and developing successors so that a smooth transition may be made when an incumbent retires or is promoted, or in the event of an unexpected departure of an incumbent, identifying successors who can step-in on an emergency or interim basis.

Two main principles are the foundation of the design of the succession plan: (i) determine the requisite cognitive ability to master the complexity of the work for the level of each role; and (ii) determine the capabilities, education, skills, experience, and other necessary attributes for the individual to be effective in the role. Internal successors are preferred for continuity, including their understanding of the Company's culture, systems, history and relationships. As previously reported, potential successors to the CEO were identified and a development plan and an assessment of the time frame to complete the requisite development was completed for each potential successor. The succession plan also includes arrangements in the event that there is an unexpected departure of an incumbent.

In October 2019, the Company announced certain organizational changes that would take effect following the Meeting. As contemplated in the announcement, Mr. Stanford and Ms. Kuzenko have been nominated for re-election and election, respectively, to the Board. If elected, Mr. Stanford will step down as President and CEO and become the Executive Chair of the Board and Ms. Kuzenko will be appointed President and CEO.

Mr. Stanford will not be an independent chairman upon his appointment as Executive Chairman of the Board. In accordance with recommended corporate governance guidelines in such circumstances, the Board will appoint an independent Lead Director concurrent with the appointment of Mr. Stanford as Executive Chairman.

11.7 Strategic Planning

The Board oversees the development and implementation of the strategic plan of the Company. Management leads the process of the development of the strategic plan and implements the Board approved plan. Longer term directions are discussed at each Board meeting and at an annual full day meeting that is dedicated to the analysis of the business context, and strategic adjustments are made as deemed appropriate by the Board. The Board's role includes a short-term review of the strategy implementation progress through the oversight and approval of the annual budget. External third party experts are engaged from time to time as deemed appropriate by management or the Board to provide input throughout the process of strategic considerations.

11.8 Shareholder Feedback

The Board oversees a communications policy for the Company to facilitate communications with investors and other interested parties. The investor relations program is under the direction of Mr. Stanford, the Chief Executive Officer. The program includes responding to questions from or meeting with shareholders or potential investors, analysts and investment fund managers, and giving presentations at investor conferences and company organized events, providing briefing sessions for analysts, investment fund managers, members of the press and the public to discuss reported financial results and other announcements by the Company. Shareholders, other stakeholders and the public are informed of developments in the Company by the issuance of news releases and publications by the Company. The Board receives regular reports on the investor relations program and feedback is communicated to the Board. Shareholders may also communicate directly with our independent directors by writing to the Chairman of the Board or a committee chairman through the General Counsel and Corporate Secretary:

Torex Gold Resources Inc., Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario, M5A 2X2, Attention: General Counsel and Corporate Secretary, email: Mary.Batoff@torexgold.com.

11.9 Position Descriptions

The Board has developed written position descriptions for each of the Chairman of the Board, the Lead Director, the President and Chief Executive Officer, and the Chief Financial Officer and the mandate of each committee of the Board contains the responsibilities of the Chairman of each such committee. A position description for the Executive Chairman is being prepared and the position description for the Lead Director is being updated. The position description of the Executive Chairman of the Board and the updated Lead Director position description will be posted on the Company's website at www.torexgold.com when available.

11.10 Orientation and Continuing Education

New members of the Board are provided with:

- information respecting the functioning of the Board and its committees and a copy of the Company's corporate governance policies, codes and mandates;
- access to recent, publicly filed documents of the Company; and
- access to management.

Board members are encouraged to communicate with management and auditors; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. The Company will pay for any director who wishes to become accredited by the ICD as a certified director. Messrs. Stanford, MacGibbon, Murphy and Davis and Ms. Wademan are each accredited by the ICD as a certified director. The directors receive information and updates on developments in International Financial Reporting Standards ("IFRS"), current market trends in compensation and corporate governance best practices, and relevant changes in the law. During site visits, Board members attend corporate presentations. See "Section 11.12 - Site Visits". Board members also have full access to the Company's records.

11.11 Site Visits

The directors visited the Morelos gold property (the "**Morelos Gold Property**") in April 2019. During the site visit, the Board members were given an aerial tour of the site and surrounding area, and a tour of the mine site, including the filtered tailings storage facility (the "**FTSF**"), the underground operations and the test area where the Muckahi jumbo prototype was being tested in a non-active drift. The Board also attended presentations on health and safety, the FTSF, progress of operations, cost management, corporate responsibility projects, and development and exploration projects.

11.12 Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, senior officers and other employees. A copy of the Code is available for review under the Company's profile on SEDAR at www.sedar.com, on the Company's website at www.torexgold.com or may be obtained by request to the General Counsel and Corporate Secretary of the Company at the Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2.

The Audit Committee is responsible for monitoring compliance with the Code. In accordance with the Code, directors, senior officers and other employees should raise questions regarding the application of any requirement under the Code, and report a possible violation of a law, or the Code, promptly to their supervisor. If reporting a concern or complaint to a supervisor is not possible or advisable, or if reporting it to a supervisor does not resolve the matter, the matter should be addressed with the Chief Financial Officer, the General Counsel, or the Company's whistleblower hotline provided through ClearView Connects™. The Audit Committee monitors compliance of the Code by obtaining reports from the Chief Financial Officer, the General Counsel, and ClearView Connects™ as to any matters reported under the Code.

The Board takes steps to ensure that directors, senior officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, senior officer or other employee of the Company has a material interest, which include ensuring that directors, senior officers and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their supervisor or the Chief Financial Officer or

the General Counsel regarding any potential conflicts of interest. All senior officers, senior management and finance employees of the Company have acknowledged that they have read the Code.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations and professional rules; providing guidance to directors, senior officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

11.13 Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible for identifying potential candidates for the Board. The Corporate Governance and Nominating Committee has been delegated the responsibility of assessing potential candidates for the Board to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board are also consulted for possible candidates.

The Corporate Governance and Nominating Committee is comprised entirely of independent directors.

The Corporate Governance and Nominating Committee considers from time to time the desirable number of directors of the Company, identifies and recommends to the Company and the Board proposed nominees to be directors of the Company, and prepares or updates, as applicable, a skills matrix for the Board which includes the competencies and skills which each individual director possesses. In identifying suitable candidates for appointment to the Board, the Corporate Governance and Nominating Committee considers candidates on merit against objective criteria regarding experience, education, expertise and general and sector specific knowledge and with due regard for the benefit of diversity. In 2019 and early 2020, in connection with the Board and management succession plans, the Corporate Governance and Nominating Committee, conducted a search to identify individuals with the qualifications, skills and experience to meet the attributes the Board was seeking. At the conclusion of the process, the Corporate Governance and Nominating Committee recommended an increase in the number of Directors from nine to ten and each of Ms. Bienenstock and Messrs. Howes and Slack were recommended to the Board as director nominees, and as announced in October 2019, Ms. Kuzenko is nominated as a director nominee in contemplation of her succeeding Mr. Stanford, as President and Chief Executive Officer, and Mr. Stanford, if re-elected, will be appointed Executive Chairman as Mr. MacGibbon will be retiring from the Board at the conclusion of the Meeting. In conjunction with the appointment of the Executive Chairman, a Lead Director will be appointed. See "Section 1.2 - Election of Directors", "Section 11.1 – The Board" and "Section 11.21 - Diversity Policy".

In addition, the Corporate Governance and Nominating Committee assists the Company and the Board in fulfilling their respective corporate governance responsibilities under applicable securities laws, and to promote a culture of integrity throughout the Company. The Corporate Governance and Nominating Committee is also responsible for, among other things, (a) considering and making a recommendation to the Board as to whether or not to accept a resignation submitted by a director pursuant to the majority voting policy of the Company (see "Section 10.6 - Majority Voting for Directors"); (b) reviewing and making a recommendation to the Board from time to time on the majority voting policy, the disclosure policy, the insider trading policy, the diversity policy and the mandatory retirement policy and such other policies of the Company as considered advisable or as requested by the Board; (c) considering, or presenting to the Board for consideration, any transaction involving the Company and any related party; (d) monitoring any related party transaction and reporting to the Board on a regular basis regarding the status of any related party transaction; (e) monitoring the appropriateness of implementing structures to ensure that the Board can function independently of the senior officers of the Company; (f) providing an orientation and education program for new directors and existing directors; and (g) assessing the effectiveness of the Board as a whole, its committees and individual directors (see also "Section 11.19 - Assessments").

The Corporate Governance and Nominating Committee is comprised of Messrs. Davis (Chair), Adams and Fennell, each of whom is an independent director of the Board.

11.14 Compensation Committee

The Compensation Committee is responsible for assisting the Board in setting director compensation and the compensation of certain senior officers and considering and submitting to the Board recommendations with respect to other employee benefits considered advisable. In particular, the Compensation Committee is responsible for, among other things, (a) reviewing and making recommendations to the Board with

respect to the compensation policies and practices of the Company; (b) annually reviewing and recommending to the Board for approval the compensation and other benefits of certain of the senior officers of the Company; (c) reviewing and making a recommendation to the Board on the hiring or termination of certain of the senior officers of the Company or on special employment contracts; (d) annually recommending to the Board any incentive award to be made to the senior officers under any incentive plan or under any employment agreement; (e) annually comparing the total remuneration of the chief executive officer, the chief financial officer, the chief operating officer, any other employee who is expected to be a Named Executive Officer (as defined below), and any other senior officer or employee as may be determined by the Compensation Committee, with the remuneration of peers in the same industry with such comparison being carried out on an informal or formal basis, at the discretion of the Compensation Committee; (f) reviewing and making a recommendation to the Board regarding the remuneration of directors; (g) reviewing and making a recommendation to the Board with respect to any share ownership guidelines of the senior officers and directors and regularly reviewing the shareholdings of the senior officers and directors based on such guidelines; and (h) reviewing and making a recommendation to the Board from time to time on the 'say on pay' advisory vote policy and the clawback of incentive compensation policy.

The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on the Company's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of such positions. See "Section 12.4 - Compensation Discussion and Analysis".

The Compensation Committee has the authority to engage, at the expense of the Company, independent counsel and other experts or advisors as is considered advisable, including compensation consultants to assist in determining appropriate compensation policies and levels, provided that any services to be provided by any such compensation consultants must be pre-approved by the Compensation Committee and, any services to be provided by any such compensation consultants at the request of the senior officers, must be pre-approved by the Chair. See "Article 12 - Statement Of Executive And Director Compensation".

The Compensation Committee is comprised of Ms. Wademan (Chair), and Messrs. Crombie and Murphy, each of whom is an independent director of the Board.

Each member of the Compensation Committee has experience relevant to their responsibilities as a Compensation Committee member.

Member	Education	Experience
Elizabeth Wademan (Chair)	Bachelor of Commerce in Finance and International Business from McGill University Chartered Financial Analyst (CFA) Certified director, ICD.D	See Ms. Wademan's Director Profile. Ms. Wademan has been a member and Chair of the Compensation Committee since June 2018. She also serves as the chair of the BSR REIT compensation committee and as the chair of the SSR Mining Inc. compensation committee.
James Crombie	Bachelor of Science Hons. (Mining Engineering) from the Royal School of Mines, London	Mr. Crombie has been a member of the Compensation Committee since November 2016. He has over 30 years of broadly based experience in the mining industry, including, serving as senior executive and director with several mining companies, and as a mining analyst and investment banker with Shepards, Merrill Lynch, James Capel & Co. and Yorkton Securities.
Michael Murphy	Bachelor of Arts from the University of British Columbia, Master of Science in Finance, London School of Economics and Political Science and a Master of Business Administration from Saint Mary's University Certified director, ICD.D	See Mr. Murphy's Director Profile. Mr. Murphy has been a member of the Compensation Committee since June 2015.

11.15 Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities are to: oversee the accounting and financial reporting processes of the Company, and the audit of its financial statements, including: (a) the integrity of the Company's financial statements; (b) the Company's compliance with legal

and regulatory requirements; (c) the independent auditors' qualifications and independence; (d) serve as an independent and objective party to monitor the Company's financial reporting processes and internal control systems; (e) review and appraise the audit activities of the Company's independent auditors; and (f) provide open lines of communication among the independent auditors, financial and senior management, and the Board for financial reporting and control matters, and meet periodically with financial and senior management and with the independent auditors. The Audit Committee is also responsible for monitoring compliance with the Code and reviewing and assessing from time to time the Company's whistleblower policy, monetary authority policy and anti-bribery and anti-corruption policy.

The Audit Committee is comprised of Messrs. Adams (Chair) and Davis and Ms. Wademan, each of whom is an independent director of the Board and "financially literate" within the meaning of NI 52-110. Canadian securities laws do not include a definition of "financial expert", however an issuer may voluntarily appoint a financial expert to their audit committee and publicly disclose this fact in order to conform with best practices. The published guidance of the Toronto Stock Exchange describes a financial expert as someone who has a professional qualification such as a CPA or CMA. Taking into consideration Mr. Adams' professional designation and extensive international financial experience, the Board has determined that Mr. Adams is an audit committee financial expert (see "Section 10.1 - Director Profiles" for summary of his education, qualifications and experience).

Further information regarding the Company's Audit Committee is contained in the Company's current annual information form, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the annual information form as Schedule B. The Company's annual information form is available under the Company's profile on SEDAR at www.sedar.com.

11.16 Health and Safety Committee

The Health and Safety Committee assists the Company and the Board in furthering the Company's commitments to safety and providing a healthy work environment (combined, "**Health and Safety**"). The Health and Safety Committee is responsible for, among other things, reviewing with management: (a) the Company's Health and Safety goals, policies, and programs related to exploration, development and operations; (b) the establishment of appropriate systems, standards, and procedures for Health and Safety, and compliance with applicable laws and standards of corporate conduct, as the committee determines appropriate; (c) as they relate to Health and Safety programs with respect to risk identification, assessment and risk management, activities taken to monitor and mitigate risks, the effect of relevant regulatory initiatives and trends, and all material claims, demands, and legal proceedings against the Company; (d) the potential effect that any new major exploration, development, operating, or new business activity may have relating to Health and Safety; and (e) the Company's record of performance on Health and Safety, including the effectiveness of the risk identification, assessment and management systems. In addition the Health and Safety Committee is responsible for apprising the Board regularly of important developments in the course of performing the above duties, including reviewing with the full Board any issues that arise with respect to Company's Health and Safety compliance with legal or regulatory requirements.

The Health and Safety Committee is comprised of Messrs. Shaver (Chair), Crombie and MacGibbon, each of whom is an independent director of the Board.

11.17 Environment and Corporate Social Responsibility Committee

The Environment and Corporate Social Responsibility Committee assists the Company and the Board in furthering the Company's commitments to environmentally sound and responsible resource development, good community relations and the protection of human rights (collectively, "**Environment and Social Responsibility**"). The Environment and Corporate Social Responsibility Committee is responsible for, among other things, reviewing with management: (a) the Company's Environment and Social Responsibility goals, policies, and programs related to exploration, development and operations; (b) the establishment of appropriate systems, standards, and procedures for Environment and Social Responsibility, and compliance with applicable laws and standards of corporate conduct, as the committee determines appropriate; (c) as they relate to Environment and Social Responsibility, programs with respect to risk identification, assessment and management, activities taken to monitor and mitigate risks, the effect of relevant regulatory initiatives and trends, and all material claims, demands, and legal proceedings against the Company; (d) as they relate to security, programs with respect to risk identification, assessment and management, activities taken to monitor and mitigate risks; (e) the potential effect that any new major exploration, development, operating, or new business activity may have relating to Environment and Social Responsibility; and (f) reviewing with management the Company's record of performance on Environment and Social Responsibility, including the effectiveness of the risk

identification, assessment and management systems. The Environment and Corporate Social Responsibility Committee is also responsible for apprising the Board regularly of important developments in the course of performing the above duties, including reviewing with the full Board any issues that arise with respect to Company's Environment and Social Responsibility compliance with legal or regulatory requirements.

The Environment and Corporate Social Responsibility Committee is comprised of Messrs. Murphy (Chair), Fennell and Shaver, each of whom is an independent director of the Board.

11.18 Assessments

The Board is responsible for monitoring and assessing its function and effectiveness, composition, operation, and the performance of individual directors. Each committee of the Board and the Board regularly monitors compliance with its respective mandate. The Corporate Governance and Nominating Committee, in accordance with its mandate, reviewed the compliance record for 2019 maintained by each committee and the Board to confirm each committee and the Board were fulfilling their respective mandates.

The Board has a Board, Committee and Director Review Process. The review provides each director with an opportunity to evaluate the performance of the Board and the committees, and to make suggestions for improvements, if applicable. The review also provides each director an opportunity to comment on the effectiveness and contribution of individual directors and the leadership of the Chairman and Lead Director, if any. Each director completes a questionnaire, on a confidential basis, which is submitted to the Chairman of the Board who tabulates the results, and reports such results to the Corporate Governance and Nominating Committee and the Board, and he discusses the individual evaluation with the respective director. This assessment is conducted on an annual basis.

11.19 Director Term Limits and Retirement

The Company has not instituted director term limits. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company regularly monitors director performance through annual assessments and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives.

On a regular basis, the Company analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

The Board has a retirement policy whereby non-executive directors may not stand for re-election to the Board at the next annual meeting of shareholders after they turn 75 years of age and executive directors must submit their resignation as a director to the Board upon the termination of their employment with the Company. The Board may, however, extend a director's term upon the recommendation of the Corporate Governance and Nominating Committee if the Corporate Governance and Nominating Committee believes that it is appropriate and in the Company's best interest to do so.

11.20 Diversity Policy

The Company believes that decision-making is enhanced through diversity in the broadest sense and it has adopted a diversity policy to reflect this principle. In the context of an effective Board, diversity includes expression of thought, business experience, skill sets and capabilities. Diversity also includes valuing an individual's race, colour, gender, age, religious belief, ethnicity, cultural background, economic circumstance, human capacity, as well as other factors. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in corporate governance, including the creation of shareholder value. The Board has determined that merit is the key requirement for Board appointment and employee advancement. In identifying suitable candidates for appointment to the Board or in selecting and assessing candidates for executive positions, candidates will be considered on merit against objective criteria regarding experience, education, expertise and general and sector specific knowledge and with due regard for the benefit of diversity. As a result, the diversity policy does not mandate quotas based on any specific area of diversity and specifically does not set targets for women on the Board or in executive officer positions.

Currently, the Board consists of nine members, one of whom is a woman. If the Director nominees are elected at the Meeting, the Board will consist of ten members, three of whom will be women.

The Company has nine executive officers, three of whom are women, Jody Kuzenko, the Chief Operating Officer, Anne Stephen, Vice President, Human Resources, and Mary Batoff, General Counsel and Corporate Secretary.

11.21 Loans to Directors

The Company does not make personal loans or extend credit to its directors or senior officers. There are no loans outstanding from the Company to any of its directors or senior officers.

ARTICLE 12 STATEMENT OF EXECUTIVE AND DIRECTOR COMPENSATION

12.1 Executive Summary

(a) *Business Highlights*

Torex delivered on key priorities in 2019, with a full year of production unaffected by the illegal blockades at the ELG complex that affected results in 2017 and 2018. In 2019, Torex had achievements in gold production, safety performance, and financial results, as follows:

- Torex had record gold production of 454,811 ounces produced and nearly 450,000 ounces of gold sold. Total cash costs¹ per ounce of gold sold ("TCC") were USD \$619 and all-in sustaining costs per ounce of gold sold¹ ("AISC") were USD \$805. AISC² continues to be among the lowest for gold miners.
- The Company's lost time injury frequency rate ("LTIFR") was 0.63 per million hours worked – a substantial improvement over 2018 levels, and much better than the stated objective of fewer than "2". There were no fatalities in 2019, and early in 2020 the Company surpassed 5 million hours lost time injury free.
- Torex advanced the Media Luna growth project in 2019, with 25% of Inferred resources upgraded to the Indicated category, following the completion of a 175-hole infill drill program.³
- The Company achieved key deliverables set out for the proprietary Muckahi Mining System, including the demonstrated ability to excavate a ramp at a 30-degree down angle as an element of mine design.

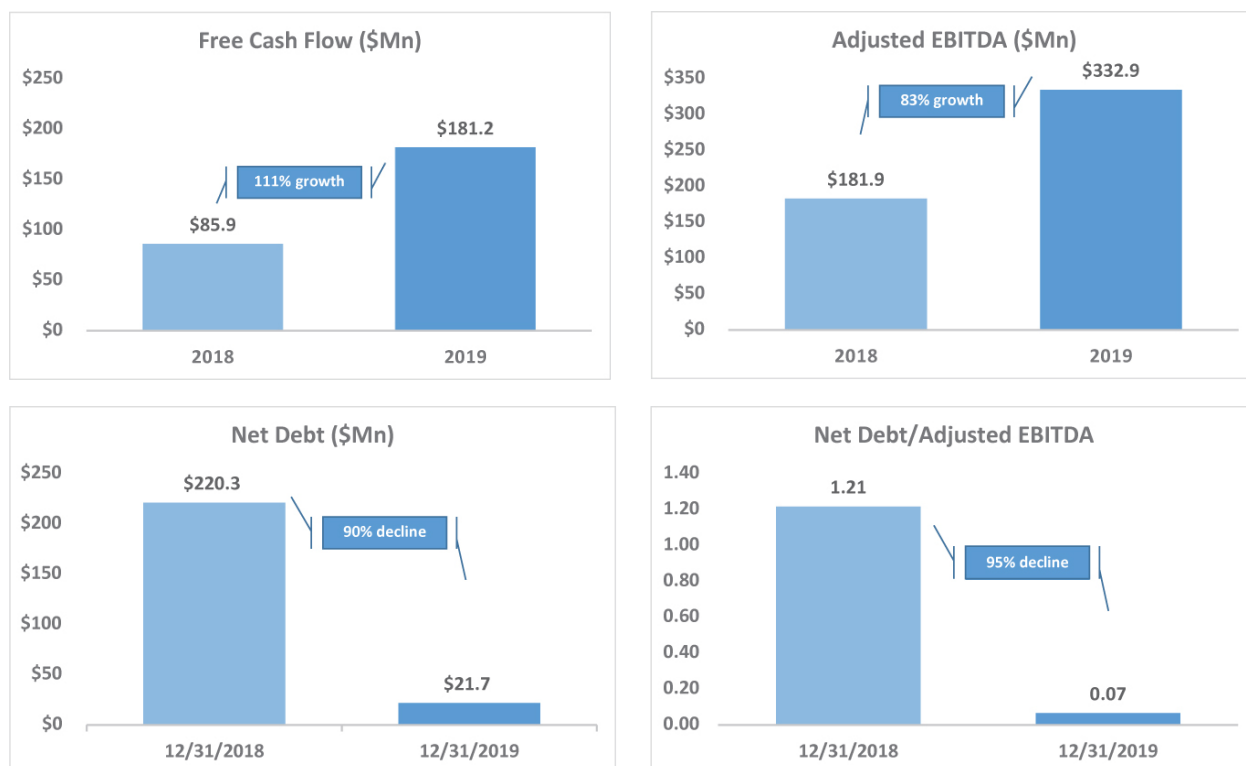
(1) TCC and AISC are non-IFRS measures. See Torex's Q4 2019 Management Discussion & Analysis for additional explanation of their definitions.

(2) Based on Wood Mackenzie data.

(3) For more information, see news release titled "Torex Gold Announces Updated Media Luna Resource Estimate", issued on January 13, 2020, and available on SEDAR at www.sedar.com and the Company's website at www.torexgold.com.

Notable financial highlights¹ for the year:

The Company performed well on key financial metrics in 2019, with new records set for Adjusted EBITDA and free cash flow generation (dollar values in \$USD):



Notes:

(1) Adjusted EBITDA, free cash flow and net debt are non-IFRS measures. See Torex's Q4 2019 Management Discussion & Analysis for additional explanation of their definitions. Torex does not currently award incentive compensation based specifically on results under these metrics.

(b) Short- and Long-Term Executive Compensation Implications

As described further under “**Compensation Policy and Pay Positioning**” below, Torex’s executive compensation philosophy expressly creates a role for Compensation Committee judgment, particularly in the assessment of performance against **short-term** (annual) goals and related short-term incentive compensation. In a year with few unanticipated challenges, meeting all stated performance objectives for the year at “on plan” levels of performance would not necessarily lead to a full short-term payout at 100% of target opportunity, because the Compensation Committee would adjust its annual performance expectations upward given the more stable business environment.

