



**Torex<sup>®</sup>Gold**

**RESOURCES INC.**

TSX: TXG

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*Financing & Construction Update*

# Safe Harbour Statement

This presentation contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, without limitation, information regarding the estimated capital costs to complete the El Limón and Guajes project (the "Project"), the expected date of completion, commissioning and start-up of the mine and processing facilities of the Project and expected revenues from operations and pre-production processing costs, the further advances of funds pursuant to the debt facility (which are subject to certain customary conditions precedent), the use thereof, the expected timing and receipt of other sources of funds including without limitation the value-added tax refunds, working capital estimate, expectation that the Project will be profitable with positive economics, recoveries, grades, metal production, receipt of all approvals, parameters and assumptions underlying the financial analysis, and gold prices. Generally, forward-looking information can be identified by the use of terminology such as "will", "plans", "expects", "estimates", "intends", "anticipates", "believes" "potential", "project", predict or variations of such words or statements that certain actions, events or results "may", "could", "would", "might", "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 Company's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such information, including, without limitation, risks related to development, mining, future commodity prices, future processing and operating costs, availability and performance of construction contractors, suppliers and consultants, market conditions, safety and security, access to the mineral project, actual results not being consistent with expectations or unexpected events and delays, timing and amount of production not being realized, and financial analyses being incorrect, governmental regulation, and risk factors disclosed in the Company's current annual information form and management's discussion and analysis. Forward-looking information is based on 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 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 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, except in accordance with applicable securities laws.

# MONEY – How Close To The Line Are We?

***If we spend all of the contingency and keep....***

<b>Remaining Project Costs</b> (from March 31, 2015 in \$USD millions)	<b>Project Costs to First Gold Year end (Y/E)</b>	<b>Project Costs from First Gold to Commercial Production</b>	<b>Total Remaining Project Costs to Commercial Production</b>
<b>Plant Construction (includes Ropecon)</b>	<b>182</b>	<b>20</b>	<b>202</b>
<b>Mining (includes pre-strip, equipment, roads)</b>	<b>38</b>	<b>22</b>	<b>60</b>
<b>Preproduction Processing Costs (Includes G&amp;A)</b>	<b>2</b>	<b>30</b>	<b>32</b>
<b>Owners Costs (includes capitalized G&amp;A &amp; first fill)</b>	<b>11</b>	<b>2</b>	<b>13</b>
<b>Total Development Capital</b>	<b>233</b>	<b>74</b>	<b>307</b>
<b>Contingency</b>	<b>43</b>		<b>43</b>
<b>Debt Facility Costs</b>	<b>12</b>	<b>10</b>	<b>22</b>
<b>Corporate Costs</b>	<b>14</b>	<b>6</b>	<b>20</b>
<b>Project VAT</b>	<b>24</b>	<b>10</b>	<b>34</b>
<b>Working Capital</b>		<b>50</b>	<b>50</b>
<b>Total Remaining Costs</b>	<b>326</b>	<b>150</b>	<b>476</b>

***...\$50M for working capital (WC), we need \$476M***

# Projected Sources Are \$81M Above Expected Uses



***If we spent all of the contingency by first gold (Y/E)...***

<b>TOTAL SOURCES (from March 31, 2015 in \$USD millions)</b>	
<b><i>Reliable Sources</i></b>	
Cash on hand	102
Restricted Cash	30
Project Financing available	220
	<hr/>
	352
<b><i>Less Structured Sources</i></b>	
Pre-commerical production revenue	100
Project to Date VAT	46
Project to come VAT	34
Leasing	25
	<hr/>
	205
Total Sources	<hr/>
	557

***...reliable sources leave us with \$26M after a \$326M spend***

# If All Contingency Spent, Forecast A \$26M Y/E Cushion

***After year end we need \$100M + \$50M WC...***

<b>TOTAL SOURCES (in \$USD millions)</b>	
<b><i>Reliable Sources</i></b>	
Cash on hand remaining	26
	<hr/>
	26
<b><i>Less Structured Sources</i></b>	
Pre-commerical production revenue	100
Project to Date VAT	46
Project to come VAT	34
Leasing	25
	<hr/>
	205
<b>Total Sources</b>	<b>231</b>

