TOREX GOLD RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of shareholders (the "**Meeting**") of Torex Gold Resources Inc. (the "**Company**") will be held at the TSX Gallery, TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, Ontario on June 23, 2015 at 10:00 a.m. (Toronto time), for the following purposes:

(a) to receive the audited financial statements of the Company for the year ended December 31, 2014 and the report of the auditors thereon;

(b) to elect directors of the Company for the ensuing year;

(c) to appoint KPMG LLP, Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;

(d) to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to approve all unallocated options under the Company's stock option plan;

(e) to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution to approve all unallocated restricted share units under the Company's restricted share unit plan; and

(f) to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

This notice is accompanied by a management information circular, a form of proxy, and a supplemental mailing list and consent for electronic delivery return card (collectively, the "**Meeting Materials**"). For those shareholders who did not request to receive a copy of the Company's audited financial statements, a copy is available upon request to the Company and can also be found on the Company's website at **www.torexgold.com** or on SEDAR at **www.sedar.com**.

This year, as described in the notice and access notification mailed to shareholders of the Company, the Company has decided to deliver the Meeting Materials to all registered and non-registered shareholders by posting it to the website found at **www.envisionreports.com/HGIQ2015**. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and it will also reduce the Company's printing and mailing costs. The Meeting Materials will also be available on SEDAR at **www.sedar.com**. The Company pays the cost of delivery of proxy materials for all registered and non-registered shareholders.

Shareholders may request copies of the Meeting Materials at no cost by calling toll-free at 1-866-962-0498; or, if outside of North America, by calling 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 647-260-1500.

If you would like more information about the "notice-and-access" rules, please contact Computershare Investor Services Inc., the Company's registrar and transfer agent, toll-free at 1-866-964-0492.

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the form of proxy.

The board of directors of the Company has by resolution fixed the close of business on May 8, 2015 as the record date, being the date for the determination of the registered holders of common shares entitled to notice of and to vote at the Meeting and any adjournment or adjournments thereof.

The board of directors of the Company has by resolution fixed 5:00 p.m. (Toronto time) on June 19, 2015, or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournments, as the time by which proxies to be used or acted upon at the Meeting or any adjournment or adjournments thereof shall be deposited with the Company's transfer agent, Computershare Trust Company of Canada, in accordance with the instructions set forth in the accompanying management information circular and in the form of proxy. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

DATED at Toronto, Ontario this 12th day of May, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

"Fred Stanford"
Fred Stanford (signed)
President and Chief Executive Officer

TOREX GOLD RESOURCES INC.

MANAGEMENT INFORMATION CIRCULAR

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TOREX GOLD RESOURCES INC.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies by management and the directors of Torex Gold Resources Inc. (the "Company") for use at the annual and special meeting of shareholders (the "Meeting") of the Company to be held at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting. References in this management information circular to the Meeting include any adjournment(s) thereof. It is expected that the solicitation will be primarily by mail, using notice and access; however, proxies may also be solicited personally by the directors and by regular employees of the Company. The cost of solicitation will be borne by the Company.

The board of directors (the "**Board**") of the Company has fixed the close of business on May 8, 2015 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of and to vote at the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent, Computershare Trust Company of Canada, at the address indicated on the envelope accompanying the form of proxy no later than 5:00 p.m. (Toronto time) on June 19, 2015, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

Unless otherwise stated, the information contained in this management information circular is as of May 12, 2015. **In this management information circular, all dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars.**

Appointment and Revocation of Proxies

The persons named in the form of proxy are officers and/or directors of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company's transfer agent, Computershare Trust Company of Canada, indicated on the envelope accompanying the form of proxy no later than 5:00 p.m. (Toronto time) on June 19, 2015, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.**

A shareholder forwarding the proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The common shares (the "**Common Shares**") of the Company represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the head office of the Company (Torex Gold Resources Inc., Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2, Attention: Mary Batoff, General Counsel and Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of all the resolutions described below. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting and with respect to other matters which may properly come before the Meeting.** As at the date hereof, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Voting by Non-Registered Shareholders

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Company will have distributed copies of the notice and access notification, a voting instruction form and the supplemental mailing list and consent for electronic delivery return card (collectively, the "**Mailed Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders, and posted this management information circular and the accompanying Notice of Annual and Special Meeting on the website found at **www.envisionreports.com/HGIQ2015**. The Company is not sending the Mailed Materials directly to non-objecting beneficial owners. The Company intends to pay for Intermediaries to deliver the Mailed Materials to the objecting beneficial owners. See also "Notice and Access", below, for further information.

Intermediaries are required to forward the Mailed Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Mailed Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Mailed Materials will either:

(i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

(ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with the Company, at the appropriate address noted on the form of proxy.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Mailed Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Mailed Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

Notice and Access

As a result of recent regulatory amendments to securities laws governing the delivery of proxy-related materials, public companies are now permitted to advise their shareholders of the availability of the management information circular on an easily-accessible website, rather than mailing physical copies. The use of this alternative means of delivery is more environmentally friendly as it will help reduce paper use and the Company's carbon footprint, and it will also reduce the Company's printing and mailing costs. The Company has therefore decided to deliver this management information circular to shareholders by posting it on the website found at **www.envisionreports.com/HGIQ2015**. This management information circular and related meeting materials will also be available on SEDAR at **www.sedar.com**. All shareholders will also receive a notice and access notification which will contain information on how to obtain electronic and paper copies of this management information circular in advance of the Meeting.

Shareholders who wish to receive paper copies of this management information circular may request copies at no cost by calling toll-free at 1-866-962-0498; or, if outside of North America, by calling 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 647-260-1500.

Requests for paper copies must be received by June 12, 2015 or at least ten days in advance of any date the Meeting is adjourned to, in order to receive this management information circular in advance of the proxy deposit deadline (being 5:00 p.m. (Toronto time) on June 19, 2015, or 48 hours prior to any adjourned Meeting date). This management information circular will be sent to such shareholders within three business days of their request, if such requests are made within the foregoing timeframe.

If you would like more information about the "notice-and-access" rules, please contact Computershare Investor Services Inc., the Company's registrar and transfer agent, toll-free at 1-866-964-0492.

Voting Securities and Principal Holders Thereof

As of May 12, 2015, 785,371,918 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of and to vote at the Meeting has been fixed at May 8, 2015. All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent within the time specified in the attached Notice of Annual and Special Meeting, to attend and vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Company, as of May 8, 2015, there were no persons, or companies who beneficially owned, directly or indirectly, or exercised control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company, other than:

Name	Number of Common Shares Held[(1)]	Percentage of Common Shares Issued and Outstanding
Tyrus Capital S.A.M.	90,213,390	11.49%

(1) The information as to Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, not being within the knowledge of the Company, is based on the filings made on SEDAR by the shareholder listed above pursuant to National Instrument 62-103.

Interest of Certain Persons in Matters to be Acted Upon

No (a) director or executive officer of the Company who has held such position at any time since January 1, 2014; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Election of Directors

The Board presently consists of seven directors and it is intended to elect seven directors for the ensuing year. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of shareholders of the Company unless his office is earlier vacated.

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of the seven nominees whose names are set forth below.

The following profiles set forth information about each director nominee. In addition to each director nominee's involvement with the Company, each nominee has also been involved in the mining or natural resources sector as part of management, a director or an advisor, and has skills and experience that are important in fulfilling a director's responsibilities as a member of the Board.

The Company's by-laws require advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company, other than pursuant to a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (Ontario) (the "**Act**") or a shareholder proposal made pursuant to the provisions of the Act. As at the date hereof, the Company has not received notice of any director nominations by shareholders in connection with the Meeting.

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<td>

Fred Stanford[1]

President and Chief Executive Officer of the Company (Non-Independent)[2]

Professional Engineer, Bachelor of Industrial Engineering, Bachelor of Science

Director since: November 16, 2009

Age: 56

Ontario, Canada

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<td>

Mr. Stanford is a mining executive with over 30 years of experience in the mining industry. Mr. Stanford started his career at Vale Canada Limited ("**Vale**", formerly Vale Inco and Inco Limited) in 1981 as a software designer and then moved into operations management as an underground mine foreman. He progressed through senior roles in mines operations, processing plant operations, engineering, environmental, health and safety, human resources, and production services operations. In 2006, he was appointed to the role of President of Vale's Ontario operations, a position he held until June of 2009. Mr. Stanford graduated in Industrial Engineering from the Technical University of Nova Scotia. He has served on the board of directors of Laurentian University, Cambrian College and the Northern Centre for Advanced Technology (NORCAT), a non-profit commercial incubator.

<table>
<tr><th colspan="2">Key Areas of Expertise/Experience</th></tr>
<tr><td>Mining/Operational</td><td>Executive Management</td></tr>
<tr><td>Corporate Responsibility</td><td>Managing/Leading Growth</td></tr>
</table>

<table>
<tr><th>2014 Board/Committee Membership</th><th colspan="2">2014 Attendance</th><th>Public Board Membership</th></tr>
<tr><td>Board of Directors</td><td>15 of 15</td><td>100%</td><td rowspan="2">None</td></tr>
<tr><td>Safety, Health and Corporate Responsibility Committee</td><td>3 of 3</td><td>100%</td></tr>
</table>

Securities held:[3]

<table>
<tr><th rowspan="2">Fiscal year</th><th rowspan="2">Common Shares held (#)</th><th rowspan="2">Value of Common Shares held[4] ($)</th><th colspan="2">Share ownership guidelines[5]</th><th rowspan="2">RSUs held (#)[6][9]</th></tr>
<tr><th>Minimum required[5] ($)</th><th>Guidelines met?</th></tr>
<tr><td>2014</td><td>263,540</td><td>324,154</td><td rowspan="3">1,500,000</td><td rowspan="3">Yes</td><td>1,821,460</td></tr>
<tr><td>2013</td><td>85,000</td><td>79,900</td><td>1,500,000</td></tr>
<tr><td>Change</td><td>178,540</td><td>244,254</td><td>321,460</td></tr>
</table>

<table>
<tr><th>Date of grant</th><th>Exercise price ($)</th><th>Options held[6] (#)</th><th>Options vested (#)</th><th>Expiration date</th><th>Value of unexercised in-the-money options[7] ($)</th><th>Value of options vested during the year[8] ($)</th></tr>
<tr><td>21-Apr-2014</td><td>1.15</td><td>500,000</td><td>166,666</td><td>21-Apr-2019</td><td>40,000</td><td rowspan="6">3,333</td></tr>
<tr><td>20-Sep-2012</td><td>2.17</td><td>500,000</td><td>500,000</td><td>20-Sep-2017</td><td>Nil</td></tr>
<tr><td>22-Nov-2011</td><td>1.54</td><td>500,000</td><td>500,000</td><td>22-Nov-2016</td><td>Nil</td></tr>
<tr><td>09-Dec-2010</td><td>1.44</td><td>250,000</td><td>250,000</td><td>09-Dec-2015</td><td>Nil</td></tr>
<tr><td>21-Jan-2010</td><td>1.18</td><td>1,000,000</td><td>1,000,000</td><td>02-Jun-2015</td><td>50,000</td></tr>
<tr><td>Total</td><td></td><td>2,750,000</td><td>2,416,666</td><td></td><td>90,000</td></tr>
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Mr. Stanford did not exercise any options during fiscal 2013 and 2014 and no Common Shares were issued to Mr. Stanford pursuant to restricted share units ("**RSUs**") issued under the Company's restricted share unit plan (the "**RSU Plan**") during fiscal 2013. 178,540 Common Shares were issued to Mr. Stanford pursuant to RSUs issued under the RSU Plan during fiscal 2014.

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Michael Murphy[1]

Director (Independent)[2]

Master of Business Administration, Master of Science (Finance)

Director since: April 23, 2008

Age: 50

British Columbia, Canada

Mr. Murphy is the President and Chief Executive Officer of Redzone Resources Ltd., and President of Woodman Capital Ltd., a private consulting company. Mr. Murphy previously spent 15 years working in institutional equities in London, with Merrill Lynch, Donaldson, Lufkin & Jenrette and Credit Suisse, where he managed the hedge fund coverage team. Mr. Murphy graduated from the London School of Economics and Political Science with a Master of Science in Finance and from Saint Mary's University with a Master of Business Administration.

Key Areas of Expertise/Experience	
Governance/Board	Industry Knowledge
Mergers & Acquisitions	Economics and Business

2014 Board/Committee Membership	2014 Attendance		Public Board Membership
Board of Directors	15 of 15	100%	Redzone Resources Ltd.
Safety, Health and Corporate Responsibility Committee	3 of 3	100%	

Securities held:[3]

Fiscal year	Common Shares held (#)	Value of Common Shares held[4] ($)	Share ownership guidelines[5]		RSUs held[9] (#)
			Minimum required[5] ($)	Guidelines met?	
2014	Nil	Nil	150,000	Has until January 25, 2017 to meet the guidelines	Nil
2013	Nil	Nil			Nil
Change	**Nil**	**Nil**			**Nil**

Date of grant	Exercise price ($)	Options held (#)	Options vested (#)	Expiration date	Value of unexercised in-the-money options[7] ($)	Value of options vested during the year[8] ($)
21-Apr-2014	1.15	500,000	166,666	21-Apr-2019	40,000	3,333
20-Sep-2012	2.17	500,000	500,000	20-Sep-2017	Nil	
22-Nov-2011	1.54	500,000	500,000	22-Nov-2016	Nil	
09-Dec-2010	1.44	250,000	250,000	09-Dec-2015	Nil	
21-Jan-2010	1.18	2,083,300	2,083,300	02-Jun-2015	124,998	
Total		**3,833,300**	**3,499,966**		**164,998**	

Mr. Murphy did not exercise any options in fiscal 2013 and exercised 1,916,700 options in fiscal 2014.

A. Terrance MacGibbon(1)

Chairman of the Board (Independent)(2)

Professional Geologist, Certified Director, Bachelor of Science (Geology)

Director since: November 16, 2009

Age: 68

Ontario, Canada

Mr. MacGibbon is a registered professional geologist and a certified director, Institute of Corporate Directors ("**ICD**") with over 45 years of experience in the mining business. Mr. MacGibbon graduated with a B.Sc. (Hons.) in Geology from St. Francis Xavier University. Prior to 1997, he was employed for 30 years with Inco Limited, culminating in him being responsible for directing Inco's North American and worldwide exploration activities. Mr. MacGibbon is founder and was the Chairman and Chief Executive Officer of FNX Mining Company Inc. ("**FNX**") from 1997 to 2010. Mr. MacGibbon and his team built FNX from a junior exploration company into a mid-tier, multi-billion dollar, diversified Canadian mining company that produced nickel, copper, and precious metals from its mineral properties in the Sudbury Basin mining camp, Ontario, Canada. In 2010, FNX merged with Quadra Mining Ltd. to form Quadra FNX Mining Ltd. ("**Quadra FNX**") and from May 2010 to March 2012, he was the Chairman of Quadra FNX, which was subsequently sold to KGHM Polska Miedź SA in 2012. Mr. MacGibbon is a co-founder and since 2006 has been the Chairman of INV Metals Inc. ("**INV**"), a junior resources company exploring and developing the Loma Larga gold project in Ecuador. Mr. MacGibbon is a co-founder of the Company and since November 2009 has been a director and the Chairman of the Board of the Company. He is the founder and since December 2012 has been the Executive Chairman of TMAC Resources Inc. ("**TMAC**"), a private mineral development company developing the Hope Bay Gold Belt in Nunavut, Canada. In 2005, Mr. MacGibbon was awarded the prestigious Prospectors and Developers Association of Canada's Developer of the Year award and in 2005 Ernst and Young honoured Mr. MacGibbon for FNX's successes with an Entrepreneur of the Year award. He has held directorships and senior executive positions in several Toronto Stock Exchange ("**TSX**") and TSX Venture Exchange ("**TSXV**") listed mining companies and is currently a director of TSX listed INV and Malbex Resources Inc.

Key Areas of Expertise/Experience	
Mining/Operational	Managing/Leading Growth
Corporate Responsibility	Executive Management

2014 Board/Committee Membership	**2014 Attendance**		**Public Board Membership**
Board of Directors	15 of 15	100%	INV Metals Inc. Malbex Resources Inc.
Compensation Committee (Chair)	4 of 4	100%	
Corporate Governance and Nominating Committee	2 of 2	100%	

Securities held:(3)

Fiscal year	**Common Shares held (#)**	**Value of Common Shares held**(4) **($)**	**Share ownership guidelines**(5) **Minimum required**(5) **($)**	**Guidelines met?**	**RSUs held (#)**(9)
2014	1,625,000	1,998,750	280,000	Yes	Nil
2013	1,625,000	1,527,500			Nil
Change	**Nil**	**471,250**			**Nil**

Date of grant	**Exercise price ($)**	**Options held (#)**	**Options vested (#)**	**Expiration date**	**Value of unexercised in-the-money options**(7) **($)**	**Value of options vested during the year**(8) **($)**
21-Apr-2014	1.15	500,000	166,666	21-Apr-2019	40,000	3,333
20-Sep-2012	2.17	500,000	500,000	20-Sep-2017	Nil	
22-Nov-2011	1.54	500,000	500,000	22-Nov-2016	Nil	
09-Dec-2010	1.44	250,000	250,000	09-Dec-2015	Nil	
21-Jan-2010	1.18	5,750,000	5,750,000	02-Jun-2015	287,500	
Total		**7,500,000**	**7,166,666**		**327,500**	

Mr. MacGibbon did not exercise any options during fiscal 2013 and 2014. 2,000,000 Common Shares were issued to Mr. MacGibbon pursuant to RSUs issued under the RSU Plan during fiscal 2013.

