Torex Gold
RESOURCES INC.

Protecting Our Shared Resource

Torex Gold's Water Stewardship and Conservation Strategy

Aligned with the International Council on Mining and Metals Water Stewardship Framework

May 2026

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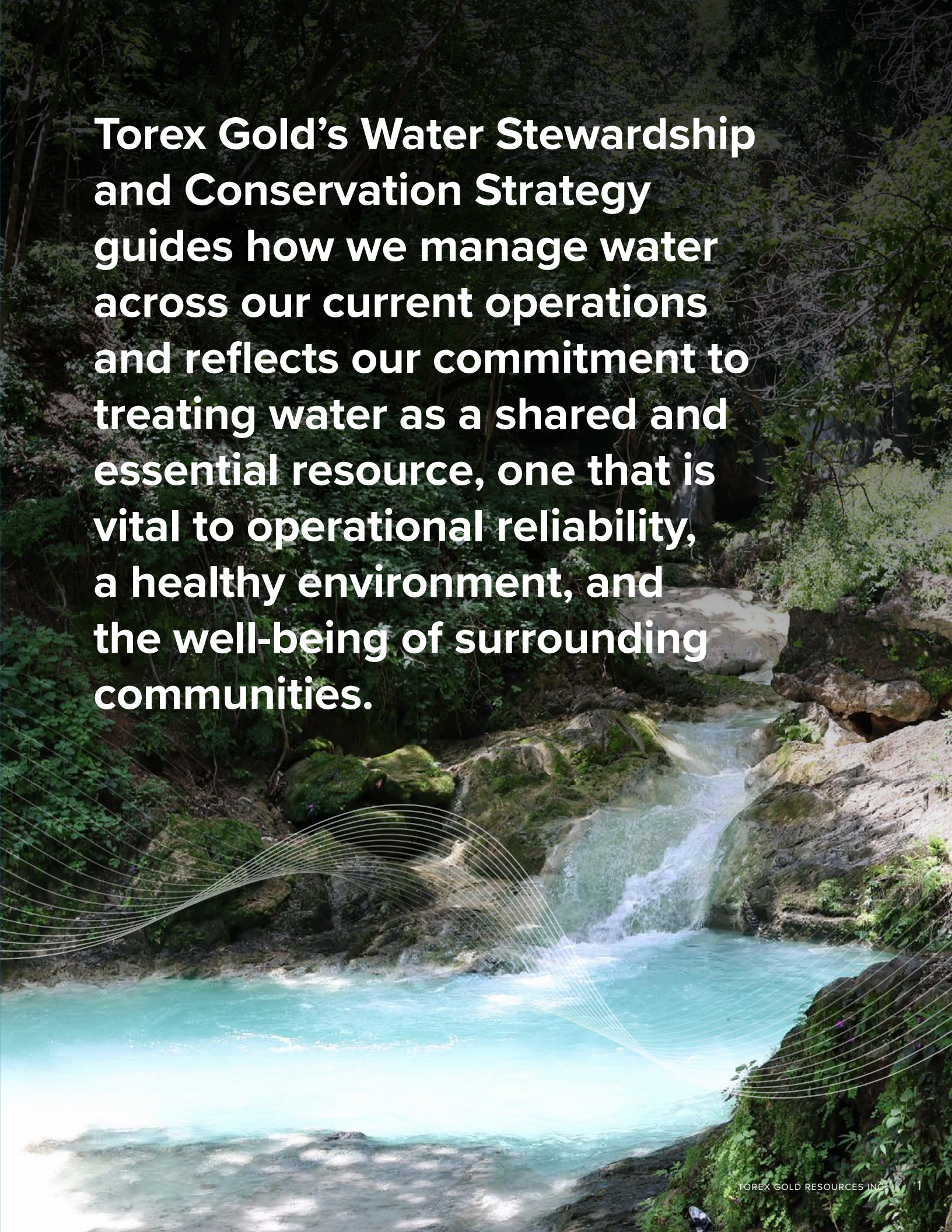


Torex Gold's Water Stewardship and Conservation Strategy guides how we manage water across our current operations and reflects our commitment to treating water as a shared and essential resource, one that is vital to operational reliability, a healthy environment, and the well-being of surrounding communities.

About Torex Gold

Torex Gold Resources Inc. is a Canadian mining company engaged in the production, development and exploration of gold, copper, and silver from its flagship Morelos Complex located in Guerrero State which is currently Mexico's largest single gold producer. The Company also owns the advanced-stage Los Reyes gold-silver project in Sinaloa, Mexico and in late 2025 acquired a portfolio of early-stage exploration properties, including the Batopilas and Guigui projects in Chihuahua, Mexico, and the Gryphon and Medicine Springs projects in Nevada, USA. In 2025, Torex employed a workforce comprised of 1,577 permanent employees and 2,838 contractor employees; with 99% of our workforce residing in Mexico.

The Morelos Complex includes the El Limón Guajes ("ELG") underground mine, processing plant and related infrastructure, the Media Luna underground mine, which was completed in 2025, and the Media Luna North (formerly EPO) Project currently under development with first production expected by the end of 2026. The Morelos Property, spanning over 29,000 hectares, is currently 75% unexplored.

References to Torex Gold throughout this Report include "the Company", "Torex", "we", "us", and "our".

Torex Gold's Water Stewardship and Conservation Strategy (the "Strategy") is the Company´s inaugural standalone disclosure of our commitment to address responsible and efficient water management as a core component of our approach to responsible mining. The Strategy is aligned with the International Council on Mining and Metal´s ("ICMM") Water Stewardship Framework.

Boundaries and Scope

Our Strategy and associated targets apply to our principal asset, the Morelos Complex, supported by established systems for detailed performance tracking. All performance data is current as of December 31, 2024 (unless otherwise indicated). Ongoing water-related initiatives that progressed throughout 2025 are discussed where relevant to provide a full picture of our work on water stewardship to date. If and as our early and advanced exploration assets mature into development stage projects and eventually operations, our approach to water stewardship and conservation will be applied in those areas.

Cautionary Notes

Please refer to page 21 for full cautionary notes related to this Strategy, including notes on "forward-looking statements" and "forward-looking information" within the meaning of applicable Canadian securities laws.

Definitions

Our Strategy incorporates the following terms and definitions as classified by the ICMM:

Operational Water Withdrawn
All water which enters the operational water system used to meet the operational water demand. Operational water withdrawn includes water sourced from surface water, groundwater, seawater and third-parties. Torex Gold does not source water from seawater, third-party providers, or natural water bodies like the Balsas River and the El Caracol Reservoir.

- **Surface water** includes all water that accumulates in our contact water management ponds, including precipitation and surface water runoff.
- **Groundwater** includes all water extracted through groundwater bores and mine dewatering activities. Additionally, water entrained in ore brought to the surface is reported as groundwater withdrawal.

