



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
AND MANAGEMENT INFORMATION CIRCULAR**

**WITH RESPECT TO THE
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 19, 2017**

May 15, 2017

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**Notice of Annual General and Special Meeting of Shareholders
to be Held June 19, 2017**

NOTICE is hereby given that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Orla Mining Ltd. (the “**Corporation**”) will be held at 1140 West Pender Street, Suite 1240, Vancouver, BC, V6E 4G1 on the 19th day of June, 2017 at 10:00 a.m. (Vancouver time) for the following purposes:

- (a) to receive the audited consolidated financial statements of the Corporation as at and for the financial year ended December 31, 2016 and the auditors’ report thereon;
- (b) to elect directors of the Corporation for the ensuing year;
- (c) to appoint Davidson & Company LLP as auditors of the Corporation for the ensuing year and authorize the board of directors to fix the remuneration of the auditors;
- (d) to consider, and if deemed advisable, to pass an ordinary resolution to re-approve the Corporation’s existing stock option plan;
- (e) to consider, and if deemed advisable, to pass, a special resolution authorizing an amendment to the articles of the Corporation to provide that, between annual and general meetings of the Corporation, the directors of the Corporation may appoint one or more additional directors to serve until the next annual and general meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual and general meeting; and
- (f) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the management information circular (the “**Circular**”) which accompanies, and is deemed to form a part of, this Notice of Meeting.

Registered shareholders who are unable to attend the Meeting in person are requested to complete, sign, date and return the enclosed form of proxy either in the addressed envelope enclosed to Computershare Investor Services Inc., Attn: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or via fax to 1-866-249-7775 (toll free North America) or 1-416-263-9524 (International). Alternatively, registered shareholders may vote by telephone by calling 1-866-732-8683 (toll free) or by using the internet at www.investorvote.com. In each case, proxies must be received not later than 10:00 a.m. (Vancouver time) on Thursday, June 15, 2017, or at least 48 hours (excluding Saturdays and holidays), before the time for holding the Meeting or any adjournment thereof.

Non-registered shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may not be entitled to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253, by fax at 1-866-249-7775 or by e-mail at service@computershare.com.

Dated May 15, 2017.

By Order of the Board of Directors

Marc Prefontaine
Director, President & Chief Executive Officer

**Management Information Circular for
Annual General and Special Meeting of Shareholders**

June 19, 2017

PROXIES

Solicitation of Proxies

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by management (“**Management**”) of Orla Mining Ltd. (the “**Corporation**”) of proxies to be used at the Corporation’s annual general and special meeting of the holders (“**Shareholders**”) of common shares of the Corporation (the “**Common Shares**”) to be held on June 19, 2017 (the “**Meeting**”) or at any adjournment or postponement thereof at the time and place and for the purposes set forth in the accompanying Notice of Meeting. It is anticipated that the solicitations will be made primarily by mail in relation to the delivery of the Circular. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Corporation at nominal cost. The cost of the solicitation will be borne by the Corporation. The Corporation has arranged for Intermediaries (as defined below) to forward the meeting materials to Non-Registered Shareholders (as defined below) and the Corporation may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Appointment and Revocation of Proxies

The person(s) designated by Management in the enclosed form of proxy are directors and/or officers of the Corporation (the “**Management Proxyholders**”). **Each Shareholder has the right to appoint as proxyholder a person (who need not be a Shareholder) other than Management Proxyholders to attend and act on the Shareholder’s behalf at the Meeting or at any adjournment or postponement thereof. Such right may be exercised by striking out the names of the person(s) printed in the accompanying form of proxy and inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another suitable form of proxy and, in either case, delivering the completed and executed form of proxy as provided below.**

In the case of registered Shareholders (“**Registered Shareholders**”), the completed, signed and dated form of proxy should be sent in the addressed envelope enclosed to Computershare Investor Services Inc., Attn: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or via fax to 1-866-249-7775 (toll free North America) or 1-416-263-9524 (International). Alternatively, Registered Shareholders may vote by telephone by calling 1-866-732-8683 (toll free) or by using the internet at www.investorvote.com. In the case of Non-Registered Shareholders who receive these materials through their broker or other Intermediary, the Non-Registered Shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other Intermediary. To be effective, a proxy must be received not later than 10:00 a.m. (Vancouver time) on Thursday, June 15, 2017, or at least 48 hours (excluding Saturdays and holidays), before the time for holding the Meeting or any adjournment thereof.

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing, including another proxy bearing a later date, signed by the Shareholder or by the Shareholder’s attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the Shareholder or by the Shareholder’s attorney, who is authorized in writing, to the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment or postponement of the Meeting, the last business day preceding the day of the adjournment or postponement, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment or postponement thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the Management Proxyholders will be voted or withheld from voting in accordance with the instructions given on the ballot. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of any direction in the instrument of proxy, such Common Shares will be voted in favour of the matters set forth in the accompanying Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, Management is not aware of any such amendment, variation or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment or postponement thereof, the Common Shares represented by properly executed proxies given in favour of the Management Proxyholders will be voted on such matters pursuant to such discretionary authority.

Non-Registered Holders

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. However, in many cases, Shareholders are “non-registered” Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person (a “**Non-Registered Shareholder**”) but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Shareholders do not appear on the list of Shareholders maintained by the transfer agent.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as Non-Objecting Beneficial Owners (“**NOBO's**”). Those Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as Objecting Beneficial Owners (“**OBO's**”).

In accordance with the requirements as set out in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list return card (collectively, the “**Meeting Materials**”) to Intermediaries for onward distribution to NOBO’s and OBO’s. The Corporation does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs. An OBO will therefore not receive the Meeting Materials unless such OBO’s Intermediary assumes the cost of delivery.

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

- (a) Be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the Non-Registered Shareholder must complete the form of proxy and deposit it with the Corporation’s registrar and transfer agent, Computershare Investor Services Inc.,

as provided above. If a Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the Non-Registered Shareholder must strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided; or

- (b) More typically, be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**proxy authorization form**") which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a barcode and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder's behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Holder's behalf), the Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Shareholder.

In either case, the purpose of this procedure is to permit a Non-Registered Shareholder to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Non-Registered Shareholder's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

Only Registered Shareholders have the right to revoke a proxy. A Non-Registered Shareholder who wishes to change its vote must arrange for its Intermediary to revoke its proxy on its behalf.

VOTING SHARES

Voting Shares

The authorized voting securities of the Corporation consist of an unlimited number of Common Shares. As at Record Date (as defined below), the Corporation had 128,241,072 Common Shares outstanding, each carrying the right to one vote. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

The outstanding Common Shares are listed on the TSX Venture Exchange (the "**TSXV**") under the symbol OLA.

Record Date

The board of directors of the Corporation (the "**Board**") has fixed May 15, 2017 (the "**Record Date**") as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. In accordance with the provisions of the *Canada Business Corporations Act* (the "**CBCA**"), the Corporation or its transfer agent will prepare a list of holders of Common Shares on the Record Date. Each Shareholder named in the list or such Shareholder's proxy will be entitled to vote the Common Shares shown opposite such Shareholder's name on the list at the Meeting.

Quorum

A quorum will be present at the Meeting if there are at least two persons present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent Shareholder so entitled, holding or representing in the aggregate not less than 25% of the issued and outstanding Common Shares.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, no person beneficially owned, controlled or directed, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares except the following:

Shareholder	Number of Common Shares	% of Outstanding Common Shares
Pierre Lassonde	16,727,100 ⁽¹⁾	13.04%

Notes:

- (1) Mr. Lassonde also holds warrants to purchase 2,940,000 Common Shares, which upon exercise and together with his Common Shares represents approximately 14.99% of the Common Shares on a partially-diluted basis.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last completed fiscal year or any associate of any such director or executive officer has any material interest, director or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. Directors and executive officers may, however, be interested in the approval of the Stock Option Plan (as defined below) as detailed in “Particulars of Matters to be Acted Upon at the Meeting – Re-Approval of 10% Rolling Stock Option Plan”, as such persons are entitled to participate in the Stock Option Plan.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The Shareholders will receive and consider the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2016 together with the auditor’s report thereon.

