UNDERWRITING AGREEMENT

October 5, 2012

Torex Gold Resources Inc.
145 King St. West
Suite 1502
Toronto, ON
M5H 1J8

Attention: **Mr. Fred Stanford, President and Chief Executive Officer of Torex Gold Resources Inc.**

Dear Sir:

We understand that Torex Gold Resources Inc. ("**Torex**" or the "**Company**") intends to issue and sell 175,000,000 units (the "**Offered Units**"), consisting of one common share (a "**Common Share**"), and one quarter of one Common Share purchase warrant (each full warrant, a "**Warrant**") at a price (the "**Offer Price**") of $2.00 per Offered Unit (the "**Offering**"). Each Warrant will entitle the holder thereof to purchase one Common Share for a period of 12 months after the Closing Date (as defined below) at an exercise price of $2.65.

We also understand that the Company intends to issue and sell, at the option of the Underwriters (as defined below), up to an additional 15% of the offering (the "**Over-Allotment Option**") for a period of 30 days following the Closing Date. The Underwriters may elect to exercise the Over-Allotment Option for units only, Common Shares only, or Warrants only, or any combination thereof (collectively, the "**Over-Allotment Securities**"). The Offered Units and the Over-Allotment Securities are collectively referred to herein as the "**Offered Securities**".

We also understand that the Company is eligible to file, and shall, on or before 2:00 p.m. (Toronto time) on October 5, 2012, prepare and file a preliminary short form prospectus (the "**Preliminary Prospectus**") in the English language, in each of the Qualifying Jurisdictions (as defined below). The Underwriters also understand that the Company shall prepare and file within the time limits and on the terms set out below a (final) short form prospectus (the "**Final Prospectus**") in the English language, and all other necessary documents in order to qualify the Offered Securities for distribution to the public in each of the Qualifying Jurisdictions.

The Offered Securities may be distributed in all of the provinces and territories of Canada other than Québec by the Underwriters pursuant to the Final Prospectus and outside Canada and the United States in accordance with this agreement (the "**Underwriting Agreement**"). The Company understands that although this Underwriting Agreement is presented on behalf of the Underwriters as the purchasers, the Underwriters, through their U.S. broker-dealer affiliates, will have the right to solicit orders and obtain substituted purchasers (the "**Substituted Purchasers**") in the United States for the Offered Securities on behalf of the Company and the obligation of the Underwriters to purchase the Offered Securities from the Company shall be reduced by the number of Offered Securities purchased by the Substituted Purchasers. The Underwriters, through their U.S. broker-dealer affiliates, shall have the exclusive right to offer for sale and sell the Offered Securities in the United States pursuant to exemptions under the U.S. Securities Act (as defined below) to Institutional Accredited Investors and Qualified Institutional Buyers (each as defined below) in accordance with the terms hereof. With respect to Offered Securities to be sold to Qualified Institutional Buyers in the United States pursuant to Rule 144A (as defined below), the Underwriters, through their U.S. broker-dealer affiliates, will purchase such Offered Securities from the Company for resale in compliance with Rule 144A.

Based upon and subject to the terms and conditions set out below, (a) BMO Nesbitt Burns Inc. ("**BMO Capital Markets**"), Dundee Securities Ltd., Macquarie Capital Markets Canada Ltd., GMP Securities L.P., RBC Dominion Securities Inc., Scotia Capital Inc. and Stifel Nicolaus Canada Inc. (collectively with BMO Capital Markets, the "**Underwriters**" and individually an "**Underwriter**"), hereby severally (and not jointly nor jointly and severally), offer to purchase from the Company or to arrange for Substituted Purchasers, as the case may be, in the respective percentages set out in Section 17 of this Underwriting Agreement, and the Company hereby agrees to sell to the Underwriters all, but not less than all, of the Offered Units at the Offer Price per Offered Unit, and (b) in the event and to the extent the Over-Allotment Option granted to the Underwriters pursuant to Section 11 of this Underwriting Agreement is exercised by the Underwriters, the Company agrees to sell to each of the Underwriters, and each of the Underwriters agrees severally (and not jointly nor jointly and severally) to purchase from the Company or to arrange for Substituted Purchasers, as the case may be, the respective percentage of the Over-Allotment Securities, as applicable, set forth opposite the name of such Underwriter in Section 17 of this Underwriting Agreement at the Offer Price per Over-Allotment Security.

The Underwriters and the Company acknowledge that Schedule "A" and Schedule "B" form part of this Underwriting Agreement.

The following are the terms and conditions of the agreement between the Company and the Underwriters:

TERM AND CONDITIONS

Section 1 Definitions and Interpretation

(1) In this Underwriting Agreement:

"**Affiliate**" means an affiliated entity for purposes of the *Securities Act* (Ontario);

"**Ancillary Documents**" means all agreements, certificates and documents executed and delivered, or to be executed and delivered, by the Company in connection with the transactions contemplated by this Underwriting Agreement;

"**Applicable Securities Laws**" means the Canadian Securities Laws and the U.S. Securities Laws;

"**Bid Letter**" means the letter agreement dated October 1, 2012, for the purchase of the Offered Units, between the Company and BMO Capital Markets;

"**Business Day**" means any day other than a Saturday, Sunday or statutory or civic holiday in the city of Toronto, Ontario;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions;

"**Closing Date**" means October 23, 2012 or any such other date as may be agreed to by the Company and BMO Capital Markets, each acting reasonably;

"**Company Financial Information**" means (i) the audited financial statements of the Company as at, and for the years ended, October 31, 2011 and 2010, together with the auditor's report thereon and the notes thereto; and (ii) the unaudited financial statements of the Company as at, and for the three and nine months ended July 31, 2012 and 2011, together with the notes thereto; and in each case the accompanying management's discussion and analysis of financial condition and results of operations and any other financial information incorporated by reference or included in the Prospectuses;

"**Common Shares**" means the common shares in the capital of the Company;

"**distribution**" means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws or any of them;

"**Final Receipt**" means the document issued by the Ontario Securities Commission, in its capacity as principal regulator, in accordance with National Policy 11-202, evidencing that a receipt has been issued in respect of the Final Prospectus by each of the Securities Commissions;

"**Final Prospectus**" has the meaning given to that term in the third paragraph of this Underwriting Agreement and for greater certainty includes all documents incorporated by reference therein;

"**IFRS**" means International Financial Reporting Standards;

"**Indemnified Party**" has the meaning given to that term in Section 14 of this Underwriting Agreement;

"**Institutional Accredited Investors**" means those institutional "accredited investors" specified in Rule 501(a)(1), (2), (3) and (7) of Regulation D;

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

"**Material Adverse Effect**" means the effect resulting from any event or change which has a material adverse effect on a Person's business, prospects, affairs, capital, operations, properties or assets, in all cases, considered on a consolidated basis;

"**material change**" means a material change for the purposes of Canadian Securities Laws;

"**material fact**" means a material fact for the purposes of Canadian Securities Laws;

"**Material Subsidiaries**" means the material subsidiaries of the Company listed in Schedule "B" attached hereto;

"**misrepresentation**" means a misrepresentation for the purposes of the Canadian Securities Laws;

"**Morelos Project**" means the Morelos mining property in Guerrero, Mexico, of which the Company holds an indirect 100% interest as at the date hereof;

"**NCI System**" has the meaning given to that term in Section 10(2) of this Underwriting Agreement

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**Offer Price**" has the meaning given to that term in the first paragraph of this Underwriting Agreement;

"**Offered Securities**" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"**Offered Units**" has the meaning given to that term in the first paragraph of this Underwriting Agreement;

"**Offering Documents**" means, collectively, the Prospectuses, any Supplementary Material, and each U.S. Offering Memorandum;

"**Offering Jurisdictions**" means the United States, the Qualifying Jurisdictions and those other jurisdictions outside Canada and the United States that are agreed to by the Company and the Underwriters, provided no prospectus filing, offering memorandum, registration statement requirement or comparable obligations arise in such other jurisdictions as a result of such offer or sale;

"**Over-Allotment Closing Date**" means the third Business Day after each notice of exercise of the Over-Allotment Option is delivered to the Company, or any earlier or later date as may be agreed to in writing by the Company and the Underwriters, each acting reasonably;

"**Over-Allotment Option**" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"**Over-Allotment Securities**" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"**Person**" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"**Preliminary Receipt**" means the preliminary document issued by the Ontario Securities Commission, in its capacity as principal regulator, in accordance with National Policy 11-202, evidencing that a receipt has been issued in respect of the Preliminary Prospectus by each of the Securities Commissions;

"**Preliminary Prospectus**" has the meaning given to that term in the third paragraph of this Underwriting Agreement and for greater certainty includes all documents incorporated by reference therein;

"**Prospectuses**" means, collectively, the Preliminary Prospectus and the Final Prospectus;

"**Public Record**" means any information concerning the Company publicly available under the Company's profile at www.sedar.com;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" as defined in Rule 144A;

"**Qualifying Jurisdictions**" means, collectively, each of the provinces and territories of Canada other than Québec;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**Securities Commissions**" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions;

"**Selling Firms**" has the meaning given to that term in Section 9(1)(a);

"**Standard Listing Conditions**" has the meaning given to that term in Section 3(4)(c) of this Underwriting Agreement;

"**subsidiary**" means a subsidiary for purposes of the *Securities Act* (Ontario);

"**Substituted Purchasers**" has the meaning given to that term in the fourth paragraph of this Underwriting Agreement;

"**Supplementary Material**" means, collectively, (i) any amendment or supplement to the Prospectuses, (ii) any amendment or supplement to the U.S. Offering Memorandum, (iii) any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of Torex under Applicable Securities Laws relating to the qualification for distribution of, *inter alia,* the Offered Securities, or (iv) any other document, including each U.S. Offering Memorandum, that is delivered or intended to be delivered to a purchaser of Offered Securities and authorized by the Company;

"**Technical Report**" has the meaning given to that term in Section 7(1)(k) of this Underwriting Agreement;

"**Time of Closing**" means (i) 8:00 a.m. (Toronto time) on the Closing Date, or (ii) 8:00 a.m. (Toronto time) on each Over-Allotment Closing Date, as applicable, or (iii) any other time on the Closing Date or any Over-Allotment Closing Date as may be agreed to by the Company and the Underwriters;

"**TGRXM**" means TGRXM S.A. de C.V.;

"**TSX**" means the Toronto Stock Exchange;

"**Underwriting Fee**" has the meaning given to that term in Section 12 of this Underwriting Agreement;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Offering Memorandum**" means each U.S. private placement memorandum, in a form and substance acceptable to the Underwriters, which has attached thereto a copy of the Preliminary Prospectus or the Final Prospectus, or any amendment or supplement thereto, delivered or to be delivered to purchasers of Offered Securities in the United States pursuant to the terms and conditions hereof;

"**U.S. Affiliate**" means the U.S. registered broker-dealer affiliate of an Underwriter that is named in the U.S. Offering Memorandum;

"**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**U.S. Securities Laws**" means all applicable securities legislation in the United States including, without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, and any applicable state securities laws; and

"**Warrant**" has the meaning given to that term in the first paragraph of this Underwriting Agreement.