David Fennell[1] *Director (Independent)*[2] Bachelor of Laws, Bachelor of Arts Director since: November 26, 2009 Age: 62 Nassau, Bahamas	Mr. Fennell is a mining executive with over 30 years of experience in the mining industry and has held directorships and senior executive positions in several TSX and TSXV listed mining companies. He is Executive Chairman of Reunion Gold Corporation, Odyssey Resources Limited, Avala Resources Ltd. and Highland Copper Company Inc., and a director of Kerr Mines Inc., Major Drilling Group International Inc. and Sabina Gold & Silver Corp. Mr. Fennell obtained a Bachelor of Arts from the University of North Dakota, then graduated from the University of Alberta with a Bachelor of Laws and practiced corporate and resource law for a number of years.

Key Areas of Expertise/Experience	
Governance/Board	Industry Knowledge
Law and Regulatory	Human Resources

2014 Board/Committee Membership	**2014 Attendance**		**Public Board Membership**
Board of Directors	14 of 15	93%	Reunion Gold Corporation Odyssey Resources Limited Avala Resources Ltd. Highland Copper Company Inc. Kerr Mines Inc. Major Drilling Group International Inc. Sabina Gold & Silver Corp.
Compensation Committee	4 of 4	100%	
Safety, Health and Corporate Responsibility Committee (Chair)	3 of 3	100%	

Securities held:[3]

Fiscal year	**Common Shares held (#)**	**Value of Common Shares held**[4] **($)**	**Share ownership guidelines**[5]		**RSUs held (#)**[9]
			Minimum required[5] **($)**	**Guidelines met?**	
2014	Nil	Nil	180,000	Has until January 25, 2017 to meet the guidelines	Nil
2013	Nil	Nil			Nil
Change	**Nil**	**Nil**			**Nil**

Date of grant	**Exercise price ($)**	**Options held (#)**	**Options vested (#)**	**Expiration date**	**Value of unexercised in-the-money options**[7] **($)**	**Value of options vested during the year**[8] **($)**
21-Apr-2014	1.15	500,000	166,666	21-Apr-2019	40,000	3,333
20-Sep-2012	2.17	500,000	500,000	20-Sep-2017	Nil	
22-Nov-2011	1.54	500,000	500,000	22-Nov-2016	Nil	
09-Dec-2010	1.44	250,000	250,000	09-Dec-2015	Nil	
21-Jan-2010	1.18	500,000	500,000	02-Jun-2015	25,000	
Total		**2,250,000**	**1,916,666**		**65,000**	

Mr. Fennell did not exercise any options during fiscal 2013 and 2014.

James Crombie[1] *Director (Independent)*[2] Bachelor of Science (Mining Engineering) Director since: March 28, 2011 Age: 57 Nassau, Bahamas	Mr. Crombie is a mining engineer with over 30 years of broadly based experience in the mining industry. Mr. Crombie has held several senior executive positions with various mining companies, including Hope Bay Gold Corporation, Ariane Gold Corp., and Palmarejo Silver & Gold Corporation until its merger with Coeur d'Alene Mines, and was a mining analyst and investment banker with Shepards, Merrill Lynch, James Capel & Co. and Yorkton Securities. Mr. Crombie is the President and Chief Executive Officer and a director of Reunion Gold Corporation, President and Chief Executive Officer and director of Avala Resources, a director of Arian Silver Corporation, President, Chief Executive Officer and a director of Odyssey Resources Limited, Interim President and Chief Executive Officer of Highland Copper Company Inc. and a director of Sutter Gold Mining Inc. He graduated from the Royal School of Mines, London, with a Bachelor of Science (Hons).

Key Areas of Expertise/Experience	
Financial Literacy	Investment Banking
Corporate Responsibility	Industry Knowledge

2014 Board/Committee Membership	**2014 Attendance**		**Public Board Membership**
Board of Directors	14 of 15	93%	Reunion Gold Corporation Odyssey Resources Limited Avala Resources Ltd. Highland Copper Company Inc. Arian Silver Corporation Sutter Gold Mining Inc.
Audit Committee	5 of 5	100%	
Safety, Health and Corporate Responsibility Committee	3 of 3	100%	

Securities held:[3]

Fiscal year	**Common Shares held (#)**	**Value of Common Shares held**[4] **($)**	**Share ownership guidelines**[5]		**RSUs held**[9] **(#)**
			Minimum required[5] **($)**	**Guidelines met?**	
2014	Nil	Nil	150,000	Has until January 25, 2017 to meet the guidelines	Nil
2013	Nil	Nil			Nil
Change	**Nil**	**Nil**			**Nil**

Date of grant	**Exercise price ($)**	**Options held (#)**	**Options vested (#)**	**Expiration date**	**Value of unexercised in-the-money options**[7] **($)**	**Value of options vested during the year**[8] **($)**
21-Apr-2014	1.15	500,000	166,666	21-Apr-2019	40,000	3,333
20-Sep-2012	2.17	500,000	500,000	20-Sep-2017	Nil	
22-Nov-2011	1.54	500,000	500,000	22-Nov-2016	Nil	
17-May-2011	1.61	500,000	500,000	17-May-2016	Nil	
Total		**2,000,000**	**1,666,666**		**40,000**	

Mr. Crombie did not exercise any options during fiscal 2013 and 2014.

Frank Davis[1]

Director (Independent)[2]

Certified Director, Juris Doctor, Master of Business Administration, Bachelor of Commerce

Director since: November 26, 2009

Age: 60

Ontario, Canada

Mr. Davis has been counsel to the law firm Bennett Jones LLP since February 2013. Mr. Davis was previously counsel to the law firm Fraser Milner Casgrain LLP ("**FMC**") from January 2011 to February 2013, and prior thereto was a partner of FMC, practicing principally in the areas of securities and capital markets, corporate finance, mergers and acquisitions, mining and corporate governance. He represents various public companies and investment banking firms in public and private offerings of equity and debt securities. He has acted as counsel to offerors, target companies and financial advisors in both hostile and negotiated merger and acquisition transactions and has been active in a variety of takeover bids, mergers, acquisitions, amalgamations, arrangements and divestitures. Mr. Davis is currently a director of Marret Resource Corp., of which he is chairman of the governance committee, Malbex Resources Inc., of which he is chairman of the governance committee and a member of the audit committee, and TMAC. Mr. Davis holds a Bachelor of Commerce, Juris Doctor and Master of Business Administration from the University of Toronto. He is a certified director, ICD, and is included in The Best Lawyers in Canada, The Canadian Legal LEXPERT Directory, Who's Who Legal: Canada, The International Who's Who of Business Lawyers and Canadian Who's Who.

Key Areas of Expertise/Experience	
Corporate Finance	Governance/Board
Legal and Regulatory	Financial Literacy

2014 Board/Committee Membership	**2014 Attendance**		**Public Board Membership**
Board of Directors	15 of 15	100%	Marret Resource Corp. Malbex Resources Inc.
Corporate Governance and Nominating Committee (Chair)	2 of 2	100%	
Compensation Committee	4 of 4	100%	
Audit Committee	5 of 5	100%	

Securities held:[3]

Fiscal year	**Common Shares held (#)**	**Value of Common Shares held[4] ($)**	**Share ownership guidelines[5]**		**RSUs held[9] (#)**
			Minimum required[5] ($)	**Guidelines met?**	
2014	160,000	196,800			Nil
2013	160,000	150,400	180,000	Yes	Nil
Change	Nil	46,400			Nil

Date of grant	**Exercise price ($)**	**Options held (#)**	**Options vested (#)**	**Expiration date**	**Value of unexercised in-the-money options[7] ($)**	**Value of options vested during the year[8] ($)**
21-Apr-2014	1.15	500,000	166,666	21-Apr-2019	40,000	3,333
20-Sep-2012	2.17	500,000	500,000	20-Sep-2017	Nil	
22-Nov-2011	1.54	500,000	500,000	22-Nov-2016	Nil	
09-Dec-2010	1.44	250,000	250,000	09-Dec-2015	Nil	
21-Jan-2010	1.18	500,000	500,000	02-Jun-2015	25,000	
Total		**2,250,000**	**1,916,666**		**65,000**	

Mr. Davis did not exercise any options during fiscal 2013 and 2014.

Andrew Adams(1)

Director (Independent)(2)

Chartered Accountant (United Kingdom), Bachelor of Social Sciences (Accounting and Statistics)

Director since: November 26, 2009

Age: 58

Ontario, Canada

Mr. Adams is a corporate director and has over 25 years of financial experience in the mining industry, and served as Chief Financial Officer of Aber Diamond Corporation from 1999 to 2003 and Chief Financial Officer of Anglo Gold North America from 1995 to 1999. He currently serves as an independent non-executive director of First Quantum Minerals Ltd., and acts as the audit committee chairman and is a member of the compensation committee for First Quantum Minerals Ltd. He is also a director of TMAC. Mr. Adams obtained his Bachelor of Social Sciences (Accounting and Statistics) from Southampton University and then qualified as a Chartered Accountant in the United Kingdom in 1981.

Key Areas of Expertise/Experience	
Financial Literacy	Governance/Board
Corporate Finance	Industry Knowledge

2014 Board/Committee Membership	**2014 Attendance**		**Public Board Membership**
Board of Directors	15 of 15	100%	First Quantum Minerals Ltd.
Audit Committee (Chair)	5 of 5	100%	
Corporate Governance and Nominating Committee	2 of 2	100%	

Securities held:(3)

Fiscal year	**Common Shares held (#)**	**Value of Common Shares held**(4) **($)**	**Share ownership guidelines**(5)		**RSUs held**(9) **(#)**
			Minimum required(5) **($)**	**Guidelines met?**	
2014	250,000	307,500	180,000	Yes	Nil
2013	250,000	235,000			Nil
Change	**Nil**	**72,500**			**Nil**

Date of grant	**Exercise price ($)**	**Options held (#)**	**Options vested (#)**	**Expiration date**	**Value of unexercised in-the-money options**(7) **($)**	**Value of options vested during the year**(8) **($)**
21-Apr-2014	1.15	500,000	166,666	21-Apr-2019	40,000	3,333
20-Sep-2012	2.17	500,000	500,000	20-Sep-2017	Nil	
22-Nov-2011	1.54	500,000	500,000	22-Nov-2016	Nil	
09-Dec-2010	1.44	250,000	250,000	09-Dec-2015	Nil	
21-Jan-2010	1.18	500,000	500,000	02-Jun-2015	25,000	
Total		**2,250,000**	**1,916,666**		**65,000**	

Mr. Adams did not exercise any options during fiscal 2013 and 2014.

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(1) For additional compensation information, see “Statement of Executive Compensation”, below.

(2) “Independent” refers to the standards of independence under National Instrument 52-110 – *Audit Committees*.

(3) “Securities held” refers to the number of Common Shares and RSUs beneficially owned, controlled or directed (directly or indirectly) by the director as at December 31, 2014 and December 31, 2013, as applicable, and options beneficially owned by the director as at December 31, 2014. The number of Common Shares held by each director nominee is in each case based on information provided by such nominee. As at the date hereof, the director nominees beneficially owned, controlled or directed (directly or indirectly) the following number of Common Shares: Mr. Stanford – 263,540; Mr. Murphy – Nil; Mr. MacGibbon – 1,625,000; Mr. Fennell – Nil; Mr. Crombie – Nil; Mr. Davis – 160,000; and Mr. Adams – 250,000. See also “Election of Directors – Share Ownership Guidelines”.

(4) “Value of Common Shares held” is calculated by multiplying the total number of Common Shares held by the closing price of the Common Shares on the TSX on the last trading day of the fiscal year (December 31, 2014 – $1.23, December 31, 2013 – $0.94).

(5) For a discussion of “Minimum required” and “Share ownership guidelines”, see “Election of Directors – Share Ownership Guidelines”, below.

(6) For additional compensation information for Mr. Stanford with respect to options and RSUs, see “Statement of Executive Compensation – Summary Compensation Table” and “Statement of Executive Compensation – Incentive Plan Awards”.

(7) "Value of unexercised in-the-money options" is calculated by multiplying the total number of in-the-money options by the difference between the closing price of the Common Shares on the TSX on December 31, 2014 of $1.23 and the exercise price of such options.

(8) "Value of options vested during the year" is calculated by multiplying the total number of options vested during the year by the difference between the market price of the Common Shares on the TSX on the date of vesting and the exercise price of such options.

(9) As of the date hereof, no directors beneficially owned, controlled or directed (directly or indirectly) RSUs, other than Mr. Stanford.

Share Ownership Guidelines

In January 2012, the Company implemented share ownership guidelines pursuant to which directors and certain senior officers of Company are encouraged to own a significant number of Common Shares in order to further align their interests with those of the Company's shareholders. Compliance with the guidelines is required by the later of January 25, 2017 and five years after becoming a director or senior officer, as applicable.

Pursuant to the share ownership guidelines in effect during fiscal 2014, each non-management director must hold Common Shares having a value of at least two times the annual base cash retainer paid to each director. Subsequent to the fiscal 2014 year-end, the Board approved an increase in the minimum value for non-management directors to at least three times the annual base cash retainer. See "Election of Directors". The President and Chief Executive Officer of the Company must hold Common Shares having a value of at least three times the annual base salary paid to him or her, and each of the Chief Financial Officer and the Chief Operating Officer of the Company must hold Common Shares having a value of at least one times the annual base salary paid to him or her.

Common Shares issuable upon the vesting of RSUs are treated as Common Shares owned by a director or senior officer in connection with these guidelines. Options held by the directors or senior officer do not count towards the share ownership requirements under the guidelines.

The Compensation Committee reviews the share ownership guidelines from time to time and recommends any changes to the Board for approval.

Corporate Cease Trade Orders

No proposed director of the Company is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies and Other Proceedings

No proposed director of the Company is, as of the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, other than Mr. Adams, who was a director of Tahera Diamond Corporation ("**Tahera**"), a company listed on the TSX at the time Tahera sought protection under the *Companies' Creditors Arrangement Act* in January 2008 and suspended operations in February 2008. Tahera was delisted from the TSX in November 2009. Tahera subsequently sold its tax assets to Ag Growth International and certain properties, including the Jericho diamond mine, to Shear Minerals Ltd.

No proposed director of the Company has within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

No proposed director of the Company is, as at the date hereof, or has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important in deciding whether to vote for a proposed director.

Majority Voting for Directors

The Board has adopted a majority voting policy stipulating that shareholders are entitled to vote annually in favour of each individual director nominee at a shareholders' meeting. If the votes in favour of the election of a director nominee at a shareholders' meeting represent less than the number of votes withheld, the nominee will submit his or her resignation promptly after the meeting for the Corporate Governance and Nominating Committee's consideration (which resignation will be effective upon acceptance by the Board). In such circumstances, the Corporate Governance and Nominating Committee will make a recommendation to the Board as to the director's suitability to continue to serve as a director after reviewing, among other things, the stated reasons, if any, why shareholders withheld votes, the length of service and the qualifications of the director, the director's contribution to the Company, the Company's governance guidelines and TSX listing standards. The Board will consider such recommendation and, within 90 days of the shareholders' meeting, make a decision whether or not to accept the resignation. The Board will accept the resignation absent exceptional circumstances. Following the Board's decision regarding the resignation, the Company will publicly disclose whether the Board has accepted or rejected the resignation, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to the majority voting policy is not permitted to participate in any portion of any meetings of the Board at which his or her resignation is being considered. The policy does not apply in circumstances involving contested director elections.

At the annual and special meeting of shareholders of the Company held on June 26, 2014, each director nominee was elected within a range of approximately 70% - 100% of the votes represented in person or by proxy at the meeting cast in favour of the election of such nominee (with a range of approximately 0% - 30% of the votes withheld).

Following the Meeting, the Company will file on SEDAR at **www.sedar.com** a report of voting results pursuant to Section 11.3 of National Instrument 51-102 – *Continuous Disclosure Obligations* disclosing the outcome of each matter voted upon at the Meeting and issue a press release regarding all items of business conducted at the Meeting, including the detailed results of the vote for the election of directors.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of KPMG LLP, Chartered Accountants, as auditors of the Company until the close of the next annual meeting of shareholders.

Approval of Unallocated Options Under the Stock Option Plan

The Company has established a stock option plan (the "**Stock Option Plan**") under which directors, key employees and consultants of the Company may be granted options to acquire Common Shares. A description of the Stock Option Plan is set out under "Stock Option Plan" and a copy of the Stock Option Plan is attached hereto as Schedule "A".