Operational Water Demand
The total volume of water required to support all operational processes and activities.

Water Consumed
The sum of all water that has been withdrawn, including operational water and other managed water, that is not returned to surface water, groundwater, seawater or a third party.

Water Recycled or Reused
Water previously used in an operational task that is recovered and used again, either with treatment (recycle) or without treatment (reuse).

Water Discharged
Water released from our operations into the natural environment. It is important to note that Torex does not release process or contact water into the natural environment, and water discharge is limited to treated domestic wastewater. In line with ICMM classification, diverted water, which is water redirected from its course or location, is also considered discharged.

Other Managed Water
Water that is actively managed by the operation; for example, water that is physically pumped, actively treated or has material consumptive losses, but does not enter the operational water system used to supply the operational water demand (i.e. water that is not used in any site activity or process).

At the heart of Torex is its organizational purpose statement:

To transform finite mineral resources into lasting prosperity by positively impacting all the lives we touch.

While our existence as a Company depends on our ability to deliver superior value to shareholders, we aim to do so in a way that protects the planet and minimizes our environmental footprint while uplifting those we interact with, from our employees to our host communities, to broader society.

Our targets

80%

Achieve at least 80% of total water reused and recycled annually, compared to a 2024 baseline of 58%

60%

Achieve a 60% increase in the recycling of treated domestic wastewater by 2030, compared to a 2024 baseline of 0%

50%

Limit groundwater withdrawals to less than 50% of total operational water withdrawn (under normal operating conditions) by 2030, compared to a 2024 baseline of 58%

Strategy Overview: Executive Summary

Torex Gold's Water Stewardship and Conservation Strategy guides how we manage water across our current operations and reflects our commitment to treating water as a shared and essential resource, one that is vital to operational reliability, a healthy environment, and the well-being of surrounding communities.

The strategy is anchored in four strategic priorities, with communication foundational to all four pillars:

1. Reliable, Efficient and Safe Water Use;
2. Governance, Compliance & Reporting;
3. Community & Stakeholder Collaboration; and
4. Innovation & Continuous Improvement.

These priorities establish a consistent, principles-based approach for how water is sourced, managed, monitored, and governed across all stages of the mining life cycle, supported by clear and transparent communication to ensure our progress, challenges, and performance remain visible to all stakeholders.

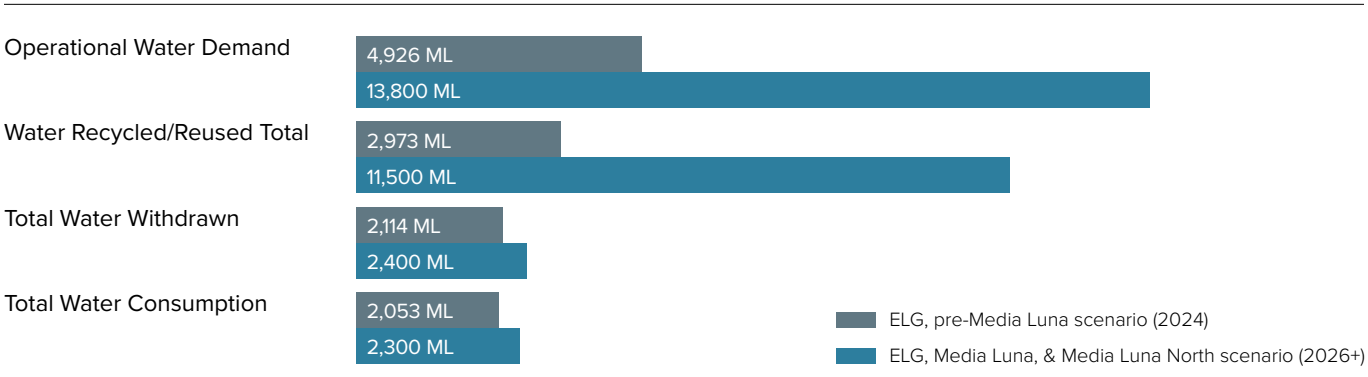
Implementation begins at our principal asset, the Morelos Complex, where mature water systems and long-standing community partnerships provide a strong foundation for site-level action. To translate strategic priorities into measurable progress, we have established a suite of water stewardship and conservation targets against a baseline of our performance in 2024, which also considers modelling conducted to anticipate the growth in operational water demand with the completion of our Media Luna Project in 2025, the largest single mining investment ever made in the state of Guerrero. With a total capital expenditure of approximately US $1 billion, our investment in the Media Luna Project has created a 7,500-tonne-per-day underground mine that will extend our current mine life by at least a decade. By the end of 2026, we also plan to bring our Media Luna North Project into production, which will further enhance our mine production and our ability to sustain production levels of 420,000 to 470,000 ounces of gold-equivalent production well beyond 2030.

The targets we have set are focused on improving reuse and recycling, reducing groundwater dependency, increasing the beneficial recycling of treated domestic wastewater, maintaining regulatory compliance, strengthening collaborative water management, and expanding real-time monitoring and modeling capabilities, and include:

- Achieve at least 80% of total water reused and recycled annually, compared to a 2024 baseline of 58%
- A 60% increase in the recycling of treated domestic wastewater by 2030, compared to a 2024 baseline of 0%
- Groundwater withdrawals limited to less than 50% of total operational water withdrawn (under normal operating conditions) by 2030 compared to a 2024 baseline of 58%

A full description of our water stewardship and conservation targets can be found on page 19.

As a result of our strategy and the mechanisms we have designed to maximize water efficiency, the significant increase in operational water demand that will be required with the operation of Media Luna and Media Luna North will be met by an increase in water reused and water recycled, with minimal variation in total water withdrawal and water consumption.



As we expand into new jurisdictions, lessons learned at the Morelos Complex will guide the design of future water systems and engagement models, ensuring we remain a responsible steward of shared water resources across our full portfolio. Through transparency, collaboration, and continuous improvement, we remain committed to the efficient use of water resources in all areas where we operate.

Our Commitment and Approach to Water Stewardship

Torex understands that water is a vital and precious shared resource and access to clean and safe water is a fundamental human right. Recognizing that water is a key input into our operations, we commit to minimize our water use and maximize recycling and reuse at all stages of our operations, while protecting the quality and quantity of water for our host communities. Engaging with local communities and regulators on water-related issues is a key part of our commitment to sustainable water use as we seek to understand shared challenges, reduce risks and focus on continuous improvement for the benefit of all. We are committed to leading by example in the mining industry, using water in a way that is socially equitable, environmentally sustainable, and economically beneficial.

