



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

**WITH RESPECT TO THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE
HELD ON JUNE 27, 2018**

May 24, 2018

ORLA MINING LTD.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual 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 27th day of June, 2018, at 9:30 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, 2017, together with the report of the auditor thereon;
- (b) to elect directors of the Corporation for the ensuing year;
- (c) to appoint Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
- (d) to consider, and if deemed advisable, to pass an ordinary resolution to re-approve the Corporation’s existing stock option plan, as more particularly described in the accompanying management information circular;
- (e) to consider and, if deemed appropriate, to pass an ordinary resolution to approve the adoption of a restricted share unit plan of the Corporation, as more particularly described in the accompanying management information circular;
- (f) to consider and, if deemed appropriate, to pass an ordinary resolution to approve the adoption of a deferred share unit plan of the Corporation, as more particularly described in the accompanying management information circular; and
- (g) 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 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 9:30 a.m. (Vancouver time) on June 25, 2018, 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 24, 2018.

By Order of the Board of Directors

"Marc Prefontaine"

MARC PREFONTAINE
President, Chief Executive Officer and Director

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MANAGEMENT INFORMATION CIRCULAR

GENERAL

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by management (“**Management**”) of Orla Mining Ltd. (the “**Corporation**” or “**Orla**”) of proxies to be used at the Corporation’s annual and special meeting of the holders (“**Shareholders**”) of common shares of the Corporation (the “**Common Shares**”) to be held on June 27, 2018 (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 annual and special meeting (“**Notice of Meeting**”).

Except as otherwise indicated, the information contained in this Circular is stated as at May 24, 2018. All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars.

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

Solicitation of Proxies

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.**

Registered Shareholders

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 9:30 a.m. (Vancouver time) on June 25, 2018, or at least 48 hours (excluding Saturdays and holidays), before the time for holding the Meeting or any adjournment thereof.

A Registered 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 Registered Shareholder may also revoke a proxy in any other manner permitted by law. 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 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 (“**NOBOs**”). 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 (“**OBOs**”).

In accordance with the requirements as set out in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the “**Meeting Materials**”) to Intermediaries for onward distribution to NOBOs and OBOs. 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 form of proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided; or

- (b) 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.

Record Date

The board of directors of the Corporation (the “**Board**”) has fixed May 17, 2018 (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.

Voting Shares

The authorized voting securities of the Corporation consist of an unlimited number of Common Shares. As at Record Date, the Corporation had 178,932,615 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.

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
Goldcorp Inc.	34,410,141 ⁽¹⁾	19.23%
Agnico Eagle Mines Limited	17,613,835 ⁽²⁾	9.84%
Pierre Lassonde	20,073,500 ⁽³⁾	11.22%

Notes:

- (1) Goldcorp Inc. (“**Goldcorp**”) also holds warrants to purchase 1,275,000 Common Shares, which upon exercise and together with its Common Shares represents approximately 19.94% of the Common Shares on a partially-diluted basis.
- (2) Agnico Eagle Mines Limited also holds warrants to purchase 870,250 Common Shares, which upon exercise and together with its Common Shares represents approximately 10.33% of the Common Shares on a partially-diluted basis.
- (3) Mr. Lassonde also holds warrants to purchase 3,940,000 Common Shares, which upon exercise and together with his Common Shares represents approximately 13.42% 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: (i) director or executive officer of the Corporation at any time since the beginning of the last completed financial year; (ii) proposed nominee for election as a director; or (iii) any associate of a person in (i) or (ii) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. Directors and executive officers may, however, be interested in the approval of the Stock Option Plan (as defined below), the RSU Plan (as defined below) or the DSU 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*”, “*Particulars of Matters to be Acted Upon at the Meeting – Approval of the RSU Plan*” and “*Particulars of Matters to be Acted Upon at the Meeting – Approval of the DSU Plan*,” respectively, as such persons are entitled to participate in the Stock Option Plan, RSU Plan and DSU Plan.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited consolidated financial statements for the financial year ended December 31, 2017 and the report of the auditor thereon will be placed before the shareholders at the Meeting, but no vote thereon is required. These documents are available upon request or they can be found under the Corporation's profile on SEDAR at www.sedar.com or on its website at www.orlamining.com.

Election of Directors

The Corporation's Articles of Incorporation (the "**Articles**") provide that the Board consist of a minimum of three and a maximum of ten directors. The Board currently consists of eight directors and the term of office of each of the present directors expires at the close of the Meeting. The Board has fixed the size of the Board for election at the Meeting at eight directors. At the Meeting, the eight persons set out below will be proposed for election as directors of the Corporation (the "**Nominees**"). Each of the Nominees is currently a director. Each director elected will hold office until the close of the next annual meeting of shareholders or until such person's successor is elected or appointed. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. All Nominees have established their eligibility and willingness to serve as directors.

The Board recommends that Shareholders vote FOR the election of each of the Nominees. Unless authority is withheld, the Management Proxyholders intend to vote FOR the election of each of the Nominees.

The following tables set forth information with respect to each Nominee and is based upon information furnished by the respective proposed Nominee. 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.

CHARLES JEANNES

Principal Occupation

Corporate Director

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	100%
Compensation Committee	100%
Audit Committee	100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
1,736,100 ⁽²⁾	600,000	300,000	Satisfied

Nevada, USA

Age, 59

Director since June 19, 2017

Independent

Other Board Memberships

Tahoe Resources Inc. (Director)

Wheaton Precious Metals Corp. (Director)

Mr. Jeannes joined the Board in June 2017. Mr. Jeannes served as President and Chief Executive Officer of Goldcorp 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.

Historical Voting Results

Year	For	Withheld
2017	99.96%	0.04%
2016	N/A	N/A
2015	N/A	N/A

Note:

(1) Meeting attendance during 2017 subsequent to appointment.

(2) In addition, Mr. Jeannes is entitled to 500,000 Bonus Shares (as defined herein). The Bonus Shares will become issuable on the date Mr. Jeannes ceases to act as a director following June 18, 2020. See “Director Compensation”.

RICHARD HALL

Principal Occupation

Corporate Director, Geologist and Mineral Industry Consultant

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	100%
Compensation Committee (Chair)	100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
2,157,000	475,000	100,000	Satisfied

Colorado, USA

Age, 68

Director since June 10, 2015

Independent

Other Board Memberships

IAMGold Corporation (Director)

Klondex Mines Ltd. (Chairman)

Mr. Hall joined the Board in June 2015. Mr. Hall was appointed a director of IAMGOLD in 2012 and Chairman of Klondex in 2014. Mr. Hall brings over 40 years of exploration, development, mining and corporate experience. Mr. Hall is a former Director of Kaminak Gold Corporation. From 1999 to 2008 he served as President and Chief Executive Officer of Metallica Resources Inc., where he was involved in all aspects of the Corporation's development including the financing, construction and commissioning of the Cerro San Pedro gold-silver mine in Mexico. While at Metallica, the El Morro deposit was discovered in Chile and was brought through to a final feasibility study in conjunction with Metallica's operating partner on the project, Xstrata Copper. In August 2008, Metallica was part of a \$1.6 billion merger with Peak Gold Ltd. and New Gold Inc. to form what is now New Gold Inc. Mr. Hall also served as President and Chief Executive Officer of Northgate Minerals from July 2011 until October 2011 when Northgate was acquired by AuRico Gold Inc. From 2008 until 2011 he held the position of Chairman of Grayd Resource Corporation, which was acquired by Agnico Eagle in November 2011. Mr. Hall holds a Bachelor and a Masters Degree in Geology and an MBA from Eastern Washington University. He has also completed an Executive Development Program at the University of Minnesota.

Historical Voting Results

Year	For	Withheld
2017	99.96%	0.04%
2016	100%	0.00%
2015	100%	0.00%

Note:

(1) Meeting attendance during 2017.

**MARC
PREFONTAINE**

Principal Occupation

President, Chief Executive Officer and Director of the Corporation

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors 100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
3,263,800 ⁽²⁾	825,000	131,400	Satisfied

British Columbia, Canada

Age, 56

Director since June 10, 2015

Not independent

Other Board Memberships

None

Mr. Prefontaine joined the Board in June 2015. Mr. Prefontaine is a Professional Geologist with over 25 years of experience. 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. Most recently Mr. Prefontaine served as President and Chief Executive Officer of Grayd Resource Corporation. During his eight years as Chief Executive Officer of Grayd Resource Corporation, Mr. Prefontaine assembled the land package in Mexico that ultimately became the La India Project. During his tenure Grayd Resource Corporation 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 Ltd. for \$275 million. Agnico Eagle Mines Ltd. built the mine and achieved commercial production within two years of the acquisition. Prior to Grayd Resource Corporation, Mr. Prefontaine spent his career living and working internationally for Teck Resources Limited, Hunter Dickinson Inc., Northair Silver Corp. and Lac Minerals Ltd. He ran exploration projects and offices throughout North America, South America, Southern Africa, Asia and Central Asia.

Historical Voting Results

Year	For	Withheld
2017	88.76%	11.24%
2016	100%	0.00%
2015	100%	0.00%

Notes:

(1) Meeting attendance during 2017.

(2) Includes 2,700,000 Common Shares beneficially owned by Prefex Geological Inc., which Mr. Prefontaine controls.

**HANS
SMIT**

Principal Occupation

Chief Operating Officer and Director of the Corporation

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	100%
Environmental, Health and Safety Committee	100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
2,942,900 ⁽²⁾	825,000	100,000	Satisfied

British Columbia, Canada
Age, 58
Director since June 10, 2015
Not independent

Other Board Memberships

None

Mr. Smit joined the Board in June 2015. Mr. Smit is a Professional Geologist with over 30 years of experience in all aspects of the mineral industry; from grassroots exploration to mine feasibility studies, environmental permitting and corporate development. He has been the Chief Operating Officer of Orla since June 2015. Prior to joining Orla, as Vice President Exploration for Grayd Resource Corporation, Mr. Smit was one of the key people who brought the La India heap-leach gold project in Mexico from the grassroots exploration stage to an advanced project. Agnico Eagle Mines Ltd. paid \$275 million to acquire Grayd Resource Corporation and brought La India into production, using a mine and production plan based on Grayd Resource Corporation's work. Mr. Smit has guided exploration, feasibility, and permitting work on other advanced gold projects including at Dublin Gulch in the Yukon and Red Mountain in British Columbia. He also managed the feasibility, environmental assessment and permitting of the Swamp Point Aggregate Mine located on the coast of British Columbia.

Historical Voting Results

Year	For	Withheld
2017	92.59%	7.41%
2016	100%	0.00%
2015	100%	0.00%

Notes:

(1) Meeting attendance during 2017.

(2) Includes 2,700,000 Common Shares beneficially owned by Hans Smit P.Geo Inc., which Mr. Smit controls.

**JEAN
ROBITAILLE**

Principal Occupation

Senior Vice-President of Agnico Eagle Mines Limited since June 2008.

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	100%
Compensation Committee	100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
1,777,450	366,500	88,000	Satisfied

Ontario, Canada

Age, 56

Director since December 6, 2016

Independent

Other Board Memberships

Canada Mining Innovation Council

Mr. Robitaille joined the Board in December 2016, upon closing of the Corporation's acquisition of Pershco Resources Inc. Mr. Robitaille is the Senior Vice-President, Business Strategy and Technical Services of Agnico Eagle Mines Ltd., a position he has held since February 2014. Prior to that, he held various positions with Agnico Eagle Mines Ltd. since 1988, most recently as Senior Vice-President, Technical Services and Project Development, Vice-President, Metallurgy & Marketing, General Manager, Metallurgy & Marketing and Mill Superintendent and Project Manager for the expansion of the LaRonde mill. Prior to joining Agnico Eagle Mines Ltd., Mr. Robitaille worked as a metallurgist with Teck Mining Group. Since June of 2016, Mr. Robitaille has been Board Chairman of the Canada Mining Innovation Council (CMIC), and an active member of its Board of Directors since May of 2014. Mr. Robitaille is a mining graduate of the College de l'Abitibi Temiscamingue with a specialty in mineral processing.

Historical Voting Results

Year	For	Withheld
2017	99.96%	0.04%
2016	N/A	N/A
2015	N/A	N/A

Note:

(1) Meeting attendance during 2017.

**GEORGE
ALBINO**

Principal Occupation

Corporate Director

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	100%
Audit Committee (Chair)	100%
Environmental, Health and Safety Committee	100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
301,000	300,000	121,500	Satisfied

Colorado, USA

Age, 59

Director since June 19, 2017

Independent

Other Board Memberships

Eldorado Gold Corporation (Chairman)

Dr. Albino joined the Board in June 2017. 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 17 metals and diamonds. He is also currently the Chairman of the board of directors of Eldorado Gold Corporation (since October 2016). 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.

Historical Voting Results

Year	For	Withheld
2017	99.94%	0.06%
2016	N/A	N/A
2015	N/A	N/A

Note:

(1) Meeting attendance during 2017 subsequent to appointment.

**TIM
HALDANE**

Principal Occupation

Mining professional/Corporate Director

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	100%
Environmental, Health and Safety Committee (Chair)	100%

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
78,500	300,000	14,250	Satisfied

Arizona, USA

Age, 61

Director since June 19, 2017

Independent

Other Board Memberships

None

Mr. Haldane joined the Board in June 2017. Mr. Haldane is a mining professional with 40 years of operating and project development experience including 15 years in Mexico. Mr. Haldane most recently held the position of Senior Vice President of Operations - USA & Latin America at Agnico Eagle Mines Limited from 2014 until February, 2017. Mr. Haldane holds a B.S. in Metallurgical Engineering from Montana Tech and is a Registered Professional Engineer.

Historical Voting Results

Year	For	Withheld
2017	99.89%	0.11%
2016	N/A	N/A
2015	N/A	N/A

Note:

(1) Meeting attendance during 2017 subsequent to appointment.

**DAVID
STEPHENS** ⁽¹⁾

Principal Occupation

Vice President, Corporate Development and Marketing of Goldcorp

Board and Board Committees

Meeting Attendance⁽¹⁾

Board of Directors	N/A	N/A
Audit Committee	N/A	N/A

Securities Holdings as at May 24, 2018

Common Shares	Options	Warrants	Ownership Requirement
Nil	Nil	Nil	N/A

Alberta, Canada

Age, 36

Director since March 29,
2018

Independent

Other Board Memberships

None

Mr. Stephens joined the Board in March 2018. Mr. Stephens is currently the Vice President, Corporate Development & Marketing at Goldcorp, having previously served as Vice President & Treasurer. Prior to joining Goldcorp, Mr. Stephens spent 10 years working in investment banking and equity research at various organizations including Macquarie Capital Markets Canada Ltd. and Orion Securities. Mr. Stephens holds a Bachelor's degree in Electrical Engineering and Computer Science from Harvard University.