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. The Stock Option Plan does not have a fixed number of Common Shares issuable thereunder, but permits the issuance of up to an aggregate of 10% of the outstanding Common Shares from time to time. The Stock Option Plan was last approved by shareholders on April 27, 2012. As such, the Company is required to seek shareholder approval at the Meeting for all of the unallocated options issuable pursuant to the Stock Option Plan. The Company has determined to submit this matter to the shareholders at the Meeting.

As at April 27, 2015, the Company had 785,371,918 Common Shares issued and outstanding. Accordingly, a maximum of 78,537,191 Common Shares were available for issuance pursuant to options granted under the Stock Option Plan as at April 27, 2015. As at April 27, 2015, there were 30,103,518 options outstanding under the Stock Option Plan, leaving 48,433,673 Common Shares available for grant of further options. No options were granted from April 27, 2015 to the date hereof, and no options will be granted prior to the Meeting.

If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated options under the Stock Option Plan until the Company's 2018 annual and special shareholders' meeting (provided that such meeting is held on or prior to June 23, 2018). If approval is not obtained at the Meeting, the Company must forthwith stop granting options under the Stock Option Plan and options which are outstanding as of the date of the Meeting and are subsequently cancelled, terminated or exercised will not be available for a new grant of options; however, all options that have been granted until April 27, 2015 but not yet exercised will continue unaffected.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, a resolution substantially in the form set out below (the "**Unallocated Options Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the unallocated options issuable pursuant to the Stock Option Plan.

The Board recommends that shareholders vote for the Unallocated Options Resolution. To be effective, the Unallocated Options Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

"BE IT RESOLVED THAT:

(a) all unallocated options issuable pursuant to the Stock Option Plan are hereby approved and authorized until the date of the Company's annual and special shareholders' meeting to be held in 2018 (provided that such meeting is held on or prior to June 23, 2018); and

(b) any director or officer is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this resolution."

Unless the shareholder has specified in the accompanying form of proxy that his, her or its Common Shares are to be voted against the Unallocated Options Resolution, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby **FOR** the Unallocated Options Resolution.

Approval of Unallocated Restricted Share Units Under the Restricted Share Unit Plan

The Company has established the RSU Plan to have a broader range of incentive plans in place to attract, retain and motivate directors, key employees and consultants of the Company. A description of the RSU Plan is set out under "Restricted Share Unit Plan" and a copy of the RSU Plan is attached hereto as Schedule "B".

Pursuant to section 613 of the TSX Company Manual, unallocated options, rights or other entitlements under a security-based compensation arrangement which does not have a fixed maximum aggregate of securities issuable must be approved by a majority of the issuer's directors and by the issuer's security holders every three years. The RSU Plan does not have a fixed number of Common Shares issuable thereunder, but permits the issuance of up to an aggregate of 3% of the outstanding Common Shares from time to time. The RSU Plan was last approved by shareholders on April 27, 2012. As such, the Company is required to seek shareholder approval at the Meeting for all of the unallocated RSUs issuable pursuant to the RSU Plan. The Company has determined to submit this matter to the shareholders at the Meeting.

As at April 27, 2015, the Company had 785,371,918 Common Shares issued and outstanding. Accordingly, a maximum of 23,561,157 Common Shares were available for issuance pursuant to RSUs granted under the RSU Plan as at April 27, 2015. As of April 27, 2015, there were 1,821,460 RSUs outstanding under the RSU Plan, leaving 21,739,697 Common Shares available for grant of further RSUs. No RSUs were granted from April 27, 2015, to the date hereof, and no RSUs will be granted prior to the Meeting.

If approval is obtained at the Meeting, the Company will not be required to seek further approval of the grant of unallocated RSUs under the RSU Plan until the Company's 2018 annual and special shareholders' meeting (provided that such meeting is held on or prior to June 23, 2018). If approval is not obtained at the Meeting, the Company must forthwith stop granting RSUs under the RSU Plan and RSUs which are outstanding as of the date of the Meeting and are subsequently cancelled, terminated or exercised will not be available for a new grant of RSUs; however, all RSUs that have been granted until April 27, 2015 but not yet exercised will continue unaffected.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, a resolution substantially in the form set out below (the "**Unallocated RSUs Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the unallocated RSUs issuable pursuant to the RSU Plan.

The Board recommends that shareholders vote for the Unallocated RSUs Resolution. To be effective, the Unallocated RSUs Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

"BE IT RESOLVED THAT:

(a) all unallocated RSUs issuable pursuant to the RSU Plan are hereby approved and authorized until the date of the Company's annual and special shareholders' meeting to be held in 2018 (provided that such meeting is held on or prior to June 23, 2018); and

(b) any director or officer is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this resolution."

Unless the shareholder has specified in the accompanying form of proxy that his, her or its Common Shares are to be voted against the Unallocated RSUs Resolution, the persons named in the accompanying form of proxy will vote the Common Shares represented thereby **FOR** the Unallocated RSUs Resolution.

Corporate Governance Practices

National Policy 58-201 *Corporate Governance Guidelines* (the "**Governance Guidelines**") sets out best practice guidelines for effective corporate governance. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance. National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**") requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors, specified disclosure of the corporate governance practices must be included in the management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees, shareholders and other stakeholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or at meetings held as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's business and affairs at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Board has considered the Governance Guidelines and believes that its approach to corporate governance is appropriate and works effectively given the Company's current status. The Company continues to monitor developments in Canada with a view to keeping its governance policies and practices current.

The Governance Disclosure Rule mandates the disclosure of the corporate governance practices of the Company, which disclosure is set out below.

The Board

The Board currently consists of seven directors, six of whom are independent based upon the test for director independence set forth in National Instrument 52-110 – *Audit Committees*. Messrs. Murphy, MacGibbon, Davis, Adams, Fennell and Crombie are independent directors. Mr. Stanford is the President and Chief Executive Officer of the Company and is not an independent director as a result. See "Election of Directors" above.

Mr. MacGibbon is the independent Chairman of the Board. Mr. MacGibbon is primarily responsible for the management and effective performance of the Board and provides leadership to the Board by: leading, managing and organizing the Board consistent with the approach to corporate governance established by the Board; promoting cohesiveness among the directors; being satisfied that the responsibilities of the Board and the committees of the Board are well understood by the Board; assisting the Board in ensuring the integrity of the senior officers and that such senior officers create a culture of integrity throughout the Company; together with the Chairman of the Corporate Governance and Nominating Committee, reviewing the committees of the Board, the Chairs of such committees and the mandates of such committees; and together with the Chairman of the Corporate Governance and Nominating Committee, ensuring that the Board, the committees of the Board, individual directors and the senior officers understand and discharge their respective obligations consistent with the approach to corporate governance established by the Board.

The Board will appoint a Lead Director in circumstances where the Chairman of the Board is not considered independent under applicable laws or the Board considers such appointment appropriate in order to provide independent leadership to the Board. The Board has determined that the Chairman of the Board is independent and accordingly, it is not necessary to appoint a Lead Director.

Inter-locking Directorships

Some of the directors of the Company serve on the same boards of directors of other reporting issuers. The Board has determined that these inter-locking directorships do not adversely impact the effectiveness of these directors on the Company's Board. There are no inter-locking relationships between the Compensation Committee members and the President and Chief Executive Officer of the Company.

Board Meetings

In connection with meetings of the Board, the Chairman of the Board is responsible for (in consultation with the Chairman of the Corporate Governance and Nominating Committee, as appropriate): scheduling meetings of the Board; coordinating with the Chairs of the committees of the Board the scheduling of meetings of the committees; reviewing matters for consideration by the Board; ensuring that all matters required to be considered by the Board are presented to the Board, such that the Board is able to supervise the management of the business and affairs of the Company; setting the agenda for meetings of the Board; monitoring the adequacy of materials provided to the Board; ensuring that the Board has sufficient time to review the materials provided and to fully discuss the business that is presented to the Board; presiding over meetings of the Board; and encouraging free and open discussion at meetings of the Board.

See "Election of Directors" for a summary of the attendance record of each director for all Board and committee meetings held during the year ended December 31, 2014.

Meetings of Independent Directors

After each meeting, as a regular item on each Board and committee agenda, the independent directors hold an *in camera* session at which non-independent directors and members of management are not in attendance unless such a session is not considered necessary by the independent directors present. In fiscal 2014, the Board held an *in camera* session of the independent directors at the end of 13 of the 15 meetings held by the Board.

Board Mandate

The duties and responsibilities of the Board are to manage or supervise the management of the business and affairs of the Company and to act in the best interests of the Company. In discharging its mandate, the Board is primarily responsible for the oversight and review of the development of, among other things, the following matters:

- reviewing the financial and operational performance of the Company;
- the strategic planning process of the Company;
- the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Company to facilitate communications with investors and other interested parties; and

- the integrity of the Company’s internal control and management information systems.

The Board may at any time retain outside financial, legal or other advisors at the expense of the Company and any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Company.

The Board also has the mandate to assess the effectiveness of the Board as a whole, its committees and the contribution of individual directors. The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Safety, Health and Corporate Social Responsibility Committee.

A copy of the Mandate of the Board setting out the Board’s mandate and responsibilities and the duties of its members is attached as Schedule “C” to this management information circular.

Position Descriptions

The Board has developed written position descriptions for each of the Chairman of the Board, the Lead Director, the President and Chief Executive Officer, and the Chief Financial Officer and the mandate of each committee of the Board contains the responsibilities of the Chairman of each such committee.

Orientation and Continuing Education

New members of the Board are provided with:

1. information respecting the functioning of the Board and its committees and a copy of the Company’s corporate governance policies, codes and mandates;

2. access to recent, publicly filed documents of the Company; and

3. access to management.

Board members are encouraged to communicate with management and auditors; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. The Company will pay for any director who wishes to become accredited by the ICD as a certified director. Messrs. Stanford, MacGibbon, Murphy and Davis are each accredited by the ICD as a certified director. External legal counsel to the Company attended Board meetings and updated the Board on relevant changes in the law. During site visits, Board members attend corporate presentations. See “Corporate Governance Practices – Site Visits”. Board members also have full access to the Company’s records.

Site Visits

During the year ended December 31, 2014, Mr. Stanford visited the Morelos gold property regularly (the “**Morelos Gold Property**”). A site visit for all of the directors was scheduled for the fall of 2013 but was cancelled and rescheduled in early 2014 due to severe weather conditions. In February 2014, six directors visited the Morelos Gold Property. During the site visit, the Board members attended corporate presentations outlining the Company’s local corporate activities, operations and applicable laws, among other matters. A site visit is scheduled in May 2015 and all seven directors are planning to attend.

Retirement Policy

The Board has a retirement policy whereby non-management directors may not stand for re-election to the Board at the next annual meeting of shareholders after they turn 75 years of age and management directors must resign upon the earlier of the end of their employment with the Company and once they turn 66 years of age. The Board may, however, extend a director’s term upon the recommendation of the

Corporate Governance and Nominating Committee if the Corporate Governance and Nominating Committee believes that it is appropriate and in the Company's interest to do so.

Ethical Business Conduct

The Company has adopted a Code of Business Conduct and Ethics (the "**Code**") for its directors, senior officers and other employees. A copy of the Code is available for review under the Company's profile on SEDAR at **www.sedar.com** or may be obtained by request to the Chief Financial Officer of the Company at the Exchange Tower, 130 King Street West, Suite 740, Toronto, Ontario M5X 2A2.

The Audit Committee is responsible for monitoring compliance with the Code. In accordance with the Code, directors, senior officers and other employees should raise questions regarding the application of any requirement under the Code, and report a possible violation of a law, or the Code, promptly to their supervisor. If reporting a concern or complaint to a supervisor is not possible or advisable, or if reporting it to a supervisor does not resolve the matter, the matter should be addressed with the Chief Financial Officer. The Audit Committee monitors compliance of the Code by obtaining reports from the Chief Financial Officer as to any matters reported under the Code.

The Board takes steps to ensure that directors, senior officers and other employees exercise independent judgment in considering transactions and agreements in respect of which a director, senior officer or other employee of the Company has a material interest, which include ensuring that directors, senior officers and other employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from their supervisor or the Chief Financial Officer regarding any potential conflicts of interest. All senior officers, senior management and finance employees of the Company have acknowledged that they have read the Code and are responsible for reviewing its highlights with other employees.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations and professional rules; providing guidance to directors, senior officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Corporate Governance and Nominating Committee

The Corporate Governance and Nominating Committee is responsible for identifying potential candidates for the Board. The Corporate Governance and Nominating Committee has been delegated the responsibility of assessing potential candidates for the Board to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board are also consulted for possible candidates.

The Corporate Governance and Nominating Committee is comprised entirely of independent directors.

The Corporate Governance and Nominating Committee considers from time to time the desirable number of directors of the Company, identifies and recommends to the Company and the Board proposed nominees to be directors of the Company, and prepares or updates, as applicable, a skills matrix for the Board which includes the competencies and skills which each individual director possesses. In identifying suitable candidates for appointment to the Board, the Corporate Governance and Nominating Committee considers candidates on merit against objective criteria regarding experience, education, expertise and general and sector specific knowledge and with due regard for the benefit of diversity. See "- Diversity Policy".

In addition, the Corporate Governance and Nominating Committee assists the Company and the Board in fulfilling their respective corporate governance responsibilities under applicable securities laws, and to promote a culture of integrity throughout the Company. The Corporate Governance and Nominating Committee is also responsible for, among other things, (i) considering and making a recommendation to the Board as to whether or not to accept a resignation submitted by a director pursuant to the majority voting policy of the Company (see "Election of Directors - Majority Voting for Directors"); (ii) reviewing and making a recommendation to the Board from time to time on the majority voting policy, the disclosure policy, and such other policies of the Company as considered advisable or as requested by the Board; (iii) considering, or presenting to the Board for consideration, any transaction involving the Company and any related party; (iv) monitoring any related party transaction and reporting to the Board on a regular basis regarding the status of any related party transaction; (v) monitoring the appropriateness of implementing structures to ensure that the Board can function independently of the senior officers of the Company; (vi) providing an orientation and education program for new directors and existing directors; and (vii) assessing the effectiveness of the Board as a whole, its committees and individual directors.

Compensation Committee

The Compensation Committee is responsible for assisting the Board in setting director compensation and the compensation of certain senior officers and to consider and submit to the Board recommendations with respect to other employee benefits considered advisable. In particular, the Compensation Committee is responsible for, among other things, (i) reviewing and making recommendations to the Board with respect to the compensation policies and practices of the Company; (ii) annually reviewing and recommending to the Board for approval the compensation and other benefits of certain of the senior officers of the Company; (iii) reviewing and making a recommendation to the Board on the hiring or termination of certain of the senior officers of the Company or on special employment contracts; (iv) annually recommending to the Board any incentive award to be made to the senior officers under any incentive plan or under any employment agreement; (v) annually comparing the total remuneration of the senior officers with the remuneration of peers in the same industry with such comparison being carried out on an informal or formal basis, at the discretion of the Compensation Committee; (vi) reviewing and making a recommendation to the Board regarding the remuneration of directors; and (vii) reviewing and making a recommendation to the Board with respect to any share ownership guidelines of the senior officers and directors and regularly review the shareholdings of the senior officers and directors based on such guidelines.

The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on the Company's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of such positions. See "Statement of Executive Compensation – Compensation Discussion and Analysis".

The Compensation Committee has the authority to engage, at the expense of the Company, independent counsel and other experts or advisors as is considered advisable, including compensation consultants to assist in determining appropriate compensation policies and levels, provided that any services to be provided by any such compensation consultants must be pre-approved by the Compensation Committee and, any services to be provided by any such compensation consultants at the request of the senior officers, must be pre-approved by the Chair. See "Statement of Executive Compensation".

The Compensation Committee is comprised of Terrance MacGibbon (Chairman), David Fennell and Frank Davis, each of whom is an independent director of the Board.

Relevant Education and Experience

Each member of the Compensation Committee has experience relevant to his responsibilities as a Compensation Committee member.

	Education	Experience
A. Terrance MacGibbon (Chair)	Bachelor of Science (Geology) from St. Francis Xavier University Certified director, ICD	Currently serves as Executive Chairman of TMAC, a private mineral exploration and development company. Mr. MacGibbon was Chairman of QUX and prior to that was Chairman and Chief Executive Officer of FNX. Mr. MacGibbon has held directorships and senior executive positions in several public companies.

	Education	Experience
David Fennell	Bachelor of Arts from the University of North Dakota and Bachelor of Laws from the University of Alberta	Currently serves as Chairman of Reunion Gold Corporation, of which he is a member of the environment, health and safety committee and Executive Chairman of Odyssey Resources Limited, Avala Resources Ltd. and Highland Copper Company Inc.
Frank Davis	Bachelor of Commerce, Juris Doctor and Master of Business Administration from the University of Toronto Certified director, ICD	Currently counsel of the law firm Bennett Jones LLP, and previously counsel and a partner of FMC, practicing principally in the areas of securities and capital markets, corporate finance, mergers and acquisitions and mining. Currently a director of Marret Resource Corp., of which he is chairman of the governance committee, and TMAC. Mr. Davis has previous experience on a number of compensation committees of public companies.

