



2022

Sustainability Report





Welcome to Orla

Our guiding principle at Orla Mining is to transform resources into a net-positive benefit for all of our stakeholders. Our sustainability initiatives are essential to achieving this objective. Inside our inaugural Sustainability Report, you will find out more about our sustainability approach, our key activities, and the progress we made in 2022.



This symbol serves as recognition for the photographs captured by our employees

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1.1

2022 Sustainability Performance Snapshot

As at December 31, 2022

25%

of our corporate goals were ESG-linked, all of which were achieved

25%

women on the Board of Directors

100%

of our local workforce completed training on our Code of Conduct and Ethics

Governance



1.49

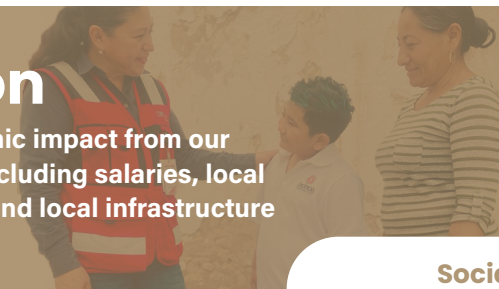
lost time injury frequency rate across all sites (target is zero)

43%

workforce employed from local communities (direct and indirect across our sites)

\$5.8 million

local community economic impact from our first operational mine, including salaries, local suppliers, land leasing, and local infrastructure



Social

0.19 tCO₂e_q/OZ Au PRODUCED

GHG emissions intensity (Scope 1 and 2) at our operating mine, Camino Rojo, among the lowest emitters in the gold sector

0.15 m³/t OF PROCESSED ORE

water intensity at our operating mine, Camino Rojo



Zero

major/reportable environmental incidents across all of our sites



Environment

2030 Sustainability Strategy

launched with strategic priorities and multi-year targets

Materiality Assessment

conducted in 2021 and updated in 2022 to confirm material ESG topics

First Sustainability Report

published to present our performance on material ESG topics



Strategy & Disclosure

1.2

Foreword from Orla's Leadership Team

“With the transition from developer to gold producer, we are now reporting on environmental, social, and governance (ESG) matters through our first Sustainability Report. The publication of this report represents an important milestone as we demonstrate our impact beyond financial performance.”

Creating a net-positive benefit to our stakeholders:

This simple statement clearly sums up Orla's commitment to sustainability, and it resonates throughout our inaugural Sustainability Report.

As an emerging gold producer with a business model that is designed to add long-term value, our Company's goal to deliver a net-positive benefit is at the heart of everything we do.

This includes responsibly finding, building, and operating high-margins mines.

In particular, we believe it is our responsibility to transform mineral resources into a net-positive benefit for everyone we interact with, including our investors, employees and contractors, and the communities and countries where we operate.

This means many things: conducting business in a responsible manner, ensuring workforce health and safety, protecting the environment, respecting human rights, and contributing to the sustainable development of the communities where we operate. We have many ESG

touchpoints, and we must embed sustainability into our business decisions, our investment analysis, and our capital allocation.

Measurable aspirations create a clear path to results

Our commitment to sustainability has been evident from Orla's earliest days. Over the past four years, we have established our business while keeping our people and our environment safe and healthy. And we have maintained this approach as we have evolved from explorer to developer, to precious metal producer.

We have maintained a consistent sustainability approach as we have evolved from explorer to developer, and now a precious metal producer. In particular, with the commencement of our first mine, Camino Rojo, in Mexico's Zacatecas State, in 2022, we targeted the highest standards of health and safety, environmental, and social practices. We constructed this site during the pandemic, on time and under budget, with no lost days due to COVID-19, and with a respectable Lost Time Injury Frequency Rate of 0.77 during the construction period. We are proud that we developed our first project with a large proportion of local workers, supporting each of them with extensive training, and enabling them to embark on their new professions.

On the environmental front, we closed our first year of production with a 0.19 tonnes of CO₂ equivalent per ounce of gold equivalent produced. This carbon intensity level places Camino Rojo as one of the lowest emissions gold mines globally. It also provides us with a baseline to minimize our



Our collective expertise in motion

environmental footprint and explore ways to reduce our emissions in the future.

2022 was also significant as we kicked off our sustainability roadmap, providing a transparent approach for stakeholders. First, we finalized our multi-year ESG strategy to map how our Company will continuously improve our sustainability performance out to 2030. This plan outlines specific initiatives between now and 2030 that will help Orla evolve into an even more progressive organization, addressing areas such as workforce diversity, equity, and inclusion.

Secondly, for 2022 we have released our very first Sustainability Report, to disclose our ESG and climate-related impacts and actions. Now we can present our activities on key non-financial matters in a timely manner, including important disclosures for the markets, regulators, communities, and shareholders. This also delivers on another core tenet of our Company: transparent performance reporting.

The importance of ESG to Orla

While Orla's actions in support of social and environmental objectives are highly principled, they are also essential to our Company's financial success. Make no mistake, our business is focused on clear economic objectives, including producing gold and generating cash by developing high-margin oxide projects, advancing larger-scale sulphide assets, exploring large prospective land packages, and pursuing quality M&A opportunities.

Each of these goals is supported by our future-focused ESG strategy, prudent technical decision-making, and stewardship of our corporate reputation. Our ability to reach industry-leading growth also hinges on building long-term partnerships with our stakeholders, earned through trust, respect, and openness.

At the same time, our organization must be proactive in facing climate-related risks, including potential changes to our ecosystems such as water scarcity. By operating our

Company in a sustainable way, we reduce our risks and therefore maximize the opportunity to create value for all of our stakeholders. ESG is non-negotiable.

Deep-rooted values to face the future

Mining delivers the critical elements that our civilization requires, but in doing so, we make an impact on the places where we operate. Our challenge is to ensure that the balance of that impact is a net-positive benefit to society.

While ESG issues are complex and steadily shifting, we are confident that we can address them effectively. With our ingrained values, and a united leadership team that cares about our people and communities, we can add more to society, the environment, and the economy than we could ever extract.

With an ESG Strategy in place that is economically feasible, operationally achievable and embedded in our business targets, Orla will responsibly find, build, and operate high-margin mines, and deliver a net-positive benefit for each of our stakeholders.

Sincerely,



The Orla Mining Senior Leadership Team



Jason Simpson
PRESIDENT AND CEO



Etienne Morin
CHIEF FINANCIAL
OFFICER



Andrew Cormier
CHIEF OPERATING
OFFICER



Chafika Eddine
CHIEF SUSTAINABILITY
OFFICER



Sylvain Guerard
SVP, EXPLORATION

Orla Board members



Charles Jeannes

INDEPENDENT, NON-EXECUTIVE CHAIRMAN
Director since June 2017

Member of the Human Resources and Compensation Committee, the Audit Committee, and the Corporate Governance and Nominating Committee



Tim Haldane

INDEPENDENT
Director since June 2017

Chair of the Technical Committee, and member of the Environmental, Sustainability, Health and Safety Committee



Elizabeth McGregor

INDEPENDENT
Director since June 2019

Chair of the Audit Committee and member of the Human Resources and Compensation Committee



Jean Robitaille

INDEPENDENT
Director since December 2016

Chair of the Human Resources and Compensation Committee, and member of the Technical Committee



David Stephens

INDEPENDENT
Director since June 2018

Chair of the Corporate Governance and Nominating Committee, and member of the Audit Committee



Scott Langley

NON-INDEPENDENT
Director since June 2022



Tamara Brown

INDEPENDENT
Director since June 2022

Chair of the Environmental, Sustainability, Health and Safety Committee; member of the Technical Committee, and the Human Resources and Compensation Committee



Ana Sofía Ríos

INDEPENDENT
Director since June 2023

Member of the Environmental, Sustainability, Health and Safety Committee, and member of the Corporate Governance and Nominating Committee



Jason Simpson

NON-INDEPENDENT (PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE COMPANY)
Director since November 2018

Member of the Environmental, Sustainability, Health and Safety Committee

Board Expertise and Experience

Orla's Board has a diverse skill set. The following matrix outlines the primary expertise, skills, and background of Board members. Additional information on each member of the Board is provided on our website and our 2023 Management Information Circular.

	CHARLES JEANNES	JASON SIMPSON	JEAN ROBITAILLE	TIM HALDANE	DAVID STEPHENS	ELIZABETH MCGREGOR	TAMARA BROWN	SCOTT LANGLEY	ANA SOFIA RÍOS	TOTAL (N=9)
RELEVANT INDUSTRY SKILLS	Mining Industry	●	●	●	●	●	●	●	●	9
	Operations	●	●	●	●			●		5
	Environment, Health, Safety and Sustainability	●	●	●	●			●	●	6
	Geology and Exploration	●	●	●	●			●		5
GENERAL BUSINESS SKILLS	Financial Literacy	●				●	●	●	●	6
	Compensation/HR	●	●	●			●	●		5
	Governance	●	●	●	●	●	●	●	●	8
	Senior Executive	●	●	●	●	●	●	●	●	8
	Risk Management	●	●	●	●	●	●	●	●	8
	Legal	●								2
	International Markets	●	●	●	●	●	●	●	●	9
Capital Markets	●					●	●	●	6	
Mergers & Acquisitions	●		●	●	●		●	●	7	

1.3 Orla at a Glance

Orla Mining is a Canadian company focused on creating stakeholder value by responsibly finding, building, and operating high-quality mines. We have three properties located in Mexico (Zacatecas), Panama (Los Santos), and the U.S. (Nevada), encompassing one operating mine and multiple development projects.



Camino Rojo

Zacatecas State, Mexico

OPERATING GOLD AND SILVER MINE

Our foundational asset, Camino Rojo was first acquired in 2017 from Goldcorp Inc. and successfully began commercial production in April 1, 2022.

→ LEARN MORE



Cerro Quema

Los Santos Province, Panama

EXPLORATION AND DEVELOPMENT

Acquired in 2016, Cerro Quema is an oxide heap leach project with significant copper-gold sulphide potential.

→ LEARN MORE



South Railroad

Nevada, U.S.A.

EXPLORATION AND DEVELOPMENT

Our newest addition, South Railroad was acquired in August 2022, and is an oxide heap leach project with sulphide potential.

→ LEARN MORE



¹ See the section [Cautionary Statements - Technical Information](#) for additional information

Orla is led by a group of mining leaders with deep experience in exploration, project development and construction, operations leadership, and environmental and social stewardship. Over the past several years, Orla's formula for growth and value creation has focused on acquiring and developing a portfolio of assets, collaborating with reputable partners, and driving stakeholder benefits through ESG initiatives.

Orla is headquartered in Vancouver, Canada and trades on the TSX and the NYSE American.



Camino Rojo's Merrill-Crowe recovery plant



Exploration works at Cerro Quema, Panama

575
Employees, direct
and indirect

3
Countries in which we
have mining assets

\$193.2 M
Revenue in 2022

109,596 oz
Gold produced in 2022

All figures as of December 31, 2022



This is Orla's first Sustainability Report. It highlights our commitments, initiatives and progress on key environmental, social and governance issues.

We welcome any feedback you have on our report or our sustainability efforts. Please contact:

Cornelio Delgado,
Director, Sustainability
info@orlamining.com

1.4

About this Report

Reporting Framework and Materiality

The content in this report focuses on sustainability topics regarded as "material" through stakeholder engagement and analysis. Refer to Material ESG Topics for more details. Our report disclosures are aligned with the Sustainability Accounting Standards Board (SASB) requirements and the Task Force for Climate-Related Financial Disclosures (TCFD) framework.

Reporting Scope and Boundary

This report reflects activities and results for the following operations:

Our operating mine:
Camino Rojo (Mexico)

Our two development projects:
Cerro Quema (Los Santos, Panama)
South Railroad (Nevada, U.S.)

Our corporate offices:
Toronto, ON (Canada)
Vancouver, BC (Canada)

Unless otherwise noted, information in this report is provided as of December 31, 2022, which is also our fiscal year. Where data is available and relevant, we provide comparative data for 2021. Throughout this report, "Orla", "Orla Mining", "the Company", "we", "our" and "us" refers to Orla Mining and its subsidiaries, unless context otherwise requires. All monetary amounts are reported in United States dollars ("US dollars" or "US\$") unless otherwise noted.

Our Process

The report was prepared by our ESG Team in collaboration with internal subject matter experts and external ESG consultants. It has been reviewed by Orla's executive team and the Environmental, Sustainability, Health and Safety Committee, and approved by the Board of Directors. We have not sought external, independent assurance for this report.

This report captures metrics that were available, reliable, and related to our material topics. As an emerging gold producer, our projects are in various stages of activity, and we continue to build, implement, and improve our data collection systems and processes.

Additional Information

For a complete picture of our business and our 2022 performance, please read this report in conjunction with our 2022 Annual Information Form, 2023 Management Information Circular, 2022 ESTMA Report and Technical Reports about our assets, which are available on our website at www.orlamining.com.



2.0 Our Sustainability Approach

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FATIMA SANTILLAN DIAZ

2.1

Sustainability Strategy: Towards 2030

Orla's commitment to sustainability is based upon creating a net-positive benefit for our stakeholders.

We recognize the importance of mining sustainably and have proactively worked to establish good ESG practices within our business. We use a sustainability mindset to guide our decisions, including capital allocation.

In 2022, we launched our **Towards 2030 Sustainability Strategy**. This strategy amplifies our commitment to being a responsible, sustainability-driven company, and charts a long-term roadmap for our ESG ambitions.

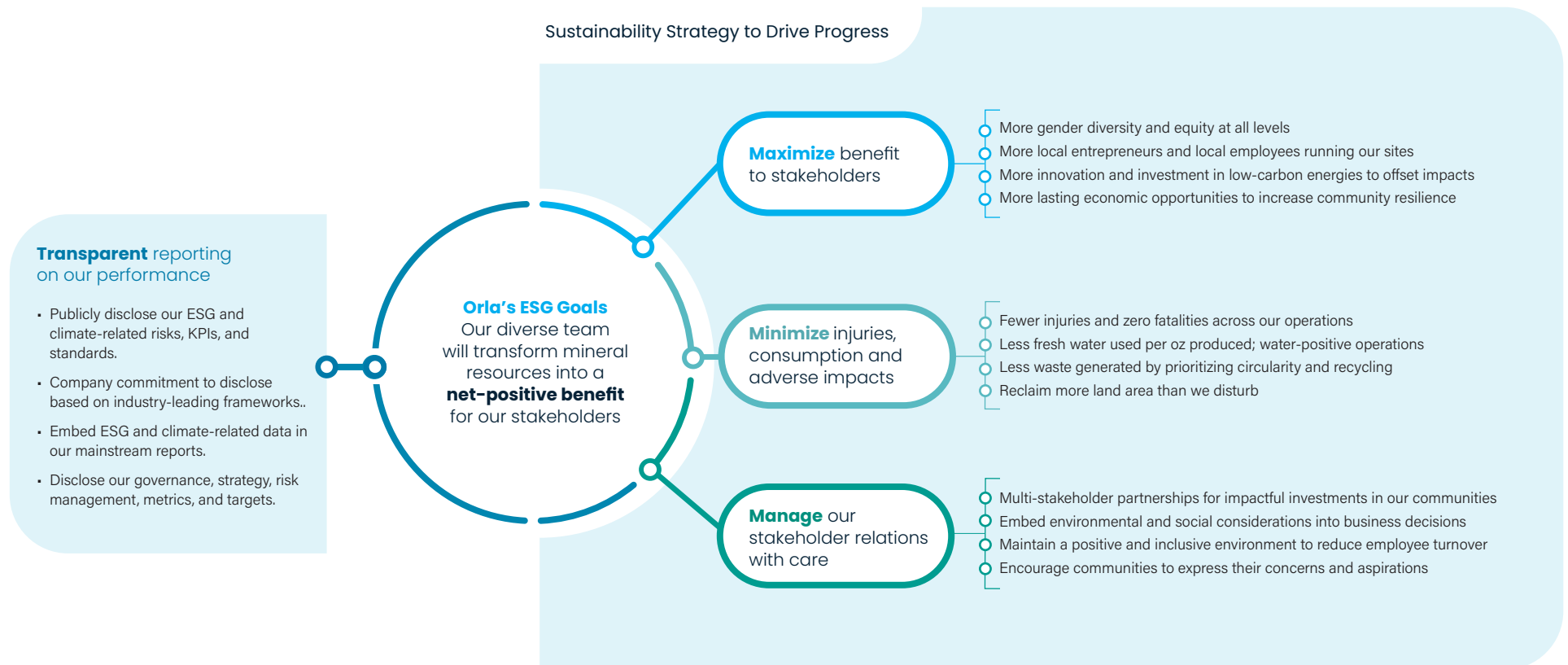
Our ESG Goal and Pillars

The strategy is grounded in our business purpose to **transform mineral resources into a net-positive benefit for our stakeholders**. Embedding sustainability across our business purpose means, simply, that every Orla employee and partner is engaged into the pathway to become net positive. It's about the goal of adding more to society than extracting from it.

Our strategy, developed with input from multiple stakeholders, has three pillars:

1. **Maximize** benefit to stakeholders
2. **Minimize** injuries, consumption and adverse impacts
3. **Manage** our stakeholder relations with care

In each of these pillars, we have set clear metrics, key performance indicators (KPIs), action plans and timelines to drive progress.



How We Plan to Get There

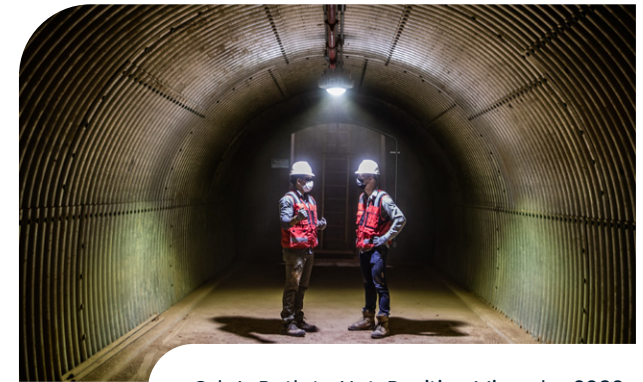
In 2022, our main focus was transitioning from construction to operations at our first mine, Camino Rojo. That transition required putting systems in place for a safe and healthy operation with lower environmental impact, while expanding our social and economic contributions to our host communities.