Historical Voting Results

Year	For	Withheld
2017	N/A	N/A
2016	N/A	N/A
2015	N/A	N/A

Note:

(1) Mr. Stephens was appointed to the Board in March, 2018 and is the director nominee of Goldcorp. See “– *Investor Rights Agreement*”.

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.

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’s 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.

Investor Rights Agreement

In accordance with the terms of the investor rights agreement dated November 7, 2017 between Goldcorp and Orla (the “**Investor Rights Agreement**”), Goldcorp has, among other rights, the right to nominate an individual for election to the Board, being Mr. David Stephens. In the event the number of directors on the Board is increased to more than ten directors, Goldcorp shall be entitled to designate an additional nominee, provided that at the time of such increase in the size of the Board it holds at least 10% of the Common Shares.

Under the terms of the Investor Rights Agreement, Goldcorp has agreed to vote its Common Shares in accordance with the recommendations of the Board or Management on all matters to be submitted to Shareholders, including for the Management nominee’s for directors, except in the case of voting in respect of: (i) any issuer bid, insider bid, related party transaction or business combination; (ii) any amendment to the constating documents of the Corporation, other immaterial or administrative changes; (iii) any matter in relation to which a recognized proxy advisor is recommending against Management or the Board on any resolution for Shareholders; (iv) any disposition of assets for consideration equal or greater than 50% of the market capitalization immediately prior to the entering into of such transaction; (v) any proposed distribution of securities where the number of Common Shares issued or issuable thereunder is greater than 25% of the Common Shares which are outstanding prior to closing; and (vi) in any circumstances where the Corporation or its directors or officers are not in compliance with the agreement or applicable laws, in which case Goldcorp is entitled to vote its Common Shares in its discretion. Any nominee of Goldcorp on the Board will not be required to vote in accordance with the recommendations but will exercise his or her fiduciary responsibilities as a director by voting as he or she sees fit.

Pursuant to the Investor Rights Agreement, Goldcorp has agreed that it will not sell or otherwise dispose of its Common Shares for a period of 24 months from the date of the agreement, subject to certain exceptions. In addition, it has been granted certain participation rights to maintain its pro rata interest in future offerings.

Similarly, the Corporation has entered into an investor rights agreement with Agnico Eagle Mines Ltd. providing it with certain participation rights to maintain its pro rata interest in future offerings.

Appointment of Auditors

The Board proposes to re-appoint Davidson & Company LLP, Chartered Professional Accountants (“**Davidson & Company**”), as the auditor of Orla to hold office until the close of the next annual general meeting of shareholders of the Corporation. The resolution to approve the re-appointment of Davidson & Company will also authorize the Board to fix its remuneration. Davidson & Company was first appointed as the auditor of the Corporation on December 28, 2016. Additional information with respect to the Corporation’s auditor can be found in Orla’s annual information form dated January 26, 2018 (the “**AIF**”) available under the Corporation’s profile on SEDAR at www.sedar.com.

To be effective, the resolution to re-appoint Davidson & Company must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

The Board recommends that Shareholders vote FOR the re-appointment of Davidson & Company. Unless authority is withheld, the Management Proxyholders intend to vote FOR the appointment of Davidson & Company as the auditor of the Corporation to hold office until the next annual general meeting of Shareholders or until a successor is appointed and the Board is authorized to fix their remuneration.

Re-Approval of 10% Rolling Stock Option Plan

The Corporation’s existing 10% rolling stock option plan (the “**Stock Option Plan**”) was implemented to provide effective incentives to senior officers, directors, employees (including management company employees), consultants or investor relations persons of the Corporation or its subsidiaries (the “**Eligible Persons**”) and to enable the Corporation to attract, retain and motivate experienced and qualified individuals in those positions by providing such individuals with the opportunity to acquire, through Common Share options, an increased proprietary interest in the Corporation. As at May 24, 2018, there are 5,901,748 options outstanding under the Stock Option Plan, representing 3.30% of the outstanding Common Shares, and 11,991,514 options remain available for grant, representing 6.70% of the outstanding Common Shares. The Stock Option Plan was last approved by Shareholders at the annual and special meeting of the Corporation held on June 19, 2017. The Board approved certain minor amendments to the Stock Option Plan as of May 24, 2018.

Pursuant to the rules of the TSX Venture Exchange (the “**TSXV**”), a rolling stock option plan, 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, is being submitted to the Shareholders for approval at the Meeting. The TSXV has conditionally accepted the Stock Option Plan, subject to shareholder approval.

The Stock Option Plan shall be administered by the Board or a committee established by the Board for that purpose. Subject to approval of the granting of options by the Board, the Corporation shall grant options under the Stock Option Plan.

The Stock Option Plan provides that the aggregate number of Common Shares of the Corporation which may be available for issuance under the Stock Option Plan will not exceed 10% of the total number of Common Shares of the Corporation issued and outstanding from time to time.

- (a) The total number of options which may be granted to any one person under the Stock Option Plan within any 12 month period shall not exceed 5% of the issued and outstanding shares of the Corporation, calculated on the date an option is granted to such individual, unless the Corporation has obtained the requisite disinterested Shareholder approval.
- (b) The maximum number of Common Shares which may be reserved for issuance under options granted to insiders (as a group) under the Stock Option Plan, 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).
- (c) The maximum number of options which may be granted to insiders (as a group) under the Stock Option Plan, 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).
- (d) The maximum number of options which may be granted to any one consultant under the Stock Option Plan, 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 and outstanding Common Shares, calculated at the date an option is granted to such consultant (on a non-diluted basis).
- (e) The maximum number of options which may be granted to all investor relations persons under the Stock Option Plan, 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 and outstanding Common Shares, calculated at the date an option is granted to any such Investor Relations Person (on a non-diluted basis).

The exercise price for the Common Shares of the Corporation under each option shall be determined by the Board on the basis of the "market price" (as set out in the Stock Option Plan). The exercise of options issued may not be less than the market price 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.

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. On the expiry date of an option it will expire and terminate, subject to any extension of such expiry date permitted in accordance with the Stock Option Plan.

An optionee who ceases to be an Eligible Person for any reason other than as a result of having been dismissed for cause or as a result of the optionee's death, may exercise any vested and unexpired options held by such optionee for a period of 90 days from the date of cessation (unless such period is extended by the Board to a maximum of 12 months from cessation), or 30 days if the Eligible Person is engaged in investor relations activities. 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. If an optionee ceases to be either an Eligible Person as a result of having been dismissed from any such position for cause, all unexercised option rights of that optionee under the Stock Option Plan shall immediately become terminated and shall lapse, notwithstanding the original term of the option granted to such optionee under the Stock Option Plan.

In the event that the expiry date of an option falls within a trading blackout period imposed by the Corporation, and neither the Corporation nor the individual in possession of the options is subject to a cease trade order in respect of the Corporation's securities, then the expiry date of such option shall be automatically extended to the 10th business day following the end of the blackout period.

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.

The Stock Option Plan contains provisions for the treatment and appropriate adjustment of options in relation to capital changes and with regard to a reorganization, recapitalization, 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 options granted under the Stock Option Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change. 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) or if the Corporation seeks approval from Shareholders for such a transaction, and, provided that the Board has determined that no adjustment shall be made pursuant to the Stock Option Plan, (i) the Board may permit the optionee to exercise all unexercised options (regardless of any vesting restrictions) granted under the Stock Option Plan, so that the optionee may participate in such transaction, offer or proposal; and (ii) the Board may require the acceleration of the time for the exercise of the said option and of the time for the fulfilment of any conditions or restrictions on such exercise.

Subject to any requisite shareholder and regulatory approvals, the Board may at any time amend or terminate the Stock Option Plan. On May 24, 2018, the Board approved certain housekeeping amendments to the Stock Option Plan.

Approval of the Stock Option Plan

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the "**Option Plan Resolution**"), subject to such amendments, variations or additions as may be approved at the Meeting, approving the adoption of the re-approval of the Stock Option Plan. To be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

The text of the Option Plan Resolution to be submitted to shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

"NOW THEREFORE BE IT RESOLVED THAT:

1. subject to regulatory approval, and with or without amendments as may be required by the TSXV, the Stock Option 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 Stock Option 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. Unless authority is withheld, the Management Proxyholders intend to vote FOR the Option Plan Resolution.

Approval of the Restricted Share Unit Plan

On May 24, 2018, the Board approved the adoption of a restricted share unit plan (the “**RSU Plan**”). The Board decided that it is desirable to have a wide range of incentive plans, including the RSU Plan, in place to attract, retain and encourage eligible employees, directors and consultants of the Corporation due to the opportunity offered to them from a proprietary interest in the Corporation and to secure for the Corporation and Shareholders the benefits inherent in the ownership of Common Shares by such persons. The following is a summary of some of the key terms of the RSU Plan. At the Meeting, Disinterested Shareholders (as defined below) will be asked to pass a resolution approving the adoption of the RSU Plan. A complete copy of the RSU Plan is attached hereto as Schedule “B”. The TSXV has conditionally accepted the RSU Plan, subject to shareholder approval.

The RSU Plan provides that restricted share unit (the “**RSUs**”) awards may be granted by the Board, or, if the Board so delegates, by a committee (being the “**Compensation Committee**”) which administers the RSU Plan to eligible employees, directors, officers and consultants of the Corporation or an affiliate in a calendar year as a bonus for services rendered to the Corporation or an affiliate in the fiscal year ending in such year, as determined in the sole and absolute discretion of the Compensation Committee. The number of RSUs awarded will be credited to the participant’s account effective as of the grant date. The Compensation Committee shall from time to time determine the participants to whom RSUs shall be granted and the provisions and restrictions with respect to such grant and the Compensation Committee may take into consideration the present and potential contributions of and the services rendered by the particular participant to the success of the Corporation and any other factors which the Compensation Committee deems appropriate and relevant.

The aggregate maximum number of Common Shares available for issuance under the RSU Plan shall not exceed 3,000,000. The maximum number of RSUs available for grant to any one person, in a 12 month period, pursuant to the RSU Plan and any other security based compensation arrangements of the Corporation, is 5% of the total number of Common Shares then outstanding. The maximum number of Common Shares reserved for issuance under RSUs granted to insiders (as a group), at any time, pursuant to the RSU Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Common Shares then outstanding. The maximum number of RSUs which may be granted to insiders (as a group), within any one year period, pursuant to the RSU Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Common Shares then outstanding. The maximum number of RSUs available for grant to any one eligible consultant, within any 12 month period, pursuant to the RSU Plan and any other security based

compensation arrangements of the corporation, is 2% of the total number of Shares then outstanding. The maximum number of RSUs available for grant to all investor relations persons, within any 12 month period, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation, is 2% of the total number of Shares then outstanding. The maximum equity value of RSUs which may be granted to each director who is not also an eligible employee shall not exceed \$150,000 (based on the closing trading price of the Common Shares on the grant date of an RSU or DSU (as defined below), as the case may be (the “**Market Value**”) in any financial year.

For purposes of determining the number of Common Shares that remain available for issuance under the RSU Plan, the number of Common Shares underlying any grants of RSUs that are surrendered, forfeited, waived, repurchased by the Corporation and/or cancelled shall be added back to the RSU Plan and again be available for future grant, whereas the number of Common Shares underlying any grants of RSUs that are issued shall not be available for future grant.

Each RSU granted to a participant for services rendered entitles the holder, subject to the terms of the RSU Plan, to receive: (i) one Common Share for each RSU; or (ii) a cash payment equal to the number of RSUs multiplied by the fair market value (as defined in the RSU Plan) of one Common Share on the vesting date; or (iii) a combination of (i) and (ii), as determined by the Compensation Committee in its sole discretion, on the date when the RSU award is fully vested (the “**Participant’s Entitlement Date**”). The Compensation Committee will have the absolute discretion to credit a participant with additional RSUs equal to the aggregate amount of any dividends that would have been paid to the participant if the RSUs had been Common Shares, divided by the Market Value of the Common Shares on the date on which dividends were paid by the Corporation.

Unless otherwise determined by the Compensation Committee, in the event that any Participant’s Entitlement Date expires during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Corporation, such expiry will occur on the day immediately following the end of the blackout period, or such 48 hour period, as applicable, provided that under no circumstances shall the Participant’s Entitlement Date be later than December 15th of the third calendar year following the calendar year in which the RSUs were granted.

If the employment or services of the participant that has been continuously employed by the Corporation or an affiliate since the date the RSUs were granted are terminated prior to the Participant’s Entitlement Date, for any reason other than death, disability, termination without cause or resignation for good reason, then, except as provided for in the RSU grant letter or as determined by the Compensation Committee in its sole discretion, all unvested RSUs will be forfeited by the participant, and be of no further force and effect, as of the date of termination. In the event of termination without cause or resignation for good reason, the participant’s unvested RSUs will vest in full on the date of termination and the Common Shares and/or cash underlying the RSUs credited to the participant’s account shall be issued and/or paid to the participant as soon as practicable thereafter, provided, that for a participant who is a United States taxpayer, the date of issuance or payment shall not be more than 90 days after the date of the Participant’s termination without cause or for good reason and provided further, that such participant does not have a choice as to the taxable year of payment. In the event of death, all unvested RSUs credited to the participant will vest on the date of the participant’s death and the Common Shares and/or cash underlying the RSUs credited to the participant’s account shall be issued and/or paid to the participant’s estate as soon as practicable thereafter, provided, that for a participant who is a United States taxpayer, the date of issuance or payment shall not be more than 90 days after the date of the participant’s death and provided further, that such Participant’s estate does not have a choice as to the taxable year of payment. In the event of the total disability of a participant, all unvested RSUs credited to the participant will vest in full within 90 days following the date on which the participant is determined to be totally disabled, and the Common Shares and/or cash underlying such RSUs credited to the participant’s account shall be issued

and/or paid to the participant as soon as practicable thereafter, provided, that for a participant who is a United States taxpayer, the date of issuance or payment shall not be more than 90 days after the date on which the participant is determined to be totally disabled and provided further, that such Participant does not have a choice as to the taxable year of payment. In any event, upon a Change of Control (as defined in the RSU Plan), all unvested RSUs outstanding shall immediately vest on the date of such Change of Control notwithstanding any stated vesting period. In any event, upon a Change of Control, participants shall not be treated any more favourably than Shareholders with respect to the consideration that the participants would be entitled to receive for the Common Shares underlying the RSUs, provided, however, that for a participant who is a United States taxpayer, the Change of Control must also constitute a “change in control event” as set forth in Treas. Reg. §1.409A-3(i)(5)(i) and provided further, that any issuance or payment must occur in full within five years of the date of the Change of Control.