Audit Committee

The Audit Committee provides assistance to the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Company. The external auditors of the Company report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities are to: oversee the accounting and financial reporting processes of the Company, and the audit of its financial statements, including: (i) the integrity of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements; (iii) the independent auditors' qualifications and independence; (iv) serve as an independent and objective party to monitor the Company's financial reporting processes and internal control systems; (v) review and appraise the audit activities of the Company's independent auditors; and (vi) provide open lines of communication among the independent auditors, financial and senior management, and the Board for financial reporting and control matters, and meet periodically with financial and senior management and with the independent auditors. The Audit Committee is also responsible for monitoring compliance with the Code and reviewing and assessing from time to time the Company's whistleblower policy, monetary authority policy and anti-bribery and anti-corruption policy

Further information regarding the Company's Audit Committee is contained in the Company's current annual information form, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the annual information form as Schedule "A". The Company's annual information form is available under the Company's profile on SEDAR at **www.sedar.com**.

Safety, Health and Corporate Responsibility Committee

In 2015, the committee's mandate was expanded to include corporate social responsibility and renamed the Safety, Health and Corporate Responsibility Committee. The Safety, Health and Corporate Responsibility Committee assists the Company and the Board in furthering the Company's commitments to environmentally sound and responsible resource development, good community relations, the protection of human rights, and maintaining a healthy and safe work place (collectively, "**Corporate Responsibility**"). The Safety, Health and Corporate Social Responsibility Committee is responsible for, among other things, (i) reviewing with management the Company's Corporate Responsibility goals, policies, and programs related to exploration, development and operations; (ii) reviewing with management the establishment of appropriate systems, standards, and procedures for Corporate Responsibility, and compliance with applicable laws and standards of corporate conduct, as the committee determines appropriate; (iii) reviewing with management as they relate to Corporate Responsibility programs with respect to risk assessment and risk management, activities taken to monitor and mitigate risks, the effect of relevant regulatory initiatives and trends, and all material claims, demands, and legal proceedings against the Company; (iv) reviewing with management the potential effect that any new major exploration, development, operating, or new business activity may have relating to Corporate Responsibility; (v) reviewing with management the Company's record of performance on Corporate Responsibility; and (vi) apprising the Board regularly of important developments in the course of performing the above duties, including reviewing with the full Board any issues that arise with respect to Company's Corporate Responsibility compliance with legal or regulatory requirements.

Assessments

The Board is responsible for monitoring and assessing its function and effectiveness, composition, operation, and the performance of individual directors. Historically, the practice of the Board has been for the Board to make ongoing informal assessments of the performance of the Board, its committees and individual directors. Through the Corporate Governance and Nominating Committee, the Board reviewed the assessment of each committee and the Board in fulfilling their respective mandates for 2014. Commencing in 2015, the Chairman of the Board will conduct an assessment of the directors annually, using a questionnaire to give important feedback on the effectiveness and contribution of individual directors, the Board committees and the Board overall. The Chairman of the Board will tabulate the results and report such results to the Board.

Director Term Limits

The Company has not instituted director term limits. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director's tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company regularly monitors director performance through annual assessments and regularly encourages sharing and new perspectives through regularly scheduled Board meetings, meetings with only independent directors in attendance, as well as through continuing education initiatives. On a regular basis, the Company analyzes the skills and experience necessary for the Board and evaluates the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

Diversity Policy

The Company believes that decision-making is enhanced through diversity in the broadest sense and in 2015 it adopted a diversity policy to reflect this principle. In the context of an effective Board, diversity includes expression of thought, business experience, skill sets and capabilities. Diversity also includes valuing an individual's race, colour, gender, age, religious belief, ethnicity, cultural background, economic circumstance, human capacity, as well as other factors. Taken together, these diverse skills and backgrounds help to create a business environment that encourages a range of perspectives and fosters excellence in corporate governance, including the creation of shareholder value. The Board has determined that merit is the key requirement for Board appointment and employee advancement. In identifying suitable candidates for appointment to the Board or in selecting and assessing candidates for executive positions, candidates will be considered on merit against objective criteria regarding experience, education, expertise and general and sector specific knowledge and with due regard for the benefit of diversity. As a result, the diversity policy does not mandate quotas based on any specific area of diversity and specifically does not set targets for women on the Board or in executive officer positions.

Currently, the Board consists of seven members, none of whom are women, and the Company has nine executive officers, three of whom are women.

Loans to Directors

The Company does not make personal loans or extend credit to its directors or senior officers. There are no loans outstanding from the Company to any of its directors or senior officers.

<u>Statement of Executive Compensation</u>

Compensation Discussion and Analysis

The following section discusses the Company's compensation program and key compensation decisions for the Company's President and Chief Executive Officer, Chief Financial Officer, and three other most highly compensated executive officers (or persons acting in a similar capacity) for the year ended December 31, 2014 (the "**Named Executive Officers**" or "**NEOs**"):

- Fred Stanford – President and Chief Executive Officer
- Andrew Gottwald – Chief Financial Officer (to March 31, 2014)
- Jeff Swinoga - Chief Financial Officer (from April 7, 2014)
- Jason Simpson – Chief Operating Officer
- Alejandro Kakarieka – Vice President, Exploration
- Anne Stephen – Vice President, Human Resources

Purpose

The purpose of the Named Executive Officer compensation policy is to align the decision making of the Named Executive Officers with the interests of the Company's shareholders.

Objectives

The overall objectives of the Company's Named Executive Officer compensation program include:

(a) Attract and retain quality executives that can successfully interpret the complexity of the Company's business in order to be able to make decisions that advance, among others, the shareholders' interests.

(b) "Felt fair" compensation differential between internal roles of differing accountability and complexity.

(c) "Felt fair" variable compensation decisions for executives that recognize the quality of decisions to advance, among others, shareholders' interests.

Components of Executive Compensation

The below table represents the summary of the Company's Named Executive Officer compensation components.

Compensation Element and Purpose	**Measurement**	**Target**	**Range**	**Form**
Base Salary To compensate executives for the level of accountability inherent in their roles.	The accountability inherent in the role, the experience of the individual and their performance in the role.	N/A	N/A	Cash
Short-term "Pay at Risk" To align decision-making of the executive with the interests of shareholders.	How well annual objectives were achieved.(1)	President and Chief Executive Officer: 100% of base salary Other Named Executive Officers: 50% of base salary	0 to 2 times target	Cash

Compensation Element and Purpose	Measurement	Target	Range	Form
Long-term "Pay at Risk" To align decision-making of the executive with the interests of shareholders.	How well executives create sustained value for shareholders over the long-term, measured against pre-set objectives.(2)	Target compensation is based on the relevant NEO's base salary.	N/A	Options(3)(4) RSUs(3)(5)
Benefits and Perquisite Payments To enhance executive health and well-being.	None.	N/A	< 10% of base salary	Benefits and perquisites

(1) Annual objectives are developed by management of the Company and approved by the Board, and focus on advancing the Company's strategy of developing the El Limón and Guajes project, significantly adding to the mineral resources and mineral reserves of the Morelos Gold Property, while developing existing mineral resources and mineral reserves, and transitioning the Company into a mid-tier gold producer in the near term.

(2) For additional details, refer to "Statement of Executive Compensation – 2014 Performance Factor" below.

(3) Options and RSUs are awarded based on the Stock Option Plan and the RSU Plan.

(4) All options vest: (i) as to one-third on the date of grant, one-third on the date that is 12 months after the date of grant and one-third on the date that is 24 months after the date of grant; or (ii) upon the achievement of performance-based conditions. Previous grants of options are taken into account when considering new grants. In fiscal 2014, a total of 6,640,000 options were granted by the Company under the Stock Option Plan, representing less than 1% of the number of Common Shares issued and outstanding as at December 31, 2014. No options were exercised by the Named Executive Officers during fiscal 2014. See "Stock Option Plan".

(5) RSUs awarded represent a right to receive Common Shares issued from treasury on the later of: (i) the date which is the first day after a Restricted Period; and (ii) the Deferred Payment Date (as defined herein). Vesting of RSUs occurs on the date which is the first day after a Restricted Period and may be subject to conditions to be achieved by the Company, the participant or a class of participants. 178,540 Common Shares were issued to Mr. Stanford (being the only Named Executive Officer or director who beneficially owns, controls or directs, directly or indirectly, RSUs) pursuant to RSUs during fiscal 2014. See "Restricted Share Unit Plan".

As the Company develops the Morelos Gold Property and transitions into a mid-tier gold producer, the Compensation Committee has defined short-term "pay at risk" objectives related to the development of the El Limón and Guajes project and the discovery of additional projects.

As previously disclosed, in December 2012 the Compensation Committee engaged an independent compensation consultant to provide external advice on competitive mining industry compensation parameters and arrangements, such as typical compensation plan structure and mix and weighing of compensation components. This information was used in 2013 to assist the Compensation Committee with its ongoing review of the Company's compensation strategy in order to reflect the Company's changing status.

The Compensation Committee, in its deliberations on executive compensation for 2014, considered the above-noted advice received from the independent consultant and the stage of development of the Company

Other than the Chief Operating Officer, the NEOs received a 3% increase in their annual base salary. Primarily based on the stage of development of the Company and the increased level of responsibility as the construction of the El Limón and Guajes project commenced, the Chief Operating Officer received a 9% increase in his annual base salary.

In regards to the option and RSU awards, it was decided to maintain the previously established grant levels of options and RSU awards.

In April 2014, Jeff Swinoga replaced the former Chief Financial Officer. An extensive search was conducted to fill the Chief Financial Officer position. Salary expectations across a large number of candidates established the range of the market compensation for the role. The salary established for the incoming Chief Financial Officer was commensurate with his skills and experience within that established range.

Director Compensation

The Compensation Committee in its deliberations on director compensation considered the amounts paid to directors by other companies of comparable size to the Company and the Compensation Committee determined that the following was appropriate for the size and stage of development of the Company: (i) a base fee of $75,000 per annum per director; (ii) a base fee of $125,000 per annum for the Chairman of the Board; and (iii) a base fee of $15,000 per annum to each committee chair. In regards to the option awards, it was decided to maintain the previously established grant level of option awards.

Risks Associated with Compensation

In establishing the compensation plan for the Company and in making its recommendations in respect of fiscal 2014, the Compensation Committee also sought to mitigate excessive risk taking by: (i) providing for time-based vesting of options; and (ii) not having performance objectives related to share price which could be manipulated by management. The Company believes that the programs are balanced and do not motivate unnecessary or excessive risk taking.

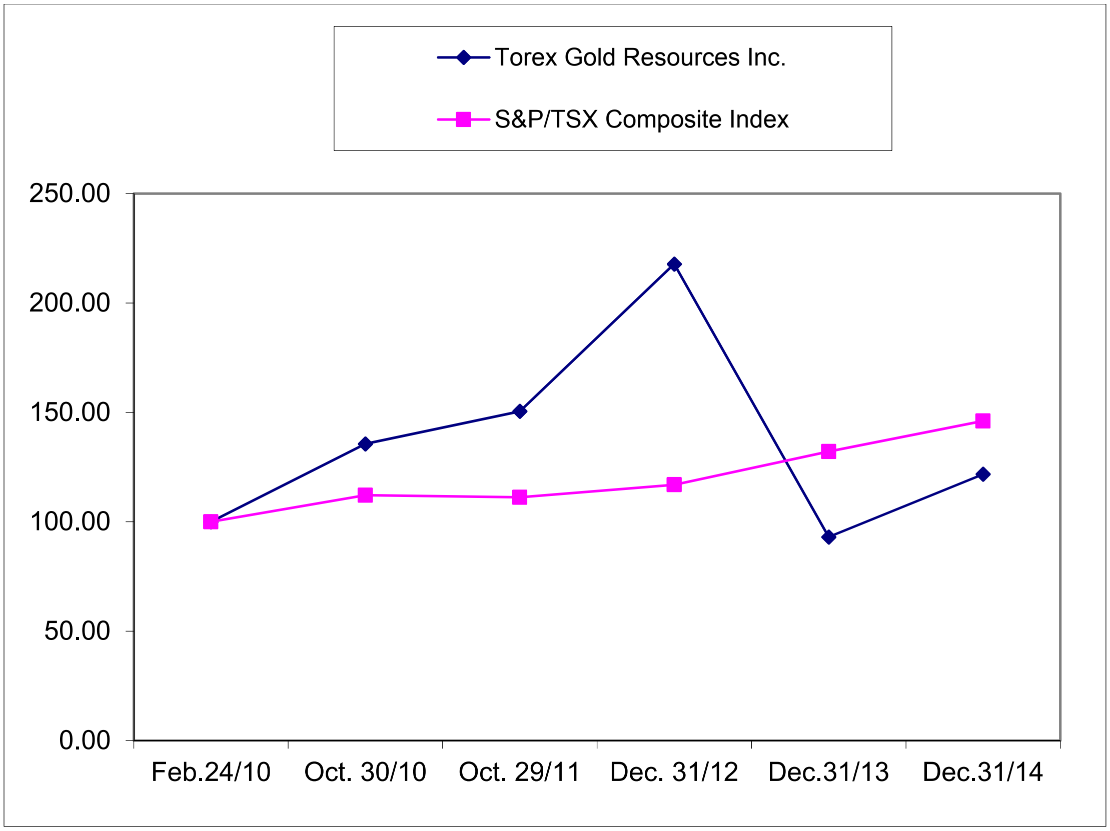
Financial Instruments

In 2015, the Company amended its insider trading policy to include restrictions on the directors or Named Executive Officers from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. In addition, to the knowledge of the Company as of the date hereof, no director or Named Executive Officer of the Company has participated in the purchase of such financial instruments.

2014 Corporate Objectives and Results

<u>Performance Graph</u>

The following graph compares the yearly percentage change in the cumulative total shareholder return for $100 invested in Common Shares on February 24, 2010, the date on which the Common Shares began trading on the TSX, against the cumulative total shareholder return of the S&P/TSX Composite Index for the period from February 24, 2010 to December 31, 2014, assuming the reinvestment of all dividends.



	Feb. 24/10	Oct. 30/10	Oct. 29/11	Dec. 31/12	Dec. 31/13	Dec. 31/14
Torex Gold Resources Inc.	100.00	135.63	150.48	217.80	93.06	121.77
S&P/TSX Composite Index	100.00	112.14	111.21	116.93	132.12	146.06

Over the course of the Company's most recently completed financial year, trading prices for mineral resource companies have generally lagged the S&P/TSX Composite Index as a result of factors outside the Company's control, such as the price of gold. The trading prices for the Common Shares have reflected that general industry trend.

Since the acquisition of the Morelos Gold Property in November 2009 (the "**Morelos Acquisition**"), the Company has grown significantly. Prior to completing the Morelos Acquisition, the Company had minimal assets and the compensation of its then executive officers reflected the size and business of the Company. Upon completion of the Morelos Acquisition, the Company became more active and its overhead generally, and compensation of its then executive officers in particular, increased. Having completed further successful exploration of the Morelos Gold Property, the Company began to transition to a development company with a project under construction, resulting in a need to attract new management and leading to further increases in the compensation paid to its executive officers. As a result of these factors since the completion of the Morelos Acquisition, the compensation paid to the Company's executive officers has increased at a pace greater than the increase in the S&P/TSX Composite Index over the same period.

2014 Performance Factor

The following is a summary of the 2014 short term annual performance objectives for the Named Executive Officers:

	Objectives[1] and Outcomes[2]
President and Chief Executive Officer	
Objectives	All of the objectives below.
Chief Financial Officer – had primary responsibility for the following corporate objectives.	
Objective	Complete the financing package with respect to the El Limón and Guajes project.
Outcome	Completed
Objective	Assist the rest of the management team in attaining the performance objectives.
Outcome	Achieved as set out herein.
Chief Operating Officer – had primary responsibility for the following corporate objectives.	
Objective	Advancing Guajes mining as per the 21 month feasibility schedule and build a stockpile with a minimum of 10,000 ounces of gold at an average grade of not less than 10% below the feasibility plan estimate.
Outcome	Ahead of schedule
Objective	Advancing processing plant and infrastructure construction on a pace that will see the first gold pour in the third quarter of 2015.
Outcome	Company was on track until the tragic disappearance of 43 students in Guerrero. The resultant social unrest led to the resignation of a large number of construction contractor employees. The site teams made significant adjustments and managed to hire new employees and recover part of the associated schedule losses.
Objective	Advancing El Limón toward commencement of mining by completing the El Limón access road and having La Fundicion moved or protected in such a manner that El Limón mining can start in the third quarter of 2015.
Outcome	El Limón access road completed well ahead of schedule. La Fundicion village is on track to be moved in early in the third quarter 2015 to allow for mining to commence.
Objective	Advancing plant commissioning preparations such that plans, procedures, and personnel are ready for the first pour of gold in the third quarter of 2015.
Outcome	Progressing on schedule. Mining workforce has been hired and training programs have been established.
Objective	Do all of the above, without serious injury to employees or contractors, with impact to the environment with the constraints of the environmental permits, without harm to the relationship with the community and within budget.
Outcome	Four million hours worked without an injury on site. Continued to work within the constraints of the environmental permits with no issues to-date. Avoided changes in budget due to scope change. Suffered some increase in budget due to increase in contractor costs for assembly and installation of the equipment, due primarily to the social unrest related to the disappearance of 43 students in Guerrero.
Objective	Assist the rest of the management team in attaining the performance objectives.
Outcome	Achieved as set out herein.
Vice President, Exploration - had primary responsibility for the following corporate objectives.	
Objective	Complete initial wide-spaced drill test of targets within the Media Luna magnetic anomaly.
Outcome	Completed
Objective	Explore the Morelos Gold Property by: (i) exploring targets north of the Balsas River, in particular those that may add short to medium term value to the El Limón and Guajes project, (ii) conducting geo-chemical survey work on other prospective targets on the property.
Outcome	Completed. Drilling on the El Limón Sur deposit was completed and the mineral resource was added to the El Limón and Guajes project.
Objective	Assist the rest of the management team in attaining the performance objectives.
Outcome	Achieved as set out herein.

