

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attachment](#)

Horizontal lines for listing applicable Internal Revenue Code sections.

18 Can any resulting loss be recognized? ▶ [See Attachment](#)

Horizontal lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attachment](#)

Horizontal lines for providing other necessary information.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶ _____ Date ▶ _____

Print your name ▶ _____ Title ▶ _____

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

ORLA MINING LTD.

Attachment to I.R.S. Form 8937
Report of Organizational Actions Affecting Basis of Securities

Disclaimer: Information contained herein does not constitute tax advice and does not purport to be complete or take into account any shareholder's specific circumstances. The information contained herein is being provided pursuant to the requirements of Section 6045B of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations thereunder. Shareholders are urged to consult their own tax advisors regarding the U.S. tax consequences of the transaction described herein and the basis of stock received in the transaction. Shareholders are also urged to read the respective Notices of Special Meeting and Management Information Circulars furnished to shareholders of Pershimco Resources, Inc. ("Pershimco") and Orla Mining Ltd. ("Orla") dated October 31, 2016 and, in particular the information contained therein under the heading "Certain United States Federal Income Tax Considerations." The respective Management Information Circulars and the related Arrangement Agreement and Plan of Arrangement are available under Orla's and Pershimco's profiles, as applicable, on SEDAR, available at www.sedar.com.

Form 8937, Part II, Item 14

On December 6, 2016, pursuant to an Arrangement Agreement and accompanying Plan of Arrangement ("Plan of Arrangement") dated September 14, 2016 under the Canada Business Corporations Act, as amended on October 21 and October 31, 2016, Pershimco amalgamated with Orla (the "Amalgamation"), with the amalgamated companies continuing to operate under the name "Orla Mining Ltd."

Pursuant to the Amalgamation, each shareholder of Pershimco received 0.19 common shares and 0.04 class A shares of Orla Mining Ltd in exchange for each of their Pershimco common shares. Each class A share of Orla Mining Ltd. entitles its holder to receive, without payment of additional consideration, 1.00 common share of Orla Mining Ltd. upon the issuance of a ministerial resolution by the Ministry of Environment of Panama, accepting the Environmental & Social Impact Assessment ("ESIA") for Pershimco's Cerro Quema project on or prior to January 31, 2017. If such ministerial resolution accepting the ESIA for the Cerro Quema project is not received on or prior to January 31, 2017, the right to receive a common share of Orla Mining Ltd. will terminate and the class A share will be unilaterally redeemed and cancelled at no cost to Orla Mining Ltd.

Pursuant to the Plan of Arrangement, all outstanding restricted share units of Pershimco ("Pershimco RSUs") will be paid out, at the election of the holder of such Pershimco RSUs, in either, or a combination of, cash and/or Pershimco common shares.

Pursuant to the Plan of Arrangement, all outstanding options of Pershimco and Orla will be exchanged for equivalent securities of Orla Mining Ltd. and all outstanding warrants of Orla will be exercisable into that number of common shares of Orla Mining Ltd. that the holder would

have been entitled to receive if the holder was a holder of Orla common shares prior to December 6, 2016.

Form 8937, Part II, Item 15

Subject to the potential applicability of the passive foreign investment company (“PFIC”) rules of Sections 1291 to 1298 of the Code, the Amalgamation is intended to qualify as a tax-free reorganization within the meaning of Section 368(a) of the Code.

Each former shareholder of Pershimco or Orla who receives shares of Orla Mining Ltd. in the Amalgamation will have an aggregate U.S. tax basis in the shares of Orla Mining Ltd. received in the Amalgamation equal to (i) its aggregate tax basis in the Pershimco or Orla shares exchanged in the Amalgamation, (ii) increased by the amount of gain that the holder recognized on the exchange, and (iii) decreased by the amount of any cash that the holder received on the exchange.

In general, a former shareholder of Pershimco or Orla who receives shares of Orla Mining Ltd. will recognize gain on the exchange equal to the lesser of: (i) the amount of gain realized (the sum of cash and the fair market value as of December 6, 2012 of the Orla Mining Ltd. shares received) over the adjusted tax basis in its Pershimco or Orla shares exchanged in the Amalgamation, or (ii) the amount of cash received pursuant to the Amalgamation. If a Pershimco or Orla shareholder acquired their shares at different times or at different prices, any gain realized with respect to such shares, and their basis in such shares, will be determined separately with respect to each block of shares. If any gain is recognized under the PFIC rules, the basis should be increased by the amount of such gain recognized.

Form 8937, Part II, Item 16

The calculation of the basis adjustment is described in Item 15, above. The basis per share of Orla Mining Ltd. stock received in the Amalgamation should be calculated by dividing (i) the shareholder’s total tax basis in its Pershimco or Orla shares immediately prior to the Amalgamation by (ii) the number of shares of Orla Mining Ltd. stock received in the Amalgamation. If any gain is recognized as a result of the receipt of cash or under the PFIC rules, the basis should be increased by the amount of gain recognized.

Form 8937, Part II, Line 17

The applicable Code sections are 354(a)(1), 356(a)(1), 358(a)(1) and (b)(1), 367(a)(2) and (b)(2), 368(a)(1)(A), 1221, and 1291 to 1298.

Form 8937, Part II, Line 18

In general, no loss should be recognized by any shareholders as a result of the Amalgamation.

Form 8937, Part II, Line 19

The Amalgamation occurred in calendar year 2016.