Pursuant to the terms of the RSU Plan, the Board or the Compensation Committee, as the case may be, may discontinue or amend the RSU Plan at any time, provided that, without the consent of a participant, such discontinuance or amendment may not in any manner adversely affect the participant’s rights under any RSU granted under the RSU Plan.

The Board or the Compensation Committee may, subject to receipt of requisite regulatory and Shareholder approval, make the following amendments to the RSU Plan:

- (a) amendments to increase the number of Common Shares, subject to the RSU Plan, which may be issued pursuant to the RSU Plan;
- (b) amendments to the definition of “Participant” under the RSU Plan which would have the potential of narrowing, broadening or increasing insider participation;
- (c) amendments to cancel and reissue Restricted Share Units;
- (d) amendments to the amendment provisions of the RSU Plan;
- (e) amendments that extend the term of an RSU;
- (f) amendments to the participation limits as set out in the RSU Plan; or
- (g) amendments that would permit RSUs, or any other right or interest of a participant under the RSU Plan, to be assigned or transferred, other than for normal estate settlement purposes.

The Board or the Compensation Committee may, subject to receipt of requisite regulatory approval, where required, but not subject to Shareholder approval, in its sole discretion make all other amendments to the RSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) amendments to the vesting provisions of an RSU or the RSU Plan;
- (c) amendments to the definitions, other than such definitions noted above;
- (d) amendments to reflect changes to applicable securities laws; and

- (e) amendments to ensure that the RSUs granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant to whom an RSU has been granted may from time to time be a resident, citizen or otherwise subject to tax therein.

Except as otherwise may be expressly provided for under the RSU Plan or pursuant to a will or by the laws of descent and distribution, no RSU and no other right or interest of a participant is assignable or transferable, and any such assignment or transfer in violation of the RSU Plan shall be null and void.

In the event there is any change to the Common Shares, whether by reason of a stock dividend, consolidation, subdivision or reclassification, an appropriate adjustment shall be made by the Compensation Committee in the number of Common Shares available under the RSU Plan and the number of Common Shares subject to any RSUs. If there is an increase in the number of Common Shares outstanding for any reason, other than by reason of a stock dividend, consolidation, subdivision or reclassification as described above (for example, as a result of a private placement of Common Shares or the issuance of Common Shares in connection with the acquisition of an asset), there will be no adjustment to the number of Common Shares that a participant will receive under his or her RSU grant letter award and no adjustment to the number of Common Shares available under the RSU Plan

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

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the “**RSU Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the adoption of the RSU Plan. To be effective, the RSU Plan Resolution must be approved by not less than a majority of the votes cast by the Disinterested Shareholders present in person, or represented by proxy, at the Meeting.

“**Disinterested Shareholders**” are the shareholders of the Corporation other than (a) directors and senior officers of the Corporation; and (b) directors and senior officers of a company that is an insider of the Corporation or subsidiary of the Corporation; to whom RSUs may be granted under the RSU Plan and DSUs (as defined below) may be granted under the DSU Plan (as defined below) and their associates. As such, the votes attaching to an aggregate of approximately 12,256,750 Common Shares, which are beneficially owned or over which control or direction is exercised by the directors and senior officers of the Corporation and subsidiaries and their respective associates, representing approximately 6.85% of the Corporation’s issued Common Shares entitled to vote at the Meeting, will be withheld from voting on the resolutions approving the RSU Plan and the DSU Plan.

The text of the RSU Plan Resolution to be submitted to Disinterested Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

“NOW THEREFORE BE IT RESOLVED THAT:

1. the adoption of the RSU Plan by the Corporation in the form attached to the management information circular of the Corporation dated May 24, 2018 as Schedule “B” is hereby authorized and approved;
2. the Corporation be and it is hereby authorized and directed to issue such Common Shares pursuant to the RSU Plan as fully paid and non-assessable shares of the Corporation; and

3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolutions.”

The Board recommends that Disinterested Shareholders vote FOR the approval of the RSU Plan Resolution. Unless authority is withheld, the Management Proxyholders intend to vote FOR the RSU Plan Resolution.

Approval of the Deferred Share Unit Plan

On May 24, 2018, the Board approved the adoption of a deferred share unit plan (the “**DSU Plan**”), which, among other things, provides for the award of Deferred Share Units (“**DSUs**”) to directors who, at the relevant time, are not otherwise employees or consultants of the Corporation or of any of its affiliates, as further described below. The following is a summary of some of the key terms of the DSU Plan. At the Meeting, Disinterested Shareholders will be asked to pass a resolution approving the adoption of the DSU Plan. A complete copy of the DSU Plan is attached hereto as Schedule “C”. The TSXV has conditionally accepted the DSU Plan, subject to shareholder approval.

The purpose of this DSU Plan is to strengthen the alignment of interests between the eligible directors and Shareholders by linking a portion of annual director compensation, as determined by the Compensation Committee from time to time, to the future value of the Common Shares. In addition, the DSU Plan advances the interests of the Corporation by motivating, attracting and retaining the directors of the Corporation and its affiliates and encouraging their commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Common Shares. The DSU Plan is administered by the Board, or, if the Board so delegates, by the Compensation Committee. The Compensation Committee has full discretionary authority to administer the DSU Plan, including the authority to interpret and construe any provision of the DSU Plan and to adopt, amend and rescind such rules and regulations for administering the DSU Plan as the Compensation Committee deems necessary to comply with the provisions of the DSU Plan.

Subject to certain adjustments, the aggregate maximum number of Common Shares that may be issued under the DSU Plan shall not exceed 2,000,000. The maximum number of Common Shares issuable to any one person, in a 12 month period, pursuant to the DSU Plan and any other security based compensation arrangements of the Corporation, is 5% of the total number of Common Shares then outstanding. The maximum number of Common Shares reserved for issuance under DSUs granted to insiders (as a group), at any time, pursuant to the DSU Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Common Shares then outstanding. The maximum number of DSUs which may be granted to insiders (as a group), within any one year period, pursuant to the DSU Plan and any other security based compensation arrangements of the Corporation is 10% of the total number of Common Shares then outstanding. The maximum equity value of DSUs which may be granted to each eligible director who is not also an employee or consultant of the Corporation or any affiliate shall not exceed \$150,000 (based on the Market Value of the DSUs) in any financial year.

For purposes of determining the number of Common Shares that remain available for issuance under the DSU Plan, the number of Common Shares underlying any grants of DSUs that are surrendered, forfeited, waived, repurchased by the Corporation and/or cancelled shall be added back to the DSU Plan and again be available for future grant, whereas the number of Common Shares underlying any grants of DSUs that are issued shall not be available for future grant.

Under the DSU Plan, non-executive directors may receive a grant of DSUs, as determined by the Compensation Committee from time to time. Each DSU entitles the participant to payment in fully-paid Common Shares, issued from the treasury of the Corporation, a cash payment, in an amount equal to the number of DSUs held by the participant on the date the participant ceases to be an eligible director for any reason whatsoever (the “**Separation Date**”) multiplied by the fair market value of one Common Share on the date the DSU is redeemed, in lieu thereof, or any combination thereof, at the Compensation Committee’s discretion (the “**DSU Payment**”). DSUs must be retained until the eligible director leaves the Board, at which time the DSUs will be paid out. In the event dividends are declared and paid, additional DSUs may be credited to reflect dividends paid on the Common Shares, at the absolute discretion of the Compensation Committee. In such case, the number of additional DSUs will be equal to the aggregate amount of dividends that would have been paid to the participant if the DSUs in the participant’s account had been Common Shares divided by the Market Value of a Common Share on the date on which dividends were paid by the Corporation.

Unless otherwise determined by the Compensation Committee, in the event that any Separation Date occurs during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Corporation, settlement of the applicable DSUs will occur on the applicable Redemption Date (as defined in the DSU Plan).

Each outstanding DSU held by a participant shall be redeemed by the Corporation on the participant’s Separation Date, less applicable taxes and other source deductions required to be held by the Corporation. Fractional DSUs will be cancelled.

The Corporation or its affiliates may take such steps as are considered necessary or appropriate for the withholding of any taxes required to be paid by any law or regulation of any governmental authority whatsoever to withhold in connection with any payment or delivery of Common Shares or cash made under the DSU Plan including, without limitation, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued under the DSU Plan, until such time as the participant has paid any amount which the Corporation and its affiliates are required to withhold with respect to such taxes. For greater certainty, immediately upon delivery of any Common Shares, the Corporation shall have the right to require that a participant sell a given number of Common Shares to the Corporation or an affiliate of the Corporation sufficient to cover any applicable withholding taxes and any other source deductions to be withheld by the Corporation in connection with payments made in satisfaction of the participant’s vested DSUs.

The Board or the Compensation Committee may, subject to receipt of requisite regulatory and Shareholder approval, make the following amendments to the DSU Plan:

- (a) amendments to increase the number of Common Shares which may be issued pursuant to the DSU Plan;
- (b) amendments to the amendment provisions of the DSU Plan;
- (c) amendments to cancel and reissue DSUs;

- (d) amendments that extend the term of a DSU;
- (e) amendments to the participation limits in the DSU Plan;
- (f) amendments that would permit DSUs to be transferred other than for normal estate settlement purposes; or
- (g) materially modify the requirements as to eligibility for participation in the Plan.

The Board or the Compensation Committee may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, without Shareholder approval, make all other amendments to the DSU Plan that are not of the type contemplated above, including, without limitation:

- (a) amendments of a housekeeping nature;
- (b) amendments to the definitions, other than such definitions noted above;
- (c) amendments to reflect changes to applicable securities laws; and
- (d) amendments to ensure that the DSUs granted under the DSU Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a participant to whom a DSU has been granted may from time to time be a resident or otherwise subject to tax therein.

Except as otherwise may be expressly provided for under the DSU Plan or pursuant to a will or by the laws of descent and distribution, no DSU and no other right or interest of a participant is assignable or transferable, and any such assignment or transfer in violation of the DSU Plan shall be null and void.

In the event there is any change to the Common Shares, whether by reason of a stock dividend, consolidation, subdivision or reclassification, an appropriate adjustment shall be made by the Compensation Committee with respect to the number of Common Shares available under the DSU Plan and the number of Common Shares subject to or underlying any DSU as the Compensation Committee may determine. However, if there is an increase in the number of Common Shares outstanding for any reason other than by reason of a stock dividend, consolidation, subdivision or reclassification as described above (for example, as a result of a private placement of Common Shares or the issuance of Common Shares in connection with the acquisition of an asset) there will be no adjustment to the number of Common Shares that a participant will receive under his or her DSU grant letter award and no adjustment to the number of Common Shares available under the DSU Plan.

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

At the Meeting, Disinterested Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the “**DSU Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the adoption of the DSU Plan. To be effective, the DSU Plan Resolution must be approved by not less than a majority of the votes cast by the Disinterested Shareholders present in person, or represented by proxy, at the Meeting.

The text of the DSU Plan Resolution to be submitted to Disinterested Shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

“NOW THEREFORE BE IT RESOLVED THAT:

1. the adoption of the DSU Plan by the Corporation in the form attached to the management information circular of the Corporation dated May 24, 2018 as Schedule “C” is hereby authorized and approved;
2. the Corporation be and it is hereby authorized and directed to issue such Common Shares pursuant to the DSU Plan as fully paid and non-assessable shares of the Corporation; and
3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such acts and things, as may in the opinion of such director or officer of the Corporation be necessary or desirable to carry out the intent of the foregoing resolutions.”

The Board recommends that Disinterested Shareholders vote FOR the approval of the DSU Plan Resolution. Unless authority is withheld, the Management Proxyholders intend to vote FOR the DSU Plan Resolution.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

The Corporation and the Board recognize the importance of corporate governance to the effective management of the Corporation and to the protection of its employees and Shareholders. The Corporation’s approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Corporation are effectively managed so as to enhance Shareholder value.

In June 2005, National Policy 58-201 – *Corporate Governance Guidelines* (the “**Guidelines**”) and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the “**Governance Disclosure Rule**”) were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of Board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular. As required by the Governance Disclosure Rule and other applicable regulatory instruments, the following disclosure describes the Corporation’s corporate governance policies and initiatives.

The Corporation continually reviews and monitors developments in Canada with a view to further revising its governance policies and practices, as appropriate. Subsequent to the completion of the acquisition of Pershimco Resources Inc. in December 2016 (the “**Pershimco Acquisition**”) and the Camino Rojo gold project in November 2017 (the “**Camino Rojo Acquisition**”), the Corporation’s corporate governance practices and policies were reviewed in order to ensure the Corporation was well situated with best practices in light of its stage of development. This review culminated with the Board adopting various revised and new corporate governance documents and policies. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

The Board of Directors

The Board discharges its responsibility for overseeing the management of the Corporation’s business by delegating to the Corporation’s senior officers the responsibility for day-to-day management of the Corporation. The Board discharges its responsibilities both directly and through its standing committees; namely, the Audit Committee, the Compensation Committee and the Environmental, Health and Safety Committee. In addition to these regular committees, the Board may appoint *ad hoc* committees periodically to address issues of a more short-term nature. The Board’s primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet Orla’s strategic objectives. A copy of the mandate of the Board is attached hereto as Schedule “A”.

The Board is responsible for, among other things:

- developing, reviewing and approving the business objectives and goals of the Corporation and reviewing the business, financial and strategic plans by which it is proposed that Orla may reach those goals;
- approving and monitoring compliance with all significant policies and procedures;
- providing input to Management on emerging trends and issues and on strategic plans, objectives and goals that Management develops and monitoring the Corporation’s progress toward its strategic and operational goals, and to revise its direction to Management in light of changing circumstances affecting the Corporation;
- reviewing and approving the annual consolidated audited financial statements, the interim consolidated financial statements, and the notes and management’s discussion and analysis accompanying such financial statements, as well as Orla’s management information circular and overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other security holders and regulators on a timely and regular basis;
- ensuring the implementation of appropriate environmental stewardship and health and safety management systems, which are sufficient within the terms and practices of the mining industry, to ensure compliance with applicable laws; and
- identifying the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Corporation and achieving a proper balance between the risks incurred and the potential return to Orla’s shareholders.