Our approach is guided by the ICMM Water Stewardship Framework, as well as the World Gold Council's Responsible Gold Mining Principles (RGMPs) and the United Nations Sustainable Development Goals (SDGs). We also consider evolving and developing frameworks such as the Consolidated Mining Standard Initiative (CMSI), which incorporates the Mining Association of Canada (MAC) Toward Sustainable Mining (TSM) initiative. Together, these best-in-class global sustainability standards guide our efforts to minimize water use, protect water quality, and build long-term resilience.

Our Water Stewardship and Conservation Strategy is anchored in four strategic priorities, with clear and transparent communication as the foundation.

Torex Strategic Water Priorities

Reliable, Efficient and Safe Water Use

We are committed to managing water as a shared and valuable resource across all current and future operations. We prioritize water conservation, recycling and reuse to reduce pressure on local water systems and improve long-term water security. We also maintain a comprehensive surface and groundwater monitoring program to establish baseline conditions, predict and plan for potential impacts and ensure there are no adverse effects on the environment or watersheds around us. As the Company expands into new jurisdictions, water availability, seasonal dynamics, and watershed characteristics will continue to guide site-level planning and operational decisions to ensure that water is used efficiently, responsibly, and in a manner that supports both operational resilience and ecosystem integrity.

Governance, Compliance and Reporting

Strong governance is foundational to our approach to water stewardship. Torex maintains compliance with applicable water laws, permits, and regulatory requirements where we have a presence, while actively monitoring emerging regulations to ensure readiness for future conditions. We clearly define responsibilities for water management at all levels within our organization and integrate water considerations into business planning and risk management. We disclose our approach to water management and performance transparently so that our performance can be tracked, understood, and trusted by internal and external stakeholders.

Community and Stakeholder Collaboration

We engage with governments, local authorities, community members, academic institutions and other stakeholders to support effective water governance and integrated water resource management beyond our operational footprint. We actively participate in water stewardship initiatives that promote better water use and contribute to improved water security and sanitation to the benefit of local citizens. As the Company grows, we will continue to strengthen and expand these partnerships in new jurisdictions. Engagement will be tailored to local needs, cultural contexts, and watershed realities, with an emphasis on transparency, participatory monitoring, and shared decision-making.

Innovation and Continuous Improvement

We are committed to setting targets that support continuous improvement and advancing water stewardship through innovation, data-driven decision-making, and adaptive improvement across all stages of the mine life cycle. Investments in monitoring systems, modeling tools, water-efficient technologies, and scenario planning build resilience and improve performance over time. Lessons learned at the Morelos Complex will inform and strengthen approaches at new and emerging sites, supporting a consistent, evolving, and best-in-class water stewardship framework.

Reliable, Efficient and Safe Water Use

Water Management at Our Morelos Complex

Morelos Complex Overview

The Morelos Complex is the Company's principal asset and includes the ELG and Media Luna underground mines, the Media Luna North Project currently under development with first production expected by the end of 2026 and a fully integrated processing plant and related infrastructure. In 2025, the Company delivered payable production of 376,364 gold-equivalent ounces, from the Morelos Complex and remains one of Mexico's largest gold mines. With the full ramp-up of the Media Luna Project and addition of ore from the Media Luna North Project, the Company is targeting 420,000 to 470,000 ounces gold-equivalent through 2030.

The Morelos Property, spanning over 29,000 hectares, is currently 75% unexplored. A unique feature of the property is the Guajes Tunnel, a 7-kilometre tunnel located beneath the Balsas River, which connects the north side of the property, where the ELG underground mine and processing facilities are located, with the south side of the property where Media Luna and Media Luna North are located.

Situated in a region characterized by distinct wet and dry seasons, the Morelos Complex experiences significant seasonal variability in rainfall and temperature, requiring adaptive and resilient water management. The area is also home to diverse ecosystems and biodiversity, with several protected flora and fauna species.

The Morelos Complex operates within a network of long-term lease agreements with Ejidos and individual landowners where meaningful relationships and partnerships have been developed with nearby communities. These partnerships enable sustained dialogue and collaboration with local citizens and ensure that the benefits of mining are shared through local employment, local procurement, healthcare, education, infrastructure improvements, and shared water access. The Company maintains active dialogue with local citizens, community leaders and regulators to align operational performance with regulatory expectations and community priorities.

Integrated Water System at the Morelos Complex

The Morelos Complex operates as a fully integrated, closed-loop water management system designed to minimize water consumption. This holistic approach enables efficient use, treatment, and recycling of water across all stages of mining and processing.

Water Context

The Morelos Complex lies within the Balsas River Basin, one of Mexico's major hydrological systems. The Balsas River separates the ELG and Media Luna operations, and the El Caracol Reservoir, part of the national hydroelectric network, sits north-west of the site. While these regional water bodies influence local hydrology, no water is withdrawn from them. Instead, water management at the site is conducted through controlled groundwater extraction and extensive reuse of contact and process water.

The site overlies the Iguala and Tlacotepec aquifers, from which the Company holds groundwater concessions. Groundwater is extracted through dedicated wellfields near the communities of Atzcala and San Miguel to meet the needs of both the operations and local communities under a shared-use model.

The water network at the Morelos Mining Complex is comprehensively designed to efficiently collect, store, treat, and distribute water across all operational areas. The overarching goal is to achieve a near zero-discharge system, with treated water being continuously recycled and reused within the Morelos Complex. This closed-loop approach is central to the Company's commitment to responsible water stewardship. The site operates as a zero process-water discharge site, with a portion of treated domestic wastewater returned to the environment via aquifer recharge.

As Media Luna ramps up and becomes fully integrated into the Morelos Complex, overall water demand will increase. To ensure this does not lead to higher water consumption, the project was intentionally designed with enhanced recycling capacity and highly efficient water circuits. These features allow the additional demand to be met predominantly through reused and recycled water, enabling the Morelos Complex to maintain almost the same consumption levels while supporting long-term operational reliability and growth.

Integrated Water System at the Morelos Complex (continued)

Water Sources and Movement

1. Water enters our operational water management system primarily through precipitation, groundwater extraction, and contact water capture. Precipitation contacting operational areas is directed to engineered ponds, forming part of the closed-loop circuit. This contact water, along with process and tailings water, is collected and stored in the Central Water Pond before reuse in processing activities.

2. Treated domestic wastewater, which was previously discharged to the environment, is now incorporated into operational reuse for dust control, irrigation and reforestation activities, and process needs, representing a key step toward strengthening water efficiency.

Water Use and Reuse Pathways

Water plays a critical role in ore processing at the Morelos Complex and our water management system is designed to maximize recovery and reuse at each stage.