As a growth oriented company, our multi-year strategy will follow critical steps:

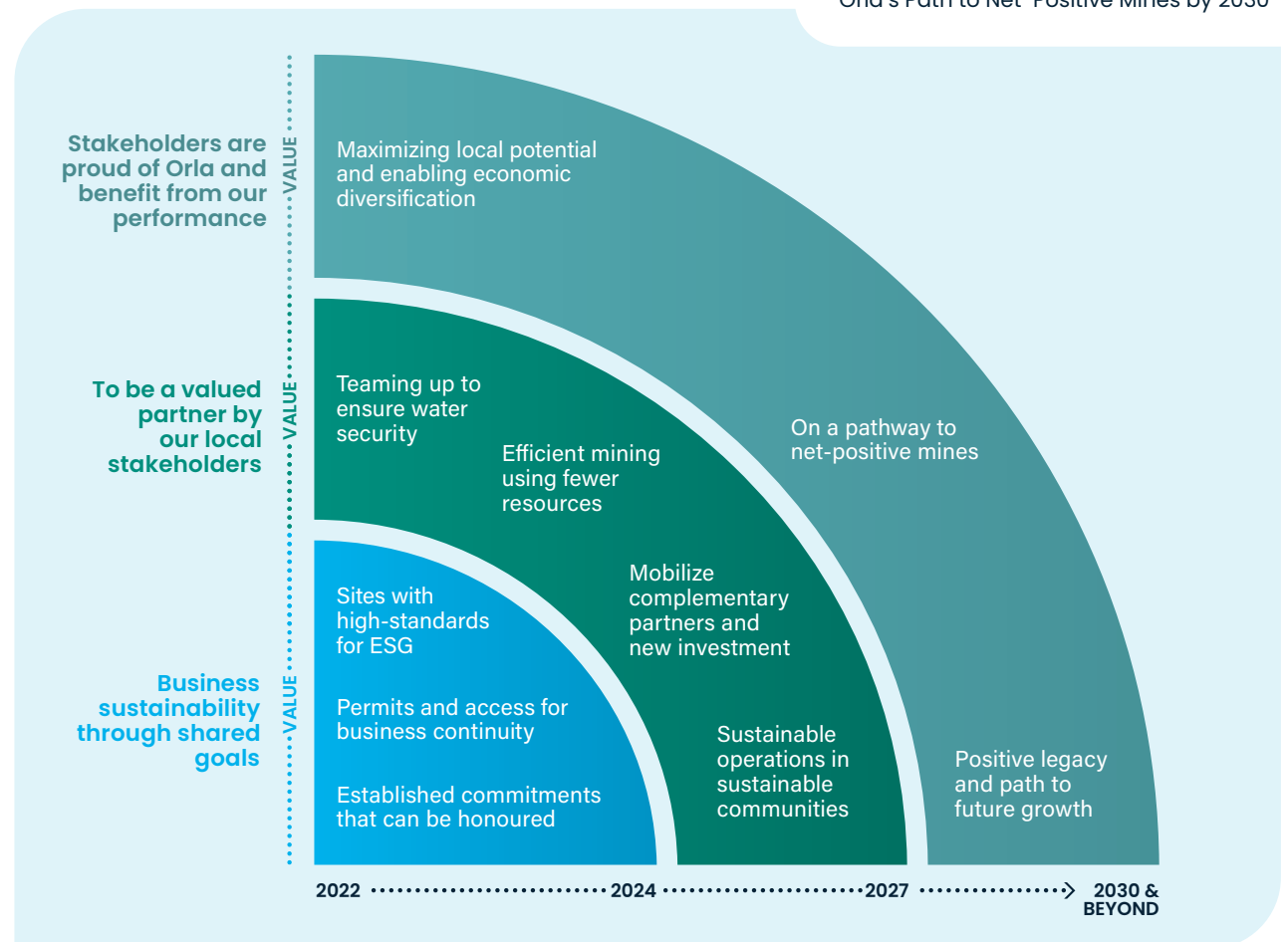
- Complete our climate-related vision and strategy to manage, adapt to and mitigate climate impact.
- Include science-backed insights to identify, understand, assess, and report how climate change and the transition to a lower-carbon economy could impact our operations, the health and safety of our employees, infrastructure, and neighbour communities.
- Engage with our workforce to integrate the multi-year strategy and our vision into our day-to-day operations. We consider sustainability as everyone's job.
- Strategy development workshops at each site.
- Conduct training for our employees, managers, senior leadership team, and board members on our multi-year strategy.
- Continue measuring our Scope 1 and Scope 2 emissions and start measuring Scope 3 GHG emissions.
- Continue measuring our water intensity indicators and identify strategies to minimize freshwater consumption across our sites.
- Identify additional ESG targets and prepare strategies to achieve those targets.
- Identify areas to reduce our direct emissions and to use potential offsets.

Transparent Reporting

Transparently reporting on our performance is a core tenet for the Company and underpins the ESG strategy. We are committed to appropriate disclosure of ESG-related issues across all of our operations. Through this report, our sustainability website and other disclosures, we will hold ourselves accountable and keep stakeholders informed, as well as gain insights on how to improve our efforts.



Orla's Path to Net-Positive Mines by 2030



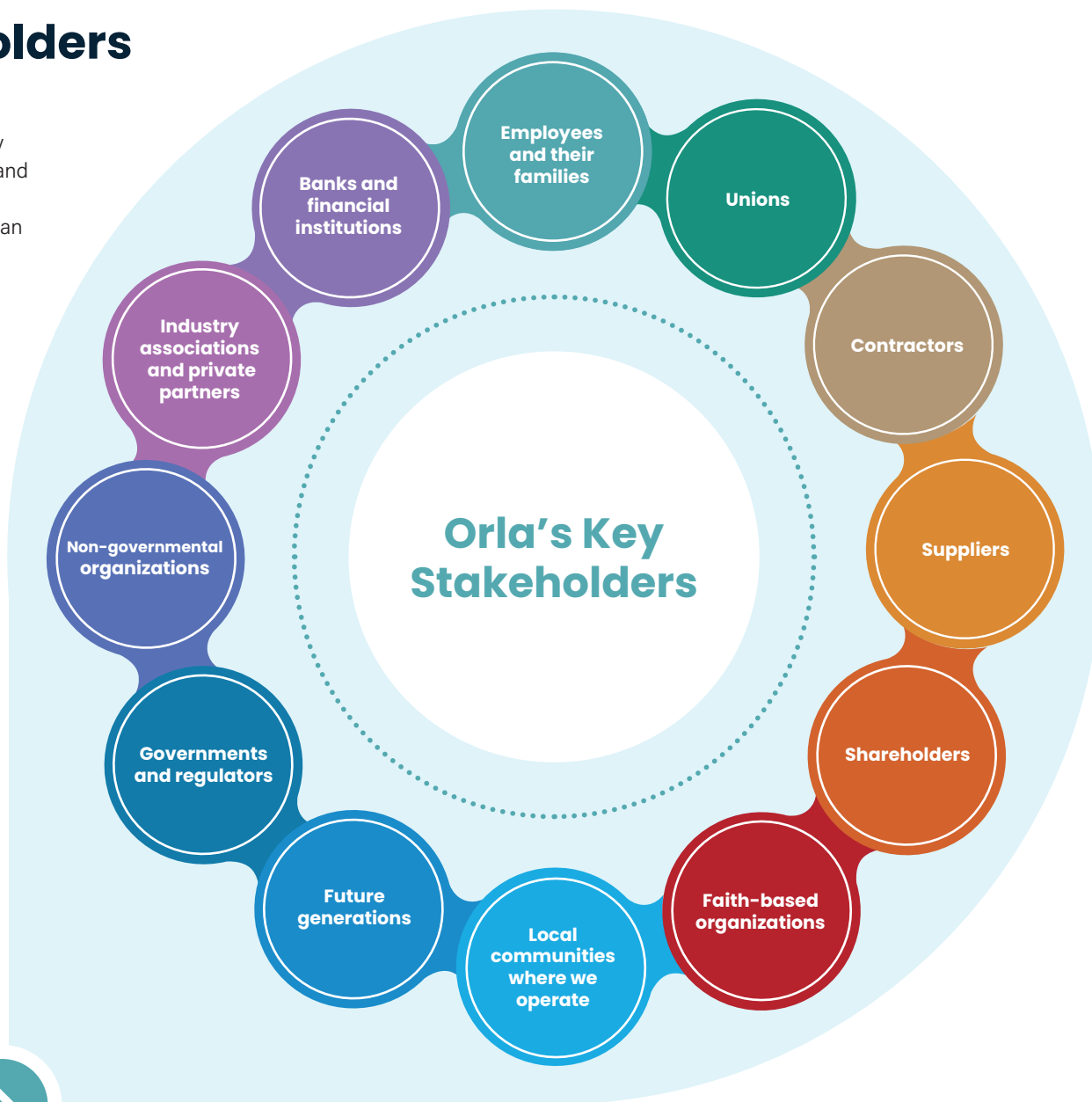
2.2

Engaging with Our Stakeholders

Orla's operations and activities impact many stakeholders, both directly and indirectly. To build trust, develop mutually respectful relationships and continually earn our social license to operate, it is imperative that we proactively listen to and engage with our stakeholders, so that we can identify and respond to their priorities, needs, and concerns. Effective stakeholder engagement ultimately informs our decision making and how we allocate resources.

We engage with our stakeholders in many ways. Examples include:

- **Formal meetings**, briefings and consultations
- **Community response mechanisms** (to record grievance, complaints, concerns and aspirations)
- **Whistleblower hotline** (ie. the Company's Confidence Line)
- **Workforce programs** (ie. training and development, health campaigns)
- **Employee-management meetings**
- **Ongoing dialogue** with local regulators and governments
- **Meetings and calls** with shareholders and investors
- **External memberships**
- **Communications** via phone, email, and social media
- **Community initiatives and events**
- **Mine site visits**



2.3

Material ESG Topics

We believe that it is our responsibility to transform mineral resources into a net-positive benefit for all our stakeholders. To effectively share this benefit, we must understand what matters most to them.

Materiality Process

In 2021, we conducted our first full ESG materiality assessment to identify and prioritize the ESG issues of greatest importance to our stakeholders as well as our business. We applied a multi-step process, based on the International Accounting Standards Boards' four-step approach.

To employ a robust, independent assessment of ESG materiality, we engaged an external group, ESG Global Advisors, to facilitate the process using its proprietary methodology. Drawing on a wide range of research and sources, ESG Global compiled a long list of potentially material ESG factors to Orla and categorized their importance based on level of priority. Orla's management reviewed and validated the results.

In 2022, we revisited and updated the results of our 2021 Materiality Assessment as Camino Rojo moved into production. For this exercise, we conducted internal interviews among management, validated the relevance of topics for our communities through our stakeholder engagement system, reviewed insights from our grievance mechanism and Enterprise Risk Management system, and examined industry and global trends to understand the evolving ESG landscape.



Orla's Material ESG Topics



The diagram shows Orla's material ESG topics, which are based on the findings of our 2021 and 2022 assessments. This report is structured around these material topics, which we group into three ESG themes: environmental, social, and governance. For reporting purposes, we combine similar topics together (namely, Labour Relations with People Management, and Energy Management with Climate Change).

2.4 ESG Scorecard

Corporate target achieved

To measure our progress and drive impact around our ESG actions, we have set targets and defined key performance indicators. The following scorecard shows our performance.

Our Performance against ESG targets	2022	2021	Corporate Target
Fatalities ¹	0.00	0.00	0.00
Camino Rojo LTIRF ²	0.00	0.81	0.00
Orla all assets LTIRF ³	1.49	0.77	< 2.00
Significant community disputes ⁴	0.00	0.00	0.00
Significant environmental incidents ⁵	0.00	0.00	0.00

Our Sustainability KPIs	2022	2021
Direct employees from local communities ⁶ *	59.4%	54.1%
Women in the direct labour force *	29.3%	Mine construction period
Women on the Board of Directors	25.0%	11.0%
Women among corporate management	16.6%	0.0%
Scope 1 and 2 GHG emissions (ton CO ₂ eq) **	21,082.70	Mine construction period
GHG intensity (tCO ₂ e/oz Au produced) **	0.19	Mine construction period
Freshwater use intensity (volume of freshwater consumed per tonne of processed ore (m ³ /t)) **	0.15	Mine construction period
Community investments (thousands) *	5,800	Mine construction period

1 A fatality that occurs to a direct or indirect employee while engaged in a legal work activity or present at the site of the incident as a requirement of his/her job.

2 Lost Time Injury Frequency Rate = (lost time injuries x 1,000,000) / person hours. Only our operating mine, Camino Rojo.

3 Lost Time Injury Frequency Rate including Camino Rojo and exploration project Cerro Quema.

4 Community disputes that caused production disruption and cataloged as severe or extreme; represents social license to operate.

5 Significant environmental incident is defined as incidents level 4 or 5 according to the USEPA.

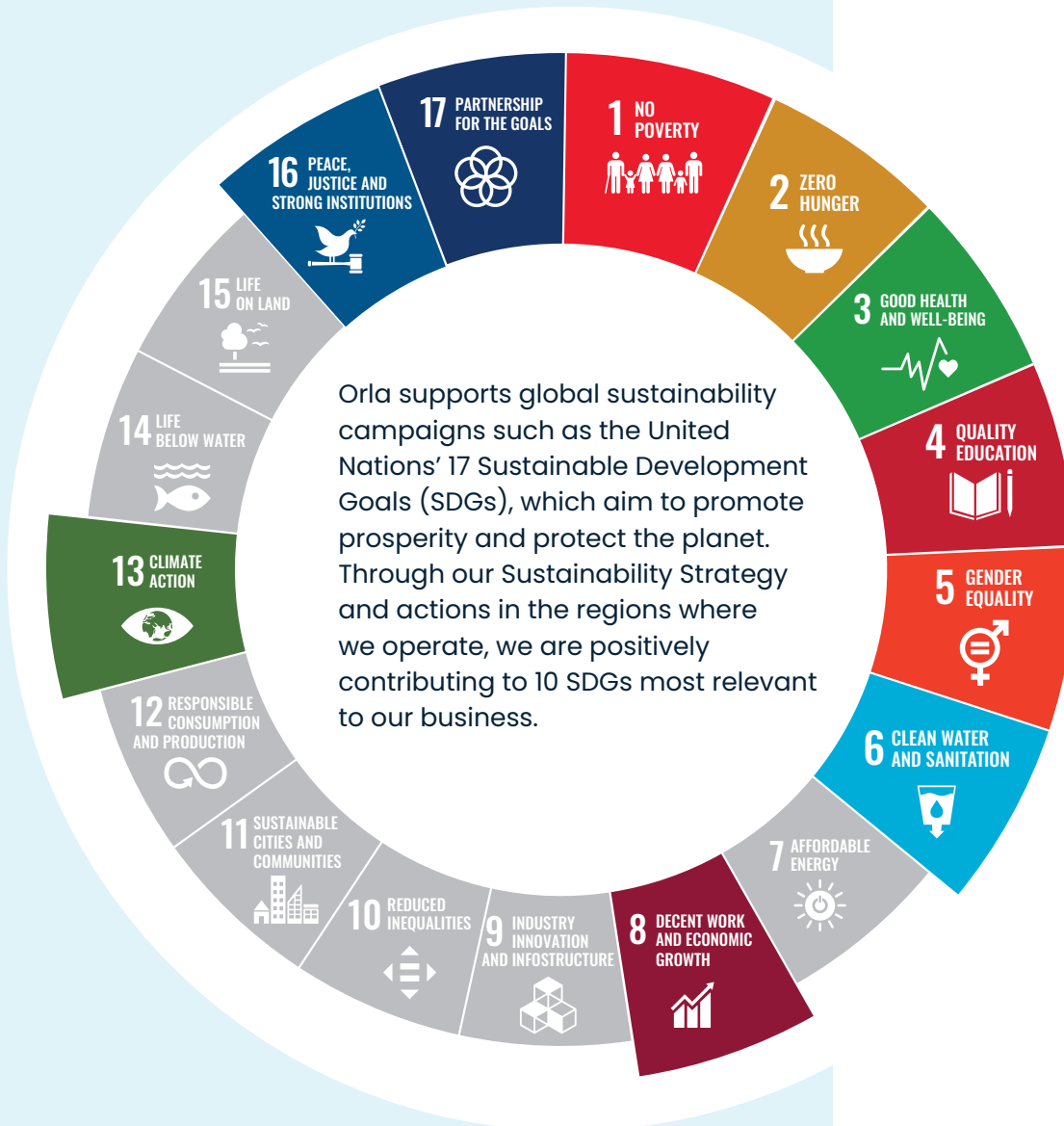
6 Local communities are those that are directly influenced by our operations, and exploration and development projects.

* Includes Camino Rojo mine in Mexico, Cerro Quema and South Railroad exploration projects in Panama and the U.S., respectively.

** Includes Camino Rojo only

2.5

Orla's Contribution to Sustainable Development Goals



1 NO POVERTY

End poverty in all its forms everywhere.

Orla's Contribution

- Generate economic benefits for local communities through job creation, salaries, taxes paid, purchases across our supply chain, and land leasing.
- \$5.8 million contributed to the communities of the direct area of influence within the municipality of Mazapil, State of Zacatecas, Mexico. This includes salaries, local business, land leasing, community infrastructure, and social impact projects.

[Learn more: Community Relations](#)

2 ZERO HUNGER

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Orla's Contribution

- Support community initiatives with a focus on increasing food security, nutrition, and sustainable agriculture.
- Work with small-scale farmers and ranchers to improve irrigation, water conservation, and transportation infrastructure.
- Promote local consumption and market access opportunities for rural producers.

[Learn more: Community Relations](#)

3 GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

Orla's Contribution

- Support and promote worker health and safety through a range of practices, programs, and training.
- 1.49 lost time injury frequency rate across all sites in 2022
- Continue to support our communities' response to the COVID-19 pandemic and its ongoing effects.

[Learn more: Workforce Health and Safety](#)

4 QUALITY EDUCATION

Ensure inclusive and equitable quality education and promote lifelong learning opportunities.

Orla's Contribution

- Support education in rural communities with a focus on children and female youth; we provide funding to build and maintain educational infrastructure in collaboration with communities and local authorities.

Learn more: Community Relations

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls.

Orla's Contribution

- 25% female representation on the Board of Directors in 2022.
- Maintain diversity and inclusion policies and programs.
- Provide education and skills development for women and girls to improve opportunities for them.
- Orla respects all national and international laws designed to protect women and girls.

Learn more: People Management

6 CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all.

Orla's Contribution

- Promote sustainable water management in the areas of our operation.
- Collaborate with local communities to secure water access and efficient consumption.

Learn more: Water Management

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Orla's Contribution

- Generate positive economic impact through wages and salaries, contracts with local suppliers, and community investments in social and economic initiatives.
- Invest significantly in training and developing our employees and community entrepreneurs to maximize local opportunities.
- Maintain programs and services to protect labour rights and foster a safe and secure workplace.
- 43% of our employees are from direct local communities.

Learn more: People Management
Community Relations

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Orla's Contribution

- Continue investigating and implementing measures to improve the energy efficiency of our operations and mitigate our carbon footprint
- Continue to better understand and build our capacity to manage climate-related impacts, risks, and opportunities.

Learn more: Climate Change

16 PEACE, JUSTICE, AND STRONG INSTITUTIONS

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.

Orla's Contribution

- Implement policies, systems, and constant training and reinforcement to support good governance, corporate sustainability, transparency, accountability, and inclusiveness.
- Ensure each operation adopts ethical guidelines including anti-corruption and rule of law-based practices.

Learn more: Corporate Governance and Business Ethics

17 PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Orla's Contribution

- Work with public and private partners to maximize positive, lasting impacts of projects and initiatives across the communities we work with.

Learn more: Community Relations





3.0

Building Strong Governance

MATERIAL TOPICS IN THIS CHAPTER

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- 3.2 Compensation and ESG 26
- 3.3 Risk Management 28

OUR PRIORITY SUSTAINABLE DEVELOPMENT GOALS

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



5 GENDER EQUITY



3.1

Corporate Governance & Business Ethics

Our Approach: Foundations for Sustainability

Corporate Governance Practices

The Board of Directors (the “Board”) and senior leadership team of Orla are committed to robust corporate governance. We have developed our corporate governance policies and practices to create long-term value and deliver on our responsibilities to shareholders and other relevant stakeholders.