	Objectives[1] and Outcomes[2]
Vice President, Human Resources - had primary responsibility for the following corporate objectives.	
Objective	Maintain pace as Company grows in the delivery of *Working Together* (team leadership/team membership skills training) for management and current employees.
Outcome	Achieved
Objective	Maintain pace as Company grows regarding development and implementation of role descriptions, recruitment, selection, integration, performance review, performance assessment, removal and discipline systems.
Outcome	Achieved
Objective	Assist the rest of the management team in attaining their performance objectives.
Outcome	Achieved as set out herein.
	Other Corporate Objectives
Objective	Advancing preliminary engineering to refine options for Media Luna, for underground access, future definition drilling and future mining operations.
Outcome	Completed. Currently advancing work on a preliminary economic assessment which is on schedule to be completed in July 2015.

(1) The majority of the corporate objectives were published in the Company's management's discussion and analysis for the first quarter of 2014.
(2) Safety performance is considered when determining whether the objectives have been met.

Summary Compensation Table

The following table provides information regarding compensation earned by the Named Executive Officers for the 14 months ended December 31, 2012, and the years ended December 31, 2013 and 2014.

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards ($)[2]	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Fred Stanford[3] President and Chief Executive Officer	2014 2013 2012	515,000 500,000 371,000	575,000 Nil 1,050,000	250,000 Nil 475,158	515,000 500,000 742,000	Nil Nil Nil	N/A N/A N/A	Nil Nil Nil	1,855,000 1,000,000 2,638,158
Andrew Gottwald[4] Former Chief Financial Officer	2014 2013 2012	177,165 300,000 272,067	Nil Nil Nil	50,000 Nil 277,205	214,063 150,000 272,067	Nil Nil Nil	N/A N/A N/A	491,033[9] Nil Nil	932,261 450,000 821,339
Jeff Swinoga [5] Chief Financial Officer	2014 2013 2012	242,000 N/A N/A	Nil N/A N/A	150,000 N/A N/A	123,750 N/A N/A	Nil N/A N/A	N/A N/A N/A	Nil N/A N/A	515,750 N/A N/A

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards ($)[2]	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans			
Jason Simpson[6] Chief Operating Officer	2014	300,000	Nil	150,000	225,000	Nil	N/A	Nil	675,000
	2013	274,087	Nil	249,000	213,750	Nil	N/A	Nil	736,837
	2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alejandro Kakarieka Vice President, Exploration	2014	340,550[7]	Nil	100,000	171,000[7]	Nil	N/A	28,250[10]	639,800
	2013	303,126[7]	Nil	Nil	142,071[7]	Nil	N/A	24,250[10]	469,447
	2012	198,980[7]	Nil	183,861	232,143[7]	Nil	N/A	31,820[10]	646,804
Anne Stephen[8] Vice President, Human Resources	2014	267,800	Nil	100,000	134,000	Nil	N/A	Nil	501,800
	2013	260,000	Nil	Nil	169,000	Nil	N/A	Nil	429,000
	2012	93,750	Nil	269,000	94,315	Nil	N/A	Nil	457,065

(1) Share-based award values have been calculated using the grant date fair value of such awards. Figures in this column represent RSUs. The figures represent the aggregate value of RSUs granted on April 21, 2014 (grant date fair value of $1.15 per RSU) and September 20, 2012 (grant date fair value of $2.10 per RSU).
(2) Based on grant date fair value of the options which is calculated using the Black-Scholes model. The Black-Scholes model was selected as it is a widely used financial method to determining fair prices of options.
(3) No compensation was paid to Mr. Stanford in his capacity as a director of the Company.
(4) Mr. Gottwald ceased acting as Chief Financial Officer of the Company effective March 31, 2014.
(5) Mr. Swinoga joined the Company as Chief Financial Officer on April 7, 2014.
(6) Mr. Simpson joined the Company as Chief Operating Officer on January 15, 2013.
(7) Salary and annual incentive plan awards are paid in United States dollars. Figures have been converted to Canadian dollars based on the noon exchange rate, as reported by the Bank of Canada, on December 31, 2014 of US$1.00 = $1.1601, December 31, 2013 of US$1.00 = $1.0636, and December 31, 2012 of US$1.00 = $0.9949, as applicable.
(8) Ms. Stephen joined the Company as Vice President, Human Resources on August 1, 2012.
(9) Termination payment paid to Mr. Gottwald. See " – Termination and Change of Control Benefits".
(10) Mr. Kakarieaka received 8% of base salary in lieu of vacation in 2014 and 2013. In 2012 he received 8% in lieu of vacation and 8% in lieu of pension.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table provides information regarding all incentive plan awards for each Named Executive Officer outstanding as of December 31, 2014.

Name	Option-based Awards(1)				Share-based Awards		
	Number of securities underlying unexercised options (#)	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)(2)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)(3)**
Fred Stanford President and Chief Executive Officer	1,000,000	1.18	June 2, 2015	50,000	333,333(4)	410,000(5)	2,050,000
	250,000	1.44	December 9, 2015	Nil			
	500,000	1.54	November 22, 2016	Nil			
	500,000(8)	2.17	September 20, 2017	Nil			
	500,000	1.15	April 21, 2019	40,000			
Andrew Gottwald(6) Former Chief Financial Officer	150,000	1.44	December 9, 2015	Nil	Nil	Nil	Nil
	300,000	1.54	November 22, 2016	Nil			
	300,000	2.17	September 20, 2017	Nil			
	100,000	1.15	April 21, 2019	8,000			
Jeff Swinoga(7) Chief Financial Officer	300,000	1.15	April 21, 2019	24,000	Nil	Nil	Nil
Jason Simpson Chief Operating Officer	300,000	1.87	January 28, 2018	Nil	Nil	Nil	Nil
	300,000	1.15	April 21, 2019	24,000			
Alejandro Kakarieka Vice-President Exploration	200,000	1.61	September 10, 2016	Nil	Nil	Nil	Nil
	100,000	1.54	November 22, 2016	Nil			
	200,000	2.17	September 20, 2017	Nil			
	200,000	1.15	April 21, 2019	16,000			
Anne Stephen Vice-President Human Resources	200,000	1.90	September 10, 2017	Nil	Nil	Nil	Nil
	100,000	2.17	September 20, 2017	Nil			
	200,000	1.15	April 21, 2019	16,000			

(1) Subject to note (8) below, grants of options vest in tranches of 1/3, with 1/3 of the options vesting on the date of grant, 1/3 of the options vesting on the first anniversary of the date of grant and 1/3 of the options vesting on the second anniversary of the date of grant.

(2) Based on the difference in value between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2014 of $1.23.

(3) The value of all undistributed share based awards reflected in this column has been calculated using the market value of such awards of $1.23 per share at December 31, 2014.

(4) Mr. Stanford was granted 500,000 RSUs on February 24, 2010 in respect of services provided during the fiscal year ended October 31, 2009, which have vested in accordance with the RSU Plan. These RSUs had a market value of $495,000 as at February 24, 2010. Mr. Stanford was granted 500,000 RSUs on November 22, 2011 in respect of services provided during the fiscal year ended October 31, 2011. These RSUs had a market value of $800,000 as at November 22, 2011. 333,334 RSUs vested in 2012 and 166,666 RSUs vested on November 22, 2013, all in accordance with the RSU Plan. Mr. Stanford was granted 500,000 RSUs on September 20, 2012, with a market value of $1,050,000 as at September 20, 2012. 166,667 RSUs vested on March 20, 2013, 166,667 RSUs vested on September 20, 2013 and 166,666 RSUs vested on September 20, 2014. Mr. Stanford has deferred receipt of all Common Shares issuable upon vesting of foregoing RSUs. Mr. Stanford was granted 500,000 RSUs on May 21, 2014, with a market value of $126,000.

An additional aggregate 78,540 RSUs vested from June to December 2014, and Mr. Stanford exercised such RSUs and received 78,540 Common Shares, with a market value of $114,025.

(5) Based on the closing price of the Common Shares on the TSX on December 31, 2014 of $1.23.

(6) Mr. Gottwald ceased acting from the Company as Chief Financial Officer effective March 31, 2014. Mr. Gottwald's options remain exercisable pursuant to their terms. See " – Termination and Change of Control Benefits".

(7) Mr. Swinoga joined the Company as Chief Financial Officer on April 7, 2014.

(8) One-half of these options vested upon the Company making a positive construction decision in respect of the El Limón and Guajes project.

Value Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each Named Executive Officer for the year ended December 31, 2014.

Name	Option-based Awards – Value vested during the year ($)(1)	Share-based Awards – Value vested during the year ($)(2)	Non-Equity Incentive Plan Compensation – Value earned during the year ($)
Fred Stanford President and Chief Executive Officer	3,333	240,025	N/A
Andrew Gottwald(3) Former Chief Financial Officer	2,000	N/A	N/A
Jeff Swinoga(4) Chief Financial Officer	Nil	N/A	N/A
Jason Simpson Chief Operating Officer	2,000	N/A	N/A
Alejandro Kakarieka Vice-President Exploration	1,333	N/A	N/A
Anne Stephen Vice-President Human Resources	1,333	N/A	N/A

(1) Based on the number of options that vested during the year and calculated based on the difference between the market price of the Common Shares on the TSX on the vesting date and the exercise price of the options.

(2) Based on the number of RSUs vested during the year, multiplied by the market price of the Common Shares on the TSX on the date of vesting.

(3) Mr. Gottwald ceased acting as Chief Financial Officer of the Company effective March 31, 2014.

(4) Mr. Swinoga joined the Company as Chief Financial Officer on April 7, 2014.

Pension Plan Benefits

The Company does not have a pension plan and does not provide any pension plan benefits.

Termination and Change of Control Benefits

The Company has entered into employment agreements (the "**Employment Agreements**") with the Named Executive Officers, which agreements include provisions relating to voluntary termination, death, retirement or permanent disability, termination of employment for cause, and termination of employment without cause or a triggering event following a change of control. The terms are as follows:

Voluntary Termination

A Named Executive Officer may terminate his or her employment with the Company with thirty days written notice and shall receive payment of any outstanding base salary.

If the Named Executive Officer terminates his or her employment after: a) being relieved of his or her duties (for reasons other than termination for cause or termination for disability/death/retirement) or a material change in his or her duties; b) any reduction in his or her salary or any material reduction in benefits or any other form of remuneration; or c) any material breach by the Company of any material provisions of his or her Employment Agreement, the Company shall provide:

- any unpaid base salary owing up to the date of termination;
- other than for Mr. Kakarieka, pro-rated unused vacation entitlements up to the date of termination;
- an amount equal to one times the Named Executive Officer's annual base salary in effect at the date such notice of termination is given (other than in the case of Mr. Stanford, which amount is two times annual base salary);
- an amount equal to one times the average of the cash bonuses paid to the Named Executive Officer for the two most recently completed years (other than in the case of Mr. Stanford, which is two times the average of the cash bonuses paid);
- that any unvested options previously granted shall continue to vest for a period of six months subsequent to any notice of resignation given by the Named Executive Officer or notice of termination (other than in the case of Mr. Swinoga, in which case unvested options shall continue to vest for a period of one year, Mr. Stanford, for whom all unvested options and RSUs that would vest for one year following the date of notice of such termination shall be deemed to have vested immediately upon provision of such notice, and Mr. Kakarieka, whose Employment Agreement does not consider the treatment of outstanding options).

Termination by the Company for Disability/Death/Retirement

The employment of the Named Executive Officer will automatically terminate, without notice or pay in lieu of notice, upon the death or retirement of the Named Executive Officer.

The Company may terminate the employment of the Named Executive Officer by giving written notice, if the Named Executive Officer becomes permanently disabled.

In the event of permanent disability, death or retirement the Company shall provide to the Named Executive Officer:

- any unpaid base salary owing up to the date of termination;
- other than for Mr. Kakarieka, pro-rated unused vacation entitlements up to the date of termination;
- in lieu of his or her annual bonus for the year in which termination of employment occurs, a lump sum payment in an amount equal to the average of the cash bonuses paid to the Named Executive Officer for the two most recently completed years;
- that any unvested options previously granted shall continue to vest and be exercisable as provided for in the Stock Option Plan (other than in the case of Mr. Stanford, where any unvested options or RSUs previously granted shall be deemed to have vested immediately and all options previously granted shall continue to be exercisable as provided for in the Stock Option Plan, and Mr. Kakarieka, whose Employment Agreement does not consider the treatment of outstanding options).

Termination for Cause

The Company may terminate a Named Executive Officer's employment for cause without notice or payment in lieu of notice.

In the event of termination for cause, a Named Executive Officer receives payment of:

- any unpaid base salary owing up to the date of termination; and
- other than for Mr. Kakarieka, pro-rated unused vacation entitlements up to the date of termination.

All unexercised options that have been granted to the Named Executive Officer prior to receipt by the Named Executive Officer of notice of termination, shall not be exercisable and shall immediately be deemed to be null and void (other than in the case of Mr. Kakarieka, whose Employment Agreement does not consider the treatment of outstanding options).

Termination without Cause or Triggering Event following Change of Control

The summary below outlines the compensation payable to Named Executive Officers in the event of termination of employment by the Company without cause, or the resignation by the Named Executive Officer following (i) a material reduction of the Named Executive Officer's duties, level of responsibility or reporting level, (ii) any reduction of base salary, (iii) any material reduction of benefits or other remuneration (other than discretionary benefits or remuneration such as bonuses, option grants or RSU grants) or (iv) relocation of the principal office of the Named Executive Officer that increases the Named Executive Officer's commute above a specified threshold (each, a "**Triggering Event**") within 24 months of the change of control of the Company (a "**Change of Control**").

A Change of Control is deemed to occur upon:

- a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company and another corporation or by any person and its joint actors and affiliates (collectively, a "Group"), as such terms are used or defined in the Securities Act (Ontario), and whether directly or indirectly, resulting in the acquisition of the Common Shares which, when added to all other Common Shares at the time held by such corporation or person and its joint actors and affiliates, totals for the first time 40% of the outstanding Common Shares; or
- any person or Group acting jointly or in concert succeeding in having a sufficient number of its nominees elected to the Board such that such nominees, when added to any existing director remaining on the Board after such election who can be considered to be a nominee of such person or Group, will constitute the majority of the Board; or
- the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent.

The provisions in place for the Named Executive Officers upon termination without cause or upon a Change of Control provide that a Named Executive Officer receives:

- any unpaid base salary owing up to the date of termination;
- other than for Mr. Kakarieka, pro-rated unused vacation entitlements up to the date of termination;
- an amount equal to one times the Named Executive Officer's annual base salary in effect at the date the notice of termination is given (other than in the case of Mr. Stanford, which is two times

annual base salary);

- an amount equal to one times the average of the cash bonuses paid to the Named Executive Officer for the two most recently completed years (other than in the case of Mr. Stanford, which is two times the average of the cash bonuses paid);

- other than for Mr. Kakarieka, at the request of the Named Executive Officer, the Company shall provide outplacement services to a maximum cost of $10,000 (other than in the case of Mr. Stanford where the Company shall pay him a lump sum of $25,000 in lieu of outplacement services); and

- upon a Change of Control only, all options that have been granted to the Named Executive Officer (and in the case of Mr. Stanford, all RSUs) prior to the Change of Control shall automatically vest and if not yet exercised, shall continue to be exercisable by the Named Executive Officer in the same manner and on the same terms that existed prior to the actual notice of termination.

The Employment Agreements provide that following termination, the Named Executive Officer may not disclose any confidential information about the Company without the consent of the Company, or as required by law, or which is or becomes a matter of public knowledge.

The Employment Agreements provide that the Named Executive Officers will not for one year after he or she ceases to be an employee, directly or indirectly, whether alone or jointly with others, offer employment to or endeavor to entice away from the Company any person employed by the Company at the time of termination or interfere with such employees' employment relationships with the Company.