Election of Directors

The Board has fixed the number of directors to be elected at the Meeting at seven, with the seven nominees being: Richard Hall, Marc Prefontaine, Hans Smit, Jean Robitaille, Charles A. Jeannes, George Albino, and Tim Haldane. Each director will hold office until the conclusion of the next annual general meeting of the Corporation or until the successor of such director is duly elected or appointed, unless such office is earlier vacated.

In the absence of a contrary instruction, the Management Proxyholders intend to vote FOR the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated opposite the proposed nominee’s name. Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such nominee(s) may be voted by the Management Proxyholders, in their discretion, in favour of another nominee.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person or the person’s associates or affiliates as at the Record Date. The information as to Common Shares

beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually, and such information does not include Common Shares issuable upon the exercise of options, warrants or other convertible securities of the Corporation. Except as indicated below, each of the proposed nominees has held the principal occupation shown beside the nominee's name in the table below or another executive office with the same or a related company, for the last five years.

Name and Municipality of Residence⁽¹⁾	Position(s) with the Corporation	Current Principal Occupation	Director Since	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised
Richard Hall ⁽²⁾ Silverthorne, Colorado USA	Director	Corporate Director, Geologist and Mineral Industry Consultant.	June 10, 2015	2,157,000
Marc Prefontaine ⁽³⁾ Vancouver, British Columbia Canada	Director, President & CEO	Director, President and CEO of the Corporation since June 2015; Professional Geologist.	June 10, 2015	3,241,000 ⁽⁴⁾
Hans Smit Telkwa, British Columbia Canada	Director & COO	Director and COO of the Corporation since June 2015; Professional Geologist and Mining Industry Consultant.	June 10, 2015	2,942,900 ⁽⁵⁾
Jean Robitaille ⁽²⁾ Oakville, Ontario Canada	Director	Senior Vice-President of Agnico Eagle since June 2008.	December 6, 2016 ⁽⁶⁾	656,450
Charles A. Jeannes ⁽²⁾⁽³⁾⁽⁷⁾ Reno, Nevada USA	Director	Proposed non-executive Chairman of the Board; Director of Tahoe Resources Inc. since January 2017, and Wheaton Precious Metals Corp. (formerly Silver Wheaton Corp.) since November 2016.	N/A	590,000
George Albino ⁽³⁾ Boulder, Colorado USA	Director	Director of Eldorado Gold Corporation since October 2016.	N/A	257,000
Tim Haldane ⁽²⁾ Tucson, Arizona USA	Director	Retired mining professional with international project development experience. Most recently held the position of Senior Vice- President of Operations - USA & Latin America at Agnico Eagle Mines Limited from 2014 until February, 2017.	N/A	Nil

Notes:

- (1) The information as to province/state and country of residence, principal occupation or employment and Common Shares beneficially owned is not within the knowledge of the Management and has been furnished by the respective nominees. The description of the principal occupation or employment for all of the proposed nominees is for the past five years.
- (2) Proposed member of the Compensation Committee. The proposed Chair of the Compensation Committee is Richard Hall.
- (3) Proposed member of the Audit Committee. The proposed Chair of the Audit Committee is George Albino
- (4) Includes 2,700,000 Common Shares beneficially owned by Prefex Geological Inc., which Mr. Prefontaine controls.
- (5) Includes 2,700,000 Common Shares beneficially owned by Hans Smit P.Geo Inc., which Mr. Smit controls.
- (6) Mr. Robitaille was appointed to the Board upon completion of the Corporation's acquisition of Pershimco Resources Inc.
- (7) Proposed non-executive chairman of the Board. The current non-executive chairman of the Board is Troy Fierro. Mr. Fierro is not standing for re-election to the Board at the Meeting.

Cease Trade Orders, Bankruptcies, Penalties or Sanction

Other than as set out below, no director or proposed director of the Corporation is, as at the date of this Circular, or has been, within the 10 years preceding the date of this Circular, a director, chief executive officer and chief financial officer of any company (including the Corporation) that:

- (a) while that person was acting in that capacity, was the subject of a cease trade, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (each, an “**Order**”);
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or proposed director of the Corporation has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such director or proposed director.

To the knowledge of the Corporation, as of the date hereof, no proposed director has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

No proposed director of the Corporation is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Corporation acting solely in such capacity.

Hans Smit

In August 2014, Sonoma Resources Inc. (“**Sonoma**”), a reporting issuer in British Columbia and Alberta, was subject to a cease trade order imposed by the British Columbia Securities Commission (the “**BCSC**”) because Sonoma failed to file a comparative financial statement for the financial year ended March 31, 2014. Mr. Smit was a director of Sonoma at the time. Sonoma subsequently filed its financial statements for the periods ended March 31, 2014, June 30, September 30, 2014, and December 31 2014, along with the related management discussion and analysis and certifications. In 2015, BCSC issued Revocation Orders allowing Sonoma to effect certain transactions to complete a reverse take-over with Element Lifestyle Retirement Inc.

Appointment of Auditors

The Board proposes to appoint Davidson & Company LLP, Chartered Accountants, as auditors of the Corporation at remuneration to be fixed by the Board.

On December 28, 2016, the Corporation's former auditors, Manning Elliot LLP, agreed to resign and Davidson & Company LLP was appointed as the auditors of the Corporation. A copy of the "reporting package" in respect of the change of auditors is attached as Schedule "B" to this Circular.

In the absence of a contrary instruction or if no choice is specified in the proxy with respect to the following matter, the Management Proxyholders intend to vote FOR the appointment of Davidson & Company LLP as auditors of the Corporation to hold office until the next annual general meeting of Shareholders or until a successor is appointed and authorizing the Board to fix the remuneration of the auditors.

Re-Approval of 10% Rolling Stock Option Plan

At the Meeting, Shareholders will be asked to re-approve the Corporation's existing rolling stock option plan (the "**Stock Option Plan**"). The Stock Option Plan was approved by Shareholders, including former shareholders of Pershimco Resources Inc. ("**Pershimco**") at the special meetings held by each of the Corporation and Pershimco on November 30, 2016, in connection with the plan of arrangement between the Corporation and Pershimco (the "**Pershimco Acquisition**").

The following is a summary of certain key terms of the Stock Option Plan.

Eligibility

Directors, employees and consultants of the Corporation or any of its subsidiaries (each as described in the Stock Option and each, an "**Eligible Person**") are eligible to receive options under the Stock Option Plan.

Common Shares Subject to Stock Option Plan

The Stock Option Plan provides that the maximum number of Common Shares which may be made subject to options under the Stock Option Plan at any time and from time to time shall not exceed 10% of the total number of Common Shares then issued and outstanding.

Limits with Respect to Insiders

- (a) The maximum number of Common Shares which may be reserved for issuance under options granted to insiders (as a group), together with any other of the Corporation's previously established and outstanding stock option plans or grants, shall be 10% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis); and
- (b) The maximum number of options which may be granted to insiders (as a group), together with any other of the Corporation's previously established and outstanding stock option plans or grants, within any 12 month period shall be 10% of the issued Common Shares, calculated on the date an option is granted to any insider (on a non-diluted basis).

Limits with Respect to Consultants and Investor Relations Persons

- (a) The maximum number of options which may be granted to any one consultant, together with any other of the Corporation's previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed 2% of the issued Common Shares, calculated at the date an option is granted to such consultant (on a non-diluted basis).

- (b) The maximum number of options which may be granted to all investor relations persons, together with any other of the Corporation's previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed, 2% of the issued Common Shares, calculated at the date an option is granted to any such investor relations person (on a non-diluted basis).

Exercise of Options

The exercise of options issued may not be less than the "market price" (as set out in the Stock Option Plan) of the Common Shares at the time the option is granted, less any discounts allowed by the TSXV (subject to the minimum exercise price allowed by the TSXV). Subject to the provisions of the Stock Option Plan and the particular option, an option may be exercised by delivering a written notice of exercise to the Corporation along with payment in cash or certified cheque for the full amount of the purchase price of the Common Shares then being purchased.

Term and Expiry Dates

The period within which options may be exercised and the number of options which may be exercised in any such period are determined by the Board at the time of granting the options provided, however, that the maximum term of any options awarded under the Stock Option Plan is 10 years.