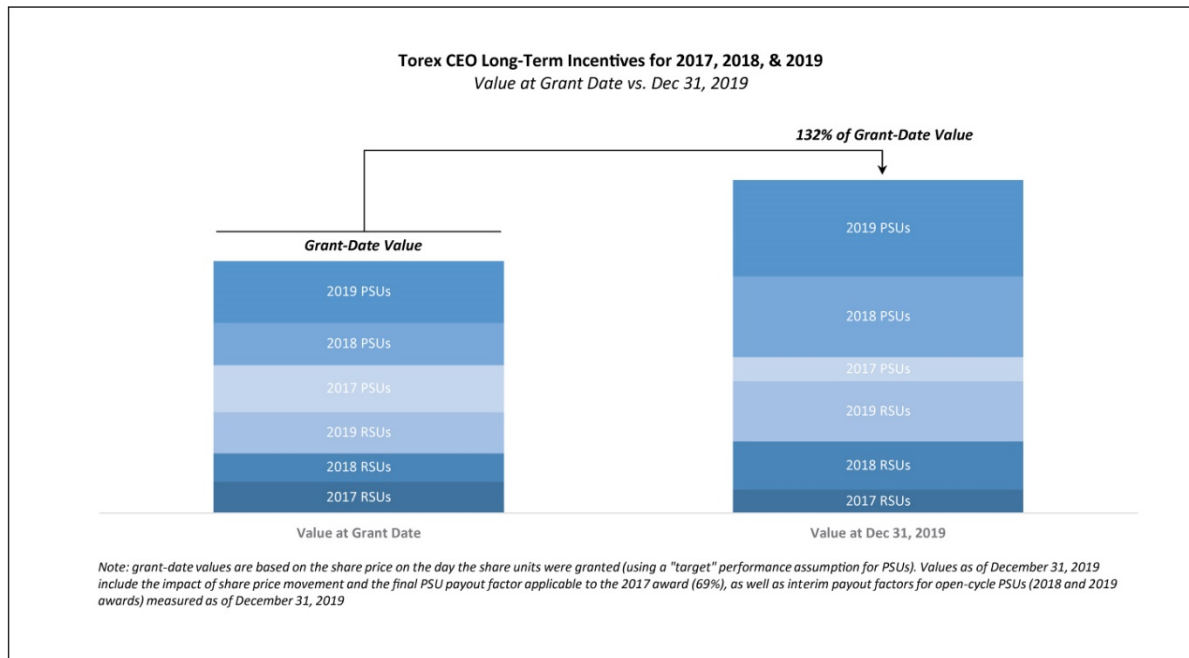
By contrast, following a difficult year with many unexpected challenges, the Compensation Committee might choose to pay a full target bonus to acknowledge Company management’s ability to adapt to those challenges, even if the original stated performance goals for the year were not met.

2019 was a strong year on all fronts. After reviewing the performance factors under “Business Highlights” noted above, as well as the specific short-term incentive plan (“**STIP**”) performance indicators (noted in more detail below in the CD&A), the Compensation Committee approved payouts for 2019 performance, at 100% of target for the CEO. (Other NEO payouts are discussed in more detail in the CD&A.)

Torex’s **long-term incentive** (“**LTI**”) compensation program functions differently. It is 100% linked to Torex’s share price and does not require the Compensation Committee to affirm payout outcomes (although the Committee retains discretion over final award payouts). NEOs receive their LTI compensation through two vehicles: PSUs that are earned based on Torex’s total shareholder return (“**TSR**”) relative to a peer group of gold mining companies, and RSUs that vest based on the passage of time.

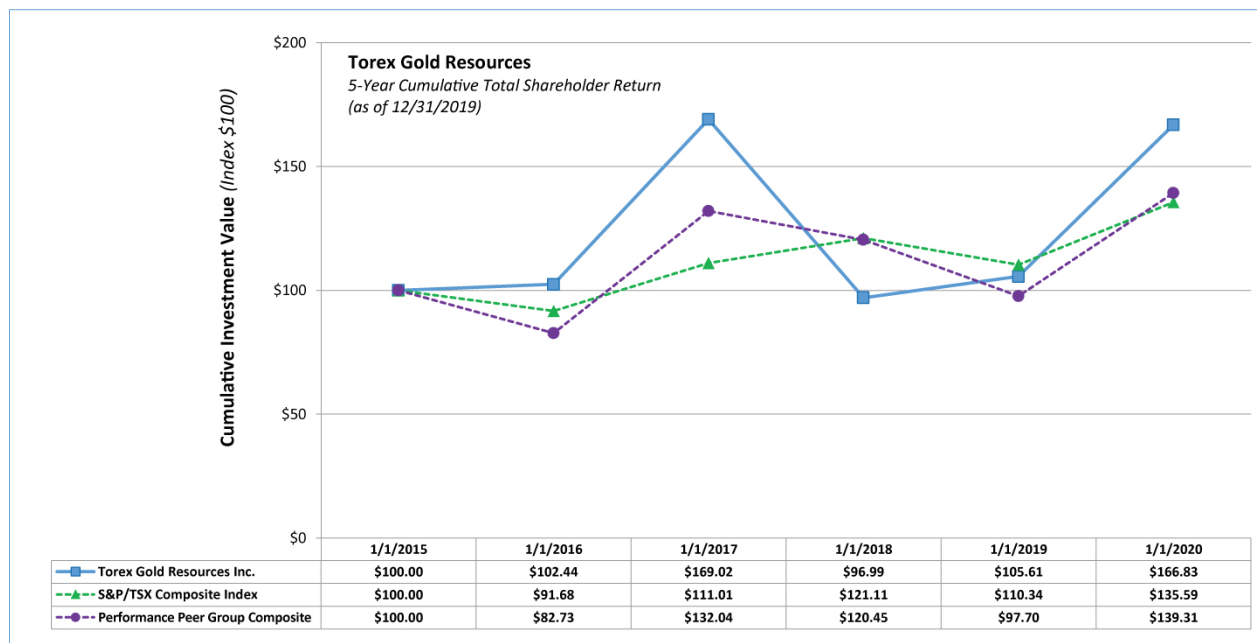
In January 2020, the Compensation Committee approved PSU payouts for the PSU cycle covering the 2017 – 2019 period, which concluded on December 31. For the second year in a row, payouts were confirmed at 69% of target PSUs granted. Payouts were determined based on the relative TSR performance results; the Compensation Committee did not exercise any discretion over the final payout factor. See also “Long-Term Incentive Plan” on page 47.

The chart below shows the status as of December 31, 2019 and March 31, 2020 of the performance share units (“**PSUs**”) and restricted share units (“**RSUs**”) granted to Torex’s CEO over the last three years (2017 – 2019), relative to the grant-date values of these awards. The 2017 PSU awards that vested in early 2020 are included based on the final performance and payout factor; other open-cycle PSU awards from 2018 and 2019 are included assuming interim performance factors. The graph illustrates how Torex’s equity-based executive compensation is aligned with the shareholder’s experience; Torex’s share price increased by 58% for the calendar year ending December 31, 2019, leading to interim payout factors that were tracking about target based on information as of that date:



(c) **Performance Graph**

Torex's 5-year cumulative indexed TSR compared to that of the S&P/TSX Composite and the Company's performance peer group (see page 48), based on the value of \$CAD 100 invested as of January 1, 2015, is included in the chart below. The amounts assume the reinvestment of all dividends.



Peer group weighted by market cap; reweighted annually on January 1st.

The Compensation Committee remains committed to ensuring that the executive compensation program supports the creation and maintenance of long-term shareholder value. Equity-based compensation represents more than 50% of the CEO's target total direct compensation and approximately 35% for the other NEOs on average, meaning a significant fraction of the value realized by the NEOs depends on Torex's share price performance, as noted above.

The majority of any NEO pay increases will be delivered as performance-based, at-risk compensation. As discussed above, the Compensation Committee believes that the Company's short- and long-term programs continue to align senior executive pay with the operational and financial performance objectives required to create and maintain shareholder value.

(d) **Say on Pay Summary**

Starting in 2017, Torex began holding an annual advisory vote on the Company's executive compensation program ("**Say on Pay**" vote). The results of this ballot were favourable in 2017, 2018, and 2019, with support from investors of **97.1%**, **96.1%**, and **98.0%**, respectively, in each year. Torex's Compensation Committee regularly reviews the executive compensation program design, follows industry trends related to executive pay, and will seek to engage with any shareholders who may share feedback on Torex's program design.

12.2 Compensation-Related Governance

(a) **Risk Management Principles and Policies**

In establishing the Company's compensation policies, the Compensation Committee seeks to address compensation-related risks. Torex's compensation programs:

- Are designed to work as part of a single compensation system. Each element of the program has its own purpose and is intended to work in conjunction with the other

elements to encourage the responsible management of all aspects of the Company's operations.

- Measure performance based on a portfolio of operational, financial, and stock price-related indicators.
- Incorporate judgment into the evaluation of performance against STIP goals rather than basing evaluations on a purely formulaic assessment against each individual objective that could give executives an incentive to maximize their short-term benefits to the detriment of the long-term value of the Company.
- Provide a balance between performance measured relative to peers/industry, and performance measured against pre-set internal objectives.
- Provide for equity awards to be made annually to ensure that executives remain exposed to the consequences of their decision making through their unvested equity-based incentives.
- Avoid excessive payouts to senior executives and other employees.
- Are reviewed regularly by the Compensation Committee for ongoing alignment with the Company's business and compensation strategy and objectives, and with market and best practices for senior executive compensation design.

The Compensation Committee believes that the programs are balanced and do not motivate unnecessary or excessive risks. The Compensation Committee has not identified any risks from the Company's compensation practices or policies that are likely to have a material adverse effect on the Company.

Good Governance Practices		No Problematic Pay Practices	
✓	A broad array of indicators to measure short- and long-term incentive plan performance	✗	No supplemental benefit arrangements
✓	More than 50% of senior executive equity-based compensation is performance-based	✗	No excessive perquisites
✓	More than 75% of CEO compensation and ~65% of other NEO compensation (on average) is at risk	✗	No excessive severance payments
✓	Caps on short- and long-term incentive award payouts	✗	No guaranteed STIP or other annual bonus payments
✓	Directors and senior executives are subject to share ownership guidelines	✗	No loans to directors or executives
✓	Clawback and anti-hedging policies	✗	No repricing of stock options
✓	Independent Compensation Committee and compensation consultant	✗	No automatic single-trigger vesting acceleration on equity awards upon change in control

(b) Clawback Policy

The Board has adopted a clawback policy that allows it to require reimbursement of excess incentive compensation paid or granted to any officer, director, or employee, if:

1. The Company is required to restate its financial statements to correct a material error,
2. The officer, director, or employee engaged in intentional misconduct which directly or partially caused the need for the restatement or correction, and
3. The compensation paid to the officer, director, or employee would have been lower had it been based on the properly reported financial results (the difference being the "excess incentive compensation").

If these three events occur, the Board and the Compensation Committee will determine how to apply the policy to the situation. If the Board and Committee determine that the policy should be triggered, the Company will seek to claw back the excess incentive compensation paid or granted during or for the years subject to the restatement. The clawback policy may be applicable to cash and/or equity-based incentive compensation.

(c) Share Ownership Guidelines

To align the interests of the Company's directors and senior executives with those of shareholders, the Compensation Committee has adopted share ownership guidelines (the "**Share Ownership Guidelines**") applicable to directors and senior executive officers, as follows:

Participant	Guideline Ownership Requirement
Chief Executive Officer	3X base salary
Chief Operating Officer and Chief Financial Officer	1X base salary
Non-Executive Directors	3X base annual cash retainer

Common Shares owned outright and Common Shares issuable under vested restricted share units are included in assessing whether the guideline has been met. Stock options are not included in assessing guideline compliance. Covered participants have five years following their date of hire, appointment, or election to achieve the ownership levels and five years following a change in salary or base retainer, as applicable, to achieve the associated incremental ownership level.

For purposes of measuring guideline attainment, the value of eligible equity is measured as follows:

- For unredeemed RSUs, or common shares obtained through redemption of RSUs, the highest trading price subsequent to the grant date of a given RSU award
- For common shares obtained through the exercise of stock options, the higher of the market closing price on the date of exercise, and the subsequent trading price
- For other common shares, the greater of the price paid by the participant, and the highest trading price subsequent to the participant becoming an executive officer or director

Once the applicable relevant threshold is deemed to have been satisfied, the participant is deemed to have met their guideline requirement on an ongoing basis, provided that they do not dispose of shares which causes them to fail to meet the relevant threshold immediately following such disposition.

The Compensation Committee reviews the share ownership guidelines from time to time and recommends any changes to the Board for approval.

Torex's CEO and non-executive directors have met their ownership guideline requirements. Torex's Chief Operating Officer and Chief Financial Officer both joined the Company in 2018 and will have until 2023 to satisfy their guideline requirements:

Participant	Guideline Value ⁽¹⁾	Common Shares Held ⁽²⁾	Vested RSUs Held ⁽²⁾	Total Ownership Position	Value of Ownership Position Per Guidelines	Value of Ownership Position at Market Price ⁽²⁾
Executives						
Fred Stanford (CEO)	2,317,200	190,228	Nil	190,228	5,791,650	3,886,358
Steven Thomas (CFO)	408,000	9,777	Nil	9,777	219,494	199,744
Jody Kuzenko (COO)	392,700	7,438	Nil	7,438	166,983	151,958
Directors						
A. Terrance MacGibbon	225,000	31,000	Nil	31,000	695,950	633,330
Andrew Adams	225,000	84,550	30,145	114,695	3,626,851	2,343,219
James Crombie	225,000	32,656	16,154	48,810	1,509,005	997,190
Frank Davis	225,000	9,476	12,853	22,329	608,656	456,181
David Fennell	225,000	14,917	Nil	14,917	463,223	304,754
Michael Murphy	225,000	7,900	16,765	24,665	731,754	503,906
William Shaver	225,000	12,674	22,567	35,241	947,524	719,974
Elizabeth Wademan	225,000	2,000	25,728	27,728	674,842	566,483

Notes:

- (1) Based on 2019 base salary rates and annual retainers, as the case may be.
- (2) Common Shares and vested RSUs held on May 4, 2020. Value based on the closing price of the Common Shares on the TSX on May 4, 2020 of \$20.43/share.

(d) Anti-Hedging Policy

The Company's insider trading policy further aligns the interests of shareholders, directors, and employees, by prohibiting directors and employees from purchasing financial instruments (including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in the market value of their holdings of Company stock.

(e) Independent Advice/Executive Compensation-Related Fees

The Compensation Committee retains independent advisors as it deems appropriate to assist it with its decision-making related to senior executive compensation. The Compensation Committee considers the information and recommendations provided by its advisor (and by management), but is ultimately responsible for its own decision-making. In 2019, the Compensation Committee retained Meridian Compensation Partners ("**Meridian**") to provide independent advice to the Compensation Committee. A summary of fees billed by Meridian for such services in 2018 and 2019 is as follows:

	2018	2019
Executive Compensation Related Fees (\$)	\$69,162	\$92,209
All Other Fees (\$)	Nil	Nil

12.3 Director Compensation

(a) Approach to Director Compensation

The purpose of the Company's compensation program for non-employee directors is to recruit and retain qualified individuals to oversee the Company's business on behalf of shareholders and make meaningful contributions to its success.

In 2019 the Compensation Committee engaged Meridian to conduct a benchmark review of director compensation compared to compensation at Torex's peer group companies (see the CD&A for a recap of Torex's peer group). After reviewing Meridian's findings, the Committee determined to make no changes to the Director Pay Program as summarized below.

(b) Elements of the Director Pay Program

Compensation for non-executive directors is paid in Canadian dollars and has the following components:

- An annual cash retainer for Board service (the Board Chair receives an additional retainer)
- An additional retainer for chairing a Board committee
- An annual equity retainer, delivered as a combination of stock options and RSUs

- A meeting fee for each Board and committee meeting attended
- Other compensation as noted in the table below

The table below summarizes the current dollar value of these pay elements:

Compensation Element	Value
Annual Cash Retainer	\$75,000
Board Chair Additional Annual Cash Retainer	\$100,000
Committee Chair Retainers:	
• Audit Committee	\$20,000
• Compensation Committee	\$15,000
• Corporate Governance and Nominating Committee	\$15,000
• Health and Safety Committee	\$15,000
• Environment and Corporate Social Responsibility Committee	\$15,000
Meeting Fees	\$1,000/meeting
Equity-Linked Compensation (stock options and RSUs)	\$150,000
Other Compensation ⁽¹⁾	\$2,000 (approx.)

Notes:

- (1) "Other Compensation" refers to a health assessment that each director is entitled to receive.

Each director may elect to allocate equity-linked compensation across stock options and RSUs, to a maximum \$100,000 by grant-date value that may be allocated to stock options. Equity awards to directors are made under the Company's Stock Option Plan and RSU plan. Please see "Stock Option Plan" on page 59 and "Restricted Share Unit Plan" on page 60 for more details on the respective plans.

Equity awards made to non-executive directors vest on the day they are granted.

Torex also reimburses directors for their travel and other expenses incurred for their attendance at Board and committee meetings.

Directors who are also employees of the Company are not compensated for their service as directors.

(c) Director Summary Compensation Table

The following table provides information regarding compensation earned by each non-executive director for the year ended December 31, 2019.

Name (Non-Executive Directors) ⁽¹⁾	Fees earned (\$)	Share- based awards ⁽²⁾ (\$)	Option- based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽³⁾ (\$)	Total (\$)
A. Terrance MacGibbon	230,000	150,000	—	Nil	N/A	2,380	382,380
Andrew Adams	145,000	150,000	—	Nil	N/A	2,380	297,380
James Crombie	98,000	100,000	50,000	Nil	N/A	Nil	248,000
Frank Davis	140,000	150,000	—	Nil	N/A	Nil	290,000
David Fennell	110,835	50,000	100,000	Nil	N/A	Nil	260,835
Michael Murphy	118,000	150,000	—	Nil	N/A	1,950	269,950
William Shaver	111,000	100,000	50,000	Nil	N/A	2,380	263,380
Elizabeth Wademan	116,000	125,000	25,000	Nil	N/A	Nil	266,000

Notes:

- (1) No compensation was paid to Mr. Stanford in his capacity as a director of the Company. For a summary of the compensation paid to Mr. Stanford in his capacity as an executive officer of the Company, see "Summary Compensation Table", below on page 50.
- (2) The fair value of the options was estimated using a Black Scholes valuation model and the RSUs are valued based on the market price at the time of the grant. The closing price of the Common Shares on the TSX on the business day immediately preceding January 24, 2019 was \$13.89 per Common Share.
- (3) "Other Compensation" refers to a health assessment that each director is entitled to receive.

(d) Director Equity Allocations

Name (Non-Executive Directors)	Total Equity Value (\$)	RSU Allocation (\$)	RSUs ⁽¹⁾ (#)	Option Allocation (\$)	Options ⁽²⁾ (#)
A. Terrance MacGibbon	150,000	150,000	10,799	—	—
Andrew Adams	150,000	150,000	10,799	—	—
James Crombie	150,000	100,000	7,199	50,000	8,352
Frank Davis	150,000	150,000	10,799	—	—
David Fennell	150,000	50,000	3,600	100,000	16,704
Michael Murphy	150,000	150,000	10,799	—	—
William Shaver	150,000	100,000	7,199	50,000	8,352
Elizabeth Wademan	150,000	125,000	8,999	25,000	4,176

Notes:

- (1) Based on the fair value of \$13.89 per RSU on the date of grant for awards to directors. The closing price of the Common Shares on the TSX on the business day immediately preceding January 24, 2019, the grant date, was \$13.89 per Common Share.
- (2) Based on the fair value of \$5.99 per option which is estimated using a Black Scholes model. Assumptions included a volatility of 63% and a simplified expected life of 3 years. May differ from accounting valuation for financial statement purposes. The closing price of the Common Shares on the TSX on the business day immediately preceding January 24, 2019, the grant date, was \$13.89 per Common Share.

(e) Outstanding Option-Based and Share-Based Awards and Value Vested During the Year

The following table shows all option-based and share-based awards outstanding as at December 31, 2019 for the non-executive directors. The table also provides the value of share-based awards vested in the year ended December 31, 2019.

Name	Option-based Awards ⁽¹⁾				Share-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽⁴⁾ (\$)	Value of RSUs vested during the year (\$) ⁽⁵⁾
A. Terrance MacGibbon	Nil	N/A	N/A	N/A	Nil	Nil	Nil	150,000
Andrew Adams	20,223 10,342 12,480 18,953	12.46 27.22 20.40 13.50	22-Jan-23 11-Jan-22 16-May-21 14-Jan-21	162,997 Nil 1,498 133,050	Nil	Nil	467,918	150,000
James Crombie	8,352 20,223 10,342	13.89 12.46 27.22	24-Jan-24 22-Jan-23 11-Jan-22	55,374 162,997 Nil	Nil	Nil	230,070	100,000
Frank Davis	6,240	20.40	16-May-21	749	Nil	Nil	113,086	150,000
David Fennell	7,756 9,360	27.22 20.40	11-Jan-22 16-May-21	Nil 1,123	Nil	Nil	73,872	50,000
Michael Murphy	20,223 7,756	12.46 27.22	22-Jan-23 11-Jan-22	162,997 Nil	Nil	Nil	385,201	150,000
William Shaver	8,352 10,112 5,171 5,002	13.89 12.46 27.22 32.02	24-Jan-24 22-Jan-23 11-Jan-22 15-Aug-21	55,374 81,503 Nil Nil	Nil	Nil	387,807	100,000
Elizabeth Wademan	4,176 15,167 2,585 5,002	13.89 12.46 27.22 32.02	24-Jan-24 22-Jan-23 11-Jan-22 15-Aug-21	27,687 122,246 Nil Nil	Nil	Nil	402,397	125,000

Notes:

- (1) "Value of options vested during the year" is calculated by multiplying the total number of options vested during the year by the difference between the market price of the Common Shares on the TSX on the date of vesting and the exercise price of such options. As the stock options vest on the date of grant, and the exercise price is the closing price of the Common Shares on the TSX on the business day immediately preceding the grant date, the value of the stock options is 'nil'. Using a Black Scholes model, the fair value per option granted on January 24, 2019, is \$5.99. Assumptions included an assumed volatility of 63% and a simplified expected life of 3 years. May differ from accounting valuation for financial statement purposes. The closing price of the Common Shares on the TSX on the business day immediately preceding January 24, 2019, the grant date, was \$13.89 per Common Share.
- (2) Based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2019 of \$20.52.
- (3) All RSUs granted to non-executive directors have vested.
- (4) The value of all undistributed share based awards reflected in this column has been calculated using the market value of the Common Shares on the TSX of \$20.52 per share at December 31, 2019.
- (5) "Value of RSUs vested during the year" is calculated by multiplying the total number of RSUs vested during the year by the market price of the Common Shares on the TSX on the business day immediately preceding the vesting date.

See also "Article 10 – Information about Director Nominees – Director Profiles" for additional information on Common Share and RSU holdings.

12.4 Compensation Discussion and Analysis (“CD&A”)

(a) Named Executive Officers

In 2019, the Company's NEOs were:

- Mr. Fred Stanford - President and Chief Executive Officer (“CEO”)
- Mr. Steven Thomas - Chief Financial Officer (“CFO”)
- Ms. Jody Kuzenko - Chief Operating Officer (“COO”)
- Mr. Bernie Loyer - Vice President, Projects
- Ms. Anne Stephen - Vice President, Human Resources

(b) Leadership Transitions in 2020

In October 2019, Torex announced certain organizational changes that would take effect at the June 2020 annual shareholder meeting. As contemplated in the announcement, Mr. Stanford and Ms. Kuzenko have respectively been nominated for re-election and initial election as directors. If elected, Mr. Stanford will step down as CEO and become Executive Chair of the Board and Ms. Kuzenko will be appointed President and CEO.

(c) Compensation Policy and Pay Positioning

The Company's NEO compensation policy includes the following key principles:

- The overall purpose of the policy is to align NEO decision making with the interests of the Company's shareholders.
- Incentive compensation should recognize the quality of management's judgment in dealing with the obstacles that create variability in the Company's business environment.
- Rigid incentive systems in a highly variable business environment run a high risk of doing more harm than good by incenting management to take decisions that are not consistent with changing business realities. Accordingly, assessments of performance, particularly for short-term incentive compensation purposes, should not be based on pre-determined formulas that do not accommodate such changes.
- The policy should support an objective of attracting and retaining executives who are capable of successfully interpreting the complexity of the business environment in order to be able to make the quality decisions that advance shareholder interests.
- Compensation should be differentiated between roles of differing accountability and complexity.

When making pay decisions, the Compensation Committee periodically reviews peer group-based benchmark compensation data, with particular focus on the 50th and 60th percentiles by position, and seeks to position NEO target total compensation competitively given those reference points. 2019 pay actions with respect to salaries and incentive compensation opportunities were generally taken with this positioning objective in mind.

(d) Oversight of the Executive Compensation Program

The Compensation Committee oversees the compensation of the NEOs. The Compensation Committee's responsibilities include, but are not limited to:

- Reviewing and recommending to the Board for approval the compensation and other benefits of the NEOs.
- Reviewing the goals and objectives of the NEOs for the next financial year of the Company.
- Evaluating the performance of the NEOs following the end of the financial year with input from the CEO on goals, objectives and performance of the NEOs other than the CEO.

In determining its recommendation for CEO compensation, the Compensation Committee considers the CEO's performance, the Company's performance, the compensation of other chief executive officers at comparable companies, other relevant factors including the CEO's self-assessment, and input from the Compensation Committee's independent advisor.

In determining its recommendation for other NEO compensation, the Compensation Committee considers the CEO's evaluation of each NEO's individual performance and pay recommendations, the Company's performance, the compensation of executives at comparable companies, input from the Compensation Committee's independent advisor, and other relevant factors. The Compensation Committee, as members of the Board and other Board committees, also receive presentations from and interact directly with the NEOs over the course of the year.

