Torex Gold
RESOURCES INC.

TSX: TXG

September 27, 2018

Torex Site Visit
Torex's Management System – Jason Simpson

Consistent delivery of gold over time

Creating a Productive Culture

A team is a group of people with a common purpose...

Ineffective Team

- confused purpose + no game plan

- no role clarity + limited skills.

Effective Team

- common purpose + game plan

- clear roles + skills.

...who must interact with each other to reach a goal

The work of leadership is to define "The way we do things"

Business Process Framework (BPF): 4 Elements

*The cycle of the BPF process will seem familiar...*

OPERATIONAL PLANNING

WORK MANAGEMENT

Business Process Framework

ANALYZE & IMPROVE

MEASURE

...but the application is much more regimented

Why Business Process Framework?

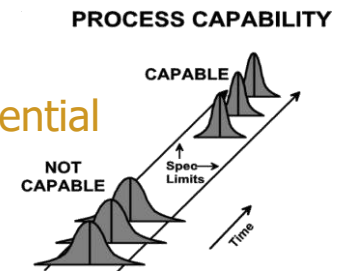## Set achievable expectations for the business...

STABILITY

- Surprises arise from unanticipated conditions and actions

- Surprises destroy predictions
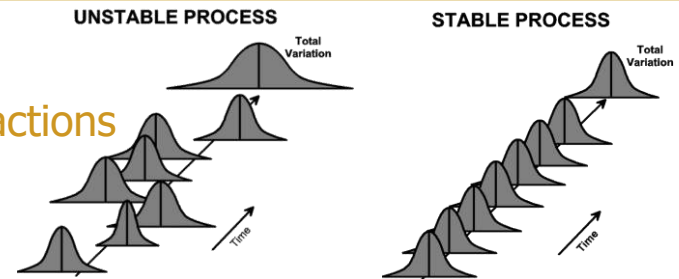
VARIATION

- All processes have variation which causes performance below the potential

- It is produced by variation at the input or within a process

CLARITY

- Clarity of inputs, conditions, theory to achieve a purpose

- Clarity of role

...deliver on those expectations consistently

In the Word's of Fred

"Management systems (e.g. BPF) help us understand how we need to organize work – in particular, it helps each of you understand the role you need to play in planning, executing and improving."