Termination of Options

An optionee who ceases to be an Eligible Person for any reason, may exercise any vested and unexpired options held by such optionee for a period of 90 days from the date of cessation, or 30 days if the Eligible Person is engaged in investor relations activities (in each case unless such period is extended by the Board to a maximum of 12 months from cessation). In the event of death of an optionee, the optionee's representative may exercise any vested and unexpired options held by the optionee for a period of 12 months from the optionee's death (unless such period is extended by the Board). Any extension of the exercise period by the Board is subject to the approval of the TSXV.

Transferability

Options granted under the Stock Option Plan will be non-assignable and non-transferable by an optionee other than pursuant to a will or by the laws of descent and distribution, and such option will be exercisable, during an optionee's lifetime, only by the optionee.

Capital Changes, Corporate Transactions and Change of Control

The Stock Option Plan contains provisions for the treatment of options in relation to capital changes and with regard to a reorganization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Corporation. The Stock Option Plan provides that if the Corporation is subject to any such corporate change, the Board has the discretion, subject to certain exceptions, with respect to adjustments in the aggregate number and kind of shares available under the Stock Option Plan. If the Corporation determines that, in the event of a transaction, offer or proposal which would constitute an Acceleration Event (as defined in the Stock Option Plan), no adjustment to the options will be made, all options will immediately vest so that the optionee may participate in such transaction, offer or proposal. In such case, the Board also has the discretion to accelerate the expiry date of any outstanding Options in connection with such Acceleration Event.

Amendment and Termination of the Plan

The Board may at any time amend or terminate the Stock Option Plan, but where amended, such amendment is subject to regulatory approval.

Pursuant to the rules of the TSXV, all unallocated options, rights or other entitlements under a security based compensation arrangement that does not have a fixed maximum number of securities issuable, such as the Stock Option Plan, must be re-approved by a majority of the Shareholders every year. Accordingly, the Stock Option Plan,

which does not have a fixed maximum number of securities issuable there under, will be submitted to the Shareholders for approval every year after the Meeting.

Approval Required for Stock Option Plan

The resolution respecting the Stock Option Plan (the “**Option Plan Resolution**”) must be approved by a majority of the votes cast by the Shareholders present or represented by proxy at the Meeting. The text of the Option Plan Resolution is set out below.

“IT IS RESOLVED THAT as an ordinary resolution:

1. subject to regulatory approval, and with or without amendments as may be required by the TSXV, the Plan is hereby ratified, confirmed and approved;
2. the Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Corporation as is equal to 10% of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and
3. any one director or officer of the Corporation is authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The Board recommends that Shareholders vote FOR the approval of the Option Plan Resolution. Common Shares represented by proxies in favour of the Management Proxyholders will be voted in favour of the Option Plan Resolution, unless a Shareholder has specified in his proxy that his or her Common Shares are to be voted against the Option Plan Resolution.

Appointment of Directors by the Board

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, to pass a special resolution (the “**Director Appointment Resolution**”) authorizing an amendment to the articles of the Corporation to provide that, between annual and general meetings of the Corporation, the directors of the Corporation may appoint one or more additional directors to serve until the next annual and general meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual and general meeting.

The Board recommends that Shareholders vote FOR the Director Appointment Resolution as set forth below. In order to be effective, the Director Appointment Resolution must be approved by the affirmative vote of not less than 66⅔% of the votes cast at the Meeting in respect of such resolution.

Reasons for the Amendment.

The CBCA provides that the directors may, if the articles of the Corporation so provide, appoint one or more additional directors, who shall hold office for a term expiring not later than the close of the next annual meeting of Shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of Shareholders. The Board considers that it is in the best interests of the Corporation to amend its articles to benefit from this provision of the CBCA. The Board believes that Shareholder approval of this amendment will provide the Corporation with the flexibility, should one or more suitable candidates be identified throughout the year, to take strategic advantage of such candidate’s skill set and competencies and to ensure that there is appropriate representation on the Board and its committees in between annual meetings of Shareholders, with a view to best practices and applicable securities laws.

Director Appointment Resolution

Shareholders are being asked to pass the following special resolution to approve the amendment to the articles of the Corporation.

“IT IS RESOLVED THAT as a special resolution:

1. the articles of the Corporation be amended to provide that, between annual and general meetings of the Corporation, the directors of the Corporation may appoint one or more additional directors to serve until the next annual and general meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual and general meeting; and
2. any one director or officer of the Corporation is authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution; and
3. notwithstanding the passing of this resolution by the shareholders of the Corporation, the directors are authorized, in their discretion, to abandon, at any time, the application for amendment to the articles under the Canada Business Corporations Act without further approval or authorization of the shareholders of the Corporation.”

The Board recommends that Shareholders vote FOR the approval of the Director Appointment Resolution. Common Shares represented by proxies in favour of the Management Proxyholders will be voted in favour of the Director Appointment Resolution, unless a Shareholder has specified in his or her proxy that his or her Common Shares are to be voted against the Director Appointment Resolution.

STATEMENT OF CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and accountable to the Shareholders, and accounts for the role of management who are appointed by the Board and charged with the day-to-day management of the Corporation. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation, and the Board oversees the Corporation’s operations as they relate to corporate governance matters. The Board is responsible for: (i) developing the Corporation’s approach to Board governance issues and the Corporation’s response to the corporate governance guidelines (the “**Guidelines**”) set forth in National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”) as such policy may be amended, supplemented or replaced from time to time; (ii) reviewing the composition, compensation and contribution of the Board and its members and recommending Board nominees; (iii) producing a director’s manual to use in the orientation program for new directors; (iv) helping to maintain an effective working relationship between the Board and management; and (v) exercising, within the limits imposed by the by-laws of the Corporation, applicable laws, and the Board, the powers of the Board for the management and direction of the affairs of the Corporation (“**Executive Functions**”) when (a) time or logistical constraints do not permit a meeting of the full Board during intervals between scheduled meetings or (b) specific transactions or actions have previously been approved in principle by the full Board and subsequently require a specific resolution for formal approval.

The Guidelines address matters such as the constitution and independence of corporate boards and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires the Corporation to disclose annually in Circular certain information concerning its corporate governance practices.

During the fiscal year ended December 31, 2016, the Board met formally seven times.

Set out below is a description of the Corporation’s approach to corporate governance in relation to the Guidelines.

Independence of Board of Directors

NI 58-101 defines an “independent” director as a director who has no direct or indirect material relationship with the Corporation. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment. The Board is currently comprised of seven members. The Board has determined that four out of the seven members are “independent” directors within the meaning of NI 58-101.

Marc Prefontaine and Hans Smit were not considered “independent” as a result of their roles as executive officers. Aaron Wolfe was also not considered “independent” as a result of his past position as Chief Executive Officer of the Corporation. The remaining directors, during the year ended December 31, 2016, being Richard Hall, Troy Fierro, Alain Bureau and Jean Robitaille, were considered to be “independent” directors of the Corporation. In 2016, Mr. Kerry Sparkes was also considered to be an independent director prior to his resignation.

If the proposed nominees put forth by Management are elected at the Meeting, the Board will be comprised of seven directors, five of whom (Richard Hall, Jean Robitaille, Charles A. Jeannes, George Albino and Tim Haldane) will be considered “independent” directors and two of whom (Marc Prefontaine, and Hans Smit) will not be considered “independent” for the reasons stated above.

To enhance its ability to act independent of management, the members of the Board may meet in the absence of members of management and the non-independent directors or may excuse such persons from all or a portion of any meeting where a potential conflict of interest arises or where otherwise appropriate.

Other Reporting Issuer Directorships

The following table sets forth the directors and director nominees of the Corporation who currently hold directorships in other reporting issuers:

Name	Name of Reporting Issuer	Exchange	Term
Richard Hall	IAMGold Corporation	TSX, NYSE	2012 to Present
	Kaminak Gold Corporation	TSXV	2013 to Present
	Klondex Mines Ltd.	TSXV	2014 to Present
Charles A. Jeannes	Wheaton Precious Metals Corp.	TSX, NYSE	2016 to Present
	Tahoe Resources Inc.	TSX, NYSE	2017 to Present
George Albino	Eldorado Gold Corp.	TSX, NYSE	2016 to Present

Orientation and Continuing Education

In addition to the director’s manual, produced by the Board for the new director orientation program, information such as recent annual reports, prospectuses, proxy solicitation materials, various other operating and budget reports and board and committee mandates are provided to new Board members to ensure that they are familiar with the Corporation’s business and the procedures of the Board. In addition, directors are encouraged to visit and meet with Management on a regular basis. The Corporation also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Corporation.

