Torex Gold’s Media Luna Deposit: The Most Recent Discovery in the Guerrero Gold Belt of Mexico

Steven D Bussey ², Alejandro Kakarieka ¹, G Bradford Margeson ², Cristian Puentes ¹ and Barton J Suchomel ²

29 January 2015

¹Torex Gold Resources Inc., 145 King St. West, Suite 1502, Ontario Canada M5H 1J8
²Western Mining Services LLC, 7343 South Alton Way, Suite 100, Centennial, Colorado, USA 80112
Safe Harbour Statement

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, information regarding future exploration and development plans for the Company’s mineral projects, the Feasibility Study (as defined below) and the Media Luna Report (as defined below), including with respect to mineral resource and mineral reserve estimates, the ability to realize estimated mineral reserves, the Company’s expectations that the El Limon and Guajes project will be profitable with positive economics, recoveries, grades, annual production, receipt of required permitting and approvals, parameters and assumptions underlying mineral resource estimates, mineral reserve estimates and financing analysis, anticipated gold prices, securing of surface rights in the future, adequacy of the Company’s financial resources, business plans and strategy and other events or conditions that may occur in the future. Generally, forward-looking information can be identified by the use of terminology such as “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes” 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: exploration, development, mining and the mining industry generally, such as economic factors as they effect same; future commodity prices; obtaining financing; market conditions; changes in interest rates; safety and security; access to the Company’s mineral projects, including securing surface rights; actual results of current exploration and development activities not being consistent with expectations, or unexpected events and delays impacting such activities; required permits and approvals not being obtained on a timely basis; estimated mineral reserves and annual production not being realized; parameters and assumptions underlying mineral resource estimates, mineral reserve estimates and financial analyses being incorrect; government regulation; political, social or economic developments; environmental matters; insurance; capital expenditures; operating or technical difficulties in connection with development activities; hiring the required personnel and maintaining personnel relations; the speculative nature of gold exploration and development; contests over property title; changes in project parameters as plans for the El Limon and Guajes project continue to be refined; and those risk factors included 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 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 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.

For additional information, please see the technical reports entitled “Morelos Gold Project, 43-101 Technical Report Feasibility Study, Guerrero, Mexico”, dated effective September 4, 2012 (the “Feasibility Study”) and “Media Luna Gold–Copper Project, Guerrero State, Mexico NI 43-101 Technical Report”, dated effective September 13, 2013 (the “Media Luna Report”). The technical information contained in this presentation is based upon the information contained in the Feasibility Study and Media Luna Report, prepared by or under the supervision of the authors of the Feasibility Study and Media Luna Report, who are each qualified persons for the purposes of National Instrument 43-101.
Torex Gold’s Media Luna Deposit: The Most Recent Discovery in the Guerrero Gold Belt of Mexico

- Introduction
- History of Discovery in the GGB
- Current Known Endowment
- Why so much gold in the GGB?
- Potential Upside at the Media Luna Deposit
Introduction - Project Location
Introduction - Regional Geologic Setting

- Guerrero-Morelos platform sedimentary rocks underlain by Mz-Proterozoic age Acatlan-Oaxacan block
- Major fold and thrust belt associated with collision of Guerrero terrane in Laramide
- Emplacement of Paleocene intrusions associated with end of Laramide deformation

modified after Martini et al., 2009
Introduction - Regional Geologic Setting
Introduction - Regional Geologic Setting
# History of Discovery in the GGB

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1924</td>
<td>Gold discovered at Xochipala, small mine/mill operates until 1988; ~360,000 oz Au</td>
</tr>
<tr>
<td>1947</td>
<td>Small high grade UG mining begins at Nukay; 1947-1964 ~290,000 oz Au</td>
</tr>
<tr>
<td>1977-80’s</td>
<td>Morelos National Mineral Reserve created</td>
</tr>
<tr>
<td>1986</td>
<td>Peñoles-Newmont JV announce discovery of El Bermejal gold deposit</td>
</tr>
<tr>
<td>1993</td>
<td>Nukay taken over by Miranda Mining, forms JV with Teck to explore &amp; develop surrounding claims</td>
</tr>
<tr>
<td>1995</td>
<td>Teck-Miranda JV discovers skarn and intrusion-hosted gold mineralization at Los Filos; Mexican Gov announce plans to privatize Morelos Mineral Reserve which is divided into north and south blocks</td>
</tr>
<tr>
<td>1998</td>
<td>Teck and Miranda form JV company (Mineral Media Luna) to bid for and win Morelos Norte lottery; Grupo Mexico wins the Morelos Sur lottery</td>
</tr>
<tr>
<td>2000</td>
<td>Limon deposit discovered by MML</td>
</tr>
</tbody>
</table>
### History of Discovery in the GGB