"Management systems also take away an individual's discretion. We put boundaries and very clear expectations in place. We no longer reward fire fighting. We reward stability and predictability – 'boring'. Instead – we tap into individual's contributions to problem solving and improvement."
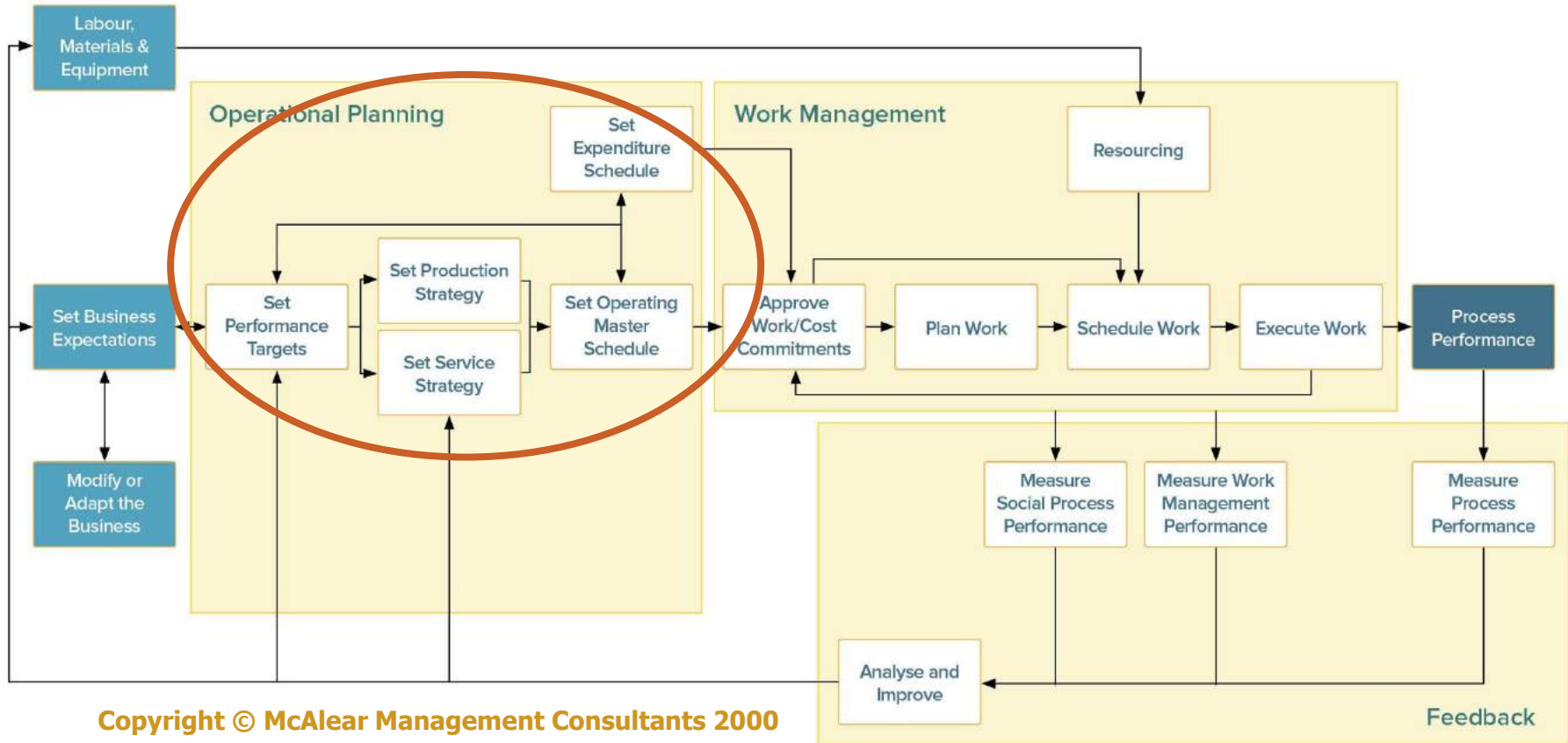
The Summary BPF Flowsheet

There are 181 'boxes' in the complete BPF flowsheet...