Ethical Business Conduct

Ethical business behaviour is of great importance to the Board and Management. The Corporation has instituted policies on disclosure, insider trading and whistle-blowing to educate and inform all staff and personnel on the procedures for reporting fraudulent or illegal acts as well as any behaviour that is inconsistent with the Corporation's code of conduct.

In addition, as some of the directors of the Corporation 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 CBCA, as well as the relevant securities regulatory instruments, in order 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 interest and is not entitled to vote at meetings which involve such conflict.

Nomination of Directors

The Board is responsible for reviewing the composition, compensation and contribution of the Board and its members and recommending Board nominees.

While there are no explicit criteria for Board membership, the Board attempts to attract and maintain directors with relevant business knowledge in areas such as mining, accounting and finance. Nominations tend to be the result of recruitment efforts by Management and discussions among the members of the Board prior to the consideration of the Board as a whole.

Compensation

Until December 6, 2016, the Corporation had not established a Compensation Committee, and compensation matters were determined by the independent members of the Board, being Messrs Richard Hall, Troy Fierro and Kerry Sparkes (the "Independent Members"). The Independent Members were responsible for: (a) human resources policies and practices; (b) compensation policies and guidelines; (c) management incentive and perquisite plans; (d) senior management and officer appointments and compensation; (e) management succession and development plans and termination policies and arrangements; and (f) the human resources structure. The Independent Members were also responsible for making determinations on director and CEO compensation, reviewing and approving the recommendations of the CEO with respect to senior executive compensation, and various other matters.

On December 6, 2016, the Board formed the Compensation Committee and formally appointed the Independent Members to the Compensation Committee. On December 23, 2016, Mr. Sparkes was replaced as member of the Compensation Committee by Mr. Marc Prefontaine, when Mr. Sparkes ceased to be a director of the Corporation. Mr. Prefontaine is not considered independent for the reasons stated above. Mr. Hall is the current Chair of the Compensation Committee.

Following the Meeting, the Board proposes to appoint Richard Hall, Tim Haldane, Jean Robitaille, and Charles Jeannes to the Compensation Committee.

Please see "Statement of Executive Compensation - Compensation Discussion and Analysis" below for details regarding the Corporation's objectives and philosophy regarding executive compensation and the application of this philosophy to the Corporation's executive compensation arrangements. It also provides an analysis of the Corporation's compensation design. The Board has reviewed with senior management the Compensation Discussion and Analysis and, based on such review, has determined that the Compensation Discussion and Analysis be included in this Circular.

Audit Committee Information

From January 1, 2016 to December 23, 2016, the Audit Committee was comprised of Messrs. Troy Fierro, Kerry Sparkes, and Aaron Wolfe. On December 23, 2016, Mr. Sparkes was replaced as member of the Compensation Committee by Marc Prefontaine, when Mr. Sparkes ceased to be a director of the Corporation. Mr. Fierro is the current Chair of the Audit Committee.

The Audit Committee is responsible for the Corporation's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Corporation's 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 Corporation's external auditors. The Audit Committee also assists the Board in fulfilling its responsibilities in reviewing the Corporation's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors. The Audit Committee is also responsible for reviewing the Corporation's financial strategies, its financing plans and its use of the equity and debt markets. During the fiscal year ended December 31, 2016, the Audit Committee met four times.

Following the Meeting, the Board proposes to appoint George Albino, Charles Jeannes and Marc Prefontaine to the Audit Committee. Each of the proposed appointees is considered to be independent directors of the Corporation other than Mr. Prefontaine who is not considered to be independent as a result of his role as an executive officer.

The full text of the Audit Committee's charter is attached as Schedule "A" to this Circular.

Composition of the Audit Committee

The Audit Committee of the Corporation is currently comprised of the following members of the Board:

Name	Position	Independent⁽¹⁾	Financial Literacy
Troy Fierro	Director	Yes	Yes
Aaron Wolfe	Director	No	Yes
Marc Prefontaine	Director	No	Yes

Note:

- (1) During fiscal 2016, the Corporation relied on the exemption provided by Section 6.1 of NI 52-110 – *Audit Committee* ("**NI 52-110**") which provides that the Corporation, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) of NI 52-110.

Audit Committee Member Information

The following table describes the education and experience of each current and proposed Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

George Albino	Dr. Albino, Ph.D. was a Managing Director and Mining Analyst at GMP Securities, L.P., Research Division from 2010 until 2016. Prior to this, he was an Analyst at Macquarie Capital Markets Canada Ltd., Research Division from June 2002 until 2010, focusing on North American precious metal producers and exploration companies as well as base metal, uranium and diamond companies. Dr. Albino has over 35 years of experience in mining and finance, having been a geologist for 18 years and as a highly-ranked sell side analyst covering mining (principally gold) stocks for 19 years. Before joining the financial services side of the business, he worked for 18 years in the mining industry, academia and government as an Exploration and Research Geologist exploring for precious metals, base
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	metals and diamonds. He is also currently a Director of Eldorado Gold Corporation. Dr. Albino has a Ph.D. from The University of Western Ontario, an M.S. from the Colorado State University and a B.A.Sc. from Queen's University.
Charles Jeannes	Mr. Jeannes served as President and Chief Executive Officer of Goldcorp Inc. from 2009 until April, 2016, and Executive Vice President, Corporate Development from 2006 until 2008. From 1999 until the acquisition of Glamis Gold Ltd. (" Glamis ") by Goldcorp, he was Executive Vice President, Administration, General Counsel and Secretary of Glamis. Prior to joining Glamis, Mr. Jeannes worked for Placer Dome Inc., most recently as Vice President of Placer Dome North America. He is also currently a Director of Tahoe Resources Inc. and Wheaton Precious Metals Corp. (formerly Silver Wheaton Corp.) and serves as a University of Nevada, Reno (" UNR ") Foundation Trustee (a non-profit Board). He holds a Bachelor of Arts degree from UNR and graduated from the University of Arizona School of Law with honours in 1983. He practiced law from 1983 until 1994 and has broad experience in capital markets, mergers and acquisitions, public and private financing and international operations.
Marc Prefontaine	Mr. Prefontaine served as President and CEO of Grayd Resource Corporation (" Grayd ") for eight years. During his tenure, Grayd grew from a small exploration company with a market capitalization of \$5 million to a successful development-stage company culminating with its 2011 acquisition by Agnico Eagle Mines for \$275 million. Mr. Prefontaine is a director of Santa Cruz Silver Mining Ltd. Prior to Grayd, Mr. Prefontaine worked internationally for Teck Resources, Hunter Dickinson, Northair Group and Lac Minerals. He ran exploration projects and offices throughout North America, South America, Southern Africa, Asia and Central Asia. Mr. Prefontaine graduated with a B.Sc. in Geology from the University of Alberta and a M.Sc. in Mineral Exploration from Queen's University and has over 25 years of Professional Geologist experience.
Troy Fierro	Troy Fierro is a successful mining engineer with over 30 years of industry experience. He has previously held executive positions with Fronteer Gold Inc., Metallica Resources Inc. (" Metallica "), and Coeur d'Alene Mines, where he has overseen the development, construction or management of mines in Nevada, Mexico, Argentina, Chile, and Alaska. At Fronteer Gold, which was acquired by Newmont for \$2.1 billion, Mr. Fierro acted as Chief Operating Officer. He was Vice President Operations of Metallica where he played the lead role in the construction of the Cerro San Pedro Mine in Mexico. In August 2008, Metallica was part of a \$1.6 billion merger with Peak Gold Ltd. and New Gold Inc. Mr. Fierro was also a director of Timberline Resources and Grayd, which was acquired by Agnico-Eagle Mines Limited in December 2011. Mr. Fierro graduated with a B.Sc. in Mine Engineering from South Dakota School of Mines where he served on the Advisory Board. Mr. Fierro is also a director of Pure Gold Mining Inc.
Aaron Wolfe	Aaron Wolfe is the founder and president of Asset Strategy Corp., which specializes in strategic business development, corporate finance and transaction advisory for high-growth public and private companies, as well as the eco-system that supports them. He has over 12 years of experience in equity capital markets in Canada and cross-border, have specialized in providing strategic corporate development, mergers and acquisitions and corporate finance advisory to small/mid-market public and private companies

External Auditor Service Fees

	2016 Fee Amount	2015 Fee Amount
Audit Fees ⁽¹⁾	\$85,250	\$8,475
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	\$6,525	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total:	\$91,775	\$8,475

Notes:

- (1) "Audit fees" include fees rendered by the Corporation's external auditor for professional services necessary to perform the annual audit and any quarterly reviews of the Corporation's financial statements. This includes fees for the review of tax provisions and for accounting consultations on matters reflected in the financial statements.
- (2) "Audit-related fees" include fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and that are not included in the "Audit Fees" category.
- (3) "Tax fees" include fees for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include fees for products and services provided by the Corporation's external auditor, other than services reported under the table headings "Audit Fees", "Audit-Related Fees" or "Tax Fees".