The Board is responsible for the overall stewardship of the Company. As outlined in its Mandate, the Board’s primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet Orla’s strategic objectives. There are five Board committees: the Audit Committee; the Technical Committee; the Corporate Governance and Nominating Committee; the Environmental, Sustainability, Health and Safety (ESHS) Committee; and the Human Resources and Compensation Committee (HRCC).

Beyond complying with applicable rules under Canadian securities laws, the TSX and the NYSE American, we are committed to continuous improvement in our governance practices. For instance, following each significant business milestone since our inception, we have reviewed and enhanced our corporate governance practices and policies to ensure they evolve and reflect best practices in line with Orla’s growth. We continue to monitor corporate governance trends and developments in Canada, Mexico, Panama and the U.S., and will update our governance practices as needed.

To learn more about the Board, its members and committees, and our approach to governance, refer to our [2023 Management Information Circular](#) and [corporate governance](#) section of our website.

Why it Matters to Orla

Effective corporate governance and ethical behaviour are crucial foundations guiding the successful operation of our Company. These interconnected elements serve to protect and create value for all stakeholders, including employees, partners, communities, and shareholders.

Related Orla policies

[Anti-Bribery and Anti-Corruption Policy](#)

[Climate Change Policy](#)

[Code of Business Conduct and Ethics](#)

[Corporate Disclosure Policy](#)

[Diversity Policy](#)

[Environmental, Sustainability, Health and Safety Committee Charter](#)

[Human Rights Policy](#)

[Indigenous Peoples Policy](#)

[Insider Trading Policy](#)

[Mandate of the Board of Directors](#)

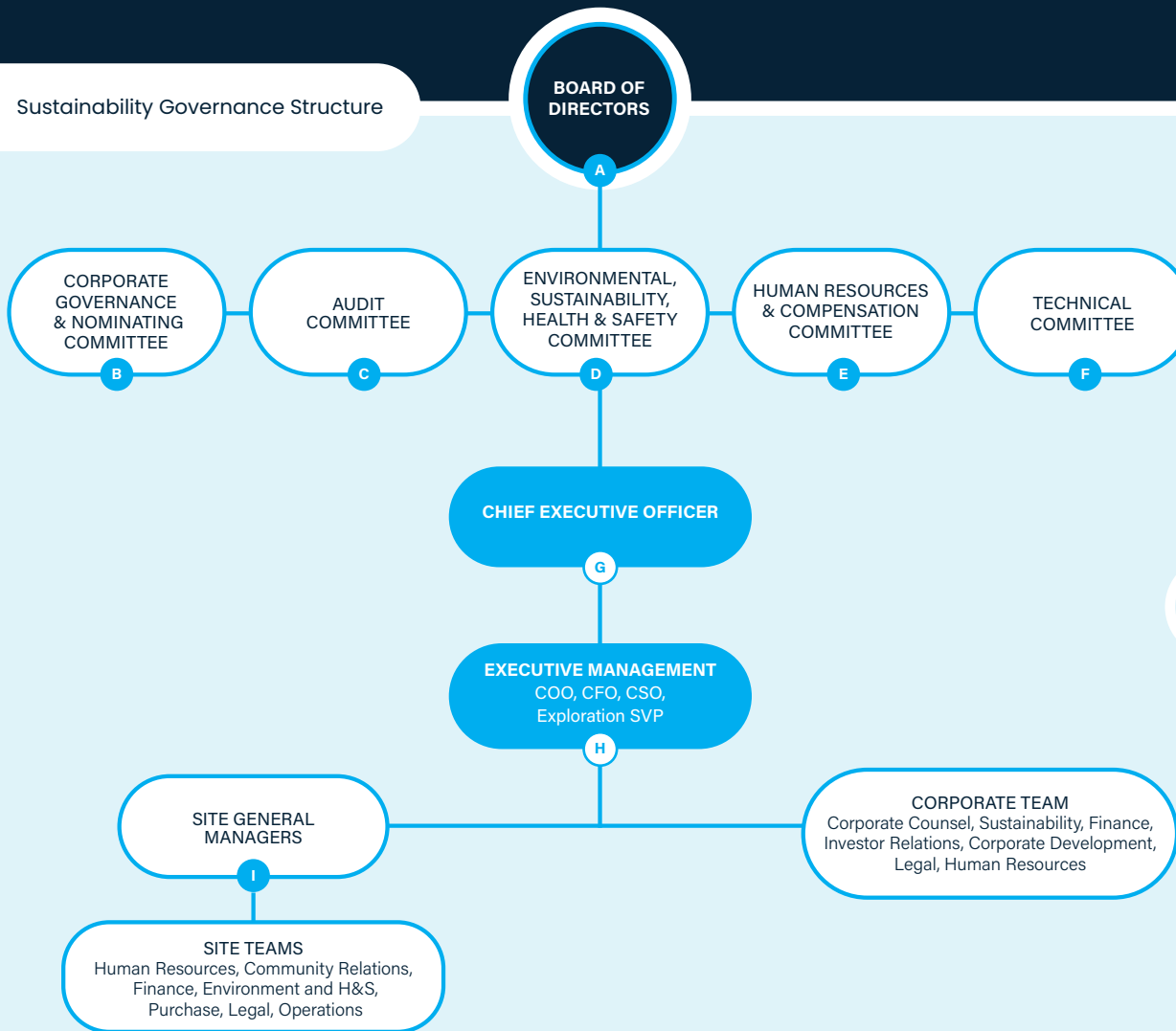
[Whistleblower Policy](#)

[Workplace Bullying and Harassment Policy and Reporting / Investigation Procedures](#)



At Orla we have set and followed high ethical standards since our founding. Adopting best practices in governance and integrity, and adhering to those principles every day to earn and maintain stakeholder trust, is the first priority in our approach to sustainability.

Sustainability Governance Structure



- A** The Board of Directors is responsible for overseeing management's approach to ESG-related risks and ensuring the implementation of appropriate sustainability systems to effectively monitor and manage those risks with a view to the long-term viability of the Company and its impacts across all stakeholders. The Board approves and monitors compliance with all sustainability policies and procedures and applicable laws.
- B** The Corporate Governance and Nominating Committee provides focus on governance that will enhance the Company's performance. The Committee monitors compliance with the Code of Conduct and Ethics, assesses and makes recommendations regarding the Board's effectiveness, and establishes and leads the process for identifying, recruiting, appointing, re-appointing, evaluating and providing ongoing development for directors.
- C** The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. The Committee provides independent review and oversight of the financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight, and compensation of the Company's external auditors.
- D** The objective of the ESH&S Committee is to monitor and review the health, safety, environmental and sustainable development policies, principles, practices, and processes of the Company. The Committee has the authority to engage independent counsel or other experts and conduct any investigation that it considers appropriate. It is responsible for reviewing and approving annual disclosures relating to the Company's sustainability.
- E** The HRCC Committee reviews and approves the philosophy and design of the Company's compensation programs and the compensation of the Company's executives and members of the Board. The HRCC also provides oversight for compensation policies for all employees. In addition the HRCC is responsible for reviewing and making recommendations to the Board in connection with the Company's succession planning with respect to the CEO and other senior executive officers.
- F** The Technical Committee was established to assist the Board in its oversight of the reporting of the quantity and quality of the Company's mineral resources and reserves, the operating activities of the Company's material mines, the Company's technical activities relating to its material exploration, operational efficiency opportunities, life of mine plans, and development projects and the Company process for identifying and managing technical risks.
- G** Ultimate responsibility for sustainability and ESG performance within Orla rests with our Chief Executive Officer.
- H** Executive management covers Strategy, Operations, Finance, and Sustainability.
- I** Site General Managers make decisions at the operational level and own the management of ESG risks at each site.

Sustainability Oversight

- Ultimate responsibility for sustainability at Orla rests with our Chief Executive Officer.
- Our Chief Sustainability Officer (CSO) is responsible for embedding the principles of sustainability into our business operations, our team and our relations with stakeholders.
- The Board engages in and oversees ESG matters, including risks, opportunities, developments, and Company performance. Refer to the accompanying chart “How the Board oversees ESG”.
- The Environmental, Sustainability, Health and Safety Committee is responsible for assisting Orla’s Board of Directors in fulfilling its ESG oversight role. The Committee is responsible for environmental, health and safety, and sustainability factors and it reviews performance, regulations, and proactive efforts by management on a quarterly basis and reports to the rest of the Board.



All employees, management, and directors are required to review and certify the Code of Business Conduct and Ethics on an annual basis.

How the Board Oversees ESG

AREA	ESG OVERSIGHT
Environment	<ul style="list-style-type: none"> • Ensures compliance with environmental laws and the implementation of appropriate environmental stewardship systems based on best practices of the mining industry with applicable laws. • Through its ESHS system, the Board assesses environmental risks at each operation and provides recommendations to policies, standards, accountabilities, and programs of the Company.
Social	<ul style="list-style-type: none"> • Ensures the implementation of appropriate health and safety management systems. • Approves and oversees Orla’s Diversity Policy, Corporate Social Responsibility Policy and ESHS Policy. • Through its ESHS Committee, the Board assesses quarterly sustainable development risks including community and government relations, human rights, and the Company’s risk management. The Committee also reviews and recommends to the Board for approval changes in or additions to the social responsibility and sustainable development policies, standards, accountabilities, and programs of the Company.
Governance	<ul style="list-style-type: none"> • Approves Orla’s strategy and business objectives and monitors Company performance, including on ESG matters. • Oversees the Company’s risk culture, systems, and practices. • Approves and monitors employee compliance with all significant policies, procedures, and standards, including the Code of Conduct and Ethics, by which the Company operates. • Through its Corporate Governance and Nominating Committee, the Board annually compares the Company’s corporate governance practices against those recommended by regulators, stock exchange or governance and proxy advisory firms. The goal is to ensure the Company meets all requirements.

Ethics and Integrity

Our [Code of Business Conduct & Ethics](#) (the Code) is the compass that defines the standards and expectations for everyone at Orla and our subsidiaries. The Code is based on our values of honesty, integrity and accountability. Topics covered by the Code include conflicts of interest, gifts and entertainment, anti-bribery and anti-corruption, insider trading, confidential information, harassment and discrimination, proper use of company assets, and environment, health, and safety.

All employees, management and Directors are required to review and certify the Code yearly. The Board monitors compliance with the Code and management provides a yearly report to the Board regarding issues, if any, arising under the Code and the Company's corporate governance policies.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar activities, the Board must comply with the conflict of interest provisions of the Canada Business Corporation Act (CBCA), as well as the relevant securities regulatory instruments, to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Each director is required to declare the nature and extent of his or her interest and is not entitled to vote at meetings that involve such conflict.



Continued efforts on maintaining health and safety of workforce

Anti-bribery and Anti-corruption

As a company operating in different jurisdictions, our personnel may be exposed to scenarios of bribery and corruption. We take a zero-tolerance approach to any form of bribery and corruption and have policies and procedures to deter and detect such activities. As prescribed in our Code, we prohibit bribery of public officials and third parties and we require compliance with all anti-corruption and other applicable laws in the countries where we do business, including the Canadian Corruption of Foreign Public Officials Act. We also provide training to our personnel, as well as contractors and suppliers, to emphasize our safe and ethical way of doing business.

Whistleblower Policy and Hotline

As a key part of our Company culture, we promote an environment of openness in which employees and other stakeholders can speak up with any concerns or complaints, especially if they witness or perceive behaviour that violates the Company's code, policies or standards. Within the workplace, we proactively encourage our people to talk to supervisors, managers, or other appropriate personnel when in doubt about the best course of action to take in a particular situation. Representatives may also contact a member of senior management or the Chair of the Audit Committee, if appropriate.

Our [Whistleblower Policy](#) outlines the steps for reporting a complaint regarding accounting, internal accounting controls, auditing matters, or fraud. The policy protects any individual who in good faith submits any complaint and states that reported matters will be kept confidential and may be communicated anonymously if desired. To report concerns or complaints, people can use the [Orla Confidence Line](#), an independent and confidential reporting service available 24/7 in English and Spanish. It is our most effective forum for ensuring that employees and other stakeholders can safely report concerns. The line is managed by Xpera HR Services, an independent reporting and risk mitigation agency. Once a complaint is received, it is promptly investigated by the Chair of the Audit Committee.

Transparent Payments

Orla is committed to tax and payments transparency and complying with all applicable tax laws, rules and regulations. The Board oversees Orla's financial reporting, including tax matters. We report annually on our tax and payments to governments in the jurisdictions where we operate, as required under the Canadian Extractive Sector Transparency Measures Act (ESTMA). This information includes details about taxes, royalties, fees, and other types of payments in each country where we operate. Please see our [ESTMA disclosure archive](#) on our website.

All employees and Company representatives are prohibited from offering, paying, promising, or authorizing any payment or other benefit to any government official, political party, campaign for an elected office, or political candidates.

CASE STUDY

Building ethical and impactful relations with our communities

Orla is helping bolster incomes among rural Mexican families - and integrating these households into the security of the formal financial system - as part of landmark negotiations between the Camino Rojo team and the communal landowners of the Ejido San Tiburcio.

As part of these 2022 negotiations to secure mining access to an area adjacent to Orla's current production site, both parties agreed to follow the Agrarian legal framework and the principles of fairness and equity. The agreement, signed in December 2022, sets in motion an immediate positive impact on these families through fair land compensation that will contribute to their lasting social and economic wellbeing.

In particular, the agreement includes a monthly cash payment for the lifespan of the mine that represents a family income surpassing the typical Mexican cost of living, thus moving these families above the country's official poverty line. Ejido members will now assume responsibility for paying their legal tax obligations and establishing bank accounts to receive payments through the national financial system. In turn, they will gain access to associated government services and business opportunities.

In addition to the cash compensation, Orla agreed to support one of the 'first in-its-kind' agreements in Mexico to allow rural landowners older than 65 years and their family members to

access universal social security benefits, including health care, medical emergencies, pension, disability, and death.

With financial support from Orla, in 2023 the Ejido will sign an agreement with the Instituto Mexicano de Seguridad Social [Mexican Institute of Social Security], to add Ejido members without social security coverage into the country's benefits system.

This milestone agreement, which will significantly boost the economic wellbeing and stability of community members, is the result of years of trust-building and cooperation between Orla and the 363 members of this rural landowner group.



2022 Highlights

- As of December 31, 2022, Orla’s Board was comprised of eight directors, six of whom were independent and 25% were women.
- The Company documented its internal control procedures in order to comply with the requirements of Section 404 of the U.S. federal law Sarbanes-Oxley Act (“SOX”). SOX requires an annual assessment by management of the effectiveness of the Company’s internal control over financial reporting and an attestation report by the Company’s independent auditors addressing this assessment.
- We continued to assess all operations for risks related to bribery and corruption, and found no reported or identified cases of bribery or corruption in 2022.

2023 Focus

- Continue building an ethical culture through ongoing employee training, communication, and engagement.
- Continue bringing the Company’s new acquisition, the South Railroad project in Nevada, U.S., into corporate policies and systems.
- Complete full integration of climate- and social-related risks within our Enterprise Risk Management Program.
- Work with our suppliers and contractors to update their knowledge, application and adoption of our critical policies and codes for better governance and business behaviour.
- Increase our diversity by adding another woman to the Board at the Company’s annual general meeting held on June 21, 2023, thereby bringing the proportion of women on the Board to 33%.

2022 Highlights

100%

of our workforce completed training on our Code of Conduct and Ethics

25%

Women Directors

75%

Independent Directors



13%

Board members who identified themselves as belonging to a minority group



Cerro Quema, Panama

3.2

Compensation and ESG

Why it Matters to Orla

We recognize that our business activities are connected to diverse impacts on both the environment and communities where we operate. Our actions to maximize our positive legacy and minimize physical impacts are connected to employee remuneration at all levels of the organization.

Our Approach: Sustainability Performance Incentives

Our short- and long-term compensation programs are designed to be fair, competitive and linked to individual and company-wide objectives that are shared with each employee early in the year by Orla’s Chief Executive Officer. All of our employees are engaged in executing initiatives that are connected to these goals and add value to the organization.

Orla is committed to ensuring our organization effectively manages ESG issues and progresses towards our ESG goals. To help achieve that and underscore the value of ESG to Orla’s business strategy and future, ESG factors are integrated into our compensation model.

Executive and employee short-term incentives are directly linked to our ESG performance. This approach enables everyone at Orla to share accountability and contribute to meeting our ESG targets in our journey toward building a sustainable business. An important part of establishing ESG-oriented compensation is setting clear and formal targets and metrics. In 2022, ESG performance — including safety and environmental performance — accounted for 25 per cent of our annual corporate goals. This is the same weight as the Company’s production, finance and strategic goals, further reinforcing the importance of ESG to the viability of our business.

Orla’s approach to executive compensation is also predicated on “pay-for-performance” and fully disclosed to all of our stakeholders. We review industry compensation practices and trends, including short- and long-term incentive plan designs, and incorporate key elements into our compensation model. For more details on our compensation practices, please see our [Management Information Circular](#).



Efficient and low CO₂ emissions mine at Camino Rojo



We exceeded each of our corporate objectives in 2022, including ESG-linked goals.

2022 Highlights

- In consultation with its independent compensation advisor, the HRCC reviewed and updated Orla's peer group for 2022. The update better reflects the Company's evolving maturity level and risk profile as a gold producer in Mexico.
- We exceeded each of our corporate objectives in 2022, including ESG-linked goals. As a result, an overall corporate objective score of 160% for the 2022 short-term incentive plan was applied based on the following achievements:
 - An excellent health and safety record, with a lost time injury frequency rate of 1.49 and no COVID outbreaks caused by our operations.
 - No category 4 or 5 (serious or catastrophic) environmental incidents, as defined by the US Environmental Protection Agency ("USEPA") during a full year of construction at Camino Rojo and its first year of production in 2022.
 - The absence of any disruptions having a material effect on the construction progress and operations at Camino Rojo, coupled with ongoing efforts in Mexico, United States, and Panama to continue developing an effective and sustainable community program to maintain a social license to operate.
 - We started commercial production at Camino Rojo on April 1, 2022 and completed the acquisition of Gold Standard Ventures Corp. (Gold Standard), and the South Railroad Project in August 2022.
 - We continued to advance exploration and study work in Mexico, Panama and our newly acquired project in Nevada, which included the completion of drilling programs at each project.

2022 Highlights

25%
of our corporate goals were ESG-linked

160%
Orla's overall performance score including ESG objectives

2023 Focus

- Introduce a "Say-on-Pay" vote on our approach to executive compensation, to allow shareholders to express their views.
- Review Orla's peer group ESG compensation models to ensure Orla's practices are in line with market trends and reflect best practices.
- Maintain ESG objectives at 25% of the total corporate goals.

100%
of Orla executives and managerial-level employees were evaluated against ESG performance

Orla's 2022 Balanced Business and Sustainability Corporate Objectives

COMPONENT	PERFORMANCE INDICATORS	CRITERIA / DISCUSSION	2022 RESULTS
25% ESG	LTIF	Lost time injury rate of 1.49	✔ Achieved
	Community health	No COVID-19 outbreaks caused by operations	✔ Achieved
	Environmental incidents	No category 4 or 5 incidents (USEPA)	✔ Achieved
	Sustained operations	No disruptions to operations and maintenance of community relations	✔ Achieved
25% Production	Gold poured	109,600 oz versus original guidance of 90,000 to 100,000 oz	✔ Achieved
25% Expenditure	Operating cost	Operating costs on budget	✔ Achieved
	Capital post	Capital costs approximately 50% under budget	✔ Achieved
25% Strategic Objectives	Exploration	Reserve and resource update for Camino Rojo Oxide Mine completed	✔ Achieved
	Project development	Drilling programs completed	✔ Achieved
	Corporate development	Acquisition of Gold Standard	✔ Achieved
	Improve balance sheet	Re-financing of project debt	✔ Achieved
Overall Performance Score			160%

3.3

Risk Management

Why it Matters to Orla

Risk management is a cornerstone of effective governance and responsible business. As a mining company, it is critical that we continuously review, prioritize and mitigate the wide-ranging risks facing our Company. These risks range from labour shortages and shutdowns due to supply chain disruptions, social unrest, health and safety incidents, security issues (e.g., theft, fraud, cybersecurity threats) and extreme weather events.