(e) Use of Market Data and Peer Group

The Compensation Committee reviews compensation elements for each NEO annually, taking into account each NEO's scope of responsibilities, experience, and individual performance. The Compensation Committee also compares NEO compensation levels, by component of pay and in total, to benchmark market data.

In 2018, with advice from Meridian, the Compensation Committee revised the peer group that it used as an input to NEO compensation decision-making for 2019. The revised group was determined principally based on the following criteria:

- Mining companies with a North American public exchange listing and a focus on producing precious metals
- Within a reasonable size range of Torex (generally 1/3x to 3x Torex's size, based on total assets, with revenue and market capitalization used as secondary screening criteria)

The 2019 peer group companies were:

Alacer Gold Corp	Dundee Precious Metals Inc	OceanaGold Corp (New)
Alamos Gold Inc	First Majestic Silver Corp	Pan American Silver Corp
Argonaut Gold Inc	Fortuna Silver Mines Inc	Pretium Resources Inc
B2Gold Corp	Guyana Goldfields Inc	SEMAFO Inc
Centerra Gold Inc	Hecla Mining Co	SSR Mining Inc
Coeur Mining, Inc	Kirkland Lake Gold Inc	Tahoe Resources Inc
Detour Gold Corp	Leagold Mining Corp (New)	Teranga Gold Corp (New)

For 2019, the Committee determined to remove three companies from the group – McEwen Mining, NovaGold Resources, and Primero Mining – and add three others – Leagold Mining Corp, OceanaGold Corp., and Teranga Gold Corp.

At the time the peer group was approved (in August 2018), Torex was positioned at the:

- 39th percentile of the group in terms of size by assets
- 40th percentile of the group in terms of size by revenues
- 28th percentile of the group in terms of size by market capitalization

All peers were positioned within the 1/3x to 3x size range (by assets) when the peer group with revisions was approved.

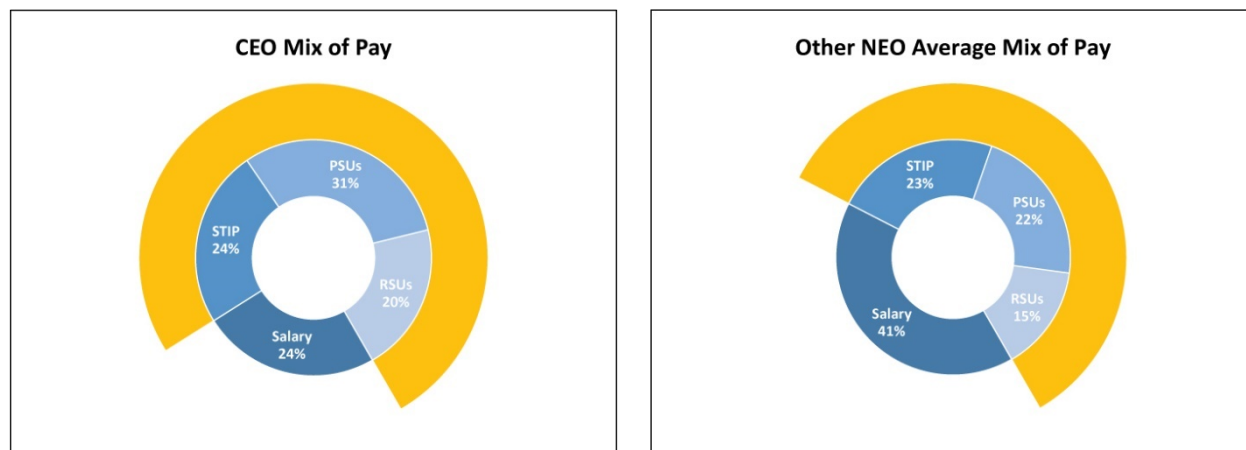
(f) Elements of Torex's Compensation Program

The components of the Company's compensation program are base salary, short-term incentive, long-term incentive, and benefits as set out in the table below:

Compensation Element	Form	Performance Period	Purpose
Annual Compensation			
Base Salary	Cash	N/A	Fixed pay paid throughout the year that provides a baseline market competitive level of compensation to NEOs for the level of accountability and complexity inherent in their roles.
Short-Term Incentive (STIP)	Cash	1 year	At-risk pay intended to provide a meaningful incentive to achieve the Company's annual operational objectives. Executives are rewarded based on the achievement of specific mine-wide and individual goals.
Long-Term Incentive (LTI) Compensation			
Performance Share Units (PSUs)	Shares	3 years	At-risk equity-linked pay that aligns NEO interests over the longer term with those of investors, by requiring superior relative TSR performance over each three-year performance period.
Restricted Share Units (RSUs)	Shares	3 years	Equity-linked pay that vests after three years, which supports a longer-term focus for decision-making and aligns executive interests with those of shareholders.
Other Compensation			
Benefits and Perquisites	N/A	N/A	<p>Baseline employee benefits necessary to maintain market competitiveness and maintain executive health and well-being.</p> <p>NEOs generally are eligible for group benefit programs (medical, pharmacy, vision, life and AD&D insurance), on the same basis as other employees. Mr. Loyer participates in Torex's U.S. group benefit plans for international rotator employees.</p> <p>The CEO receives a monthly car allowance of \$1,000 and the NEOs are entitled to annual health assessments.</p> <p>The Company does not have any pension or group retirement savings plans for its employees.</p>

(g) Mix of Pay

2019 target compensation mix and at-risk pay for the CEO and other NEOs is shown in the charts below (based on 2019 base salaries, target STIP opportunities, and intended (grant-date) long-term award values in percentage of salary terms). More than 75% of CEO pay and nearly 60% of other NEO pay, at target, is "at risk" and subject to performance:



(h) Summary of NEO Target Compensation Values

2019 NEO target direct compensation (the sum of salary, STIP opportunity, and grant value of LTI awards) are summarized as follows (dollar values in \$CAD unless otherwise noted):

Name	2019 Salary	STIP Opportunity (% of Salary)	LTI Award (% of Salary)	LTI Allocation		Target Direct Compensation
				PSUs	RSUs	
Mr. Stanford	\$772,400	100%	210%	60%	40%	\$3,166,840
Mr. Thomas	\$408,000	60%	150%	60%	40%	\$1,264,800
Ms. Kuzenko	\$392,700	70%	150%	60%	40%	\$1,256,640
Mr. Loyer ¹	\$332,900	50%	50%	60%	40%	\$665,800
Ms. Stephen	\$328,200	50%	50%	60%	40%	\$656,400

(1) Values for Mr. Loyer are expressed in \$USD.

(i) 2019 Base Salaries

The Compensation Committee adjusted base salaries for 2019 to reflect local market movements in salary merit budgets and inflation adjustments. For the C-level executives, the Committee also reviewed benchmark compensation data prepared by Meridian in 2018.

(j) Short-Term Incentive Plan

STIP bonuses are paid based on performance against a series of performance objectives. Each of the NEOs has a target STIP opportunity expressed as a percentage of base salary and allocated between "Corporate" and "Individual" objectives. The CEO's allocation is 85% to Corporate Objectives and 15% to Individual Objectives; for other executives the allocation is 75% and 25%, respectively.

STIP payouts may range from 0% to 200% of target, depending on performance for the year. However, a payout in excess of 100% of target would typically require extraordinary Company or individual performance, and would be made based on an exercise of positive discretion by the Compensation Committee in its judgment.

The STIP metrics and weightings for 2019, and actual performance assessments, were as follows:

	Performance Measure	Weighting	Goals and Performance Assessment
Corporate	Safety	15%	<ul style="list-style-type: none"> No fatalities Lost time injury frequency rate (LTIFR) <2/million hours worked Assessment: <i>Performance Exceeded Target.</i> No fatalities, and actual LTIFR of 0.63
	Environment	10%	<ul style="list-style-type: none"> No reportable spills (1,000 litres or more that report to the river or reservoir) Assessment: <i>Performance Met Target.</i> No reportable spills
	Production (2019)	35%	<ul style="list-style-type: none"> Produce between 400,000 and 460,000 ounces of gold (430,000 ounces +/-7%) Assessment: <i>Performance Met Target.</i> 454,811 ounces of gold were produced
	Production (Prepare for 2020)	10%	<ul style="list-style-type: none"> Strip 42 million tonnes of waste Assessment: <i>Performance Exceeded Target.</i> <ul style="list-style-type: none"> 46.4 million tonnes of waste were stripped
	Cost Control	15%	<ul style="list-style-type: none"> Total Cash Costs ("TCC") of (USD) \$580 (+/- 7%)/ounce All-in Sustaining Costs ("AISC") of (USD) \$790 (+/- 7%)/ounce Capital expenditures < (USD) \$102 million Assessment: <i>Performance Met Target.</i> <ul style="list-style-type: none"> TCC was (USD) \$619/ounce AISC was (USD) \$805/ounce Capital expenditures were (USD) \$100.5 million
	Set up for Growth	15%	<ul style="list-style-type: none"> Drill out and prepare a reserve for El Limón Deep ("ELD") Complete the 175 target (drill hole) infill drill program for Media Luna Evaluate the Muckahi Mining System innovations: 1) Development on a level plane; 2) Development on a 30-degree down ramp; 3) Long hole open stope conveyable fragmentation; 4) Mucking out a long hole open stope with a slusher Assessment: <i>Performance Met Target.</i> <ul style="list-style-type: none"> The ELD drill-out was completed The Media Luna infill program was completed The Muckahi evaluation tests were concluded successfully
Individual Objectives	Specific performance objectives set at the start of the year for each NEO based on their scope of responsibilities		

NEO STIP payouts are determined by the Compensation Committee, with input from the CEO. As noted above under "Executive Summary", the Compensation Committee does not follow a strictly formulaic approach to determining bonus attainment. Instead, the Compensation Committee examines degree of attainment against the performance goals listed above, the overall operational performance of the Company, and any mitigating or offsetting factors, prior to making its determinations as to actual bonus payouts.

In early 2020, the Compensation Committee considered the Company's performance against the 2019 STIP goals in light of the following factors:

- Record gold production levels for the year with disciplined cost control
- The Company's excellent safety and environmental performance
- Strong financial performance including record free cash flow generation and significant debt reduction
- Technical advances (Muckahi Mining System and others) that advanced the Company's growth agenda

After examining all of these factors and considering the CEO's input for the NEOs other than himself, the Committee determined to award annual bonuses to the NEOs as follows:

Name	Bonus Payout for 2019
Mr. Stanford	100% of target
Mr. Thomas	100% of target
Ms. Kuzenko	159% of target
Mr. Loyer	100% of target
Ms. Stephen	120% of target

Payouts for the CEO and the NEOs generally reflected the Committee's determination that performance against the 2019 Corporate and Individual Objectives was at or ahead of expectations. The above-target payout for Ms. Kuzenko reflected her extraordinary personal performance, particularly as her portfolio of responsibilities expanded over the course of the year in anticipation of her transition to the CEO role in 2020. The above-target payout for Ms. Stephen reflected particularly her performance in leading the Human Resources function through significant senior staff turnover.

The dollar values of the STIP payouts are included in the Summary Compensation Table that follows on page 51.

(k) Long-Term Incentive Plan

The purpose of the Company's long-term incentive program is to provide a meaningful incentive to achieve the Company's annual operational objectives through decisions that are consistent with creating long-term value to support the Company's share price.

In support of this objective, the Company delivers long-term incentive awards to the NEOs and other senior executives via two vehicles:

- **Performance Share Units (PSUs)** linked to the Company's relative total shareholder return over a three-year performance period (60% weighting by value). PSUs must be earned in order to vest, and have no "floor" level of payout (i.e., they can pay out at 0% of the number of share units granted).
- **Restricted Share Units (RSUs)** that vest based on the passage of time (40% weighting by value). RSU awards vest at the end of a three-year period.

Executive PSU and RSU awards are made under Torex's Employee Share Unit Plan ("**ESU Plan**") and are intended to be settled with shares from treasury shortly after vesting. Certain terminations of employment may alter the vesting treatment applicable to outstanding PSU and RSU awards. Please see "Employee Share Unit Plan" on page 57 for more details on this plan. The Compensation Committee intends to make equity-based awards to the NEOs annually, to help maintain ongoing alignment between NEO compensation and the shareholder experience.

The Long-Term Incentive plan has two key features:

- The 60% weighting to PSUs, which must be earned in order to vest (i.e., they do not vest based solely on the passage of time), is aligned with market trends and best practice.
- The relative TSR performance metric is well-aligned with shareholder interests. The number of PSUs that vest is determined based on whether Torex outperforms other gold mining companies in its performance peer group. This moderates the effect of gold price on PSU payouts, provides a significant reward for executives only if the Company outperforms its performance peer group, and ensures that a change in the price of gold alone cannot create high payout values.

RSUs were selected as the other vehicle for the program, because they provide a suitable balance against the higher-risk/reward properties of the PSU vehicle, and support ongoing retention of key executives while preserving alignment with shareholders.

Under the current program, PSUs will cliff-vest at the end of a three-year performance period, based on performance relative to the performance peer group, as follows:

3-Year Relative TSR Percentile Rank	# of PSUs Earned (% of Target Award)
90th Percentile or Greater	200%
60th Percentile	100%
30th Percentile	50%
Below 30th Percentile	0%

Payouts will be interpolated for any performance ranking that falls between the stated goals above.

The 60th percentile performance requirement to earn a full “target” payout of shares is a higher hurdle than typical market practice, but the Compensation Committee concluded that setting the “target” performance requirement at that level represented an appropriate level of outperformance relative to peers.

In 2018, with assistance from Meridian, the Compensation Committee reviewed the peer group to be used for relative TSR performance measurement, and determined to revise the group constituents. Previously, the performance peer group had been the gold mining companies that were also in the Company’s peer group for benchmarking executive compensation.

Under its revised approach, the Committee considered a broader pool of peer candidates, and selected an updated group of mining companies after considering the following criteria:

- Market capitalization (relative to Torex’s market capitalization)
- Share price volatility profile and strength of the relationship between a peer’s share price movements and Torex’s own
- Primary minerals produced and geographic scope of operations
- Primary exchange listing

Therefore, for the 2019 PSU awards, performance will be measured against a custom group of mining companies with broadly similar business characteristics to Torex, as follows:

Alacer Gold Corp	Golden Star Resources	OceanaGold Corp
Alamos Gold Inc	Guyana Goldfields Inc	Pretium Resources Inc
B2Gold Corp	Hecla Mining Co	SEMAFO Inc
Centerra Gold Inc	IAMGOLD Corp	SSR Mining Inc
Coeur Mining Inc	Leagold Mining Corp	Teranga Gold Corp
Detour Gold Corp	McEwen Mining Inc	TMAC Resources Inc
Dundee Precious Metal	New Gold Inc	Yamana Gold Inc
Eldorado Gold Corp	NovaGold Resources Inc	

As noted above, PSU awards granted in 2017 vested early in 2020, following the completion of the three-year performance period on December 31, 2019. Torex’s TSR performance for that period ranked at the

42nd percentile of the peers included in the 2017 PSU performance peer group. This translated to a payout factor of 69% of target (that is, for every 100 PSUs granted, 69 would ultimately be earned and vest).

In January 2019, the Compensation Committee recommended, and the Board approved, regular cycle LTI grants to certain of the NEOs, in the following amounts:

Executive	PSUs (60% Weight)	RSUs (40% Weight)
Mr. Stanford	79,916	53,277
Mr. Thomas	30,151	20,101
Ms. Kuzenko	29,020	19,347
Mr. Loyer	10,947	7,298
Ms. Stephen	8,085	5,390

The PSUs will be earned based on relative TSR performance for the three-year period ending December 31, 2021, and will cliff-vest, to the extent earned, shortly after the end of the performance period. TSR will be measured based on the 60-day volume-weighted average share price (“VWAP”) immediately preceding the first and last days of the performance period (i.e., January 1, 2019 and December 31, 2021), and will incorporate reinvestment of any dividends. Subject to certain exceptions in the event of an eligible termination of employment, the RSUs will cliff-vest three years after grant, on January 18, 2022.

The dollar values of these grants are summarized in the Summary Compensation Table that follows.

In early 2020, the PSUs granted in 2017 vested following the completion of the three-year performance period ending December 31, 2019. As noted above, Torex’s TSR performance for that period ranked at the 42nd percentile of the peers included in the 2017 PSU performance peer group. This translated to a payout factor of 69% of target (that is, for every 100 PSUs granted, 69 would ultimately be earned and vest).

Mr. Thomas and Ms. Kuzenko did not receive long-term awards with the same terms as the other NEO awards. Instead, they received awards with slightly different terms, in conjunction with their hirings in 2018. These differences are noted in the table below.

A summary of the 2017 – 2019 PSUs granted versus earned is as follows:

Executive	PSUs Granted	PSUs Vested
Mr. Stanford	31,174	21,613
Mr. Thomas ⁽¹⁾	28,919	24,098
Ms. Kuzenko ⁽²⁾	11,769	8,159
Mr. Loyer	5,641	3,911
Ms. Stephen	3,862	2,678

- 1) *In conjunction with his hiring in 2018, Mr. Thomas received a PSU award earned based on the two-year period ending December 31, 2019. The terms of his award were otherwise the same as the award terms for the 2017 – 2019 PSU award. The payout factor for Mr. Thomas’ award, based on the different measurement period, was 83% of target.*
- 2) *In conjunction with her hiring in 2018, Ms. Kuzenko received a PSU award with the same terms as the 2017 – 2019 PSU award for other recipients, with the grant size pro-rated to the commencement date of her employment. These PSUs were earned based on the same 69% payout factor noted above.*

The dollar values and details of these grants are included in the Summary Compensation Table and related notes that follow.

12.5 Summary and Other Compensation Tables

The following table provides information regarding compensation earned by the NEOs for the years ended December 31, 2017, 2018 and 2019.

Name and principal position	Year	Salary (\$) ⁽¹⁰⁾	Share-based awards ⁽¹⁾ (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans			
Fred Stanford ⁽³⁾ President and Chief Executive Officer	2019	772,400	1,850,051 ⁽⁴⁾	Nil	772,400	Nil	N/A	14,380	3,409,231
	2018	757,300	1,322,479 ⁽⁵⁾	Nil	757,300	Nil	N/A	14,380 ⁽⁷⁾	2,851,459
	2017	652,500	1,452,198 ⁽⁶⁾	Nil	652,500	Nil	N/A	14,095 ⁽⁷⁾	2,771,293
Steven Thomas ⁽⁸⁾ Chief Financial Officer	2019	408,000	698,000 ⁽⁴⁾	Nil	244,800	Nil	N/A	2,380	1,353,180
	2018	300,000	1,391,693 ⁽⁵⁾	Nil	180,164	Nil	N/A	Nil	1,871,857
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jody Kuzenko ⁽⁹⁾ Chief Operating Officer	2019	392,700	671,818 ⁽⁴⁾	Nil	436,634	Nil	N/A	143,128 ⁽⁹⁾	1,644,280
	2018	68,177	681,414 ⁽⁵⁾	Nil	47,255	Nil	N/A	Nil	796,846
	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bernie Loyer ⁽¹¹⁾ Vice President, Projects	2019	434,967	253,423 ⁽⁴⁾	Nil	217,484	Nil	N/A	31,358	937,232
	2018	445,275	192,407 ⁽⁵⁾	Nil	222,637	Nil	N/A	32,741	893,060
	2017	403,169	262,757 ⁽⁶⁾	Nil	201,584	Nil	N/A	30,238	897,748
Anne Stephen Vice President, Human Resources	2019	328,200	187,167 ⁽⁴⁾	Nil	196,920	Nil	N/A	2,380	714,667
	2018	321,770	152,236 ⁽⁵⁾	Nil	160,885	Nil	N/A	2,380	637,271
	2017	315,461	179,914 ⁽⁶⁾	Nil	157,731	Nil	N/A	2,380	655,486

Notes:

- (1) Figures in this column represent the value of RSUs issued under the RSU Plan and RSUs and PSUs issued under the ESU Plan.
- (2) Annual cash bonuses for 2019, 2018, and 2017 were paid in February 2020, February 2019 and February 2018, respectively.
- (3) No compensation was paid to Mr. Stanford in his capacity as a director.
- (4) LTI compensation awards for 2019 of RSUs and PSUs under the ESU Plan for a three-year performance period commencing January 1, 2018 to December 31, 2020. The effective date of the grant was January 24, 2019. Please see "Compensation Discussion and Analysis - Long-Term Incentive Plan". Based on the fair value of \$13.89 per RSU or PSU on January 24, 2019, the date the awards were granted. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$13.89 per Common Share. For financial reporting purposes, the fair value of each RSU is \$13.89, and the fair value for each PSU is \$20.84 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility, risk free interest rate and estimated forfeiture rate.

- (5) LTI compensation awards for 2018 of RSUs and PSUs under the ESU Plan for a three-year performance period commencing January 1, 2018 to December 31, 2020 for NEOs other than Mr. Thomas and Ms. Kuzenko. The effective date of the grant was January 22, 2018. Please see "Compensation Discussion and Analysis - Long-Term Incentive Plan". Based on the fair value of \$12.46 per RSU or PSU on January 22, 2018, the date the awards were granted. The closing price of the Common Shares on the TSX on the grant date was \$12.46 per Common Share. For financial reporting purposes, the fair value of each RSU is \$12.46 and the fair value for each PSU is \$9.18 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility, risk free interest rate and estimated forfeiture rate.

Mr. Thomas and Ms. Kuzenko did not receive long-term awards on the same schedule as the other NEOs.

On April 2, 2018, in connection with his hiring, Mr. Thomas was awarded 95,556 PSUs and 80,385 RSUs. Of these awards, 45,512 PSUs and 30,341 RSUs were awarded for the performance period 2018 - 2020 with the same 60%/40% weighting used in the regular LTI program for NEOs. In addition, Mr. Thomas was awarded 21,125 PSUs and 21,125 RSUs using a truncated one-year performance period through December 31, 2019 and 28,919 PSUs and 28,919 RSUs using a truncated two-year performance period through to December 31, 2019. The awards for the performance periods ending December 2018 and December 2019 are "make-whole" awards to replace a portion of the unvested equity-based compensation value that he forfeited upon leaving his prior employer. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$7.91 per Common Share. For financial reporting purposes, the fair value of each RSU is \$7.91, and the fair value for each PSU is \$9.18 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility, risk free interest rate and estimated forfeiture rate.

On November 21, 2018, in connection with her hiring, Ms. Kuzenko was awarded a combination of 35,306 PSUs and 23,538 RSUs. The PSUs were granted in respect of the 2016 – 2018, 2017 – 2019, and 2018 – 2020 performance periods, with the number of PSUs granted adjusted rateably to reflect the amount of time remaining in each of the three performance periods, as of Ms. Kuzenko's hire date. The RSUs were granted to preserve the same 60%/40% allocation between PSUs and RSUs that is used in the regular LTI program, for each of the three PSU award tranches. The closing price of the Common Shares on the TSX on the business day immediately preceding the grant date was \$13.89 per Common Share. For financial reporting purposes, the fair value of each RSU is \$13.89, and the fair value for each PSU is \$9.18 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility, risk free interest rate and estimated forfeiture rate.
- (6) LTI compensation awards for 2017 of RSUs and PSUs under the ESU Plan for a three-year performance period commencing January 1, 2018 to December 31, 2020 for NEOs other than Mr. Thomas and Ms. Kuzenko. The effective date of the grant was January 22, 2018. Please see "Compensation Discussion and Analysis - Long-Term Incentive Plan". Based on the fair value of \$27.95 per RSU or PSU on January 11, 2017, the date the awards were granted. The closing price of the Common Shares on the TSX on the grant date was \$27.95 per Common Share. For financial reporting purposes, the fair value of each RSU is \$27.95, and the fair value for each PSU is \$41.65 which is estimated using a Monte Carlo valuation model, which requires the use of assumptions including expected share price volatility, risk free interest rate and estimated forfeiture rate.
- (7) All other compensation includes a car allowance of \$12,000 per year for Mr. Stanford. Each NEO is entitled to an annual health assessment; Mr. Stanford, Mr. Thomas, Ms. Kuzenko and Ms. Stephen had a health assessment in 2019, Mr. Stanford and Ms. Stephen had a health assessment in 2018 and 2017.
- (8) Mr. Thomas joined the Company as Chief Financial Officer on April 2, 2018.
- (9) Ms. Kuzenko joined the Company as Chief Operating Officer on October 29, 2018. All other compensation is the cost of travel to and accommodation in Toronto that are paid by the Company and reimbursement of taxes paid in respect of such taxable benefits.
- (10) Salary and annual incentive plan awards are paid in United States dollars and have been converted to Canadian dollars based on the exchange rate reported by the Bank of Canada, for December 31, 2019 of US\$1.00 = 1.3066, December 31, 2018 of US\$1.00 = \$1.3642, and December 31, 2017 of US\$1.00 = \$1.2599, as applicable.
- (11) Mr. Loyer is entitled to a housing allowance of US\$24,000 per year.