(2) *Headings, etc.* The division of this Underwriting Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Underwriting Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Underwriting Agreement.

(3) *Currency.* Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

(4) *Knowledge.* In this Underwriting Agreement a reference to "knowledge" of the Company means to the best knowledge of the President and Chief Executive Officer, Fred Stanford and the Chief Financial Officer, Andrew Gottwald after due inquiry.

(5) *Information Relating to Underwriters*. Where this Underwriting Agreement references information and statements relating solely to the Underwriters (and/or their U.S. Affiliates) and furnished by them in writing specifically for use in the Offering Documents, or any part thereof, the statements set forth under the heading "Plan of Distribution" in the Preliminary Prospectus, Final Prospectus or any Supplementary Material, and that relate to over-allotment and stabilization activities that may be undertaken by the Underwriters, constitute the only such information and statements.

Section 2 Filing of the Prospectuses and Qualification for Distribution

(1) The Company shall prepare and, as soon as practicable, and in any event not later than 2:00 p.m. (Toronto time) on October 5, 2012, file the Preliminary Prospectus under the Canadian Securities Laws, and shall have obtained a receipt therefor from the Securities Commission in each of the Qualifying Jurisdictions (in the form of a Preliminary Receipt) on such date.

(2) The Company shall use its reasonable best efforts to satisfy all comments from securities regulators as soon as possible after receipt of such comments and the Company shall have prepared and filed under the Canadian Securities Laws, and shall have obtained a receipt therefor from the Securities Commissions in each of the Qualifying Jurisdictions (in the form of a Final Receipt) on October 16, 2012, the Final Prospectus and other related documents relating to the distribution in the Qualifying Jurisdictions of the Offered Securities, and shall have taken all other steps and proceedings that may be necessary to be taken by the Company in order to qualify the Offered Securities for distribution (or distribution to the public, as the case may be) in each of the Qualifying Jurisdictions by the Underwriters under the Canadian Securities Laws on such date.

(3) Until the date on which the distribution of the Offered Securities is completed, the Company will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Securities or, in the event that the Offered Securities or any of them, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution.

Section 3 Delivery of Offering Documents and Related Matters

(1) The Company shall deliver without charge to the Underwriters, as soon as practicable and in any event within two (2) Business Days of the date of the filing of the Preliminary Prospectus or the Final Prospectus, as applicable, and thereafter from time to time during the distribution of the Offered Securities, in such cities in the Offering Jurisdictions as the Underwriters shall notify the Company, as many commercial copies of the Preliminary Prospectus, the Final Prospectus and each related U.S. Offering Memorandum, respectively, as the Underwriters may request for the purposes contemplated by the Applicable Securities Laws. The Company will similarly cause to be delivered to the Underwriters, in such cities in the Offering Jurisdictions as the Underwriters may request commercial copies of any Supplementary Material required or intended to be delivered to purchasers or prospective purchasers of the Offered Securities. Each delivery of the Prospectuses, each U.S. Offering Memorandum or any Supplementary Material will have constituted and will constitute the Company's consent to the use of the Prospectuses, each U.S. Offering Memorandum and any Supplementary Material by the Selling

Firms for the distribution of the Offered Securities in the Offering Jurisdictions in compliance with the provisions of this Underwriting Agreement.

(2) Each delivery of the Prospectuses and any Supplementary Material to the Underwriters by the Company will constitute the representation and warranty of the Company to the Underwriters that (except for information and statements relating solely to the Underwriters and furnished by them specifically for use in the Prospectuses), at the respective times of delivery:

(a) the information and statements contained in each of the Prospectuses and any Supplementary Material contain no misrepresentation;

(b) the Prospectuses, as amended by any Supplementary Material, constitute full, true and plain disclosure of all material facts relating to the Company and the Offered Securities; and

(c) each of the Prospectuses and the Supplementary Material fully complied in all material respects with the requirements of Canadian Securities Laws pursuant to which it was filed.

(3) Each delivery of the U.S. Offering Memorandum and any Supplementary Material to the Underwriters by the Company will constitute the representation and warranty of the Company to the Underwriters and the U.S. Affiliates that (except for information and statements relating solely to the Underwriters and the U.S. Affiliates and furnished by them specifically for use in the U.S. Offering Memorandum) at the respective times of delivery, such U.S. Offering Memorandum or Supplementary Material does not include any misrepresentation.

(4) Torex will also deliver to the Underwriters without charge contemporaneously with, or prior to the filing of the Preliminary Prospectus or the Final Prospectus, as the case may be:

(a) a copy of the Preliminary or Final Prospectus, as the case may be, each manually signed on behalf of Torex by the persons and in the form required by Canadian Securities Laws, including copies of any documents incorporated by reference therein which have not previously been delivered to the Underwriters (provided that any documents incorporated by reference therein which are publicly available on SEDAR shall be deemed to be delivered to the Underwriters);

(b) a copy of any other document filed with, or delivered to, the Securities Commissions by Torex under Canadian Securities Laws in connection with the Offering;

(c) concurrently with the filing of the Final Prospectus, evidence satisfactory to the Underwriters of the approval (or conditional approval) of the listing and posting for trading on the TSX of the Common Shares and the Warrants comprising the Offered Securities subject only to satisfaction by Torex of customary post-closing conditions imposed by the TSX in similar circumstances (the "**Standard Listing Conditions**"); and

(d) concurrently with the filing of the Final Prospectus, "long-form" comfort letters dated the date of the Final Prospectus in form and substance acceptable to the Underwriters, acting reasonably, addressed to the Underwriters, from the auditor to the Company, and based on a review within a cut-off date of not more than two (2) Business Days prior to the date of the letter, with respect to financial and accounting information relating to the Company, included in the Final Prospectus or incorporated therein, which letters shall be in addition to the auditor's report contained in the Final Prospectus.

(5) Comfort letters and other documents substantially similar to those referred to in this section of this Underwriting Agreement will be delivered to the Underwriters and the Company, and their respective counsel, as applicable, with respect to any Supplementary Material, contemporaneously with, or prior to the filing or delivery of, any Supplementary Material.

Section 4 Material Changes During the Distribution of the Offered Securities

(1) Torex will promptly inform the Underwriters in writing during the period prior to the completion of the distribution of the Offered Securities of the full particulars of:

(a) any material change (whether actual, anticipated, threatened, contemplated) in respect of Torex considered on a consolidated basis;

(b) any material fact (that has arisen or has been discovered) that would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of filing of the Offering Documents, as the case may be; and

(c) any change in any material fact or any misstatement of any material fact contained in any of the Offering Documents, or the existence of any new material fact.

in all cases which change or new material fact is, or may reasonably be expected to be, of such a nature as:

(d) to render any of the Offering Documents, as they exist taken together in their entirety immediately prior to such change or new material fact, misleading or untrue in any respect or would result in any of such documents, as they exist taken together in their entirety immediately prior to such change or material fact, containing a misrepresentation;

(e) would result in any of the Offering Documents, as they exist taken together in their entirety immediately prior to such change or material fact, not complying with any Applicable Securities Laws; or

(f) would reasonably be expected to have a material effect on the market price or value of any of the Offered Securities or constitute a Material Adverse Effect as it relates to Torex.

(2) Torex shall comply with section 57 of the *Securities Act* (Ontario) and with the comparable provisions of Canadian Securities Laws, and Torex will prepare and will

file or deliver promptly at the request of the Underwriters, any Supplementary Material, which, in the opinion of the Underwriters may be necessary, and will until the distribution of the Offered Securities is complete, otherwise comply with all applicable filing, delivery and other requirements under Applicable Securities Laws arising as a result of such fact or change necessary to continue to qualify the Offered Securities for distribution in each of the Qualifying Jurisdictions.

(3) The Company and the Underwriters acknowledge that if the Company is required by Canadian Securities Laws to prepare and file an amendment to the Final Prospectus at any time prior to the completion of the distribution of the Offered Securities, the Company will promptly prepare and file with the securities authorities in the Qualifying Jurisdictions any amendment or supplement thereto which in the opinion of the Underwriters, acting reasonably, may be necessary or advisable.

(4) In addition, if, during the period from the date hereof to the later of (i) the Closing Date, (ii) the last Over-Allotment Closing Date, and (iii) the date of the completion of the distribution of the Offered Securities, it shall be necessary to file or deliver any Supplementary Material to comply with any Applicable Securities Laws, the Company shall, in co-operation with the Underwriters, make any such filing as soon as reasonably possible.

(5) In addition to the provisions of Section 4(1) and Section 4(2), the Company will, in good faith, discuss with the Underwriters, any change, event, development or fact, contemplated, anticipated, threatened, or proposed in Section 4(1) and Section 4(2) that is of such a nature that there may be reasonable doubt as to whether written notice should be given to the Underwriters under Section 4 of this Underwriting Agreement and will consult with the Underwriters with respect to the form and substance of any Supplementary Material proposed to be filed or delivered by the Company, it being understood and agreed that no such Supplementary Material will be filed by the Company with any Securities Commission or delivered to any purchaser or prospective purchaser until the Underwriters and their legal counsel (i) have been given a reasonable opportunity to review and (ii) approve such material, acting reasonably.

Section 5 Due Diligence

Prior to the Time of Closing, and, if applicable, prior to the filing or delivery of any Supplementary Material, the Underwriters, their legal counsel, and technical consultants will be provided with timely access to all information required to permit them to conduct a full due diligence investigation of the Company and its business operations, properties, assets, affairs, prospects and financial condition. In particular, the Underwriters shall be permitted to conduct all due diligence that they may reasonably require in order to fulfil their obligations under Applicable Securities Laws, and in that regard, Torex will make available to the Underwriters, their legal counsel and technical consultants, on a timely basis, all corporate and operating records, contracts, technical reports, feasibility studies, financial information, budgets, key officers, and other relevant information necessary in order to complete the due diligence investigation of the Company and its business, properties, assets, affairs and financial condition for this purpose, and without limiting the scope of the due diligence inquiries the Underwriter may conduct, to participate in one or more due diligence sessions to be held prior to the Time of Closing at which management of the Company, the Company's auditor, the Company's legal counsel and the Company's external technical consultants shall participate. All information provided by the Company to the Underwriters and their counsel will be used only in connection with this Offering. It shall be a condition precedent to (i) the Underwriters' execution of any certificate in any Offering Document that the Underwriters be satisfied as to the form and substance of the document, and (ii) the delivery of each U.S. Offering Memorandum to any purchaser or prospective purchaser that the Underwriters and their U.S. Affiliates be satisfied as to the form and substance of such document.