Pre-Approval Policy for Services of Independent Auditors

As part of its duties, the Audit Committee is required to pre-approve all non-audit services performed by the independent auditors in order to assure that the provision of such services does not impair the auditors' independence. In considering the appointment of the auditor for non-audit services, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee does not delegate to Management its responsibilities to pre-approve services performed by the independent auditors.

Assessment of Board Performance

As noted above, the Board is responsible for reviewing the contribution and effectiveness of the Board, its committees and its members. The Board:

- (a) reviews and reports to the Board annually on the size, composition and profile of the Board (age, geographical representation, disciplines, related vs. unrelated, etc.). In its review of the size of the Board, the Board will evaluate the impact of the number of Board members upon its effectiveness and, if required, implement a program to modify the number of directors to facilitate more effective decision-making;
- (b) reviews annually the continued compliance by nominees to the Board to be named in the management information circular for re-election with the criteria underlying the appointment of each director;
- (c) reviews annually: (i) compliance by Board members with the Corporation's policy on conflicts of interest; (ii) the status and contribution of members of the Board and committees of the Board; and (iii) the performance of the Board and its committees, and reports to the Board thereon. This report, where appropriate, will include an assessment of the areas in which the Board believes a better contribution could be made and recommendations to improve the performance of the Board, its members and its committees; and

- (d) reviews annually the Board/management relationship and recommends to the Board structures and procedures to ensure that the Board can function independently of management.

The Board did not conduct a formal review as noted above for the fiscal year ended December 31, 2016.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Securities law requires that a “Statement of Executive Compensation” in accordance with Form 51-102F6 be included in this Circular. Form 51-102F6 prescribes the disclosure requirements in respect of the compensation of the executive officers and directors of reporting issuers. Form 51-102F6 provides that compensation disclosure must be provided for (i) the Chief Executive Officer and Chief Financial Officer of an issuer; (ii) each of the issuer’s (including any of its subsidiaries) three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer whose total salary and bonus exceeds \$150,000, and (iii) each individual who would fall under (ii) but for the fact that the individual was neither an executive of the company of its subsidiaries, all as at the end of the last completed financial year. Based on these requirements, for the fiscal year ended December 31, 2016, the executive officers of the Corporation for whom disclosure is required under Form 51-102F6 are Marc Prefontaine, President and Chief Executive Officer, Paul Robertson, Chief Financial Officer and Hans Smit, Chief Operating Officer (collectively the “Named Executive Officers”).

Compensation Discussion and Analysis

The Compensation Discussion and Analysis section of this Circular sets out the Corporation’s objectives and philosophy regarding executive compensation and the application of this philosophy to the Corporation’s executive compensation arrangements. It also provides an analysis of the Corporation’s compensation design, and the decisions the Compensation Committee made in fiscal 2016 with respect to the Named Executive Officers. When determining the compensation arrangements for the Named Executive Officers, the Compensation Committee considers the objectives of: (i) retaining an executive critical to the success of the Corporation and the enhancement of Shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of Management and Shareholders; (iv) rewarding performance, both on an individual basis and with respect to the business in general; and (v) ensuring recognition of the fact that the Corporation carries on business with a small number of executive officers relative to other public companies of similar size.

Compensation Governance

From January 1, 2016 to December 6, 2016, the Independent Members were responsible for determining compensation for the Board and the CEO and reviewing and approving the recommendations of the CEO with respect to senior executive compensation. As a result of the Corporation’s growth in connection with the Pershimco Acquisition, on December 6, 2016, the Board formed the Compensation Committee to formally assume these responsibilities. At that time, each of the Independent Members was appointed as members of the Compensation Committee. On December 23, 2016, when Mr. Sparkes ceased to be a director of the Corporation, he was replaced as member of the Compensation Committee by Mr. Marc Prefontaine. Mr. Prefontaine is not considered to be an independent director. All decisions with respect to Mr. Prefontaine’s compensation were made by the Independent Members.

During fiscal 2016, the Independent Members and later the Compensation Committee, met on compensation matters as and when required with respect to executive compensation. The primary goal of the meetings as they related to compensation matters was to ensure that the compensation provided to the Named Executive Officers was determined with regard to the Corporation’s business strategies and objectives, such that the financial interest of the executive officers were aligned with the financial interest of Shareholders, and to ensure that their compensation was fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Independent Members and later the Compensation Committee were given the authority to engage and compensate any outside advisor that was determined to be necessary to carry out their duties.

To determine compensation payable for fiscal 2016, the Independent Members and later the Compensation Committee, reviewed compensation paid for directors and Chief Executive Officers of companies of similar size and stage of development in the mineral exploration industry and determined an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. However, formal benchmarking was not completed. In setting the compensation, the performance of the Chief Executive Officer was reviewed in light of the Corporation's objectives and other factors were considered that may have impacted the success of the Corporation in achieving its objectives.

As a result of the continued growth of the Corporation and the proposed changes to the composition of the Board, following the Meeting, the Board proposes to appoint Messrs. Richard Hall, Tim Haldane, Jean Robitaille and Charles Jeannes to the Compensation Committee, all of whom are considered to be independent directors. The newly constituted Compensation Committee may undertake a review of the compensation programs subsequent to their appointment.

As a whole, each of the Independent Members and the current and proposed members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling such directors in making informed decisions on the suitability of the Corporation's compensation policies and practices. Each of these directors have experience on the board of directors and related committees of other public companies, as described under "Particulars of Matters to be Acted Upon - Election of Directors" and "Statement of Corporate Governance - Audit Committee Member Information" in this Circular.

Independent Compensation Consultant

In the financial years ending December 31, 2016 and 2015, neither the Board nor the Independent Members nor the Compensation Committee retained a compensation consultant or advisor to assist the Board, the Independent Members or the Compensation Committee in determining the compensation for any of the Corporation's executive officers' or directors' compensation.

Benchmarking

The Board and the Compensation Committee may consider many factors when designing and considering executive compensation arrangements for the CEO and reviewing and making recommendations for compensation arrangements for the other executive officers of the Corporation including the Named Executive Officers. The Corporation typically does not position executive pay to reflect a single percentile within the peer group for each executive. Rather, in determining the compensation level for each executive, the Board (with respect to the CEO) and the CEO (with respect to the other executive officers) may look at a variety of factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement, the compensation paid by the Corporation's peer group and other companies identified by relevant market survey data, and pay equity considerations.

The starting point for the general market analysis is the analysis of comparable market data. For fiscal 2016, the Board and the Independent Members determined that the various companies identified by the Corporation as having similar attributes as the Corporation would constitute the Corporation's Canadian peer group for general market purposes (not formal benchmarking). In addition, Canadian mining companies with market capitalization similar to the Corporation were also considered as general market comparators. The Board (with respect to the CEO) and the CEO (with respect to the other executive officers) then reviewed market data for the peer group and the relevant Canadian mining companies to determine where base salaries and total cash compensation for the Named Executive Officers should be appropriately positioned. While these general market comparisons represent useful guidelines, discretion may be used in setting individual executive pay so that it appropriately reflects the value and contributions of each executive, as well as the executive's leadership, commitment to the Corporation's values and potential for advancement.