The following are the estimated incremental payments, payables and benefits, assuming a Triggering Event took place on December 31, 2014, in the context of a Change of Control:

Name	Aggregate base salary ($)	Aggregate bonus ($)	Options/RSUs ($)(1)	Other benefits ($)	Total ($)
Fred Stanford	1,030,000	1,015,000	500,000	25,000	2,570,000
Jeff Swinoga (2)	330,000	165,000	24,000	10,000	529,000
Jason Simpson	300,000	219,375	24,000	10,000	553,375
Alejandro Kakarieka	340,547(3)	156,535	16,000	Nil	540,535
Anne Stephen	267,800	151,500	16,000	10,000	445,300

(1) Based on the closing price of the Common Shares on the TSX on December 31, 2014 of $1.23.
(2) Andrew Gottwald ceased acting as Chief Financial Officer of the Company on March 31, 2014, and Mr. Swinoga was appointed as Chief Financial Officer of the Company effective April 7, 2014. Mr. Gottwald received an aggregate payment of $555,095.84 (consisting of a termination payment of $491,033.34, a bonus payment of $12,500.00 and a retention bonus of $51,562.50), and his options remained exercisable pursuant to their terms. Mr. Gottwald was also granted 100,000 options on April 21, 2014, which fully vested upon grant and are subject to a five year term. Mr. Gottwald was also paid a separate monthly employment fee of $47,475.00 per month from February 1, 2014 to March 31, 2014. Mr. Gottwald's benefits continued until March 31, 2015.
(3) Salary and annual incentive plan awards are paid in United States dollars. Figures have been converted to Canadian dollars based on the noon exchange rate on December 31, 2014, as reported by the Bank of Canada, of US$1.00 = $1.1601.

Director Compensation

The following table provides information regarding compensation earned by each director (who is not also a Named Executive Officer) for the year ended December 31, 2014.

Name(1)	Fees earned ($)	Share-based awards ($)	Option-based awards ($)(2)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Michael Murphy	75,000	Nil	250,000	Nil	N/A	$2,000(3)	327,000
A. Terrance MacGibbon	140,000	Nil	250,000	Nil	N/A	$2,000(3)	392,000
David Fennell	90,000	Nil	250,000	Nil	N/A	Nil	340,000
Andrew Adams	90,000	Nil	250,000	Nil	N/A	Nil	340,000
Frank Davis	90,000	Nil	250,000	Nil	N/A	Nil	340,000
James Crombie	75,000	Nil	250,000	Nil	N/A	Nil	325,000

(1) No compensation was paid to Mr. Stanford in his capacity as a director of the Company. For a summary of the compensation paid to Mr. Stanford in his capacity as an executive officer of the Company, see "Summary Compensation Table", above.

(2) Based on grant date fair value of the options which is calculated using the Black-Scholes model. The Black-Scholes model was selected as it is a widely used financial method to determining fair prices of options.

(3) Directors are also entitled to health assessments.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of December 31, 2014. A description of the significant terms of each of the equity compensation plans of the Company follows the table below:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights(1)	Weighted-average price of outstanding options and rights ($)	Number of securities remaining available for future issuance under equity compensation plans(2)
Equity compensation plans approved by securityholders	30,703,518 options 1,821,460 RSUs	1.44 options 1.49 RSUs	45,982,213 options
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	30,703,518 options(3) 1,821,460 RSUs	1.44 options 1.49 RSUs	45,982,213 options(4)

(1) Represents the number of Common Shares reserved for issuance upon exercise of 30,703,518 outstanding options and 1,821,460 outstanding RSUs.

(2) Based on the maximum aggregate number of Common Shares that were available for issuance under the Stock Option Plan and the RSU Plan, collectively, as at December 31, 2014 of 78,507,191 (which maximum reserve is based on 10% of the number of issued and outstanding Common Shares as at December 31, 2014 of 785,071,918).

(3) Represents approximately 3.8% of the issued and outstanding Common Shares as at December 31, 2014, on a partially-diluted basis.

(4) Assumes no additional RSUs will be issued, as the aggregate number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan, and any other employee-related plan of the Company, may not exceed 10% of the issued and outstanding Common Shares. If the maximum number of additional RSUs will be issued under the RSU Plan, the number of securities remaining available for future issuance are 24,251,516 options and 21,730,697 RSUs.

Stock Option Plan

The Company is seeking to renew the Stock Option Plan at the Meeting. A copy of the Stock Option Plan is attached hereto as Schedule "A". The purpose of the Stock Option Plan is to secure for the Company and the Company's shareholders the benefits of incentives inherent in share ownership by directors, key employees and consultants of the Company who, in the judgment of the Board, will be largely responsible for its future growth and success.

The Stock Option Plan provides that options to purchase Common Shares may be granted to directors, key employees or consultants of the Company or a subsidiary of the Company, as determined by the

Board or a committee thereof, at a price to be fixed by the Board, subject to limitations imposed by the stock exchange on which the Common Shares are then listed for trading. The Common Shares subject to each option shall become purchasable at such time or times as may be determined by the Board and each option shall expire at a date determined by the Board, but in no case will such date be more than five years from the date of grant of the option. Any Common Shares not purchased by exercise of an option prior to the expiry date of the option may thereafter be reallocated in accordance with the provisions of the Stock Option Plan.

The Stock Option Plan further provides that if an optionee ceases to be employed or ceases to be a director while holding an option which has not been fully exercised, such optionee may exercise the option, to the extent that the optionee is entitled to exercise the option, for up to 90 days thereafter (or such longer period as may be required by law or may be determined by the Board) or prior to the expiry date of the option, whichever is sooner. In the case of an optionee being dismissed from employment or service for cause, the option will terminate on the date of such dismissal. All options granted under the Stock Option Plan will be non-transferable and non-assignable.

The maximum number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan may not exceed 10% of the issued and outstanding Common Shares at the time of grant. The aggregate number of Common Shares that may be reserved for issuance to insiders under the Stock Option Plan, and any other employee-related plan of the Company, may not exceed 10% of the issued and outstanding Common Shares from time to time. Finally, the aggregate number of options that may be granted to insiders within a one-year period under the Stock Option Plan, and any other employee-related plan of the Company, may not exceed 10% of the issued and outstanding Common Shares from time to time.

At the Company’s annual and special meeting of shareholders held on April 27, 2012, the shareholders renewed the Stock Option Plan in accordance with the policies of the TSX. In August 2014, the Board amended the Stock Option Plan to add a “cashless exercise” feature and to make minor housekeeping amendments. In January 2015, the Board further amended the Stock Option Plan to amend the “cashless exercise” feature with respect to withholding obligations, and to make minor amendments to the definition of “market price”.

The Board and/or any committee of the Board to which such tasks are delegated, may modify or terminate the Stock Option Plan at any time. Subject to receipt of requisite shareholder and regulatory approval, the Board may make amendments to the Stock Option Plan to (i) amend the number of securities issuable under the plan; (ii) change the definition of “Participants” which would have the potential of narrowing or broadening or increasing insider participation; (iii) add any form of financial assistance under the plan; (iv) amend a financial assistance provision which is more favourable to participants; (v) add a cashless exercise feature, payable in cash or securities which does not provide for a full deduction in the number of underlying securities from the plan; (vi) add deferred or RSUs or any other provision which results in participants receiving securities while no cash consideration is received by the Company; and (vii) make amendments that may lead to significant or unreasonable dilution in the Company’s outstanding securities or may provide additional benefits to participants, especially to insiders of the Company, at the expense of the Company and its existing shareholders. The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion make all other amendments to the Stock Option Plan that are not of the type contemplated above, including, without limitation: (i) amendments of a housekeeping nature; (ii) the addition of or a change to vesting provisions of a security or the plan; (iii) a change to the termination provisions of a security or the plan which does not entail an extension beyond the original expiry date; and (iv) the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the plan reserve.

As at May 12, 2015, there were options outstanding to purchase 30,103,518 Common Shares.

Restricted Share Unit Plan

In connection with the Morelos Acquisition, and the Board's discussions with prospective new members for the Board and management, the Board decided that it was desirable to have a broader range of incentive plans (including the RSU Plan) in place to attract, retain and motivate directors, key employees and consultants of the Company. At the Company's annual and special meeting of shareholders held on April 27, 2012, the shareholders renewed the RSU Plan in accordance with the policies of the TSX. In May 2013, the Board approved various amendments to the RSU Plan of a housekeeping nature. The following is a summary of some of the key terms of the RSU Plan. The RSU Plan provides that RSUs may be granted by the Board or a committee of the Board, which administers the RSU Plan (the "**Committee**"), to directors, key employees and consultants of the Company as a discretionary payment in consideration of past or future services to the Company.

The number of RSUs awarded will be credited to the participant's account effective on the grant date of the RSUs. An RSU represents a right to receive one Common Share issued from treasury on the later of: (i) the date which is the first day after a restricted period as determined by the Committee ("**Restricted Period**"); and (ii) a date determined by an eligible participant that is after the Restricted Period but is no later than the participant's retirement date or termination date (a "**Deferred Payment Date**"). Vesting for RSUs occurs on the date which is the first day after a Restricted Period. The Committee may also make the vesting of RSUs subject to performance conditions to be achieved by the Company, the participant or a class of participants. Participants seeking to set a Deferred Payment Date may do so by giving the Company at least 60 days notice prior to the expiration of the Restricted Period.

The maximum number of Common Shares to be reserved for issuance under the RSU Plan shall be that number that is equal to 3% of the issued and outstanding Common Shares from time to time. The maximum number of Common Shares issuable to insiders, at any time, pursuant to the RSU Plan and any other security based compensation arrangements of the Company is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the RSU Plan and any other security-based compensation arrangements of the Company is 10% of the total number of Common Shares then outstanding.

RSUs are not assignable. In the event of a participant's retirement or termination during a Restricted Period, any RSUs automatically terminate, unless otherwise determined by the Committee. If a participant's retirement or termination occurs after the Restricted Period and prior to any Deferred Payment Date, any RSUs shall be settled by the Company issuing the applicable Common Shares. In the event of death or disability, such RSUs shall be immediately settled and Common Shares issued. In the event that any cash dividend or other cash distribution is paid by the Company on the Common Shares, a participant's RSU account will be credited with additional RSUs that are subject to the same terms and conditions, including the Restricted Period and the Deferred Payment Date, as the RSUs in respect of which the additional RSUs were credited.

In the event of a change of control of the Company as defined in the RSU Plan, all RSUs shall be immediately settled with Common Shares notwithstanding the Restricted Period and any applicable Deferred Payment Date.

The Committee may from time to time in the absolute discretion of the Committee (without Shareholder approval) amend, modify and change the provisions of the RSU Plan, including, without limitation:

(i) amendments of a house keeping nature;
(ii) the change to the Restricted Period of any RSU; and
(iii) any amendments required by the TSX or any other stock exchange on which the Common Shares are then listed in order to allow the RSU Plan to become effective.

However, other than as set out above, any amendment, modification or change to the provisions of the RSU Plan which would:

(i) materially increase the benefits of the holder under the RSU Plan to the detriment of the Company and its shareholders;
(ii) increase the number of Common Shares, other than by virtue of the adjustment provisions and of the RSU Plan, which may be issued pursuant to the RSU Plan; or
(iii) materially modify the requirements as to eligibility for participation in the RSU Plan;

shall only be effective upon such amendment, modification or change being approved by the Shareholders of the Company. Any amendment, modification or change of any provision of the RSU Plan, shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Company.

As at May 12, 2015, there were 1,821,460 RSUs outstanding.

Indebtedness of Directors and Executive Officers

None of the Company's directors or executive officers, nor any associate of such director or executive officer is as at the date hereof, or has been, during the year ended December 31, 2014, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or any of its subsidiaries.

Interest of Informed Persons in Material Transactions

Other than as disclosed elsewhere herein, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

Additional Information

Additional information relating to the Company may be found on **www.sedar.com**. Additional financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2014, which can be found on SEDAR at **www.sedar.com** or on the Company's website at **www.torexgold.com**. Shareholders may also request these documents from the General Counsel and Corporate Secretary of the Company by phone at (416) 203-7431 or by e-mail at **Mary.Batoff@torexgold.com**.

Directors' Approval

The contents of this management information circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

"Fred Stanford"
Fred Stanford (signed)
President and Chief Executive Officer

Toronto, Ontario
May 12, 2015

SCHEDULE "A"

TOREX GOLD RESOURCES INC.

Incentive Stock Option Plan

ARTICLE I
INTRODUCTION

1.1 Purpose of Plan

The purpose of the Plan is to secure for the Company and its shareholders the benefits of incentives inherent in the share ownership by the directors, key employees and consultants of the Company and its Subsidiaries who, in the judgment of the Board, will be largely responsible for its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids in retaining and encouraging employees and directors of exceptional ability because of the opportunity offered to them to acquire a proprietary interest in the Company.

1.2 Definitions

(a) “Associate” has the meaning ascribed thereto in the Securities Act.

(b) “Board” means the board of directors of the Company, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated.

(c) “Cashless Exercise Right” has the meaning ascribed thereto in Section 2.7(b).

(d) “Company” means Torex Gold Resources Inc., a company continued under the laws of Ontario.

(e) “Consultant” means a person providing consulting services to the Company or any of its Subsidiaries.

(f) “Consultant Company” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner.

(g) “Director” means a director of the Company or any of its Subsidiaries.

(h) “Eligible Person” means any Employee, Director or Consultant of the Company or any of its Subsidiaries.

(i) “Exchange” means the Toronto Stock Exchange or any other stock exchange on which the Shares are listed.

(j) “In-The-Money Amount” has the meaning ascribed thereto in Section 1.2(m).

(k) “Insider” of the Company means a Participant who is an “insider” of the Company as such term is defined in the Securities Act, and also includes associates and affiliates of the Insider;

(l) “Market Price” means the greater of: (i) the volume-weighted average trading price of the Shares on the Exchange, or another stock exchange where the majority of the trading volume and value of the Shares occurs, for the five trading days ending on the day immediately preceding the relevant date; and (ii) the closing price of the Shares on the

Exchange, or another stock exchange where the majority of the trading volume and value of the Shares occurs, on the day immediately preceding the relevant date.

(m) "Net Number of Shares" means in respect of Options in relation to which the Optionee has exercised the Cashless Exercise Right pursuant to Section 2.7(b)(i), the number of Shares calculated in accordance with the following formula:

$$\text{Net Number of Shares} = \frac{\text{In-The-Money Amount}}{\text{MP}}$$

Where:

In-The-Money Amount is equal to (A x MP) – (A x EP)

A	is the total number of Shares in respect of which the Optionee has surrendered Options pursuant to the Cashless Exercise Right
MP	is the Market Price
EP	is the exercise price of the Options surrendered

(n) "Option" means an option granted under the terms of the Plan.

(o) "Option Commitment" means the notice of grant of an Option delivered by the Company hereunder to an Optionee and substantially in the form of Exhibit A hereto.

(p) "Option Period" means the period during which an Option may be exercised.

(q) "Optionee" means a Participant to whom an Option has been granted under the terms of the Plan.

(r) "Participant" means, in respect of the Plan, an Optionee who elects to participate in the Plan.

(s) "Plan" means this Incentive Stock Option Plan established and operated pursuant to Article II hereof.

(t) "Securities Act" means the *Securities Act* (Ontario), as amended from time to time.

(u) "Share Compensation Arrangement" means the Plan described herein and any other security based compensation arrangements implemented by the Company including stock options, other stock option plans, employee stock purchase plans, share distribution plans, stock appreciation rights, restricted share unit plans or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares of the Company.

(v) "Shares" means the common shares of the Company.

(w) "Subsidiary" has the meaning ascribed thereto in the Securities Act.

(x) "Tax Act" means the *Income Tax Act* (Canada).

(y) “Tax Obligation” means the amount equal to the Company’s applicable withholding obligation.

ARTICLE II
STOCK OPTION PLAN

2.1 Participation

Options to purchase Shares may be granted hereunder to Eligible Persons.

2.2 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Company and any other factors which it may deem proper and relevant.

2.3 Exercise Price

The exercise price per Share shall be determined by the Board at the time the Option is granted, but, in any event, shall not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the day of the grant of the Option.

2.4 Grant of Options

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. A director of the Company to whom an Option may be granted shall not participate in the decision of the Board to grant such Option. The date of each grant of Options shall be determined by the Board when the grant is authorized.

2.5 Option Commitment

Each Option granted to an Optionee shall be evidenced by an Option Commitment detailing the terms of the Option and upon delivery of the Option Commitment to the Optionee by the Company the Optionee shall have the right to purchase the Shares underlying the Option at the exercise price set out therein, subject to any provisions as to the vesting of the Option.

2.6 Terms of Options

The periods within which Options may be exercised and the number of Shares which may be issuable upon the exercise of Options in any such period shall be determined by the Board at the time of granting the Options provided, however, that all Options must be exercisable during a period not extending beyond five years from the date of the Option grant.

Notwithstanding the foregoing, in the event that the expiry of an Option Period falls within, or within two (2) days of, a trading blackout period imposed by the Company (the “**Blackout Period**”), the expiry date of such Option Period shall be automatically extended to the 10th business day following the end of the Blackout Period.