Incentive Plan Awards

(a) Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding all incentive plan awards for each NEO outstanding as of December 31, 2019.

Name	Option-based Awards ⁽¹⁾				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽³⁾ (\$)	Market or payout value of vested share-based awards not paid out or distributed ⁽⁴⁾ (\$)
Fred Stanford President and Chief Executive Officer	Nil	N/A	N/A	N/A	291,288	5,977,230	Nil
Steven Thomas Chief Financial Officer	Nil	N/A	N/A	N/A	183,943	3,774,510	Nil
Jody Kuzenko Chief Operating Officer	Nil	N/A	N/A	N/A	104,409	2,142,473	Nil
Bernie Loyer Vice President, Projects	12,500	11.40	August 5, 2020	114,000	43,088	884,166	Nil
Anne Stephen Vice President, Human Resources	Nil	N/A	N/A	N/A	32,130	659,308	Nil

Notes:

- (1) Options vested in tranches of 1/3, with 1/3 of the options vesting on the date of grant, 1/3 of the options vesting on the first anniversary of the date of grant and 1/3 of the options vesting on the second anniversary of the date of grant.
- (2) Based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2019 of \$20.52.
- (3) Assuming an adjustment factor of 1.0 for the PSUs.
- (4) The value of all undistributed share based awards reflected in this column has been calculated using the market value of the Common Shares on the TSX of \$20.52 per share at December 31, 2019.

(b) Value Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each NEO for the year ended December 31, 2019.

Name	Option-based Awards – Value vested during the year (\$)	Share-based Awards – Value vested during the year ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation – Value earned during the year (\$)
Fred Stanford President and Chief Executive Officer	Nil	1,010,309	772,400
Steven Thomas Chief Financial Officer	Nil	489,347	244,800
Jody Kuzenko Chief Operating Officer	Nil	31,272	436,634
Bernie Loyer, Vice President, Projects	Nil	175,788	217,484
Anne Stephen Vice President, Human Resources	Nil	125,172	196,920

Notes:

- (1) Based on the number of RSUs and PSUs vested during the year, multiplied by the closing price of the Common Shares on the TSX on the date prior to vesting.

12.6 Termination and Change of Control Benefits

The Company has entered into employment agreements (the “**Employment Agreements**”) with each of the NEOs, which agreements include provisions relating to: voluntary termination; death, retirement or permanent disability; termination of employment for cause; and a Triggering Event (as defined below) following a Change of Control (as defined below) (commonly referred to as a double trigger). The terms are as follows:

(a) Voluntary Termination

A NEO may terminate their employment with the Company with thirty days written notice and shall receive payment of any outstanding base salary. See also “Article 15 – Compensation Securities Plans” regarding PSUs and RSUs following a voluntary termination of employment.

If the NEO terminates their employment after: (a) being relieved of their duties (for reasons other than termination for cause or termination for disability/death/retirement) or a material change in their duties; (b) any reduction in their salary or any material reduction in benefits or any other form of remuneration; or (c) any material breach by the Company of any material provisions of their Employment Agreement, the Company shall provide:

- any unpaid base salary owing up to the date of termination;
- pro-rated unused vacation entitlements up to the date of termination;
- an amount equal to one times the NEO’s annual base salary in effect at the date such notice of termination is given (other than in the case of Mr. Stanford, which amount is two times annual base salary);
- an amount equal to one times the average of the cash bonuses paid to the NEO for the two most recently completed years (other than in the case of Mr. Stanford, which is two times the average of the cash bonuses paid); and
- that any unvested options previously granted shall continue to vest for a period of six months subsequent to any notice of resignation given by the NEO or notice of termination (other than in the case of Mr. Stanford, for whom all unvested options and RSUs would vest for one year following the date of notice of such termination).

None of the NEOs have unvested options or RSUs under the Stock Option Plan and RSU Plan. See also “Article 15 – Compensation Securities Plans” regarding PSUs and RSUs following termination of employment without cause.

(b) Termination by the Company for Disability/Death/Retirement

The employment of the NEO will automatically terminate, without notice or pay in lieu of notice, upon the death or retirement of the NEO.

The Company may terminate the employment of the NEO by giving written notice, if the NEO becomes permanently disabled.

In the event of permanent disability, death or retirement the Company shall provide to the NEO:

- any unpaid base salary owing up to the date of termination;
- pro-rated unused vacation entitlements up to the date of termination;
- in lieu of their annual bonus for the year in which termination of employment occurs, a lump sum payment in an amount equal to the average of the cash bonuses paid to the NEO for the two most recently completed years (other than Ms. Kuzenko and Mr. Thomas who would not receive an amount in lieu of bonus); and
- that any unvested options previously granted shall continue to vest and be exercisable as provided for in the Stock Option Plan (other than in the case of Mr. Stanford, where any unvested options or RSUs previously granted shall continue to vest as provided in the Stock Option, RSU Plan and ESU Plan and all options previously granted shall continue to be exercisable as provided for in the Stock Option Plan).

None of the NEOs have unvested options or RSUs under the Stock Option Plan and RSU Plan. See also “Article 15 – Compensation Securities Plans” regarding PSUs and RSUs following termination of employment for disability, death or retirement.

(c) Termination for Cause

The Company may terminate a NEO's employment for cause without notice or payment in lieu of notice.

In the event of termination for cause, a NEO receives payment of:

- any unpaid base salary owing up to the date of termination; and
- pro-rated unused vacation entitlements up to the date of termination.

All unexercised options that have been granted to the NEO prior to receipt by the NEO of notice of termination, shall not be exercisable and shall immediately be deemed to be null and void. In addition, the NEO will forfeit all PSUs and RSUs granted under the ESU Plan.

(d) Termination without Cause or Triggering Event following Change of Control

The summary below outlines the compensation payable to NEOs in the event of termination of employment by the Company without cause, or the resignation by the NEO following (i) a material reduction of the NEO's duties, level of responsibility or reporting level, (ii) any reduction of base salary, (iii) any material reduction of benefits or other remuneration (other than discretionary benefits or remuneration such as bonuses, option grants or RSU grants) or (iv) relocation of the principal office of the NEO that increases the NEO's commute above a specified threshold or outside of a specified geographic area (each, including termination of employment without cause, a “**Triggering Event**”) within 24 months of the change of control of the Company (a “**Change of Control**”).

A Change of Control is deemed to occur upon:

- a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company and another corporation or by any person and its joint actors and affiliates (collectively, a “**Group**”), as such terms are used or defined in the *Securities Act* (Ontario), and whether directly or indirectly, resulting in the acquisition of the Common Shares which, when added to all other Common Shares at the time held by such corporation or person and its joint actors and affiliates, totals for the first time 40% of the outstanding Common Shares; or
- any person or Group acting jointly or in concert succeeding in having a sufficient number of its nominees elected to the Board such that such nominees, when added to any existing director remaining on the Board after such election who can be considered to be a nominee of such person or Group, will constitute the majority of the Board; or

- the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

The provisions in place for the NEOs upon a Triggering Event provide that a NEO receives:

- any unpaid base salary owing up to the date of termination;
- pro-rated unused vacation entitlements up to the date of termination;
- an amount equal to one times the NEO's annual base salary in effect at the date the notice of termination is given (other than in the case of Mr. Stanford, which is two times annual base salary);
- an amount equal to one times the average of the cash bonuses paid to the NEO for the two most recently completed years (other than in the case of Mr. Stanford, which is two times the average of the cash bonuses paid);
- other than Mr. Loyer, at the request of the NEO, the Company shall provide outplacement services to a maximum cost of \$10,000 (other than in the case of Mr. Stanford where the Company shall pay him a lump sum of \$25,000 in lieu of outplacement services); and
- upon a Triggering Event that occurs within a 24-month period following a Change of Control (being a double trigger, Change of Control **and** a Triggering Event):
 - (i) all options that have been granted to the NEO and all RSUs granted under the RSU Plan, prior to the Change of Control shall automatically vest and if not yet exercised, shall continue to be exercisable by the NEO in the same manner and on the same terms that existed prior to the actual notice of termination;
 - (ii) under the ESU Plan, any surviving, successor or acquiring company ("**AcquireCo**") shall assume any outstanding RSUs and PSUs (the "**Share Units**") or substitute similar share units for the outstanding Share Units. If the ESU Plan remains or is assumed by AcquireCo:
 - a. all of the RSUs and PSUs and related dividend share units will vest immediately prior to the NEO's termination date;
 - b. the PSUs will vest using an adjustment factor determined by the Board, based on performance to the end of the year prior to the holder's termination date, however, if the performance period for the vested PSUs commenced less than one year prior to the NEO's termination date, the PSUs will be redeemed using an adjustment factor of 1.0.

If AcquireCo does not assume the outstanding Share Units under the ESU Plan or substitute similar share units for the outstanding Share Units, or if the Board otherwise determines in its sole discretion: (a) the ESU Plan will be terminated effective immediately prior to the Change of Control (the Company shall give written notice to all participants of the ESU Plan advising of such termination); (b) all RSUs will vest and shall be redeemed as of the termination date of the ESU Plan; and (c) the Board will determine the number of PSUs that will vest using an adjustment factor determined in the discretion of the Board and all vested PSUs will be redeemed as of the termination date of the ESU Plan.

The Employment Agreements provide that following termination, the NEO may not disclose any confidential information about the Company unless: (i) the NEO has the consent of the Company; (ii) it is required by law; or (iii) it is or becomes a matter of public knowledge.

The Employment Agreements provide that the NEOs will not for one year after they cease to be an employee, directly or indirectly, whether alone or jointly with others, offer employment to or endeavour to entice away from the Company any person employed by the Company at the time of termination or interfere with such employees' employment relationships with the Company.

The following are the estimated incremental payments, payables and benefits, assuming a Triggering Event took place on December 31, 2019 which was within 24 months of a Change of Control:

Name	Aggregate base salary (\$)	Aggregate bonus (\$)	Options/RSUs/PSUs ⁽¹⁾⁽²⁾ (\$)	Other benefits (\$)	Total (\$)
Fred Stanford	1,544,800	1,529,700	5,977,230	25,000	9,076,730
Steven Thomas	408,000	212,482	3,774,510	10,000	4,404,992
Jody Kuzenko	392,700	241,945	2,142,473	10,000	2,787,118
Bernie Loyer ⁽³⁾	434,967	220,060	884,166	Nil	1,539,193
Anne Stephen	328,200	178,903	659,308	10,000	1,176,411

Notes:

- (1) Based on the closing price of the Common Shares on the TSX on December 31, 2019 of \$20.52.
- (2) Assuming an adjustment factor of 1.0 for the PSUs.
- (3) Salary and annual incentive plan awards are paid in United States dollars. Figures have been converted to Canadian dollars based on the exchange rate for December 31, 2019, as reported by the Bank of Canada, of US\$1.00 = \$1.3066.

ARTICLE 13 SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2019. A description of the significant terms of each of the equity compensation plans of the Company follows the table below:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights ⁽¹⁾	Weighted-average price of outstanding options and rights ⁽²⁾ (\$)	Number of securities remaining available for future issuance under equity compensation plans ⁽³⁾⁽⁴⁾
Equity compensation plans approved by securityholders	1,255,595	\$17.25 for options N/A for RSUs and PSUs	4,380,040
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	1,255,595		4,380,040

Notes:

- (1) Represents the number of Common Shares reserved for issuance upon redemption of 545,705 outstanding PSUs and 373,432 outstanding RSUs under the ESU Plan, 100,407 outstanding RSUs under the RSU Plan and exercise of 236,051 outstanding options under the Stock Option Plan. Assumes an adjustment factor of 1.0 for PSUs issued under the ESU Plan.
- (2) The weighted average exercise price for all outstanding options and rights is the weighted average exercise price of the Options outstanding under the Stock Option Plan. There is no exercise price associated with the PSUs and RSUs under the ESU Plan or the RSUs under the RSU Plan.
- (3) Based on the maximum aggregate number of Common Shares that were available for issuance under the ESU Plan, Stock Option Plan and the RSU Plan, collectively, as at December 31, 2019 of 5,635,635 (which maximum reserve is based on 6.6% of the number of issued and outstanding Common Shares as at December 31, 2019 of 85,388,413).
- (4) Represents approximately 5.1% of the issued and outstanding Common Shares as at December 31, 2019, on a non-diluted basis.

ARTICLE 14 BURN RATE

Plan Category	2017	2018	2019
Stock Option Plan Grants	43,952	126,394	37,584
RSU Plan Grants	28,472	46,149	70,193
ESU Plan Grants ⁽¹⁾			
• RSUs	71,482	224,273	161,943
• PSUs ⁽¹⁾	107,225	311,385	242,914
Total Securities Granted	251,131	708,201	512,634
Basic Weighted Average Shares Outstanding	79,796,545	84,365,072	85,262,388
Burn Rate – Stock Option Plan Grants	0.06%	0.15%	0.04%
Burn Rate – RSU Plan Grants	0.04%	0.05%	0.08%
Burn Rate – ESU Plan Grants	0.22%	0.63%	0.47%

Notes:

- (1) The Employee Share Unit Plan was implemented in 2016. The adjustment factor is up to 2.0 on the PSUs. The burn rate is based on an adjustment factor of 1.0.

ARTICLE 15 COMPENSATION SECURITIES PLANS

15.1 ESU Plan

In 2016, shareholders approved the ESU Plan pursuant to which the Board may, from time to time, determine those eligible employees and officers of the Company (an “**Eligible Person**”) who will receive a grant of restricted share units (“**Restricted Units**”) and/or performance share units (“**PSUs**”, together with Restricted Units, are collectively referred to as “**Share Units**”). The purpose of the ESU Plan is to provide a meaningful incentive to achieving the Company’s annual operational objectives, and other short term needs, through decisions that are consistent with creating long term value to support the Company’s share price.

The ESU Plan is administered by the Compensation Committee (provided the Board has delegated the administration to such committee). Any decision of the Compensation Committee with respect to the administration and interpretation of the ESU Plan will be conclusive and binding on the ESU Participants (as defined below). The Board may award Share Units to any Eligible Person (an “**ESU Participant**”) in its sole discretion. Non-executive directors of the Company are not eligible to participate in the ESU Plan. Each Share Unit granted to an ESU Participant under the ESU Plan will be credited to the ESU Participant’s share unit account. Rights respecting Share Units are not transferable or assignable other than by will or the laws of descent and distribution. Each Share Unit will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided for in the ESU Plan or is determined by the Board, conditional on the satisfaction of any additional vesting conditions established by the Board.

Pursuant to the terms of the ESU Plan (as amended in 2019): (a) the number of Common Shares reserved for issuance pursuant to Share Units and all other Share Compensation Arrangements, at any time, may not exceed 6.6% of the total number of Common Shares then outstanding; (b) the aggregate number of Common Shares issuable to insiders pursuant to Share Units and all other Share Compensation Arrangements, at any time, may not exceed 6.6% of the total number of Common Shares then outstanding; and (c) the aggregate number of Common Shares issued to insiders pursuant to Share Units and all other Share Compensation Arrangements, in respect of a one year period, may not exceed 6.6% of the total number of Common Shares then outstanding. “**Share Compensation Arrangements**” for these purposes means the ESU Plan and any other security-based compensation arrangements implemented by the Company including stock option plans, employee stock purchase plans, share distribution plans, stock appreciation right plans, restricted share plans or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, pre-existing or otherwise.

“**Market Value**” for these purposes means the closing trading price of the Common Shares on the TSX, or such other stock exchange on which the Common Shares are then listed, on the trading day immediately preceding the date as at which Market Value is determined. ESU Participants may elect at any time to redeem vested Share Units on any date or dates after the date the Share Units become vested and on or

before the expiry date, subject to extension in the case of a blackout period (unless the ESU Participant elects to redeem the Share Units on the condition that they receive the Share Unit Amount (as defined below)). An ESU Participant who does not elect an early redemption date as specified under the ESU Plan will have vested Share Units redeemed on their expiry date. The expiry date for Share Units will be determined by the Board for each applicable grant.

The Company will redeem each Share Unit elected to be redeemed by an ESU Participant on the applicable redemption date by:

- issuing to the ESU Participant the number of Common Shares equal to one Common Share for each whole vested Share Unit elected to be redeemed and delivering either (i) such number of Common Shares less the number of Common Shares with a Market Value equal to the amount of all income taxes and statutory amounts required to be withheld (“**Applicable Withholdings**”), or (ii) subject to the consent of the Company, such number of Common Shares, provided the ESU Participant has provided for payment to the Company of all or a portion of the amount equal to the Applicable Withholdings;
- at the election of the ESU Participant and subject to the consent of the Company, paying the ESU Participant an amount in cash (the “**Share Unit Amount**”) equal to: (i) the number of vested Share Units elected to be redeemed multiplied by (ii) the Market Value minus (iii) Applicable Withholdings; or
- at the election of the ESU Participant, a combination of Common Shares and cash, subject to the consent of the Company.

Rights respecting Share Units and Dividend Share Units (as defined in the ESU Plan) are not transferable or assignable other than by will or the laws of descent and distribution. No financial assistance will be provided by the Company to any ESU Participant in connection with any award of Share Units.

Each Restricted Unit will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided for in the ESU Plan or is determined by the Board, conditional on the satisfaction of any additional vesting conditions established by the Board. Each PSU will vest on the date or dates designated in the applicable grant agreement or such earlier date as is provided in the ESU Plan or is determined by the Board, conditional on the satisfaction of any additional vesting conditions established by the Board. The number of PSUs that will vest on a vesting date will be the number of PSUs and Dividend PSUs scheduled to vest on such vesting date multiplied by the applicable adjustment factor. The adjustment factor will be determined based on the Company's market performance, as described in the applicable grant agreement.

Under the ESU Plan, Common Shares reserved for issuance pursuant to Share Units that are surrendered, terminated or cancelled without having been redeemed will again be available for issuance under the ESU Plan (and other Share Compensation Arrangements) and Common Shares underlying Share Units that are redeemed for cash will not again be available for issuance under the ESU Plan.

If an ESU Participant's employment is terminated by the Company for cause, the ESU Participant will forfeit all rights, title and interest with respect to Share Units and the related Dividend Share Units, including Vested Share Units.

If an ESU Participant's employment is terminated by the Company without cause or the ESU Participant resigns, a pro rata portion of the ESU Participant's unvested PSUs and Dividend PSUs will vest immediately prior to the ESU Participant's termination date, based on the number of complete months from the first day of the performance period to the applicable termination date divided by the number of months in the performance period. However, the vested PSUs will not be redeemed until the end of the performance period based on the adjustment factor applicable to the performance period. Similarly, if the ESU Participant's employment is terminated by the Company without cause, a pro rata portion of the ESU Participant's unvested Restricted Units and Dividend RSUs will vest immediately prior to the ESU Participant's termination date, based on the number of months from the first day of the grant term to the termination date divided by the number of months in the grant term. The ESU Participant's vested Restricted Units will be redeemed at the end of the grant term.

If an ESU Participant's employment is terminated by the disability of the ESU Participant, a *pro rata* portion of the ESU Participant's PSUs and Restricted Units and related Dividend PSUs and Dividend Restricted Units, as applicable, will vest immediately prior to the date of such event. For PSUs, the *pro rata* portion will be based on the number of complete months from the first day of the performance period to the date of

the ESU Participant's disability divided by the number of months in the performance period. The ESU Participant's vested PSUs will be redeemed at the end of the performance period based on the adjustment factor applicable to the performance period. For Restricted Units, the *pro rata* portion will be based on the number of complete months from the first day of the grant term to the date of the ESU Participant's disability divided by the number of months in the grant term. The ESU Participant's vested Restricted Units will be redeemed at the end of the grant term.

If an ESU Participant's employment is terminated by the death of the ESU Participant, a *pro rata* portion of the ESU Participant's PSUs and Restricted Units and related Dividend PSUs and Dividend Restricted Units, as applicable, will vest immediately prior to the date of death. For PSUs, the *pro rata* portion will be based on the number of complete months from the first day of the performance period to the date of the ESU Participant's death divided by the number of months in the performance period. The ESU Participant's vested PSUs will be redeemed as soon as practical following the date of the ESU Participant's death using the adjustment factor determined by the Board, which will be based on performance to the end of the year prior to the ESU Participant's date of death, provided that if the performance period for the vested PSUs commenced less than one year prior to the ESU Participant's date of death, the PSUs will be redeemed using an adjustment factor of 1.0. For Restricted Units, the *pro rata* portion will be based on the number of complete months from the first day of the grant term to the date of the ESU Participant's death divided by the number of months in the grant term. The ESU Participant's vested Restricted Units will be redeemed as soon as practical following the date of the ESU Participant's death.

If the employment of an ESU Participant is terminated by the Company without cause or if the ESU Participant resigns in circumstances constituting constructive termination, in each case, within 24 months following a Change of Control (as such term is defined under the ESU Plan) which includes, among other things the acquisition of 40% or more of the Common Shares, or the election of a number of nominees to the Board that constitute a majority of the Board, all of the ESU Participant's Share Units and related Dividend Share Units as applicable will vest immediately prior to the ESU Participant's termination date. The PSUs will vest using an adjustment factor determined by the Board, which will be based on performance to the end of the year prior to the ESU Participant's termination date, provided that if the performance period for the vested PSUs commenced less than one year prior to the ESU Participant's termination date, the PSUs will be redeemed using an adjustment factor of 1.0.

The Board may amend, suspend or terminate the ESU Plan, or any portion thereof, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of shareholders or any governmental or regulatory body. The Board may make a number of amendments to the ESU Plan without seeking shareholder approval, as further set out in the ESU Plan. The Board may amend or modify any outstanding Share Unit in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended.

As at May 5, 2020, there were 384,408 Restricted Units and 576,618 PSUs outstanding under the ESU Plan.

15.2 Stock Option Plan

The purpose of the Stock Option Plan is to secure for the Company and the Company's shareholders the benefits of incentives inherent in share ownership by directors, key employees and consultants of the Company who, in the judgment of the Board, will be largely responsible for its future growth and success.

The Stock Option Plan provides that options to purchase Common Shares may be granted to directors, key employees or consultants of the Company or a subsidiary of the Company, as determined by the Board or a committee thereof, at a price to be fixed by the Board, but, in any event, shall not be less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the day of the grant of the option. The Common Shares subject to each option shall become purchasable at such time or times as may be determined by the Board and each option shall expire at a date determined by the Board, but in no case will such date be more than five years from the date of grant of the option. Any Common Shares not purchased by exercise of an option prior to the expiry date of the option may thereafter be reallocated in accordance with the provisions of the Stock Option Plan.

The Stock Option Plan further provides that if an optionee ceases to be employed or ceases to be a director while holding an option which has not been fully exercised, such optionee may exercise the option, to the extent that the optionee is entitled to exercise the option, for up to 90 days thereafter (or such longer

period as may be required by law or may be determined by the Board) or prior to the expiry date of the option, whichever is sooner. In the case of an optionee being dismissed from employment or service for cause, the option will terminate on the date of such dismissal. All options granted under the Stock Option Plan will be non-transferable and non-assignable.

Pursuant to the Stock Option Plan (as amended in 2019), the aggregate number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan, and any other Share Compensation Arrangements, may not exceed 6.6% of the issued and outstanding Common Shares from time to time. In addition, the aggregate number of options that may be granted to insiders within a one-year period under the Stock Option Plan, and any other employee-related plan of the Company, may not exceed 6.6% of the issued and outstanding Common Shares from time to time.

The Board and/or any committee of the Board to which such tasks are delegated, may modify or terminate the Stock Option Plan at any time. Subject to receipt of requisite shareholder and regulatory approval, the Board may make certain amendments to the Stock Option Plan as further set out in the Stock Option Plan.

As at May 5, 2020, there were options outstanding to purchase 231,254 Common Shares.

15.3 RSU Plan

In connection with the acquisition of the Morelos Gold Property, and the Board's discussions with prospective new members for the Board and management, the Board decided that it was desirable to have a broader range of incentive plans (including the RSU Plan) in place to attract, retain and motivate directors, key employees and consultants of the Company.

The RSU Plan provides that RSUs may be granted by the Board or a committee of the Board, which administers the RSU Plan, to directors, key employees and consultants of the Company as a discretionary payment in consideration of past or future services to the Company.

The number of RSUs awarded will be credited to the participant's account effective on the grant date of the RSUs. An RSU represents a right to receive one Common Share issued from treasury on the later of: (a) the date which is the first day after a restricted period as determined by the Compensation Committee ("**Restricted Period**"); and (b) a date determined by an eligible participant that is after the Restricted Period but is no later than the participant's retirement date or termination date (a "**Deferred Payment Date**"). Vesting for RSUs occurs on the date which is the first day after a Restricted Period. The Compensation Committee may also make the vesting of RSUs subject to performance conditions to be achieved by the Company, the participant or a class of participants. RSUs are not assignable.

Pursuant to the RSU Plan (as amended in 2019) the maximum number of Common Shares issuable to insiders, at any time, pursuant to the RSU Plan and all other Share Compensation Arrangements is 6.6% of the total number of Common Shares then outstanding. In addition, the maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the RSU Plan and any other Share Compensation Arrangements is 6.6% of the total number of Common Shares then outstanding.