Section 6 Conditions of Closing

The Underwriters' obligations under this Underwriting Agreement to purchase the Offered Units or any one of them, or to purchase any Over-Allotment Securities following any and all exercises of the Over-Allotment Option, are conditional upon and subject to:

(1) *Canadian Legal Opinion.* The Underwriters receiving at the Time of Closing on the Closing Date a favourable legal opinion from Cassels Brock & Blackwell LLP, Canadian counsel to the Company, who may rely on, or alternatively provide directly to the Underwriters, the opinions of local counsel acceptable to counsel to the Underwriters, acting reasonably, as to the qualification of the Offered Securities for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the provinces in which they are qualified to practice and may rely as to matters of fact on certificates of officers, public and exchange officials or of the auditor or transfer agent of the Company, to the effect set forth below:

(a) the Company is continued and existing under the *Business Corporations Act* (Ontario) and has the corporate capacity and power to own and lease its properties and assets and to conduct its business as contemplated in the Prospectuses;

(b) the Company having the corporate power to execute and deliver this Underwriting Agreement, and to perform its obligations hereunder;

(c) the authorized share capital of the Company being as described in the Final Prospectus and any Supplementary Material;

(d) all necessary corporate action having been taken by the Company to authorize the execution and delivery of this Underwriting Agreement and the performance of its obligations hereunder;

(e) this Underwriting Agreement having been duly executed and delivered by the Company and constituting, a legal, valid and binding obligation of, and being enforceable against, the Company in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution);

(f) the execution and delivery by the Company of this Underwriting Agreement, and the fulfilment of the terms hereof by the Company not constituting or resulting in a breach of or a default under, and not creating a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles or by-laws of the Company or any applicable law of the province of Ontario and the federal laws of Canada applicable therein;

(g) all necessary corporate action having been taken by the Company to authorize the creation, issuance and delivery of the Offered Securities;

(h) all documents required to be filed or delivered by the Company and all proceedings required to be taken by the Company under Canadian Securities Laws having been filed or delivered and taken in order to qualify the distribution of the Offered Securities in each of the Qualifying Jurisdictions through investment dealers or brokers registered under the applicable laws thereof who have complied with the relevant provisions thereof and the terms of their registration;

(i) the Offering Documents having been duly authorized and executed by the Company;

(j) the Common Shares and Warrants comprising the Offered Securities having been conditionally approved for listing on the TSX, subject only to the Standard Listing Conditions;

(k) (i) the Common Shares and Warrants comprising the Offered Units being validly issued by the Company, as fully paid and non-assessable securities in the capital of the Company as applicable, and (ii) the Over-Allotment Securities will, upon exercise of the Over-Allotment Option and payment of the Offer Price for the Over-Allotment Securities, be validly issued by the Company, and will be fully paid and non-assessable securities in the capital of the Company as applicable;

(l) the form of the certificates representing the Common Shares and Warrants having been approved by the directors of the Company and complying in all material respects with the provisions of the *Business Corporations Act* (Ontario) and the articles and by-laws of the Company and the requirements of the TSX;

(m) Computershare Investor Services Inc. has been duly appoint as the transfer agent and registrar for the Common Shares;

(n) Computershare Trust Company of Canada has been duly appointed as the Warrant agent;

(o) the Company being a reporting issuer (or the equivalent) under the securities laws of all the provinces and territories of Canada other than Québec, and not being included on a list of defaulting reporting issuers maintained by the securities regulators of all the provinces and territories of Canada other than Québec where such lists are maintained; and

(p) the statements under the heading "Eligibility for Investment" in the Final Prospectus in so far as they purport to describe the provisions of the laws referred to therein, are fair and accurate summaries of the matters discussed therein;

in a form and substance acceptable to the Underwriters;

(2) *United States Opinion*. The Underwriters receiving at the Time of Closing on the Closing Date a favourable legal opinion from United States legal counsel to the Company, in form and substance acceptable to the Underwriters, to the effect that it is not necessary in connection with the offer and sale of the Offered Securities in the United States in the manner contemplated herein, to register the Offered Securities under the U.S. Securities Act, it being understood that no opinion is expressed as to any subsequent resale of any Offered Securities (including the Common Shares and Warrants comprising the Offered Units) or Common Shares issuable upon exercise of any Warrants;

(3) *Title Opinion.* At the Time of Closing on the Closing Date the Underwriters shall have received an opinion, dated the Closing Date, of Sánchez-Mejorada, Velasco y Ribé, Mexican counsel to the Company, in form and substance satisfactory to counsel to the Underwriters (acting reasonably), as to the title and ownership interest of Minera Media Luna S.A. de C.V. and its affiliates in the Morelos Project;

(4) *Material Subsidiaries Opinions*. At the Time of Closing on the Closing Date the Underwriters and the Underwriters' counsel shall have received favourable legal opinions addressed to the Underwriters and the Underwriters' counsel from counsel to the Company, in form and substance satisfactory to the Underwriters' counsel acting reasonably, dated the applicable Closing Date, as to (i) the incorporation and existence of the Material Subsidiaries; (ii) the corporate power and authority of such Material Subsidiaries to carry on their businesses as presently carried on and to own their assets and properties; and (iii) as to the registered ownership of the issued and outstanding shares of each such Material Subsidiary;

(5) *Officer's Certificate of Torex.* The Underwriters having received at the Time of Closing on the Closing Date, a certificate dated such date signed by the Chief Executive Officer or Chief Financial Officer of Torex or another officer acceptable to the Underwriters in form and substance acceptable to the Underwriters with respect to:

   (a) the constating documents of Torex;

   (b) the resolutions of the directors of Torex relevant to the Offering, the allotment and sale of the Offered Securities, the authorization of this Underwriting Agreement, and the other agreements and transactions contemplated by this Underwriting Agreement; and

   (c) the incumbency and signatures of signing officers of Torex;

(6) *Certificates of Status.* The Underwriters having received at the applicable Time of Closing, a Certificate of Status and/or compliance (or the equivalent), where issuable under applicable law, for Torex and each of the Material Subsidiaries (if applicable) each dated within two (2) days of such date;

(7) *Lock-Up Agreements*. The Company having delivered to the Underwriters, at the Time of Closing on the Closing Date, executed agreements of the directors and officers of the Company in favour of the Underwriters as contemplated by Section 8(h);

(8) *Closing Certificate of Torex*. Torex having delivered to the Underwriters, at the applicable Time of Closing, a certificate dated the date on which such Time of Closing occurs, addressed to the Underwriters and signed by the Chief Executive Officer and Chief Financial Officer of the Company, certifying for and on behalf of Torex, and not in their personal capacities, after having made due inquiries, with respect to the following matters:

(a) Torex having complied with all the covenants and satisfied all the terms and conditions of this Underwriting Agreement on its part to be complied with and satisfied at or prior to such Time of Closing;

(b) no order, ruling or determination (including any stop order) having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Offered Securities or any of the Company's issued securities, and no proceeding for such purpose being pending or, to the knowledge of such officers, threatened under any Applicable Securities Laws;

(c) subsequent to the date of the Final Prospectus, there having not occurred a Material Adverse Effect, or any change or development involving a prospective Material Adverse Effect, or the coming into existence of a new material fact, other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be and except as disclosed in the Final Prospectus, no transactions have been entered into by the Company which are or would be material to the Company, other than in the ordinary course of business; and

(d) the representations and warranties of Torex contained in this Underwriting Agreement, any Ancillary Documents and in any certificates of Torex delivered pursuant to or in connection with this Underwriting Agreement, being true and correct in all material respects (or, if qualified by materiality, in all respects) as at such Time of Closing, with the same force and effect as if made on and as at such Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Underwriting Agreement;

Such certificate and any other certificates delivered at the applicable Time of Closing shall be deemed to be representations and warranties by Torex with respect to the matters therein;

(9) *No Termination.* The Underwriters not having exercised any rights of termination set forth in Section 13;

(10) *Bring Down Auditor Comfort Letter.* Torex having caused the Company's auditor to deliver to the Underwriters a comfort letter, dated the applicable Time of Closing, in form and substance satisfactory to the Underwriters, bringing forward to the date which is two (2) Business Days prior to the applicable Time of Closing, the information contained in the comfort letter referred to in Section 3(4)(d) hereof;

(11) *No Cease Trade Order.* At each Time of Closing, the Company is not the subject of a cease trading order made by any securities regulatory authority or other competent authority which has not been rescinded; and

(12) *Other Documentation.* The Underwriters having received at the applicable Time of Closing such further certificates, opinions of counsel and other documentation from Torex as may be contemplated herein or as the Underwriters may reasonably require, provided, however, that the Underwriters shall request any such certificate or document within a reasonable period prior to such Time of Closing that is sufficient for Torex to obtain and deliver such certificate, opinion or document.

Section 7 Representations and Warranties of Torex

(1) The Company hereby represents and warrants to the Underwriters intending that the same may be relied upon by the Underwriters that:

(a) *Good Standing of the Company*. The Company has been duly continued and is validly existing under the laws of Ontario and is current and up to date with all filings required to be made by it in such jurisdiction, except to the extent that being in default of such filings does not have a Material Adverse Effect, and has all requisite corporate power and authority to carry on its business, as now conducted and as contemplated by the use of proceeds described in the Preliminary Prospectus, and to own, lease and operate its properties and assets and to carry out the transactions contemplated by this Underwriting Agreement including executing and delivering the Offering Documents and carrying out the obligations thereunder; and that the Company is duly qualified or authorized to transact business and is in good standing (in respect of the filing of annual returns where required or other information filings under applicable corporations information legislation, except to the extent that being in default of such filings does not have a Material Adverse Effect) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business.

(b) *Subsidiaries*. The Material Subsidiaries are listed in Schedule "B" hereto and the Company beneficially owns, directly or indirectly, the percentage indicated in Schedule "B" of the issued and outstanding shares in the capital of the Material Subsidiaries free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever other than as discussed in the Public Record, all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares and no person has any right, agreement or option, present or future, for the purchase from the Company of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the Material Subsidiaries or any other security convertible into or exchangeable for any such shares.

(c) *Share Capital of the Company*. As of the date hereof, the authorized share capital of the Company consists of an unlimited number of Common Shares. As of the close of business on October 4, 2012, 414,186,290 Common Shares, 25,838,220 options and 3,500,000 restricted share rights are issued and outstanding.

(d) *Authorization.* At the Time of Closing, the Offered Securities will have been duly authorized for issuance and sale, pursuant to the Offering Documents and when issued and delivered by the Company pursuant to the Offering Documents against payment of the consideration set forth therein, as applicable, will be validly issued as fully paid and non-assessable securities of the Company as applicable. The issuance of the Offered Securities is not subject to the pre-emptive rights of any shareholder of the Company, and all corporate action required to be taken by the Company for the authorization, issuance, sale and delivery of the Offered Securities have been validly taken at the date hereof.

(e) *Absence of Rights*. Except as otherwise disclosed in the Public Record, there is no right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued Common Shares or any other agreement or option, for the issue or allotment of any unissued Common Shares or any other security convertible into or exchangeable for any Common Shares or to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding Common Shares.