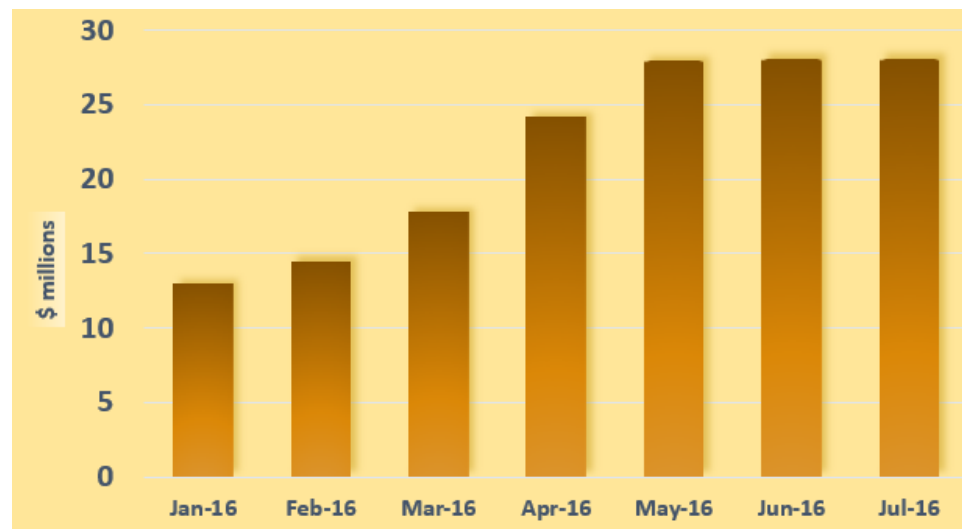
***...in the 'predicted' world, we have a cushion of \$81M***

# Sometimes The World Is Not Predictable...

***What are the risks that we have <\$81M cushion...***

## Estimated Pre-commercial Production Revenue

- 90,000 ounces
- \$1,200 per ounce
- A one month delay pushes \$28M of revenue out beyond the project period
- Starting up a month early brings \$28M of revenue into the project period
- Changes in the ramp up curve are likely to have less of an impact
- \$50M of working capital is not included in the \$81M 'cushion'



***...and the opportunities that could gives us >\$81M***

# VAT Is A Challenge, But Manageable

***A worst case VAT outcome, still leaves us \$50M...***

## **Estimated VAT Recovery**

- **If we receive none of the VAT back during the project period our 'cushion' above the \$50M working capital would be gone**
- **This presumes that we spend all of the contingency. Any unspent contingency would be added to the working capital**
- **We have done the hard work of getting the VAT repayment cycle started**
- **Two payments have been received to date for a total of \$11.8M**
- **The process is underway, it is difficult, but given what has been accomplished to date, during the project period, we expect to receive the bulk of what we are owed**