3. The process begins with the initial crushing and grinding of ore before it enters flotation, where a saleable copper-gold-silver concentrate is produced. The concentrate is thickened, filtered, and shipped off-site for smelting. Flotation tails undergo an additional iron sulfide flotation step, which reduces cyanide consumption and improves downstream gold recovery. Residual gold and silver are then recovered through cyanide leaching, followed by adsorption in Carbon-in-Pulp (CIP) and Carbon-in-Column (CIC) circuits, electrowinning, and smelting to produce doré. The plant incorporates a SART (Sulphidization, Acidification, Recycling, and Thickening) circuit, which precipitates copper, regenerates cyanide for reuse and improves overall reagent efficiency, reducing both chemical consumption and the need for additional water inputs.

4. Water is continuously recovered throughout the process. Thickeners, the water treatment plant, internal reclaim systems, and the paste backfill plant return surplus water back to the process plant. The transition to in-pit tailings deposition at Guajes West Pit further enhances water containment and recovery. Sedimentation ponds, stormwater ponds, and underdrain systems provide additional capacity during rainfall events and help maintain groundwater protection.

Together, these interconnected systems create an efficient, closed-loop water pathway that minimizes groundwater extraction, increases recycling and reuse, and supports the Company's commitment to responsible water stewardship.

Managing Seasonal Variability

Seasonal variability at the Morelos Complex is managed through a proactive water balance strategy and adaptive infrastructure designed for both wet and dry periods.

5. During the wet season, all contact water is captured and stored in designated ponds or the Guajes East Pit for later reuse in processing and dust suppression.

6. During the dry season, reliance on recycled and reclaimed water ensures operational continuity with minimal groundwater withdrawals. Real-time monitoring of pond levels, flow meters, and groundwater conditions supports compliance with environmental standards, adaptive management and informed decision-making throughout the year.

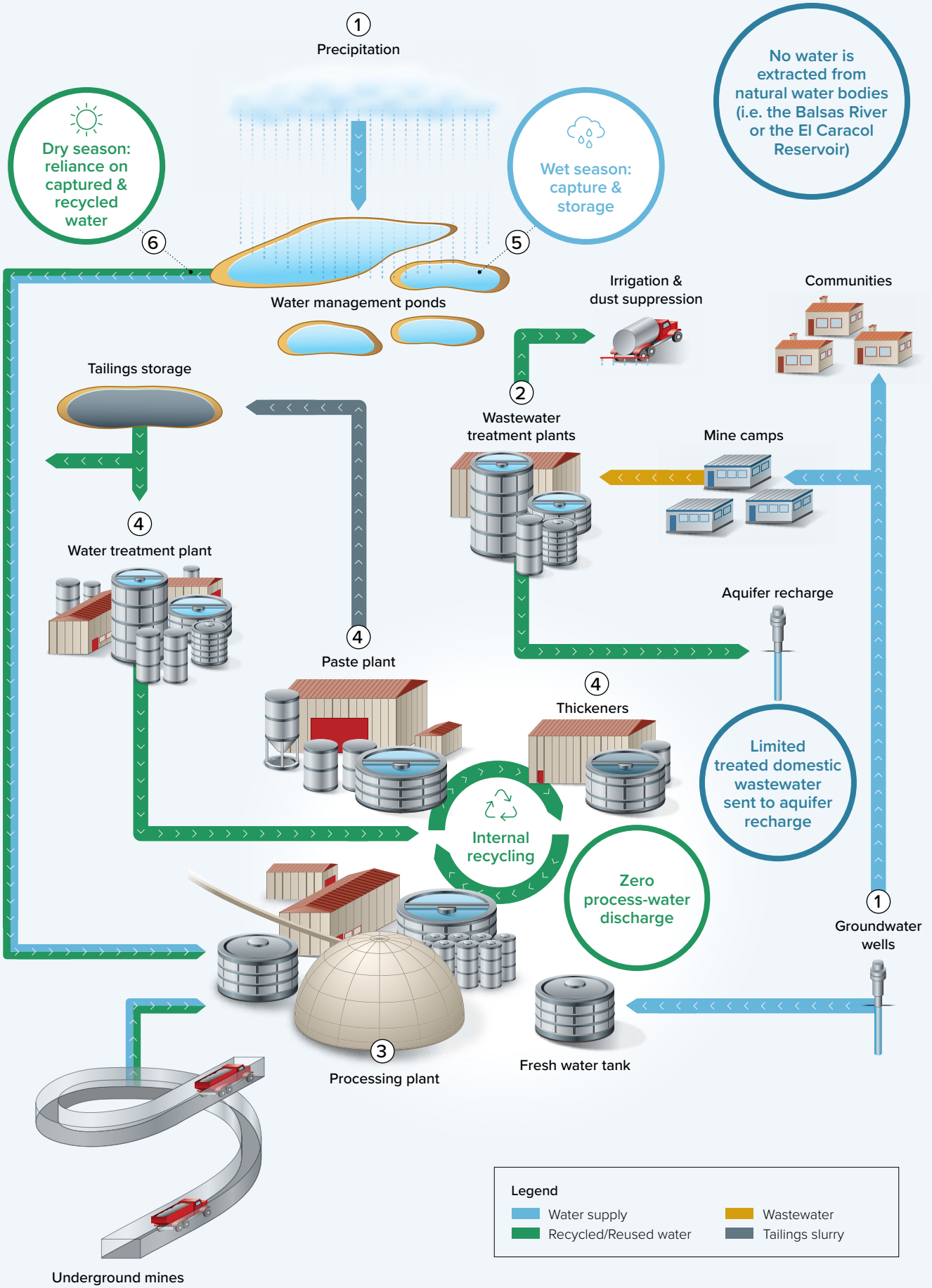
Water Quality Monitoring

We maintain a rigorous surface and groundwater monitoring program, originally designed to establish baseline conditions and now serving as a proactive measure to protect surrounding ecosystems and ensure compliance with our Environmental Impact Assessments (EIA).

Our operational monitoring network includes 74 surface and groundwater sampling points, enabling comprehensive analysis of water quality parameters such as field diagnostics, physicochemical properties, microbiological indicators, and dissolved metals.