(f) *Financial Information.* The Company Financial Information:

(i) presents fairly, in all material respects, the financial position of the Company and its Material Subsidiaries, and the statements of operations, comprehensive income (loss), shareholders equity, cash flow from operations and changes in financial information of the Company and its Material Subsidiaries for the periods specified in such Company Financial Information; and

(ii) has been prepared in conformity with, as applicable, generally accepted accounting principles in Canada, which, in respect of the Company Financial Information relating to the interim periods subsequent to October 31, 2011, means in conformity with IFRS applied on a consistent basis throughout the periods involved**.**

(g) *Liabilities*. The Company does not have any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Company Financial Information or referred to or disclosed herein or in the Public Record, other than liabilities, obligations, or indebtedness or commitments (i) incurred in the normal course of business, or (ii) which would not reasonably be expected to have a Material Adverse Effect.

(h) *No Default*. The Company is not in default or breach or violation of, and the execution and delivery of, and the performance of, and compliance with, this Underwriting Agreement and the terms of the Offering Documents do not and will not:

(i) result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, would result in a breach of or constitute a default under, any term or provision of the constating documents, or resolutions of the Company, any applicable laws, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Company is a party or by which it or its property is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Company, which default or breach might reasonably be expected to have a Material Adverse Effect; or

(ii) create a right for any other party to terminate, accelerate or in any way alter any other rights existing under any indenture, mortgage, note, contract, agreement (written or oral), instrument, lease or other document to which the Company is a party or by which it or its property is bound which, upon exercise of such right, might reasonably be expected to have a Material Adverse Effect.

(i) *Independent Accountants*. The accountants who reported on and audited the audited financial statements of the Company as at, and for the years ended, October 31, 2011 and 2010 are independent with respect to the Company within the meaning of the Canadian Institute of Chartered Accountants Handbook.

(j) *Material Assets.* Any and all agreements pursuant to which any of the Company or the Material Subsidiaries holds its material assets or is entitled to the use of or to acquire ownership of material assets (whether directly or indirectly) are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and there is currently no material default of any of the provisions of any such agreements nor has any such default been alleged, and the Company, after making due enquiries, is not aware of any disputes with respect thereto that would reasonably be expected to have a Material Adverse Effect and such assets, including the Morelos Project, are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated except where lack of such good standing would not have a Material Adverse Effect, and all leases, licences, concessions, and claims pursuant to which each of the Company and the Material Subsidiaries derives its interests in such material assets are in good standing (subject to the information provided under the opinion delivered pursuant to Section 6(3)) except where lack of such good standing would not have a Material Adverse Effect and there has been no material default under any such leases, licences, concessions, and claims and all taxes required to be paid with respect to such assets to the date hereof have been paid.

(k) *Reserves and Resources.* The Company has provided the Underwriters with a true and complete copy of the technical report (the "**Technical Report**") relating to the Morelos Project entitled "Morelos Gold Project 43-101 Technical Report Feasibility Study Guerrero, Mexico", issued October 1, 2012 with an effective date of September 4, 2012, prepared by each of M3 Engineering & Technology Corporation, AMEC E&C Services Inc., AMEC Environmental & Infrastructure, a division of AMEC Americas Ltd., SRK Consulting (Canada) Inc., SRK Consulting (U.S.) Inc. and Golder Associates Inc. (the "**Authors**") including, without limitation, the current reserve and resource estimates relating to the Morelos Project set out in the Technical Report (the "**Current Reserve and Resource Estimate**"). The Company is not aware of any technical information or data materially inconsistent with the Technical Report. To the best of the Company's knowledge, the Current Reserve and Resource Estimate was prepared in good faith using methods and based on assumptions considered by the applicable Authors to be reasonable at the time of preparation. Notwithstanding anything in this Underwriting Agreement, nothing in this Underwriting Agreement shall be interpreted as a warranty by the Company of the accuracy of the Current Reserve and Resource Estimate, which is, by nature, an estimate and subject to many causes of error**.**

(l) *Environmental Laws*. (a) None of the Company, or, to the knowledge of the Company, its Material Subsidiaries, is in violation of any federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**") except where such violations would not be reasonably expected, on an individual or aggregate basis, to have a Material Adverse Effect for such entity, (b) the Company and its Material Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, except where the failure to have such permits, authorizations and approvals would not reasonably be expected, on an individual or aggregate basis, to have a Material Adverse Effect, and (c) to the knowledge of the Company there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigations or proceedings relating to any Environmental Laws against the Company or its Material Subsidiaries, which, if determined adversely, would reasonably be expected to have a Material Adverse Effect for such entity.

(m) *Possession of Licenses and Permits*. The Company has conducted and is conducting its business in compliance in all material respects with all applicable law, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business. To the knowledge of the Company, all material permits, certificates, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to own, operate, lease, stake, or to maintain the Morelos Project as currently conducted, are in place and are held by the Company or a Material Subsidiary. To the knowledge of the Company, there has been no breach of the terms and conditions of such Governmental Licenses. To the knowledge of the Company, all of the Governmental Licenses are valid and in full force and effect and no notice of proceedings relating to the revocation or material modification of any such Governmental Licenses has been issued or is contemplated.

(n) *Material Contracts*. Copies of all of the material contracts and agreements of the Company (collectively the "**Material Contracts**") have been made available for review by the Underwriters. The Company has not received notification from any party claiming that the Company or any other party to a Material Contract is in material breach or default under any Material Contract.

(o) *No Material Adverse Effect*. Since October 31, 2011, (a) there has been no change in the condition (financial or otherwise), or in the properties, capital, affairs, prospects, operations, assets or liabilities of the Company, whether or not arising in the ordinary course of business which would reasonably be expected to give rise to a Material Adverse Effect, and (b) there have been no transactions entered into by the Company, other than those in the ordinary course of business, which are material with respect to the Company, except as disclosed in the Public Record.

(p) *Absence of Proceedings*. There is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency, governmental instrumentality or body, domestic or foreign, now pending or, to the knowledge of the Company, threatened against or affecting the Company, or its subsidiaries, which has not been disclosed to the Underwriters in writing, or which, if determined adversely, would reasonably be expected to have a Material Adverse Effect, or would reasonably be expected to materially and adversely affect the consummation of the transactions contemplated in this Underwriting Agreement or the performance by the Company of its obligations hereunder.

(q) *Outstanding Judgements*. There is no outstanding judgement, order, decree, arbitral award or decision of any court, tribunal or governmental agency against the Company.

(r) *Consents and Approvals.* None of the offering, sale and issuance of the Offered Securities, the execution and delivery of this Underwriting Agreement, the compliance by the Company with the provisions of the Offering Documents or the consummation of the transactions contemplated thereunder, do or will require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as has been obtained or will be obtained on or prior to the Time of Closing on the Closing Date, (B) such as may be required under the applicable securities laws of the Offering Jurisdictions and will be obtained by the Closing Date or such later date as the applicable securities laws of the Offering Jurisdictions allow; or (C) such consent, approval, or authorization, order or agreement, which would, individually or in the aggregate, not reasonably be expected to result in a Material Adverse Effect.

(s) *Unlawful Payment*. None of the Company or, to the knowledge of the Company, any of its employees or agents has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Mexican, Canadian or provincial or state governmental officer or official, or other Person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws.

(t) *Brokerage Fees*. Other than the Underwriters, there is no Person, firm or corporation acting or, to the knowledge of the Company, purporting to act at the request of the Company, who is entitled to any brokerage or finder's fees in connection with the Offering contemplated herein.

(u) *Authorization of Documents*. At each Time of Closing, the Offering Documents will have been duly authorized, executed and delivered by the Company and in each case, will be a legal, valid and binding obligation of, and will be enforceable against, the Company in accordance with its terms (subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, the availability of equitable remedies and the qualification that rights to indemnity and waiver of contribution may be contrary to public policy).

(v) *No Default of Securities Laws.* The Company is a reporting issuer in each of the Provinces of Canada other than Québec and is not in default of any requirement of Applicable Securities Laws which would reasonably be expected to have a Material Adverse Effect on the Offering or the Company.

(w) *Disclosure*. All information which has been prepared by the Company relating to the Company and its business, property and liabilities and either publicly disclosed or provided to the Underwriters, including all financial, marketing, sales, technical mining and operational information provided to the Underwriters, is, as of the date of such information, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information misleading.

(x) *No Default.* Neither the Company nor the Material Subsidiaries are in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the property or assets (including any royalty or interest therein) thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Company or the Material Subsidiaries are a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder which could reasonably be expected to have a Material Adverse Effect.

(y) *Voting Agreements*. Except as disclosed in the Offering Documents, the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company or a subsidiary.

(z) *Filings*. All material filings and fees required to be made and paid, respectively, by the Company pursuant to the *Business Corporations Act* (Ontario) have been made and paid and such filings were true and accurate as at the respective dates thereof.

(aa) *Interest of Insiders*. Other than as disclosed in the Offering Documents, to the knowledge of the Company, none of the directors, officers or employees of the Company, any known holder of more than 10% of the Common Shares of the Company, or any known associate or affiliate of any of the foregoing persons or companies has had any material interest, direct or indirect, in any material transaction within the previous two years or has any material interest in any proposed material transaction involving the Company which, as the case may be, materially affected, is material to or will materially affect the Company.

(bb) *Shareholder Agreements*. Except as disclosed in the Offering Documents, to the knowledge of the Company, neither the Company nor any of its shareholders is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Company.

(cc) *Interest in Revenues*. No officer, director, employee or any other person not dealing at arm's length with the Company or the Material Subsidiaries, or, to the knowledge of the Company, any associate or affiliate of such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee, or any other encumbrances or claims of any nature whatsoever which are based on the revenues of the Company or the Material Subsidiaries.

(dd) *Employees*. All material employment agreements, severance agreements and change of control agreements and all employee plans, currently in place or proposed, have been disclosed to the Underwriters or in the Public Record. The Company and the Material Subsidiaries are in material compliance with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages; there is not currently any labour disruption or conflict involving the Company or the Material Subsidiaries. Neither the Company nor the Material Subsidiaries are a party to a collective bargaining agreement. To the best of the Company's knowledge, there are no union organizing efforts being made at the Company or the Material Subsidiaries.

(ee) *Indebtedness*. The Company and the Material Subsidiaries do not have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" with it, other than in the ordinary course of business.

(ff) *Taxes*. All tax returns, reports, elections, remittances and payments of the Company and the Material Subsidiaries required by applicable law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be), and are substantially true, complete and correct and all taxes of the Company and the Material Subsidiaries have been paid or accrued in the Company Financial Information (except in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect).

(gg) *Insurance*. The Morelos Project is insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the terms of any policies in respect thereof have not been breached or the insured has not failed to promptly give any notice or present any material claim thereunder.