2.7 Exercise of Option

(a) Subject to the provisions of the Plan, an Option may be exercised from time to time by delivery to the Company of a written notice of exercise specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the exercise price of the

Shares to be purchased. Certificates for such Shares shall be issued and delivered to the Optionee within a reasonable time following the receipt of such notice and payment.

(b) Notwithstanding anything to the contrary contained herein, in lieu of exercising the Option pursuant to Section 2.7(a) above, the Optionee shall have the right (the "**Cashless Exercise Right**") (but not the obligation), at any time and from time to time during the term of an Option, by indicating same in the written notice of exercise, to surrender all or part of the Option to the Company in consideration of a payment of the In-The-Money Amount. The Optionee may elect to have the Company satisfy the payment of the In-The-Money Amount by:

(i) delivering to the Optionee the Net Number of Shares; or

(ii) withholding and remitting the Tax Obligation to the applicable governmental authorities on behalf of the Optionee, and delivering to the Optionee:

(A) the Net Number of Shares, less

(B) such number of Shares as is equal to the Tax Obligation divided by the Market Price.

Upon exercise by an Optionee of the Cashless Exercise Right, the Company shall deliver to the Optionee such Shares issuable pursuant to Section 2.7(b)(i) or Section 2.7(b)(ii), as applicable, within a reasonable time following the receipt of such notice and, where the Optionee is subject to the Tax Act in respect of the Option, the Company shall make the election provided for in subsection 110(1.1) of the Tax Act (if applicable).

2.8 Vesting

Options granted pursuant to the Plan shall vest and become exerciseable by an Optionee at such time or times as may be determined by the Board. For greater certainty and notwithstanding any other term of this Plan, the Board has the sole discretion to amend, abridge or otherwise eliminate the vesting schedule of any Option or of all Options.

2.9 Lapsed Options

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

2.10 Death of Optionee

If an Optionee ceases to be an Eligible Person due to its death, any Option held by it at the date of death shall be exercisable by the Optionee's legal heirs or personal representatives. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of death and only for 12 months after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise.

2.11 Termination of Employment

If an Optionee ceases to be an employee or other Eligible Person, other than as a result of termination with cause, or ceases to act as a Director, any Option held by such Optionee at the effective date thereof shall be exercisable only to the extent that the Optionee is entitled to exercise the Option and only for 90 days thereafter (or such longer period as may be prescribed by law) or prior to the expiration of the Option Period in respect thereof, whichever is sooner, subject to the Board determining otherwise. In the case of an Optionee being dismissed from employment or service for cause, the Option shall immediately terminate and shall no longer be exerciseable as of the date of such dismissal.

2.12 Effect of Take-Over Bid

If a bona fide offer (the "**Offer**") for Shares is made to the Optionee or to shareholders generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror exercising control over the Company within the meaning of the Securities Act, then the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of the full particulars of the Offer. The Board will have the sole discretion to amend, abridge or otherwise eliminate any vesting schedule so that notwithstanding the other terms of this Plan, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the "**Optioned Shares**") pursuant to the Offer. If:

(a) the Offer is not complied with within the time specified therein;

(b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or

(c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof;

then at the discretion of the Board, the Optioned Shares or, in the case of clause (c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and the terms of the Option as set forth in this Plan and the Option Commitment shall again apply to the Option. If any Optioned Shares are returned to the Company under this Section, the Company shall refund the exercise price to the Optionee for such Optioned Shares.

2.13 Effect of Reorganization, Amalgamation, Merger. etc.

If there is a consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a transfer of all or substantially all of the assets of the Company to another entity, at the discretion of the Board, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive any securities, property or cash which the Optionee would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Optionee had exercised his Option immediately prior to the applicable record date or event, as applicable, and the exercise price shall be adjusted as applicable by the Board, unless the Board otherwise determines the basis upon which such Option shall be exercisable, and any such adjustments shall be binding for all purposes of the Plan. Notwithstanding any other term of this Plan, the Board has the sole discretion to amend, abridge or eliminate any vesting schedule or otherwise amend the conditions of exercise so that any such Option may be exercised in whole or in part by the Optionee so as to entitle the Optionee to purchase Shares prior to the effective date of such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, or to receive any securities, property or cash which the Optionee would have received upon such consolidation, reorganization, merger, amalgamation, statutory amalgamation or arrangement, separation or transfer if the Optionee had exercised his Option immediately prior to the applicable record date or event.

2.14 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassifications of Shares, or otherwise, the number of Shares subject to any Option, and the exercise price thereof and the maximum number of Shares which may be issued under the Plan in accordance with Section 3.1 (a) shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. An adjustment under Section 2.13 or 2.14 (the "**Adjustment Provisions**") will take effect at the time of the event giving rise to the adjustment, and the Adjustment Provisions are cumulative. The

Company will not be required to issue fractional Shares in satisfaction of its obligations hereunder. Any fractional interest in a Share that would, except for this provision, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company. If any questions arise at any time with respect to the exercise price or number of Shares deliverable upon exercise of an Option in connection with any of the events set out in Sections 2.12, 2.13 or 2.14, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants that the Company may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

ARTICLE III
GENERAL

3.1 Maximum Number of Shares

(a) The aggregate number of Shares reserved for issuance pursuant to this Plan to all Participants shall not exceed 10% of the issued and outstanding Shares at the time of grant.

(b) The aggregate number of Shares reserved for issuance pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders shall not exceed 10% of the Shares outstanding from time to time.

(c) The aggregate number of Options which may be granted pursuant to this Plan or any other Share Compensation Arrangement (pre-existing or otherwise) to Insiders within a one-year period shall not exceed 10% of the Shares outstanding from time to time.

3.2 Transferability

Options are not assignable or transferable other than by will or by the applicable laws of descent. During the lifetime of an Optionee, all Options may only be exercised by the Optionee.

3.3 Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Company or any Subsidiary, or interfere in any way with the right of the Company or any Subsidiary, to terminate the Optionee's employment at any time. Participation in the Plan by an Optionee is voluntary.

3.4 No Shareholder Rights

An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the Optionee exercises such Option in accordance with the terms of the Plan and the issuance of the Shares by the Company.

3.5 Record Keeping

The Company shall maintain a register in which shall be recorded the name and address of each Optionee, the number of Options granted to an Optionee, the details thereof and the number of Options outstanding.

3.6 Necessary Approvals

The Plan shall be effective only upon the approval of both the Board and the shareholders of the Company by ordinary resolution. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price paid by an Optionee to the Company shall be returned to the Optionee.

3.7 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

3.8 Income Taxes

For certainty and notwithstanding any other provision of the Plan, the Company or any may take such steps as it considers necessary or appropriate for the deduction or withholding of any income taxes or other amounts which the Company is required by any law, or regulation of any governmental authority whatsoever, to deduct or withhold in connection with the Plan, including, without limiting the generality of the foregoing, (a) withholding of all or any portion of any amount otherwise owing to a Participant; (b) the suspension of the issue of Shares to be issued under the Plan, until such time as the Participant has paid to the Company an amount equal to any amount which the Company is required to deduct or withhold by law with respect to such taxes or other amounts; and/or (c) withholding and causing to be sold, by it as an agent on behalf of a Participant, such number of Shares as it determines to be necessary to satisfy the withholding obligation. By participating in the Plan, the Participant consents to such sale and authorizes the Company to effect the sale of such Shares on behalf of a Participant and to remit the appropriate amount to the applicable governmental authorities. The Company shall not be responsible for obtaining any particular price for the Shares nor shall the Company be required to issue any Shares under the Plan unless the Participant has made suitable arrangements with the Company to fund any withholding obligation.

3.9 Amendment, Modification or Termination of Plan

Subject to the requisite shareholder and regulatory approvals set forth under subparagraphs 3.9(a) and (b) below, the Board may, from time to time, amend or revise the terms of the Plan or may discontinue the Plan at any time provided however that no such right may, without the consent of the Optionee, in any manner adversely affect his rights under any Option theretofore granted under the Plan.

(a) The Board may, subject to receipt of requisite shareholder and regulatory approval, make the following amendments to the Plan:

(i) any amendment to the number of securities issuable under the Plan, including an increase to a fixed maximum number of securities or a change from a fixed maximum number of securities to a fixed maximum percentage. A change to a fixed maximum percentage which was previously approved by shareholders will not require additional shareholder approval;

(ii) any change to the definition of “Participants” which would have the potential of narrowing or broadening or increasing insider participation;

(iii) the addition of any form of financial assistance;

(iv) any amendment to a financial assistance provision which is more favourable to Participants;

(v) any addition of a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction in the number of underlying securities from the Plan;

(vi) the addition of deferred or restricted share unit or any other provision which results in Participants receiving securities while no cash consideration is received by the Company; and

(vii) any other amendments that may lead to significant or unreasonable dilution in the Company's outstanding securities or may provide additional benefits to Participants, especially to Insiders of the Company, at the expense of the Company and its existing shareholders.

(b) The Board may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the Plan that are not of the type contemplated in subparagraph 3.9(a) above, including, without limitation:

(i) amendments of a housekeeping nature;

(ii) the addition of or a change to vesting provisions of a security or the Plan;

(iii) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date; and

(iv) the addition or amendment of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve.

(c) Notwithstanding the provisions of subparagraph 3.9(b), the Company shall additionally obtain requisite shareholders approval in respect of amendments to the Plan that are contemplated pursuant to subparagraph 3.9(b) to the extent such approval is required by any applicable law or regulations.

3.10 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

3.11 Interpretation

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

3.12 Compliance with Applicable Law

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Company or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

Approved by the Board on February 18, 2008.

Approved by the shareholders of the Company on April 18, 2008.

Amended by the Board on October 26, 2009.

Approved by shareholders of the Company on November 26, 2009.

Amended by the Board on January 25, 2012.

Amended by the Board on August 14, 2014.

Amended by the Board on January 13, 2015.

EXHIBIT A

TOREX GOLD RESOURCES INC.

INCENTIVE STOCK OPTION PLAN

OPTION COMMITMENT

Notice is hereby given that, effective this ____ day of _____________________ (the "**Effective Date**"), Torex Gold Resources Inc. (the "**Company**") has granted to ______________________, an Option to acquire ______________ Common Shares (the "**Shares**") up to 5:00 p.m. Toronto Time on the ___________ day of __________________________ (the "**Expiry Date**") at an exercise price of Cdn. $_______ per Share.

The Option may be exercised/surrendered as follows:

◆

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Company's Incentive Stock Option Plan, the terms and conditions of which are hereby incorporated herein. All terms not otherwise defined herein shall have the meanings ascribed thereto in the Company's Incentive Stock Option Plan.

To exercise or surrender your Option, as the case may be, you must either:

(A) deliver a written notice specifying the number of Shares you wish to acquire, together with a certified cheque or bank draft payable to the Company for the aggregate exercise price, to the Company,

OR

(B) in the event you elect to exercise the Cashless Exercise Right, deliver a written notice specifying the number of Shares in respect of which such surrender relates and agree to have the Company satisfy the payment of the In-The-Money Amount by:

(1) delivering to you the Net Number of Shares, calculated in accordance with the following formula:

$$\text{Net Number of Shares} = \frac{\text{In-The-Money Amount}}{\text{MP}}$$

Where:

In-The-Money Amount	is equal to (A x MP) – (A x EP)
A	is the total number of Shares in respect of which the Optionee has surrendered Options pursuant to the Cashless Exercise Right
MP	is the Market Price
EP	is the exercise price of the Options surrendered;

OR

(2) withholding and remitting the Tax Obligation to the applicable governmental authorities on your behalf, and delivering to you:

   (a) the Net Number of Shares, less

   (b) such number of Shares as is equal to the Tax Obligation divided by the Market Price.

The Shares so acquired will be issued by the Company's transfer agent as soon as practicable thereafter.

TOREX GOLD RESOURCES INC.

____
Authorized Signatory

SCHEDULE "B"

TOREX GOLD RESOURCES INC.

Amended Restricted Share Plan

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions**: For purposes of the Restricted Share Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

"**Act**" means the *Business Corporations Act* (Ontario) or its successor, as amended from time to time;

"**Associate**" where used to indicate a relationship with any person or company, is as defined in the *Securities Act* (Ontario), as may be amended from time to time;

"**Change of Control**" means the occurrence of any one or more of the following events:

(i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation and another corporation or by any person and its joint actors and affiliates (collectively, the "**Group**"), as such terms are used or defined in the *Securities Act* (Ontario), and whether directly or indirectly, resulting in the acquisition of the Common Shares which, when added to all other Common Shares at the time held by such corporation or person and its joint actors and affiliates, totals for the first time 40% of the outstanding Common Shares;

(ii) any person or Group acting jointly or in concert succeeding in having a sufficient number of its nominees elected as directors such that such nominees, when added to any existing director remaining after such election, who can be considered to be a nominee of such person or Group, will constitute the majority of the Directors; or

(iii) the Directors adopt a resolution to the effect that a Change of Control has occurred or is imminent.

"**Committee**" means the Directors or if the Directors so determine in accordance with Section 2.03 of the Restricted Share Plan, the committee of the Directors authorized to administer the Restricted Share Plan which includes any compensation committee of the Directors;

"**Common Shares**" means the common shares of the Corporation to be issued from treasury;

"**Corporation**" means Torex Gold Resources Inc., a corporation incorporated under the Act;

"**Deferred Payment Date**" for a Participant means the date after the Restricted Period which is the earlier of (i) the date to which the Participant has elected to defer receipt of Restricted Shares; and (ii) the Participant's Retirement Date;

"**Designated Affiliate**" means the subsidiaries of the Corporation designated by the Committee for purposes of the Restricted Share Plan from time to time;

"**Directors**" means the board of directors of the Corporation from time to time;

"**Eligible Contractors**" means individuals, other than Eligible Directors or Eligible Employees that (i) are engaged to provide on a bona fide basis consulting, technical, management or other services to the Corporation or any Designated Affiliates under a written contract between the Corporation or the

Designated Affiliate and the individual or a company of which the individual consultant is an employee and (ii) in the reasonable opinion of the Committee, spent or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Designated Affiliate;

"**Eligible Directors**" means the Directors and the directors of any Designated Affiliate of the Corporation from time to time;

"**Eligible Employees**" means employees, including officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation;

"**Insider**" shall have the meaning ascribed thereto in the *Securities Act* (Ontario) other than a person who is an Insider solely by virtue of being a director or senior officer of a subsidiary of the Corporation and any Associate of an Insider;

"Market Value" of the Common Shares means the volume weighted average trading price of the Common Shares on the Stock Exchange for the five trading days ending on the last trading date immediately preceding the date as at which the Market Value is determined. In the event that the Common Shares are not then listed and posted for trading on any Stock Exchange, the Market Value shall be the fair market value of the Common Shares as determined by the Directors in their sole discretion;

"**Participant**" means each Eligible Director, Eligible Contractor, and Eligible Employee to whom Restricted Share Rights are granted;

"**Restricted Period**" means any period of time during which a Restricted Share Right is not exercisable and the Participant holding such Restricted Share Right remains ineligible to receive Restricted Shares as determined by the Committee in its absolute discretion, however, such period of time may be reduced or eliminated from time to time and at any time and for any reason as determined by the Committee, including but not limited to circumstances involving death or disability of a Participant;

"**Restricted Share Plan**" means the restricted share plan described herein;

"**Restricted Share Rights**" has such meaning as ascribed to such term in Section 3.02 of the Restricted Share Plan;

"**Restricted Shares**" means the Common Shares issuable in satisfaction of Restricted Share Rights;

"**Retirement**" in respect of a Participant means the Participant ceasing to be an Eligible Employee, Eligible Director or Eligible Contractor after attaining a stipulated age in accordance with the Corporation's normal retirement policy or earlier with the Corporation's consent;

"**Retirement Date**" means the date that a Participant ceases to be an Eligible Employee, Eligible Director or Eligible Contractor;

"**Stock Exchange**" means the Toronto Stock Exchange or such other stock exchange on which the Common Shares are then listed; and

"**Termination**" means: (i) in the case of an Eligible Employee, the termination of the employment of the Eligible Employee with or without cause by the Corporation or a Designated Affiliate or cessation of employment of the Eligible Employee with the Corporation or a Designated Affiliate as a result of resignation or otherwise other than the Retirement of the Eligible Employee; (ii) in the case of an Eligible Director, the removal of or failure to re-elect the Eligible Director as a director of the Corporation or a Designated Affiliate; (iii) in the case of an Eligible Contractor, the termination of the services of the Eligible Contractor by the Corporation or a Designated Affiliate.

Section 1.02 **Headings**: The headings of all articles, sections, and paragraphs in the Restricted Share Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Restricted Share Plan.

Section 1.03 **Context, Construction**: Whenever the singular or masculine are used in the Restricted Share Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.04 **References to this Restricted Share Plan**: The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Restricted Share Plan as a whole and not to any particular article, Section, paragraph or other part hereof.