For fiscal 2016, a range of factors were analyzed by the Board and the Independent Members for each member of the peer group, including: (i) financial size and performance metrics; (ii) number, type and stage of resource properties; (iii) business operations and the extent that they overlap with the Corporation's business operations; and (iv) other

indicia of common managerial skill sets. It is anticipated that the peer group will change if the Corporation's size or business operations change, or if the peer group companies show changes in their businesses or operations.

Recommendations of Management

For fiscal 2016 compensation, the Independent Directors developed, and going forward the Compensation Committee will develop, pay strategies and recommendations for the CEO. The Independent Directors did have, and the Compensation Committee will have, the sole authority to approve compensation decisions made with respect to the CEO.

With respect to the Corporation's other senior management and employees, it is the CEO who develops the pay strategies and recommendations, which the Compensation Committee (for fiscal 2016, the Independent Directors) then reviews and discusses. However, the authority to approve those strategies and recommendations resides with different parties according to the employee's level. For senior management, decisions must be approved by the CEO, subject to the Compensation Committee's overall review and acceptance.

Elements of Compensation

The compensation paid to the Named Executive Officers in any year may consist of three primary components:

1. base salary;
2. annual discretionary bonus incentive; and
3. a long-term incentive in the form of stock options granted under the Stock Option Plan.

The Corporation believes that making a significant portion of the Named Executive Officers' compensation both variable and long-term supports the Corporation's executive compensation philosophy, as these forms of compensation primarily depend on performance. At the same time, the Corporation emphasizes option-based compensation to allow those most accountable for the Corporation's long-term success to acquire and hold Common Shares. The key features of the three primary components of compensation are described below.

Base Salary

Base salary recognizes the value of an individual to the Corporation based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which the Corporation competes for talent. Base salaries for the Named Executive Officers are reviewed annually (for the CEO, by the Compensation Committee, and for the other executive officers, by the CEO). Any change in base salary of a Named Executive Officer will generally be determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to the Corporation (in particular, the peer group members described above) and a review of the performance of the Corporation as a whole and the role the executive officer played in such corporate performance.

Annual Discretionary Bonus Incentive

The Corporation does not have any annual performance bonus plan. However, the Compensation Committee may recommend, and the Board may approve, an annual discretionary bonus based on an individual or the Corporation achieving certain designated objectives and for superior or exceptional performance in relation to such objectives. No discretionary bonus has been paid so far.

Stock Option Awards

The Corporation provides long-term incentive to the Named Executive Officers in the form of stock options as part of its overall executive compensation strategy. For a description of the material terms of the Stock Option Plan and option grants to Named Executive Officers, see “Statement of Executive Compensation - Named Executive Officers - Outstanding Option-Based Awards” and “Securities Authorized for Issuance Under the Equity Compensation Plan” below. The Board believes that stock option grants serve the Corporation’s executive compensation philosophy in several ways. It helps attract, retain and motivate talent. It aligns the interests of the Named Executive Officers with those of Shareholders by linking a significant portion of the officer’s total pay opportunity to share price and it provides long-term accountability.

Typically, stock options are granted to a Named Executive Officer under the Stock Option Plan shortly following the filing of the annual financial statements for each fiscal year. For fiscal 2016, in determining the long-term incentive component of the Named Executive Officers’ compensation, the Board considered, among other factors, the recommendations of the CEO, the Corporation’s performance and relative shareholder return, the value of similar incentive awards to executive officers at comparable companies and awards given to the Named Executive Officers in past years.

In 2016, there were no options issued to the Named Executive Officers. See “Statement of Executive Compensation - Summary Compensation Table” and “Statement of Executive Compensation - Named Executive Officers - Outstanding Option-Based Awards”.

Executive Benefit Plans and Other Elements of Compensation

Currently, the Corporation does not provide any group benefit plans. Should the Corporation make group benefit plans available to substantially all employees in the future, the Named Executive Officers who are employees will be able to participate. The Corporation does not provide any post-retirement benefits to any of the Named Executive Officers or employees of the Corporation.

Risks Associated with the Corporation’s Compensation Policies and Practices

Given that the Corporation remains at an early stage of development, the Board has not formally assessed the implications of the risks associated with the Corporation’s compensation policies and practices. However, the Corporation does not believe that its compensation programs encourage excessive or inappropriate risk taking as the Corporation’s employees receive both fixed (salary) and variable compensation (discretionary bonus and options) designed to balance the level of risk-taking while focusing on generating long-term value.

Policy on Purchase of Financial Instruments

Given that the Corporation remains at an early stage of development, the Board has not currently adopted a policy regarding the purchase by Named Executive Officers or directors of financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Summary Compensation Table

The following table summarizes the compensation paid to or earned by the Named Executive Officers during the financial years ended December 31, 2016, 2015, and 2014.

Name and Principal Position of Named Executive Officer	Year ⁽¹⁾	Salary (\$)	Option-based awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
				Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Marc Prefontaine CEO ⁽³⁾	2016	\$83,333	Nil	Nil	Nil	Nil	\$40,000 ⁽⁶⁾	\$123,333
	2015	Nil	\$45,191	Nil	Nil	Nil	\$10,000 ⁽⁶⁾	\$55,191
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Robertson CFO ⁽⁴⁾	2016	Nil	Nil	Nil	Nil	Nil	\$143,418 ⁽⁷⁾	\$143,418
	2015	Nil	\$45,191	Nil	Nil	Nil	\$22,848 ⁽⁷⁾	\$68,039
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Hans Smit COO ⁽⁵⁾	2016	\$20,833	Nil	Nil	Nil	Nil	\$102,500 ⁽⁸⁾	\$123,333
	2015	Nil	\$45,191	Nil	Nil	Nil	\$10,000 ⁽⁸⁾	\$55,191
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Fiscal year ended December 31.
- (2) The fair value of stock options is estimated on the date of grant using the Black-Scholes pricing model. The following assumptions were used in the fair value calculation: Risk-free interest rate – 0.80%; Expected life – 2.41 years; Expected annualized volatility - 180%; Expected dividend rate - 0%. The Corporation selected the Black-Scholes model given its prevalence of use within North America.
- (3) Mr. Prefontaine began as CEO on June 10, 2015 replacing Mr. Aaron Wolfe.
- (4) Mr. Paul Robertson began as CFO on June 10, 2015, replacing Mr. John Hickey.
- (5) Mr. Hans Smit began as COO on June 10, 2015.
- (6) Fees paid to Pref-Ex Geological Inc. for CEO related service, a corporation of which Mr. Prefontaine controls.
- (7) Fees paid to Quantum Advisory Partners LLP for CFO and non-CFO related services (including full-cycle accounting, tax compliance, and corporate secretarial), a registered limited liability partnership, of which Mr. Robertson is an incorporated partner.
- (8) Fees paid to Hans Smit, P.Geo. Inc., for COO related service, a corporation of which Mr. Smit controls.

Narrative Discussion

Option Based Awards: An option-based award is in the form of an incentive stock option. The objective of the incentive stock option is to reward the individual performance of NEOs, employees and directors, at the discretion of the Board. For details of the Stock Option Plan please see above under the heading “Particulars of Matters to be Acted Upon at the Meeting – Re-Approval of 10% Rolling Stock Option Plan”. The process the Corporation uses to grant option-based awards to executive officers is upon review by the Board. All previous grants of option-based awards are taken into account when considering new grants.

Consulting Fees: Fees for consulting services are paid by the Corporation at competitive rates for work of a similar nature by reputable arms-length service providers. These fees are accounted for in the table above under “all other compensation”.

Named Executive Officers - Outstanding Option-Based Awards

The table below reflects the option-based awards granted to each Named Executive Officer and outstanding as at December 31, 2016. The Corporation does not have any other equity incentive plans other than its Stock Option Plan.

Name and Principal Position of Named Executive Officer	Option-based Awards			
	Number of Securities Underlying Unexercised Options ⁽¹⁾⁽²⁾	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽³⁾ (\$)
Marc Prefontaine (CEO)	225,000	\$0.15	Nov 27, 2020	\$247,500
Paul Robertson (CFO)	225,000	\$0.15	Nov 27, 2020	\$247,500
Hans Smit (COO)	225,000	\$0.15	Nov 27, 2020	\$247,500

Notes:

- (1) Each option entitles the holder to purchase one Common Share.
- (2) These options vested on the grant date.
- (3) "In-the-money options" means the excess of the market value of the Common Shares at the Corporation's most recently completed financial year over the exercise price of the options. The last trading price of the Common Shares on the TSXV prior to December 31, 2016 was \$1.25.