(hh) *Short Form Eligibility.* The Company is eligible to file a short form prospectus in each of the Qualifying Jurisdictions and there are no reports or information that in accordance with the requirements of the Canadian Securities Laws must be made publicly available in connection with the Offering as at the date hereof that have not been made publicly available.

(ii) *Description of Offered Securities.* The Offered Securities will conform in all material respects to all statements relating thereto contained in the Offering Documents. The issuance of the Offered Securities is not subject to pre-emptive rights of any shareholder of Torex, and all corporate action required to be taken by Torex for the authorization, issuance, sale and delivery of the Offered Securities has been validly taken at the date hereof or will have been validly taken prior to the Closing Date.

(jj) *Accounting Controls*. Torex and each of the Material Subsidiaries maintains, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability, and (iii) access to assets is permitted only in accordance with management's general or specific authorization.

(kk) *Title to Material Properties.* Except as disclosed in the Prospectuses, any Supplementary Material and the title opinion deliverable under Section 6(3) hereof, the Company or a Material Subsidiary is the absolute legal and beneficial owner of, and had good and marketable right, title and interest in and to the Morelos Project and assets, free and clear of all mortgages, liens, charges, pledges, encumbrances, claims, security interests or demands of any kind whatsoever and no other mining rights are necessary for the conduct of the business of the Company and the Material Subsidiaries as currently conducted and proposed to be conducted. Except as disclosed in the Prospectuses, any Supplementary Material and/or the title opinion deliverable under Section 6(3) hereof, the Company does not know of any claim or the basis of any claim that might or could materially and adversely affect the right thereof to use, transfer or otherwise exploit such mining rights and the Company does not have any responsibility or obligation to pay any material commission, royalty, licence fee or similar payment to any person with respect to the mining rights thereof.

(ll) *Status in the U.S.* Torex makes the representations, warranties and covenants applicable to it in Schedule "A" hereto and acknowledges that the terms and conditions of the representations, warranties and covenants of the parties contained in Schedule "A" form part of this Underwriting Agreement.

(mm) *No Cease Trade Orders.* No Securities Commission or any similar regulatory authority in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Company, no such proceeding is, to the knowledge of the Company, pending, contemplated or threatened, and the Company is not in default of any requirement of Canadian Securities Laws, except such as would not have a Material Adverse Effect.

(nn) *Technical Information.* All technical information set forth in the Offering Documents, including in any documents incorporated by reference therein relating to the Morelos Project, has been reviewed by a "qualified person" as required under NI 43-101, and, to the knowledge of the Company, all such information has been prepared in accordance with Canadian industry standards set forth in NI 43-101 and, to the knowledge of the Company, there have been no material changes to such information since the date of delivery or preparation thereof, except as disclosed in the Prospectuses or any Supplementary Material. The Company has filed all technical reports required to be filed pursuant to NI 43-101. The Morelos Project is the only mineral project on a property material to the Company and is fully and accurately described in the Prospectus in all material respects.

(oo) *Stock Exchange Listing.* The Company is in compliance in all material respects with the current listing requirements of the TSX.

(pp) *Transfer Agent and Registrar.* Computershare Investor Services Inc., at its principal offices in Toronto, Ontario has been duly appointed as the transfer agent and registrar for the Common Shares and as warrant agent for the Warrants.

(qq) *Public Disclosure Record.* As of the date hereof and other than material facts as have been disclosed in the Preliminary Prospectus, (a) there are no material facts or material changes (within the meaning of Canadian Securities Laws) relating to the Company or the Material Subsidiaries, or their respective businesses, which have not been disclosed in the Public Record, (b) no confidential material change report has been filed that remains confidential at the date hereof, and (c) the Company has filed all documents required to be filed by it under Canadian Securities Laws, and such documents do not contain a misrepresentation (within the meaning of Canadian Securities Laws), or contain an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(rr) *Accuracy of Offering Documents.* (a) The information and statements contained in the Prospectuses and any Supplementary Material contain, or will contain, as applicable, no misrepresentation, (b) the Prospectuses, as amended by any Supplementary Material, constitute, or will constitute as applicable, full, true and plain disclosure of all material facts relating to Torex and the Offered Securities; and (c) each of the Prospectuses and the Supplementary Material complies, or will comply as applicable, in all material respects with the requirements of Canadian Securities Laws.

(ss) *Money Laundering Laws.* Since the acquisition of the initial 78.8% indirect interest in the Morelos Project, the operations of the Company are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental authority or any arbitrator or non-governmental authority involving the Company with respect to the Money Laundering Laws is to the best knowledge of the Company pending or threatened.

Section 8 Additional Covenants of Torex

In addition to any other covenant of Torex set forth in this Underwriting Agreement, Torex covenants with the Underwriters that:

(a) *Stock Exchange Listing.* Prior to the filing of the Final Prospectus with the Securities Commissions, Torex will file or cause to be filed with the TSX all necessary documents and will take, or cause to be taken, all necessary steps to ensure that the Offered Securities have been approved (or conditionally approved) for listing and for trading on the TSX, subject only to satisfaction by Torex of the Standard Listing Conditions, and Torex shall thereafter, use its reasonable best efforts to fulfill the Standard Listing Conditions within the time period prescribed by the TSX;

(b) *Other Filings*. Torex will make all necessary filings, obtain all necessary regulatory consents and approvals (if any) and will pay all filing fees required to be paid in connection with the transactions contemplated in this Underwriting Agreement;

(c) *Press Releases.* Subject to compliance with applicable law, any press release of Torex relating to the Offering or issued prior to the closing of the Offering will be provided in advance to BMO Capital Markets on behalf of the Underwriters, and Torex will agree to the form and substance thereof with BMO Capital Markets, acting reasonably, on behalf of the Underwriters, prior to the release thereof;

(d) *Reporting Issuer Status.* Torex will use its reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default pursuant to the requirements of the Canadian Securities Laws which have such a concept to the date that is two years following the Closing Date provided that this covenant shall not prevent Torex from completing any transaction which would result in Torex ceasing to be a "reporting issuer" so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or such other exchange as may be agreed upon by Torex and BMO Capital Markets or the holders of the Common Shares have approved the transaction;

(e) *Maintaining Stock Exchange Listings.* The Company will use its reasonable best efforts to maintain the listing of its Common Shares and, once listed, the listing of the Warrants, on the TSX or such other recognized stock exchange or quotation system as BMO may approve, acting reasonably, to the date that is two years following the Closing Date;

(f) *Use of Proceeds.* Torex confirms its intention to use the net proceeds from the sale of the Offered Securities in accordance with the descriptions set forth under the heading "Use of Proceeds" in the Prospectuses;

(g) *Blackout Period*. The Company agrees not to, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any Common Shares or any securities convertible or exchangeable into Common Shares, other than (i) upon exercise of currently outstanding options granted to officers, directors, employees or consultants of the Company or any subsidiary thereof pursuant to the Company's existing stock option plan (the "**Option Plan**"), (ii) upon exercise of currently outstanding restricted share rights ("**RSUs**") granted to officers, directors, employees or consultants of the Company or any subsidiary thereof pursuant to the Company's restricted share unit plan (the "**RSU Plan**"), (iii) options issued pursuant to and in accordance with the Option Plan and/or RSUs issued pursuant to and in accordance with the RSU Plan, or (iv) upon exercise of the Over-Allotment Option, each for a period ending 90 days from the Closing Date, without the prior written consent of BMO Capital Markets, such consent not to be unreasonably withheld; and

(h) *Lock-Up Agreements*. It shall be a condition of closing of the Offering in favour of the Underwriters that each of the directors and officers of the Company shall agree, in a lock-up agreement in the form attached hereto as Schedule "C" to be executed concurrently with the closing of the Offering, that in consideration of the benefit that the Offering will confer upon such persons that for a period of 90 days following the Closing Date, each will not directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any securities of the Company, whether now owned or acquired after the date hereof, owned, directly or indirectly, or under such person's control or direction, or with respect to which such person has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise other than pursuant to a take-over bid or any other similar transaction made generally to all of the shareholders of the Company, without the prior written consent of

BMO Capital Markets (on behalf of the Underwriters), such consent not to be unreasonably withheld.

Section 9 Covenants of the Underwriters

(1) The Underwriters hereby covenant and agree with Torex that:

(a) *Offering Jurisdictions and Offering Price.* During the period of distribution of the Offered Securities by or through the Underwriters, the Underwriters will offer and sell the Offered Securities to the public only in the Qualifying Jurisdictions directly and through other duly registered investments dealers and brokers (the Underwriters, together with such other investment dealers and brokers, are referred to herein as the "**Selling Firms**"), upon the terms and conditions set forth in the Final Prospectus and in this Underwriting Agreement. The Underwriters will use reasonable efforts to re-sell the Offered Securities at the Offer Price, and if any such Offered Securities remain unsold after such reasonable efforts, the Underwriters may sell such securities at such lower price as is permitted under applicable law. For the purposes of this Section 9(1)(a), the Underwriters shall be entitled to assume that the Offered Securities are qualified for distribution in each Qualifying Jurisdiction where a receipt for the Final Prospectus shall have been obtained or deemed to be obtained from the applicable Securities Commission following the filing of the Final Prospectus.

(b) *Compliance with Canadian and Foreign Securities Laws*. The Underwriters will comply with Canadian Securities Laws applicable to the Underwriters in connection with the offer to sell and the distribution of the Offered Securities in the Qualifying Jurisdictions and the laws of any foreign jurisdictions (subject to paragraph (c)) where it offers or sells Offered Securities so that no prospectus, registration statement or offering memorandum is required to be filed and/or delivered by the Company in such foreign jurisdictions.

(c) *U.S. Offers and Sales.* The Underwriters will comply with the obligations set out in Schedule "A" to this Underwriting Agreement.

(d) *Completion of Distribution.* The Underwriters will notify Torex when, in the Underwriters' opinion, the Underwriters have ceased the distribution of the Offered Securities, and, within 30 days after completion of the distribution, will provide Torex, in writing, with a breakdown of the number of Offered Securities distributed in each of the Qualifying Jurisdictions where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission.

(2) *Liability on Default.* No Underwriter shall be liable to Torex under this Section 9 with respect to a default by any of the other Underwriters or another Underwriter's U.S. Affiliate, as the case may be, or for any default resulting from the Company's failure to comply with Applicable Securities Laws.

Section 10 Closing

(1) *Location of Closing.* The purchase and sale of the Offered Units will be completed at the offices of Cassels Brock & Blackwell LLP in Toronto, Ontario at the Time of

Closing on the Closing Date.