Related Orla policies

Mandate of the Board of Directors

Our Approach: Sustainability and Risk Management

Orla has developed a robust Enterprise Risk Management (ERM) Program that is integral to our organizational processes, including strategic planning and decision-making.

Aligned with industry practices, the ERM enables us to identify, assess, and prioritize the most significant enterprise risks that have an impact, both positively and negatively, on the achievement of our strategic objectives. Orla's ERM is a tool to manage risk in a structured and systematic manner, so that we better achieve our business objectives while demonstrating effective corporate governance.

For each of our operations, we have developed a risk registry using our Corporate-wide matrix that our local teams review and update through monthly and quarterly managerial meetings. These meetings include discussions about specific sustainability-related risks, such as the threats posed by climate change, supply chain disruptions or labour shortages, which can affect the short-and long-term success of our sites. The likelihood and impact of each risk is rated considering different factors including geopolitical events, social and business trends in each jurisdiction where Orla operates. The top risks are consolidated at the corporate level and communicated to the senior leadership team on a quarterly basis, and the Board on a semi-annual basis.

The Board of Directors, as per its mandate, is responsible for reviewing the principal risks of the Company's business and ensuring appropriate measures are in place, such as environmental stewardship and health and safety management systems, to effectively monitor and manage those risks. In addition, the Environmental, Sustainability,

Health and Safety Committee has specific responsibilities for assessing environmental, health and safety, and sustainable development risks, including those related to human rights and community and government relations.

We believe everyone at Orla has a role to play in managing risks, especially safety hazards. We provide training and communication to help build awareness of key risk management concepts and tools.

For more on how we manage risk, please refer to our [2022 Annual Information Form](#) and [Management Information Circular](#).



Exploration planning at Camino Rojo

The Key Principles that Guide our ERM System



2022 Highlights

ESG

risks integrated into the Company Risk Matrix

100%

of Orla's sites applied the Corporate-wide ERM system and Risk Matrix tailoring risks and levels to each operation

2022 Highlights

- In 2022, our Board and management continued to sharpen their focus on ESG risk management. Issues like changing climate regulations and a tightening labour market for mining professionals impact both our financial and ESG performance and therefore require heightened attention. We recognize the ESG risk landscape is constantly evolving, and we are working to improve our ability to proactively identify, manage and monitor emerging ESG risks and opportunities in this dynamic environment.
- Throughout the year, we continued to further develop and incorporate the ERM program into Orla's management approach and workplace culture.

2023 Focus

- Integrate climate-related risks into our ERM system following the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), with a special focus on the climate change transition risks and opportunities. Learn more about our approach in our Climate Change section.
- Improve our understanding of emerging and rising sustainability risks, including infectious diseases, cyber risks, and legal and regulatory uncertainty, among others.

4.0 Social

MATERIAL TOPICS IN THIS CHAPTER

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OUR PRIORITY SUSTAINABLE DEVELOPMENT GOALS

1

NO
POVERTY

4

QUALITY
EDUCATION

2

ZERO
HUNGER

5

GENDER
EQUALITY

3

GOOD HEALTH
AND WELL-BEING

8

DECENT WORK AND
ECONOMIC GROWTH

17

PARTNERSHIPS
FOR THE GOALS

4.1

Workforce Health and Safety

Why it Matters to Orla

The health and safety of our people is fundamental to everything we do as a mining company, influencing all areas and functions of our business. While mining by its very nature involves high risk processes, such as the use of explosives, operating heavy machinery, working at heights, and working with cyanide and other chemicals, we believe that occupational injuries and illnesses are preventable through good, safe work practices and continuous risk management.

Our Safety Vision and Approach

Providing a healthy work environment that's as safe as possible for our people is of the utmost importance to Orla and critical to our long-term success. Safety goes beyond just rules and procedures that we follow - it's a value we live by.

Our leadership sets the vision and goals for health and safety at Orla, and the Environmental, Sustainability, Health and Safety (ESHS) Committee of the Board reviews and approves all related initiatives, strategies and resources to support effective health and safety performance. Our Health and Safety Policy sets out our commitments and it is provided in employee orientations and contractor

information packages. We post the policy on our website and at all sites along with other safety rules and signage.

Through our systems, employee behaviors, and effective symbols (e.g., everyone using their complete PPE onsite), we provide a safe environment and experience for our direct and indirect employees, site visitors, and other stakeholders.



To live up to our commitments and ensure good performance, we have a Health and Safety (H&S) Management System that conforms with leading international standards such as 45001 on occupational health and safety, Toward Sustainable Mining (TSM), and regulatory frameworks in the jurisdictions in which we operate. This system encompasses our standards, programs, and procedures for continuously identifying hazards and controlling risks in our workplace, as well as ensuring regulatory compliance.

Components of our H&S Management System includes:

- Identifying, measuring, and mitigating or eliminating potential health and safety hazards and risks prior to any work taking place.
- Providing safety training, instruction, and ongoing awareness-building, so everyone in the workplace understands their responsibilities and can perform their duties safely and effectively every day.
- Providing appropriate safety equipment and signage.
- A hazard reporting process.
- Tracking and investigating incidents and near-misses.
- Taking corrective actions to remove hazards, decrease risk, and ensure key learnings are integrated across our operations so that the potential for future occurrence is minimized or eliminated.
- Measuring performance using workplace inspections and audits.
- Maintaining a work environment free from discrimination and harassment.

Health and safety is a shared responsibility and we empower our people to create and own a culture of safety. Our joint Occupational Health and Safety and Emergency Management Committees are site-based teams made up of elected members from across all site departments, managers, unionized and nonunionized employees, and contractor representatives. Led by our general managers, the committees engage employees in health and safety

discussions and planning, and give them a voice to speak up with ideas and feedback to enhance or resolve health and safety issues in our workplace.

While we recognize that it's impossible to eliminate all occupational risks, through proactive risk management and robust safety practices we continuously aim to minimize and control these risks so that we protect our people and our business.

Orla's Health and Safety Approach

Safety at Orla goes beyond rules and procedures that we follow – it's a value we live by.



2022
Highlights

19

average hours of health, safety and emergency response training for employees

0

LTIFR achieved at Camino Rojo, our first producing mine

1.49

LTIFR across our three mine sites



Health and safety is a shared responsibility and we empower our people to create and own a culture of safety.



Rescue Training at Cerro Quema

2022 Highlights

- In 2022, our inaugural year of mining production at Camino Rojo and for Orla overall, we achieved strong safety results. Camino Rojo had no lost time incidents during 2022, an outstanding result for its first year of operation and one that our workforce is proud of. The Camino Rojo's LTIFR was consequently zero, compared to 0.81 in 2021, when we experienced two lost-time incidents during mine construction. LTIFR measures lost time injuries per 1 million person-hours worked.
- Overall, across our sites, there were a total of 18 injuries in 2022, up from 15 the previous year; however, incidents requiring medical intervention apart from simple first aid ("total recordable incidents") decreased from five in 2021 to four last year. Our company-wide LTIFR increased from 0.72 in 2021 to 1.49 in 2022. Orla has not experienced any employee fatalities since the Company's inception.
- In 2022, health, safety, and emergency response training for each employee and contractor was 19 hours and 5 hours, respectively, on average.
- During the year, our health and safety culture and practices continued to mature. We now have a Health and Safety department with full-time personnel at Camino Rojo and Cerro Quema, and as of December 31, 2022, all of the sites had formed their own joint management-employee H&S committee, led by our general managers. Safety communication and due diligence also increased: employees reported and addressed even the most minor safety incidents, and there was also a threefold year-over-year increase in reporting "high potential near misses" as a result of an increased training. By reporting and analyzing situations that could have resulted in harm or significant injury, our teams are able to learn and take steps to mitigate the risk before any injury or loss can occur.

- In 2022, Camino Rojo adopted the “Empresa Segura PASST” (Safe Company) standard and obtained the “Entornos Laborales Seguros y Saludables ELSSA” [Safe and Healthy Work Environment] recognition. For its strong commitment and performance, our Camino Rojo team was selected by the Zacatecas Mining Cluster to lead the industry’s Health and Safety Committee of mining companies and contractors.

2022 Health, Safety and Emergency Response Training

AVERAGE HOURS IN 2022

Average hours of training for employee	19.07
Average hours of training for contractors	5.28

2023 Focus

- Expand our H&S Management System to reflect Orla’s evolution as gold producer.
- Complete full integration of our main contractors to H&S standards and certification in Mexico.
- Achieve 2023 targets:
 - Zero work-related fatalities
 - Zero LTIFR

CASE STUDY

Uniting employees and contractors to pursue common safety goals

Contractors are essential partners supporting Orla’s activities and success.

Following our transition to gold producer in 2022, we prioritized working closer with our contractors at Camino Rojo to establish health and safety as a core principle. Our goal is to have 100% of employees and contractors united by a clear target: eliminate fatalities, serious injuries, and occupational diseases.

Our H&S team worked collaboratively with the contractors to achieve recognized government certifications, PASS and ELSSA, awarded by the Mexican Secretary of Labour and the Mexican Social Security Institute, respectively. Our three main contractors — Grupo Peal, Grupo Terra and ActLabs — completed the four areas of the training

and certification programs and will receive their credentials early in 2023. As part of the training last year, the three contractors and 72% of Camino Rojo employees were trained to manage and prevent work-related injuries, occupational diseases, and psychosocial risks. The remaining employees will complete the training in 2023. The training covers a range of topics such as injury prevention strategies, ongoing health monitoring and mental health.

This collaborative effort has achieved positive results. Camino Rojo closed 2022 with zero fatalities and no lost time incidents, including employees of our contractors.

Our focus in 2023 is working together with the remaining group of contractors and maintaining our safety certification status.



Camino Rojo GM launching the Health & Safety Committee of the Zacatecas Mining Cluster

4.2

People Management

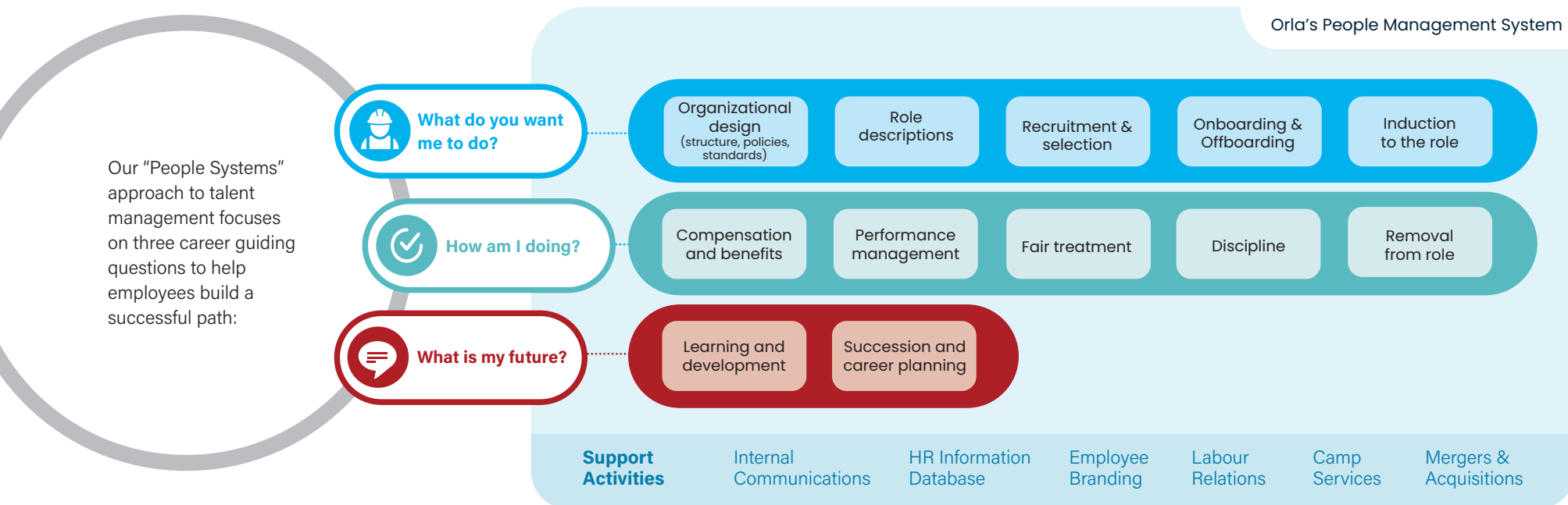
Why it Matters to Orla

Our employees are one of our top stakeholders, and we depend on their experience, abilities, well-being and drive to effectively run our Company. That's why investing in our people is crucial to Orla's performance, competitive advantage, and long-term value. Like other companies in the mining industry, we "face" a significant skills shortage, especially across the communities in which we operate, which makes it imperative for us to create the right strategies to hire, develop, and retain the best talent available, while ensuring that we maintain a healthy and engaged workforce.

Our Approach: Centered on Individual and Company Success

Planning, developing and optimizing our human capital is a strategic focus of Orla's workforce approach and sustainability agenda. We invest continuous effort in our talent strategy, focusing on all aspects of the worker experience — from recruitment and development to compensation and culture.

Our "People Systems" are designed to enrich a company culture where employees want the company to succeed and work with us feeling they can be part of something important.





Our human resources goal is to create a company culture where employees want Orla to succeed. For us that means our employees genuinely want to work with us and help the Company operate in a safe, sustainable way. It also means they recognize that the Company's success will translate into their success.



What do you want me to do?"

Preparation for a successful start

We have designed a suite of organizational policies and standards to guide worker behaviour and promote a positive, inclusive work environment. These guidelines include:

- [Anti-Bribery and Anti-Corruption Policy](#)
- [Code of Conduct and Ethics](#)
- [CSR Policy](#)
- [Diversity Policy](#)
- [Environment, Sustainability, Health and Safety Policy](#)
- [Reporting and Investigation Procedures](#)
- [Workplace Bullying and Harassment Policy](#)

All employees are provided with the above-noted policies during the onboarding process and are required to sign their compliance and commitment to act accordingly.

'Role Description' and 'Recruitment & Selection' are key systems within our ongoing effort to meet workload demand and find the right people for the right roles. Our approach covers the whole hiring process, from preparing a clear job description and interviewing candidates to making a job offer. We work to comply with all applicable employment laws and avoid any form of discrimination throughout the recruitment process.

Orla prioritizes local hiring as much as possible for our mining operations. When we are unable to find the necessary talent within the local labour market, we recruit employees or contractors from beyond the immediate community.

We also partner with educational institutions in Mexico and Panama to support scholarships and cooperative (co-op) education programs, which allow students to apply their knowledge to an on-site job. Several participating students have transitioned from school to work at our sites.

To create an early-stage success with potential candidates our sites engage with university-level students to help ensure Orla attracts top talent and a sufficient volume of applications to fill vacancies. Under this initiative our sites in Mexico and Panama have been partnering with academic centers and innovation hubs to promote industry practices to future professionals, mainly in mining, processing, and environmental areas.



"How am I doing?"

Performance management

To compensate and incentivize our team members, we provide competitive salaries and benefits that are comparable with Orla's peer group and the mining industry in each country we operate. Employees receive clear information about their wages, hours of work, and benefits or bonuses to which they are entitled, and we ensure payments are made in a timely and accurate manner.

We set goals, measure and assess our employees against these goals and provide feedback to help grow our people. We link compensation to these goals.

Diversity and Inclusion

At Orla, we strive to create a workplace that embraces and supports all people, including those of different genders, ethnicities, and religions. We respect and value the perspectives, experiences, cultures, and essential differences our employees possess. We recognize the benefits arising from employee and Board diversity, including a broader pool of high-quality employees, improving employee retention, accessing different perspectives and ideas, and benefiting from all available talent.

We recruit, retain, reward, and develop our people based upon their abilities, merits, and contributions. To create an inclusive culture, we:

- provide equal access to opportunities, including training and development, for all employees;
- respect and protect human rights, labour rights and cultural heritage;
- identify and manage risks associated with gender discrimination and other systemic job-related barriers; and
- maintain policies and procedures to prevent discrimination and harassment.

We support the principle that every individual must have equal opportunity in all aspects of employment, and are dedicated to maintaining a work environment free from discriminatory practices of any kind. Orla expressly prohibits discrimination against any employee or job applicant because of race, religion, color, sex, sexual orientation, age, national or ethnic origin, or physical disability. We work to create an environment that values and optimizes the contributions of both women and men equally, from various backgrounds, experiences, and perspectives.

Management is responsible for implementing our Diversity Policy and diversity and inclusion initiatives, and we comply with all labour codes and regulations across the Company. Orla also strives to create a diverse and inclusive supply chain, and actively works to ensure that suppliers are compliant with our diversity and inclusion policies. In addition, we purchase from a wide range of sources, including minority-owned businesses and underrepresented community groups.



Orla prioritizes local hiring as much as possible for our mining operations.

Labour rights and relations

Orla forms a direct relationship with our employees based upon fairness and respect. We support the fundamental right of employees and contractors to associate and collectively obtain labour agreements. In 2022, Minera Camino Rojo entered into a second collective bargaining agreement with the union, Sindicato Nacional de Trabajadores Mineros Metalúrgicos y Similares de la República Mexicana, Section #335. In total, approximately 56% of the workforce at Camino Rojo was unionized in 2022. Our goal is to work collaboratively with our employees and their union to achieve and maintain positive labour relations.

Orla also conducts rigorous due diligence when engaging with contractors and consultants as a precaution to ensure they are compliant with local regulations and laws including those relating to child labour.



“What is my future”

Learning and development

We have a strong commitment to developing our people and sustaining a skilled workforce. To do this, we provide training and development as well as opportunities for job-related education and retraining. Key training themes include safety and health, emergency response, leadership, job-related skills development, and social interaction.

We also focus on cultivating the next generation of Orla leaders through our Learning and Development and Succession and Career Planning system.