Meetings of the Board

The Board fulfills its mandate at regularly scheduled meetings or as required. The directors are kept informed of the Corporation's operations at these meetings as well as through reports and discussions with Management throughout the year. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Corporation faces from time to time. The Board's practice is that, at the end of each meeting of the Board, independent directors meet in the absence of Management and non-independent directors to hold an open and candid discussion. For the financial year ended December 31, 2017, all Board and committee meetings were accompanied by *in-camera* sessions where Management was not in attendance.

The majority of directors in office constitutes a quorum for the transaction of business and a quorum of directors may exercise all the powers of directors at a meeting. Directors are expected to attend all meetings of the Board and the committees upon which they serve, to come to such meetings fully prepared (including full review of all documentation sent prior to the meeting), and to remain in attendance for the duration of the meeting.

In certain circumstances, non-directors will be permitted to attend Board and committee meetings to provide information and opinions to assist the directors in their deliberations. The Board, through the Chair will determine non-director attendees for a meeting, and no non-directors will be permitted to table material at the Board meeting without the prior approval of the Chair (in the case of the Board) or committee chair (in the case of committee of the board).

Independence of the Board

The Governance Disclosure Rule 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 eight directors. The Board has determined that six out of the eight members are "independent" directors within the meaning of the Governance Disclosure Rule. Messrs. Marc Prefontaine and Hans Smit are not considered "independent" as a result of their roles as executive officers. During the year ended December 31, 2017, Messrs. Charles Jeannes, Richard Hall, Jean Robitaille, Tim Haldane, George Albino and Steven Thomas were each considered to be "independent" directors of the Corporation. Upon Mr. Thomas' resignation from the Board in March, 2018, Mr. David Stephens was appointed to the Board and is also considered to be an independent director.

If the proposed Nominees put forth by Management are elected at the Meeting, the Board will be comprised of eight directors, six of whom (Messrs. Jeannes, Hall, Robitaille, Haldane, Albino and Stephens) will be considered "independent" directors and two of whom (Messrs. Prefontaine and 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 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
	Klondex Mines Ltd.	TSXV	2014 to Present
Charles 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

Given the size and stage of the Corporation, the Board as a whole is responsible for ensuring that new directors are provided with an orientation program, which includes written information about the business, documents from recent Board meetings and governance policies.

In addition, directors are encouraged to visit and meet with Management on a regular basis and are provided the opportunity to independently consult with legal counsel to the Corporation to understand their legal obligations as directors.

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.

At each quarterly Board meeting, the Chief Financial Officer makes a presentation to the Board to provide a comprehensive overview of the Corporation's financial performance, anticipated future financial results and market trends. In addition, together with legal counsel to the Corporation, the Chair of the Board continually reviews the latest securities rules and policies and best practices in corporate governance. Any changes or new requirements will then be brought to the attention of the Corporation's directors. Board members are encouraged to communicate with Management, auditors, legal counsel and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with Management's assistance; and to attend related industry seminars and visit the Corporation's projects. Board members have full access to the Corporation's records.

Ethical Business Conduct

The Board expects Management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives according to the highest ethical standards. To this end, the Board has adopted a Code of Business Conduct and Ethics (the "Code") for its directors, officers and employees.

Employees are required to report any violations under the Code or the Corporation's corporate governance policies in accordance with the Corporation's Whistleblower Policy, which provides that an individual may report any concerns or complaints regarding accounting, internal accounting controls, audit-related matters or fraud to the Chair of the Audit Committee. Such concerns and/or complaints will be kept confidential and may be communicated anonymously if desired. Following the receipt of any complaints, the Chair of the Audit Committee shall promptly investigate each matter so reported.

A copy of the Code and the Whistleblower Policy is available on the Corporation's website at www.orldmining.com and has also been filed on SEDAR and may be accessed under the Corporation's profile at www.sedar.com.

The Board monitors compliance with the Code and Management provides an annual report to the Board regarding issues, if any, arising under the Code and the Corporation's corporate governance policies.

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.

Compensation Committee

The Compensation Committee is currently comprised of three independent directors, being Messrs. Hall (Chair), Robitaille, and Jeannes. The Compensation Committee has adopted a written mandate and is responsible for the review and approval of the philosophy and design of the Corporation's compensation programs and the compensation of the Corporation's executives and members of the Board and for submitting recommendations to the Board in this regard. In addition, the Compensation Committee is responsible for reviewing and making recommendations to the Board, as appropriate, in connection with the Corporation's succession planning with respect to the Chief Executive Officer and other senior executive officers and ensuring that the structure, design and application of the Corporation's material compensation programs meet the Corporation's principles, objectives and risk profile and do not encourage excessive risk taking.

See "*Statement of Executive Compensation – Executive 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.

Nomination of Directors

The Board as a whole is responsible for reviewing the composition 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 geology, mining, accounting, finance and capital markets. Nominations tend to be the result of recruitment efforts by Management or individual directors and discussions among the members of the Board prior to the consideration of the Board as a whole.

Audit Committee

The Audit Committee is comprised of three independent directors, being Mr. George Albino (Chair), Mr. Charles Jeannes and Mr. David Stephens, each of whom is considered to be (i) independent; and (ii) financially literate. 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 full text of the Audit Committee's charter is available on the Corporation's website at www.orlaminig.com.

During the financial year ended December 31, 2017, the Audit Committee met four times.

The following table describes the education and experience of each current 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 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 from 2009 until April, 2016, and Executive Vice President, Corporate Development from 2006 until 2008. From 1999 until the acquisition of 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 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.
David Stephens	Mr. Stephens joined the Board in March 2018. Mr. Stephens is currently the Vice President, Corporate Development & Marketing at Goldcorp, having previously served as Vice President & Treasurer. Prior to joining Goldcorp, Mr. Stephens spent 10 years working in investment banking and equity research at various organizations including Macquarie Capital Markets Canada Ltd. and Orion Securities. Mr. Stephens holds a Bachelor's degree in Electrical Engineering and Computer Science from Harvard University.

The following table sets out the external auditor service fees paid in the 2017 and 2016 financial years:

	2017	2016
Audit Fees ⁽¹⁾	\$92,500	\$85,250
Audit-Related Fees ⁽²⁾	\$Nil	Nil
Tax Fees ⁽³⁾	\$20,939	\$6,525
All Other Fees ⁽⁴⁾	\$Nil	Nil
Total:	\$113,439	\$91,775

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".

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.

Environmental, Health and Safety Committee

The Environmental, Health and Safety Committee is comprised of three directors, being Messrs. Haldane (Chair) and Albino, each of whom is considered to be independent, and Mr. Hans Smit, who is not considered to be independent. The purpose of the Environmental, Health and Safety Committee is to monitor and review the health, safety, environmental and sustainable development policies, principles, practices and processes of the Corporation and monitor and review the regulatory issues related to health, safety, the environment and sustainable development. The Environmental, Health and Safety Committee has the authority to engage independent counsel or other experts and conduct any investigation that it considers appropriate. It is responsible for amongst other things, reviewing and approving annual disclosure relating to the Corporation's sustainability, health, safety and environment policies and activities, reviewing sustainability, environmental and health and safety reports and identifying the principal health, safety and environmental risks and impacts of the Corporation.

Assessment of Board Performance

Led by the independent Chair, the Board as a whole is expected to evaluate the effectiveness of the Board, its committees and individual directors on an annual basis. The Board intends to adopt a questionnaire that asks the directors to assess the effectiveness of the Board and its committees in respect of: structure and composition; roles and responsibilities; operations; effectiveness; committee meetings' operations and effectiveness; and individual director performance. The Board evaluation process will be designed to provide directors with an opportunity each year to examine how the Board is operating and to make suggestions for improvement.

Corporate Governance Policies

Environmental & Sustainability Policy

The Corporation is committed to meeting or surpassing regulatory requirements in all of its exploration and development activities while working to protect the environment both within and beyond the Corporation's operational boundaries. In keeping with this commitment, Orla has adopted an Environmental & Sustainability Policy. The Corporation will conduct all of its operations in a manner that ensures full compliance with its Environmental & Sustainability Policy, applicable legislation and government requirements. The aim of this policy is to protect the surroundings in which the Corporation operates, to minimize and manage environmental risk and to enhance sustainable environmental practices. Orla will ensure that all of its activities are conducted in an environmentally safe and responsible manner and will ensure that its contractors adhere to the same high environmental standards.

Corporate Social Responsibility Policy

The Corporation is committed to conducting its business in a responsible manner at all times. In keeping with this commitment, Orla has implemented a Corporate Social Responsibility Policy which sets out the guidelines by which the Corporation will (i) endeavour to respect the health and safety of its employees, (ii) protect the environment, (iii) respect the human rights of its employees and the residents in the communities in which the Corporation operates and (iv) contribute to the sustainable development of those communities.

Share Ownership Policy

The Corporation has adopted a share ownership policy in order to align the interests of the officers and directors of the Corporation with those of Shareholders by requiring such persons to own a significant number of Common Shares. Each of the non-executive directors is required to hold Common Shares having a value of at least three times the value of the annual base retainer. Each of the executive officers is required to hold Common Shares having a value of at least two times his or her base salary.

The ownership guidelines will be deemed to be satisfied following the date on which the price paid by the director or officer for Common Shares or the fair market value of the Common Shares equals or exceeds the ownership threshold. Individuals are required to comply with the policy by the fifth anniversary of the date of the individual's date of hire or appointment.

Name	Number of Common Shares	Market Value of Common Shares ⁽¹⁾	Share Ownership Requirement ⁽²⁾	Requirement Met?
Officers				
Marc Prefontaine <i>President and Chief Executive Officer</i>	3,263,800	\$4,242,940	\$500,000	Yes
Hans Smit <i>Chief Operating Officer</i>	2,942,900	\$3,825,770	\$500,000	Yes
Etienne Morin <i>Chief Financial Officer</i>	Nil	\$Nil	\$450,000	N/A ⁽³⁾
Non-Executive Directors				
George Albino <i>Director</i>	301,000	\$391,300	\$75,000	Yes
Charles Jeannes <i>Director</i>	1,736,100	\$2,256,930	\$150,000	Yes
Richard Hall <i>Director</i>	2,157,000	\$2,804,100	\$75,000	Yes
Tim Haldane <i>Director</i>	78,500	\$102,050	\$75,000	Yes
Jean Robitaille <i>Director</i>	1,777,450	\$2,310,685	\$75,000	Yes
David Stephens <i>Director</i>	Nil ⁽⁴⁾	\$Nil	Nil ⁽⁴⁾	N/A ⁽⁴⁾

Notes:

- (1) Calculated using \$1.30, being the closing price of the Common Shares on the TSXV on May 24, 2018.
- (2) Each of the non-executive directors is required to hold Common Shares having a value of at least three times the value of the annual base retainer. Each of the executive officers is required to hold Common Shares having a value of at least two times his or her base salary.
- (3) Mr. Morin joined the Corporation in 2018, and accordingly has five years from his date of hire to satisfy the requirement.
- (4) Mr. Stephens is the Nominee of Goldcorp and, accordingly, does not receive an annual base retainer and is not subject to the share ownership requirements. Goldcorp holds 34,410,141 Common Shares and also holds warrants to purchase 1,275,000 Common Shares.

STATEMENT OF EXECUTIVE COMPENSATION

Executive Compensation Discussion and Analysis

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of each person who served as the Corporation's Chief Executive Officer or Chief Financial Officer during the financial year ended December 31, 2017 and each of the three other most highly compensated executive officers of the Corporation for the financial year ended December 31, 2017, whose annual aggregate compensation exceeded \$150,000 (collectively, the "Named Executive Officers").

The Named Executive Officers for the financial year ended December 31, 2017 were:

- Marc Prefontaine, President and Chief Executive Officer;
- Paul Robertson, Former Chief Financial Officer; and
- Hans Smit, Chief Operating Officer.

During the financial year ended December 31, 2017, there were no other executive officers or individuals acting in a similar capacity for the Corporation whose compensation was, individually, more than \$150,000.

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 the financial year ended December 31, 2017, with respect to the Named Executive Officers. See "*Statement of Executive Compensation – Changes to 2018 Executive Compensation Program*" for changes to the compensation program that have been implemented for the financial year ending 2018.

Compensation Governance

When determining the compensation arrangements for the Named Executive Officers, the Compensation Committee considers the following objectives:

- retaining an executive critical to the success of the Corporation and the enhancement of Shareholder value;
- providing fair and competitive compensation;
- balancing the interests of Management and Shareholders;
- rewarding performance, both on an individual basis and with respect to the business in general; and
- 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.

For the financial year ended December 31, 2017, the Board and the Compensation Committee considered many factors when considering, reviewing and making recommendations for compensation arrangements for the Named Executive Officers. However, given the stage of the Corporation, a formal compensation program had not been adopted. Rather, in determining the compensation level for each executive, the Compensation Committee looked 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, and the compensation paid by a group of comparable companies, as further discussed under "Benchmarking" below.

See "*Statement of Executive Compensation – Changes to 2018 Executive Compensation Program*" for changes to the compensation program that have been implemented for the financial year ending 2018.

The Compensation Committee

The Compensation Committee is comprised of three independent directors, being Messrs. Hall (Chair), Jeannes and Robitaille. During the year ended December 31, 2017, the Compensation Committee held committee meetings on an as needed basis. The primary goal of these 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 Compensation Committee has adopted a written mandate that governs its practices. See "*- Role of the Compensation Committee*" below and "*Statement of Corporate Governance – Corporate Governance – Compensation Committee*".

The Board looks to the past experience of each director in determining the composition of the Compensation Committee and strives to include a range of skills and experiences when making appointments to ensure the Compensation Committee is comprised of directors that act independently and think analytically about the Corporation's compensation practices. As a whole, each of the 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 at the Meeting – Election of Directors."