***...of WC to ramp up and finish final bits of construction***

# The money is being put to good use, mining is tracking ahead of schedule. (This ridge is still in waste)





# Work is finishing up on the primary crusher, the belt goes on this stacker conveyor this week



# This is the SAG Mill, it is ready for rubber lining. The Ball Mill is ready for its steel liners



# The Mill Building is getting prepped for siding and the roof. The overhead crane goes in first, in prep now.



**Processing construction is a beehive of activity. The two leach tanks at the back are at full height.**



# Electrical work is well advanced with connection to the grid expected before the end of July



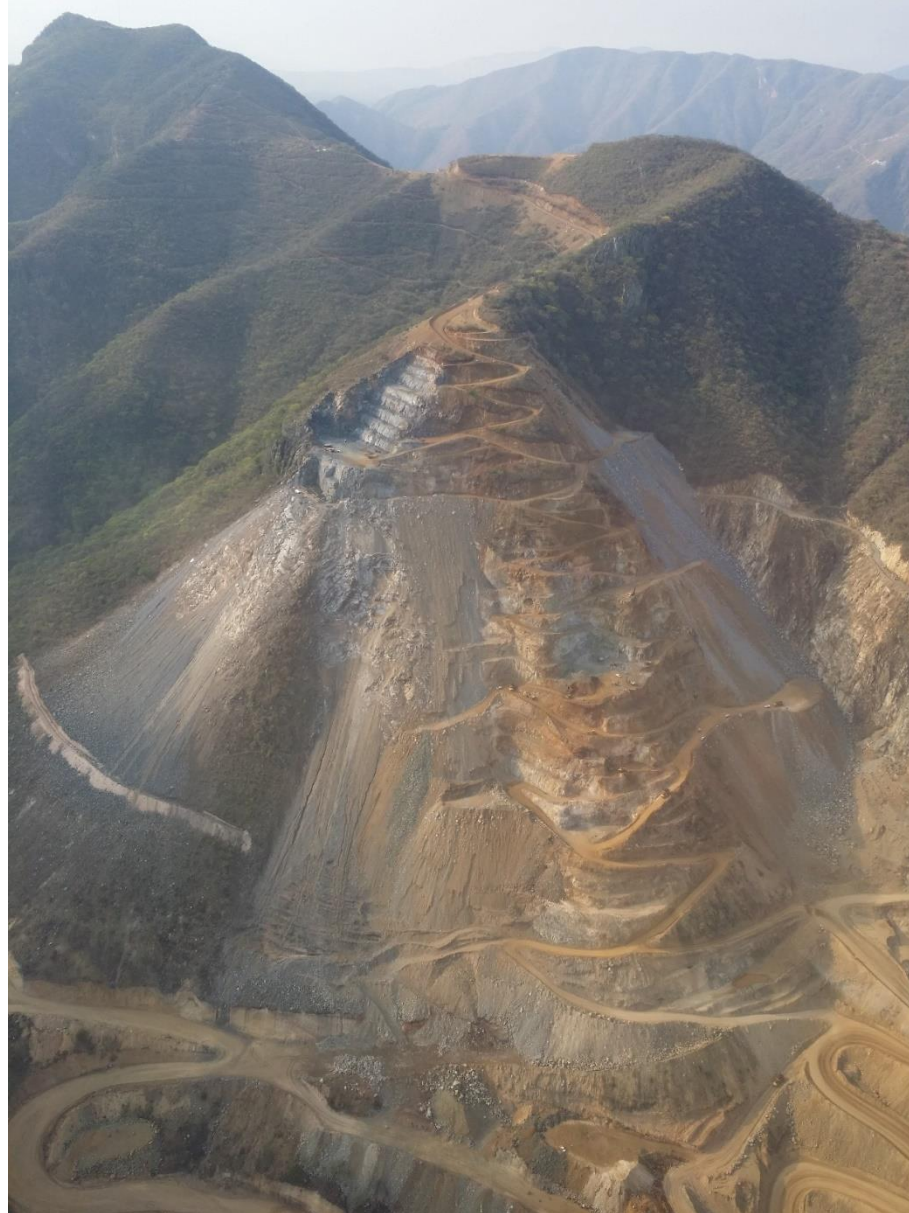
# At the filter building, steel and equipment are being installed simultaneously. First roof truss is erected,



# The next big milestone is the relocation of the village, which will start in late June / Early July



# The second pit is being prepared for production. The upper notch is for the truck dump, crusher, & Ropecon





# At the lower edge of the 'notch' the first concrete pour for the crusher and Ropecon took place on May 24<sup>th</sup>



**Over a 16 hour period, 30 concrete trucks delivered 873 m<sup>3</sup> of concrete to the top of the mountain.**



**The 873 m<sup>3</sup> of concrete were successfully placed, without incident, and as per plan and schedule.**



# Ramp-up preparations are also advancing nicely. Risks are identified as are controlling action plans.

## Ramp-Up Risk Elements for Guajes-El Limon (11 May 15\_Rev.01)

### Key Over Performance Considerations:

- Relatively simple flowsheet with standard equipment and processes
- Robust design
- Increasing stockpile inventory