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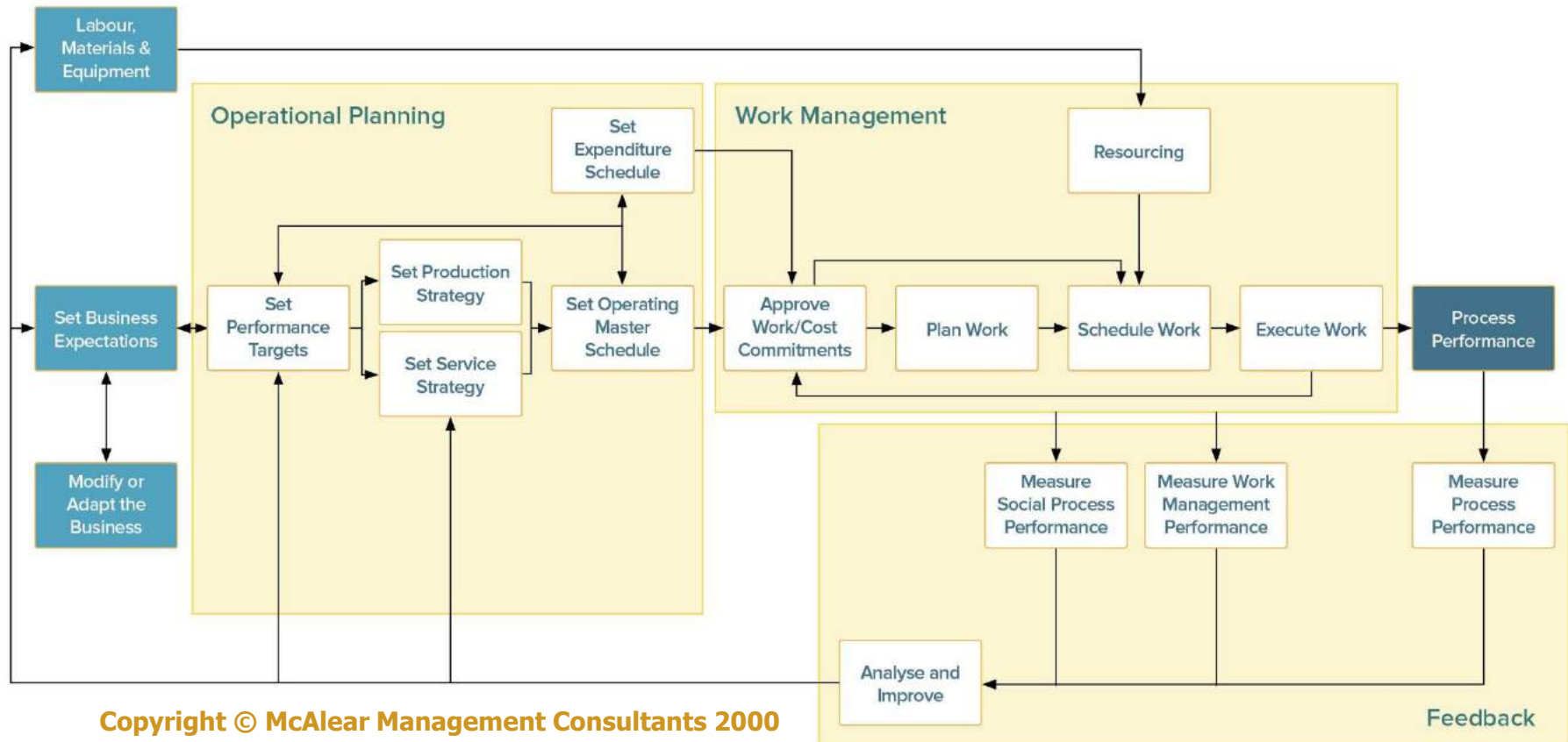
...each with a detailed task assignment

Operational Planning

To specify the most cost effective way...