Diversity fuels our operations

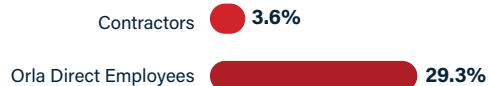
2022 Gender Breakdown of Employees and Contractors



	NUMBER OF EMPLOYEES	PERCENTAGE OF EMPLOYEES
● Male	479	83.3%
● Female	96	16.7%



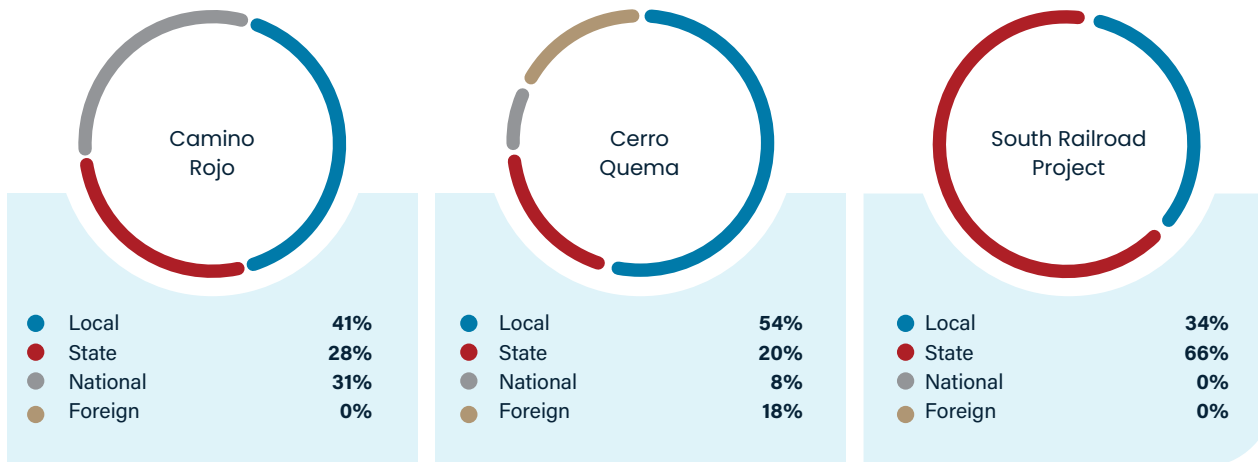
Breakdown of Female Employees by Type
Across all sites and corporate



Workforce as of December 31, 2022

EMPLOYMENT	DIRECT LOCAL COMMUNITIES	STATE	NATIONAL	FOREIGN	TOTAL	% OF LOCAL EMPLOYEES	HOURS WORKED
Direct employees by Orla, all mine sites	161	55	52	3	271	59%	62,725
Indirect employees, contractors, all mine sites	74	103	92	12	281	26%	50,225
Total	235	158	144	15	552	43%	1,950

2022 Distribution of Employment by Area of Origin
Includes Direct and Indirect employees



2022 Highlights

- Our workforce grew by 37% last year as a result of launching production of our first operating mine. As of December 31, 2022, Orla employed a total of 294 employees including the corporate offices: 23 in Canada, 29 in Panama, 231 in Mexico, and 11 in Nevada. We promoted 19 employees (6.1% of our average headcount) reflecting our commitment to advance internal candidates.
- We had 281 contractors in 2022: 208 in Mexico, 18 in Nevada, and 55 in Panama. No management functions were performed to any substantial degree by a contractor; these functions are led by executive officers of Orla.
- Orla's voluntary turnover, at 3.1%, was below the mining industry average of 7%. At Camino Rojo, voluntary turnover was extremely low, at 2.8%.
- Salaries across Orla increased from 2021 to 2022, mainly as a result of the Company's growth during the construction and operational launch of the Camino Rojo mine. We also improved health benefits packages for workers, with the addition of regular health checkups, critical illness benefits, and vision and dental benefits.
- In 2022, we successfully finalized the negotiation of the second Collective Bargaining Agreement ("CBA") with the Miners' Union in Mexico (Sindicato Minero), with 99% employee approval. The ratification of the CBA solidifies Orla's relationships with our employees and the elected union while standardizing a set of fair and competitive benefits for all employees. Similar to 2021, no strikes or blockades took place in 2022 at any of our sites.
- In 2022, we delivered an average of 17 hours of training per person in Mexico and Panama on Orla's corporate policies. The Nevada team will receive the training in 2023.
- Finding and developing both female and local talent remained a priority last year. For the first year of operations at Camino Rojo, 28% of direct employees were women, and 61% came from local communities. In the case of contractors, women represented 3.85% of their workforce, and 19% came from the direct communities. Moving forward, our goal is to collaborate with our main contractors to increase these numbers (i.e., women and employees from communities).
- At our projects in Mexico and Panama, during 2022 we offered 16 positions to university students through our on-the-job training initiatives.

2022 Highlights



2023 Focus

- Approve and deploy updated Environmental, Sustainability, Health and Safety Management System.
- Continue to deploy our People Systems, with special focus on our recently acquired South Railroad project.
- Enhance opportunities for leadership development, especially for emerging leaders in our Camino Rojo operation.

16.7%

Total female representation across our employee population

\$1.7M

paid in salaries to employees from the direct communities across our projects

6 in 10

direct employees at Camino Rojo from local communities

4.3

Community Relations

Our Approach: Making A Positive Contribution

Why it Matters to Orla

Mining companies like Orla have a civic responsibility to consider, and contribute to, the sustainable development and well-being of the communities in which they operate and depend. Businesses that are active in foreign countries, and in rural and remote areas, must also be respectful of local traditions, customs and beliefs, including those of Indigenous Peoples.

Community relations is a way for companies to create and maintain mutually beneficial relationships with host communities and ensure that communities benefit from mining activity in both the short and long-term. Engaging local communities in a meaningful, transparent manner, and incorporating their views, is essential to building positive relationships and goodwill over time. For Orla, community relations and its critical components, such as providing environmental, economic, and social benefits, are prioritized by our stakeholders as a top material issue.

Supporting and collaborating with our communities is crucial, not only because they host our operations but also because our workforce comes from these areas (across our three sites in 2022, close to 60% of our employees were from direct local communities and almost 99% were from our host countries).

Good community relations is an important part of Orla's sustainability approach.



We are committed to:

Developing meaningful and effective community relations strategies

Encompassing all relevant stakeholders, and integrating community relations best practices into our business processes.

Consulting with the people who live and work in our host communities

Identifying local priorities, needs, and development goals.

Establishing grievance mechanisms, based on international best practices



Developing, implementing and investing in socio-economic initiatives

Supporting the development and sustainability of communities and countries in which we operate

Partnering with credible organizations

Working with organizations including non-governmental organizations and local community groups to leverage resources and build capacity

We have active community relations programs at each of our sites, which manage their own budgets and initiatives. Our community and social framework is outlined in our Code of Conduct and Ethics, our Environment, Sustainability, Health and Safety Policy, our Human Rights Policy, and our CSR Policy. These governance documents provide guidance and metrics for effective community relations management.

Pillars of our Approach

Community Engagement

Orla strives to build and maintain open, trusted relationships with our community stakeholders. This includes engaging with key stakeholders, such as local government, community leaders, environmental organizations, and private and communal landowners, to ensure that their voices are heard, and our operations are conducted in a socially responsible manner. We solicit and integrate community input in our decision-making and plans.

At our producing mine, Camino Rojo, we have established a full-time community relations team, a CSR Policy and a community response mechanism to receive, document, and resolve community requests and complaints.

Social Investment

We invest in initiatives that aim to improve well-being and quality of life for a community. Orla provides funding for education, health services, job creation, and local infrastructure, including road maintenance, water collection, and irrigation systems. At Camino Rojo, we invite communal landowners, called Ejidos, to decide and prioritize the focus of the community resources the Company committed to investing every year.

Economic Development

Another priority of Orla's community strategy is to create economic opportunities for local communities, so that we deliver a positive economic impact in the region and ensure that the legacy of our mines continue to support community

development after their closure. We partnered with the State of Zacatecas, the Mexican Center for Competitiveness (CCMX), and private allies to accelerate the entrepreneurial capacity, market access, and diversification of local business owners, most of them, women at the communities near to Camino Rojo.

Human Rights

Our commitment to respect and uphold the rights of everyone affected by our operations is outlined in our main policies and procedures, especially our Human Rights Policy. This commitment includes providing safe working conditions, and ensuring that our operations do not generate a negative impact on local communities. To learn more, refer to the Human Rights section.

Occupational and Environmental Health and Safety

We strive to conduct our business in a safe and environmentally responsible manner. This includes minimizing environmental impacts, such as air and water pollution, and providing employees with a safe and healthy workplace. Additionally, we take all the necessary steps to prevent or mitigate any negative effects of mining activity on public health.



Transparency and Public Disclosure

We are committed to transparency with our local stakeholders. We proactively engage in community meetings and consultations, and publicly disclose information regarding our operations, financial results, and ESG performance.

2022 Highlights

- Orla's community relations teams actively engaged with their host communities, including through one-on-one meetings, group meetings, and public events. As a result of these efforts, in 2022 there were zero delays or disruptions caused by community-related incidents, and few grievances filed by community stakeholders as further discussed below.
- At the Camino Rojo mine, Orla has agreements in place with the Ejidos of San Tiburcio, El Berrendo, La Pardita, and San Francisco de los Quijano, with commitments to deliver land leasing payments and certain social support — such as scholarships, community infrastructure upgrades, social and economic development initiatives, impact investments, food, and medicine to the most vulnerable community members. In 2022, our land access payments and community investments totalled \$4.05 million.

2022 Highlights

\$5.8M

in payments made to communities of influence at our Camino Rojo mine, for land access, salaries to local employees, local procurement, and community investments

\$9.8M

spent on goods and services for our Camino Rojo mine, from suppliers based in the state of Zacatecas, Mexico

- In 2021, we contracted an independent consulting firm to evaluate Orla's CSR program at Camino Rojo and recommend ways to further develop it.
- At our Cerro Quema Project in Panama, we supported the local communities of Tonosi and Macaracas by providing medical equipment, access to water, community infrastructure for education and skills development, and other social assistance.
- At the South Railroad Project in Nevada, in 2022 we donated to a range of non-profits, schools, community events, and youth sport programs such as baseball, softball, football, and soccer. We also initiated a plan to map local stakeholders and enhance engagement at the site.

2023 Focus

- Launch our first sustainable poultry farm to provide eggs to the Camino Rojo operation and other markets, in collaboration with industry partners, local government, and local women entrepreneurs.
- Develop initiatives to support sustainable ranching in areas surrounding our Camino Rojo operation.
- Support local programs for ecosystem preservation and biodiversity protection at Camino Rojo and South Railroad.

2022 Direct Economic Impact in Local Communities



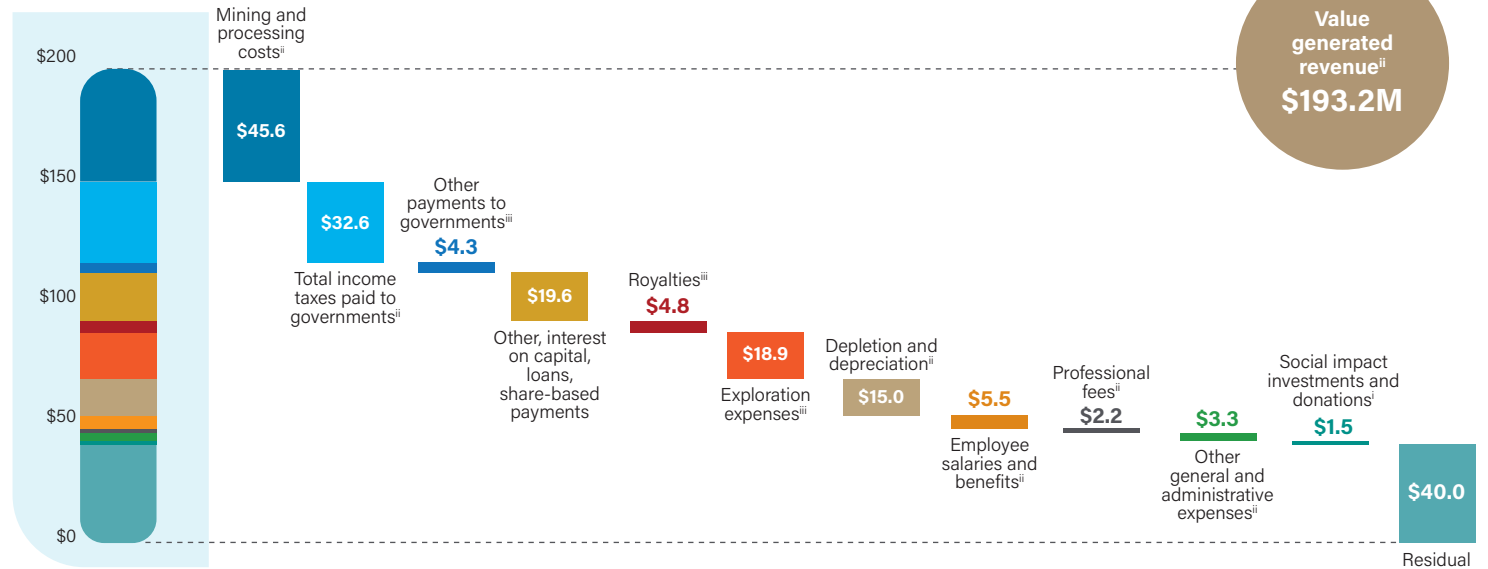
Salaries paid to employees from direct local communities	\$1,551,679	26.7%
Permits, concession, and land compensation to land owners	\$2,601,753	44.8%
Investment in local communities and donations	\$1,447,543	24.9%
Payments to suppliers from direct local communities	\$203,289	3.5%
Total investment in the local communities	\$5,804,264	100%

2022 Social Incidents Registered at Camino Rojo

INCIDENTS AND GRIEVANCES	
Insignificant	4
Minor	11
Moderate	4
Major	0
Extreme	0
Total	19

Note: Most incidents were related to land access, local suppliers opportunities and community infrastructure. Of the 19 incidents, we resolved 16 during 2022 and three remain outstanding for resolution in 2023.

2022 Breakdown of Economic Impact Direct Economic Value Generated and Distributed (\$ MILLIONS)



ⁱ Value includes the most significant investments in community initiatives from local infrastructure, education, health. Camino Rojo, and Cerro Quema.

ⁱⁱ Reported and disclosed in Orla's Consolidated Financial Statements, December 31, 2022 available in our website.

ⁱⁱⁱ Reported and disclosed in Orla's Extractive Sector Transparency Measures Act (ESTMA), available on our website. Orla does not make political contributions.

4.4

Human Rights

Our Approach: Addressing Risks And Impacts

Why it Matters to Orla

Respecting fundamental human rights is a global standard of expected conduct for every business, and a responsibility formalized in the United Nations' Guiding Principles of Business and Human Rights (UNGP). At Orla, we recognize our mining operations and other business activities can affect people's rights in good and potentially negative ways. It is therefore important that we take meaningful steps to understand, support and protect the human rights of everyone we can impact, from our employees, contractors, and business partners to community members and Indigenous peoples. We believe this approach is vital to our ability to attract and keep employees, mitigate risks across our value chain, and create enduring relationships with all our stakeholders.

From exploration to closure and post-closure, Orla is committed to respecting human rights— in our workplace, in our supply chain and business relationships, and in the communities where we live and work.

As a relatively new company with one producing mine, we continue working to identify all human rights risks and impacts relevant to our activities, and are strengthening our practices to effectively manage those risks and impacts.

Among our efforts to date, we conduct environmental and social impact assessments to learn about salient human rights where we operate, and integrate the insights into our plans and activities across the business. We educate our workforce on human rights during onboarding and through ongoing training, and take a zero tolerance approach to

any form of human rights abuses. Our [Code of Business Conduct & Ethics](#) (the Code) outlines our high standards for professional conduct and covers human rights topics such as harassment and discrimination, safe working conditions, and minimizing environmental impact.

We also expect our suppliers to share Orla's commitment to human rights. Through screening and ongoing due diligence, we monitor suppliers for any human rights risks, including child and forced labour, that could be present in our supply chain.



We reinforced our human rights commitment by establishing a company-wide Human Rights Policy that follows international instruments such as the United Nations' Guiding Principles and the World Gold Council's Responsible Gold Mining Principles. Our pledge to respect and advance human rights is also demonstrated in Orla's support for the relevant UN Sustainable Development Goals – in particular, SDG 5 Gender Equality and SDG 8 Decent Work and Economic Growth. The SDGs promote basic economic and social rights for all people everywhere, without discrimination.

Indigenous Peoples

We respect and acknowledge the rights of Indigenous peoples. While Orla does not currently operate or engage in business activity in areas where Indigenous peoples live, we respectfully acknowledge that we are on the traditional territory of many nations (including our head offices in Canada), where Indigenous peoples were stewards and protectors of the land. We are committed to ensuring our activities do not cause harm to communities or ecosystems. Our Indigenous Peoples Policy recognizes the importance of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and the International Labour Organization Convention 169. This Policy applies to, and is the responsibility of all Company directors, officers and employees, contractors, and relevant business partners at each of the Company's sites.

Engaging With Our Stakeholders

Critical to our human rights approach is consulting stakeholders in a meaningful, transparent manner, and taking their views into consideration in our decision-making processes. We engage with our stakeholders through meetings and consultations to gather input and feedback on many issues including human rights. We also maintain a whistleblower hotline, the [Orla Confidence Line](#), so stakeholders can report any suspected possible human rights concerns or abuses.

Security and Human Rights

As a mining company, we use security personnel and systems to protect our assets and people. It is important that we manage security in line with human rights, especially since we operate in areas of heightened human rights risk. Incidents of violence and criminal activity have affected the communities near the Company's operations.

Orla is committed to implementing a human rights and security approach consistent with the [Voluntary Principles on Security and Human Rights](#). Our efforts to date include:

- Establishing a Security and Human Rights Risk Management Program to assess security and human rights risks associated with our operations.
- Maintaining a Security and Human Rights Management Plan, which sets our steps to address identified risks.
- Ensuring that security personnel, subcontracted through a private company, comply with all regulatory requirements and have completed specific training on how to respect and protect human rights.

2022 Highlights



2022 Highlights

- There were no reported human rights incidents or adverse impacts on human rights at any of our locations.

2023 Focus

- Further embed human rights into our business practices, aligning with the UNGPs.



Zero

grievances/complaints reported in 2022 had a human rights element

Zero

human rights incidents




5.0 Environment

MATERIAL TOPICS IN THIS CHAPTER


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5.2	Water	51
5.3	Waste and Hazardous Materials	53
5.4	Air Quality	56
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OUR PRIORITY SUSTAINABLE DEVELOPMENT GOALS

6 CLEAN WATER
AND SANITATION



13 CLIMATE
ACTION





Cerro Quema Project, Panama

Why it Matters to Orla

Reducing greenhouse gas (GHG) emissions and adapting to human-caused climate change are among the most urgent and challenging priorities of our lifetime. The widespread negative effects of a changing climate are now playing out around the world. Longer term, the modelled outcomes of climate change have been well documented by the UN Intergovernmental Panel on Climate Change (IPCC), and range from rising sea levels and increased frequency of extreme weather-related events to loss of wildlife and plant species, to name just a few.

At both the global and local levels, enormous work and collaboration are required to reduce adverse effects on nature and people, and safeguard a liveable, sustainable future. All sectors of the economy, including mining, must step up to support the transition to net zero emissions by 2050. Gold mining is a major industrial activity with the potential to cause significant greenhouse gas (GHG) emissions, including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). As a responsible mining company, we understand that Orla must take effective climate action to minimize or manage our impacts and risks.

5.1 Climate Change

Our Approach: Building an Adaptation Pathway

Orla is committed to being part of the climate solution, which is essential to our purpose of creating net-positive benefits for our stakeholders. We support the global climate goal of limiting the Earth's temperature increase to 1.5° C by 2100 relative to pre-industrial levels, as called for by the IPCC and the Paris Agreement. As a newer company, we have been exposed to climate factors since inception and have built them into our decision making and operations, so that we limit our GHG footprint. We recognize that no company or geography is immune to the extreme weather impacts and believe that regulatory changes in response to climate change will not have an adverse effect on the Company's business, financial planning, strategy, and operational results.