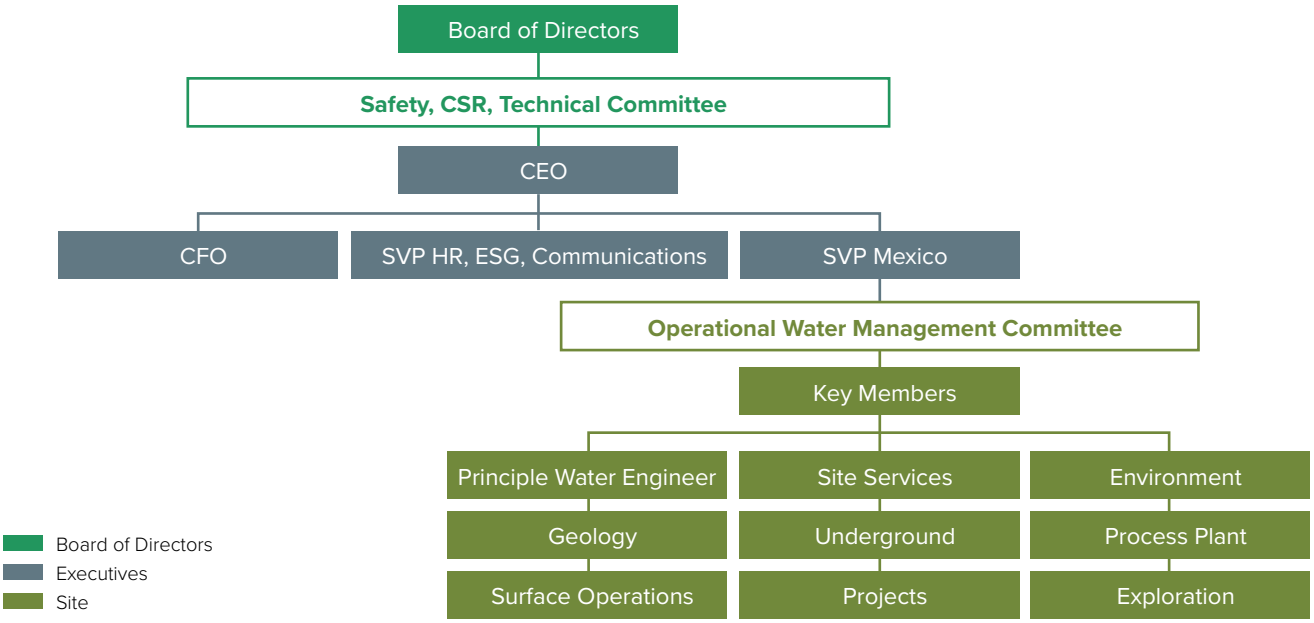
Our operations team conducts daily internal sampling to guide real-time decision-making. To validate these internal controls, we adhere to a strict Quality Assurance/Quality Control (QA/QC) protocol involving monthly third-party verification by a laboratory accredited by the Mexican Accreditation Entity (EMA) under standard ISO/IEC 17025. In 2024, this external program analyzed 399 samples, providing independent certification of our water management performance. Additional independent water quality monitoring is undertaken through a partnership with the Autonomous University of Guerrero (UAGro) through independent sampling at key locations, including the Balsas River and the El Caracol Reservoir, with results shared with the local fishing industry and community members.

Through rigorous monitoring and sound water management practices, we continue to achieve a record of zero significant water-related incidents and maintain full compliance with all applicable national water regulations.


1
Precipitation
No water is extracted from natural water bodies (i.e. the Balsas River or the El Caracol Reservoir)
Dry season: reliance on captured & recycled water
Wet season: capture & storage
6
5
Water management ponds
Irrigation & dust suppression
Communities
Tailings storage
2
Wastewater treatment plants
Mine camps
4
Water treatment plant
4
Paste plant
Aquifer recharge
4
Thickeners
Limited treated domestic wastewater sent to aquifer recharge
Internal recycling
Zero process-water discharge
1
Groundwater wells
3
Processing plant
Fresh water tank
Underground mines
Legend
Water supply
Recycled/Reused water
Wastewater
Tailings slurry

Governance, Compliance and Reporting

Governance



Board Oversight

Board-level oversight of water management and stewardship ensures that our approach to water management aligns with the Company's strategic objectives and contributes to long-term value creation. The Safety, Corporate Social Responsibility and Technical Committee of our Board of Directors (the "Committee") is entrusted with Board-level oversight of water-related issues. To maintain appropriate oversight, the Committee holds quarterly meetings, with water management as a standing topic for management-level reporting. Water-related targets and disclosures are approved by the full Board of Directors upon recommendation from the Committee.

Executive Accountability

The President and Chief Executive Officer ("CEO") has the highest level of accountability over water-related issues. The CEO is responsible for ensuring that water stewardship principles are embedded into the Company's evolving strategy, operations, and organizational structure. This includes approving corporate water targets, overseeing risk management, and supporting initiatives that advance water conservation and responsible use across the business.

Other members of the Executive Team play key roles in supporting this mandate. The Chief Financial Officer (CFO) integrates water considerations into the financial strategy, assessing associated risks and opportunities. The Senior Vice President of Human Resources, ESG, and Communications leads the Company's ESG strategy, including the integration of water-related goals and performance indicators into broader sustainability commitments. This role also oversees public ESG disclosures and continuous improvement in reporting and performance. Both positions report directly to the CEO.

Operational Accountability

Operational accountability for water management sits with the Senior Vice President, Mexico who oversees site-level implementation. The SVP Mexico reports directly to the CEO and is a member of the Executive Team. This role ensures compliance with all applicable legislation and maintains open communication with community members as well as Mexico's national water regulator, CONAGUA, and other regulatory authorities.

Day-to-day water management within site operations is administered though a structured multi-tiered system:

- The Environmental Team, led by the Environment Manager, works with various functions within the operations to execute water management plans. The team is accountable for ongoing water monitoring and reporting, as well as securing all necessary permits and approvals.
- The Principal Water Engineer is responsible for maintaining the site-wide water balance and ensuring technical accuracy in water data and modeling. This position is also accountable for reporting progress in water management implementation.
- The Operational Water Management Committee ("OWMC") is a cross-functional team comprising subject matter experts in plant and mine operations, environmental management, and water engineering, and coordinates implementation activities across the site to mitigate water risks and engage with stakeholders on catchment-based and site-based water issues.

This governance structure ensures clear lines of accountability from the site level to executive management and the Board of Directors.

Water Risk Management

Torex integrates water-related risks and opportunities into decision-making across the full mining lifecycle, from exploration and development through operations and closure, as well as at the corporate level for strategic planning. Water is recognized as a critical operational input and a key factor in maintaining our environmental and social license to operate.

Our approach begins with an Environmental and Social Impact Assessment (ESIA) to identify and evaluate water-related risks prior to project approval. These assessments are complemented by ongoing engagement with local communities, regulators, and other stakeholders to ensure that water use remains aligned with legal requirements, community expectations, and ESG commitments.

Water-related risks and opportunities are assessed using Torex's Enterprise Risk Management (ERM) Framework, which includes standardized processes for risk identification, assessment, mitigation and reporting. Risks are documented in the Corporate and Site Risk Registers, evaluated using the Torex Risk Rating Matrix, and reviewed annually to ensure alignment with strategic objectives and operational realities.