#	Risk Description	Mgmt Strategy	Actions
1	Safety: The site will be slowly transitioning from construction to the pressures of a ramp-up with a relatively inexperienced team.	<ul style="list-style-type: none"> <li>• Training Program Implemented.</li> <li>• Additional safety leadership present during all phases of ramp-up.</li> <li>• Extreme clarity on lock-out and tag-out requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Review training program against schedule.</li> <li>• Develop a training map to help us understand needs for specific areas.</li> <li>• Determine additional dedicated safety resources/leadership during the ramp-up</li> </ul>
2	Personnel Experience: Operator and Maintainer Inexperience	<ul style="list-style-type: none"> <li>• Recruitment and training strategy consistent with First Feed requirements and schedule is key.</li> </ul>	<ul style="list-style-type: none"> <li>• Review recruitment strategy in light of recent schedule modification</li> <li>• Examine handoffs of Areas as soon as possible</li> <li>• Determine what additional resources are require to complement the team's bench strength.</li> </ul>
3	Design and Installation Issues: Issues which affect system functionality and performance.	<ul style="list-style-type: none"> <li>• Take a phased approach to startup in order to drive commissioning and to drive OT readiness.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop phased approach for startup (Phase 1 – Phase 7)</li> <li>• Contract in place for vibration monitoring during startup and establishment of baseline vibration signatures.</li> </ul>
4	Insufficient Information Regarding Stockpiled Ore: Improved information could help with ramp-up performance.	<ul style="list-style-type: none"> <li>• The more we can understand feed characteristics, the better we will be able to manage grinding and filtration.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine testing program</li> <li>• Determine primary crush program and intermediate stockpile program.</li> </ul>
5	Insufficient Ore: Increased ramp-up performance increases the risk of not having enough ore.	<ul style="list-style-type: none"> <li>• Need to understand how much stockpile reserve we have against various production scenarios.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine surplus or gap on the basis of different mill production levels.</li> <li>• Set clear milestones for stockpile inventory between now and First Feed.</li> </ul>
6	Mill Liner Wear Life: Liner wear life cycle may be short and could affect availability during the ramp-up.	<ul style="list-style-type: none"> <li>• Current estimated wear life is two months and this is problematic during the ramp-up</li> </ul>	<ul style="list-style-type: none"> <li>• Review data and estimate of wear life. Compare to FLS and Metso data base.</li> </ul>
#	Risk Description	Mgmt Strategy	Actions
7	Holiday Season: December and early January will create a shortage in ramp-up talent	<ul style="list-style-type: none"> <li>• Extreme difficulty with ramp-up technical coverage during this period.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine resources required and insure that contracts are in place early.</li> </ul>
8	Grinding Performance: Could be less than design intent.	<ul style="list-style-type: none"> <li>• Implement testing program and continue until first feed.</li> </ul>	<ul style="list-style-type: none"> <li>• Metallurgical team to advise test calendar and regimen.</li> <li>• Wide range of ball sizes, grates and trammel/screen panel apertures available for the SAG.</li> </ul>
9	Tailings Filtration: Performance in this area could be less than optimum.	<ul style="list-style-type: none"> <li>• Manage tailings line to within design tolerance for grind size</li> <li>• Implement testing program and continue until first feed</li> <li>• Need to manage the OEM effectively in terms of our expectations.</li> </ul>	<ul style="list-style-type: none"> <li>• Need to determine and have available a range of cloth options.</li> <li>• Need to determine if an F80 of 80-90um will be acceptable and without recovery implications.</li> <li>• Develop a management plan for system performance at moisture levels over 13.5%.</li> <li>• Need a Feed Plan which correlates material type to cloth type.</li> <li>• Need to simulate all aspects of the filtration and dry stack system in terms of operability and maintainability.</li> </ul>

## **There isn't much to say**

- **The project is 'bookended' by the military on one end and the state police on the other**
- **All levels of government are committed to the success of the project**
- **The area has been very quiet**
- **Discussions are very active about the configuration of a permanent force for the area**



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