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>Wheaton River Minerals Inc. (via Luismin) makes a series of corporate actions to acquire 100% of the Nukay and Los Filos Mines, 21.2% of the Morelos Norte Project and 100% of Ana Paula prospect</td>
</tr>
<tr>
<td>2005</td>
<td>Goldcorp acquires Wheaton (Los Filos) and 100% of the Bermejal deposit (~2.4 Moz) from Peñoles. Teck and Goldcorp are now the partners for MML with Teck as operator</td>
</tr>
<tr>
<td>2007</td>
<td>The first gold pour at Goldcorp’s Los Filos project in mid-2007</td>
</tr>
<tr>
<td>2009-10</td>
<td>Gleichen Resources Ltd acquire 100% of the Morelos project from Teck and Goldcorp. Gleichen changes company name to Torex Gold Resources Inc.; Newstrike acquires Ana Paula Project from Goldcorp.</td>
</tr>
<tr>
<td>2011</td>
<td>Newstrike announces discovery at Ana Paula</td>
</tr>
<tr>
<td>2012</td>
<td>June: Torex announces discovery of Media Luna</td>
</tr>
<tr>
<td>2012</td>
<td>September: Torex announces El Limón-Guajes resource: 5.43 Moz Au (4.81 M M&amp;I + 0.62 Inf)</td>
</tr>
<tr>
<td>2013</td>
<td>Torex announces Media Luna maiden inferred resource (5.84 M oz. Au eq.); Newstrike announces maiden resource at Ana Paula (2.26 Au equiv ounces)</td>
</tr>
</tbody>
</table>
## Current Gold Endowment of the GGB

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Disc Year</th>
<th>Au (g/t)</th>
<th>Au (Moz)</th>
<th>Ag (Moz)</th>
<th>Cu content</th>
<th>Style</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xochipala</td>
<td>1927</td>
<td>0.36</td>
<td></td>
<td></td>
<td></td>
<td>oxidized skarn</td>
</tr>
<tr>
<td>Nukay (LF UG)</td>
<td>1947</td>
<td>8.18</td>
<td>3.4</td>
<td>2.71</td>
<td>~0.19%</td>
<td>oxidized skarn</td>
</tr>
<tr>
<td>El Bermejal</td>
<td>1986</td>
<td>0.78</td>
<td></td>
<td>9.1</td>
<td>86.6</td>
<td>0.13% oxidized skarn</td>
</tr>
<tr>
<td>Los Filos</td>
<td>1995</td>
<td>0.74</td>
<td>8.3</td>
<td>49.7</td>
<td>up to 0.3%</td>
<td>oxidized intrusion-hosted + skarn</td>
</tr>
<tr>
<td>Limon-Guajes</td>
<td>2000</td>
<td>2.78</td>
<td>5.43</td>
<td>9.75</td>
<td>0.15%</td>
<td>oxidized skarn</td>
</tr>
<tr>
<td>Ana Paula</td>
<td>2011</td>
<td>1.41</td>
<td>1.93</td>
<td>7.74</td>
<td></td>
<td>As-rich breccia</td>
</tr>
<tr>
<td>Media Luna</td>
<td>2012</td>
<td>2.6</td>
<td>3.38</td>
<td>31.4</td>
<td>0.9 %</td>
<td>Cu-rich unoxidized skarn</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>31.9</strong></td>
<td><strong>187.9</strong></td>
<td><strong>852 M lb</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Current Gold Endowment of the GGB

Total Gold Endowment for GGB
~ 32 Moz gold

Moz

Year


Xochipala
Nukay
Todos Santos
before 1980

Bermejal

Los Filos

Limon

Guajes

Ana Paula

Media Luna

Xochipala
Nukay
Todos Santos
before 1980

Bermejal

Los Filos

Limon

Guajes

Ana Paula

Media Luna

Total Gold Endowment for GGB
~ 32 Moz gold
Why So Much Gold in the GGB?