(2) *Closing Mechanics.* At the Time of Closing on the Closing Date, subject to the terms and conditions contained in this Underwriting Agreement, Torex shall deliver the Offered Units to the Underwriters in the form of certificates representing the Common Shares and the Warrants or in the form of an electronic deposit pursuant to the non-certificated issue system (the "**NCI System**") maintained by CDS against payment of the aggregate Offer Price by wire transfer on the Closing Date payable to Torex. Torex will, at the Time of Closing on the Closing Date and upon such payment of the aggregate Offer Price to Torex, make payment in full of the Underwriting Fee and expenses of the Underwriters which shall be made by Torex directing BMO Capital Markets, on behalf of the Underwriters, to withhold the Underwriting Fee and expenses of the Underwriters from the payment of the aggregate Offer Price. Certificates, if any, representing the Common Shares and the Warrants shall be registered in such names as the Underwriters may request, provided such request is made two (2) Business Days prior to the Closing Date. Any electronic deposit shall be made to such CDS instant deposit numbers as BMO Capital Markets may advise or direct.

Section 11 Over-Allotment Option and Over-Allotment Closing

(1) The Company hereby grants to the Underwriters, in the respective percentages set out in Section 17 of this Underwriting Agreement, the Over-Allotment Option to purchase the Over-Allotment Securities at the Offer Price. The Over-Allotment Option may be exercised, in whole or in part and from time to time, prior to its expiry in accordance with the provisions of this Underwriting Agreement by BMO Capital Markets delivering to the Company written notice of exercise, setting out the number of Units, Common Shares and/or Warrants to be purchased by the Underwriters, which notice must be received by the Company not later than 5:00 p.m. (Toronto time) on the date that is thirty (30) days after the Closing Date. Upon the furnishing of the notice, the Underwriters will severally (and not jointly nor jointly and severally) be committed to purchase or to arrange for Substituted Purchasers, as the case may be, in the respective percentages set out in Section 17 of this Underwriting Agreement and the Company will be committed to issue and sell in accordance with and subject to the provisions of this Underwriting Agreement, the number and composition of Over-Allotment Securities indicated in the notice. Over-Allotment Securities may be purchased by the Underwriters only for the purpose of satisfying over-allocations made in connection with the distribution of the Offered Securities and for market stabilization purposes permitted pursuant to Canadian Securities Laws.

(2) In the event that the Over-Allotment Option is exercised by the Underwriters and any of the Over-Allotment Securities are purchased by the Underwriters, the closing shall be held at the offices mentioned in Section 10 above, or at such other place as shall be agreed upon by the Underwriters and the Company, on the Over-Allotment Closing Date.

(3) At the Time of Closing on an Over-Allotment Closing Date, if any, for the exercise of the Over-Allotment Option, subject to the terms and conditions contained in this Underwriting Agreement, the Company shall deliver the Over-Allotment Securities to the Underwriters in the form of certificates representing the Common Shares and the Warrants or in the form of an electronic deposit pursuant to the NCI System

maintained by CDS against, against payment of the aggregate Offer Price by wire transfer on such Over-Allotment Closing Date payable to Torex. Torex will, at the Time of Closing on such Over-Allotment Closing Date, and upon such payment of the aggregate Offer Price to Torex, make payment in full of the Underwriting Fee which shall be made by Torex directing BMO Capital Markets to withhold the Underwriting Fee from the payment of the aggregate Offer Price. Certificates, if any, representing the Over-Allotment Securities shall be registered in such names as the Underwriters may request, provided such request is made two (2) Business Days prior to the Over-Allotment Closing Date. Any electronic deposit shall be made to such CDS instant deposit numbers as BMO Capital Markets may advise or direct.

(4) The closing of the Over-Allotment Option shall be conditional upon the conditions set forth in Section 6 that apply to an Over-Allotment closing, except that such conditions that apply shall be satisfied as at Time of Closing on such Over-Allotment Closing Date.

Section 12 Compensation of the Underwriters

Torex shall pay to the Underwriters at the Time of Closing a fee (the "**Underwriting Fee**") equal to $0.085 per Offered Security sold pursuant to the terms of this Underwriting Agreement (being 4.25% of the gross proceeds received from the sale of each of the Offered Securities). The Company acknowledges that the services of the Underwriters are not subject to HST and agrees that, in the event that HST becomes exigible on the Underwriting Fee, the Company shall pay such amount to the Underwriters.

Section 13 Termination Rights

(1) In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act, or non-compliance with the terms of this Underwriting Agreement by Torex, any Underwriter shall be entitled, at such Underwriter's option, to terminate and cancel, without any liability on such Underwriter's part, such Underwriter's obligations under this Underwriting Agreement to purchase the Offered Units or the Over-Allotment Securities, at or at any time prior to the applicable Time of Closing if:

(a) (i) in relation to Torex, any inquiry, action, suit, investigation or other proceeding, whether formal or informal (including matters of regulatory transgression or unlawful conduct), is commenced, announced, or threatened in relation to the Company which, in the sole opinion of such Underwriter, acting reasonably, has or would be expected to have a significant adverse effect on the market price or value of the securities of the Company, or any order or ruling is issued by any exchange or market, or any other regulatory authority in Canada or the United States; or (ii) any law or regulation under or pursuant to any statute of Canada or of any province or territory thereof, or of the United States or any state or territory thereof, is promulgated or changed which law or regulation, in the opinion of such Underwriter, acting in good faith, operates to prevent or materially restrict the distribution or trading of the Offered Securities or which, in the opinion of such Underwriter, acting in good faith, would reasonably be expected to materially and adversely effect the market price or value of the Offered Securities; or

(b) there should be discovered any material fact which existed as of the date of the Bid Letter but which has not been publicly disclosed which, in the sole opinion of such Underwriter, has or would be expected to have a significant adverse effect on the market price or value of the securities of the Company; or

(c) there is, in the sole opinion of such Underwriter, a material change or a change in any material fact or a new material fact arises that would be expected to have a significant adverse effect on the business affairs, or profitability of the Company or on the market price or value of the securities of the Company; or

(d) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence including, without limiting the generality of the foregoing, any military conflict, civil insurrection, or any terrorist action (whether or not in connection with such conflict or insurrection) or new change in governmental law or regulation or other condition, which, in the sole opinion of such Underwriter acting reasonably, has or would be expected to have a significant adverse effect on the financial markets generally or the business affairs, operations or profitability of the Company or its subsidiaries or the market price or value of the securities of the Company; or

(e) Torex is in material breach of any term, condition or covenant of this Underwriting Agreement, or any representation or warranty given by Torex in this Underwriting Agreement becomes or is materially false; or

(f) any order to cease trading in securities of the Company is made or threatened by a securities regulatory authority.

(2) The rights of termination contained in this section may be exercised by any Underwriter giving written notice thereof to the Company at any time prior to the applicable Time of Closing and are in addition to any other rights or remedies the Underwriters may have in respect of any default, act or failure to act, or non-compliance by the Company in respect of any of the matters contemplated by this Underwriting Agreement or otherwise. In the event of any such termination, there shall be no further liability or obligation on the part of such Underwriter to the Company or on the part of the Company to such Underwriter except in respect of any liability or obligation under any of Section 14, Section 15 and Section 16, which will remain in full force and effect.

Section 14 Indemnity

(1) Torex covenants and agrees to protect, indemnify, and save harmless, each of the Underwriters and their respective U.S. Affiliates, and each of their respective directors, officers, employees, affiliates and agents and each person, if any, who controls any Underwriter or its U.S. Affiliate (individually, an "**Indemnified Party**" and, collectively, the "**Indemnified Parties**"), against all losses (other than loss of profits), claims, damages, suits, liabilities, costs, damages, or expenses caused or incurred, whether directly or indirectly, by reason of:

(a) any information or statement (except for information or statements relating solely to the Underwriters and furnished by them in writing specifically for use in the Offering Documents) contained in any of the Offering Documents, or any certificate of Torex delivered hereunder, which at the time and in the light of the circumstances under which it was made contains or is alleged to contain a misrepresentation or any misstatement of a material fact or any omission or alleged omission to state in the Offering Documents any material fact (except for any information and statements relating solely to the Underwriters and furnished by them in writing specifically for use in the Offering Documents) required to be stated in the Offering Documents, or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;

(b) any order made, or inquiry, investigation or proceeding commenced by any securities regulatory authority or other competent authority based upon any misrepresentation, untrue statement or omission or alleged untrue statement or omission in the Offering Documents, (except for information and statements relating solely to the Underwriters and furnished by them in writing specifically for use in such documents) that prevents or restricts the trading in any of Torex's securities or the distribution or distribution to the public, as the case may be, of any of the Offered Securities in any of the Qualifying Jurisdictions;

(c) Torex not complying with any requirement of Applicable Securities Laws or stock exchange requirements in connection with the transactions herein contemplated, including Torex's non-compliance with any statutory requirement to make any document available for inspection; or

(d) any breach of a representation or warranty of Torex contained in this Underwriting Agreement or the failure of Torex to comply with any of its obligations hereunder.

(2) If any Indemnified Party receives actual notice of any formal proceeding commenced against it in a court of competent jurisdiction in respect of which indemnification is or might reasonably be considered to be provided under any of Section 14(1), such Indemnified Party will notify the Company as soon as possible of the nature of such claim (provided that omission to so notify the Company will not relieve the Company of any liability that it may otherwise have to the Indemnified Party hereunder, except to the extent the Company is materially prejudiced by such omission) and the Company shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to such Indemnified Party and that no settlement may be made by the Company or such Indemnified Party without the prior written consent of the other, such consent not to be unreasonably withheld. The Company shall have 30 days after receipt of the notice to assume the defence of the claim.

(3) In any such claim, such Indemnified Party shall have the right to retain other legal counsel to act on such Indemnified Party's behalf, provided that the reasonable fees and disbursements of such other legal counsel shall be paid by such Indemnified Party, unless: (i) the Company does not promptly assume the defence of the Claim no later than 30 days after receiving actual notice of the Claim, (ii) the Company and such Indemnified Party mutually agree to retain other legal counsel; or (iii) the representation of the Company and such Indemnified Party by the same legal

counsel would, in the opinion of such counsel, be inappropriate due to actual or potential differing interests, in which event such fees and disbursements shall be paid by the Company to the extent that they have been reasonably incurred, provided that in no circumstances will the Company be required to pay the fees and expenses of more than one set of legal counsel (and any required local counsel) for all Indemnified Parties. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested the Company to reimburse the Indemnified Party for fees and disbursements of counsel as contemplated by clause (iii) above, then the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 120 days after receipt by the Company of the aforesaid request, (ii) the Company shall not have fully reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement, and (iii) such Indemnified Party shall have given the Company at least 30 days' prior notice of its intention to settle.

(4) To the extent that any Indemnified Party is not a party to this Underwriting Agreement, the Underwriters shall obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.

(5) The Company hereby consents to personal jurisdiction in any court in which any claim that is subject to indemnification hereunder is brought against the Underwriters or any Indemnified Party and to the assignment of the benefit of this section to any Indemnified Party for the purpose of enforcement provided that nothing herein shall limit the Company's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claims.

(6) Except as contemplated in this section, the Company shall not be liable under this section for any settlement of any claim or action effected without its prior written consent, which shall not be unreasonably withheld.

