



Conflict Free Gold Report 2023

November 18th, 2024

EXECUTIVE SUMMARY

Torex Gold Resources Inc. (“Torex” or the “Company”) (TSX:TXG) is committed to ensuring that our gold is produced in a manner that does not cause, support or benefit unlawful armed conflict or contribute to human rights abuses or breaches of international humanitarian law. As such, and as a proud member of the World Gold Council, the Company has adopted the Conflict Free Gold Standard (the “Standard”). The purpose of this Conflict Free Gold Report (the “Report”) is to outline our conformance with the Standard for the year ending December 31st 2023.

RESPONSIBILITY FOR CONFORMANCE

The Senior Vice President, Human Resources, ESG & Communications is responsible for ensuring the Company’s conformance with the Standard and provides updates to the Executive Team and Board of Directors. The Senior Vice President, Human Resources, ESG & Communications reports directly to the President and CEO of Torex.

REPORTING BOUNDARY

This report covers all mining and processing operations undertaken by Torex at our Morelos Complex in Guerrero, Mexico, which includes the El Limón Guajes (“ELG”) Mine Complex, processing plant and related infrastructure. The Company’s Media Luna Project, located seven kilometres from ELG, was not yet in production during 2023, and, therefore, excluded from the reporting boundary under the Standard.

STANDARDS REQUIREMENTS

The Standard is comprised of assessments Parts A-E:

- Part A - Conflict Assessment
- Part B - Company Assessment
- Part C - Commodity Assessment
- Part D - External Sources of Gold; and
- Part E - Management Statement of Conformance

Part A of the Standard requires companies to assess whether they are adhering to international sanctions and to undertake a risk assessment based upon the recognition of conflict. Applying the Standard’s criteria, operations that are in an area ranked as 5 (war) or 4 (limited war) within the last two years, according to the Heidelberg Conflict Barometer, have been classified as ‘conflicted-affected or high-risk’. Companies who meet these criteria must then complete all remaining assessments in Parts B-E of the Standard. For operations not considered in a ‘conflict-affected or high-risk’ area and where the company does not transport gold while in its custody, only Parts D and E of the assessment are required.

TOREX EVALUATION

PART A – CONFLICT ASSESSMENT

Part A of the Standard outlines the process to determine whether the area in which the mine is located should be assessed to be ‘*conflict-affected or high-risk*’.

RECOGNITION OF CONFLICT

Following our assessment of Part A – Conflict Assessment, Torex concluded that there were no international sanctions in the area that we operate (Mexico).

To assess potential conflicts, Torex reviewed the 2021 and 2022 Conflict Barometer published by the Heidelberg Institute for International Conflict Research. This review aimed to determine whether the area where our mines are located is classified as "conflict-affected" or "high risk." On November 7, 2024, the Heidelberg Institute released a "short version" of the 2023 edition of the Conflict Barometer, which maintained the previous classifications at both the national and sub-national level. Specifically, Mexico is classified as being in a state of Limited War (Level 4) due to the activities of drug cartels, inter-cartel rivalries, and the presence of paramilitary groups. At a sub-national level, Guerrero State, in which the Company's Morelos Complex is located, is classified as in a state of Violent Crisis (Level 3) due to public security issues and the threat of drug cartel violence.

Based on the classification referenced above of Guerrero at the sub-national level and our own procedures and experience, Torex has concluded that the location in which we are undertaking mining operations should be classified as "not conflict-affected or high risk". Therefore, assessments of Part B and Part C as laid out in the Standard, were not undertaken.

PART D – EXTERNALLY SOURCED GOLD ASSESSMENT

Following our assessment of Part D – Externally Sourced Gold Assessment, Torex concluded that we are in compliance as we do not source gold-bearing materials from third parties, and have implemented the appropriate Management Statement of Conformance documentation to accompany gold being dispatched at operations as required in Part E.

PART E - MANAGEMENT STATEMENT OF CONFORMANCE

Torex confirms, to the best of our knowledge, that the gold or gold-bearing material produced by the El Limón Guajes ("ELG") Mine Complex, has the appropriate systems and controls in place to conform with the World Gold Council's Conflict-Free Gold Standard.

This Statement of Conformance is provided by Torex as part of the conformance requirements for the World Gold Council's Conflict-Free Gold Standard and in order to provide a good faith representation to the next participant in the chain of custody.

Torex engaged the services of KPMG LLP, to provide independent limited assurance regarding our conformance with the Standard, and their report can be found both attached to this document and at <https://torexgold.com/>.



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INDEPENDENT PRACTITIONER'S LIMITED ASSURANCE REPORT

To the Board of Directors and Management of Torex Gold Resources Inc.

We have undertaken a limited assurance engagement in respect of Torex Gold Resources Inc. (the "Entity")'s Conflict Free-Gold Report (the "subject matter information"), for the year-ended December 31, 2023.

Management's Responsibility

Management is responsible for the preparation and presentation of the subject matter information in accordance with the criteria set out on pages 12-31 of the Conflict-Free Gold Standard issued by the World Gold Council in October 2012. (the "applicable criteria").

Management is also responsible for such internal control as management determines necessary to enable the preparation and presentation of the subject matter information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the subject matter information based the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with Canadian Standards on Assurance Engagements (CSAE) 3000, *Attestation Engagements Other than Audits or Reviews of Historical Financial Information*. That standard requires that we plan and perform our engagement to obtain limited assurance about whether subject matter information is free from material misstatement.

A limited assurance engagement involves assessing the suitability of the criteria used by the Entity in preparing the subject matter information in the circumstances of the engagement, assessing the risks of material misstatement, whether due to fraud or error, and responding to the assessed risks as necessary in the circumstances.

We exercised professional judgment and maintained professional skepticism throughout the engagement. Our procedures were designed and performed to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. In carrying out our engagement, we performed the following procedures:



- Inquiries with management to gain an understanding of the Entity's processes and risk management protocols in place in relation to the subject matter information;
- Where relevant, reviews of the design of internal controls relating to information in the subject matter information;
- Comparisons of a selection of the reported information to supporting documentation;
- A review of the presentation of the subject matter information to determine whether it is consistent with our overall findings.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of relevant rules of professional conduct/code of ethics applicable to the practice of public accounting and related to assurance engagements, issued by various professional accounting bodies, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies Canadian Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Significant Inherent Limitations

Historical non-financial information, such as the subject matter information, is subject to more inherent limitations than historical financial information, given the more qualitative characteristics of the underlying subject matter and methods used for determining this information. The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable evaluation techniques, which can result in materially different measurements and can impact comparability. The nature and methods used to determine such information, as described in the applicable criteria, may change over time.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on the procedures performed and evidence obtained, no matters have come to our attention to cause us to believe that the Entity's subject matter information for the year ended 31 December 2023, is not prepared and presented, in all material respects, in accordance with the applicable criteria.

Specific Purpose of Subject Matter Information

The subject matter information has been prepared in accordance with the applicable criteria and as a result may not be suitable for another purpose.

Restriction on Use

Our report is intended solely for use by Torex Gold Resources Inc. for the purpose(s) set out in our engagement agreement. Our report may not be suitable for any other purpose and is not intended for use or reliance by any third parties. While KPMG LLP acknowledges that disclosure of our report may be made, in full, by Torex Gold Resources Inc. in the Conflict Free Gold Report 2023, KPMG LLP does not assume or



accept any responsibility or liability to any third party in connection with the disclosure of our report.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. A single horizontal line is drawn underneath the signature, extending from the 'L' to the right.

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

November 18, 2024