Recommendations of Management

For the financial year ended December 31, 2017, the Compensation Committee consulted with the Chief Executive Officer and the Chief Operating Officer regarding the Corporation's annual business goals, objectives and achievements. In addition, the Compensation Committee consulted with the Chief Executive Officer and Chief Operating Officer regarding executive officer target short-term incentive awards and actual payouts, and long-term incentive grants, which the Compensation Committee then considered and recommended to the Board, as appropriate. Neither the Chief Executive Officer nor the Chief Operating Officer made any recommendations with respect to his own compensation package, which was determined by the Compensation Committee directly for recommendation to the Board.

The Compensation Committee can exercise its discretion in modifying any of the consultations with the Chief Executive Officer or Chief Operating Officer prior to making its recommendations to the Board.

The Compensation Committee can exercise its discretion in modifying any of the recommendations from the Chief Executive Officer prior to making its recommendations to the Board.

Role of the Compensation Committee and the Board

The Compensation Committee assists the Board in monitoring the Corporation's guidelines and practices with respect to compensation and benefits, and ensures that the Corporation's compensation program is competitive and fair. With respect to compensation, the Compensation Committee's responsibilities include, among other things:

- reviewing and submitting to the Board recommendations concerning executive compensation and compensation plan matters;
- providing periodic reports to the Board on compensation matters that review and assess the design and competitiveness of the Corporation's compensation and benefits programs generally, while considering the implications of any risks associated with the Corporation's compensation policies and practices; and
- reviewing and making recommendations, in consultation with the Chair of the Board and the Chief Executive Officer, to the Board with respect to implementing or varying share option, share purchase, compensation and other incentive plans.

In addition, the Compensation Committee reviews and recommends compensation policies and processes, and any new incentive compensation and equity compensation plans or changes to such plans. The Board makes final decisions on overall executive compensation after receiving advice and recommendations from the Compensation Committee.

For the financial year ended December 31, 2017, the Compensation Committee considered consultations with the Chief Executive Officer and Chief Operating Officer, and considered and made recommendations to the Board all executive compensation matters for 2017. The Board considered and granted final approval for executive compensation decisions, with decisions regarding the Chief Executive Officer being made by the non-executive directors of the Board (being all Board members other than the Chief Executive Officer and Chief Operating Officer).

Independent Compensation Consultant

In the financial years ended December 31, 2017 and 2016, neither the Board nor the Compensation Committee retained a compensation consultant or advisor to assist the Board, the Compensation Committee in determining the compensation for any of the Corporation's executive officers' or directors' compensation.

Benchmarking

For the financial year ended December 31, 2017, the Board and the Compensation Committee determined that various companies identified by the Corporation as having similar attributes as the Corporation would be reviewed for general market comparators. The peer group was selected based on market capitalization and stage of development. For 2017 compensation decisions, the following comprised the peer group: Continental Gold Inc., Lundin Gold Inc., Osisko Mining Inc., Belo Sun Mining Corp., Victoria Gold Corp., Pure Gold Mining Inc., Gold Standard Ventures Corp., Sabina Gold & Silver Corp., INV Metals Inc., Newcastle Gold Inc. and Integra Gold Corp.

The Compensation Committee reviewed market data for the peer group to determine to confirm the appropriate level of base salaries, bonuses, long-term incentive plan (“LTIP”) and total compensation for the Named Executive Officers. However, the Corporation did not engage in formal benchmarking and the Corporation did not position executive pay to reflect a single percentile within the peer group for each executive. 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.

Risks Associated with the Corporation's Compensation Policies and Practices

The Compensation Committee and the Board have 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 program for the financial year ended December 31, 2017 encouraged excessive or inappropriate risk taking as the Corporation's employees received 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

The Board has adopted a policy that prohibits 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.

Elements of Named Executive Officer Compensation

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

Element of Compensation	Purpose of Element
Base Salary	Base salaries are fixed and therefore provide a level of certainty for Named Executive Officers. They are also used to ensure the Corporation's compensation programs remain competitive in the industry and to determine other compensation elements and benefits.
Short-term Incentive	The objective of the short-term incentive plan is to reward Named Executive Officers for the achievement of annual corporate and individual goals.
Long-term Incentive	The purpose of the Corporation's LTIP is to attract, retain and award Named Executive Officers who are expected to significantly contribute to the success of the Corporation, incentivize them to perform at a high level and reward the achievement of creating long-term shareholder value.

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 equity-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. 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.

Base salaries for the financial year ended December 31, 2017 were as follows:

Name and Position	Salary
Marc Prefontaine <i>President and Chief Executive Officer</i>	\$250,000
Paul Robertson <i>Former Chief Financial Officer</i>	\$173,088
Hans Smit <i>Chief Operating Officer</i>	\$250,000

There are no expected increases to the base salaries for the Named Executive Officers for the financial year ending December 31, 2018.

Short-term Incentive Plan

Pursuant to the respective executive employment agreements, each of Mr. Prefontaine and Mr. Smit is entitled to a target short-term incentive as a percentage of base salary as set out in the table below. Mr. Robertson did not have a contractual target.

For the financial year ended December 31, 2017, short-term incentive awards were determined and awarded based on an assessment by the Compensation Committee of certain corporate and personal achievements, including the successful integration of the Pershimco Acquisition, completion of the Camino Rojo Acquisition and the establishment of formal policies and practices in the advancement of the Corporation.

On the recommendation of the Compensation Committee, as approved by the Board, short-term incentives awarded for the financial year ended December 31, 2017 were determined and awarded as follows:

Name and Position	Targeted Award (% of Base Salary)	Award	Actual Award (% of Base Salary)
Marc Prefontaine <i>President and Chief Executive Officer</i>	60%	\$150,000	60%
Paul Robertson <i>Former Chief Financial Officer</i>	N/A	\$75,000	43%
Hans Smit <i>Chief Operating Officer</i>	50%	\$125,000	50%

See “*Statement of Executive Compensation – Changes to 2018 Executive Compensation Program*” for changes to the short-term incentive program that have been implemented for the financial year ending 2018.

Long-term Incentive Plan

The Corporation’s LTIP is an element of compensation that allows the Corporation to incentivize and retain its Named Executive Officers for their sustained contributions to the Corporation. These awards reward performance and continued employment by a Named Executive Officer, with associated benefits to Orla of attracting, motivating and retaining employees. The Corporation believes that a LTIP provides Named Executive Officers with a strong link to long-term corporate performance and the creation of shareholder value and the LTIP bonus payment is at the discretion of the Board. The LTIP aligns the interests of the Named Executive Officers with those of Shareholders by linking a significant portion of the executive’s total pay opportunity to share price, therefore providing long-term accountability.

For a description of the material terms of the Stock Option Plan, see “*Particulars of Matters to be Acted Upon at the Meeting – Re-Approval of 10% Rolling Stock Option Plan*”.

Typically, stock options are granted to a Named Executive Officer under the Stock Option Plan following the filing of the annual financial statements for each financial year. For the financial year ended December 31, 2017, in determining the long-term incentive component of the Named Executive Officers' compensation, the Board considered, among other factors, the consultations with the Chief Executive Officer and Chief Operating Officer, 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.

On the recommendation of the Compensation Committee, as approved by the Board, stock option grants for the financial year ended December 31, 2017 were determined and awarded as follows:

Name and Position	Stock Options Awarded	Value of Stock Options Awarded⁽¹⁾
Marc Prefontaine <i>President and Chief Executive Officer</i>	600,000	\$366,327
Paul Robertson <i>Former Chief Financial Officer</i>	300,000	\$183,163
Hans Smit <i>Chief Operating Officer</i>	600,000	\$366,327

Notes:

- (1) Exercisable at a price of \$1.39 until June 23, 2022. These amounts reflect the grant date fair value of stock options granted to the named executive officer. The grant date fair value of stock options is calculated using the Black-Scholes methodology. The Corporation chose to use the Black-Scholes model as the basis for calculating fair value of the options granted as this methodology is commonly accepted by issuers. This is consistent with the accounting values used in the Corporation's financial statements. The key assumptions used under the Black-Scholes model that were used for the share option awards in the table above were as follows: Risk-free interest rate – 1.07%; Expected life – 5.00 years; Expected annualized volatility – 50%; Expected dividend rate – 0%.

See “*Statement of Executive Compensation – Changes to 2018 Executive Compensation Program*” for changes to the compensation program that have been implemented for the financial year ending 2018.

Benefit Plans

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.

Pension Plans

The Named Executive Officers do not participate in any defined benefit pension plan, defined contribution plan or deferred compensation plan.

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, 2017, 2016, and 2015.

Name and Principal Position of Named Executive Officer	Year ⁽¹⁾	Salary (\$)	Share-based awards (\$)	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 <i>President and Chief Executive Officer</i> ⁽³⁾	2017	\$250,000	Nil	\$366,327	\$150,000	Nil	Nil	Nil	\$766,327
	2016	\$83,333	Nil	Nil	Nil	Nil	Nil	\$40,000 ⁽⁶⁾	\$123,333
	2015	Nil	Nil	\$45,191	Nil	Nil	Nil	\$10,000 ⁽⁶⁾	\$55,191
Paul Robertson <i>Former Chief Financial Officer</i> ⁽⁴⁾	2017	Nil	Nil	\$183,163	\$75,000	Nil	Nil	\$173,088	\$431,251
	2016	Nil	Nil	Nil	Nil	Nil	Nil	\$143,418 ⁽⁷⁾	\$143,418
	2015	Nil	Nil	\$45,191	Nil	Nil	Nil	\$22,848 ⁽⁷⁾	\$68,039
Hans Smit <i>Chief Operating Officer</i> ⁽⁵⁾	2017	\$250,000	Nil	\$366,327	\$125,000	Nil	Nil	Nil	\$741,327
	2016	\$20,833	Nil	Nil	Nil	Nil	Nil	\$102,500 ⁽⁸⁾	\$123,333
	2015	Nil	Nil	\$45,191	Nil	Nil	Nil	\$10,000 ⁽⁸⁾	\$55,191

Notes:

- (1) Financial 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: (i) for 2017, Risk-free interest rate – 1.07%; Expected life – 5.00 years; Expected annualized volatility – 50%; Expected dividend rate – 0% and (ii) for 2016, 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 for this type of calculation. This is consistent with the methodology used by the Corporation for financial reporting purposes.
- (3) Mr. Prefontaine was appointed the Chief Executive Officer on June 10, 2015 replacing Mr. Aaron Wolfe. Mr. Prefontaine is also a director of the Corporation and does not receive any additional compensation for that role.
- (4) Mr. Robertson was appointed the Chief Financial Officer on June 10, 2015, replacing Mr. John Hickey. Subsequent to the year ended December 31, 2017, Mr. Robertson ceased to act as the Chief Financial Officer.
- (5) Mr. Smit was appointed the Chief Operating Officer on June 10, 2015. Mr. Smit is also a director of the Corporation and does not receive any additional compensation for that role.
- (6) Fees paid to Pref-Ex Geological Inc. for Chief Executive Officer related service, a corporation of which Mr. Prefontaine controls.
- (7) Fees paid to Quantum Advisory Partners LLP for Chief Financial Officer and non- Chief Financial Officer 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 Chief Operating Officer related service, a corporation of which Mr. Smit controls.

Named Executive Officers – Outstanding Option-Based Awards

The table below reflects the option-based awards outstanding as at December 31, 2017. As at December 31, 2017, the Corporation did not have any other equity incentive plans other than its Stock Option Plan.

Name and Principal Occupation	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾⁽²⁾	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽³⁾ (\$)	Number of Shares or Units That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
Marc Prefontaine <i>President and Chief Executive Officer</i>	225,000 600,000	\$0.15 \$1.39	November 27, 2020 June 23, 2022	\$366,750 \$234,000	Nil	N/A	N/A
Paul Robertson <i>Former Chief Financial Officer</i>	225,000 300,000	\$0.15 \$1.39	November 27, 2020 June 23, 2022	\$366,750 \$117,000	Nil	N/A	N/A
Hans Smit <i>Chief Operating Officer</i>	225,000 600,000	\$0.15 \$1.39	November 27, 2020 June 23, 2022	\$366,750 \$234,000	Nil	N/A	N/A

Notes:

- (1) Each option entitles the holder to purchase one Common Share.
- (2) These options vested on the grant date.
- (3) Calculated using the closing market price of the Common Shares on the TSXV on December 29, 2017 of \$1.78 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

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 financial year ended December 31, 2017. The only incentive award plan of the Corporation during the financial year ended December 31, 2017 was its Stock Option Plan.

Name and Principal Position of Named Executive Officer	Option-Based Awards – Value Vested During the Year (\$) ⁽¹⁾	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Marc Prefontaine <i>President and Chief Executive Officer</i>	Nil	N/A	\$150,000
Paul Robertson <i>Former Chief Financial Officer</i>	Nil	N/A	\$75,000
Hans Smit <i>Chief Operating Officer</i>	Nil	N/A	\$125,000

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.

Termination and Change of Control Benefits

Marc Prefontaine, President and Chief Executive Officer

The employment agreement dated December 1, 2016, as amended March 23, 2018, between the Corporation and Mr. Prefontaine provides that if the Corporation terminates Mr. Prefontaine's employment without cause or in the event Mr. Prefontaine terminates for good reason (as defined in the employment agreement), Mr. Prefontaine will be entitled to an amount equal to 12 months of his base salary plus a lump sum payment equal to the bonus he would have earned through that 12 month period based on the average annual bonus in the three years immediately preceding termination. If there is a change of control (as defined in the employment agreement), and within 12 months of such change of control, there is a termination by the Corporation without cause or termination by Mr. Prefontaine for good reason, Mr. Prefontaine will be entitled to an amount equal to 24 months of his base salary plus a lump sum payment equal to the bonus he would have earned through that 24 month period.

Mr. Prefontaine's agreement contains non-competition and non-solicitation restrictions.

Paul Robertson, former Chief Financial Officer

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 immediate written notice to Quantum and paying an amount equal to six months of service fees. If the Corporation terminates the agreement without cause, and such termination occurs either four months prior to, or 12 months following, a change of control, Quantum is entitled to receive a lump sum termination fee of an amount equal to 24 months of service fees and any stock options which had previously been granted to Mr. Robertson will fully vest immediately.