(7) For greater certainty, an Indemnified Party that is indemnified under this Section 14 is not entitled to be indemnified under the Bid Letter in respect of the same losses, claims, damages, suits, liabilities, costs, or expenses indemnified under this Section 14.

(8) The foregoing indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable shall determine that such losses, expenses, claims, damages or liabilities to which an Indemnified Party may be subject were caused by fraud, gross negligence, or wilful misconduct of an Indemnified Party.

Section 15 Contribution

In the event that the indemnity provided for in Section 14 is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or for any other reason, the Underwriters and the Company shall contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided for above such that each Underwriter shall be responsible for that portion represented by the percentage that the portion of the Underwriting Fee payable by Torex to such Underwriter bears to the gross proceeds realized by Torex from the distribution, whether or not the Underwriters have been sued together or separately, and the Company shall be responsible for the balance, provided that in no event shall an Underwriter be responsible for any amount in excess of the portion of the Underwriting Fee actually received by such Underwriter. In the event that the Company may be held to be entitled to contribution from the Underwriters under the provisions of any statute or law, the Company shall be limited to contribution in an amount not exceeding the lesser of: (a) the portion of the full amount of losses, claims, costs, damages, expenses, and liabilities giving rise to such contribution for which such Underwriter is responsible; and (b) the amount of the Underwriting Fee actually received by any Underwriter. Notwithstanding the foregoing, a person guilty of fraud or fraudulent misrepresentation shall not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is materially prejudiced by such omission. The right to contribution provided herein shall be in addition to and not in derogation of any other right to contribution which the Underwriters may have by statute or otherwise by law.

Section 16 Expenses

Whether or not the Offering is completed, all expenses of or incidental to the sale of the Offered Securities shall be borne by the Company. The fees and disbursements of legal counsel for the Underwriters (to a maximum of $100,000, exclusive of disbursements and HST) and the Underwriters' out-of-pocket expenses shall be borne by the Company, such fees and expenses to be deducted from the gross proceeds of the Offering otherwise payable at the closing of the Offering.

For greater certainty, if the Offering is not completed due to any failure on the part of the Company to comply with the terms and conditions of this Underwriting Agreement the Company will reimburse the Underwriters for all costs and expenses.

Section 17 Liability of the Underwriters

(1) The obligation of the Underwriters to purchase or to arrange for Substituted Purchasers of, as the case may be, the Offered Units (and the Over-Allotment Securities if the Over-Allotment Option is exercised) in connection with the Offering at the applicable Time of Closing on the Closing Date or the Over-Allotment Closing Date (as the case may be) shall be several, and not joint, nor joint and several, and shall be as to the following percentages of the Offered Securities to be purchased at any such time:

BMO Nesbitt Burns Inc.	35%
Dundee Securities Ltd.	25%
Macquarie Capital Markets Canada Ltd.	15%
GMP Securities L.P.	10%
RBC Dominion Securities Inc.	5%
Scotia Capital Inc.	5%
Stifel Nicolaus Canada Inc.	5%
	100%

(2) If an Underwriter (a "**Refusing Underwriter**") shall not complete the purchase and sale of the Offered Units which such Underwriter has agreed to purchase hereunder for any reason whatsoever, the other Underwriters (the "**Continuing Underwriters**") shall be entitled, at their option, to purchase all but not less than all of the Offered Units which would otherwise have been purchased by such Refusing Underwriter pro rata according to the number of Offered Units to have been acquired by the Continuing Underwriters hereunder or in such proportion as the Continuing Underwriters shall agree in writing. If the Continuing Underwriters do not elect to purchase the balance of Offered Units pursuant to the foregoing:

(a) the Continuing Underwriters shall not be obliged to purchase any of the Offered Units that any Refusing Underwriter is obligated to purchase; and

(b) the Company shall not be obliged to sell less than all of the Offered Units,

and the Company shall be entitled to terminate its obligations under this Underwriting Agreement arising from its acceptance of this offer, in which event there shall be no further liability on the part of the Company or the Continuing Underwriters, except pursuant to the provisions of Section 14, Section 15 and Section 16. Nothing in this Underwriting Agreement shall oblige any U.S. Affiliate to purchase the Offered Units. Any U.S. broker-dealer who makes any offers or sales of the Offered Units in the United States will do so solely as an agent for an Underwriter.

Section 18 Action by Underwriters

All steps which must or may be taken by the Underwriters in connection with this Underwriting Agreement, with the exception of (i) the matters relating to termination contemplated by Section 13, (ii) settlement of any indemnity claim contemplated by Section 14, and (iii) waiver of a condition of closing as contemplated by Section 6 and Section 11, shall be taken by BMO Capital Markets, on behalf of themselves and the other Underwriters, and the execution of this Underwriting Agreement shall constitute Torex's authority for accepting notification of any such steps from, and for delivering the definitive documents constituting the Offered Securities to, or to the account of, BMO Capital Markets.

Section 19 Governing Law

This Underwriting Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

Section 20 Survival of Warranties, Representations, Covenants and Agreements

Except as expressly provided for in this Underwriting Agreement, all warranties, representations, covenants and agreements of Torex and the Underwriters herein contained, or contained in documents submitted or required to be submitted pursuant to this Underwriting Agreement, shall survive the purchase by the Underwriters of the Offered Securities and shall continue in full force and effect, regardless of the closing of the sale of the Offered Securities and regardless of any investigation which may be carried on by the Underwriters or the Company, or on their behalf, for a period of three years following the Closing Date. Without limitation of the foregoing, the provisions contained in this Underwriting Agreement in any way related to the indemnification or the contribution obligations shall survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of applicable law.

Section 21 No Fiduciary Relationship

The Company hereby acknowledges that the Underwriters are acting solely as underwriters in connection with the purchase and sale of the Offered Securities. The Company further acknowledges that the Underwriters are acting pursuant to a contractual relationship created solely by this Underwriting Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of the purchase and sale of the Offered Securities, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Underwriting Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriters to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Offered Securities, do not constitute advice or recommendations to the Company. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Underwriters with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Underwriting Agreement or any matters leading up to such transactions.

Section 22 Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or facsimiled to such other party as follows:

(a) to Torex at:

Torex Gold Resources Inc.
145 King Street West,
Suite 1502
Toronto, ON
Canada M5H 1J8

Attention: Fred Stanford, President and Chief Executive Officer
Facsimile No.: (416) 640-2011

with a copy (for informational purposes only and not constituting notice) to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3C2

Attention: Jay Goldman
Facsimile No.: (416) 644-9337

(b) to the Underwriters at:

BMO Nesbitt Burns Inc.
First Canadian Place
100 King Street West
4th Floor
P.O. Box 150
Toronto, Ontario
MSX 1H3

Attention: Jason Neal, Managing Director and Co-Head of Global Metals & Mining
Facsimile No.: (416) 359-4459

with a copy to (for informational purposes only and not constituting notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Attention: Maurice Swan
Facsimile No.: (416)-947-0866

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time in accordance with this Section 22 and such notices or other communications shall be deemed to have been received when delivered or, if facsimile, on the next business day after such notice or other communication has been facsimiled (with receipt confirmed).

Section 23 Counterpart Signature

This Underwriting Agreement may be executed in one or more counterparts (including counterparts by facsimile or other means of electronic transmission), which together shall constitute an original copy hereof as of the date first noted above.

Section 24 Time of the Essence

Time shall be of the essence in this Underwriting Agreement.

Section 25 Severability

If any provision of this Underwriting Agreement is determined to be void or unenforceable, in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Underwriting Agreement and shall be severable from this Underwriting Agreement.

Section 26 Entire Agreement

This Underwriting Agreement constitutes the entire agreement among the Underwriters and Torex relating to the subject matter hereof and supersedes the Bid Letter.

Section 27 Acceptance

If this agreement accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by Torex, please communicate your acceptance by executing where indicated below and returning by facsimile one copy and returning by mail an originally executed copy to BMO Capital Markets.

Yours very truly,

BMO NESBITT BURNS INC.

By: *"Jason Neal"*

Jason Neal

Managing Director and Co-Head of Global Metals & Mining

DUNDEE SECURITIES LTD.

By: *"David G. Anderson"*

David G. Anderson

Vice Chairman

MACQUARIE CAPITAL MARKETS CANADA LTD.

By: *"Harry Pokrandt"*

Harry Pokrandt

Managing Director

GMP SECURITIES L.P.

By: *"Ron D'Ambrosio"*

Ron D'Ambrosio

Managing Director

RBC DOMINION SECURITIES INC.

By: *"Ryan Latinovich"*

Ryan Latinovich
Director

SCOTIA CAPITAL INC.

By: *"Don Njegovan"*

Don Njegovan
Managing Director

STIFEL NICOLAUS CANADA INC.

By: *"P. Mark Smith"*

P. Mark Smith
Managing Director

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED at Toronto as of this 5th day of October, 2012.

TOREX GOLD RESOURCES INC.

By: *"Fred Stanford"*

Fred Stanford
President and Chief Executive Officer

SCHEDULE "A"

UNITED STATES OFFERS AND SALES

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the underwriting agreement to which this Schedule "A" is annexed and to which it forms a part, and the following terms shall have the meanings indicated:

(a) "**Affiliate**" means "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;

(b) "**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;

(c) "**Foreign Issuer**" shall have the meaning ascribed thereto in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means any issuer which is (a) the government of any country other than the United States, or any political subdivision thereof or a national of any country other than the United States; or (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are either directly or indirectly owned of record by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

(d) "**General Solicitation**" or "**General Advertising**" means "general solicitation" and "general advertising", as used in Rule 502(c) of Regulation D. Without limiting the foregoing, but for greater clarity, General Solicitation or General Advertising includes, but is not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, internet or television, or any seminar or meeting whose attendees had been invited by General Solicitation or General Advertising;

(e) "**SEC**" means the United States Securities and Exchange Commission; and

(f) "**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Regulation S.

(1) *Representations, Warranties and Covenants of the Company.* Torex hereby represents, warrants, covenants and agrees to and with the Underwriters that:

(a) It is a Foreign Issuer with no Substantial U.S. Market Interest with respect to its common shares.

(b) Except with respect to offers and sales to Qualified Institutional Buyers or to Institutional Accredited Investors in reliance upon an applicable exemption from registration under the U.S. Securities Act, neither the Company nor any of its Affiliates, nor any Person acting on its or their behalf (other than the Underwriters, their respective Affiliates or any Person acting on its or their behalf, in respect of which no representation is made), has made or will make: (a) any offer to sell, or any solicitation of an offer to buy, any Offered Securities in the United States; or (b) any sale of Offered Securities unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States, or (ii) the Company and any Person acting on its behalf reasonably believes that the purchaser is outside the United States.