Named Executive Officers – Incentive Award Plan - Value Vested or Earned During the Year

The following table provides information concerning the value vested or earned under incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended December 31, 2016. The only incentive award plan of the Corporation during fiscal 2016 was its Stock Option Plan. See "Securities Authorized for Issuance Under the Equity Compensation Plan - Stock Option Plan" below.

Name and Principal Position of Named Executive Officer	Option-Based Awards - Value Vested During the Year (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Marc Prefontaine (CEO)	\$116,156	Nil
Paul Robertson (CFO)	\$116,156	Nil
Hans Smit (COO)	\$116,156	Nil

Note:

- (1) "Value vested during the year" means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

Compensation of Directors

The following table sets out certain information respecting the compensation paid to directors of the Company who were not NEOs during the Corporation's most recently completed financial year:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Troy Fierro	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Hall	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Aaron Wolfe	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alain Bureau ⁽³⁾	Nil	Nil	\$168,544 ⁽⁴⁾	Nil	Nil	\$25,000 ⁽⁵⁾	\$193,544
Jean Robitaille ⁽⁶⁾	Nil	Nil	\$84,272 ⁽⁴⁾	Nil	Nil	Nil	\$84,272
Kerry Sparkes ⁽⁷⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) See the NEO Summary Compensation Table above for information regarding the NEOs.
- (2) Deemed fair value of options granted during the fiscal year, based on the Black-Scholes.
- (3) Alain Bureau became director on December 6, 2016, upon completion of the Pershimco Acquisition.
- (4) In connection with the Pershimco Acquisition, options of the Corporation were issued as replacement options for options of Pershimco held.
- (5) Compensation paid for consulting services provided from December 6, 2016 to December 31, 2016.
- (6) Jean Robitaille became director on December 6, 2016, upon completion of the Pershimco Acquisition.
- (7) Kerry Sparkes ceased to be a director on December 23, 2016.

Directors - Option-Based Awards

The following table summarizes the outstanding share-based awards and option-based awards granted to directors of

Name of Director	Option-based Awards			
	Number of securities underlying unexercised options	Option exercise price (\$)	Option expiration date	Value of unexercised in-the money options ⁽¹⁾ (\$)
Troy Fierro	200,000	\$0.15	Nov 27, 2020	\$220,000
Richard Hall	175,000	\$0.15	Nov 27, 2020	\$192,500
Aaron Wolfe	175,000	\$0.15	Nov 27, 2020	\$192,500
Alain Bureau	38,000	\$3.53	Sep 20, 2017	Nil
	38,000	\$1.69	Sep 19, 2018	Nil
	38,000	\$1.48	Oct 1, 2019	Nil
	57,000	\$0.81	Dec 3, 2020	\$25,080
Jean Robitaille	19,000	\$3.53	Sep 20, 2017	Nil
	19,000	\$1.69	Sep 19, 2018	Nil
	19,000	\$1.48	Oct 1, 2019	Nil
	28,500	\$0.81	Dec 3, 2020	\$12,540
Kerry Sparkes	25,000	\$0.50	Jan 14, 2018	\$18,750
	150,000	\$0.15	Nov 27, 2020	\$165,000

Note:

- (1) "In-the-money options" means the excess of the market value of the Common Shares at the Corporation's most recently completed financial year over the exercise price of the options. The last trading price of the Common Shares on the TSXV prior to December 31, 2016 was \$1.25.

Directors – Incentive Plan awards - Value Vested or Earned During the Year

The following table provides information concerning the value vested or earned under incentive award plans of the Corporation with respect to each non-executive director of the Corporation during the fiscal year ended December 31, 2016. The only incentive award plan of the Corporation during fiscal 2016 was the Stock Option Plan. See “Securities Authorized for Issuance Under the Equity Compensation Plan - Stock Option Plan” below.

Name of Director	Option-Based Awards - Value Vested During the Year⁽¹⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Troy Fierro	\$103,250	Nil
Richard Hall	\$90,344	Nil
Aaron Wolfe	\$90,344	Nil
Alain Bureau	\$31,920	Nil
Jean Robitaille	\$15,960	Nil
Kerry Sparkes	\$77,438	Nil

Note:

- (1) “Value vested during the year” means the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date. This amount is calculated by determining the difference between the market price of underlying securities at exercise and the exercise or base price of the options under the option-based award on the vesting date.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLAN

The following table sets forth aggregated information as at December 31, 2016 with respect to the compensation plan of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the third column)
Equity compensation plans approved by security holders	2,618,744	\$0.91	9,031,113
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	2,618,744	\$0.91	9,031,113

Note:

- (1) The only equity compensation plan of the Corporation is the Stock Option Plan, which has been approved by Shareholders.

Stock Option Plan

Please see “Particulars of Matters to be Acted Upon at the Meeting- Re-Approval of 10% Rolling Stock Option Plan” for a summary description of the material terms of the Stock Option Plan.

Termination and Change of Control Benefits

Marc Prefontaine

The employment agreement dated December 1, 2016, between the Corporation and Marc Prefontaine, the President and Chief Executive Officer of the Corporation, provides that if the Corporation terminates Mr. Prefontaine’s employment, without cause and absent a change of control, an amount equal to 12 months of his base salary will be payable to Mr. Prefontaine. If the Corporation terminates Mr. Prefontaine’s employment without cause and within twelve months of a change of control, an amount equal to 24 months of his base salary will be payable to Mr. Prefontaine.

Hans Smit

The employment agreement dated December 1, 2016, between the Corporation and Hans Smit, the Chief Operating Officer of the Corporation, provides that if the Corporation terminates Mr. Smit’s employment, without cause and absent a change of control, an amount equal to twelve months of his base salary will be payable to Mr. Smit. If the Corporation terminates Mr. Smit’s employment without cause and within 12 months of a change of control, an amount equal to 24 months of his base salary will be payable to Mr. Smit.

Paul Robertson

The agreement dated July 28, 2015, between the Corporation and Quantum Advisory Partners LLP (“**Quantum**”), pursuant to which Paul Robertson provides the Corporation with his services as the Chief Financial Officer of the Corporation, provides that the Corporation may terminate the agreement without cause by providing 180 days written notice to Quantum or pay in lieu of thereof. If the Corporation terminates the agreement without cause, and such termination occurs either three months prior to or 12 months following a change of control, Quantum is entitled to receive a lump sum termination fee equal to 24 months of the services fees in effect immediately prior to termination.

Estimated Incremental Payments on Termination or Change of Control

Pursuant to the applicable employment agreements, if a severance payment triggering event had occurred on December 31, 2016, the severance payments that would be payable to each of Messrs Prefontaine, Smit and Robertson would have been as follows:

Name and Position	Termination by the Corporation without cause and absent a change of control (estimated) (\$)	Termination without cause and upon a change of control (estimated) (\$)
Marc Prefontaine President & CEO	250,000	500,000
Hans Smit COO	250,000	500,000
Paul Robertson CFO	Nil	60,000

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and executive officers of the Corporation was indebted to the Corporation or its subsidiaries at any time during the most recently completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the fiscal year ended December 31, 2016, other than directors and officers of the Corporation and Pershimco Resources Inc. who had an interest in the Pershimco Acquisition, informed persons (as such term is defined in NI 51-102) of the Corporation, the proposed directors of the Corporation (as set out in this Circular) and associates and affiliates of any such persons did not have an interest, direct or indirect, in any transactions or proposed transactions of the Corporation, which have materially or would materially affect the Corporation, or any of its subsidiaries.

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc., 3rd Floor 510 Burrard Street, Vancouver, BC, V6C 3B9, is the registrar and transfer agent for the Common Shares.

OTHER BUSINESS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's comparative financial statements for the year ended December 31, 2016 and 2015 and related and management discussion and analysis which can be found under the Corporation's profile on SEDAR at www.sedar.com or on the Corporation's website at www.orlamining.com. Shareholders may also obtain these documents, without charge, upon request to the President at Orla Mining Ltd., Suite 1240 - 1140 West Pender St., Vancouver, B.C. V6E 4G1.