Our assessments are informed by internal expertise and external resources such as the World Resources Institute's Aqueduct platform, which helps evaluate regional water stress, quality, and regulatory conditions. At the corporate level, water risks are integrated into strategic risk discussions, ensuring cross-functional accountability and alignment with Torex's risk appetite and tolerance thresholds.

Water Risk Profile

Understanding regional water risks is essential to maintaining operational continuity and stakeholder trust. A regional water risk assessment, using the World Resource Institute's (WRI) Aqueduct Water Risk Atlas*, identified the Morelos Complex as operating in an area of low-medium overall water risk. While the region benefits from relatively stable water availability, seasonal variability and water quality represent moderate-to-high risks that require active management.

While the Company does not extract water from the Balsas River or the Caracol Reservoir, according to the WRI, the Company remains exposed to risks related to:

- Water Stress: The water stress level is "Low", with less than 10% of available water being utilized, which suggests a relatively stable water supply.
- Seasonal Variability: Rated as "Medium-High", seasonal variability indicates significant fluctuations in water availability throughout the year.
- Drought Risk: The drought risk is assessed as "Medium", highlighting a moderate likelihood of drought conditions occurring in the region.
- Water Quality Risk: Rated as "Medium-High", due to variable treatment rates within the regional watershed, indicating potential challenges in maintaining water quality standards
- Regulatory and Reputational Risks: Rated as "Medium-High", reflecting ongoing governance challenges, evolving regulations, and regional inequities in access to safe water and sanitation.

Through an integrated and closed-loop system that connects ELG and Media Luna, Torex mitigates these risks by maximizing water recycling and reuse, reducing groundwater withdrawals, and maintaining adaptive infrastructure capable of responding to climatic changes. The Company's water strategy builds resilience through diversified sources, real-time monitoring, and strong engagement with local water users.

* For a complete description of the WRI Aqueduct methodology and indicators, see www.wri.org/aqueduct.

Torex's Operational-Based Risks

Through our most recent assessment, six priority water risks were identified as having material potential to impact operational continuity, regulatory compliance, and stakeholder relationships. These risks are monitored across the Morelos Complex, with mitigation plans tracked and updated in alignment with the Company's risk assessment criteria and residual risk escalation protocols.

Risk Type	Potential Impacts	Mitigation Efforts
Physical Risks		
Water Security	Water scarcity and increased competition for water resources in Guerrero, intensified by climate variability, may limit availability for operations and communities.	• Expand recycling and reuse water systems to reduce water consumption • Maintain Site-Wide Water Balance to manage water under various precipitation scenarios • Invest in treatment infrastructure to increase use of recycled water • Engage communities to address shared water needs and concerns
Water Supply System Reliability	Over-extraction or aging infrastructure failure (pipelines, pumps, or wells) could disrupt water supply and reduce wellfield sustainability. Climate extremes could further threaten reliability.	• Conduct regular risk assessments and contingency planning • Upgrade and expand water infrastructure to meet future demands • Diversify water sources to enhance system reliability • Monitor pumping rates at the Atzcala and San Miguel Wells • Apply groundwater modeling to evaluate long-term sustainability • Reinforce infrastructure to withstand extreme weather events
Extreme Weather & Dewatering	Intense rainfall can overwhelm drainage systems, flood pits, or underground workings, damage infrastructure, or alter groundwater flows.	• Maintain sediment ponds, barriers and drainage systems to manage stormwater • Apply erosion and sediment control practices • Operate real-time weather and water level monitoring systems • Reuse mine dewater for operational purposes
Water Quality	Contaminated water could impact ecosystems and communities, harming biodiversity or causing regulatory non-compliance. Risks include acid rock drainage, sedimentation, chemical spills and tailings seepage.	• Establish baseline conditions and review potential impacts to manage water quality effectively • Maintain robust tailings and water management infrastructure • Operate sediment ponds and filtration systems to prevent discharges • Monitor water quality with stakeholder collaboration and regular reporting of water quality data • Apply the International Cyanide Management Code • Recycle and reuse process water to achieve zero discharge
Regulatory Risks		
Regulatory & Market Dynamics	Evolving water laws, increased scrutiny, and ESG expectations could restrict usage rights or trigger penalties for non-compliance	• Maintain compliance with Mexico's National Water Law under CONAGUA oversight • Align management systems with new Mining Law Reform requirements in Mexico • Strengthen pollution prevention and containment systems • Comply with global best practice sustainability frameworks such as ICMM and the new Consolidated Mining Standard Initiative • Maintain transparent engagement with local communities and government agencies
Social Risks		
Community Water Access and Social Licence to Operate	Limited water access in nearby communities could lead to social tensions, opposition, or reputational impacts if water needs are perceived as inequitable.	• Invest in shared water infrastructure • Support collaborative monitoring initiatives with local communities and academic partners • Engage in transparent dialogue to align on shared resource use • Enhance efficiency and recycling to reduce water competition

Each risk is assessed for impact, likelihood, and controls effectiveness, with residual ratings used to determine escalation and resource allocation. Risks with significant or critical residual scores are reported to the Executive leadership and the Board, in accordance with the Company's ERM protocol.

Infrastructure Resilience and Climate Adaptation

In addition to the six primary water-related risks, Torex recognizes the growing threat posed by the increasing frequency and intensity of extreme weather events, particularly heavy rainfall and flooding. While operations at the Morelos Complex have remained stable with no material disruptions to date, climate variability presents an evolving risk that requires proactive and adaptive management.

To mitigate these risks, Torex has implemented a suite of resilience-focused measures, including:

- Engineering tailings storage and water management infrastructure to withstand extreme hydrological events and ensure containment integrity
- Enhancing real-time weather forecasting and early weather warning systems to support operational readiness and decision-making
- Maintaining and testing emergency response plans to ensure preparedness for flooding related scenarios.

Constructed Wetland Wastewater Treatment System serving the El Limón community

Community and Stakeholder Collaboration

In 2025, Torex committed

MXN 80M

to support the rehabilitation of the Paso Limonero wastewater treatment plant in Acapulco

The upgraded facility will improve wastewater treatment capacity for

~50,000

residents across more than 30 local neighborhoods

Torex recognizes that access to water is a fundamental human right and an essential requirement for healthy ecosystems. The Company is committed to managing water responsibly and protecting the quality of water resources for all users in the region surrounding the Morelos Complex. Engagement with government authorities is ongoing throughout the year and includes inspections, reporting, and technical dialogue related to hydrology, water quality, and environmental performance. These interactions help ensure that water management practices meet regulatory expectations and reflect current regional conditions.

Torex maintains open communication with nearby communities through regular dialogue with local leadership. These interactions provide updates on water-related matters, environmental monitoring, and operational activities that may be of interest to residents. Community meetings, information sessions, and site visits support transparent communication and allow questions or concerns to be addressed in a timely manner.