Hans Smit, Chief Operating Officer

The employment agreement dated December 1, 2016, as amended March 23, 2018, between the Corporation and Mr. Smit provides that if the Corporation terminates Mr. Smit's employment without cause or in the event Mr. Smit terminates for good reason (as defined in the employment agreement), Mr. Smit will be entitled to an amount equal to 12 months of his base salary plus a lump sum payment equal to the bonus he would have earned through that 12 month period based on the average annual bonus in the three years immediately preceding termination. If there is a change of control (as defined in the employment agreement), and within 12 months of such change of control, there is a termination by the Corporation without cause or termination by Mr. Smit for good reason, Mr. Smit will be entitled to an amount equal to 24 months of his base salary plus a lump sum payment equal to the bonus he would have earned through that 24 month period.

Mr. Smit's agreement contains non-competition and non-solicitation restrictions.

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, 2017, the severance payments that would be payable to each of Messrs Prefontaine, Smit and Robertson would have been as follows:

Name and Position	Termination without Cause or Termination for Good Reason (\$)	Termination without Cause or Termination for Good Reason + Change of Control (\$)
Marc Prefontaine <i>President and Chief Executive Officer</i>	\$400,000	\$800,000
Paul Robertson <i>Former Chief Financial Officer</i>	\$36,000	\$144,000
Hans Smit <i>Chief Operating Officer</i>	\$375,000	\$750,000
Total:	\$811,000	\$1,694,000

Changes to 2018 Executive Compensation Program

The Corporation continually reviews and monitors developments in Canada with a view ensuring its compensation practices are aligned with industry standards and best practices for comparable companies at a similar stage of development to the Corporation. In particular, subsequent to the completion of the Pershimco Acquisition and the Camino Rojo Acquisition, the Compensation Committee reviewed the Corporation's compensation practices, which review has resulted in a redesign of the approach to executive compensation that will be implemented for the financial year ending December 31, 2018. The goal of the redesign is to better align the Corporation's practices with its strategic goals, to allow the Corporation to attract and retain key talent and to align the interests of executives with the experience of Shareholders.

Peer Group

The Corporation seeks to provide competitive total compensation packages to its executive officers to ensure that it attracts and retains talented individuals while being aligned with market practices.

Commencing for compensation payable to executives for the financial year ending December 31, 2018, the Compensation Committee has selected a peer group for assessing compensation practices, which group has been approved by the Board. The selection of companies that make up the comparable group are intended to reflect a group of companies with which the Corporation competes for executive officers. The group was selected by identifying entities (i) with market capitalization ranging between \$143 million and \$1.1 billion, (ii) that are listed on the TSXV or the Toronto Stock Exchange, and (iii) with projects at a similar stage of development as the Corporation. The 2018 comparator group includes:

Continental Gold Inc.	Pure Gold Mining Inc.
Lundin Gold Inc.	Gold Standard Ventures Corp.
Osisko Mining Inc.	Sabina Gold & Silver Corp.
Victoria Gold Corp.	Equinox Gold Corp.
Dalradian Resources Inc.	

Short –Term Incentives

Pursuant to the respective executive employment agreements, each executive is entitled to a target short-term incentive as a percentage of base salary. Commencing for the financial year ending December 31, 2018, the overall target will also be split between corporate and personal components. Each component may then have one or more objective and subjective goals with different weighting and measures.

The following is the expected short-term incentive award target as a percentage of base salary and the expected split between the corporate and personal components:

Position	Targeted Short-Term Incentive (% of Base Salary)	Corporate Objectives	Individual Performance
Chief Executive Officer	60%	60%	40%
Chief Operating Officer	50%	50%	50%
Chief Financial Officer	50%	60%	40%

For the financial year ending December 31, 2018, the following corporate objectives were developed by the Chair of the Compensation Committee based on discussions with each of the executive officers, were recommended by the Compensation Committee and approved by the Board:

Objective	Weight
Health & Safety	20%
Lost Time Injury Rate of 0.30 per 200,000 hours worked	
Environmental	20%
No category 3, 4 or 5 (serious through catastrophic) incidents as defined by EPA	
Community Affairs	20%
Develop an effective and sustainable community program	
Project Advancement	40%
Advance projects in accordance with approved plans and budgets	

Performance against the corporate objectives will be assessed by the Compensation Committee at the end of the 2018 financial year based on its review of the achievement of the objective and subjective criteria noted above.

Together with the Chair of the Compensation Committee, each executive also developed personal component objectives for 2018 that reflected strategic annual operational improvements, financial system implementation and improvements, development of internal teams and overall focus of leadership and communication of the executive team. For each executive, share price performance relative to the peer group will also be assessed. The personal objectives were recommended by the Compensation Committee and approved by the Board.

Achievement of the personal objectives will be based on an assessment by the Compensation Committee at the end of the 2018 financial year, including through consultations with Management on an as-needed basis.

Long-Term Incentives

Previously, stock options were determined and granted based on a subjective determination by the Compensation Committee and approved by the Board. Commencing for the financial year ending December 31, 2018, the Compensation Committee has adopted a target LTIP grant based on a percentage of base salary for each executive, and allocated among stock options and RSUs as follows:

Position	Targeted LTIP (% of Base Salary)	Stock Options	RSUs
Chief Executive Officer	100%	40%	60%
Chief Operating Officer	100%	40%	60%
Chief Financial Officer	100%	40%	60%

At the Meeting, Shareholders will be asked to approve the adoption of the RSU Plan. The RSU Plan is being proposed as part of the redesigned compensation program to reduce the reliance on stock options, while continuing to encourage alignment of executive interests with that of Shareholders. Together, the Stock Option Plan and the RSU Plan are intended to help attract and retain employees by providing them with an opportunity to participate in the future success of the Corporation and to reinforce commitment to

long-term growth in profitability and Shareholder value. Together, the Stock Option Plan and the RSU Plan are designed to encourage share ownership and entrepreneurship on the part of the senior Management and employees. The Board believes that the Stock Option Plan and the RSU Plan will better align the interests of the executives with Shareholders by linking a component of executive compensation to the longer term performance of the Common Shares.

Director Compensation

The objective of the Corporation's compensation program for directors is to attract and retain members of the Board of a quality and nature that will enhance the sustainable profitability and growth of the Corporation. Director compensation is intended to provide an appropriate level of remuneration considering the experience, responsibilities, time requirements and accountability of their roles.

In addition, in order to appropriately align the interests of members of the Board with those of Shareholders, the Board has implemented a director share ownership policy. See "*Statement of Corporate Governance – Corporate Governance Policies – Share Ownership Policy.*"

Upon recommendation of the Compensation Committee, the Board has approved a compensation package for directors as follows: (i) an annual retainer for each non-executive director (other than the Chair) of \$25,000, payable in quarterly amounts of \$6,250 for acting as directors of the Corporation; (ii) an annual retainer for the Chair of \$50,000, payable in quarterly amounts of \$12,500 for acting as Chair of the Board; (iii) an additional annual retainer for the Chair of the Audit Committee of \$10,000, payable in quarterly amounts of \$2,500 for acting as the Chair of such committee; (iv) an additional annual retainer for the Chair of the Compensation Committee of \$5,000, payable in quarterly amounts of \$1,250 for acting as the Chair of such committee; and (v) an additional annual retainer for the Chair of the Environmental, Health and Safety Committee of \$5,000, payable in quarterly amounts of \$1,250 for acting as the Chair of such committee.

The following table sets out certain information respecting the compensation paid to directors of the Corporation who were not Named Executive Officers during the financial year ended December 31, 2017:

Name ⁽¹⁾	Fees earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Charles Jeannes	\$25,000	\$695,000 ⁽²⁾	\$366,327	Nil	Nil	Nil	\$1,086,327
Richard Hall	\$15,000	Nil	\$183,163	Nil	Nil	Nil	\$198,163
George Albino	\$17,500	Nil	\$183,163	Nil	Nil	Nil	\$200,663
Jean Robitaille	\$12,500	Nil	\$183,163	Nil	Nil	Nil	\$195,663
Tim Haldane	\$15,000	Nil	\$183,163	Nil	Nil	Nil	\$198,163
Steven Thomas ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Troy Fierro ⁽⁴⁾⁽⁵⁾	\$2,646	Nil	Nil	Nil	Nil	Nil	\$2,646
Aaron Wolfe ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alain Bureau ⁽⁴⁾⁽⁵⁾	Nil	Nil	Nil	Nil	Nil	\$100,000 ⁽⁶⁾	\$100,000

Notes:

- (1) 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 – 1.07%; Expected life – 5.00 years; Expected annualized volatility – 50%; Expected dividend rate – 0%. The Corporation selected the Black-Scholes model given its prevalence of use within North America. This is consistent with the methodology used by the Corporation for financial reporting purposes.
- (2) Upon the recommendation of the Compensation Committee, the Board approved a one-time award of 500,000 Common Shares (the “**Bonus Shares**”) to Mr. Jeannes at a deemed issue price of \$1.39 per Bonus Share (the “**Issue Price**”) in consideration for Mr. Jeannes acting as Chairman of the Board, which Bonus Shares have certain trading restrictions. The Issue Price is equal to the closing price of the Common Shares on the TSXV on June 23, 2017. The Bonus Shares will become issuable on the date Mr. Jeannes ceases to act as a director following June 18, 2020. If at any time prior Mr. Jeannes ceases to act as a director there is a change of control, the Bonus Shares will immediately vest and Mr. Jeannes will be entitled to receive any securities, property or cash to which he would have been entitled to receive upon such change of control if the Bonus Shares had vested immediately prior to the applicable record date or event, as the case may be.
- (3) Steven Thomas ceased to be a director on March 29, 2018.
- (4) Each of Mr. Fierro, Mr. Wolfe and Mr. Bureau ceased to be a director on June 19, 2017.
- (5) No options were granted to Mr. Fierro, Mr. Wolfe or Mr. Bureau during the financial year ended December 31, 2017.
- (6) Fees paid for consulting services provided by Mr. Bureau in connection with transition following the Pershimco Acquisition.

Directors – Option-Based and Share-Based Awards

The table below reflects the option-based awards outstanding as at December 31, 2017. As at December 31, 2017, the Corporation did not have any other equity incentive plans other than its Stock Option Plan.

Name and Principal Occupation	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units That Have Not Vested (#)	Market or Payout Value of Share- Based Awards That Have Not Vested ⁽²⁾ (\$)	Market or Payout Value of Vested Share-Based Awards
Charles Jeannes	600,000	\$1.39	June 23, 2022	\$234,000	500,000	\$890,000	N/A
Richard Hall	175,000 300,000	\$0.15 \$1.39	November 27, 2020 June 23, 2022	\$285,250 \$117,000	N/A	N/A	N/A
George Albino	300,000	\$1.39	June 23, 2022	\$117,000	N/A	N/A	N/A
Jean Robitaille	19,000 ⁽³⁾ 19,000 ⁽³⁾ 28,500 ⁽³⁾ 300,000	\$1.69 \$1.48 \$0.81 \$1.39	September 19, 2018 October 1, 2019 December 3, 2020 June 23, 2022	\$1,710 \$5,700 \$27,645 \$117,000	N/A	N/A	N/A
Tim Haldane	300,000	\$1.39	June 23, 2022	\$117,000	N/A	N/A	N/A
Steven Thomas	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Troy Fierro	200,000	\$0.15	June 19, 2018	\$326,000	N/A	N/A	N/A
Aaron Wolfe	175,000	\$0.15	June 19, 2018	\$285,250	N/A	N/A	N/A
Alain Bureau	38,000 ⁽³⁾ 38,000 ⁽³⁾ 38,000 ⁽³⁾ 57,000 ⁽³⁾	\$3.53 \$1.69 \$1.48 \$0.81	June 19, 2018 June 19, 2018 June 19, 2018 June 19, 2018	Nil \$3,420 \$11,200 \$55,290	N/A	N/A	N/A

Note:

- (1) Calculated using the closing market price of the Common Shares on the TSXV on December 29, 2017 of \$1.78 and subtracting the exercise price of in-the-money stock options. These stock options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.
- (2) Calculated using market price at December 29, 2017 of \$1.78.
- (3) Reflects options previously held in Pershimco Resources Inc. Each option held became exercisable for Common Shares in connection with the Pershimco Acquisition.

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 financial year ended December 31, 2017. The only incentive award plan of the Corporation during the financial year ended December 31, 2017, was the Stock Option Plan.

Name of Director	Option-Based Awards - Value Vested During the Year⁽¹⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Charles Jeannes	N/A	N/A
Richard Hall	N/A	N/A
George Albino	N/A	N/A
Jean Robitaille	N/A	N/A
Tim Haldane	N/A	N/A
David Stephens	N/A	N/A
Steven Thomas	N/A	N/A
Troy Fierro	N/A	N/A
Aaron Wolfe	N/A	N/A
Alain Bureau	N/A	N/A

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.

Changes to 2018 Executive Compensation Program

In connection with the redesign of the executive compensation program, the Compensation Committee undertook a review of director compensation practices at comparable companies. Commencing for the financial year ending December 31, 2018, LTIP for directors will be allocated between stock options and DSUs. The Compensation Committee believes that the addition of DSUs into the director compensation program better aligns director interests with the interests of Shareholders, and provides motivation to promote sustained improvement in the Corporation’s performance. At the Meeting, Shareholders will be asked to approve the adoption of the DSU Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLANS

The following table sets forth aggregated information as at December 31, 2017, 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 second column)
Equity compensation plans approved by securityholders ⁽¹⁾	5,740,000	\$1.09	9,767,373
Equity compensation plans not approved by securityholders	536,748 ⁽²⁾	\$1.50	N/A
Total:	6,276,748	\$1.13	9,767,373

Note:

- (1) The only equity compensation plan of the Corporation during the financial year ended December 31, 2017, was the Stock Option Plan, which has been approved by Shareholders.
- (2) Reflects options previously issued by Pershimco Resources Inc. and each such option issued became exercisable for one Common Share in connection with the Pershimco Acquisition.

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.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and executive officers, or former directors or executive officers, nor any associate of such individuals, of the Corporation is as at the date hereof, or has been, during the financial year ended December 31, 2017, indebted to the Corporation or its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding with Orla or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director or any associate or affiliate of any informed person or proposed director in any transaction since the commencement of our most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect Orla or any of its affiliates or subsidiaries.

OTHER BUSINESS

Management 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, 2017 and 2016, and related and management's 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, British Columbia, V6E 4G1.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED as of the 24th day of May, 2018.

"Marc Prefontaine"

MARC PREFONTAINE

President, Chief Executive Officer and Director

SCHEDULE "A"
BOARD MANDATE

See attached.