Labour, Materials & Equipment

Operational Planning

Set Expenditure Schedule

Work Management

Resourcing

Set Business Expectations

Set Performance Targets

Set Production Strategy

Set Service Strategy

Set Operating Master Schedule

Approve Work/Cost Commitments

Plan Work

Schedule Work

Execute Work

Process Performance

Modify or Adapt the Business

Measure Social Process Performance

Measure Work Management Performance

Measure Process Performance

Analyse and Improve

Feedback

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...to operate a process

Work Management

To reliably deliver...
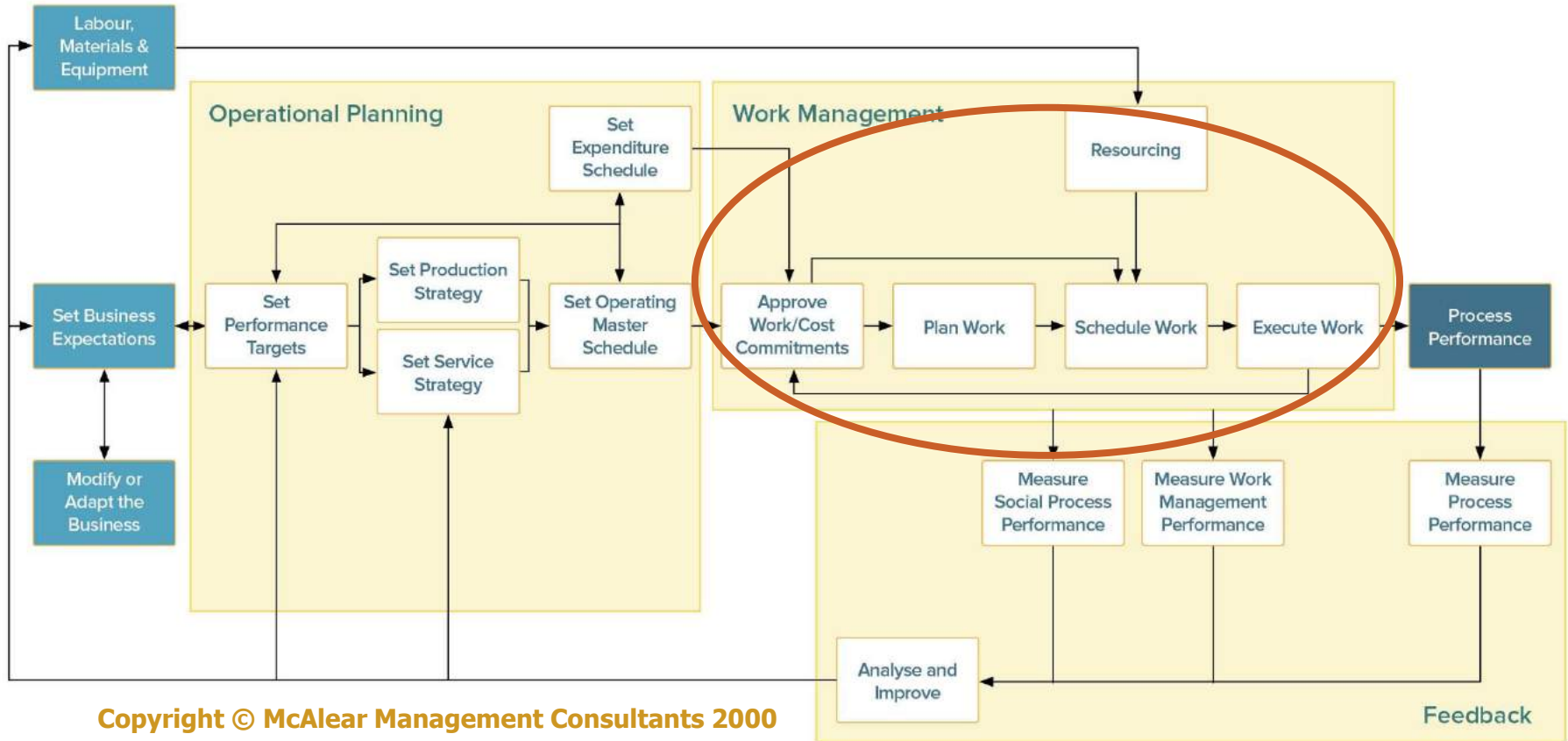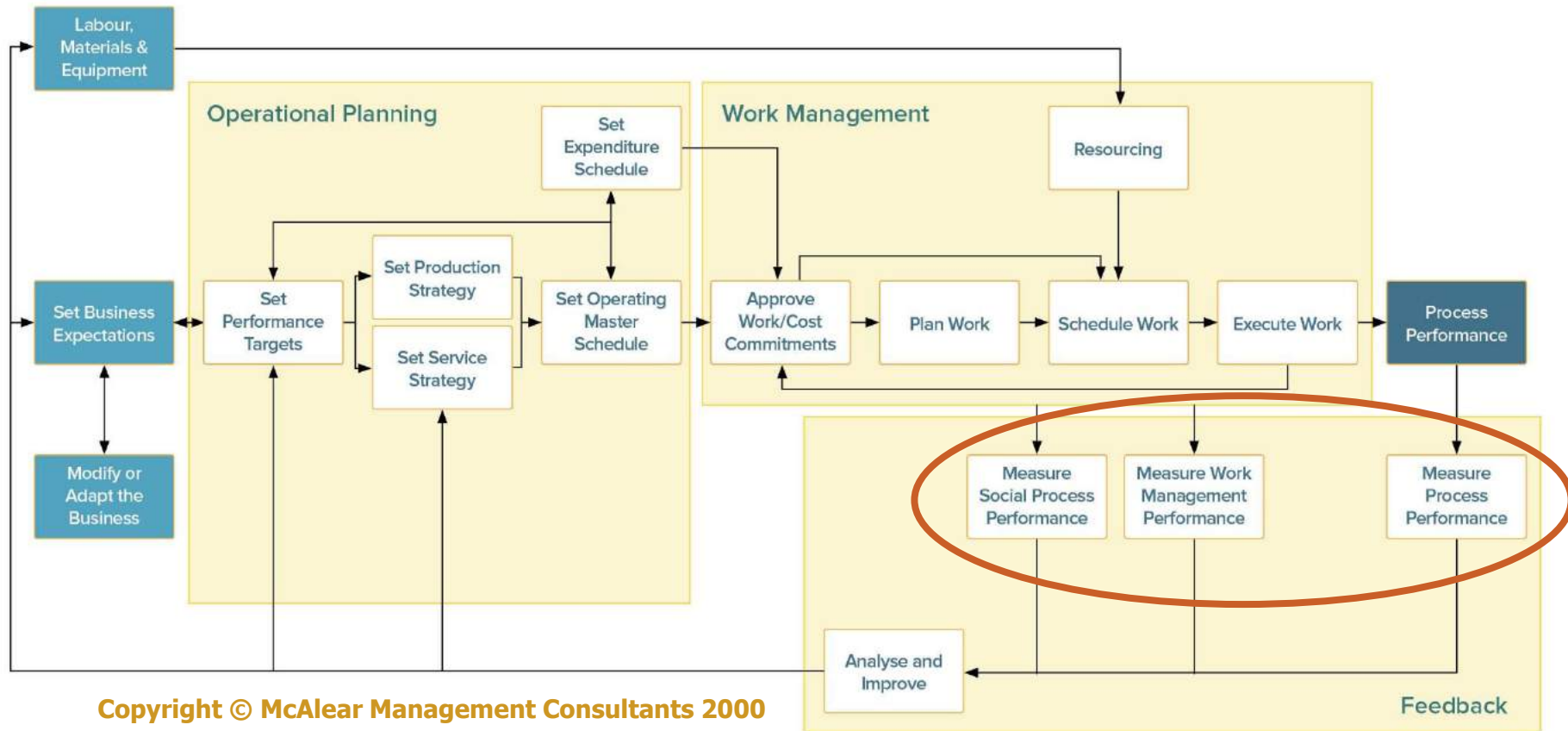