Torex also participates in broader regional initiatives that strengthen access to clean water and sanitation services beyond the Morelos Complex. By supporting infrastructure recovery and improvement efforts in areas affected by extreme weather events and other challenges, the Company contributes to long-term water security in the state of Guerrero.

Taken together, regulatory engagement, community dialogue, and academic partnerships form the core of Torex's approach to shared water stewardship. These relationships promote transparency, support accountability, and help create long-term social and environmental value for the region.

Renewal ceremony for the Río Balsas del Sur Fishing Cooperative permit, Balsas Sur, Guerrero (November 2025)

Case Study: Water Monitoring Partnership with UAGro

Torex maintains an environmental monitoring partnership with the Autonomous University of Guerrero to support independent oversight of local water conditions near the Morelos Complex. Under this collaboration, UAGro conducts water quality sampling and analysis at key locations, including the Balsas River and the El Caracol Reservoir, and shares the results with community representatives and government authorities. The monitoring conducted by UAGro provides a robust, independent dataset that informs environmental management. UAGro's involvement adds scientific rigor, enhances regulatory transparency, and strengthens stakeholder confidence in the Company's commitment to responsible water stewardship.

UAGro Field Technician preparing a water sample for laboratory analysis on the Río Balsas (July 2025)

Independent Water Quality Sampling undertaken by the UAGro (July 2025)

Rehabilitating the Paso Limonero Wastewater Treatment Plant in Acapulco

In 2025, Torex committed MXN 80 million to support the rehabilitation of the Paso Limonero wastewater treatment plant in Acapulco. The plant sustained damage following the impacts of Hurricane Otis in October 2023 and Hurricane John in September 2024, both of which caused widespread destruction across Guerrero State. The project is being carried out in collaboration with municipal authorities and forms part of broader regional efforts to strengthen essential water and sanitation infrastructure. Once completed, the upgraded facility will improve wastewater treatment capacity for approximately 50,000 residents across more than 30 local neighborhoods. The initiative will help restore reliable sanitation services, reduce untreated discharges, and improve water quality conditions in one of Guerrero's most populated coastal areas. By contributing to the recovery and modernization of critical public infrastructure, Torex is helping advance regional water security and demonstrating its commitment to supporting communities beyond the immediate vicinity of its operations.

Paso Limonero Wastewater Treatment Plant Infrastructure

Community gathering with municipal and federal representatives during the announcement of the Paso Limonero rehabilitation project, Acapulco (November 2025)

Innovation and Continuous Improvement

Torex continues to strengthen water stewardship through innovation, monitoring, and ongoing efficiency improvements across the Morelos Complex. The 2024 operational baseline provides the reference point for future planning and includes both water withdrawal and recycling performance. In 2024, operational water demand totaled 4,926 ML, of which 2,114 ML was withdrawn from surface water and groundwater sources and 2,973 ML was supplied through recycled or reused water. This resulted in a recycling and reuse rate of 58% and total water consumption of 2,053 thousand cubic metres.

Water Quality Sampling at Pond 2

2024 Operational Water Baseline

Indicator	2024 Value (ML)
Operational water demand	4,926
Water recycled and reused	2,973
Total water withdrawn	2,114
Consumption	2,053
Recycling and reuse rate	58%

As Media Luna ramps up and Media Luna North development advances, overall water demand for the Morelos Complex will increase. Updated water balance projections developed for beyond the 2024 baseline year indicate that operational water demand will rise to approximately 13,800 ML once Media Luna and Media Luna North are fully integrated. Despite this increase, total water withdrawal is projected to rise only modestly, due to the significant volume of recycled water available within the integrated system.

To support these future requirements, Media Luna was intentionally designed for the operational water demand to be met with reused and recycled water rather than increased water withdrawals.

Continuous improvement also includes expanding the reuse of treated domestic wastewater. Treated effluent that was previously discharged is now used for dust suppression, irrigation and reforestation activities, and selected industrial applications. Additional reuse routes are being evaluated to support both wet season and dry season needs. Increasing beneficial reuse strengthens operational water efficiency and supports broader regional resilience.

Ongoing enhancements in real-time monitoring, hydrological forecasting, and water balance modeling contribute to improved reliability across the system. Together, these measures provide a strong foundation for achieving Torex's water targets and for managing increasing water needs responsibly as the Morelos Complex grows.

Projected Operational Water Demand (ELG + Media Luna + Media Luna North)

Based on water balance modelling beyond baseline year

Indicator	Projected Value (ML)
Operational water demand	13,800
Water recycled and reused	11,500
Total water withdrawn	2,400
Consumption	2,300

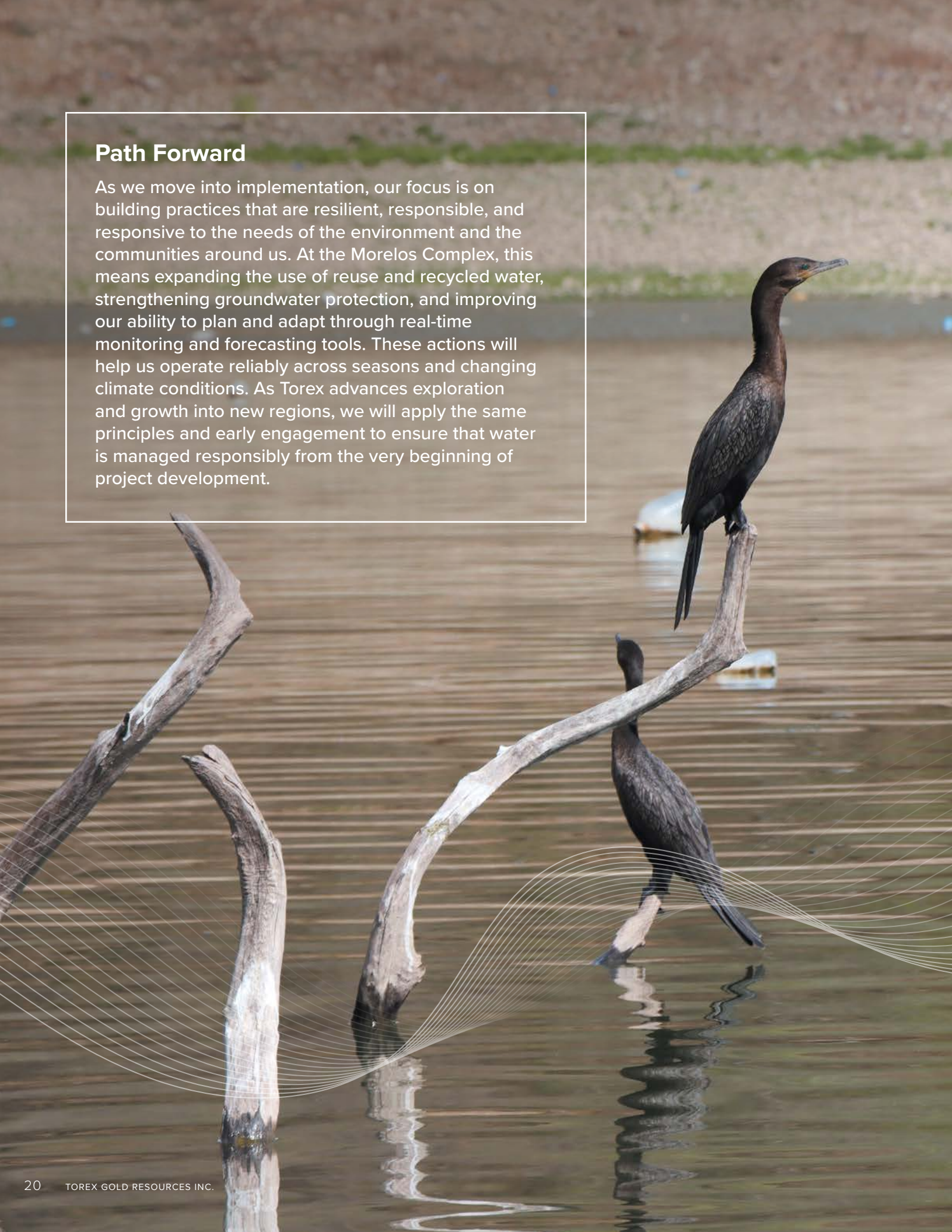
Water Stewardship and Conservation Targets