ORLA MINING LTD.

MANDATE OF THE BOARD OF DIRECTORS

INTRODUCTION

The directors of Orla Mining Ltd. (the “Company” or “Orla”) are elected by the Company’s shareholders and are responsible for the stewardship of the business and affairs of the Company. The board of directors (the “Board”) seeks to discharge this responsibility by reviewing, discussing and approving the Company’s strategic planning and organizational structure and supervising management to oversee that the long-term operational and financial goals and organizational structure enhance and preserve the business of the Company and the underlying value of the Company.

1. DUTIES OF DIRECTORS

The Board discharges its responsibility for overseeing the management of the Company’s business by delegating to the Company’s senior officers the responsibility for day-to-day management of the Company. The Board discharges its responsibilities both directly and through its standing committees; namely, the Audit Committee and the Compensation Committee. In addition to these regular committees, the Board may appoint ad hoc committees periodically to address issues of a more short-term nature. The Board’s primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Orla’s strategic objectives. Other principal duties include, but are not limited to, the following categories:

Appointment of Management

- (a) The Board is responsible for approving the appointment of Orla’s Chief Executive Officer and other senior officers. The Compensation Committee is responsible for approving the compensation of the Chief Executive Officer and the other executive officers, senior management and key personnel of the Company.
- (b) The Board from time to time delegates to senior management the authority to enter into transactions, such as financial transactions, subject to specified limits. Investments and other expenditures above the specified limits, and material transactions outside the ordinary course of business are reviewed by and are subject to the prior approval of the Board.
- (c) The Board oversees that succession planning programs are in place, including the appointment and monitoring of senior management. The Board is responsible for approving succession plans for the Chief Executive Officer and the other officers of the Company.

Board Organization

- (a) The Board is responsible for managing its own affairs including approving its composition and size, the selection of the Chair of the Board, candidates nominated for election to the Board, committee appointments and committee mandates.
- (b) The Board may delegate to Board committees matters the Board is responsible for, including the approval of compensation matters relating to the Board, the conduct of performance evaluations and oversight of internal controls systems, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

Strategic Planning

- (a) The Board has oversight responsibility to participate directly, and through its committees, in developing, reviewing and approving the business objectives and goals of the Company.
- (b) The Board is responsible for reviewing the business, financial and strategic plans by which it is proposed that Orla may reach those goals.
- (c) The Board is responsible for providing input to management on emerging trends and issues and on strategic plans, objectives and goals that management develops.
- (d) The Board will consider alternate strategies in response to possible change of control transactions or take-over bids with a view to maximizing value for shareholders.

Monitoring of Financial Performance and Other Financial Reporting Matters

- (a) The Board is responsible for enhancing congruence between shareholder expectations, corporate objectives and management performance.
- (b) The Board is responsible for:
 - (i) monitoring the Company's progress toward its strategic and operational goals, and to revise its direction to management in light of changing circumstances affecting the Company; and
 - (ii) taking action when Orla's performance falls short of its goals, or when other special circumstances warrant.
- (c) The Board is responsible for reviewing and approving the annual consolidated audited financial statements, the interim consolidated financial statements, and the notes and management's discussion and analysis accompanying such financial statements, as well as Orla's management information circular.
- (d) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under Orla's governing statute, including the payment of dividends, the issuance, purchase and redemption of securities, acquisitions and dispositions of material assets and material expenditures.

Risk Management

- (a) The Board is responsible for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to effectively monitor and manage those risks with a view to the long-term viability of the Company and achieving a proper balance between the risks incurred and the potential return to Orla's shareholders.

Environmental Oversight

- (a) The Board is responsible for ensuring the implementation of appropriate environmental stewardship and health and safety management systems, which are sufficient within the terms and practices of the mining industry, to ensure compliance with applicable laws.

Policies and Procedures

- (a) The Board is responsible for:
 - (i) approving and monitoring compliance with all significant policies and procedures by which the Company is operated;
 - (ii) approving policies and procedures designed to ensure that Orla operates at all times within applicable laws and regulations and in accordance with ethical and moral standards.
- (b) The Board shall enforce its policy respecting confidential treatment of the Company's proprietary information and the confidentiality of Board deliberations.

Communications and Reporting

- (a) The Board will review from time to time as circumstances warrant the Company's corporate disclosure procedures to address communications with shareholders, employees, financial analysts, governments and regulatory authorities, the media and the communities in which the business of the Company is conducted.
- (b) The Board is responsible for:
 - (i) overseeing the accurate reporting of the financial performance of the Company to shareholders, other security holders and regulators on a timely and regular basis;
 - (ii) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and related legal disclosure requirements;
 - (iii) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Company;
 - (iv) reporting annually to shareholders on its stewardship for the preceding year; and
 - (v) overseeing Orla's implementation of systems to accommodate feedback from shareholders.

2. ADOPTION

This Mandate was adopted by the Board on December 6, 2016

**SCHEDULE “B”
RSU PLAN**

ORLA MINING LTD.

RESTRICTED SHARE UNIT PLAN

EFFECTIVE JUNE 27, 2018

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

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

- A. “**Act**” means the *Canada Business Corporations Act*, or its successor, as amended, from time to time;
- B. “**Affiliate**” means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;
- C. “**Board**” means the Board of Directors of the Corporation;
- D. “**Cause**” with respect to a Participant has the meaning set forth in the Participant’s employment agreement with the Corporation or one of its Affiliates.
- E. “**Change of Control**” means, in respect of the Corporation: (i) if, as a result of or in connection with the election of directors, the people who were directors (or who were entitled under a contractual arrangement to be directors) of the Corporation before the election cease to constitute a majority of the Board, unless the directors have been nominated by management or approved of by a majority of the previously serving directors; (ii) any transaction at any time and by whatever means pursuant to which any person or any group of two or more persons acting jointly or in concert as a single control group or any affiliate (other than a wholly-owned subsidiary of the Corporation or in connection with a reorganization of the Corporation) or any one or more directors thereof hereafter “beneficially owns”(as defined in the Canada Business Corporations Act directly or indirectly, or acquires the right to exercise control or direction over, voting securities of the Company representing 50% percent or more of the then issued and outstanding voting securities of the Corporation, as the case may be, in any manner whatsoever; (iii) the sale, assignment, lease or other transfer or disposition of more than 50% percent of the assets of the Corporation to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation or in connection with a reorganization of the Corporation); (iv) the occurrence of a transaction requiring approval of the Corporation’s shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities involving all of the Corporation’s voting securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than a short-form amalgamation of the Corporation or an exchange of securities with a wholly-owned subsidiary of the Corporation or a reorganization of the Corporation); or (v) any sale, lease, exchange, or other disposition

of all or substantially all of the assets of the Corporation other than in the ordinary course of business;

- F. “**Code**” means the United States Internal Revenue Code of 1986, as amended.
- G. “**Committee**” means the Board or, if the Board so determines in accordance with Section 2.03 of the Plan, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;
- H. “**Corporation**” means Orla Mining Ltd., a corporation existing under the Act, and includes any successor corporation thereof;
- I. “**Director**” means a member of the Board of the Corporation or an Affiliate from time to time;
- J. “**Disability**” with respect to a Participant, has the meaning set forth in such Participant’s employment or consulting agreement with the Corporation or one of its Affiliates;
- K. “**Eligible Consultant**” means an individual (other than an Eligible Employee or a Director of the Corporation) or company that: (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate, other than services provided in relation to a Distribution (as defined by the TSXV); (b) provides the services under a written contract between the Corporation or the Affiliate and the individual or the company, as the case may be; (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and (d) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- L. “**Eligible Employees**” means (a) an individual who is considered an employee of the Corporation or any of its subsidiaries under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source); (b) an individual who works full-time for the Corporation or any of its subsidiaries providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or (c) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation but for whom income tax deductions are not made at source;
- M. “**Fair Market Value**” means, at any date, the higher of: (i) weighted average price per share at which the Shares have traded on the TSXV during the last five (5) trading days prior to that date; and (ii) the closing price of the Shares on the TSXV on the date prior to the relevant date or, if the Shares are not then listed and posted for trading on the TSXV, then on such stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board, or, if the Shares are not then listed and posted for trading on any stock exchange, then it shall be the fair market value per Share as determined by the Committee in its sole discretion; and for such purposes, the weighted average price per share at which the Shares have traded on the TSXV or on any other stock exchange shall be calculated by dividing: (i) the aggregate sale price for all of

the Shares traded on such stock exchange during the relevant five (5) trading days by (ii) the aggregate number of Shares traded on such stock exchange during the relevant five (5) trading days;

- N. “**Good Reason**” with respect to a Participant has the meaning set forth in the Participant’s employment agreement with the Corporation or one of its Affiliates.
- O. “**Grant Date**” means the date that the Restricted Share Unit is granted to a Participant under the Plan, as evidenced by the Restricted Share Unit Grant Letter, and refers also to the date that the Restricted Share Unit is credited to the Participant which must always be in the same calendar year;
- P. “**Insider**” means: (i) an insider as defined in the *Securities Act* (British Columbia), as may be amended from time to time, other than a person who is an Insider solely by virtue of being a director or senior officer of an Affiliate; and (ii) an Associate of any person who is an insider by virtue of (i);
- Q. “**Investor Relations Activities**” has the meaning ascribed thereto under the rules and policies of the TSXV;
- R. “**Investor Relations Person**” means a Person retained to provide Investor Relations Activities;
- S. “**Market Value**” means the the closing trading price of the Shares on the Grant Date, as reported by the TSXV. If the Shares are not trading on the TSXV, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Shares as determined by the Committee in its sole discretion;
- T. “**Participant**” means each Eligible Employee, Director or Eligible Consultant to whom Restricted Share Units are granted hereunder;
- U. “**Participant’s Entitlement Date**” is defined in Section 3.03 and under no circumstances shall be later than December 15th of the third calendar year following the calendar year in which the Grant Date occurred in respect of the Restricted Share Units.
- V. “**Plan**” means this Restricted Share Unit Plan, as same may be amended from time to time;
- W. “**Restricted Share Unit**” means a unit credited by means of an entry on the books of the Corporation to a Participant, representing the right to receive on the Participant’s Entitlement Date fully paid Shares or a cash payment in lieu thereof, as set out in the Participant’s Restricted Share Unit Grant Letter;
- X. “**Restricted Share Unit Award**” means an award of Restricted Share Units under the Plan to a Participant;
- Y. “**Restricted Share Unit Grant Letter**” means the letter to the Participant from the Corporation evidencing the grant of Restricted Share Units;

- Z. **“Resignation”** means the cessation of employment of the Participant with the Corporation or an Affiliate as a result of resignation;
- AA. **“Security Based Compensation Arrangement”** includes, without limitation: (i) stock option plans for the benefit of employees, Insiders, service providers or any one of such groups; (ii) individual stock options granted to employees, service providers or Insiders if not granted pursuant to a plan previously approved by the Corporation’s security holders; (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, Insider or service provider which is financially assisted by the Corporation by any means whatsoever;
- BB. **“Shares”** means the common shares in the capital of the Corporation, as adjusted in accordance with the provisions of Article Five of this Plan;
- CC. **“subsidiary”** means, in respect of a person, a body corporate or other entity which is directly or indirectly controlled by such person. For such purposes, a person shall be deemed to control another person if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, whether through the ownership of voting securities, by contract or otherwise;
- DD. **“Termination”** means (i) in the case of an Eligible Employee, the later of the last day of work and the statutory notice period (if any) following notification of termination of the employment of the Eligible Employee with or without Cause by the Corporation or an Affiliate or notification of termination of the employment of the Eligible Employee for Resignation with or without Good Reason and, for certainty, does not include any period of contractual or common law notice or severance; (ii) in the case of an Eligible Consultant, the termination of the services of the Eligible Consultant by the Company or any Affiliate or the Eligible Consultant; and (iii) in the case of a Director, the removal of or failure to re-elect or re-appoint the Director as a director of the Company or any Affiliate; for greater certainty, in all cases, other than for death or disability of a Participant;
- EE. **“TSXV”** means the TSX Venture Exchange.

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

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

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

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

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THE RESTRICTED SHARE UNIT PLAN

Section 2.01 Purpose of the Restricted Share Unit Plan: The Plan provides for the payment of bonuses to be satisfied by the issuance of Shares, a payment in cash or a combination thereof for the purpose of advancing the interests of the Corporation and its Affiliates through the motivation, attraction and retention of Eligible Employees, Directors and Eligible Consultants and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Shares or Share equivalent by such persons, it being generally recognized that restricted share plans aid in attracting, retaining and encouraging employees due to the opportunity offered to them to benefit from a proprietary interest in the Corporation. It is intended that the Plan not be treated as a “salary deferral arrangement” as defined by the *Income Tax Act* (Canada) by reason of paragraph (k) thereof.

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

Section 2.03 Delegation to Committee: All of the powers exercisable hereunder by the directors of the Corporation may, to the extent permitted by applicable law and as determined by resolution of the directors of the Corporation, be exercised by a committee of the Board comprised of not less than three directors of the Corporation.

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

- (a) the name and address of each Participant;
- (b) the number of Restricted Share Units granted to each Participant; and
- (c) the number of Shares (if any) issued to, and/or any cash payment made to, each Participant in settlement of fully vested Restricted Share Units.

Section 2.05 Determination of Participants and Participation: The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the Participants to whom Restricted Share Units shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 Maximum Number of Shares:

- (a) The aggregate maximum number of Common Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 5.06, shall not exceed 3,000,000. Under no circumstances may the number of Restricted Share Units granted in

aggregate, together with any other Security Based Compensation Arrangements of the Corporation exceed 10% of the total number of Shares then outstanding. For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.

- (b) The maximum number Restricted Share Units available for grant to any one Person, in a 12 month period pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation is 5% of the total number of Shares then outstanding (unless the Corporation has obtained the requisite disinterested Shareholder approval). For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (c) The maximum number of Shares reserved for issuance under Restricted Share Units granted to Insiders (as a group), at any time, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation, is 10% of the total number of Shares then outstanding. The maximum number of Restricted Share Units which may be granted to Insiders (as a group), within any one year period, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation is 10% of the total number of Shares then outstanding. For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (d) The maximum number of Restricted Share Units available for grant to any one Eligible Consultant, within any 12-month period, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation, is 2% of the total number of Shares then outstanding. For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (e) The maximum number of Restricted Share Units available for grant to all Investor Relations Persons, within any 12-month period, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation, is 2% of the total number of Shares then outstanding. For purposes of this Section 2.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (f) The maximum equity value of Restricted Share Units which may be granted to each Director who is not also an Eligible Employee shall not exceed \$150,000 (based on the Market Value of the Restricted Share Units) in any fiscal year.
- (g) For purposes of determining the number of Shares that remain available for issuance under the Plan, the number of Shares underlying any grants of Restricted Share Units that are surrendered, forfeited, waived, repurchased by the Corporation and/or cancelled shall be added back to the Plan and again be available for future grant, whereas the number of Shares underlying any grants of Restricted Share Units that are issued shall not be available for future grant.