Governance

Climate-related initiatives, policies, and strategies are reviewed and approved by our Environmental, Sustainability, Health and Safety (ESHS) Committee. This Board-level committee ensures Orla's response to climate change is meaningful, supported with adequate resources, and in line with stakeholder expectations. Company performance, plans, and initiatives are reported by management to the Board of Directors monthly, with an in-person meeting on a quarterly basis.

Orla is committed to being part
of the climate solution.



Strategy

Our strategy related to climate action is in its infancy. We are focused on minimizing energy consumption and associated GHG emissions as much as possible, while working to identify climate-related risks and opportunities and establish plans to address them.

While we continue to build our climate action strategy, we have had success in reducing potential GHG emissions associated with our first mine in production, Camino Rojo. We accelerated powerline construction, which eliminated diesel power generation during the first year of operation, and sourced equipment with Tier 4 engine designs, which optimize fuel consumption through automated optimization and adjustable engine idle shutdown (conserving fuel when the trucks are parked or idled).

We believe that combatting climate change also presents opportunities for Orla. Businesses that can reduce or negate their carbon footprint may attract increased investment as investors seek to decarbonize their portfolios. Other benefits may include reduced exposure to taxes and other measures adopted by governments to decarbonize the economy.

As part of our climate effort, we are committed to being transparent about our performance, including through this report and future reporting. In 2023, we plan to publish expanded climate disclosures in line with the framework recommended by the Taskforce on Climate-related Financial Disclosures (TCFD).

Climate-Related Risk Management

Climate-related risks are captured through our Enterprise Risk Management process and fall primarily into two types: physical risks and transition risks.

Physical Risks

Physical risks are those that can cause disruption or damage to operations and assets. These risks can be acute (e.g., extreme weather events) or chronic (e.g., changing climate trends) and can lead to significant financial losses if not managed effectively. Physical risks include:

- Increasing storm frequency and intense rainfall.
- Increasing severity and duration of drought or dry-seasons.
- Increasing forest fire risk impacting linear structures such as power lines.

Orla has performed a risk assessment of infrastructure within our geographical locations using Mitiga Solutions models, which use climate intelligence and science-based analysis to allow us to evaluate our exposure under current IPCC scenarios (please find more details in the study case below). Our findings indicate that under the current Life of Mine scenarios (approximately 10 years), the physical risks due to climate change will not significantly impact our site.



Cerro Quema Project, Panama

Building a Climate Change Strategy

Optimizing
energy consumption



Identifying
climate-related
risks and opportunities



Disclosing
consistently over time

Transition Risks

Transition risks are those that occur as a result of the global transition to a low- or zero-carbon economy, as countries and organizations adopt strategies, policies, laws, and tax schemes to address climate change. These risks include:

- Changed land-use policies or water conservation practices.
- The costs industry faces in implementing low-carbon technologies.
- Taxes imposed on companies by country-level tax schemes.
- The requirements of additional regulation and reporting.
- Divestment due to perception or reputation of business.

While these risks are becoming better understood, there is a lot of uncertainty in modelling local variations in climate and in the actions that governments or civil society will take, which poses its own risks for a reporting company. Orla's focus on energy efficiency and decarbonization over time is the best mitigation against any transition-related risk. Under the law in Zacatecas, Mexico, our Camino Rojo operation pays a carbon tax of \$12.42 per tCO_{2e} - for scope 1 emissions, which equated to approximately \$164,400 paid in 2022.



As part of our climate effort, we are committed to being transparent about our performance, including through this report and future reporting.

Metrics and Targets

We are at the beginning of Orla's journey when it comes to reporting metrics and setting targets. As commercial production started at our first site in April 2022, we have not obtained a full operational year data set to establish a baseline year for our Scope 1 emissions (directly as a result of Orla's activities) or Scope 2 emissions (as a result of purchased power and emitted at the generating facility). With this in mind, and in the interests of transparency, we have separated our performance into two categories: the construction period (covering 2021) and the commissioning /operational period (from January to December 2022).

We will establish a baseline year for comparison with future performance. As we mature our processes for identifying carbon reduction projects, as well as capturing and reporting data, we will set annual targets and report progress annually. We will also develop an associated road map that will show how we expect to achieve carbon emission efficiency over time. Our progress will be described in future reports.

At this time, we track Scope 1 and 2 emissions but not Scope 3 emissions (emissions from assets or activities not controlled by Orla, including worker commuting, waste disposal and purchased goods and services). We plan to measure and report Scope 3 emissions starting in 2024.

2022 Highlights

0.19 tCO_{2eq}/oz Au
carbon emissions per ounce of gold produced

13,239 tCO_{2e}
total Scope 1 GHG emissions

7,844 tCO_{2e}
total Scope 2 GHG emissions



Emissions



- Scope 1 **62.8%**
- Scope 2 **37.2%**



- Diesel Heavy Equipment **57.2%**
- Grid Electricity **37.6%**
- Diesel Light **0.9%**
- Gasoline Vehicles **2.2%**
- Liquefied petroleum gas (LPG) **0.3%**
- Explosives **1.7%**

2022 Highlights

- Our Scope 1 emissions totalled 3,439 tCO₂e in 2021 (during construction) and 13,239 tCO₂e in 2022 (commissioning and operations). The additional emissions resulted from increased hauling of ore and waste as we started mining production. In 2022, the main contributor to our emissions profile was diesel use (92% of Scope 1 emissions and 57% of combined Scope 1 and 2 emissions). Our Scope 1 emissions inventory included emissions resulting from diesel and petroleum usage from mobile and stationary equipment, Liquid Petroleum Gas (LPG), and explosives.
- Scope 2 emissions increased almost 10-fold, from 897 tCO₂e in 2021 to 7,844 tCO₂e in 2022. Again, this is mainly due to commencing processing at Camino Rojo, which used electricity for pumping large volumes of solution onto the leach pad and through the processing plant in a continuous loop. To avoid using diesel generators on site to start-up the operation, we invested approximately \$4.3 million to connect the mine to the national power grid earlier than originally planned, which prevented the associated carbon emissions.
- In 2022, Orla's carbon emissions per ounce of gold produced was 0.19 CO₂e/oz, meaning our site was efficient in terms of carbon emissions and well below the global benchmark for open pit mining operations. This result is principally due to the mine plan at Camino Rojo, which features a low strip ratio, short haul distances between the open pit and the crushing plant, as well as efficient conveyance from the crushing plant to the heap leach pad. This low intensity was also achieved because we fast-tracked power connection to the national grid. As the mine is new, carbon emissions will potentially rise over time. The distances for hauling both waste and ore will increase as pits become deeper and waste rock facilities and leach pads expand in area and height. Likewise, more pumping of solutions will require longer pumping distances. Our challenge is to identify efficiencies and alternative low-carbon energy solutions to offset these potential increased emissions.



2023 Focus

- Explore renewable power sources in Mexico, Nevada and Panama that can support Orla's energy transition and further reduce our carbon footprint.
- Publish climate disclosure in line with TCFD framework and incorporate climate-related risks into our Enterprise Risk Management system.
- Ensure adoption of Climate Change Policy

CASE STUDY

Understanding climate risks, opportunities, and impacts across our operations

Our climate is changing, impacting the way we live and work. These changes will only intensify with time and create wide-reaching physical, financial, and social risks for every person and every industry, directly or indirectly. We consider that a community or an ecosystem can only be as resilient as its most vulnerable points.

To better understand and prepare for our long-term climate risks, Orla has partnered with the climate intelligence technology company, Mitiga Solutions. The company combines global and regional climate models with observational data to calculate climate hazard metrics and generate accurate future projections of hazard exposure across different emissions scenarios. Asset-level insights on physical risk are generated by merging geospatial asset data with climate hazard exposure metrics.

Climate risk scenario analysis

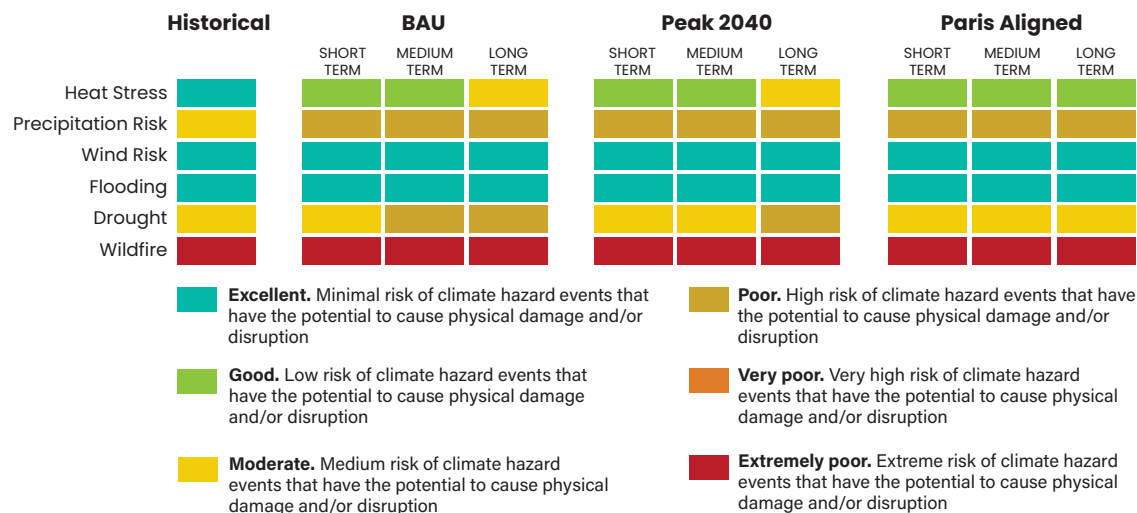
Through our collaboration with Mitiga Solutions, we used scientific and data-based scenarios to quantify future exposure of our operations and our critical supply chain to natural hazards. Following the recommendations by the International Panel of Climate Change (IPCC) and the Task Force on Climate-related Financial Disclosures (TCFD), we considered six climate hazard categories of both acute and chronic types (namely, heat stress, extreme precipitation, extreme wind, drought, wildfire, and flooding) and evaluated three possible climate emission scenarios:

- SSP5-8.5: Business as Usual (BAU) — where emissions continue to rise throughout the 21st century unabated.

- SSP2-4.5: Emissions Peak in 2040 — where emissions do not increase beyond 2040.
- SSP1-2.6: Paris-aligned Scenario — where emissions are compatible with the objectives of the Paris Agreement.

The results of our study are mapped on the diagram below, with risks categorized from minimal risks to extreme risk. As shown, wildfire, drought and precipitation risks are the top concerns in the regions relevant to Orla’s operational mine and advanced exploration projects. Historically, those three risks were considered most material to mining companies, and, based on the forecasts, will continue to be the most relevant, with a projected increase in risk level under the “Business as Usual” and “Emissions Peak in 2040” scenarios.

Orla’s Average Exposure to Physical Climate Change Risks Under Future Scenarios



Risks rated Moderate to Extremely Poor can be considered material risks based on Mitiga Solutions’ models

Using Insights to Drive Action

As a result of this scenario analysis, we will incorporate the level of risk, its potential material impact and the probability of future events in our Enterprise Risk Management system. In addition, we will reinforce our current mitigation plans and future capital allocation across our operations so that we protect our people, communities and ecosystems where we operate. We also will share the findings with our key community stakeholders to support their climate-related planning and risk mitigation measures (e.g., designing and building resilient public infrastructure).

In 2023, we will continue and expand our collaboration with Mitiga Solutions to gather additional data and insights that we can integrate into our business strategies as well as our community impact investments.

5.2

Water

Why it Matters to Orla

From exploration drilling to mineral processing, water is required for many aspects of a mining operation. Yet water is possibly the most critical ESG challenge for any mining company simply because water is interconnected with other pressing material issues. For instance, water scarcity and frequent storm events are linked to climate change and can impact a mining operation. Water flows from rainfall can come into contact with mining areas, such as waste rock, potentially mobilizing contaminants that affect soil and end up in nearby water bodies. Activities involved in the mining lifecycle can also degrade water quality, which in turn may impact biodiversity as well as public health.

Water risks to our business include those related to the quantity of water used for our operation and the impact our mining activity has on local water quality and availability.

Our Approach: Demonstrating Water Stewardship

At Orla, we understand that to maintain our social licence, comply with water-related permits, and be a sustainable business, it is critical that we manage water responsibly. Our water management strategy focuses on minimizing our withdrawal of water from the surrounding environment, while maximizing reuse of water during operations.

Prior to commencing mining activities, we conduct assessments that consider our water needs and our potential impact on water quality and quantity. These studies inform our action plans and operating practices, including mitigation measures. An important part of our approach is to understand the water-related challenges and opportunities with other users that share the catchment with us, and to provide data transparently to decision-makers so that we positively contribute to the water management of the region, even beyond the boundaries of the mine.

Our current production site, Camino Rojo, is situated in an area of high to extreme water stress as defined by the World Resources Institute. Baseline water stress measures total annual water withdrawals by users. Higher stress indicates more competition among users including ecosystems where relevant. Camino Rojo requires water for dust control for mining and crushing activities, makeup water for the heap leach, process plant and laboratory activities, main camp and administration uses, and fire water.

Currently, the mine water supply is sourced from production wells located within the property boundary. Pumping from production wells will likely be reduced commensurate with the amount of additional produced water from dewatering operations that will eventually replace the pumping.

Reuse and Management, our focus

A key focus of our approach is water reuse through a closed-circuit system. Orla extracts gold using the heap leach method, which features a closed loop for the



A key focus of our approach is to maximize water reuse through a closed-circuit system.

solutions used in the process and is a very efficient way to use water. Once water enters the process, it is reused over and over again until it either evaporates during the addition of barren solution to the heap leach pile or is bound to the ore. New water is added to maintain a constant inventory within the process. The processing area of our Camino Rojo operation is the main water consumer, using over 90% of the water extracted. Camino Rojo is Zero Liquid Discharge (ZLD), which means that no contact or potentially contaminated water leaves the site.

Potable water is treated by a reverse osmosis water treatment system from the raw water tank and stored in a storage tank to ensure that the water remains acceptable for domestic uses. Water is then distributed by pumps to the camp and other facilities.

Two sewage treatment plants of a total of 70 m³/day capacity were constructed next to the Camino Rojo operations camp. This plant handles the sewage from all camp rooms, kitchens and laundry rooms. Sludge volume generated in the treatment plant is collected and utilized for compost production and sent to the growth media stockpiles, while the treated water is utilized for dust suppression and reused into the heap leaching process, reducing the use of fresh water. Waste from the septic systems of the process area, administrative buildings, and laboratory is collected in septic holding tanks and removed from the site by sanitary services. In 2022, Camino Rojo treated 4,349m³ of used water, which was reused in dust control activities.

0.15

freshwater use intensity (volume of freshwater consumed per tonne of processed ore (m³/t))

Water Monitoring and Evaluation

As another layer of due diligence to ensure Orla doesn't impact local water quality, we operate a monitoring program in which we take water samples from community water sources, including wells, near our operation on a monthly basis. The samples are then tested by an independent laboratory against local water standards. To date, no water quality issues have been recorded. The water sampling program is jointly monitored by community members who participate actively in the sampling and are informed about the laboratory results. At our Cerro Quema project in Panama, our environmental team monitors watersheds every month to evaluate flows and quality within the concession and in the surrounding communities.

Accountability

The Chief Executive Officer has ultimate responsibility for our water management strategy and its adoption within the Company. Water-related initiatives, policies, and strategies are approved by the Board-level ESH&S Committee.

Our Chief Operating Officer is responsible for reporting identified risks and opportunities related to water, and ensuring the sites identify and implement practices to minimize water use and maximize efficiency.

2022 Highlights

Zero

water discharged in our Camino Rojo operational mine (all water is recycled and reused)

2022 Highlights

- Total water used to meet our operational demands in 2022 was 976,309 m³, of which 100% was freshwater withdrawn from local water bodies. In 2021, during the construction of the mine, our total consumption reached 438,444 m³ of water. Our water intensity, which is a measure of how much fresh water we use per ounce of gold produced, was 8.91 m³/oz of gold in 2022 and 0.15 m³ water used per tonne of processed ore. As 2022 was the first year of commercial production (while only partial), Orla is establishing a baseline for water use and water intensity that can be used in the future to establish targets and assess our performance. These goals and targets will form part of our next sustainability report.
- Total water recycled, all within our Camino Rojo operation, was 100%. The site had no water discharge to the environment.
- In 2022, we complied with our water permits and recorded no incidents, fines, or non-financial penalties related to water usage or impacts on water quality.

2023 Focus

- Continue to monitor water uses and water quality across the mining life cycle and reinforce our water-saving campaigns across our sites.
- Define a water use baseline and set targets to optimize water consumption and water intensity.
- Explore new technologies, including better-performance sprinklers and drippers, to minimize water intensity in heap leaching.
- Continue to support neighbouring communities with monitoring campaigns to assess quality and availability of communal water sources.
- Provide equipment and technical assistance to communities near our operations to increase rainwater harvesting capacity for consumption and agriculture.

5.3

Waste and Hazardous Materials

Why it Matters to Orla

Gold mining uses and generates both waste and hazardous materials, which vary depending on the type of mine and operations. For example, mining uses explosives to break rock, cyanide to extract the gold from the ore, and hydrocarbons (oils and fuels) to run mining equipment. As well as these hazardous materials, rock with no economic value (waste) is stored so that any physical and chemical risks they pose to the surrounding environment are minimized. Responsible management of waste and hazardous materials is critical to protect people and local ecosystems, while reducing risk and environmental liability for our business.

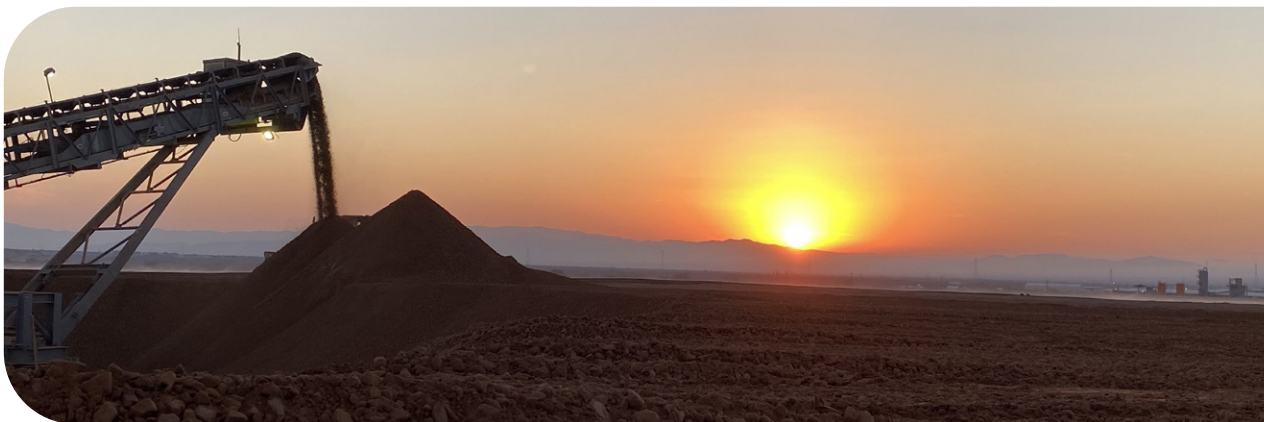
Our Approach: Responsible Production

Our objective is to minimize all forms of waste generated by our operations and ensure its proper disposal, so we divert waste from landfills. We look for new opportunities to reduce waste, incorporate circular economy approaches and extend the life cycle of the products we use.