Section 1.05 **Canadian Funds**: Unless otherwise specifically provided, all references to dollar amounts in the Restricted Share Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE RESTRICTED SHARE PLAN

Section 2.01 **Purpose of the Restricted Share Plan**: The Restricted Share Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of employees, directors and consultants of the Corporation and its Designated Affiliates and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees, consultants and directors of the Corporation and its Designated Affiliates, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees, consultants and directors due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of the Restricted Share Plan**: The Restricted Share Plan shall be administered by the Committee and the Committee shall have full authority to administer the Restricted Share Plan including the authority to interpret and construe any provision of the Restricted Share Plan and to adopt, amend and rescind such rules and regulations for administering the Restricted Share Plan as the Committee may deem necessary in order to comply with the requirements of the Restricted Share Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Restricted Share Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Restricted Share Plan and of the rules and regulations established for administering the Restricted Share Plan. All costs incurred in connection with the Restricted Share Plan shall be for the account of the Corporation.

Section 2.03 **Delegation to Committee**: All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors that are independent as defined in National Instrument 52-110, including any compensation committee of the Directors.

Section 2.04 **Record Keeping**: The Corporation shall maintain a register of accounts in which shall be recorded:

(a) the name and address of each Participant in the Restricted Share Plan;

(b) the number of Restricted Share Rights granted to each Participant under the Restricted Share Plan; and

(c) the number of Restricted Shares issued to each Participant under the Restricted Share Plan.

Section 2.05 **Determination of Participants and Participation**: The Committee shall from time to time determine the Participants who may participate in the Restricted Share Plan. The Committee shall from time to time determine the Participants to whom Restricted Share Rights shall be granted and the provisions and restrictions with respect to such grant(s), all such determinations to be made in accordance with the terms and conditions of the Restricted Share Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant. The Committee may require that a Participant who is subject to the taxation laws of a country other than Canada obtain independent legal advice and/or enter into a tax indemnity agreement with the Corporation prior to receiving a grant of Restricted Share Rights.

Section 2.06 **Maximum Number of Shares**: The maximum number of Common Shares made available for the Restricted Share Plan shall be determined from time to time by the Committee, but in any case, shall not exceed 3% of the Common Shares outstanding from time to time, subject to adjustments pursuant to section 5.06. The aggregate number of Common Shares issuable to Insiders pursuant to Restricted Share Rights and all other security based compensation arrangements, at any time, shall not exceed 10% of the total number of Common Shares then outstanding. The aggregate number of Common Shares issued to Insiders pursuant to Restricted Share Rights and all other security based compensation arrangements, within a one year period, shall not exceed 10% of the total number of Common Shares then outstanding. For purposes of this Section 2.06, the number of Common Shares then outstanding shall mean the number of Common Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Rights.

ARTICLE THREE

RESTRICTED SHARE PLAN

Section 3.01 **Restricted Share Plan**: A Restricted Share Plan is hereby established for Eligible Employees, Eligible Directors and Eligible Contractors.

Section 3.02 **Participants**: The Committee shall have the right to grant, in its sole and absolute discretion, to any Participant, rights ("Restricted Share Rights") to acquire from the Corporation any number of fully paid and non-assessable Common Shares as a discretionary payment in consideration of past services to the Corporation or as an incentive for future services, subject to the Restricted Share Plan and with such provisions and restrictions as the Committee may determine. Each Restricted Share Right entitles the holder to receive one Common Share, without payment of additional consideration, at the end of the Restricted Period or, if applicable, at a later Deferred Payment Date, without any further action on the part of the holder of the Restricted Share Right other than as required by and in accordance with this Article Three.

Section 3.03 **Restricted Share Right Grant Letter**: Each grant of a Restricted Share Right under the Restricted Share Plan shall be evidenced by a Restricted Share Right Grant Letter issued to the Participant by the Corporation. Such Restricted Share Right Grant Letter shall be subject to all applicable terms and conditions of the Restricted Share Plan and may be subject to any other terms and conditions which are not inconsistent with the Restricted Share Plan and which the Committee deems appropriate for inclusion in a Restricted Share Right Grant Letter. The provisions of Restricted Share Right Grant Letters issued under the Restricted Share Plan need not be identical.

Section 3.04 **Restricted Period**: In connection with the grant of Restricted Share Rights to a Participant, the Committee shall determine the Restricted Period applicable to such Restricted Share

Rights. In addition, at the sole discretion of the Committee, at the time of grant, the Restricted Share Rights may be subject to performance conditions to be achieved by the Corporation or a class of Participants or by a particular Participant on an individual basis, within a Restricted Period, for such Restricted Share Rights to entitle the holder thereof to receive the underlying Restricted Shares.

Section 3.05 **Deferred Payment Date**: A Participant may elect to defer the receipt of all or any part of such Participant's entitlement to Restricted Shares until one or more Deferred Payment Dates.

Section 3.06 **Prior Notice of Deferred Payment Date**: A Participant who elects to set a Deferred Payment Date must give the Corporation written notice of the Deferred Payment Date(s) not later than sixty (60) days prior to the expiration of the Restricted Period. For certainty, Participants shall not be permitted to give any such notice after the day which is 60 days prior to the expiration of the Restricted Period and a notice once given may not be changed or revoked.

Section 3.07 **Retirement or Termination during Restricted Period**: Subject to Section 3.11, in the event of the Retirement or Termination of a Participant during the Restricted Period, any Restricted Share Rights held by the Participant shall immediately terminate and be of no further force or effect, provided that the Committee has the absolute discretion to waive such termination.

Section 3.08 **Retirement or Termination after Restricted Period**: In the event of the Retirement or Termination of the Participant following the Restricted Period and prior to a Deferred Payment Date, the Corporation shall issue forthwith one Restricted Share for each Restricted Share Right then held by the Participant.

Section 3.09 **Payment of Dividends**: In the event that any cash dividend or other cash distribution is paid by the Corporation on the Common Shares, a Participant's Restricted Share Rights account will be credited with additional Restricted Share Rights. The number of such additional Restricted Share Rights will be calculated by dividing the cash dividends or other cash distribution that would have been paid to the Participant if the Restricted Share Rights recorded in his or her account as at the date of payment for the cash dividend or other cash distribution had been Common Shares, by the Market Value on such payment date. The additional Restricted Share Rights credited to a Participant's account will be subject to the same terms and conditions, including the Restricted Period and the Deferred Payment Date, as the Restricted Share Rights in respect of which the additional Restricted Share Rights were credited.

Section 3.10 **Death or Disability of Participant**: In the event of the total disability or death of a Participant, the Restricted Period will be deemed to be over and any Restricted Shares represented by Restricted Share Rights held by the Participant shall be issued forthwith by the Corporation to the Participant or legal personal representatives of the Participant.

Section 3.11 **Change of Control**: In the event of a Change of Control, all Restricted Share Rights outstanding shall be immediately settled by issuance of Restricted Shares notwithstanding the Restricted Period and any applicable Deferred Payment Date.

ARTICLE FOUR

WITHHOLDING TAXES

Section 4.01 **Withholding Taxes**: The Corporation or any Designated Affiliate of the Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes or other amounts which the Corporation or any Designated Affiliate of the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Restricted Share Right or Common Share, including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued under the Restricted Share Plan, until such time as the Participant has paid the Corporation or any Designated Affiliate of the Corporation for any amount which the Corporation or Designated Affiliate of the Corporation is required to withhold by law with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may adopt administrative rules under the Plan, which provide for the automatic sale of Restricted Shares (or a portion thereof) in the market upon the issuance of such shares under the Restricted Share Plan for and on behalf of a Participant to satisfy withholding obligations under the Plan.

ARTICLE FIVE

GENERAL

Section 5.01 **Term of the Restricted Share Plan**: The Restricted Share Plan shall remain in effect until it is terminated by the Directors.

Section 5.02 **Amendment of Restricted Share Plan**: The Committee may from time to time in the absolute discretion of the Committee (without shareholder approval) amend, modify and change the provisions of the Restricted Share Plan, including, without limitation:

(i) amendments of a house keeping nature;

(ii) the change to the Restricted Period of any Restricted Share Right;

(iii) any amendments required by the Stock Exchange in order to make the Restricted Share Plan effective.

However, other than as set out above, any amendment, modification or change to the provisions of the Restricted Share Plan which would:

(a) materially increase the benefits of the holder under the Restricted Share Plan to the detriment of the Corporation and its shareholders;

(b) increase the number of Common Shares, other than by virtue of Section 5.06 of the Restricted Share Plan, which may be issued pursuant to the Restricted Share Plan; or

(c) materially modify the requirements as to eligibility for participation in the Restricted Share Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation. Any amendment, modification or change of any provision of the Restricted Share Plan shall be subject to approval, if required, by any regulatory authority having jurisdiction over the securities of the Corporation.

Section 5.03 **Non-Assignable**: Except as otherwise may be expressly provided for under the Restricted Share Plan or pursuant to a will or by the laws of descent and distribution, no Restricted Share Right and no other right or interest of a Participant is assignable or transferable.

Section 5.04 **Rights as a Shareholder**: No holder of any Restricted Share Rights shall have any rights as a shareholder of the Corporation by virtue of holding Restricted Share Rights. Subject to Section 5.06, no holder of any Restricted Share Rights shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Corporation.

Section 5.05 **No Contract of Employment**: Nothing contained in the Restricted Share Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Restricted Share Plan by a Participant shall be voluntary.

Section 5.06 **Adjustment in Number of Shares Subject to the Restricted Share Plan**: In the event there is any change in the Common Shares, whether by reason of a dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

(a) the number of Common Shares available under the Restricted Share Plan; and

(b) the number of Common Shares subject to any Restricted Share Rights.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Restricted Share Plan.

Section 5.07 **No Representation or Warranty**: The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Restricted Share Plan.

Section 5.08 **Compliance with Applicable Law**: If any provision of the Restricted Share Plan or any Restricted Share Right contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.09 **Interpretation**: This Restricted Share Plan shall be governed by and construed in accordance with the laws of the Province of Ontario.

Approved by the Directors: October 26, 2009, with Restricted Share Plan effective February 24, 2010
Approved by the shareholders: November 26, 2009 and April 27, 2012
Amendments approved by the Directors: May 8, 2013

SCHEDULE "C"

TOREX GOLD RESOURCES INC.

Mandate of the Board of Directors

Purpose

The Board of Directors (the "**Board**") of Torex Gold Resources Inc. (the "**Corporation**") is responsible for the supervision of the management of the business and affairs of the Corporation. The Board should manage the responsibilities and obligations set out below, either directly or through committees of the Board, currently consisting of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Safety, Health and Corporate Responsibility Committee. The Board will, however, retain the oversight function and ultimate responsibility for the supervision of the management of the business and affairs of the Corporation.

Composition

1. The Board should consist of individuals who possess skills and competencies in areas that are relevant to the business and affairs of the Corporation. At least two-thirds of the directors will be "independent" directors within the meaning of applicable securities laws, instruments, rules and policies and regulatory requirements (collectively "**Applicable Laws**").

2. The directors of the Corporation will be elected at the annual meeting of the shareholders of the Corporation and shall serve until no longer than the close of the next annual meeting of shareholders, subject to re-election thereat.

Meetings

3. The Board shall have at least four regularly scheduled meetings in each financial year of the Corporation.

4. The Chairman of the Board (the "**Chairman**"), the President and Chief Executive Officer (the "**CEO**") and the Lead Director of the Board (the "**Lead Director**"), if any, are responsible for the agenda for each meeting of the Board. Prior to each Board meeting, the Chairman and the CEO should discuss agenda items for the meeting with the Lead Director, if any. Materials for each meeting should be distributed to the Board in advance of the meeting.

5. Directors are expected to attend at least three quarters of all meetings of the Board held in each financial year of the Corporation and to adequately review meeting materials in advance of each meeting.

6. The independent directors (in this context, meaning directors who are not also senior officers or are not independent within the meaning of Applicable Laws) should hold an *in camera* session without the non-independent directors and any senior officers present at each meeting of the Board, unless such a session is not considered necessary by the independent directors present. The Chairman, if independent, and if not independent, the Lead Director if any, should chair the in camera sessions.

Board Committees

7. The Board may appoint such committees from time to time as it considers appropriate. Each permanent committee shall have a mandate that is approved by the Board, setting out the responsibilities of, and the extent of the powers delegated to, such committee by the Board.

Responsibilities

Oversight of Management and the Board

8. The Board is responsible for the appointment, and replacement, of senior officers of the Corporation. The Board should ensure that appropriate succession planning, including the appointment, training and monitoring of the senior officers and members of the Board, is in place.

9. The Board is responsible for satisfying itself as to the integrity of the CEO and the other senior officers and that the CEO and the other senior officers create a culture of integrity throughout the Corporation.

10. The Board should annually consider what additional skills and competencies would be helpful to the Board, with the Corporate Governance and Nominating Committee being responsible for identifying specific candidates for consideration for appointment to the Board.

11. If the Chairman is not independent within the meaning of Applicable Laws and a Lead Director is required, or is considered desirable by the Board, the Corporate Governance and Nominating Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for appointing the Lead Director.

12. Through the Compensation Committee, the Board should review the compensation of directors to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and should review the compensation of the senior officers to ensure that it is competitive within the industry and that the form of compensation aligns the interests of each senior officer with those of the Corporation.

13. The Board should act in an advisory capacity to the senior officers of the Corporation in all matters concerning the interests and management of the Corporation.

Financial Matters

14. The Board is responsible for reviewing the financial and underlying operational performance of the Corporation.

15. The Board should review and approve the annual audited financial statements, management's discussion and analysis, press release and other financial information related to such annual audited financial statements, budgets and forecasts, annual information form and management information circular of the Corporation.

16. The Board delegates to the Audit Committee the review and approval of the quarterly unaudited financial statements, the management's discussion and analysis and press release and other financial disclosure related thereto. If requested by the Audit Committee, the Board should review and approve the quarterly unaudited financial statements and the management's discussion and analysis, press release and other financial disclosure related thereto.

17. The Board should annually review, together with the Audit Committee, the directors' and officers' third-party liability insurance, and other insurance, of the Corporation.

18. The Board, primarily through the Audit Committee, should monitor and ensure the integrity of the internal controls and procedures (including adequate management information systems) within the Corporation and the financial reporting procedures of the Corporation.

19. The Board is responsible for considering, and if established, reviewing from time to time, a dividend policy for the Corporation.

Business Strategy

20. The Board has primary responsibility for the strategic direction of the Corporation, including the long-range and short-range goals, plans and policies of the Corporation. The Board will provide advice, counsel and mentorship to the CEO with respect to matters of strategic significance and will contribute to the development of the strategic direction of the Corporation by approving, at least annually, a strategic plan and budget developed and proposed by the senior officers, subject to any changes required by the Board. The strategic plan and budget should take into account the business opportunities and business risks of the Corporation. The Board will review with the senior officers from time to time the strategic planning environment, the emergence of new opportunities, trends and risks and the implications of these factors on the strategic direction of the Corporation. The Board will review and approve the financial objectives, plans and actions of the Corporation, including significant capital allocations and expenditures.

21. The Board is responsible for ensuring that procedures are in place to appropriately manage the principal business risks of the Corporation.

22. The Board should monitor corporate performance against the approved strategic plan and budget, including assessing operating results, to evaluate whether the business of the Corporation is being appropriately managed.

23. The Board is responsible for reviewing and approving all material transactions affecting the Corporation not contemplated in the strategic plan and budget approved by the Board.

Communications and Reporting to Shareholders

24. The Board is responsible for overseeing the continuous disclosure program of the Corporation, with a view to satisfying itself that adequate procedures are in place to ensure that material information is disclosed in accordance with Applicable Laws.

25. The Board will ensure that the Corporation has a disclosure policy which includes a framework for investor relations and public disclosure.

Corporate Governance

26. The Corporate Governance and Nominating Committee will recommend, and the Board will establish, the Board's approach to corporate governance.

27. The Board is responsible for assessing from time to time and at least annually its own effectiveness in fulfilling this mandate and shall assess from time to time this mandate, as well as the mandate of each committee (considering, among other things, the recommendations of the applicable committee) .

28. The Board is responsible for evaluating the relevant relationships of each independent director and is required to make an affirmative decision that any such relationship does not preclude a determination that the director is independent within the meaning of Applicable Laws.

29. The Board is responsible for ensuring the establishment of appropriate standards of corporate conduct and should ensure that adequate procedures are in place to monitor compliance with the Code of Business Conduct and Ethics of the Corporation. Only the Board may grant waivers of the Code of Business Conduct and Ethics which would be to the benefit of any director or senior officer.

General

30. The Board is responsible for performing such other functions as are prescribed by law, including all Applicable Laws.

31. The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Corporate Governance and Nominating Committee, retain an outside financial, legal or other advisor at the expense of the Corporation.

32. Except in exceptional circumstances, draft minutes of each meeting of the Board shall be circulated to the Board for review within 14 days of the date of such meeting.

Feedback

33. The Board welcomes input and comments from shareholders of the Corporation relating to this mandate. Such input and comments may be sent to the Board at the head office address of the Corporation.