The Compensation Committee may from time to time in the absolute discretion of the Compensation Committee (without shareholder approval) amend, modify and change the provisions of the RSU Plan, as further set out in the RSU Plan. However, certain amendments, modifications or changes to the provisions of the RSU Plan require approval by the shareholders of the Company. Any amendment, modification or change of any provision of the RSU Plan, shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

As at May 5, 2020 there were 124,212 RSUs outstanding.

ARTICLE 16 INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers, nor any associate of such director or executive officer is as at the date hereof, or has been, during the year ended December 31, 2019, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

**ARTICLE 17
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed elsewhere herein, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

**ARTICLE 18
ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on www.sedar.com. Additional financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for the year ended December 31, 2019, which can be found on SEDAR at www.sedar.com or on the Company's website at www.torexgold.com. Shareholders may also request these documents from the General Counsel and Corporate Secretary of the Company by phone at (416) 203-7431 or by e-mail at Mary.Batoff@torexgold.com.

**ARTICLE 19
DIRECTORS' APPROVAL**

The contents of the Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS



Fred Stanford
President and Chief Executive Officer

Toronto, Ontario
May 5, 2020

SCHEDULE A
BY-LAW NO. 2 (AS AMENDED)
BY-LAW NO. 2

A by-law relating generally to
the conduct of the affairs of

TOREX GOLD RESOURCES INC.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Torex Gold Resources Inc. (hereinafter called the "**Corporation**") as follows:

**ADVANCE NOTICE OF
NOMINATIONS OF DIRECTORS**

1. By-Law No. 1 of the by-laws of the Corporation is hereby amended by adding the following thereto as section 3.03A, following section 3.03 and preceding section 3.04:

3.03A Nomination of Directors. Subject only to the Act and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided for below in this section 3.03A and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and (ii) who complies with the notice procedures set forth below in this section 3.03A:

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 3.03A.
- (b) To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:
 - (i) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date;
 - (ii) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made; and
 - (iii) in the case of an annual meeting (including an annual and special meeting) of

shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used for delivery of proxy-related materials, not less than 40 days prior to the date of the meeting (but, in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual meeting of shareholders, not later than the close of business on the 10th day following the Notice Date and, in the case of a special meeting of shareholders, not later than the close of business on the 15th day following the Notice Date.

- (c) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residential address of the person, (B) the principal occupation(s) or employment(s) of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined herein); and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (d) No person shall be eligible for election as a director unless nominated in accordance with the provisions of this section 3.03A; provided, however, that nothing in this section 3.03A shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) For purposes of this section 3.03A, (i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (f) Notwithstanding any other provision of By-Law No. 1, notice given to the Secretary of the Corporation pursuant to this section 3.03A may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been

given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 3.03A.
2. By-Law No. 1, as amended from time to time, of the by-laws of the Corporation and this by-law shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-Law No. 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-Law No. 1 unless expressly stated otherwise or the context otherwise requires.

This amendment to By-Law No. 1 of the Corporation shall come into force upon being passed by the directors in accordance with the Act.

MADE by the board on the 8th day of May, 2013 and amended by the board on the 5th day of May, 2020.

WITNESS the seal of the Corporation.

"Fred Stanford" (signed)

"Steven Thomas" (signed)

Fred Stanford
President and Chief Executive Officer

Steven Thomas
Chief Financial Officer

SCHEDULE B

SUMMARY OF SHAREHOLDER RIGHTS PLAN

Purpose of the Rights Plan

On May 9, 2016, National Instrument 62-104 – *Take-Over Bids and Issuer Bids* (“**NI 62-104**”) became effective. This policy implemented amendments to the minimum period a take-over bid must remain open for deposits of securities thereunder, which extends the minimum period to 105 days (from its current 35 days), with the ability of the target issuer to voluntarily reduce the period to not less than 35 days. Consistent with such amendments, the Rights Plan encourages a potential acquiror to proceed with their bid in accordance with Canadian take-over bid rules, which requires that the bid satisfy certain minimum standards intended to promote fairness or have the approval of the Board, by:

- protecting against “creeping bids” (the accumulation of 20% or more of the Common Shares and other shares in the capital of the Company (the “**Voting Shares**”) through purchases exempt from Canadian take-over bid rules, such as (i) purchases from a small group of shareholders under private agreements at a premium to the market price not available to all shareholders, (ii) acquiring control through the slow accumulation of Voting Shares over a stock exchange without paying a control premium, or (iii) through other transactions outside of Canada not subject to Canadian take-over bid rules), and requiring the bid to be made to all shareholders; and
- preventing a potential acquiror from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan.

By encouraging bids in accordance with Canadian take-over bid rules, the Board wants to allow all shareholders to benefit from the acquisition of a control position of 20% or more of the Voting Shares, and allow the Board to have sufficient time to explore and develop all options for maximizing shareholder value in the event a person tries to acquire a control position in the Company. Under the Rights Plan, potential acquirors are prevented from accumulating effective control of the Company or a blocking position against other bidders except by way of a Permitted Bid (as defined below).

Summary of the Shareholder Rights Plan

Principal terms of the Rights Plan are summarized below. The summary is qualified in its entirety by the full text of the Rights Plan. A shareholder or interested party may obtain a copy of the agreement governing the Rights Plan as proposed to be amended by request to the General Counsel and Corporate Secretary of the Company by mail at 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2, or by phone at (647) 260-1500.

Apart from the following amendments, the Rights Plan that shareholders will be asked to consider and approve at the Meeting is identical in all material respects to the Rights Plan approved at the annual and special meeting of Shareholders held on June 21, 2017:

- an amendment to revise the definition of “Exempt Acquisition” to include acquisitions made as an intermediate step in a series of related transactions in connection with an acquisition by the Company or its subsidiaries of a person or assets, provided that the person who acquires such Common Shares and/or convertible securities distributes or is deemed to distribute such securities to its securityholders within 10 business days of the completion of such acquisition, and following such distribution no person has become the beneficial owner of 20% or more of the Company’s then-outstanding Common Shares;
- amendments to revise the definitions of “Pro Rata Acquisitions” and “Stock Acquisition Date” in order to better align with current corporate governance best practices;

- an amendment to Section 1.4 clarifying the meaning of “Acting Jointly or in Concert” to better align with NI 62-104 and current corporate governance best practices; and
- certain other amendments of a non-substantive, technical and administrative nature to provide for greater clarity and consistency.

Term

The Rights Plan must be reconfirmed by a simple majority of votes cast by shareholders at every third annual meeting of shareholders of the Company. The Rights Plan, including the amendments described herein, is therefore presented at the Meeting for reconfirmation and approval. If not approved, the Rights Plan will expire and cease to have effect on June 17, 2020. If it is approved at the Meeting, the Rights Plan will require reconfirmation by the shareholders at the 2023 annual meeting of shareholders. Upon the Rights Plan becoming effective, one right (“**Right**”) was issued and attached to each Voting Share. One Right also attaches to each subsequently issued Voting Share.

Rights Exercise Privilege

The Rights generally separate from the Voting Shares and become exercisable ten business days (the “**Separation Time**”) after a person has acquired, or commenced a take-over bid to acquire, 20% or more of the Voting Shares or securities convertible into Voting Shares, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan (a “**Permitted Bid**”). The acquisition by any person (an “**Acquiring Person**”) of 20% or more of the Voting Shares, other than by way of a Permitted Bid, is referred to as a “**Flip-in Event**”. Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten business days after the occurrence of the Flip-in Event, each Right (excluding Rights held by an Acquiring Person which have become void), will permit the purchase from the Company, upon exercise thereof in accordance with the terms hereof, that number of Common Shares having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the exercise price (as defined) for an amount in cash equal to the exercise price. The issue of the Rights is not initially dilutive. Upon a Flip-in Event and Rights separating from the Voting Shares, reported earnings per Voting Share of the Company on a diluted or non-diluted basis may be affected. An Acquiring Person, and holders of Rights who do not exercise their Rights upon the occurrence of a Flip-in Event, may suffer substantial dilution.

Lock-Up Agreements

A bidder may enter into lock-up agreements with shareholders whereby such shareholders agree to tender their Voting Shares to the take-over bid (the “**Lock-up Bid**”) without a Flip-in Event occurring. Such agreement must be publicly disclosed and allow the shareholder to withdraw the Voting Shares to tender to another take-over bid or to support another transaction that exceeds the value of the Lock-up Bid either on an absolute basis or by as much or more than a specified amount, which specified amount may not be greater than 7%. The definition of “**Lock-Up Agreement**” provides that no “**break up**” fees or other penalties that exceed, in the aggregate, the greater of 2.5% of the price or value of the consideration payable under the Lock-up Bid and 50% of the increase in the consideration resulting from another take-over bid transaction shall be payable by the shareholder if the shareholder fails to tender its Voting Shares to the Lock-up Bid.

Certificates and Transferability

Prior to the Separation Time, the Rights are evidenced by a legend imprinted on certificates for the Voting Shares, and are not to be transferable separately from the Voting Shares. From and after the Separation Time, Rights are evidenced by Rights certificates, which will be transferable and traded separately from the Voting Shares.

Permitted Bid Requirements

The requirements for a Permitted Bid include the following:

- the take-over bid must be made by way of a bid circular;
- the take-over bid must be made to all holders of Common Shares;
- as proposed to be amended, the take-over bid must be outstanding for a minimum period of 105 days or such shorter period that a take-over bid must remain open for deposits of securities, in the applicable circumstances, pursuant to Canadian securities laws;
- Voting Shares tendered pursuant to the take-over bid may not be taken up prior to the expiry of the period that the take-over bid has to be outstanding and only if at such time more than 50% of the Voting Shares held by Independent Shareholders (as defined below) have been tendered to the take-over bid and not withdrawn; and
- if more than 50% of the Voting Shares held by Independent Shareholders are tendered to the take-over bid within the period that the take-over bid has to be outstanding and the Voting Shares are taken up by the bidder, the bidder must make a public announcement of that fact and the take-over bid must remain open for deposits of Voting Shares for not less than ten business days from the date of such public announcement.

“Independent Shareholders” is defined in the Rights Plan as all holders of Voting Shares, excluding any Acquiring Person, any person that is making or has announced a current intention to make a take-over bid for the Voting Shares, affiliates, associates and persons acting jointly or in concert with such excluded persons, and any employee benefit plan, deferred profit sharing plan, stock participation plan or trust for the benefit of employees of the Company or a wholly-owned subsidiary of the Company unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted. The Rights Plan allows for a competing Permitted Bid (a **“Competing Permitted Bid”**) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid except that, as proposed to be amended, it must be outstanding for a minimum number of days as required under Canadian securities laws.

Waiver

The Board, acting in good faith, may prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event where the take-over bid is made by a take-over bid circular to all holders of Voting Shares or: (i) pursuant to certain distributions of Voting Shares, or securities convertible into or exchangeable for Voting Shares, made by the Company, provided they are approved by the Board and applicable securities regulator authorities, and (ii) pursuant to a plan of arrangement, amalgamation or other statutory procedure requiring approval by shareholders at a duly-called meeting in accordance with the *Business Corporations Act* (Ontario), the by-laws of the Corporation and any other legal requirements; or (iii) made as an intermediate step in a series of related transactions in connection with an acquisition by the Corporation or its subsidiaries of a person or assets, provided that the person who acquires such Voting Shares and/or Convertible Securities distributes or is deemed to distribute such securities to its securityholders within 10 business days of the completion of such acquisition, and following such distribution no person has become the beneficial owner of 20% or more of the Corporation’s then-outstanding Voting Shares (each, an **“Exempt Acquisition”**).

Redemption

The Board, with the approval of a majority of votes cast by the Independent Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that purpose, may redeem the Rights at \$0.00001 per Right. Rights will be deemed to have been redeemed by the Board following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Amendment

The Board may amend the Rights Plan with the approval of a majority of the votes cast by the Independent Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that purpose. The Board, subject to approval as noted above, may correct clerical or typographical errors at the next meeting of the holders of Voting Shares (or the holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation.

Board

The Rights Plan will not detract from or lessen the duty of the Board to act honestly and in good faith with a view to the best interests of the Company. The Board, when a Permitted Bid is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate.

Exemption for Investment Managers

Investment managers (for client accounts), trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds and administrators of registered pension plans acquiring greater than 20% of the Voting Shares are exempt from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

SCHEDULE C
BLACKLINE OF SHAREHOLDER RIGHTS PLAN AMENDMENTS

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

DATED JUNE 21, 2017

AS AMENDED AND RECONFIRMED AS OF JUNE 17, 2020

between

TOREX GOLD RESOURCES INC.

and

COMPUTERSHARE INVESTOR SERVICES INC.

as Rights Agent

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

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Exhibit “A” Form of Rights Certificate

AMENDED AND RESTATED SHAREHOLDER RIGHTS PLAN AGREEMENT

THIS AMENDED AND RESTATED AGREEMENT is made as of June 21, 2017, as amended and reconfirmed as of June 17, 2020.

B E T W E E N:

TOREX GOLD RESOURCES INC., a corporation incorporated under the *Business Corporations Act* (Ontario)

(the “**Corporation**”)

- and -

COMPUTERSHARE INVESTOR SERVICES INC., a corporation existing under the laws of Canada, as rights agent

(the “**Rights Agent**”)

WHEREAS:

- A. The Board of Directors, in the exercise of their fiduciary duties, entered into a shareholder rights plan dated May 21, 2014, which was then amended and restated as of June 12, 2014 ~~(the “**Original**”~~ and amended and reconfirmed by the shareholders as of June 21, 2017 (the “**Rights Plan**”) to: (a) ensure, to the extent possible that all holders of the Common Shares (as defined below) of the Corporation and the Board of Directors have adequate time to consider and evaluate any unsolicited bid for the Common Shares; (b) provide the Board of Directors with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid; (c) encourage the fair treatment of the Corporation’s securityholders in connection with any Take-over Bid (as defined below) made for the Common Shares; and (d), generally, to assist the Board of Directors in enhancing shareholder value.
- B. The Board of Directors has determined that it is advisable that the Corporation ~~continue the Original Plan by adopting an amended and restated shareholder rights plan (the “**amend and reconfirm the Rights Plan**”)~~ to take effect immediately upon receipt of approval from shareholders of the Corporation.
- C. In order to implement the Rights Plan, the Board of Directors has:
 - (a) authorized and approved the issuance of one right (a “**Right**”) in respect of each Common Share outstanding as of the ~~date of this Agreement~~ Record Date; and
 - (b) authorized the issuance of one Right in respect of each Common Share issued after the Record Time (as defined below) and prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined below).
- D. Each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement.

- E. The Rights Agent has agreed to act on behalf of the Corporation in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to in this Agreement.

NOW, THEREFORE, in consideration of the premises and respective agreements set forth herein, the parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Certain Definitions

In this Agreement, unless the context otherwise requires:

- (a) **“Acquiring Person”** means any Person who is or becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares; *provided, however*, that the term “Acquiring Person” shall not include:
- (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) an underwriter or member of a banking or selling group acting in such capacity that acquires Voting Shares from the Corporation in connection with a distribution of securities by way of prospectus, registration statement or private placement;
 - (iii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares solely as a result of one or any combination of:
 - (A) a Corporate Acquisition which, by reducing the number of Voting Shares outstanding, increases the percentage of Voting Shares beneficially owned by such Person to or above 20% or more of the Voting Shares then outstanding;
 - (B) a Permitted Bid Acquisition;
 - (C) an Exempt Acquisition;
 - (D) a Pro Rata Acquisition; or
 - (E) a Convertible Security Acquisition,

in each such case, until such time thereafter as such Person shall become the Beneficial Owner (otherwise than pursuant to any one or more of a Corporate Acquisition, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition, or a Convertible Security Acquisition) of additional Voting Shares constituting more than 1% of the Voting Shares then outstanding, in which event such Person shall become an Acquiring Person as of the date and time of acquisition of such additional Voting Shares;
 - (iv) for a period of 10 days after the Disqualification Date, any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on clause (B) of the definition of Beneficial Owner. In this definition, **“Disqualification Date”** means the first date of a public announcement of facts indicating that such Person has or is making or has announced an

intention to make a Take-over Bid alone, through such Person's Affiliates or Associates, or by acting jointly or in concert with any other Person; or

- (v) any Person (a “**Grandfathered Person**”) who is the Beneficial Owner of 20% or more of the Voting Shares determined as at the Record Time, *provided, however*, that this exception shall not, and shall cease to, apply if, after the Record Time the Grandfathered Person: (A) ceases to own 20% or more of the outstanding Voting Shares; or (B) becomes the Beneficial Owner of more than 1% of the number of outstanding Voting Shares then outstanding in addition to those Voting Shares such Person already holds other than pursuant to a Corporate Acquisition, a Permitted Bid Acquisition, an Exempt Acquisition, a Pro Rata Acquisition, or a Convertible Security Acquisition or any combination thereof.
- (b) “**Affiliate**” means, when used to indicate a relationship with a specified Person, a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified Person and a body corporate shall be deemed to be an Affiliate of another body corporate if one of them is the Subsidiary of the other or if both are Subsidiaries of the same body corporate or if each of them is controlled by the same Person.
- (c) “**Associate**” means, when used to indicate a relationship with a specified Person: (i) a spouse of such specified Person; (ii) any Person of either sex with whom such specified Person is living in a conjugal relationship outside marriage; (iii) a child of such Person; or a relative of such specified Person, or of a Person mentioned in paragraphs (i), (ii) or (iii) above, if that relative has the same residence as the specified Person.
- (d) A Person shall be deemed the “**Beneficial Owner**” and to have “**Beneficial Ownership**” of and to “**Beneficially Own**”:
 - (i) any securities of which such Person or any of such Person's Affiliates or Associates is the owner at law or in equity;
 - (ii) any securities of which such Person or any of such Person's Affiliates or Associates has the right to become the owner at law or in equity (where such right is exercisable immediately or within a period of 60 days, whether or not upon the condition or occurrence of any contingency or the making of one or more payments) upon the exercise of any conversion right, exchange right, purchase right (other than the Rights) or pursuant to any agreement, arrangement, pledge or understanding, whether or not in writing, other than:
 - (A) customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities pursuant to a prospectus or by way of a private placement;
 - (B) pledges of securities in the ordinary course of the pledgee's business as a lender granted as security for bona fide indebtedness;
 - (C) any agreement between the Corporation and any Person or Persons relating to a plan of arrangement, amalgamation or other statutory procedure which is subject to the prior approval of the shareholders; and
 - (iii) any securities that are Beneficially Owned within the meaning of clauses (i) or (ii) of this definition by any other Person with which such Person is acting jointly or in concert,

provided, however, that a Person shall not be deemed the “**Beneficial Owner**” of, or to have “**Beneficial Ownership**” of, or to “**Beneficially Own**”, as a result of the following circumstances:

- (A) where: (1) the holder of such security has agreed to deposit or tender such security to a Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or any other Person referred to in clause (iii) of this definition pursuant to a Permitted Lock-up Agreement; or (2) such security has been deposited or tendered pursuant to a Take-over Bid made by such Person or any of such Person’s Affiliates or Associates or made by any other Person acting jointly or in concert with such Person until such deposited or tendered security has been taken up or paid for, whichever shall first occur;
- (B) such Person, any Affiliate or Associate of such Person or any other Person acting jointly or in concert with such Person holds such security, provided that:
 - (a) the ordinary business of such Person (the “**Investment Manager**”) includes the management or administration of investment funds or mutual funds for other Persons and such security is held by the Investment Manager in the ordinary course of such business in the performance of the Investment Manager’s duties for the account of any other Person (a “**Client**”) including non-discretionary accounts held on behalf of a Client by a broker or dealer or broker-dealer registered under applicable law;
 - (b) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable law and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each, an “**Estate Account**”) or in relation to other accounts (each, an “**Other Account**”) and holds such security in the ordinary course of and for the purposes of the activities of such Estate Accounts or for such Other Accounts;
 - (c) such Person (the “**Statutory Body**”) is established by statute for purposes that include, and the ordinary business or activity of such Person includes, the management of investment funds for employee benefit plans, pension plans, insurance plans, or various public bodies and the Statutory Body holds such security in the ordinary course of and for the purposes of its activities as such; or
 - (d) such Person (the “**Plan Administrator**”) is the administrator or the trustee of one or more pension funds or plans registered under the laws of Canada or the United States of America or any province or state thereof (each, a “**Plan**”) or is a Plan and such security is Beneficially Owned or held by the Person in the ordinary course of and for the purposes of its activities as such;

provided, however, that in any of the foregoing cases, the Investment Manager, the Trust Company, the Statutory Body, the Plan Administrator or the Plan, as the case may be, is not then making or has not then announced an intention to make a Take-over Bid, alone or by acting jointly or in concert with any other Person, other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation, a Permitted Bid or by means of ordinary market transactions

(including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market in respect of securities of the Corporation;

- (C) such Person is a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, or because such Person is an Estate Account or an Other Account of the same Trust Company as another Person on whose account the Trust Company holds such security or because such Person is a Plan with the same Plan Administrator as another Plan on whose account the Plan Administrator holds such security;
 - (D) such Person is a Client of a Investment Manager and such security is owned at law or in equity by the Investment Manager or because such Person is an Estate Account or an Other Account of a Trust Company and such security is owned at law or in equity by the Trust Company or such Person is a Plan and such security is owned at law or in equity by the Plan Administrator of such Plan; or
 - (E) such Person is the registered holder of securities as a result of carrying on the business, or acting as a nominee, of a securities depository.
- (e) **“Board of Directors”** means the board of directors of the Corporation.
 - (f) **“Business Day”** means any day other than a Saturday, Sunday or, unless otherwise specified, a day on which Canadian chartered banks in Toronto, Ontario, (or after the Separation Time, the principal office of the Rights Agent in Toronto, Ontario) are generally authorized or obligated by law to close.
 - (g) **“CDS”** means CDS Clearing and Depository Services Inc. or a successor thereof.
 - (h) **“Canadian-U.S. Exchange Rate”** means, on any date, the inverse of the U.S.-Canadian Exchange Rate.
 - (i) **“Canadian Dollar Equivalent”** of any amount which is expressed in United States dollars means, on any date, the Canadian dollar equivalent of such amount determined by reference to the Canadian-U.S. Exchange Rate on such date.
 - (j) **“Close of Business”** on any given date means 5:00 p.m. (Toronto time, unless otherwise specified), on such date, *provided, however*, that if such date is not a Business Day, Close of Business on such date shall mean 5:00 p.m., (Toronto time, unless otherwise specified), on the next succeeding Business Day, *provided, however*, that for the purposes of the definition of **“Competing Permitted Bid”** and the definition of **“Permitted Bid”**, **“Close of Business”** on any date means 11:59 p.m. (local time, at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time, at the place of deposit) on the next succeeding Business Day).
 - (k) **“Common Shares”** means the common shares that the Corporation is authorized to issue, as such common shares may be subdivided, consolidated, reclassified or otherwise changed from time to time, and “common shares” when used with reference to any Person other than the Corporation means the class or classes of shares (or similar equity interests) with the greatest per share voting power entitled to vote generally in the election of all directors of such other Person or the equity securities or other equity interest having power (whether or not exercised) to control or direct the management of such other Person or, if such other Person is a Subsidiary of another Person, of the

Person or Persons (other than an individual) which ultimately control such first mentioned other Person.

- (l) **“Competing Permitted Bid”** means a Take-over Bid that:
- (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the [termination or](#) expiry of that Permitted Bid or Competing Permitted Bid (in this definition, the **“Prior Bid”**);
 - (ii) complies with all of the provisions of the definition of a Permitted Bid other than the requirements set out in clause (ii) of that definition; and
 - (iii) contains, and the taking up and payment for securities tendered or deposited thereunder are subject to, an irrevocable and unqualified condition that no Voting Shares and/or Convertible Securities shall be taken up or paid for pursuant to the Take-over Bid prior to the Close of Business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid,

provided, however, that a Take-over Bid that qualified as a Competing Permitted Bid shall cease to be a Competing Permitted Bid at any time and as soon as such time as when such Take-over Bid ceases to meet any or all of the provisions of this definition and any acquisition of Voting Shares and/or Convertible Securities made pursuant to such Take-over Bid that qualified as a Competing Permitted Bid, including any acquisition of Voting Shares and/or Convertible Securities made before such Take-over Bid ceased to be a Competing Permitted Bid, will not be a Permitted Bid Acquisition.