Waste Rock

As part of the environmentally safe management of our waste rock, we identify the short- and long-term risks associated with storage of various rock types, including chemical risks such as the risk of metal leaching and acid rock drainage (ARD). Once we understand the nature and magnitude of the risk, we store the waste rock in specially-designed storage facilities based on a waste rock management plan and industry good practices, in order to prevent water contact and mobilization of contaminants.

We also capture any rainfall that contacts the facility to prevent migration into the surrounding environment. Despite our site design models and third-party evaluation showing no short- or long-term risks of significant instability for the waste facility, we ensure the geotechnical stability of our waste structures by having them designed and regularly inspected by qualified geotechnical staff and third-party experts.



Orla continuously looks for new opportunities to reduce waste.

Hazardous Materials

Through our Environmental Management System, we have programs in place to manage and mitigate all non-mineral waste and hazardous materials across our operational mine and our exploration projects. At the Camino Rojo mine, we use standard industry practices in the transport, storage, and use of various chemicals required for mining and processing. For explosives and cyanide in particular, there are strict regulatory requirements that must be met. All non-mineral waste generated in Camino Rojo is collected and transported to the on-site waste management centre where it is further sorted into hazardous and non-hazardous waste. Orla complies with all permits and relevant regulatory requirements as a part of everyday operations.

The Camino Rojo Hazardous Waste Management Plan was approved by the environmental authority, SEMARNAT in Mexico City. Every year, the operation reports waste management results to the environmental authorities.

Our operational practice is aligned with the International Cyanide Management Code (ICMC) to guide our transport, storage, and use of cyanide in terms of public safety, worker health and safety, and environmental stewardship. Our Camino Rojo operation will continue working in 2023 to complete the adoption of the standard, including compliance and a certification audit conducted by external trained auditors within three years of declaring commercial production. Camino Rojo, which started commercial production in April 2022, is on track to achieving certification ahead of schedule, with an independent compliance evaluation projected for late 2023.

Training and Reporting

We educate our workforce about different types of waste, ways to responsibly manage it, and how to report any environmental incident including spills. Additional training is provided to workers that use hazardous materials, to ensure their safety as well as understanding of the environmental risks associated with the various chemicals used. Training on cyanide management included our workforce and contractors between 2021 and 2022. During 2023, we will include local communities at our Camino Rojo mine and will continue information campaigns with communities around the Cerro Quema project, so that they understand the risks associated with cyanide and how we manage those risks to a rigorous international standard.

We conduct inspections and audits to ensure we adhere to our internal standards and regulatory requirements. Our Camino Rojo site maintains all necessary permits and licenses from the relevant authorities (such as the Secretaria de la Defensa Nacional (SEDENA) for our storage and use of explosives, for example) related to the transport, storage, usage and disposal of waste, and hazardous materials.

Accountability

The Chief Executive Officer has ultimate responsibility for our environmental management and performance. Waste management initiatives and strategies are approved by the Board-level ESH&S Committee. Our Chief Operating Officer is responsible for reporting identified risks and opportunities related to waste, and ensuring the sites identify and implement practices to minimize waste and handle it responsibly.

2022 Highlights



Zero

finest or penalties recorded related to hazardous materials or chemical spills

0.67 w:o strip ratio

the amount of waste material that must be moved to extract a given amount of ore

Non-Mineral Waste



2022 Highlights

- At Camino Rojo, we produced 5.5 million tonnes of waste rock last year. These quantities were added to our designated waste rock facility as a geotechnically and geochemically stable landform.
- During both construction (2021 to March 2022) and the first year of production (April to December 2022), the Company received no fines or statutory violations related to environmental incidents, including spills. This is noteworthy, considering that the commissioning period has the most potential for significant spills, as pipes, pumps, and tanks are operated for the first time. It is a credit to the construction and site operations teams that we achieved these positive results.
- During 2022, two non-reportable minor spills occurred involving hazardous substances. To manage and prevent such incidents from recurring, we installed a pressure limit switch that turns feeding pumps off; we also expanded the containment area as an additional precaution. For both spills, our trained site team cleaned the contaminated soil, removing and disposing it at the

leach pad. The spill had no impact on the environment or surrounding communities and did not require reporting to the authorities under the regulations.

- As part of our commitment to recycling, during the year we diverted 14.9 tonnes of cardboard, 390kg of aluminum, and more than 15,000L of used oil from landfill to recycling centres. We also tracked and disposed of 7.4 tonnes of hydrocarbon-contaminated material and 11.6 tonnes of hazardous chemical residues according to regulatory requirements.
- In 2022, members of our mine rescue brigade team at our Camino Rojo site received training from the State's "Civil Protection" personnel on fire fighting and vehicle extraction, as well as on cyanide poisoning, electrical accidents, and carbon monoxide poisoning.
- No fines or non-financial penalties were recorded during 2022 related to hazardous materials or chemical spills.

2022 Waste Rock Indicators at Camino Rojo

WASTE ROCK	
Waste Generated (tonnes)	5,535,125
Intensity (tonnes generated / tonnes ore mined-strip ratio)	0.67
Intensity (tonnes generated / tonnes ore processed)	0.84
Intensity (tonnes generated/ ounces gold produced)	50.50

2023 Focus

- Reinforcing our strategic aim to reduce or, if possible, eliminate the generation of non-mineral, non-hazardous waste, including contaminated solids, scrap metals, wood waste, plastics, tires, glass, cardboard, paper, and electronic waste across all sites.
- Continue the adoption of the International Cyanide Management Code (ICMC) at Camino Rojo.
- Start the operations of the non-mineral and non-hazardous waste landfill at Camino Rojo.



5.4 Air Quality

Why it Matters to Orla

Mining's potential impact on air quality, from activities that produce dust or gaseous emissions, is both a local and global issue. For example, dust generated by blasting, crushing and hauling rock, as well as diesel particulate matter from engines, can adversely affect ecosystems and human health, if left unmitigated. Addressing Orla's impact on air quality is essential for meeting our social license to operate and living up to our purpose to transform resources into a net-positive benefit for all of our stakeholders.

For clarity, this section refers to non-GHG emissions resulting from our activities, the most significant of these emissions being sulphur oxides (SOx), nitrogen oxides (NOx) and particulates. For details about Orla's GHG emissions, please refer to the Climate Change section.

Our Approach: Minimizing Emissions

Our commitment to protecting people and responsibly managing Orla's environmental impacts on air quality is guided by our [Environmental, Sustainability, Health & Safety Policy](#), our Environmental Management System and our Sustainability Strategy. We have practices in place to mitigate our impacts on air quality and to meet obligations set out in our permits and environmental regulations.

As part of our pre-mine planning and environmental baseline studies, we collect air quality data, conduct environmental impact assessments and identify areas and processes that may potentially impact air quality. Based on these insights, we develop and implement programs

to reduce the impact to the lowest extent possible. These measures include:

- Air quality control systems installed at our premises to measure and mitigate emissions.
- Dust suppression controls such as water trucks to curb dust from hauling material on gravel roads. Where feasible, roads are paved to eliminate dust emissions altogether.
- Maintaining a modern fleet of vehicles that we service routinely to ensure they operate efficiently. The vehicle engines have pollution controls to minimize particulate matter emitted and are compliant with Tier 4 standards, which emit up to 90% less particulate matter and NOx compounds.



Pit, ramp and haul road to the crushing circuit

Air Quality Monitoring

Our site-level teams closely monitor the performance of our operations on air quality, and Camino Rojo has an ongoing air quality monitoring program in local communities. This due diligence helps prevent worker health, public health, and the environment from being adversely affected by poor air quality, while ensuring Orla complies with relevant air quality standards.

We use sophisticated monitoring instruments that measure total dust, as well as particulate dust matter of a size less than 10 microns (PM₁₀)¹ and 2.5 microns particles (PM_{2.5}), at designated monitoring stations. This regular assessment helps us understand air quality at our nearest neighbours and our boundaries. We also monitor the chemical characteristics (such as metals) of the captured dust. We use meteorological data to identify areas upwind and downwind from our site to ensure that we can differentiate dust from the site and dust created from other regional activities.

Orla's local teams also listen to and engage with community members, including through our community response mechanism, to identify and respond to any concerns or grievances related to air quality and pollution across our operations.

In our South Railroad and Cerro Quema projects, air pollution control measurements are part of our environmental permitting applications and site environmental management plan.

Accountability

The Chief Executive Officer has ultimate responsibility for overseeing Orla's management of and impact on air quality. The ESH&S Committee of the Board reviews any issues raised related to air quality and approves mitigation measures. Our Chief Operating Officer is responsible for reporting identified risks and opportunities related to air quality, and ensuring the sites identify and implement practices to preserve or improve air quality. In addition, each operation is responsible for implementing programs and procedures to protect air quality.



Thunderstorm at Camino Rojo

2022 Highlights

- During 2022, the results of our air quality monitoring demonstrated compliance with relevant air quality regulations and no incidents. We understand that mining is a dynamic industry and we continuously seek to improve our processes. We will continue to monitor our impacts on air quality as well as listen to any concerns from our neighbouring communities and, where necessary, make improvements to our practices with additional mitigations.
- Our operations generated minor quantities of nitrogen oxide (NO₂ emissions = 0.68 tonnes) and methane (CH₄ emissions = 0.85 tonnes) during 2022.

2023 Focus

- Complete the construction of the Camino Rojo crushed ore stockpile dome to minimize dust pollution. The operation will invest \$1.8 million in this project, in addition to investments related to civil works.
- Continue to work with communities near Camino Rojo to evaluate any air quality concerns and inform them about mitigation initiatives to minimize dust generated during operation.

2022
Highlights

Full compliance
with relevant air quality regulations

0.68
tonnes of NO_x emissions

0.85
tonnes of CH₄ emissions

¹ The PM 10 fraction of dust (dust less than 10 microns in diameter) is the inhalable fraction that is emitted from dusty roads, vehicle exhausts, and some industrial processes and can impact respiratory and cardiovascular systems if not managed.

5.5 Biodiversity

Why it Matters to Orla

Mines can have potentially adverse impacts on biodiversity. Such impacts can occur when land or water bodies are disturbed, wildlife is displaced, or habitats are contaminated through mining processes like acid rock drainage. It's therefore important that mining companies take meaningful steps to protect and support biodiversity. Mining operations may also be subject to laws protecting endangered species and/or ecologically sensitive areas across the entire mining life cycle (including once mining is completed).

Our Approach: Path To Nature Positive Operations

Orla has environmental management plans at each of our sites to ensure we protect biodiversity and comply with permit conditions and regulatory obligations. These plans cover the different stages of project lifecycles and address risks to biodiversity. For our current operational phase at Camino Rojo, our plans include monitoring wildlife, plants, and species, with a focus on species at risk that have been identified through the environmental baseline studies. These plans address risks to various biodiversity elements and ensure that we comply with permit conditions, regulatory obligations, and protections.

Orla is committed to following the mitigation hierarchy of avoidance, minimization, restoration, and offsetting to reduce any negative impacts on biodiversity from our mining development as much as possible. We perform studies during the environmental permitting phase to gather sufficient knowledge about local ecosystems and habitats. We also submit Change of Land Use Plans and Environmental Impact Assessments to regulatory authorities for review and approval prior to commencing mine operation.



Cerro Quema site

We minimize the size of land we occupy for mining. Orla understands that mining is a temporary land use, and by minimizing the size of our disturbance, we save time and money when it comes to the inevitable reclamation of the site. This approach has other efficiencies, such as shorter haul distances and less fuel burned. Prior to any land disturbance, we salvage soils and any protected plants, such as cactus species, to ensure that we have the materials necessary for the reclamation stage.

With respect to restoration, we have a progressive reclamation policy. Once disturbed land is at its final designed landform, we perform reclamation activities and, where necessary, we consider offsetting by protecting areas of similar or greater habitat quality in other parts of the region in which we operate. Orla manages 13.49 ha of protected land to ensure these ecosystems and their biodiversity components are not impacted by our activities or other activities. Our Camino Rojo site maintains a nursery to grow both culturally and environmentally significant plants that are to be used in reclamation activities to enhance the ecosystems we reinstate.

Orla maintains a closure plan that addresses the final landform, vegetation types and densities and habitat qualities. These are agreed to by government officials and are discussed with local communities. Under Mexican regulations by SEMARNAT, Orla maintains a guarantee closure bond that assures money is available for proper guarantee of our site in the event of unforeseen circumstances.

2022 Highlights



25.70 hectares
of land reclaimed

454,699.6 m³
rich soil recovered and stored for future
remediation activities

303.54 ha
total footprint of the Camino Rojo mine
operation at the end of 2022

2022 Highlights

- Over the past two years, 2021 and 2022, our plant nursery at Camino Rojo produced 10,701 plants, of which 5,051 were grown from local seed stock. These plants will be maintained and used to replenish lands impacted by our mining activities.
- Our site teams rescued 13,586 plants with protection status during 2020 and 2021, and relocated 272 animals that were similarly protected.
- Demonstrating our commitment to progressive reclamation, during our first year of operation in 2022, we reclaimed 25.70 ha of land, previously used for exploration activities.
- In 2022, Camino Rojo updated its Closure and Environmental Restoration Plan including a review of its budget estimation.
- In 2022, we announced a multi-partner collaboration in Zacatecas, Mexico, to conserve and protect ecologically significant lands near our Camino Rojo mine. These types of partnerships are a key part of our approach to being a good steward of the ecosystems we are part of and to sustainably using and protecting natural resources.

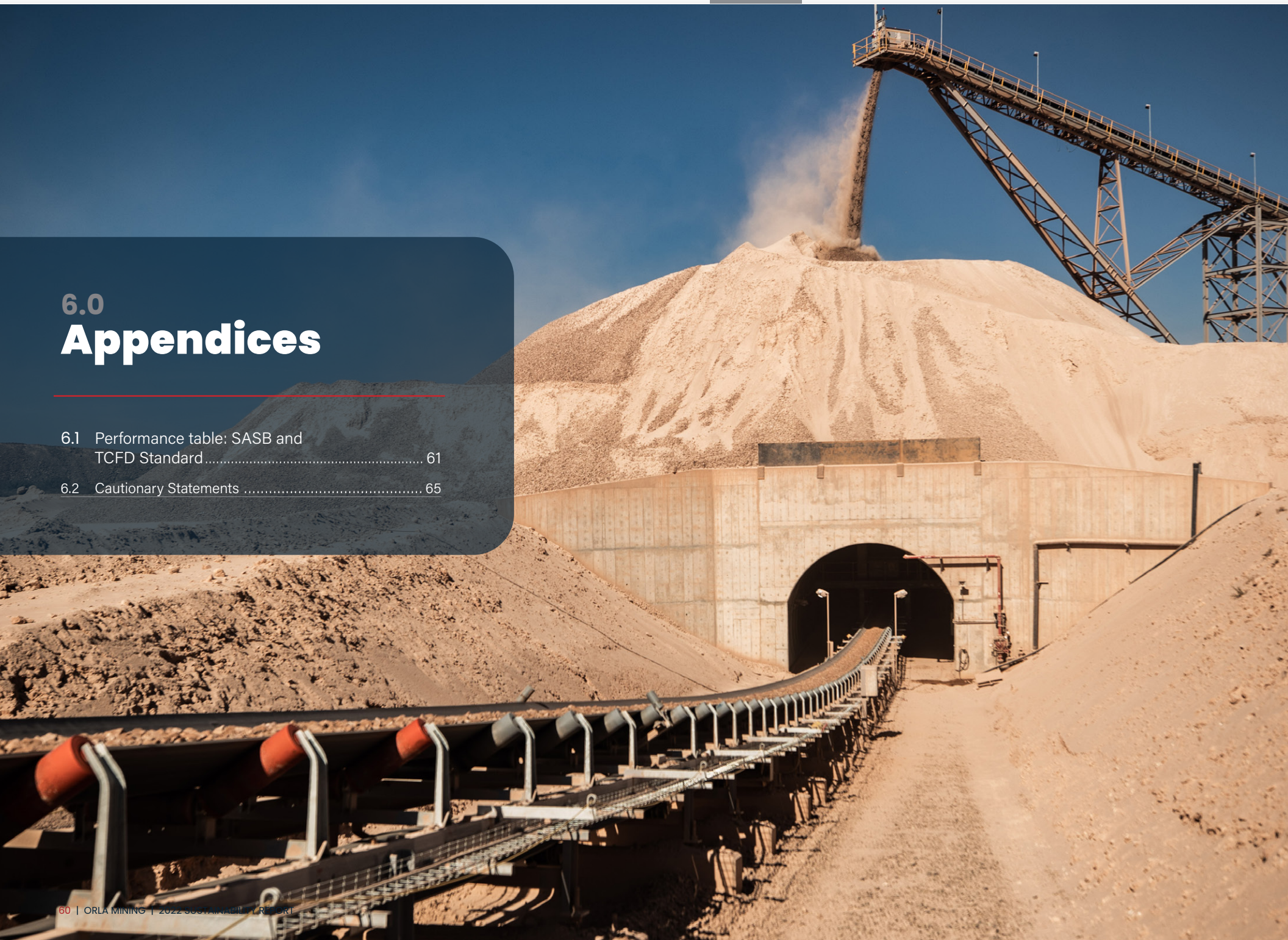
2023 Focus

- Continue to develop multi-stakeholder initiatives and collaborate with local communities, ejidos, conservation groups, and private partners to protect unique ecosystems and species around our mining properties.