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...the right work

Feedback – Measure

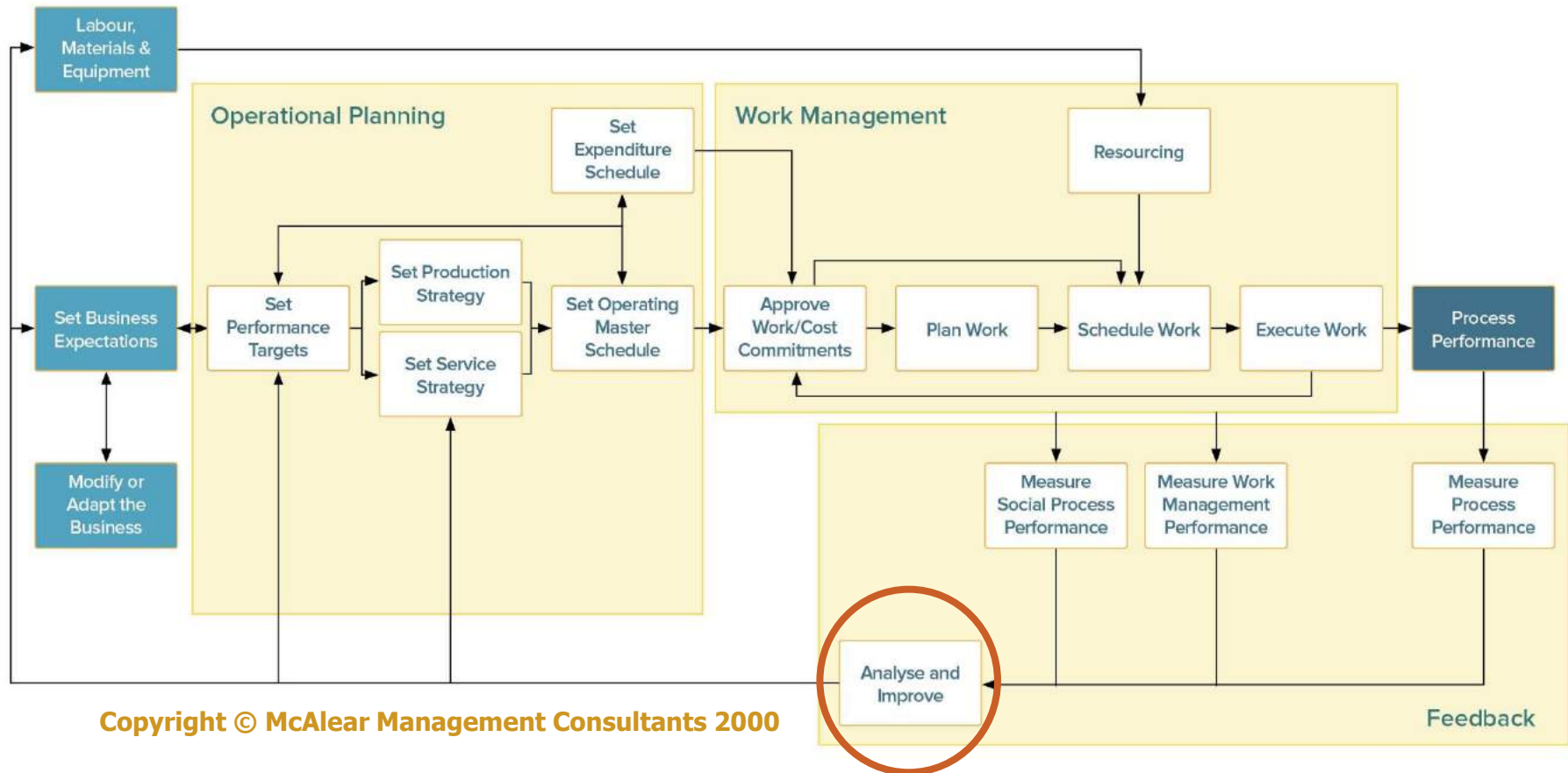## *To indicate when an intervention...*

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...intervention in the process may be required
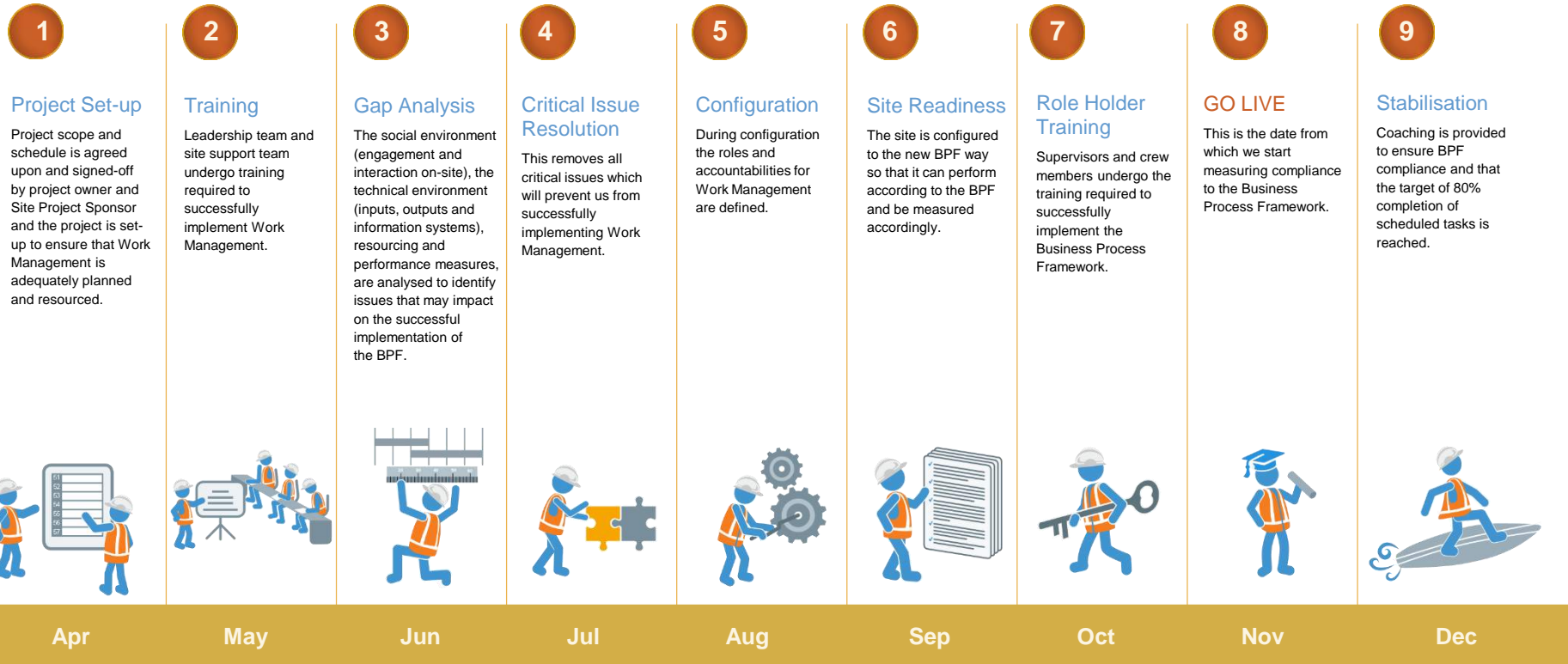
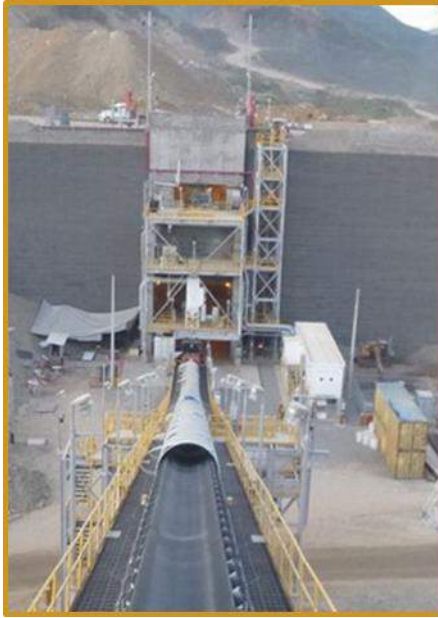# Feedback – Analyse & Improve

To respond correctly...

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...to measurement data

The Implementation Pathway

Building a world class company takes time and effort...

1 Project Set-up

Project scope and schedule is agreed upon and signed-off by project owner and Site Project Sponsor and the project is set-up to ensure that Work Management is adequately planned and resourced.

2 Training

Leadership team and site support team undergo training required to successfully implement Work Management.

3 Gap Analysis

The social environment (engagement and interaction on-site), the technical environment (inputs, outputs and information systems), resourcing and performance measures, are analysed to identify issues that may impact on the successful implementation of the BPF.

4 Critical Issue Resolution

This removes all critical issues which will prevent us from successfully implementing Work Management.

5 Configuration

During configuration the roles and accountabilities for Work Management are defined.

6 Site Readiness

The site is configured to the new BPF way so that it can perform according to the BPF and be measured accordingly.

7 Role Holder Training

Supervisors and crew members undergo the training required to successfully implement the Business Process Framework.

8 GO LIVE

This is the date from which we start measuring compliance to the Business Process Framework.

9 Stabilisation

Coaching is provided to ensure BPF compliance and that the target of 80% completion of scheduled tasks is reached.

| Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |

...we are now on step 8!

Consistently delivering gold over time.

QUESTIONS?