- (m) **“Convertible Securities”** means at any time any securities (other than the Rights) carrying any exercise, conversion, or exchange right pursuant to which the holder thereof may acquire Voting Shares or other securities which are convertible into or exercisable or exchangeable for Voting Shares.
- (n) **“Convertible Security Acquisition”** means the acquisition of Voting Shares upon the exercise of Convertible Securities received by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.
- (o) **“Corporate Acquisition”** means an acquisition, redemption or cancellation by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the percentage of Voting Shares Beneficially Owned by any Person.
- (p) **“Exempt Acquisition”** means the acquisition of Voting Shares or Convertible Securities: (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Sections 5.1(b), (c) or (d) hereof; (ii) pursuant to a regular dividend reinvestment or other similar share purchase plan of the Corporation made available by it to all holders of Voting Shares of a class or series or Voting Shares where such plan permits the holder to direct that dividends paid in respect of such Voting Shares be applied to the purchase from the Corporation of further securities of the Corporation; or (iii) pursuant to a distribution of Voting Shares, or securities convertible into or exchangeable for Voting Shares, made by the Corporation pursuant to a prospectus or a securities exchange take-over bid, by way of a private placement or pursuant to an issuance of securities in connection with an acquisition, provided that such private placement or issuance of securities has received the approval of the Board of Directors and all applicable

securities regulatory authorities and the Person acquiring such Voting Shares or Convertible Securities does not thereby acquire a greater percentage of Voting Shares or Convertible Securities than that Person's percentage of Voting Shares Beneficially Owned immediately prior to such acquisition; ~~or~~ (iv) pursuant to a plan of arrangement, amalgamation or other statutory procedure requiring approval by shareholders at a duly-called meeting in accordance with the *Business Corporations Act* (Ontario), the by-laws of the Corporation and any other legal requirements; or (v) made as an intermediate step in a series of related transactions in connection with an acquisition by the Corporation or its Subsidiaries of a Person or assets, provided that the Person who acquires such Voting Shares and/or Convertible Securities distributes or is deemed to distribute such securities to its securityholders within 10 Business Days of the completion of such acquisition, and following such distribution no Person has become the Beneficial Owner of 20% or more of the Corporation's then-outstanding Voting Shares.

- (q) **"Exercise Price"** means, as of any date, the price at which a holder may purchase the securities issuable upon exercise of one whole Right in accordance with the terms hereof and, subject to adjustment thereof in accordance with the terms hereof, the Exercise Price shall be \$100.00.
- (r) **"Expiration Time"** means the earlier of:
 - (i) the Termination Time; and
 - (ii) termination of the first annual meeting of ~~Shareholders~~shareholders following June ~~24,~~202017, 2023 (being the third anniversary of the Record Time); *provided, however*, that if the resolution referred to in Section 5.17 is approved in accordance with Section 5.17 at or prior to such annual meeting, **"Expiration Time"** means the earlier of (i) the Termination Time, and (ii) the termination of the annual meeting of ~~Shareholders~~shareholders in the year that is three years after the year in which such approval occurs.
- (s) **"Fiduciary"** means, when acting in that capacity, a trust company registered under the trust company legislation of Canada or any province thereof, a trust company organized under the laws of any state of the United States, a portfolio manager registered under the securities legislation of one or more provinces of Canada or an investment adviser registered under the United States *Investment Advisers Act of 1940*, as amended, or any other securities legislation of the United States or any state of the United States.
- (t) **"Flip-in Event"** means a transaction or event occurring subsequent to the Record Time that results in a Person becoming an Acquiring Person.
- (u) **"Grandfathered Person"** has the meaning ascribed thereto in the definition of Acquiring Person.
- (v) **"Independent Shareholders"** means all holders of Common Shares other than (i) any Acquiring Person, (ii) any Offeror, (iii) any Affiliate or Associate of any Acquiring Person or Offeror, (iv) any Person acting jointly or in concert with any Person referred to in clauses (i), (ii) or (iii) above, and (v) any employee benefit plan, deferred profit sharing plan, stock participation plan or trust for the benefit of employees of the Corporation or a wholly-owned Subsidiary of the Corporation, unless the beneficiaries of such plan or trust direct the manner in which such Common Shares are to be voted or direct whether the Common Shares are to be tendered to a Take-over Bid. For greater certainty, persons who are exempt from the definition of "Beneficial Owner" by virtue of any of paragraphs (iii)(A) through (E) of the definition of "Beneficial Owner" shall be "Independent Shareholders" until they cease to be "Independent Shareholders" in accordance with this definition.

(w) “**Market Price**” per security of any securities on any date means the average of the daily closing prices per security of such securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; *provided, however*, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing price on such date (or, if such date is not a Trading Day, on the immediately preceding Trading Day), each such closing price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing price on such date (or, if such date is not a Trading Day, on the immediately preceding Trading Day). The closing price per security of any securities on any date shall be:

- (i) the closing board lot sale price on such date or, if such price is not available, the average of the closing bid and asked prices per security, as reported by the principal Canadian stock exchange on which such securities are listed or admitted to trading, or if for any reason neither of such prices is available on such day or the securities are not listed or admitted to trading on a Canadian stock exchange, the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for such securities as reported by such other securities exchange on which such securities are listed or admitted for trading;
- (ii) if, for any reason, none of such prices are available on such date or the securities are not listed or admitted to trading on a Canadian stock exchange or other securities exchange, the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for such securities in the over-the-counter market, as quoted by any reporting system then in use (as selected by the Board of Directors); or
- (iii) if the securities are not listed or admitted to trading as contemplated in clauses (i) or (ii) above, the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected by the Board of Directors,

provided, however, that if on any such date the closing price per security cannot be determined in accordance with the foregoing, the closing price per security of such securities on such date shall mean the fair value per security of such securities on such date as determined by the Board of Directors, after consultation with a nationally or internationally recognized investment banking firm as to the fair value per security of such securities. The Market Price shall be expressed in Canadian dollars and if initially determined in respect of any day forming part of the 20 consecutive Trading Day period in question in United States dollars, such amount shall be translated into Canadian dollars at the Canadian Dollar Equivalent thereof.

(x) “**NI 62-104**” means National Instrument 62-104 – *Take-Over Bids and Issuer Bids* of the Canadian Securities Administrators, as may from time to time be amended.

(y) “**Offer to Acquire**” includes:

- (i) an offer to purchase, or a solicitation of an offer to sell, Common Shares or Convertible Securities or a public announcement of an intention to make such an offer or solicitation; and
- (ii) an acceptance of an offer to sell Common Shares or Convertible Securities, whether or not such offer to sell has been solicited,

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell.

- (z) **“Offeror”** means a Person who has announced a current intention to make or is making a Take-over Bid.

~~(aa) **“Original Plan”** means the shareholder rights plan between the Corporation and the Rights Agent dated as of May 21, 2014 and amended and restated as of June 12, 2014.~~

(aa) ~~(bb)~~ **“Permitted Bid”** means a Take-over Bid which is made by means of a Take-over Bid circular and which also complies with the following additional provisions:

- (i) the Take-over Bid is made to all holders of record of Common Shares (other than the Offeror);
- (ii) the Take-over Bid shall contain, and the take-up and payment for securities tendered or deposited thereunder shall be subject to, irrevocable and unqualified conditions that:
 - (A) no Voting Shares and/or Convertible Securities shall be taken up or paid for pursuant to the Take-over Bid:
 - i. prior to the Close of Business on a date that is not less than 105 days following the date of the Take-over Bid or such shorter minimum period that a take-over bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104; and
 - ii. then only if, at the Close of Business on the date Voting Shares and/or Convertible Securities are first taken up or paid for under such Take-over Bid, outstanding Voting Shares and Convertible Securities held by Independent Shareholders that represent more than 50% of the aggregate of then outstanding Voting Shares and Voting Shares issuable upon the exercise of Convertible Securities, have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
 - (B) Voting Shares and/or Convertible Securities may be deposited or tendered pursuant to such Take-over Bid, unless such Take-over Bid is withdrawn, at any time prior to the Close of Business on the date Voting Shares and/or Convertible Securities are first taken up or paid for under the Take-over Bid;
 - (C) any Voting Shares and/or Convertible Securities deposited or tendered pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (D) in the event that the requirement set forth in clause 1.1(~~bb~~aa)(ii)(A)ii of this definition is satisfied, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares and/or Convertible Securities for not less than 10 days from the date of such public announcement,

*provided, however, that a Take-over Bid that qualified as a Permitted Bid shall cease to be a Permitted Bid at any time and as soon as such time as when such Take-over Bid ceases to meet any or all of the provisions of this definition, and provided further that if a Take-over Bid constitutes a Competing Permitted Bid, the term “**Permitted Bid**” shall also mean the Competing Permitted Bid.*

(bb) ~~(ee)~~ “**Permitted Bid Acquisition**” means an acquisition of Voting Shares made pursuant to a Permitted Bid or a Competing Permitted Bid.

(cc) ~~(dd)~~ “**Permitted Lock-Up Agreement**” means an agreement between a Person and one or more holders of Voting Shares or Convertible Securities (each, a “**Locked-up Person**”) (the terms of which are publicly disclosed and a copy of which is made available to the public, including the Corporation, not later than the date of the Lock-up Bid (as defined below) or, if the Lock-up Bid has been made prior to the date on which such agreement is entered into, not later than the date of such agreement and if such date is not a Business Day, the next Business Day) pursuant to which each such Locked-up Person agrees to deposit or tender Voting Shares or Convertible Securities (or both) to a Take-over Bid (the “**Lock-up Bid**”) made or to be made by the Person, any of such Person’s Affiliates or Associates or any other Person acting jointly or in concert with such Person, provided that:

(i) the agreement permits any Locked-up Person to terminate its obligation to deposit or tender to or withdraw Voting Shares from the Lock-up Bid in order to tender or deposit the Voting Shares to another Take-over Bid or support another transaction prior to the Voting Shares being taken up and paid for under the Lock-Up Bid:

(A) where the price or value offered under such Take-Over Bid or transaction per Voting Share exceeds the price or value per Voting Share offered under the Lock-Up Bid; or

(B) if:

(1) the price or value per Common Share offered under the other Take-over Bid or transaction exceeds by as much as or more than a specified amount (the “**Specified Amount**”) the price or value per Common Share offered under the Lock-up Bid, provided that such Specified Amount is not greater than 7% of the price or value per Common Share offered under the Lock-up Bid; or

(2) the number of Voting Shares to be purchased under the other Take-over Bid or transaction exceeds by as much as or more than a specified number (the “**Specified Number**”) the number of Voting Shares that the Offeror has offered to purchase under the Lock-up Bid at a price or value per Common Share that is not less than the price or value per Common Share offered under the Lock-up Bid, provided that the Specified Number is not greater than 7% of the number of Voting Shares offered to be purchased under the Lock-up Bid,

and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give such Person an opportunity to match a higher price in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to

withdraw Voting Shares during the period of the other Take-over Bid or transaction; and

(ii) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:

- (A) the cash equivalent of 2.5% of the price or value of the consideration payable under the Lock-up Bid to a Locked-up Person; and
- (B) 50% of the amount by which the price or value of the consideration payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid,

shall be payable by a Locked-up Person pursuant to the agreement in the event a Locked-up Person fails to deposit or tender Voting Shares to the Lock-up Bid or withdraws Voting Shares in order to accept the other Take-over Bid or support another transaction.

(dd) ~~(ee)~~ “**Person**” includes any individual, firm, partnership, association, trust, body corporate, joint venture, syndicate or other form of unincorporated organization, government and its agencies and instrumentalities or other entity or group (whether or not having legal personality) and any successor (by merger, statutory amalgamation or arrangement, or otherwise) thereof.

(ee) ~~(ff)~~ “**Pro Rata Acquisition**” means the acquisition of Voting Shares or Convertible Securities: (i) as a result of a stock dividend, stock split or other event pursuant to which a Person receives or acquires Voting Shares or securities convertible into or exchangeable for Voting Shares on the same pro rata basis as all other holders of Voting Shares of the same class or series provided that the Person acquiring such Voting Shares or Convertible Securities does not thereby acquire a greater percentage of Voting Shares or Convertible Securities than that Person’s percentage of Voting Shares Beneficially Owned immediately prior to such stock dividend, stock split or other event; or (ii) pursuant to a regular dividend reinvestment plan or other plan of the Corporation made available by the Corporation to the holders of Voting Shares where such plan permits the holder to direct that the dividends paid in respect of such Voting Shares be applied to the purchase from the Corporation of further securities of the Corporation; or (iii) pursuant to the receipt and/or exercise of rights issued by the Corporation on a pro rata basis to all holders of a class or series of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities provided that such rights are acquired directly from the Corporation and not from any other Person, and provided further that such Person who so acquires Voting Shares or Convertible Securities does not thereby acquire a greater percentage of Voting Shares or Convertible Securities than the person’s percentage of Voting Shares or Convertible Securities Beneficially Owned immediately prior to such acquisition; or (iv) pursuant to a distribution by the Corporation of Voting Shares or Convertible Securities (and the conversion or exchange of such securities) made pursuant to a prospectus or by way of a private placement by the Corporation provided that the Person acquiring such Voting Shares or Convertible Securities does not thereby acquire a greater percentage of Voting Shares or Convertible Securities than that Person’s percentage of Voting Shares Beneficially Owned immediately prior to such acquisition; or (v) pursuant to a plan of arrangement, amalgamation or other statutory procedure requiring approval by shareholders at a duly called meeting.

(ff) ~~(gg)~~ “**Record Time**” means 5:01 p.m. (Toronto time) on ~~the date of this Agreement.~~ June 17, 2020.

- ~~(gg)~~ ~~(hh)~~ **“Redemption Price”** has the meaning ascribed to that term in Section 5.1(a) hereof.
- ~~(hh)~~ ~~(ii)~~ **“Regular Periodic Cash Dividends”** means cash dividends paid at regular intervals in any fiscal year of the Corporation to the extent that such cash dividends do not exceed, in the aggregate, the greatest of:
- (i) 200% of the aggregate amount of cash dividends declared payable by the Corporation on its Common Shares in its immediately preceding fiscal year; and
 - (ii) 100% of the aggregate consolidated net income of the Corporation, before extraordinary items, for its immediately preceding fiscal year.
- ~~(ii)~~ ~~(jj)~~ **“Rights”** means the herein described rights to purchase securities pursuant to the terms and subject to the conditions set forth herein.
- ~~(jj)~~ ~~(kk)~~ **“Rights Agent”** means Computershare Investor Services Inc., a corporation existing under the federal laws of Canada, and having an office in Toronto, Ontario, and any successor Rights Agent appointed pursuant to the provisions hereof.
- ~~(kk)~~ ~~(ll)~~ **“Rights Certificate”** has the meaning ascribed to that term in Section 2.2(c) hereof.
- ~~(ll)~~ ~~(mm)~~ **“Rights Plan”** means this amended and restated shareholder rights plan.
- ~~(mm)~~ ~~(nn)~~ **“Rights Register”** and **“Rights Registrar”** shall have the respective meanings ascribed thereto in Section 2.6(a) hereof.
- ~~(nn)~~ ~~(oo)~~ **“Separation Time”** means the Close of Business (Toronto time) on the tenth Business Day after the earliest of:
- (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of, or first public announcement of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence, a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as the case may be); and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to be such;
- or such later date as may be determined by the Board of Directors in good faith, provided that: (A) if the foregoing results in a Separation Time being prior to the Record Time, the Separation Time shall (subject to any determination of the Board of Directors as aforesaid) be the Record Time; (B) if any such Take-over Bid expires, is cancelled, is terminated or is otherwise withdrawn prior to the Separation Time without securities deposited thereunder being taken up and paid for, then such Take-over Bid shall be deemed, for purposes of this definition, never to have been made; and (C) if the Board of Directors determines, pursuant to Section 5.1, to waive the application of Section 3.1 to a Flip-In Event, then the Separation Time in respect of such Flip-In Event shall be deemed never to have occurred.
- ~~(oo)~~ ~~(pp)~~ **“Shareholder”** means a holder of Common Shares.
- ~~(pp)~~ ~~(qq)~~ **“Shares”** means shares in the capital of the Corporation.

- (qq) ~~(#)~~ “**Stock Acquisition Date**” means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Section 5.2 of ~~Multilateral Instrument~~ NI 62-104, as amended from time to time and any provision substituted therefor and Section 4.5 of National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues or Section 13(d) under the U.S. Securities Exchange Act of 1934, as amended) by the Corporation or an Acquiring Person of facts indicating that a Person has become an Acquiring Person.
- (rr) ~~(ss)~~ “**Subsidiary**”: means a body corporate is a Subsidiary of another body corporate if:
- (i) it is controlled by (A) that other, or (B) that other and one or more bodies corporate, each of which is controlled by that other, or (C) two or more bodies corporate, each of which is controlled by that other, or
 - (ii) it is a Subsidiary of a body corporate that is that other’s Subsidiary.
- (ss) ~~(#)~~ “**Take-over Bid**” means an Offer to Acquire Common Shares or Convertible Securities (or both), where the securities subject to the Offer to Acquire, together with the Common Shares, if any, into which the securities subject to the Offer to Acquire are convertible and the Voting Shares Beneficially Owned by the Offeror at the date of the Offer to Acquire constitute, in the aggregate, 20% or more of the then outstanding Voting Shares.
- (tt) ~~(uu)~~ “**Termination Time**” means the time at which the right to exercise Rights shall terminate pursuant to Section 5.1 hereof.
- (uu) ~~(vv)~~ “**Trading Day**”, when used with respect to any securities, means a day on which the principal securities exchange in Canada on which such securities are listed or admitted to trading is open for the transaction of business, or if the securities are not listed or admitted to trading on any securities exchange in Canada, a Business Day.
- (vv) ~~(ww)~~ “**U.S.-Canadian Exchange Rate**” means, on any date:
- (i) if on such date the Bank of Canada sets an average noon spot rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and
 - (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars calculated in the manner which shall be determined by the Board of Directors from time to time.
- (ww) ~~(xx)~~ “**U.S. Dollar Equivalent**” of any amount which is expressed in Canadian dollars means, on any date, the United States dollar equivalent of such amount determined by reference to the U.S.-Canadian Exchange Rate on such date.
- (xx) ~~(yy)~~ “**Voting Shares**” means, collectively, the Common Shares and any other Shares entitled to vote generally for the election of directors.

1.2 Determination of Percentage Ownership

For purposes of this Agreement, the percentage of Voting Shares Beneficially Owned by any Person at any time shall be and be deemed to be the product determined by the formula:

$$100 \times \frac{A}{B}$$

where: A = the number of votes for the election of all directors generally attached to the Voting Shares Beneficially Owned by such Person at such time; and

B = the number of votes for the election of all directors generally attaching to all Voting Shares actually outstanding.

Where any Person is deemed to Beneficially Own unissued Voting Shares, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares Beneficially Owned by such Person, but unissued Voting Shares which another Person may be deemed to Beneficially Own shall not be included in the denominator of the above formula.

1.3 Holder

As used in this Agreement, unless the context otherwise requires, the term “holder” when used with reference to Rights, means the registered holder of such Rights or, prior to the Separation Time, the associated Common Shares.

1.4 Acting Jointly or in Concert

For purposes of this Agreement, it is a question of fact whether a Person is acting jointly or in concert with another Person but a Person shall be deemed to be acting jointly or in concert with every other Person who (i) is an Associate or Affiliate of such first mentioned Person; or (ii) who is a party to any agreement, commitment or understanding, whether formal or informal, with the first mentioned Person or any Associate or Affiliate thereof, for the purpose of acquiring or offering to acquire Voting Shares (other than (x) customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a distribution of securities by the Company, and (y) pledges of securities in the ordinary course of business).

1.5 Control

A Person shall be deemed to be “controlled” by another Person or two or more Persons if:

- (a) securities entitled to vote in the election of directors (including, for Persons other than corporations, the administrators, managers, trustees or other persons performing similar functions in respect of any such Person) carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons; and
- (b) the votes carried by such securities are entitled, if exercised, to elect, appoint or designate a majority of the board of directors of such corporation or other Person;

and “controls”, “controlling” and “under common control with” shall be interpreted accordingly.

1.6 Application of Statutes, Regulations and Rules

Unless the context otherwise requires, any reference to a specific section, subsection, clause or rule of any act or regulation shall be deemed to refer to the same as it may be amended, re-enacted or replaced or, if repealed and there shall be no replacement therefore, to the same as it is in effect on the date of this Agreement.

1.7 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.8 Headings and References

The headings of the Articles and Sections of this Agreement and the Table of Contents are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement. All references to Articles, Sections and Exhibits are to articles and sections of and exhibits to, and forming part of, this Agreement. The words “hereto”, “herein”, “hereof”, “hereunder”, “this Agreement”, “the Rights Agreement” and similar expressions refer to this Agreement including the Exhibits, as the same may be amended, modified or supplemented at any time or from time to time.

1.9 Singular, Plural, etc.

In this Agreement, where the context so admits, words importing the singular number include the plural and *vice versa* and words importing gender include the masculine, feminine and neuter genders.

1.10 Generally Accepted Accounting Principles

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the recommendations at the relevant time of the Canadian Institute of Chartered Accountants, or any successor institute, applicable on a consolidated basis (unless otherwise specifically provided herein to be applicable on an unconsolidated basis) as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles. Where the character or amount of any asset or liability or item of revenue or expense is required to be determined, or any consolidation or other accounting computation is required to be made for the purpose of this Agreement or any document, such determination or calculation shall, to the extent applicable and except as otherwise specified herein or as otherwise agreed in writing by the parties, be made in accordance with generally accepted accounting principles applied on a consistent basis.

ARTICLE 2 THE RIGHTS

2.1 Issuance and Legend on Common Share Certificates

- (a) One Right in respect of each Common Share outstanding at the Record Time and each Common Share that may be issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time shall be issued in accordance with the terms hereof. Notwithstanding the foregoing, one Right in respect of each Common Share issued after the Record Time upon the exercise of rights pursuant to Convertible Securities outstanding at the Record Time may be issued after the Separation Time but prior to the Expiration Time.
- (b) Certificates for Common Shares issued after the Record Time hereof but prior to the Separation Time shall evidence one Right for each Common Share represented thereby and shall have impressed, printed, or written thereon or otherwise affixed thereto a legend in substantially the following form:

“Until the Separation Time (as such term is defined in the Rights Agreement referred to below), this certificate also evidences and entitles the holder hereof to certain Rights as set forth in an Amended and Restated Shareholder Rights Agreement dated as of June ~~21~~, 2017, as amended and reconfirmed as of June 17, 2020 as such may from time to time be amended, restated, varied or replaced (the “**Rights Agreement**”), between Torex Gold Resources Inc. (the “**Corporation**”) and Computershare Investor Services Inc., as Rights Agent, the terms of which are hereby incorporated herein by reference and a copy of which is on file and may be inspected during normal business hours at the principal executive offices of the Corporation. Under certain circumstances, as set forth in the Rights Agreement, such Rights may be amended or redeemed, may expire, may become void (if, in certain circumstances, they are “Beneficially Owned” by a “Person” who is or becomes an “Acquiring Person” or any Person acting jointly or in concert with an Acquiring Person or with an “Affiliate” or “Associate” of an “Acquiring Person”, as such terms are defined in the Rights Agreement, or a transferee thereof), or may be evidenced by separate certificates and may no longer be evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Rights Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.”

Certificates representing Common Shares that are issued and outstanding at the Record Time shall evidence one Right for each Common Share evidenced thereby notwithstanding the absence of a legend in substantially the foregoing form until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, after the Separation Time and prior to the Expiration Time, to purchase, for the Exercise Price (or its U.S. Dollar Equivalent on the Business Day immediately preceding the date of exercise of the Right), one Common Share. Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.
- (b) Until the Separation Time:
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) for administrative purposes, each Right shall be evidenced by the certificate for the associated Common Share registered in the name of the holder thereof (which certificate shall be deemed to represent a Rights Certificate) and shall be transferable only together with, and shall be transferred by a transfer of, such associated Common Share.
- (c) From and after the Separation Time and prior to the Expiration Time, the Rights: (i) may be exercised and (ii) shall be registered and transferable independent of Common Shares. Promptly following the Separation Time, the Corporation shall prepare and the Rights Agent shall mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person, any other Person whose Rights are or become void pursuant to the provisions of Section 3.1(b) hereof and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights), at such holder’s address as shown in the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (i) a certificate (a “**Rights Certificate**”) in substantially the form of Exhibit “A” hereto appropriately completed and registered in such holder’s name, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any applicable law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (ii) a disclosure statement describing the Rights;

provided that a Nominee shall be sent the materials provided for in (A) and (B) only in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first person to furnish such information and documentation as the Corporation deems necessary.