APPROVAL OF MATTERS

Unless otherwise noted, approval of matters to be placed before the Meeting is by an ordinary resolution, which is a resolution passed by a simple majority (50%) of the votes cast by Shareholders entitled to vote and present in person or represented by proxy.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation. DATED as of the 15th day of May, 2017.

"Marc Prefontaine"

MARC PREFONTAINE
Chief Executive Officer

**SCHEDULE “A”
AUDIT COMMITTEE CHARTER**

INTRODUCTION

The primary responsibility of the Audit Committee (the “Committee”) is to oversee Orla Mining Ltd.’s (the, “Company” or “Orla”) financial reporting process on behalf of the Company’s Board of Directors (the “Board”) in order to assist the directors of the Company in meeting their responsibilities with respect to financial reporting by the Company.

Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's annual financial statements.

1. RESPONSIBILITIES AND AUTHORITY

The role, responsibility, authority and power of the Committee includes, but is not be limited to the following:

- (a) the Committee shall be directly responsible for the appointment and termination (subject to Board and shareholder ratification), compensation and oversight of the work of the independent auditors, including resolution of disagreements between management and the independent auditors regarding financial reporting;
- (b) the Committee shall ensure that at all times there are direct communication channels between the Committee and the internal auditors, if applicable, and the external auditors of the Company to discuss and review specific issues, as appropriate;
- (c) the Committee shall discuss with the independent auditors (and internal auditors, if applicable) the overall scope and plans for their audits, including the adequacy of staff. The Committee shall discuss with management and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk and legal risk;
- (d) the Committee shall, at least annually, obtain and review a report by the independent auditors:
 - (i) describing their internal quality control procedures;
 - (ii) reviewing any material issues raised by the most recent internal quality control review, or peer review, or any inquiry or investigation by a government or professional institute or society, within the preceding five years, respecting any independent audit carried out by the independent auditors, and any steps taken to deal with any such issues; and

(iii) outlining all relationships between the independent auditor and the Company in order to assess the auditor's independence;

(e) the Committee shall meet separately, on a regular basis, with management and the independent auditors to discuss any issues or concerns warranting Committee attention. As

part of this process, the Committee shall provide sufficient opportunity for the independent auditors to meet privately with the Committee;

(f) the Committee shall receive regular reports from the independent auditors on critical policies and practices of the Company, including all alternative treatment of financial information within generally accepted accounting principles which have been discussed with management. Where alternative treatment exists, the independent auditors shall be invited to express their opinion as to whether the Company is using best practices;

(g) the Committee shall review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on management's assertion;

(h) the Committee shall review and discuss earnings press releases, as well as information and earnings guidance provided to analysts and rating agencies;

(i) the Committee shall review the interim and annual financial statements and disclosures under management's discussion and analysis of financial condition and results of operations with management and the annual audited statements with the independent auditors, prior to recommending them to the Board for approval, release or inclusion in any reports to shareholders and/or securities commissions;

(j) the Committee shall receive reports, if any, from corporate legal representatives of evidence of material violation of securities laws or breaches of fiduciary duty;

(k) the Committee shall review and ensure that procedures are in place for the receipt, retention and treatment of complaints received by the Company regarding accounting and auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters;

(l) the Committee shall meet as often as it deems appropriate to discharge its responsibilities and in any event at least four times per year. Additional meetings may be held as deemed necessary by the Chair of the Audit Committee (the "Chair") or as requested by any Committee member or the external auditors or management;

(m) the Committee shall review all issues related to a change of auditor, including the information to be included in the notice of change of auditor and the planned steps for an orderly transition;

(n) the Committee shall pre-approve all non-audit services to be provided to the Company by the external auditors;

(o) the Committee shall review and approve the Company's policy with regard to the hiring of current and former partners or employees of the present and former external auditors;

(p) the Committee shall report on all the foregoing matters to the directors of the Company at the next Board meeting following;

(q) at all times, the membership of the Committee shall be such that:

(i) it shall be comprised of no fewer than three members;

(ii) the majority of the members thereof shall be “unrelated directors” or “independent” directors of the Company, as may be defined by the TSX Venture Exchange, the

Ontario Securities Commission or any other regulator to which the Company reports or may report in the future;

(iii) the majority of the members of the Committee shall be financially literate in terms of the ability to read and understand a set of financial statements;

(iv) no independent member of the Committee shall have a material business relationship with the Company;

(r) no business shall be transacted by the Committee except at a meeting of the members thereof at which;

(v) a majority of the members thereof are present;

(vi) a majority of the members thereof present are “unrelated or independent directors” of the Company;
or

(vii) by a resolution in writing signed by all of the members of the Committee;

(s) the minutes of all meetings of the Audit Committee shall be provided to the Board.

2. CODE OF BUSINESS CONDUCT AND ETHICS

With regard to the Company’s Code of Business Conduct and Ethics (the “Code”) and its Whistleblower Policy (the “Policy”) the Committee shall:

- (a) review periodically and recommend to the Board any amendments to the Code and/or Policy and monitor the policies and procedures established by management to ensure compliance with the Code;
- (b) review actions taken by management to ensure compliance with the Code and their response to any violations of the Code; and
- (c) monitor the adequacy of the Code, any proposed amendments to the Code and any waivers of the Code granted by the Board.

3. RESPONSIBILITIES OF THE COMMITTEE CHAIR

The fundamental responsibility of the Chair is to be responsible for the management and effective performance of the Committee and to provide leadership to the Committee in fulfilling its Charter and any other matters delegated to it by the Board. To that end, the Chair's responsibilities shall include:

- (a) working with the Chairman of the Board to establish the frequency of Committee meetings and the agendas for such meetings;
- (b) providing leadership to the Committee and presiding over Committee meetings;
- (c) facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- (d) reporting to the Board with respect to significant activities of the Committee and any recommendations of the Committee;
- (e) addressing, or causing to be addressed, all concerns communicated to the Chair under the Code and Policy;
- (f) leading the Committee in annually reviewing and assessing the adequacy of its mandate and evaluating its effectiveness in fulfilling its mandate; and
- (g) taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

4. ADOPTION

The Charter was adopted by the Board on December 6, 2016

SCHEDULE "B"

CHANGE OF AUDITOR

NOTICE OF CHANGE OF AUDITORS

The Company has changed its auditors from Manning Elliott LLP, of 11th Floor, 1050 W. Pender St., Vancouver, BC V6E 3S7 (the "Former Auditors"), to Davidson & Company LLP, of 1200 - 609 Granville Street, Vancouver, BC, V7Y 1G6 (the "Successor Auditors"), effective as of December 28, 2016.

The Company's Former Auditors have resigned and the appointment of the Successor Auditors has been considered and approved by the Company's Audit Committee and Board of Directors.

There were no reservations nor any modified opinions expressed in the Former Auditors' reports on any of the Company's financial statements relating to the period commencing at the beginning of the Company's two most recently completed financial years and ending on the date of resignation.

In the opinion of the Company's Audit Committee and Board of Directors, there are no reportable events between the Company and the Former Auditors.

ORLA MINING LTD.

"Paul Robertson"

Paul Robertson, CPA,CA

Chief Financial Officer

January 4, 2017

British Columbia Securities Commission

Alberta Securities Commission

Ontario Securities Commission

Autorite des Marches Financiers

Dear Sirs / Mesdames:

Re: Orla Mining Ltd. (the "Company")

Notice Pursuant to NI 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated December 28, 2016 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

DAVIDSON & COMPANY LLP

Chartered Professional Accountants

cc: TSX Venture Exchange

January 4, 2017

Alberta Securities Commission

Autorite Des Marches Financiers

British Columbia Securities Commission

Ontario Securities Commission

TSX Venture Exchange

Dear Sirs:

Re: Orla Mining Ltd.

We have read the Notice of Change of Auditor dated December 28, 2016 from the Company (the "Notice"), delivered to us pursuant to Part 4.11 of National Instrument 51-102 - Continuous Disclosure Obligations.

In this regard, we confirm that we are in agreement with the Company's Notice, except that we have no basis on which to comment on the deliberations of the Audit Committee and the Board of Directors as outlined in paragraphs (2) and (4) of the Notice.

Yours truly,

Manning Elliott LLP

MANNING ELLIOTT LLP

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