6.0 Appendices

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6.2 Cautionary Statements	65



6.1 Performance Table

SASB Index, TCFD Standard, LCRM

SASB INDEX	
TCFD STANDARD	
LCRM	

SASB REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
EM-MM-110a.1 ¹	Gross global Scope 1 emissions (Operational control) [tonnes CO ₂ e]	3,212.00	13,238.53
EM-MM-110a.2 ²	Gross global Scope 2 emissions (Operational control) [tonnes CO ₂ e]	471.28	7,843.69
EM-MM-110a.1	Percentage of emissions (Operational control) covered under emissions-limiting regulations	100%	100%
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Section 5.1; pages 46-50	Section 5.1; pages 46-50

Air Quality

EM-MM-120a.1	Carbon Monoxide (CO) [tonnes]	0	0
EM-MM-120a.1	Nitrogen Oxides (NO _x) (excluding N ₂ O) [tonnes]	0	0
EM-MM-120a.1	Sulphur Oxides (SO _x) [tonnes]	0	0
EM-MM-120a.1	Particulate matter (PM ₁₀) [tonnes]	0	0
EM-MM-120a.1	Mercury (Hg) [tonnes]	0	0
EM-MM-120a.1	Lead (Pb) [tonnes]	0	0
EM-MM-120a.1	Volatile organic compounds (VOCs) [tonnes]	0	0

Energy Management

EM-MM-130a.1	Total energy consumed [GJ]	7,636.61 (grid electricity, only) + 43,829.27 (direct fuel usage). Total*: 51,465.88	66,754.8 (grid electricity, only) + 181,285 (direct fuel usage). Total*: 248,040
EM-MM-130a.1	Percentage grid electricity	14.8%*	26.9%*
EM-MM-130a.1	Percentage renewable	NR	NR

Water Management

EM-MM-140a.1	Total water withdrawn (fresh and non-fresh) [thousand m ³]	438,444	976,309
EM-MM-140a.1	Total water consumed	438,444	976,309
EM-MM-140a.1	Percentage of fresh water withdrawn and consumed in regions with High or Extremely High Baseline Water Stress	100%	100%
EM-MM-140a.2	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	0	0

* Value updated only in the online version of this report and does not apply to the printed version.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
TCFD Governance a	Disclose the role of the board of the organization in overseeing climate-related issues.	Sections 1.2, 3.0, & 5.1; pages 7, 20-22, 28-29, 46-50	Sections 1.2, 3.0, & 5.1; pages 7, 20-22, 28-29, 46-50
TCFD Governance b	Disclose the role of management in assessing and managing climate-related issues	Sections 1.2, 3.0, & 5.1; pages 7, 20-22, 28-29, 46-50	Sections 1.2, 3.0, & 5.1; pages 7, 20-22, 28-29, 46-50
TCFD Strategy a	Disclose the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Sections 3.3 & 5.0; pages 28-29, 46-59	Sections 3.3 & 5.0; pages 28-29, 46-59



TCFD REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
TCFD Strategy b	Disclose the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	Sections 2.1, 2.3, 3.1, 3.2, 5.1; pages 12-15, 20-22, 26-27, 46-50	Sections 2.1, 2.3, 3.1, 3.2, 5.1; pages 12-15, 20-22, 26-27, 46-50
TCFD Strategy c	Disclose the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario.	Sections 5.1; pages 46-50	Sections 5.1; pages 46-50
TCFD Risk Management a	Describe the organization's processes for identifying climate-related risks.	Sections 2.3, 3.1, 3.3 & 5.1; pages 15, 20-22, 28-29, 45-50	Sections 2.3, 3.1, 3.3 & 5.1; pages 15, 20-22, 28-29, 45-50
TCFD Risk Management b	Describe the organization's processes for managing climate-related risks.	Section 5.1; pages 45-50	Section 5.1; pages 45-50
TCFD Risk Management c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Sections 2.3, 3.1, 3.3 & 5.1; pages 15, 20-22, 28-29, 45-50	Sections 2.3, 3.1, 3.3 & 5.1; pages 15, 20-22, 28-29, 45-50
TCFD Metrics & Targets a	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Sections 2.2, 2.3, 3.1, 3.2, 3.3 & 5.1; pages 14-15, 20-29, 45-50	Sections 2.2, 2.3, 3.1, 3.2, 3.3 & 5.1; pages 14-15, 20-29, 45-50
TCFD Metrics & Targets b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	3,683	21,082
TCFD Metrics & Targets c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		Orla completed in 2022 its first year of production. As such, the organization is determining baselines to further discuss climate-related targets

Waste & Hazardous Materials Management

SASB REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
EM-MM-150a.1	Total weight of tailings waste [tonnes]	0	0
EM-MM-150a.1	Percentage of tailings waste recycled	0	0
EM-MM-150a.2	Total weight of mineral processing waste [tonnes]	2,049,704	5,535,125
EM-MM-150a.2	Percentage of mineral processing waste recycled	0	0
EM-MM-150a.3	Number of tailings impoundments	0	0
EM-MM-150a.3	Number of tailings impoundments, broken down by MSHA hazard potential	0	0

Biodiversity Impacts

EM-MM-160a.1	Description of environmental management policies and practices for active sites	Section 5.0; pages 45-59	Section 5.0; pages 45-59
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is predicted to occur	0%	0%
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is actively mitigated	0%	0%
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is under treatment or remediation	0%	0%
EM-MM-160a.3	Percentage of proven reserves in or near sites with protected conservation status or endangered species habitat	0%	0%
EM-MM-160a.3	Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat	0%	0%

Security, Human Rights & Rights of Indigenous Peoples

EM-MM-210a.1	Percentage of proven reserves in or near areas of conflict	0%	0%
EM-MM-210a.1	Percentage of probable reserves in or near areas of conflict	0%	0%
EM-MM-210a.2	Percentage of proven reserves in or near Indigenous land	0%	0%
EM-MM-210a.2	Percentage of probable reserves in or near Indigenous land	0%	0%



SASB REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, Indigenous rights, and operation in areas of conflict	Sections 4.3 & 4.4; pages 40-44	Sections 4.3 & 4.4; pages 40-44
EM-MM-160a.3	Percentage of probable reserves in or near sites with protected conservation status or endangered species habitat	0%	0%

Community Relations

EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	Sections 2.1, 2.2, 2.3, 2.5, 4.2, 4.3 & 4.4; pages 12-15, 17-18, 35-44	Sections 2.1, 2.2, 2.3, 2.5, 4.2, 4.3 & 4.4; pages 12-15, 17-18, 35-44
EM-MM-210b.2	Number of non-technical delays	0	0
EM-MM-210b.2	Duration of non-technical delays	0	0

MINING LOCAL PROCUREMENT REPORTING MECHANISM (LPRM)³

LPRM REF	TCFD SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
LPRM-302	LPRM 300: Local procurement spending by category: Community Level: Direct Area of Influence: ei: Ejidos San Tiburcio, El Berrendo, San Fco, La Partdita		203,289.00 (42 community suppliers registered)
LPRM-302	LPRM 300: Local procurement spending by category: Local Level: Municipality of Mazapil		619,767.00
LPRM-302	LPRM 300: Local procurement spending by category: Regional Level: State of Zacatecas		5,577,907.00
LPRM-302	LPRM 300: Local procurement spending by category: National Level, Other states in Mexico out of Zacatecas		NR. Will be completed in 2023 after the first year of production as baseline

LPRM 300: Local procurement spending, Local Ejidos by Spending Category

LPRM-302.b	Community Relations Community Suppliers Human Resources Permits and Concession		1,447,543 203,289 1,551,679 2,601,753
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SASB REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements across all operations		56% at Camino Rojo
EM-MM-310a.1 EDI	Diversity and inclusion (%) Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). iv. Direct and Indirect (contractors)		29.3% of female direct employees at Camino Rojo 3.6% of female employees by contractors at Camino Rojo
EM-MM-310a.1 EDI	Presence of gender equality policies in the company/organization to improve the gender balance ratio and increase women participation in managerial position?	Sections 11, 1.2, 2.0, 3.1 & 4.2; pages 4-7, 12-19, 21, 35-39	Sections 11, 1.2, 2.0, 3.1 & 4.2; pages 4-7, 12-19, 21, 35-39
EM-MM-310a.1 EDI	Pay gap (% , #) 1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. Indigenous to non-indigenous) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country 3. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.	NR. Will be evaluated in 2023 to define a baseline after first year of production	NR. Will be evaluated in 2023 to define a baseline after first year of production

SASB REF	SUGGESTED DISCLOSURES	2021 CONSTRUCTION CAMINO ROJO	2022 OPERATIONS CAMINO ROJO
EM-MM-310a.1 EDI	Discrimination and harassment incidents (#) and the total amount of monetary losses (\$) <ol style="list-style-type: none"> 1. Number of discrimination and harassment incidents, status of the incidents and actions taken. 2. Total amount of monetary losses as a result of legal proceedings associated with: <ol style="list-style-type: none"> a) law violations, and b) employment discrimination 	0	0
EM-MM-310a.1 Local Employment	Local Employment (%) Percentage of employees per employees and category (workers and managerial position) from local communities and gender. Direct and Indirect		59.4% of local direct employees across all sites 26.3% of local indirect employees across all sites
EM-MM-310a.2	Number of strikes and lockouts	0	0
EM-MM-310a.2	Duration of strikes and lockouts [days]	0	0
Workforce Health & Safety			
EM-MM-320a.1	Total Recordable Injury Rate as defined by OSHA for employees (Camino Rojo)	0.08	0.36
EM-MM-320a.1	Total Recordable Injury Rate as defined by OSHA for contractors (Camino Rojo)	0.32	0.36
EM-MM-320a.1	Fatality rate for employees (Camino Rojo)	0	0
EM-MM-320a.1	Fatality rate for contractors (Camino Rojo)	0	0
EM-MM-320a.1	Near miss frequency rate (NMFR) for employees (Camino Rojo)	0	0.36
EM-MM-320a.1	Near miss frequency rate (NMFR) for contractors (Camino Rojo)	0.16	0.36
EM-MM-320a.1	Average hours of health, safety, and emergency response training for employees (Camino Rojo)		19
EM-MM-320a.1	Average hours of health, safety, and emergency response training for contractors (Camino Rojo)		5
Business Ethics & Transparency			
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	Sections 2.3, 3.1, 3.3; pages 15, 20-25, 28-29	Sections 2.3, 3.1, 3.3; pages 15, 20-25, 28-29
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index [tonnes]	0	0

- 1 Orla's Scope 1 greenhouse gas (GHG) emissions are registered as tonnes of carbon dioxide equivalents (CO₂e). CO₂e is used to compare the emissions from various GHG sources based on their global warming potential (GWP). Orla followed the guidance approved by the Secretaria de Medio Ambiente y Recursos Naturales (Semarnat) and its Registro Nacional de Emisiones (RENE) that is consistent with the International Panel on Climate Change. Orla's main sources of direct GHG emissions include those generated by the consumption of fuel from non-renewable sources and industrial processes. Emission factors are country- and fuel-specific and determined by the environmental authority Semarnat and are used to convert the fossil fuels consumed to GHG emissions in CO₂e. For our only operation in Mexico, we have used emission factors published by Semarnat through the RENE national registry. According to SASB accounting metrics, Scope 1 emissions include direct emissions of GHGs from stationary or mobile sources that include, but are not limited to, equipment at mine sites, refineries and smelting facilities, office buildings, and metal transportation (marine, road, and rail).
- 2 GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization. Reference, GRI Standards Glossary 2016. For our only operation in Mexico, we have used emission factors published by Semarnat through the RENE national registry.
- 3 Mining Local Procurement Reporting Mechanism (LPRM), The Mining Local Procurement Reporting Mechanism (LPRM) is a set of disclosures that seeks to standardise how the global mining industry and host countries measure and talk about local procurement. In most cases procurement of goods and services is the single largest in-country payment type by a mine site, and yet to date there has been no commonly accepted way of reporting on the issue. Commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) through GIZ and created by the Mining Shared Value initiative of Engineers Without Borders Canada.

Cautionary Statements

Forward Looking Statements

This report contains certain “forward-looking information” and “forward-looking statements” within the meaning of Canadian securities legislation and within the meaning of Section 27A of the United States Securities Act of 1933, as amended, Section 21E of the United States Exchange Act of 1934, as amended, the United States Private Securities Litigation Reform Act of 1995, or in releases made by the United States Securities and Exchange Commission, all as may be amended from time to time, including, without limitation, statements regarding the Company’s sustainability strategy; its short-term and long-term sustainability goals, including the timing and anticipated achievement of its goals and targets; the benefits to be derived from its plans and actions, including initiatives to support and contribute to the United Nations’ Sustainable Development Goals; and the economic and social benefits to be derived from the Company’s operations and its community programs.

Forward-looking statements are statements that are not historical facts which address events, results, outcomes or developments that the Company expects to occur. Forward-looking statements are based on the beliefs, estimates and opinions of the Company’s management on the date the statements are made and they involve a number of risks and uncertainties. Certain material assumptions regarding such forward-looking statements were made, including, without limitation, assumptions regarding: the Company’s ability to execute on its sustainability strategy; future commodity prices; anticipated costs and the Company’s ability to fund its programs; the Company’s ability to carry on exploration, development, and mining activities; the Company’s relationships with local communities in which it operates; the timely receipt of required approvals and permits; the Company’s ability to operate in a safe, efficient, and effective manner; that political and legal developments will be consistent with current expectations; that the Company’s activities will be in accordance with the Company’s public statements and stated goals; the Company’s ability to obtain financing as and when required and on reasonable terms; and that there will be no material adverse change or disruptions affecting the Company or its projects. Consequently, there can be no assurances that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Forward-looking statements involve significant known and unknown risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks include, but are not limited to: uncertainty and variations in the estimation of mineral resources and mineral reserves; the Company’s dependence on the Camino Rojo oxide mine; risks related to the Company’s indebtedness; risks related to exploration, development, and operation activities; risks related to natural disasters, terrorist acts, health crises, and other disruptions and dislocations, including the COVID-19 pandemic; foreign country and political risks, including risks relating to foreign operations and expropriation or nationalization of mining operations; concession risks at the Cerro Quema project; delays

in obtaining or failure to obtain governmental permits, or non-compliance with permits; environmental and other regulatory requirements; delays in or failures to enter into a subsequent agreement with Fresnillo plc with respect to accessing certain additional portions of the mineral resource at the Camino Rojo project and to obtain the necessary regulatory approvals related thereto; the mineral resource estimations for the Camino Rojo project being only estimates and relying on certain assumptions; loss of, delays in, or failure to get access from surface rights owners; uncertainties related to title to mineral properties; water rights; financing risks and access to additional capital; risks related to guidance estimates and uncertainties inherent in the preparation of feasibility and pre-feasibility studies; uncertainty in estimates of production, capital, and operating costs and potential production and cost overruns; the fluctuating commodity prices; unknown liabilities in connection with acquisitions; global financial conditions; uninsured risks; climate change risks; competition from other companies and individuals; conflicts of interest; risks related to compliance with anti-corruption laws; volatility in the market price of the Company’s securities; assessments by taxation authorities in multiple jurisdictions; foreign currency fluctuations; the Company’s limited operating history; litigation risks; the Company’s ability to identify, complete, and successfully integrate acquisitions; intervention by non-governmental organizations; outside contractor risks; risks related to historical data; the Company not having paid a dividend; risks related to the Company’s foreign subsidiaries; risks related to the Company’s accounting policies and internal controls; the Company’s ability to satisfy the requirements of Sarbanes-Oxley Act of 2002; enforcement of civil liabilities; the Company’s status as a passive foreign investment company for U.S. federal income tax purposes; information and cyber security; gold industry concentration; shareholder activism; and risks associated with executing the Company’s objectives and strategies; as well as those risk factors discussed in the Company’s most recently filed management’s discussion and analysis, as well as its annual information form dated March 20, 2023, which are available on www.sedar.com and www.sec.gov. Except as required by the securities disclosure laws and regulations applicable to the Company, the Company undertakes no obligation to update these forward-looking statements if management’s beliefs, estimates or opinions, or other factors, should change.

Technical Information

Certain scientific and technical information relating to the:

- Camino Rojo Project is based on and derived from the NI 43-101 report prepared for Orla entitled “Unconstrained Feasibility Study NI 43-101 Technical Report on the Camino Rojo Gold Project – Municipality of Mazapil, Zacatecas, Mexico”, dated January 11, 2021, as well as the updated mineral resource and mineral reserve estimate for the Camino Rojo Oxide Mine set forth in the Company’s 2022 annual information form dated March 20, 2023;
- Cerro Quema Project is based on and derived from the NI 43-101 report prepared for Orla entitled “Project Pre-Feasibility Updated NI 43-101 Technical Report on the Cerro Quema Project, Province of Los Santos, Panama” dated January 18, 2022; and
- South Railroad Project is based on and derived from the NI 43-101 report prepared for Gold Standard Ventures Corp. entitled “South Railroad Project, Form 43-101F1 Technical Report Feasibility Study, Elko County, Nevada” dated March 23, 2022.

Such information contained herein is subject to all of the assumptions, qualifications and procedures set out in such reports and reference should be made to such reports, which have been filed with the applicable regulatory authorities and are available on Orla’s profile at www.sedar.com or www.sec.gov. Such reports are intended to be read as a whole, and sections should not be read or relied upon out of context.

The mineral reserve estimate for the Camino Rojo Oxide Mine consists of 422 koz gold of proven reserves (16,782 k tonnes at 0.78 g/t gold) and 975 koz gold of probable reserves (41,681 k tonnes at 0.73 g/t gold). The mineral resource estimate consists of 511 koz gold of measured resources (21,281 k tonnes at 0.75 g/t gold) and 8,736 koz gold of indicated resources (321,877 k tonnes at 0.84 g/t gold). The mineral reserve and mineral resource estimate for the Camino Rojo Oxide Mine has an effective date of December 31, 2022.

The mineral reserve estimate for the Cerro Quema consists of 562 koz gold of probable reserves (21,700 k tonnes at 0.80 g/t gold). The mineral resource estimate at the Cerro Quema Project consists of 1,023 koz gold of indicated resources (66,222 k tonnes at 0.48 g/t gold). The mineral resource estimate for the Caballito deposit at Cerro Quema consists of 31,952,000 tonnes of sulphide indicated mineral resources at an average CuEq grade of 0.96% (0.83% Cu, 0.31 g/t Au & 2.2 g/t Ag) for 676 Mlbs of CuEq (585 Mlbs Cu, 315 Koz Au and 2,260 Koz Ag).

The mineral reserve estimate for South Railroad consists of 333 koz gold of proven reserves (8,960 k tonnes at 1.15 g/t gold) and 1,271 koz gold of probable reserves (56,239 k tonnes at 0.70 g/t gold). The mineral resource estimate consists of 343 koz gold of measured resources (9,560 k tonnes at 1.13 g/t gold) and 1,410 koz gold of indicated resources (65,449 k tonnes at 0.68 g/t gold).

Mineral resources are inclusive of mineral reserves.

Qualified Person

The scientific and technical information in this report has been reviewed and approved by Mr. J. Andrew Cormier, P. Eng., Chief Operating Officer of the Company, who is the Qualified Persons for this report as defined under the standards of National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”).

Cautionary Note to United States Investors

This scientific and technical information in this report has been prepared in accordance with Canadian standards for the reporting of mineral resource and mineral reserve estimates, which differ from the previous and current standards of the United States securities laws. In particular, and without limiting the generality of the foregoing, the terms “mineral reserve”, “proven mineral reserve”, “probable mineral reserve”, “inferred mineral resources”, “indicated mineral resources”, “measured mineral resources”, and “mineral resources” used or referenced in this report are Canadian mineral disclosure terms as defined in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards on Mineral Reserves and Mineral Resources adopted by the CIM Council on May 10, 2014 (the “CIM Standards”). For United States reporting purposes, the United States Securities and Exchange Commission (the “SEC”) has adopted amendments to its disclosure rules (the “SEC Modernization Rules”) to modernize the mining property disclosure requirements for issuers whose securities are registered with the SEC under the Securities Exchange Act of 1934, as amended. The SEC Modernization Rules more closely align the SEC’s disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards, including NI 43-101, and replace the historical property disclosure requirements for mining registrants that were included in Industry Guide 7 under the Securities Act of 1933, as amended (the “US Securities Act”). As a foreign private issuer that is eligible to file reports with the SEC pursuant to the multi-jurisdictional disclosure system, the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and provides disclosure under NI 43-101 and the CIM Standards. Accordingly, mineral reserve and mineral resource information contained in this report may not be comparable to similar information disclosed by United States companies. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of “measured mineral resources”, “indicated mineral resources”, and “inferred mineral resources”. In addition, the SEC has amended its definitions of “proven mineral reserves” and “probable mineral reserves” to be “substantially similar” to the corresponding CIM Standards that are required under NI 43-101. While the above terms are “substantially similar” to CIM Standards, there are differences in the definitions under the SEC Modernization Rules and the CIM Standards. There is no assurance any mineral reserves or mineral resources that the company may report as “proven mineral reserves”, “probable mineral reserves”, “measured mineral resources”, “indicated mineral resources”, and “inferred mineral resources” under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the SEC Modernization Rules or under the prior standards of Industry Guide 7. Accordingly, information contained in this report may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.



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