- (d) Rights may be exercised in whole at any time or in part from time to time on any Business Day (or other day that is not a bank holiday at the place of exercise) after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent at its office in the City of Toronto, Ontario or at any other office of the Rights Agent in the cities specified in the Rights Certificate or designated from time to time for that purpose by the Corporation after consultation with the Rights Agent:
 - (i) the Rights Certificate evidencing such Rights with an Election to Exercise (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate, appropriately completed and duly executed by the holder or his executors or administrators or other personal representatives or his legal attorney duly appointed by instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
 - (ii) payment by certified cheque, bank draft, wire transfer or money order payable to the order of the Corporation, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of any transfer involved in the issuance, transfer or delivery of Rights Certificates or the issuance, transfer or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) Upon receipt of a Rights Certificate accompanied by a duly completed and executed Election to Exercise which does not indicate that Rights evidenced by such Rights Certificate have become void pursuant to Section 3.1(b) hereof and payment as set forth in Section 2.2(d) above, the Rights Agent (unless otherwise instructed by the Corporation) shall thereupon promptly:
 - (i) requisition from a transfer agent of the Common Shares certificates for the number of Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agents to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of any funds to be paid in lieu of issuing fractional Common Shares;

- (iii) after receipt of such certificates, deliver the same to or upon the order of the registered holder of such Rights Certificate, registered in such name or names as may be designated by such holder together with, where applicable, a cheque representing any cash payment in lieu of a fractional interest; and
 - (iv) tender to the Corporation all payments received on exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing (subject to the provisions of Section 5.5(a) hereof) the Rights remaining unexercised will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees to:
- (i) take all such action as may be necessary on its part and within its powers to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates evidencing such Shares (subject to payment of the Exercise Price), be duly and validly authorized, executed, issued and delivered and be fully paid and non-assessable;
 - (ii) take all reasonable action as may be necessary on its part and within its power to comply with any applicable requirements of the *Business Corporations Act* (Ontario), the *Securities Act* (Ontario), or comparable legislation of each of the provinces and territories of Canada, and the rules and regulations thereunder, and any other applicable law, rule or regulation, in connection with the issuance and delivery of Rights Certificates and of any securities of the Corporation upon exercise of Rights;
 - (iii) use its reasonable efforts to cause all Common Shares of the Corporation issued upon exercise of Rights to be listed upon the Toronto Stock Exchange or such other stock exchange on which the Common Shares are listed at that time;
 - (iv) pay when due and payable any and all Canadian federal, provincial transfer taxes (not including any taxes referable to the income or profit of the holder or exercising Person or any liability of the Corporation to withhold tax) and charges which may be payable in respect of the original issuance or delivery of the Rights Certificates or of any Common Shares issued upon the exercise of Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for securities in a name other than that of the holder of the Rights being transferred or exercised;
 - (v) if necessary, cause to be reserved and kept available out of its authorized and unissued Common Shares the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights; and
 - (vi) after the Separation Time, except as permitted by Section 5.1 or Section 5.4, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

Subject to Section 5.19, the Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) If the Corporation shall at any time after the Record Time and prior to the Expiration Time:
 - (i) declare or pay a dividend on Common Shares payable in Voting Shares or Convertible Securities otherwise than pursuant to any optional share dividend program;
 - (ii) subdivide or change the outstanding Common Shares into a greater number of Common Shares;
 - (iii) consolidate or change the outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Voting Shares or Convertible Securities in respect of, in lieu of, or in exchange for, existing Common Shares in a reclassification or redesignation of Common Shares, an amalgamation or statutory arrangement,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights shall be adjusted in the manner set forth below. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1(a), the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under Section 3.1(a). If the Exercise Price and number of Rights are to be adjusted:

- (v) the Exercise Price in effect after such adjustment shall be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (the “**Expansion Factor**”) that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold immediately thereafter as a result thereof (assuming the exercise of all such exchange or conversion rights, if any); and
- (vi) each Right held prior to such adjustment shall become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights shall be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the Shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Common Share or Convertible Security shall have exactly one Right associated with it.

If the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment shall be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold immediately thereafter as a result thereof. To the extent that any such rights of exchange, conversion or acquisition are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect based upon the number of Common Shares or Convertible Securities actually issued upon the exercise of such rights. If after the Record Time and prior to the Expiration Time the Corporation shall issue any shares of its authorized capital other than Common Shares in a

transaction of a type described in the first sentence of this Section 2.3(a), such Shares shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

If the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in the preceding paragraph, each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such Common Share.

- (b) If the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares of rights, options or warrants entitling them (for a period expiring within 45 days after such record date) to subscribe for or purchase Common Shares or Convertible Securities at a price per Common Share (or, in the case of a Convertible Security, having a conversion, exchange or exercise price (including the price required to be paid to purchase such Convertible Security) per share) that is less than the Market Price per Common Share on such record date, the Exercise Price shall be adjusted. The Exercise Price in effect after such record date shall equal the Exercise Price in effect immediately prior to such record date multiplied by a fraction, of which the numerator shall be the number of Common Shares outstanding on such record date plus the number of Common Shares which the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the Convertible Securities or rights so to be offered (including the price required to be paid to purchase such Convertible Securities)) would purchase at such Market Price and of which the denominator shall be the number of shares of Common Shares outstanding on such record date plus the number of additional Common Shares to be offered for subscription or purchase (or into which the Convertible Securities so to be offered are initially convertible, exchangeable or exercisable). In case such subscription price may be paid in a form other than cash, the value of such non-cash consideration shall be as determined by the Board of Directors. To the extent that any such rights or warrants are not so issued or, if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or to the Exercise Price which would then be in effect based upon the number of Common Shares (or Convertible Securities) actually issued upon the exercise of such rights or warrants, as the case may be. For purposes of this Agreement, the granting of the right to purchase Common Shares (whether previously unissued, treasury shares or otherwise) pursuant to any optional dividend reinvestment plan and/or any Common Share purchase plan providing for the reinvestment of dividends payable on securities of the Corporation and/or employee stock option, stock purchase or other employee benefit plan (so long as such right to purchase is in no case evidenced by the delivery of rights or warrants) shall not be deemed to constitute an issue of rights or warrants by the Corporation; *provided, however*, that, in the case of any dividend reinvestment plan, the right to purchase Common Shares is at a price per share of not less than 90% of the then current market price per share (determined as provided in such plan) of the Common Shares.
- (c) If the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than a Regular Periodic Cash Dividend or a dividend paid in Common Shares) or rights or warrants (excluding those referred to in Section 2.3(a) or 2.3(b)), the Exercise Price shall be adjusted. The Exercise Price in effect after such record date shall, subject to adjustment as provided in the penultimate sentence of Section 2.3(b), equal the Exercise Price in effect immediately prior to such record date less the fair market value (as determined by the Board

of Directors) of the portion of the assets, evidences of indebtedness, rights or warrants so to be distributed applicable to the securities purchasable upon exercise of one Right.

- (d) Each adjustment made pursuant to this Section 2.3 shall be made as of:
 - (i) the payment or effective date for the applicable dividend, subdivision, change, consolidation or issuance in the case of an adjustment made pursuant to Section 2.3(a) above; and
 - (ii) the record date for the applicable dividend or distribution, in the case of an adjustment made pursuant to Sections 2.3(b) or (c) above.
- (e) Subject to the prior consent of the holders of Common Shares or Rights obtained in accordance with the provisions of Section 5.4(b) or (c), as applicable, if the Corporation shall at any time after the Record Time and prior to the Expiration Time issue any Shares (other than Common Shares), or rights or warrants to subscribe for or purchase any such Shares, or Convertible Securities, in a transaction referred to in Section 2.3(a)(i) or Section 2.3(a)(iv) above and if the Board of Directors determines that the adjustments contemplated by Sections 2.3(a), (b) and (d) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding such clauses, such adjustments (rather than the adjustments contemplated by Sections 2.3(a), (b) and (d) above) shall be made and the Corporation and the Rights Agent shall amend this Agreement as appropriate to provide for such adjustments.
- (f) Anything herein to the contrary notwithstanding, no adjustment to the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in such Exercise Price; *provided, however*, that any adjustments which by reason of this Section 2.3(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. Each adjustment made pursuant to this Section 2.3 shall be calculated to the nearest cent or to the nearest one ten-thousandth of a Common Share or Right, as the case may be.
- (g) All Rights originally issued by the Corporation subsequent to any adjustment made to an Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of the Rights, all subject to further adjustment as provided herein.
- (h) Unless the Corporation shall have exercised its election as provided in Section 2.3(i), upon each adjustment of an Exercise Price as a result of the calculations made in Sections 2.3(b) and (c), each Right outstanding immediately prior to the making of such adjustment shall thereafter evidence the right to purchase, at the adjusted Exercise Price, that number of Common Shares (calculated to the nearest one ten-thousandth) obtained by:
 - (i) multiplying (A) the number of Common Shares covered by a Right immediately prior to this adjustment, by (B) the Exercise Price in effect immediately prior to such adjustment of the Exercise Price; and
 - (ii) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.

- (i) The Corporation may elect on or after the date of any adjustment of an Exercise Price to adjust the number of Rights, in lieu of any adjustment in the number of Common Shares purchasable upon the exercise of a Right. Each of the Rights outstanding after the adjustment in the number of Rights shall be exercisable for the number of Common Shares for which a Right was exercisable immediately prior to such adjustment. Each Right held of record immediately prior to such adjustment of the number of Rights shall become the number of Rights (calculated to the nearest one ten-thousandth) obtained by dividing the Exercise Price in effect immediately prior to the adjustment of the Exercise Price by the Exercise Price in effect immediately after adjustment of the Exercise Price. The Corporation shall make a public announcement of its election to adjust the number of Rights, indicating the record date for the adjustment and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any date thereafter, but, if the Rights Certificates have been issued, shall be at least 10 calendar days after the date of the public announcement. If Rights Certificates have been issued, upon each adjustment of the number of Rights pursuant to Section 2.3(h)(i), the Corporation shall, as promptly as practicable, cause to be distributed to holders of record of Rights Certificates on such record date, Rights Certificates evidencing the additional Rights to which such holder shall be entitled as a result of such adjustment, or, at the option of the Corporation, shall cause to be distributed to such holders of record in substitution or replacement for the Rights Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Corporation, new Rights Certificates evidencing all the Rights to which such holders shall be entitled after such adjustment. Rights Certificates so to be distributed shall be issued, executed and countersigned in the manner provided for herein and may bear, at the option of the Corporation, the adjusted Exercise Price and shall be registered in the names of the holders of record of Rights Certificates on the record date specified in the public announcement.
- (j) Irrespective of any adjustment or change in the securities purchasable upon exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the securities so purchasable which were expressed in the initial Rights Certificates issued hereunder.
- (k) If, as a result of an adjustment made pursuant to Section 3.1, the holder of any Right thereafter exercised shall become entitled to receive any securities other than Common Shares, thereafter the number of such other securities so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as may be practicable to the provisions with respect to the Common Shares contained in the foregoing subsections of this Section 2.3 and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other securities.
- (l) In any case in which this Section 2.3 shall require that any adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date of the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; *provided, however*, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares or other securities upon the occurrence of the event requiring such adjustment.
- (m) Notwithstanding anything in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that, in their judgment, the Board of Directors determines advisable in order that any (i) subdivision or consolidation of the Common Shares, (ii) issuance

wholly for cash of any Common Shares at less than the applicable Market Price, (iii) issuance wholly for cash of any Common Shares or securities that by their terms are exchangeable for or convertible into or give a right to acquire Common Shares, (iv) stock dividends, or (v) issuance of rights, options or warrants referred to in this Section 2.3, hereafter made by the Corporation to holders of its Common Shares, and subject to applicable taxation laws, shall not be taxable to such shareholders.

- (n) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon the exercise of Rights is made pursuant to this Section 2.3, the Corporation shall promptly:
 - (i) prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
 - (ii) file with the Rights Agent and with each transfer agent for the Common Shares, a copy of such certificate; and
 - (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.

Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

2.4 Date on Which Exercise is Effective

Each Person in whose name any certificate for Shares is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Shares represented thereby on, and such certificate shall be dated, the date upon which the Rights Certificate evidencing such Rights was duly submitted (together with a duly completed Election to Exercise) and payment of the Exercise Price for such Rights (and any applicable transfer taxes and other charges payable by the exercising holder hereunder) was made; *provided, however*, that if the date of such exercise is a date upon which the relevant share transfer books of the Corporation are closed, such Person shall be deemed to have become the recorded holder of such Shares on, and such certificate shall be dated, the next succeeding Business Day on which the said share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any two of its Chairman, President and Chief Executive Officer, its Chief Financial Officer or its Corporate Secretary. The Rights Certificates may be signed by any such officer manually, by facsimile, or any other electronic means.
- (b) Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the countersignature and delivery of such Rights Certificates.
- (c) Promptly after the Corporation learns of the Separation Time, the Corporation shall notify the Rights Agent of such Separation Time and shall deliver Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (manually or by facsimile or other electronic signature in a manner satisfactory to the Corporation) and deliver such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof.

No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent in the manner described above.

- (d) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Registration of Transfer and Exchange

- (a) Following the Separation Time, the Corporation shall cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation shall provide for the registration and transfer of Rights. The Rights Agent is hereby appointed “Rights Registrar” for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided. If the Rights Agent shall cease to be the Rights Registrar, the Rights Agent shall have the right to examine the Rights Register at all reasonable times during normal business hours.

After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(c) below, the Corporation shall execute, and the Rights Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificate so surrendered.

- (b) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (c) Every Rights Certificate surrendered for registration of transfer or exchange shall have the form of transfer thereon duly completed and endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses (including the reasonable fees and expenses of its Rights Agent) connected therewith.
- (d) The Corporation shall not be required to register the transfer or exchange of any Rights after the Rights have been terminated pursuant to the provisions of this Agreement.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time (i) evidence to their satisfaction of the destruction, loss or theft of any Rights Certificate and (ii) such security or indemnity as may be required by them to save each of them and their respective agents harmless, then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a bona fide purchaser, the Corporation shall execute and upon the Corporation’s request, the Rights Agent shall countersign and deliver, in lieu of any such destroyed,

lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners

Prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name such Rights Certificate (or, prior to the Separation Time, such Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Rights means the registered holder of such Rights (or, prior to the Separation Time, the associated Common Shares).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificates shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights by accepting the same consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights that:

- (a) prior to the Separation Time, each Right shall be transferable only together with, and shall be transferred by a transfer of, the associated Common Share;
- (b) after the Separation Time, the Rights Certificates shall be transferable only on the Rights Register as provided herein;
- (c) prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is

registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;

- (d) such holder has waived all rights to receive any fractional Right or fractional Common Share upon exercise of a Right;
- (e) such holder is otherwise bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof in respect of all Rights held;
- (f) this Agreement may be supplemented or amended from time to time pursuant to the last sentence of the penultimate paragraph of Section 2.3(a) hereof upon the sole authority of the Board of Directors without the approval of any holder of Rights; and
- (g) notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

ARTICLE 3

ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to the provisions of Section 2.2, Section 3.1(b) and Section 5.1 hereof and except as provided below, if prior to the Expiration Time a Flip-in Event shall occur, each Right shall thereafter constitute, effective at the Close of Business on the tenth Business Day after the relevant Stock Acquisition Date, the right to purchase from the Corporation, upon exercise thereof in accordance with the terms hereof, that number of Common Shares of the Corporation having an aggregate Market Price on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in the event that, after such date of consummation or occurrence, an event of a type analogous to any of the events described in Section 2.3 hereof shall have occurred with respect to such Common Shares).
- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of a Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time and the Stock Acquisition Date by:
 - (i) an Acquiring Person (or any Person acting jointly or in concert with an Acquiring Person or with an Affiliate or Associate of an Acquiring Person); or
 - (ii) a direct or indirect transferee of, or other successor in title to, such Rights (a “**Transferee**”), who becomes a Transferee concurrently with or subsequent to the Acquiring Person

becoming an Acquiring Person, in a transfer, whether or not for consideration, that the Board of Directors has determined is part of a plan, understanding or scheme of an Acquiring Person (or an Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person) that has the purpose or effect of avoiding the provisions of this Section 3.1(b) applicable in the circumstances contemplated in clause (i) hereof;

shall thereupon become and be void and any holder of such Rights (including any Transferee) shall thereafter have no rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent, or any Co-Rights Agent (as hereinafter defined), upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not void under this Section 3.1(b) shall be deemed to be an Acquiring Person for the purposes of this Section 3.1(b) and such rights shall be null and void.

- (c) Any Rights Certificate that represents Rights Beneficially Owned by a Person described in either clauses (i) or (ii) of Section 3.1(b) hereof or transferred to any nominee of any such Person, and any Rights Certificate issued upon the transfer, exchange or replacement of any other Rights Certificate referred to in this sentence shall contain the following legend:

“The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Rights Agreement) or was acting jointly or in concert with any of them. This Rights Certificate and the Rights represented hereby shall become void in the circumstances specified in Section 3.1(b) of the Rights Agreement.”

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall be required to impose such legend only if instructed to do so by the Corporation or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not an Acquiring Person or an Affiliate or Associate thereof or acting jointly or in concert with any of them. The issuance of a Rights Certificate without the legend referred to in this section shall be of no effect on the provisions of this section.

ARTICLE 4 THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of Rights in accordance with the terms and conditions hereof, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint one or more co-rights agents (each, a “**Co-Rights Agent**”) as it may deem necessary or desirable subject to the approval of the Rights Agent, which approval shall not be unreasonably withheld. In such event, the respective duties of the Rights Agent and any Co-Rights Agent shall be as the Corporation may determine with the written approval of the Rights Agent. The Corporation agrees to pay to the Rights Agent reasonable compensation for all services rendered by it hereunder and, from time to time on demand of the Rights Agent, its reasonable expenses and counsel fees and other

disbursements reasonably incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its officers, directors, employees and agents for, and to hold them harmless against, any loss, liability, or expense, incurred without negligence, bad faith or wilful misconduct on the part of the Rights Agent, its officers, directors, employees or agents, for anything done or omitted by them in connection with the acceptance and performance of this Agreement, including legal costs and expenses, which right to indemnification shall survive the termination of this Agreement or the resignation or removal of the Rights Agent.

- (b) The Rights Agent shall be protected from, and shall incur no liability for or in respect of, any action taken, suffered or omitted by it in connection with its performance of this Agreement in reliance upon any certificate for Voting Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.
- (c) The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon written request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

4.2 Liability

Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages.

4.3 ~~4.2~~ **Merger or Amalgamation or Change of Name of Rights Agent**

- (a) Any body corporate into which the Rights Agent or any successor Rights Agent may be merged or amalgamated with or into, or any body corporate succeeding to the securityholder services business of the Rights Agent or any successor Rights Agent shall be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such body corporate would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof.

In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any such successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates either in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may

countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.4 ~~4.3~~ Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of Rights Certificates, by their acceptance thereof, shall be bound:

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation), and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion. The Corporation shall reimburse the Rights Agent for all reasonable legal fees and disbursements incurred in connection with this Section 4.3(a).
- (b) Whenever in the performance of its duties under this Agreement the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action or refraining from taking any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an individual believed by the Rights Agent to be the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Vice-President and by the Secretary or any Assistant Secretary of the Corporation and delivered to the Rights Agent; and such certificate shall be full authorization to the Rights Agent for any action taken, omitted or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) The Rights Agent shall be liable hereunder only for its own gross negligence, bad faith or wilful misconduct.
- (d) The Rights Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any Share certificate or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 hereof describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any Shares to be issued pursuant to this Agreement or any Rights or as to whether any Shares shall, when issued, be duly and validly authorized, executed, issued and delivered and be fully paid and non-assessable.

- (f) The Corporation agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing by the Rights Agent of the provisions of this Agreement.
- (g) The Rights Agent is hereby authorized to rely upon and directed to accept written instructions with respect to the performance of its duties hereunder from any Person believed by the Rights Agent to be the Chairman, the Chief Executive Officer, the Chief Financial Officer or any Vice-President or the Secretary or any Assistant Secretary of the Corporation, and to apply to such Persons for advice or instructions in connection with its duties, and it shall not be liable for any action taken, omitted or suffered by it in good faith in accordance with instructions of any such Person.
- (h) The Rights Agent and any shareholder, director, officer or employee of the Rights Agent may buy, sell or deal in Shares, Rights or other securities of the Corporation or become pecuniarily interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent shall not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, omission, default, neglect or misconduct, provided reasonable care was exercised in good faith in the selection and continued employment thereof.

4.5 ~~4.4~~ Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing delivered or mailed to the Corporation and CDS and to each transfer agent of Shares by first class mail, and mailed or delivered to the holders of the Rights in accordance with Section 5.9 hereof. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed or delivered to the Rights Agent and to each transfer agent of the Shares by first class mail, and mailed to the holders of the Rights in accordance with Section 5.9 hereof. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation shall appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 30 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent or by the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate for inspection by the Corporation), then the holder of any Rights may apply, at the Corporation's expense, to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor rights agent, whether appointed by the Corporation or by such a court, shall be a corporation incorporated under the laws of Canada or a province thereof and authorized to carry on the business required in order for such successor rights agent to fulfill its obligations under this Agreement in the Province of Ontario. After appointment, the successor Rights Agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent upon receipt of all fees and expenses outstanding to the predecessor Rights Agent by the Corporation shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation shall file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Shares, and mail a notice thereof in writing to the holders of the Rights. Failure to give any

notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of the successor Rights Agent, as the case may be.

4.6 ~~4.5~~ **Compliance with Anti-Money Laundering Legislation**

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 Business Days' written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such 10 Business Day period, then such resignation shall not be effective.

4.7 ~~4.6~~ **Fiduciary Duties of the Directors**

Nothing contained herein shall be construed to suggest or imply that the Board of Directors shall not be entitled to recommend that holders of the Voting Shares and/or Convertible Securities reject or accept any Take-over Bid or take any other action including the commencement, prosecution, defence or settlement of any litigation and the solicitation of additional or alternative Take-over Bids or other proposals to shareholders that the directors believe are necessary or appropriate in the exercise of their fiduciary duties.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption, Waiver and Termination

- (a) Subject to the prior consent of the holders of Voting Shares or Rights obtained as set forth in Section 5.4(b) or Section 5.4(c), the Board of Directors, acting in good faith, at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this Section 5.1, may elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment to the Exercise Price provided for in Section 2.3 hereof if an event analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the "**Redemption Price**").
- (b) Subject to the prior consent of the holders of Voting Shares or Rights obtained as set forth in Section 5.4(b) or Section 5.4(c), the Board of Directors, acting in good faith, may, at any time prior to the occurrence of a Flip-in Event, waive the application of Section 3.1 to such Flip-in Event if such Flip-in Event would occur by reason of an acquisition of Common Shares otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all holders of record of Common Shares and otherwise than in the circumstances set forth in Section 5.1(d).
- (c) Prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 has not been waived pursuant to this paragraph, upon written notice to the Rights Agent, the Board of Directors may waive the application of Section 3.1 to such Flip-in Event but only if such Flip-in Event occurs as a result of a Take-over Bid made by way of a Take-over Bid circular sent to all holders of record of Common Shares; *provided, however*, that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event, the Board of Directors shall be deemed to have waived

the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid which is made by means of a take-over bid circular to all holders of record of Common Shares (i) prior to the granting of such a waiver, or (ii) thereafter and prior to the expiry of any Take-over Bid in respect of which a waiver is, or is deemed to have been, granted under this Section 5.1(c).

- (d) The Board of Directors, acting in good faith, may waive the application of Section 3.1 to a Flip-in Event provided that the following conditions are satisfied:
 - (i) the Board of Directors has determined that the Acquiring Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person; and
 - (ii) such Acquiring Person has reduced its Beneficial Ownership of Common Shares or has entered into a contractual arrangement with the Corporation, acceptable to the Board of Directors, to do so within 30 days of the date on which such contractual arrangement is entered into, such that at the time of the waiver pursuant to this subsection 5.1(d), it is no longer an Acquiring Person.
- (e) If a Person acquires, pursuant to a Permitted Bid or a Competing Permitted Bid or pursuant to an Exempt Acquisition occurring under Section 5.1(c) hereof, more than 50% of the outstanding Common Shares other than Common Shares Beneficially Owned at the date of such Permitted Bid, Competing Permitted Bid or Exempt Acquisition by such Person, the Board of Directors of the Corporation shall, notwithstanding the provisions of Section 5.1(a) hereof, immediately upon such acquisition and without further formality be deemed to have elected to redeem, and shall redeem, the Rights at the Redemption Price.
- (f) If the Board of Directors elects to or is deemed to have elected to redeem the Rights and, in circumstances where Section 5.1(a) is applicable, (i) the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price, and (ii) no further Rights shall thereafter be issued.
- (g) Within 10 Business Days of the Board of Directors electing or having been deemed to have elected to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the Rights Register of the Rights Agent, or, prior to the Separation Time, on the Common Share register maintained by the Corporation's transfer agent. Each such notice of redemption shall state the method by which the payment of the Redemption Price shall be made.
- (h) Where a Take-over Bid that is not a Permitted Bid or Competing Permitted Bid expires, is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all of the outstanding Rights at the Redemption Price.
- (i) The Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 made by the Board of Directors under this Section 5.1.
- (j) Upon the Rights being redeemed pursuant to Section 5.1(h), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement, the Separation Time shall be deemed not to have occurred.

5.2 Expiration

No Person shall have any rights pursuant to this Agreement or any Right after the Expiration Time, except as provided in Section 4.1 hereof.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of Voting Shares purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make, without the approval of the holders of Rights or Common Shares, any supplements or amendments to this Agreement: (i) specifically contemplated in Section 2.10(f); (ii) to correct any clerical or typographical error; or (iii) which are required to maintain the validity and effectiveness of the Agreement as a result of any change in any applicable laws, rules or regulatory requirements. The Corporation may, prior to the date of any shareholders meeting referred to in Section 5.17, supplement, amend, vary or delete any of the provisions of this Agreement without the approval of any holder of Rights or Common Shares. Notwithstanding anything in this Section 5.4 to the contrary, no such supplement or amendment shall be made to the provisions of Article IV except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), the Corporation, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if provided by the holders of Common Shares at a special meeting called and held in compliance with applicable laws, rules and regulatory requirements and the requirements in the articles and by-laws of the Corporation. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by all Independent Shareholders represented in person or by proxy at the special meeting.
- (c) The Corporation, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, may amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally). Such consent shall be deemed to have been given if provided by the holders of Rights at a special meeting of holders of Rights called and held in compliance with applicable laws, rules and regulatory requirements and, to the extent possible, with the requirements in the articles and by-laws of the Corporation applicable to meetings of holders of Common Shares, applied *mutatis mutandis*. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Section 3.1(b)), represented in person or by proxy at the special meeting.