Ore genesis as the Conjunction of Three Independent Sets of Favorable Conditions:

Focus on Favorable Transient Geodynamics

Hronsky et al. (2012)
Geodynamic Setting of the GGB

• At about 75 Ma, a major period of tectonic re-organization occurred along the SW margin of Laurentia

• Compressional tectonics continued but were distributed over much broader area

• This event, referred to as the Laramide Orogeny, is interpreted to represent a major flat-slab subduction event

• It is associated with the largest PCD-forming episode in western North America

• In Mexico, it is associated with approach and collision of the Guerrero terrane along the west coast

• In southern Mexico, collapse of the Laramide orogeny was diachronous, ranging from about 65 Ma in the west to 45 Ma in the east
Highly Compressional Subduction Zones and PCDs

The spatial association between highly compressional subduction zones and porphyry copper deposits was presented by Cooke et al. (2005)

- Subduction of aseismic ridges, seamount chains and oceanic plateaus
- Flat-slab subduction, crustal thickening, and adakitic magmatism coeval with PCD provinces
Highly Compressional Subduction Zones and PCDs

Loucks and Ballard (2002) and Loucks (2014) documented distinct geochemical signature of magmas formed in highly compressional subduction setting:

- Crust thickened due to compression
- Magma cannot easily erupt, accumulates in chamber at base of crust
- Trapped for long time undergoing multiple cycles of replenishment and fractionation
- High pressure suppresses plagioclase, advances hornblende crystallization resulting in high Sr and low Y in resultant magmas
- Metals and volatiles are enriched
Thousands of published geochemical analyses compiled by Loucks and Ballard (2002) and Loucks (2014):
Geochemistry of Intrusions in Highly Compressional Subduction Zones

Thousands of published geochemical analyses compiled by Loucks and Ballard (2002) and Loucks (2014)

Normal (unprospective) calc-alkaline arc rocks follow a trend of continuously decreasing Sr/Y ratio as silica increases

- Due to low P (shallow depth) fractionation dominated by plagioclase crystallization
Thousands of published geochemical analyses compiled by Loucks and Ballard (2002) and Loucks (2014)

Normal (unprospective) calc-alkaline arc rocks follow a trend of continuously decreasing Sr/Y ratio as silica increases
- Due to low P (shallow depth) fractionation dominated by plagioclase crystallization

Cu and Cu+Au productive intrusions follow a trend of increasing Sr/Y ratio as silica increases
- Due to high P fractionation dominated by hornblende
Paleocene intrusions of GGB

- Paleocene intrusions in the Guerrero Gold Belt follow the trend of increasing Sr/Y ratio with increasing silica content.
- We interpret this to indicate that the magmas that ultimately formed the GGB intrusions were trapped at the base of crust thickened due to anomalously strong compression during the Laramide orogeny.
- Relaxation of this compression at about 65 Ma allowed a pulse of intrusive activity that formed the skarn-related Au (± Cu) deposits in the GGB.
Geochemistry of Intrusions in the GGB

• Paleocene intrusions in the Guerrero Gold Belt follow the trend of increasing Sr/Y ratio with increasing silica content.

• We interpret this to indicate that the magmas that ultimately formed the GGB intrusions were trapped at the base of crust thickened due to anomalously strong compression during the Laramide orogeny.

• Relaxation of this compression at about 65 Ma allowed a pulse of intrusive activity that formed the skarn-related Au (± Cu) deposits in the GGB.

• Interestingly, geochemical data for 2 samples of 45-35 Ma intrusions in the GGB plot along the unprospective trend.
What About Future Discoveries in the GGB?
Potential Upside at the Media Luna Deposit

- Black outlines are mag highs from RTP with 3km HP filter
- Deposit exhibits strong footprint in mag
- Au, Cu and Ag associated with retrograde altered magnetite and pyrrhotite skarn
- Mineralization forms layer along granodiorite-marble contact
Potential Upside at the Media Luna Deposit
Potential Upside at the Media Luna Deposit

Possible ultimate size of Media Luna Resource:

Only ~30% of the area covered by the magnetic anomalies shown here has been drilled to an inferred resource level.
Morelos Project – District Potential

RTP magnetic image with 3 km high pass filter

Limon-Guajes

Media Luna
Summary

• Deposits in GGB formed during relatively short pulse of favorable intrusive activity at end of Laramide deformation (66-62 Ma)

• True size potential of the belt only recently recognized

• Discovery of Los Filos in 1995 was probably the turning point

• Known endowment has risen from <10 Moz to >30 Moz in the last 10 years

• More gold ounces will be added to the Media Luna Resource

• Belt has potential to host several more multi-million oz deposits
Thank You