The following targets translate the strategy into measurable action at the site level. They reflect both the opportunities and challenges within the Morelos Complex and establish a clear pathway for continued improvement in recycling, reuse, groundwater protection, and collaborative water management. As new projects advance, lessons learned and approaches proven at the Morelos Complex will inform the implementation of this strategy across the broader Torex portfolio.

Strategic Priority	Objective	Timeline	Purpose	Action Plan
Reliable, Efficient and Safe Water Use 	Target: Achieve at least 80% of total water reused and recycled against 2024 baseline (58%)	**Annually**	Ensures growing water needs are met without increasing withdrawals; maintains zero process-water discharge	Expand reuse opportunities, prioritize use of captured water from the wet-season in ponds, optimize site-wide water balance and routing. Leverage the intentional design of Media Luna which was engineered specifically for efficient water use.
	Target: recycle 60% of treated domestic wastewater from 2024 baseline (0%)	**2030**	Reduces discharge and provides water for dust control, irrigation and reforestation activities, and plant operations	Upgrade wastewater treatment plant reuse connections, build irrigation/dust suppression reuse network, seasonal aquifer recharge
	Target: limit groundwater withdrawals to less than 50% of total water withdrawn (under normal operating conditions)	**2030**	Protects aquifer health and ensures long-term water security	Prioritize pond/contact water, reserve groundwater for dry season use
Governance, Compliance and Reporting 	Maintain 100% compliance with all local and national water regulations	**Annually**	Ensures operational continuity and credibility.	Ongoing compliance monitoring, internal audits, staff training, active regulatory engagement
	Continue implementation of the ICMM Water Stewardship Framework	**Annually**	Provides a globally recognized system for performance and transparency.	Align indicators to ICMM, enhance data systems, verify performance through third-party review.
Community and Stakeholder Collaboration 	Establish long-term partnerships, in jurisdictions where we've grown, with local water authorities, communities, and academic institutions	**Ongoing**	Strengthens shared water security and helps mitigate potential community tensions.	Co-develop water projects, expand participatory monitoring, create shared education & conservation initiatives
Innovation and Continuous Improvement 	Expand real-time monitoring and maintain dynamic site-wide water balance	**Ongoing**	Enables proactive management and reduced losses.	Add sensors and flow meters, integrate automated dashboards, refine real-time response protocols

Path Forward

As we move into implementation, our focus is on building practices that are resilient, responsible, and responsive to the needs of the environment and the communities around us. At the Morelos Complex, this means expanding the use of reuse and recycled water, strengthening groundwater protection, and improving our ability to plan and adapt through real-time monitoring and forecasting tools. These actions will help us operate reliably across seasons and changing climate conditions. As Torex advances exploration and growth into new regions, we will apply the same principles and early engagement to ensure that water is managed responsibly from the very beginning of project development.



Appendix

Cautionary Notes

This report contains “forward-looking statements” and “forward-looking information” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian securities legislation. Forward-Looking Information includes, but is not limited to, statements regarding the Company’s commitment to responsible water stewardship, including treating water as a shared and essential resource, addressing responsible and efficient water management as a core component of our approach to responsible mining, and protecting the quality of water resources for our host communities; the Company’s commitments to minimize water use and maximize recycling and reuse at all stages of our operations, and to use water in a way that is socially equitable, environmentally sustainable, and economically beneficial; 2030 water stewardship and conservation targets, including targets with respect to total water reused, recycling of treated domestic wastewater, and limitations on groundwater withdrawals; strategic priorities, including community and stakeholder collaboration, and innovation and continuous improvement; expected life of mine and mining rates at Media Luna; timelines with respect to Media Luna North production; the ability to sustain production levels of 420,000–470,000 ounces of gold-equivalent production well beyond 2030; projected increases in operational water demand to be met with an increase in water reused and water recycled, with minimal variation in total water withdrawal and water consumption. Generally, Forward-Looking Information can be identified by the use of forward-looking terminology such as “aim”, “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes”, “goal”, “strategy” or “potential” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “commitment to” or “will be taken”, “occur”, or “be achieved”. Forward-Looking Information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such Forward-Looking Information, including, without limitation, risk associated with the ability to accurately identify and assess issues that are important to stakeholders and the ability to identify, assess, mitigate and monitor risks to the enterprise and those risk factors identified in this report under the headings “Water Risk Management” and “Torex’s Operational-Based Risks”, the Company’s technical report (the “Technical Report”) entitled “NI 43-101 Technical Report ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study”, which has an effective date of March 16, 2022, the Company’s annual information form (“AIF”) and management’s discussion and analysis for the year ended December 31, 2025 (“MD&A”). Forward-Looking Information is based on the assumptions discussed in the Technical Report, AIF and MD&A and such other reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the Forward-Looking Information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on Forward-Looking Information. The Company does not undertake to update any Forward-Looking Information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws. The Technical Report, AIF, and MD&A are filed on SEDAR+ at www.sedarplus.ca and on the Company’s website at www.torexgold.com.

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