- (d) Any amendments made by the Corporation to this Agreement pursuant to Section 5.4(a) which are required to maintain the validity and effectiveness of this Agreement as a result of any change in any applicable laws, rules or regulatory requirements shall:
 - (i) if made before the Separation Time, be submitted to the holders of Common Shares at the next meeting of shareholders and the shareholders may, by the majority referred to in Section 5.4(b), confirm or reject such amendment;
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called in accordance with the provisions of Section 5.4(c) hereof.
- (e) The Corporation shall be required to provide the Rights Agent with notice in writing of any such amendment, rescission or variation to this Agreement as referred to in this Section 5.4 within five days of effecting such amendment, rescission or variation.

Any such amendment shall, unless the Board of Directors otherwise stipulates, be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders of the Corporation or the holders of Rights or is not submitted to the shareholders of the Corporation or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or if such a meeting of the holders of Rights is not called within a period of 90 days of the making of any such agreement, at the end of such period, and no subsequent resolution of Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders of the Corporation or holders of Rights as the case may be.

5.5 Fractional Rights and Fractional Common Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights. In lieu of issuing fractional Rights, the Corporation shall pay to the registered holders of the Rights Certificates, at the time such fractional Rights would otherwise be issuable, an amount in cash equal to the same fraction of the Market Price of one whole Right that the fraction of a Right that would otherwise be issuable is of one whole Right. The Rights Agent shall have no obligation to make any payments in lieu of fractional Rights unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).
- (b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of the Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall pay to the registered holders of Right Certificates at the time such Rights are exercised as herein provided, an amount in cash equal to the same fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of a whole Common Share. The Rights Agent shall have no obligation to make any payments in lieu of fractional Common Shares unless the Corporation shall have provided the Rights Agent with the necessary funds to pay in full all amounts payable in accordance with Section 2.2(e).

5.6 Rights of Action

Subject to the terms of this Agreement, rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights, and any holder of any Rights, without the consent of the Rights Agent or of the holder of any other Rights may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce, or otherwise act in respect of, such holder's right to exercise such holder's Rights in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holders of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Holder of Rights Not Deemed a Shareholder

No holder, as such, of any Rights shall be entitled to vote, receive dividends or be deemed for any purpose the holder of Common Shares or any other securities which may at any time be issuable on the exercise of such Rights, nor shall anything contained herein or in any Rights Certificate be construed to confer upon the holder of any Rights, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in Section 5.8 hereof), or to receive dividends or subscription rights, or otherwise, until such Rights shall have been exercised in accordance with the provisions hereof.

5.8 Notice of Proposed Actions

If after the Separation Time and prior to the Expiration Time:

- (a) there shall occur an adjustment in the Rights attaching to the Rights pursuant to Section 3.1 as a result of the occurrence of a Flip-in Event; or
- (b) the Corporation proposes to effect the liquidation, dissolution or winding up of the Corporation or the sale of all or substantially all of the Corporation's assets;

then, in each such case, the Corporation shall give to each holder of a Right, in accordance with Section 5.9, a notice of such event or proposed action, which shall specify the date on which such change to the Rights, liquidation, dissolution or winding up occurred or is to take place, and such notice shall be so given within 10 Business Days after the occurrence of a change to the Rights and not less than 20 Business Days prior to the date of taking such proposed action by the Corporation.

5.9 Notices

Any notice, demand or other communication required or permitted to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation or by the Corporation or by the holder of any Rights to or on the Rights Agent shall be in writing and shall be well and sufficiently given or made if: (i) delivered in person during normal business hours on a Business Day and left with the receptionist or other responsible employee at the relevant address set forth below; (ii) except during any general interruption of postal services due to strike, lockout or other cause, sent by first-class mail; or (iii) sent by telegraph, facsimile or other form of recorded electronic communication, charges prepaid and confirmed in writing as aforesaid.

If to the Corporation, addressed to it at:

Exchange Tower
130 King Street West, Suite 740
Toronto, ON
M5H 1J8

Attention: President and Chief Executive Officer
Fax No.: ~~416-640-2011~~ [416-304-4000](tel:416-304-4000)

If to the Rights Agent, addressed to it at:

100 University Avenue, 8th Floor
Toronto, ON
M5J 2Y1

Attention: Manager, Client Services
Fax No.: 416.981.9800

Notices, demands or other communications required or permitted to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be in writing and shall be well and sufficiently given or made if delivered personally to such holder or delivered or mailed by first class mail to the address of such holder as it appears on the Rights register maintained by the Rights Agent, or, prior to the Separation Time, in the register of shareholders maintained by the transfer agent for the Common Shares.

Any notice so given or made shall be deemed to have been given and to have been received on the day of delivery, if so delivered; on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout, or other cause) following the mailing thereof, if so mailed; and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.

5.10 Costs of Enforcement

The Corporation agrees that if the Corporation fails to fulfill any of its obligations pursuant to this Agreement, then the Corporation shall reimburse the holder of any Rights for the costs and expenses (including reasonable legal fees) incurred by such holder and actions to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and inure to the benefit of their respective successors and permitted assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; but

this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and the federal laws applicable therein, and for all purposes shall be governed by and construed in accordance with the laws of such Province and applicable federal laws applicable to contracts to be made and performed entirely within such Province.

5.14 Counterparts

This Agreement may be executed in any number of counterparts by original, facsimile or other electronic signature, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

5.15 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective as to such jurisdiction to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining terms and provisions hereof or the application of such term or provision to circumstances other than those as to which it is held invalid or unenforceable.

5.16 Determinations and Actions by the Board of Directors

All actions, calculations and determinations of the Board of Directors in administering this Agreement (including all omissions with respect to the foregoing) which are done or made by the Board of Directors, in good faith, shall not subject the Board of Directors to any liability to the holders of the Rights.

5.17 Effective Date and Reconfirmation

This Agreement is effective in accordance with its terms from and after the date of this Agreement.

This Agreement must be reconfirmed by a resolution passed by a majority of greater than 50% of the votes cast by all holders of Voting Shares who vote in respect of such reconfirmation every three years after the date of this Agreement. If this Agreement is not so reconfirmed, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of any such annual meeting; *provided, however*, that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 5.1(b) or 5.15.1(d) hereof), prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.17.

5.18 Approval of Holders of Rights

If, after the Separation Time, the approval of holders of Rights is required in respect of a supplement or amendment to this Agreement made pursuant to Section 5.4 hereof, the Board of Directors shall, within 31 days after the implementation of any such supplement or amendment, call a special meeting of the holders of Rights to consider, and if thought fit, to pass a resolution approving the supplement or amendment, and such supplement or amendment shall be deemed to have been approved if such resolution receives the affirmative vote of a majority of the votes cast by holders of Rights represented at the meeting in person or

by proxy excluding any Rights which are then void pursuant to the provisions of Section 3.1(b) hereof. In respect of any such meeting required to be held:

- (a) the Board of Directors shall fix a date for the meeting, which date shall be as soon as practicable after the implementation of any supplement or amendment requiring approval, but not more than 110 days thereafter;
- (b) the Board of Directors of the Corporation shall fix a record date for determining the holders of Rights entitled to receive notice of such meeting in a manner analogous to the procedures set out in National Instrument 54-101 of the Canadian Securities Administrators (as such policy may be amended or replaced from time to time, and as required in order to conform to the requirements of any applicable securities legislation or policy) and the rules of any stock exchange on which the Common Shares are then listed, and the articles and by-laws of the Corporation; and
- (c) each Right shall be entitled to one vote at such meeting and, in all other respects, the rules applicable to meetings of shareholders set forth in the articles and by-laws of the Corporation shall apply in respect of such meeting of holders of Rights, *mutatis mutandis*.

5.19 Declaration as to Non-Canadian and Non-United States Holders

If, upon the advice of outside counsel, any action or event contemplated by this Agreement would require compliance with the securities laws or comparable legislation of a jurisdiction outside of Canada and the United States of America, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to a Canadian resident Fiduciary of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Persons entitled thereto (but reserving to the Fiduciary or to the Corporation, as the Corporation may determine, absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the Persons entitled thereto. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada and any province or territory thereof and the United States of America and any state thereof in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.20 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement, or any amendment or supplement to this Agreement, shall be subject to receipt of any requisite approval or consent from any governmental or regulatory authority having jurisdiction including the Toronto Stock Exchange while any securities of the Corporation are listed and posted for trading thereon and for a period of six months thereafter.

5.21 U.S. Registration

Notwithstanding anything to the contrary, no Rights shall be deemed issued to a U.S. holder until a registration of the Rights under Section 12(b) of the U.S. Securities Exchange Act of 1934, as amended, is effective, but, regardless of when that registration shall become effective, the Rights shall be effective in accordance with Section 2 in respect of each Common Share outstanding as the Record Time and each Common Share that may be issued after the Effective Time and prior to the earlier of the Separation Time and the Expiration Time.

5.22 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individual's personal information (collectively, "**Privacy Laws**") applies to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

5.23 Force Majeure

No party shall be liable to the other, or held in breach of this Agreement, if prevented, hindered or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

5.24 Time of the Essence

Time shall be of the essence in this Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement, as amended and restated, to be duly executed as of the date first above written.

TOREX GOLD RESOURCES INC.

By: _____
Name: Mary D. Batoff
Title: General Counsel and Corporate Secretary

COMPUTERSHARE INVESTOR SERVICES INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

EXHIBIT "A"
[FORM OF RIGHTS CERTIFICATE]

Certificate No. _____

_____ Rights

THE RIGHTS ARE SUBJECT TO REDEMPTION, AT THE OPTION OF THE CORPORATION, ON THE TERMS SET FORTH IN THE RIGHTS AGREEMENT. UNDER CERTAIN CIRCUMSTANCES (SPECIFIED IN THE RIGHTS AGREEMENT), RIGHTS BENEFICIALLY OWNED BY AN ACQUIRING PERSON OR ANY PERSON ACTING JOINTLY OR IN CONCERT WITH AN ACQUIRING PERSON OR WITH AN ASSOCIATE OR AFFILIATE OF AN ACQUIRING PERSON (AS SUCH TERMS ARE DEFINED IN THE RIGHTS AGREEMENT) OR TRANSFEREES OF ANY OF THE FOREGOING WILL BECOME VOID WITHOUT FURTHER ACTION.

RIGHTS CERTIFICATE

This certifies that _____, or registered assigns, is the registered holder of the number of Rights set forth above, each of which entitles the registered holder thereof, subject to the terms, provisions and conditions of an Amended and Restated Rights Agreement dated as of June ~~24~~, 21, 2017, as amended and reconfirmed as of June 17, 2020 as such may from time to time be amended, restated, varied or replaced (the "**Rights Agreement**"), between TOREX GOLD RESOURCES INC., a corporation existing under the *Business Corporations Act* (Ontario) (the "**Corporation**"), and COMPUTERSHARE INVESTOR SERVICES INC., as Rights Agent, to purchase from the Corporation at any time after the Separation Time and prior to the Expiration Time (as such terms are defined in the Rights Agreement), one fully paid common share in the capital of the Corporation (a "**Common Share**") (subject to adjustment as provided in the Rights Agreement) at the Exercise Price referred to below, upon presentation and surrender of this Rights Certificate with a duly completed and executed Form of Election to Exercise and payment of the Exercise Price by way of certified cheque, bank draft or money order made payable to the Corporation at the principal office of the Rights Agent in the City of Toronto, Canada. The Exercise Price shall initially be \$100.00 per Right and shall be subject to adjustment in certain events as provided in the Rights Agreement.

This Rights Certificate is subject to all the terms, provisions and conditions of the Rights Agreement which terms, provisions and conditions are hereby incorporated herein by this reference and made a part hereof and to which Rights Agreement reference is hereby made for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Rights Agent, the Corporation and the holders of the Rights Certificates. Copies of the Rights Agreement are on file at the registered office of the Corporation and are available upon written request.

This Rights Certificate, with or without other Rights Certificates, upon surrender at any office of the Rights Agent designated for such purpose, may be exchanged for another Rights Certificate or Rights Certificates of like tenor and date evidencing an aggregate number of Rights equal to the aggregate number of Rights evidenced by the Rights Certificate or Rights Certificates so surrendered. If this Rights Certificate shall be exercised in part, the registered holder shall be entitled to receive, upon surrender hereof, another Rights Certificate or Rights Certificates for the number of whole Rights not exercised.

Subject to the provisions of the Rights Agreement, the Rights evidenced by this Certificate may be redeemed by the Corporation at a redemption price of \$0.00001 per Right.

No fractional Common Shares will be issued upon the exercise of any Right or Rights evidenced hereby nor will Rights Certificates be issued for less than one whole Right. In lieu thereof, a cash payment will be made as provided in the Rights Agreement.

No holder of this Rights Certificate, as such, shall be entitled to vote or receive dividends or be deemed for any purpose the holder of Common Shares or of any other securities which may at any time be issuable on the exercise hereof, nor shall anything contained in the Rights Agreement or herein be construed to confer upon the holder hereof, as such, any of the rights of a shareholder of the Corporation or any right to vote for the election of directors or upon any matter submitted to shareholders at any meeting thereof, or to give or withhold consent to any corporate action, or to receive notice of meetings or other actions affecting shareholders (except as provided in the Rights Agreement), or to receive dividends or subscription rights, or otherwise, until the Rights evidenced by this Rights Certificate shall have been exercised as provided in the Rights Agreement.

This Rights Certificate shall not be valid or obligatory for any purpose until it shall have been countersigned by the Rights Agent.

WITNESS the facsimile signature of the proper officers of the Corporation and its corporate seal.

Date: _____

ATTEST:

TOREX GOLD RESOURCES INC.

By: _____

Countersigned:

COMPUTERSHARE INVESTOR SERVICES INC.

By: _____
Authorized Signature

Date: _____

[Form of Reverse Side of Rights Certificate]

FORM OF TRANSFER

(To be executed by the registered holder if such holder desires to transfer the Rights Certificates.)

FOR VALUE RECEIVED _____

hereby sells, assigns and transfers

unto _____

(Please print name and address of transferee)

this Rights Certificate, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ Attorney, to transfer the within Rights Certificate on the books of the within-named Corporation, with full power of substitution.

Dated: _____

Signature Guaranteed

Signature

(Signature must correspond to name as written upon the face of this Rights Certificate in every particular, without alteration or enlargement or any change whatsoever)

(Signature must be guaranteed by a Canadian Schedule I chartered bank, or a financial institution that is a member of a recognized Medallion (STAMP, MSP or SEMP) Program.)

(To be completed if true)

CERTIFICATION

The undersigned hereby represents and certifies, for the benefit of all holders of Rights and Common Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have not been, Beneficially Owned by an Acquiring Person or any Person acting jointly or in concert with any Acquiring Person or with any Affiliate or Associate thereof (all as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth above is not completed in connection with a purported transfer, the Beneficial Owner of the Rights evidenced by this Rights Certificate will be deemed to be an Acquiring Person or a Person acting jointly or in concert with such Acquiring Person or an Affiliate or Associate of such Acquiring Person (all as defined in the Rights Agreement) and accordingly the Rights evidenced by this Rights Certificate will be null and void.

[To be attached to each Rights Certificate]

FORM OF ELECTION TO EXERCISE

(To be executed if holder desires to
exercise the Rights Certificate.)

TO:

The undersigned hereby irrevocably elects to exercise _____ whole Rights represented by the attached Rights Certificate to purchase the Common Shares issuable upon the exercise of such Rights and requests that certificates for such Common Shares be issued in the name of:

Address:

Social Insurance, Social Security or
Other Taxpayer Identification Number: _____

If such number of Rights shall not be all the whole Rights evidenced by this Rights Certificate, a new Rights Certificate for the balance of such whole Rights shall be registered in the name of and delivered to:

Address:

Social Insurance, Social Security or
Other Taxpayer Identification Number: _____

Dated: _____

Signature Guaranteed:

Signature

(Signature must correspond to name as written upon the
face of this Rights Certificate in every particular, without
alteration or enlargement or any change whatsoever)

(Signature must be guaranteed by a Canadian Schedule I chartered bank, or a financial institution that is a
member of a recognized Medallion (STAMP, MSP or SEMP) Program.)

(To be completed if true)

CERTIFICATION

The undersigned hereby represents, for the benefit of all holders of Rights and Shares, that the Rights evidenced by this Rights Certificate are not, and, to the knowledge of the undersigned, have never been, Beneficially Owned by an Acquiring Person or any Person acting jointly or in concert with any Acquiring Person or with any Affiliate or Associate thereof (all as defined in the Rights Agreement).

Signature

NOTICE

In the event the certification set forth above is not completed in connection with a purported exercise, the Beneficial Owner of the Rights evidenced by this Rights Certificate will be deemed to be an Acquiring Person or a Person acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person (all as defined in the Rights Agreement) and accordingly will deem the Rights evidenced by this Rights Certificate will be null and void.

SCHEDULE D

Mandate of the Board of Directors

Purpose

The Board of Directors (the “**Board**”) of Torex Gold Resources Inc. (the “**Corporation**”) is responsible for the supervision of the management of the business and affairs of the Corporation. The Board should manage the responsibilities and obligations set out below, either directly or through committees of the Board, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, the Environment and Corporate Social Responsibility Committee and the Health and Safety Committee. The Board will, however, retain the oversight function and ultimate responsibility for the supervision of the management of the business and affairs of the Corporation.

Composition

1. The Board should consist of individuals who possess skills and competencies in areas that are relevant to the business and affairs of the Corporation. At least two-thirds of the directors will be “independent” directors within the meaning of applicable securities laws, instruments, rules and policies and regulatory requirements (collectively “**Applicable Laws**”).
2. The directors of the Corporation will be elected at the annual meeting of the shareholders of the Corporation and shall serve until no longer than the close of the next annual meeting of shareholders, subject to re-election thereat.

Meetings

3. The Board shall have at least four regularly scheduled meetings in each financial year of the Corporation.
4. The Chairman of the Board (the “**Chairman**”), the President and Chief Executive Officer (the “**CEO**”) and the Lead Director of the Board (the “**Lead Director**”), if any, are responsible for the agenda for each meeting of the Board. Prior to each Board meeting, the Chairman and the CEO should discuss agenda items for the meeting with the Lead Director, if any. Materials for each meeting should be distributed to the Board in advance of the meeting.
5. Directors are expected to attend at least three quarters of all meetings of the Board held in each financial year of the Corporation and to adequately review meeting materials in advance of each meeting.
6. The independent directors (in this context, meaning directors who are not also senior officers or are not independent within the meaning of Applicable Laws) should hold an *in camera* session without the non-independent directors and any senior officers present at each meeting of the Board, unless such a session is not considered necessary by the independent directors present. The Chairman, if independent, and if not independent, the Lead Director if any, should chair the *in camera* sessions.

Board Committees

7. The Board may appoint such committees from time to time as it considers appropriate. Each permanent committee shall have a mandate that is approved by the Board, setting out the responsibilities of, and the extent of the powers delegated to, such committee by the Board.

Responsibilities

Oversight of Management and the Board

8. The Board is responsible for the appointment, and replacement, of senior officers of the Corporation. The Board should ensure that appropriate succession planning, including the appointment, training and monitoring of the senior officers and members of the Board, is in place.
9. The Board is responsible for satisfying itself as to the integrity of the CEO and the other senior officers and that the CEO and the other senior officers create a culture of integrity throughout the Corporation.
10. The Board should annually consider what additional skills and competencies would be helpful to the Board, with the Corporate Governance and Nominating Committee being responsible for identifying specific candidates for consideration for appointment to the Board.
11. If the Chairman is not independent within the meaning of Applicable Laws and a Lead Director is required, or is considered desirable by the Board, the Corporate Governance and Nominating Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for appointing the Lead Director.
12. Through the Compensation Committee, the Board should review the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and should review the compensation of the Senior Executives (as defined in the Compensation Committee Mandate) to ensure that it is competitive within the industry and that the form of compensation aligns the interests of each senior officer with those of the Corporation. Any recommended changes in the compensation of the directors and/or the compensation of the Senior Executives shall be submitted to the Board for consideration.
13. The Board should review and assess, or delegate such review and assessment to an appropriate committee of the Board, the policies (the "**Policies**") of the Corporation previously approved by the Board, from time to time, including without limitation: (a) the Code of Conduct and Business Ethics; (b) Whistleblower Policy; (c) Disclosure Policy; (d) Insider Trading Policy; (e) Anti-Bribery and Anti-Corruption Policy; (f) Majority Voting Policy; (g) Share Ownership Policy; (h) Diversity Policy; (i) Mandatory Retirement Policy; (j) Say on Pay Advisory Vote Policy; (k) Clawback of Incentive Compensation Policy and, (l) the Monetary Authority Policy. If such review and assessment is delegated to a committee of the Board, such committee shall submit any proposed amendments to a Policy to the Board for consideration.
14. The Board should act in an advisory capacity to the senior officers of the Corporation in all matters concerning the interests and management of the Corporation.

Financial Matters

15. The Board is responsible for reviewing the financial and underlying operational performance of the Corporation.
16. The Board should review and approve the annual audited financial statements, management's discussion and analysis, press release and other financial information related to such annual audited financial statements, budgets and forecasts, annual information form and management information circular of the Corporation.
17. The Board delegates to the Audit Committee the review and approval of the quarterly unaudited financial statements, the management's discussion and analysis and press release and other financial disclosure related thereto. If requested by the Audit Committee, the Board should review and approve the quarterly unaudited financial statements and the management's discussion and analysis, press release and other financial disclosure related thereto.
18. The Board should annually review, together with the Audit Committee, the directors' and officers' third-party liability insurance, and other insurance, of the Corporation.
19. The Board, primarily through the Audit Committee, should monitor and ensure the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and the financial reporting procedures of the Corporation.
20. The Board is responsible for considering, and if established, reviewing from time to time, a dividend policy for the Corporation.

Business Strategy

21. The Board has primary responsibility for the strategic direction of the Corporation, including the long-range and short-range goals, plans and policies of the Corporation. The Board will provide advice, counsel and mentorship to the CEO with respect to matters of strategic significance and will contribute to the development of the strategic direction of the Corporation by approving, at least annually, a strategic plan and budget developed and proposed by the senior officers, subject to any changes required by the Board. The strategic plan and budget should take into account the business opportunities and business risks of the Corporation. The Board will review with the senior officers from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these factors on the strategic direction of the Corporation. The Board will review and approve the financial objectives, plans and actions of the Corporation, including significant capital allocations and expenditures.
22. The Board is responsible for ensuring that procedures are in place to appropriately manage the principal business risks of the Corporation.
23. The Board should monitor corporate performance against the approved strategic plan and budget, including assessing operating results, to evaluate whether the business of the Corporation is being appropriately managed.
24. The Board is responsible for reviewing and approving all material transactions affecting the Corporation not contemplated in the strategic plan and budget approved by the Board.

Communications and Reporting to Shareholders

25. The Board is responsible for overseeing the continuous disclosure program of the Corporation, with a view to satisfying itself that adequate procedures are in place to ensure that material information is disclosed in accordance with Applicable Laws.
26. The Board will ensure that the Corporation has a disclosure policy which includes a framework for investor relations and public disclosure.

Corporate Governance

27. The Corporate Governance and Nominating Committee will recommend, and the Board will establish, the Board's approach to corporate governance.
28. The Board is responsible for assessing annually its own effectiveness in fulfilling this mandate and shall assess from time to time this mandate, as well as the mandate of each committee (considering, among other things, the recommendations of the applicable committee).
29. The Board is responsible for evaluating the relevant relationships of each independent director and is required to make an affirmative decision that any such relationship does not preclude a determination that the director is independent within the meaning of Applicable Laws.
30. The Board is responsible for ensuring the establishment of appropriate standards of corporate conduct and should ensure that adequate procedures are in place to monitor compliance with the Code of Business Conduct and Ethics of the Corporation. Only the Board may grant waivers of the Code of Business Conduct and Ethics which would be to the benefit of any director or senior officer.

General

31. The Board is responsible for performing such other functions as are prescribed by law, including all Applicable Laws.
32. The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Corporation.
33. Except in exceptional circumstances, draft minutes of each meeting of the Board shall be circulated to the Board for review within 14 days of the date of such meeting.

Feedback

34. The Board welcomes input and comments from shareholders of the Corporation relating to this mandate. Such input and comments may be sent to the Board at the head office address of the Corporation.

**Torex Gold Resources Inc.
130 King Street West, Suite 740
Toronto, Ontario
M5X 2A2**

**Tel: 647-260-1500
Fax: 416-304-4000**