(c) None of Torex or its Affiliates or any Person acting on its or their behalf (other than the Selling Firms, as to whom Torex makes no representation), has engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities, or has taken or will take any action that would cause the exemption afforded by Rule 506 of Regulation D or Rule 144A of the U.S. Securities Act to be unavailable for offers and sales of Offered Securities in the United States in accordance with this Schedule "A", or the exemption from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of Offered Securities outside the United States in accordance with the Underwriting Agreement. None of the Company, any of its Affiliates or any person acting on its or their behalf (other than the Selling Firms, as to whom the Company makes no representation) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Securities in the United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(2) of the U.S. Securities Act.

(d) Except with respect to the offer and sale of the Offered Securities offered hereby Torex has not, for a period of six months prior to the date the Offering commenced, sold, offered for sale or solicited any offer to buy, and will not for a period of six months after the completion of the Offering sell, offer for sale or solicit any offer to buy any of its securities in the United States in a manner that would be integrated with the offer and sale of the Offered Securities and that would cause the exemptions or exclusions from registration afforded by Rule 903 of Regulation S, Rule 506 of Regulation D or Rule 144A to be unavailable for offers and sales of Offered Securities pursuant to this Underwriting Agreement.

(e) The Company is not, and as a result of the sale of the Offered Securities contemplated hereby will not be, an "investment company" as such term is defined in the United States Investment Company Act of 1940, as amended.

(f) Torex will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of Offered Securities.

(g) The Offered Securities offered and sold pursuant to Rule 144A satisfy the requirements set forth in Rule 144A(d)(3) under the U.S. Securities Act.

(h) So long as any of the Offered Securities which have been sold in reliance on Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, the Company shall either (i) furnish to the SEC all information required to be furnished in accordance with Rule 12g3-2(b) under the U.S. Exchange Act; (ii) file reports and other information with the SEC under Section 13 or 15(d) of the U.S. Exchange Act; or (iii) furnish to any holder of the Offered Securities and any prospective purchaser of the Offered Securities designated by such holder, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Securities to effect resales under Rule 144A).

(2) Each Underwriter, *severally* and not jointly, nor jointly or severally, represents, warrants and covenants to the Company, on its own behalf and on behalf of each of its Affiliates, that, in connection with all sales of the Offered Securities in the United States:

(a) It acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may not be offered or sold within the United States except pursuant to the exemption from the registration requirements provided by Rule 144A or Rule 506 of Regulation D. It has offered and sold, and will offer and sell, the Offered Securities only in accordance with Rule 903 of Regulation S, or as otherwise provided in this Schedule "A". Neither it nor any person acting on its behalf has engaged in or will engage in any Directed Selling Efforts with respect to the Offered Securities.

(b) It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its Affiliates, and selling group members or with the prior written consent of the Company.

(c) It may make offers in the United States in accordance with Rule 15a-6 under the U.S. Exchange Act. All sales of Offered Securities, to, or for the account or benefit of, Persons in the United States have been or will be made in accordance with all applicable broker-dealer rules by its U.S. Affiliate, each of which is a Qualified Institutional Buyer and a duly registered broker-dealer with the SEC, and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date such representation is made.

(d) At the time of any offer or sale in the United States it had reasonable grounds to believe and did or will believe that each offeree was either a (i) Substituted Purchaser that is an Institutional Accredited Investor, or (ii) a Qualified

Institutional Buyer. Any sales of Offered Securities made to such Substituted Purchasers will be made directly by the Company, provided, however, that the aggregate Underwriting Fee payable to the Underwriters pursuant to Section 12 hereof shall include any such sales.

(e) It has not used and will not use any form of General Solicitation or General Advertising, in connection with the offer or sale of the Securities in the United States.

(f) It shall cause each Affiliate participating in the distribution of the Offered Securities to agree, for the benefit of the Company, to the same provisions contained in this Schedule "A" as apply to the Underwriter as if such provisions applied to such Persons.

(g) On the Closing Date and the Over-Allotment Closing Date, if any, it and its U.S. Affiliate, will deliver to the Company a certificate substantially in the form of Exhibit I attached hereto, relating to the manner of the offer and sale of the Offered Securities to, or for the account or benefit of, Persons in the United States, or (ii) be deemed to represent and warrant to the Company, as at the date of Closing, that neither it, nor any of its Affiliates, nor any person acting on its or their behalf has made any offers or sales of the Offered Securities to, or for the account or benefit of, Persons in the United States.

(h) It will deliver, through its U.S. Affiliate, a copy of the U.S. Offering Memorandum to each person in the United States purchasing Offered Securities from it. Immediately prior to transmitting the U.S. Offering Memorandum to any offeree, it had reasonable grounds to believe and did believe that such offeree was an Institutional Accredited Investor or a Qualified Institutional Buyer.

(i) All purchasers of the Offered Securities in the United States shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to them in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by either Rule 506 of Regulation D or Rule 144A.

(j) Prior to the Closing Date and the Over-Allotment Closing Date, the Underwriters will provide the Company with a list of all purchasers of the Offered Securities in the United States.

(k) Prior to completion of any sale of Offered Securities in the United States, each such purchaser that is an Institutional Accredited Investor purchasing from the Company as a Substituted Purchaser, will be required to execute a U.S. Purchaser's Letter in the form of Exhibit A attached to the U.S. Offering Memorandum.

EXHIBIT I to SCHEDULE A

UNDERWRITERS' CERTIFICATE

TO: TOREX GOLD RESOURCES INC.

CERTIFICATE

In connection with the private placement of the Offered Securities of Torex Gold Resources Inc. (the "Company") to U.S. institutional accredited investors (the "U.S. Private Placee") pursuant to an applicable exemption from the registration requirement under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), pursuant to the underwriting agreement dated October 5, 2012 (the "Underwriting Agreement") between the Company and the underwriters named therein (each an "Underwriter"), the undersigned together with its United States broker-dealer affiliate (the "U.S. Affiliate") hereby certify that:

1. each undersigned U.S. Affiliate of the undersigned Underwriter who offered or sold Offered Securities in the United States is duly registered as a broker or dealer under the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made in the United States;

2. all offers and/or sales of Offered Securities in the United States were made only through a U.S. Affiliate and have been effected in accordance with all applicable U.S. broker-dealer requirements;

3. each offeree in the United States was provided with a copy of the preliminary U.S. Offering Memorandum, including the Preliminary Prospectus, and each purchaser of Offered Securities in the United States was provided with a copy of the final U.S. Offering Memorandum, including the Prospectus, and no other written material was used in connection with the offer and sale of the Offered Securities in the United States;

4. immediately prior to transmitting the U.S. Offering Memorandum, we had reasonable grounds to believe and did believe that each U.S. Private Placee was either (i) an institutional "accredited investor" as defined in Rule 501(1),(2), (3) or (7) of Regulation D (an "Institutional Accredited Investor") under the U.S. Securities Act or (ii) a "qualified institutional buyer" (a "Qualified Institutional Buyer") as defined in Rule 144A of the U.S. Securities Act and, on the date hereof, we continue to believe that each such U.S. Private Placee that is purchasing Offered Securities from us or from the Company as a Substituted Purchaser, is either an Institutional Accredited Investor or a Qualified Institutional Buyer;

5. it, and its affiliates, has not used and will not use any form of General Solicitation or General Advertising, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio or television or internet, or any seminar or meeting whose

attendees had been invited by General Solicitation or General Advertising, in connection with the offer or sale of the Offered Securities in the United States;

6. the offering of the Offered Securities in the United States has been conducted by us and through our U.S. Affiliate in accordance with the terms of the Underwriting Agreement; and

7. prior to any sale of Offered Securities in the United States we caused each U.S. Private Placee that was an Institutional Accredited Investor to execute a U.S. Purchaser's Letter in the form of Exhibit A attached to the U.S. Offering Memorandum.

Words and terms with the initial letter or letters thereof capitalized in this certificate and not defined herein but defined in the Underwriting Agreement shall have the meanings given to such capitalized words and terms in the Underwriting Agreement unless otherwise defined herein.

Dated this ● day of ●, 2012.

[UNDERWRITER]	**[U.S. AFFILIATE]**
By:	By:
______________________________	______________________________

SCHEDULE "B"

MATERIAL SUBSIDIARIES OF THE COMPANY

Name of Subsidiary	**Percent Ownership**[(1)]
Minera Media Luna, S.A. de C.V.	100%

(1) Ownership is indirect

SCHEDULE “C”

FORM OF LOCK-UP AGREEMENT

____________________, 2012

To: BMO Nesbitt Burns Inc.
Dundee Securities Ltd.
Macquarie Capital Markets Canada Ltd.
GMP Securities L.P.
RBC Dominion Securities Inc.
Scotia Capital Inc.
Stifel Nicolaus Canada Inc.
(collectively, the “**Underwriters**”)

Re: Torex Gold Resources Inc. – Lock-up Agreement

Dear Sirs:

The undersigned understands that the Underwriters have entered into an underwriting agreement dated October 5, 2012, (the “**Underwriting Agreement**”) with Torex Gold Resources Inc. (the “**Company**”) providing for a public offering (the “**Offering**”) of units, consisting of common shares and common share purchase warrants of the Company. Initially capitalized terms not otherwise defined herein shall have the meaning given to them, respectively, in the Underwriting Agreement.

In consideration of the benefit that the Offering will confer upon the undersigned, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date hereof and ending on the day that is 90 days following the Closing Date (the “**Lock-Up Period**”), the undersigned will not, directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, assign, pledge, or otherwise dispose of, or transfer, or announce any intention to do so, any securities of the Company owned, directly or indirectly, or under control or direction, or with respect to which the undersigned has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of any securities of the Company, whether such transaction is settled by delivery of any securities of the Company, other securities, cash or otherwise, other than pursuant to a take-over bid or any similar transaction made generally to all shareholders of the Company, without the prior consent of BMO Nesbitt Burns Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld.

The undersigned understands that the Company and the Underwriters are relying upon this lock-up agreement in proceeding toward consummation of the Offering. The undersigned further understands that this lock-up agreement is irrevocable and shall be binding upon the undersigned’s legal representatives, successors and assigns, and shall enure to the benefit of the Company, the Underwriters and their legal representatives, successors and assigns.

The undersigned hereby represents and warrants that he or she has full power and authority to enter into this agreement, and that he or she will do all such acts and take all such steps as reasonably required in order to fully perform and carry out the provisions of this agreement. All authority herein conferred or agreed to be conferred shall survive the death or incapacity of the undersigned.

This lock-up agreement will be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

This lock-up agreement may be executed by counterpart signatures (including counterparts by facsimile or other means of each electronic transmission) each of which shall be effective as original signatures.

Yours truly,

NAME OF SECURITYHOLDER:

____
(Name)

____
(Signature)

____
(Signature of Witness)

Number and type of securities of the Company subject to this lock-up agreement:

____

BMO Nesbitt Burns Inc. hereby acknowledges this lock-up agreement, on behalf of the Underwriters, this ____ day of October, 2012.

BMO NESBITT BURNS INC.

Per: ________________________________

Authorized Signing Officer