ARTICLE THREE

RESTRICTED SHARE UNITS

Section 3.01 Restricted Share Unit Plan: The Plan is hereby established for Eligible Employees, Directors and Eligible Consultants.

Section 3.02 Grant of Restricted Share Units: A Restricted Share Unit Award granted to a particular Participant in a calendar year will be a bonus for services rendered by the Participant to the Corporation or an Affiliate, as the case may be, in the Corporation's or Affiliate's fiscal year ending in such year, as determined in the sole and absolute discretion of the Committee. The number of Restricted Share Units awarded will be credited to the Participant's account, effective as of the Grant Date.

Section 3.03 Vesting: A Restricted Share Unit Award granted to a Participant for services rendered will entitle the Participant, subject to the Participant's satisfaction of any conditions, restrictions or limitations imposed under the Plan or Restricted Share Unit Grant Letter, to receive: (i) one previously unissued Share for each Restricted Share Unit; or (ii) a cash payment equal to the number of Restricted Share Units multiplied by the Fair Market Value of one Share on the vesting date; or (iii) a combination of (i) and (ii), as determined by the Committee in its sole discretion, on the date when the Restricted Share Unit Award is fully vested (the "**Participant's Entitlement Date**"). Concurrent with the determination to grant Restricted Share Units to a Participant, the Committee shall determine the vesting schedule applicable to such Restricted Share Units, which shall extend no later than December 15th of the third calendar year following the calendar year in which the Grant Date occurred in respect of the Restricted Share Units. Restricted Share Units issued to persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Restricted Share Units vesting in any three month period.

Section 3.04 Termination of Employment:

- (a) **Termination with Cause or Resignation without Good Reason:** Except as provided for in the Restricted Share Unit grant letter or as determined by the Committee in its discretion, upon the Termination of the employment or services of the Participant, for any reason other than death, disability, Termination without Cause or Resignation for Good Reason, then, all unvested Restricted Share Units will be forfeited by the Participant, and be of no further force and effect, as of the date of Termination;
- (b) **Termination without Cause or Resignation for Good Reason;** Except as provided for in the Restricted Share Unit grant letter or as determined by the Committee in its discretion, provided that the Participant has been continuously employed by the Corporation or an Affiliate of the Corporation since the Grant Date, the Participant's unvested Restricted Share Units shall vest in full upon the date of the Participant's Termination without Cause or Resignation for Good Reason. The Shares and/or cash underlying such vested Restricted Share Units credited to the Participant's account shall be issued and/or paid to the Participant as soon as practicable thereafter, provided, that for a Participant who is a United States taxpayer, subject to Section 4.02(d), the date of issuance or payment shall not be more than 90 days after the date of the Participant's Termination without Cause or for Good Reason and provided further, that such Participant does not have a choice as to the taxable year of payment;
- (c) **Death:** Provided that the Participant has been continuously employed by the Corporation or an Affiliate of the Corporation since the Grant Date, the Participant's unvested Restricted Share Units will vest on the date of the Participant's death. The Shares and/or cash underlying the Restricted Share Units credited to the Participant's account shall be

issued and/or paid to the Participant's estate as soon as practicable thereafter, provided, that for a Participant who is a United States taxpayer, the date of issuance or payment shall not be more than 90 days after the date of the Participant's death and provided further, that such Participant's estate does not have a choice as to the taxable year of payment;

- (d) **Disability:** Provided that the Participant has been continuously employed by the Corporation or an Affiliate of the Corporation since the Grant Date, the Participant's unvested Restricted Share Units shall vest in full within 90 days following the date on which the Participant is determined to be totally disabled, and the Shares and/or cash underlying such Restricted Share Units credited to the Participant's account shall be issued and/or paid to the Participant as soon as practicable thereafter, provided, that for a Participant who is a United States taxpayer, subject to Section 4.02(d), the date of issuance or payment shall not be more than 90 days after the date on which the Participant is determined to be totally disabled and provided further, that such Participant does not have a choice as to the taxable year of payment; and
- (e) **Change of Control:** on the occurrence of a Change of Control, all unvested Restricted Share Units outstanding shall immediately vest on the date of such Change of Control notwithstanding any stated vesting period. In any event, upon a Change of Control, Participants shall not be treated any more favourably than shareholders of the Company with respect to the amount of consideration that the Participants would be entitled to receive for the Shares underlying the Restricted Share Units; provided, however, that for a Participant who is a United States taxpayer, the Change of Control must also constitute a "change in control event" as set forth in Treas. Reg. §1.409A-3(i)(5)(i) and provided further, that any issuance or payment must occur in full within five years of the date of the Change of Control.

Section 3.05 Redemption - Fully Paid Shares to the Participant: Subject to Sections 3.06 and 4.01, the Corporation will satisfy its payment obligation, net of any applicable taxes and other source deductions required to be withheld by the Corporation, on the Participant's Entitlement Date, with the issue of fully paid Shares from treasury in accordance with Section 3.03.

Section 3.06 Redemption – Cash Payment to the Participant: In the event that the Corporation elects to satisfy all or a part of its payment obligation in cash, on the Participant's Entitlement Date, the Restricted Share Units shall be redeemed and payment made by the Corporation to the Participant subject to Section 4.01. The amount of the cash payment will be determined by multiplying the number of Restricted Share Units being redeemed for cash, by the Fair Market Value of one Share on the vesting date, less any applicable taxes and other source deductions required to be withheld by the Corporation.

Section 3.07 Restricted Share Unit Grant Letter: Each grant of a Restricted Share Unit under the Plan shall be evidenced by a Restricted Share Unit Grant Letter to the Participant from the Corporation. Such Restricted Share Unit Grant Letter shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a Restricted Share Unit Grant Letter. The provisions of the various Restricted Share Unit Grant Letters issued under the Plan need not be identical. To the extent that there is any inconsistency between the Plan and the Restricted Share Unit Grant Letter or any other communications, the Plan shall prevail.

Section 3.08 Payment of Dividends: Subject to the absolute discretion of the Committee, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on Shares, the Committee may elect to credit each Participant with additional Restricted Share Units. In such case, the

number of additional Restricted Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Restricted Share Units in the Participant's account had been Shares, divided by the Market Value of a Share on the date on which dividends were paid by the Corporation. The additional Restricted Share Units awarded to a Participant under this Section 3.08 of this Plan will vest on the Participant's Entitlement Date in respect of the particular Restricted Share Unit Award to which the additional Restricted Share Units relate.

Section 3.09 Blackout: Unless otherwise determined by the Committee, in the event that any Participant's Entitlement Date expires during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Corporation, such expiry will occur on the day immediately following the end of the blackout period, or such 48 hour period, as applicable, provided that under no circumstances shall the Participant's Entitlement Date be later than December 15th of the third calendar year following the calendar year in which the Grant Date occurred in respect of the Restricted Share Units.

Section 3.10 Necessary Approvals: The Plan has been approved by the shareholder of the Corporation.

ARTICLE FOUR

TAX MATTERS

Section 4.01 Withholding Taxes: The Corporation or its Affiliates may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or its Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any payment or delivery of Shares or cash made under this Plan including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Shares to be issued under the Plan, until such time as the Participant has paid the Corporation or an Affiliate of the Corporation for any amount which the Corporation and its Affiliates are required to withhold with respect to such taxes. For greater certainty, immediately upon delivery of any Shares, the Corporation shall have the right to require that a Participant sell a given number of Shares to the Corporation or an Affiliate of the Corporation sufficient to cover any applicable withholding taxes and any other source deductions to be withheld by the Corporation in connection with payments made in satisfaction of the Participant's vested Restricted Share Units.

Section 4.02 Code Section 409A:

- (a) It is intended that the Restricted Share Units issued to Participants who are United States taxpayers be exempt from or in compliance with the terms and conditions of Section 409A of the Code and the regulations and guidance promulgated thereunder (collectively, "**Code Section 409A**"), to the extent applicable, and all provisions of this Plan shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. Notwithstanding the foregoing, in no event shall the Corporation or any Affiliate have any liability to any Participant for taxes, penalties, or interest that may be due as a result of the application of Code Section 409A to any Restricted Share Units Award granted hereunder.
- (b) If under this Plan, an amount is to be paid in two or more installments, for purposes of Code Section 409A, each installment shall be treated as a separate payment.
- (c) A termination of employment for a Participant who is a United States taxpayer shall not be deemed to have occurred for purposes of any provision of this Plan providing for the payment of amounts or benefits to a Participant upon or following a termination of employment unless such termination is also a "separation from service" within the

meaning of Code Section 409A and, for purposes of any such provision of this Plan, references to a “termination,” “termination of employment” or like terms shall mean “separation from service.”

- (d) Notwithstanding any other provision of the Plan to the contrary, if a Participant is a United States taxpayer and deemed to be a “specified employee” within the meaning of that term under Code Section 409A(a)(2)(B), then with regard to any payment that is considered “non-qualified deferred compensation” under Code Section 409A payable on account of a “separation from service,” such payment shall be made on the date which is the earlier of (i) the expiration of the six month period measured from the date of such “separation from service” of the Participant, and (ii) the date of the Participant’s death and (iii) the Participant’s Entitlement Date (the “**Delay Period**”) to the extent required under Section 409A. Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 4.02(d) shall be paid to the Participant in a lump sum.

ARTICLE FIVE

GENERAL

Section 5.01 Effective Time of Restricted Share Unit Plan: The Plan shall be effective on June 27, 2018.

Section 5.02 Amendment of Restricted Share Unit Plan: The Board or the Committee, as the case may be, may terminate, discontinue or amend the Plan at any time, provided that, without the consent of a Participant, such termination, discontinuance or amendment may not in any manner adversely affect such Participant’s rights under any Restricted Share Unit granted to such Participant under the Plan.

The Board or the Committee may, subject to receipt of requisite regulatory and shareholder approval, make the following amendments to the Plan:

- (a) amendments to increase the number of Shares, other than by virtue of Section 5.06, which may be issued pursuant to the Plan;
- (b) amendments to the definition of “Participant” under the Plan which would have the potential of narrowing, broadening or increasing Insider participation;’
- (c) amendments to cancel and reissue Restricted Share Units;
- (d) amendments to this Section 5.02 of the Plan;
- (e) amendments that extend the term of a Restricted Share Units;
- (f) amendments to the participation limits in Section 2.06; or
- (g) amendments to Section 5.03 of the Plan that would permit Restricted Share Units, or any other right or interest of a Participant under the Plan, to be assigned or transferred, other than for normal estate settlement purposes.

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

- (a) amendments of a housekeeping nature;
- (b) amendments to the vesting provisions of a Restricted Share Unit or the Plan;

- (c) amendments to the definitions, other than such definitions noted above;
- (d) amendments to reflect changes to applicable securities laws; and
- (e) amendments to ensure that the Restricted Share Units granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant to whom a Restricted Share Unit has been granted may from time to time be a resident, citizen or otherwise subject to tax therein.

Any amendment of this Plan shall be such that this Plan will not be considered a “salary deferral arrangement” as defined in subsection 248(1) of *Income Tax Act* (Canada) or any successor provision thereto, by reason of the Plan continuously meeting the requirements under the exception in paragraph (k) of that definition.

Section 5.03 Non-Assignable: Except as otherwise may be expressly provided for under this Plan or pursuant to a will or by the laws of descent and distribution, no Restricted Share Unit and no other right or interest of a Participant is assignable or transferable, and any such assignment or transfer in violation of this Plan shall be null and void.

Section 5.04 Rights as a Shareholder: No holder of any Restricted Share Units shall have any rights as a shareholder of the Corporation prior to the actual receipt of Shares pursuant to Section 3.03. Subject to Section 5.06, no holder of any Restricted Share Units shall be entitled to receive, and no adjustment shall be made for, any dividends, distributions or any other rights declared for shareholders of the Corporation for which the record date is prior to the date on which the Participant becomes the record owner of such Shares pursuant to Section 3.03.

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

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

- (a) the number of Shares available under the Plan; and
- (b) the number of Shares subject to any Restricted Share Units.

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

However, if there is an increase in the number of Shares outstanding for any reason other than by reason of a stock dividend, consolidation, subdivision or reclassification as described above (for example, as a result of a private placement of Shares or the issuance of Shares in connection with the acquisition of an asset) there will be no adjustment to the number of Shares that a Participant will receive under his or her Restricted Share Unit Grant Letter award and no adjustment to the number of Shares available under the Plan.

Section 5.07 Unfunded Plan. The Plan shall be unfunded. The Corporation’s obligations hereunder shall (unless otherwise determined by the Committee) constitute a general, unsecured obligation, payable solely out of its general assets, and no holder of any Restricted Share Units or other person shall have any

right to any specific assets of the Corporation. Neither the Corporation nor the Committee shall be required to segregate any assets that may at any time be represented by the amounts credited with respect to Restricted Share Units hereunder. Neither the Corporation nor the Committee shall be deemed to be a trustee of any amounts to be distributed or paid pursuant to the Plan. No liability or obligation of the Corporation pursuant to the Plan shall be deemed to be secured by any pledge of, or encumbrance on, any property of the Corporation or any Affiliate.

Section 5.08 No Representation or Warranty: The Corporation makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan. No amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Restricted Share Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

Section 5.09 Compliance with Applicable Law: If any provision of the Plan or any Restricted Share Unit contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. For greater certainty, the Plan is also subject to TSX Venture Exchange Corporate Finance Manual Policy 4.4 - *Incentive Stock Options*, or any successor policy.

Section 5.10 Interpretation: This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

Form of Grant Letter

[ORLA MINING LTD. LETTERHEAD]

[Date]

PERSONAL & CONFIDENTIAL

[Name]

[Address]

Dear **[Name]**:

The Corporation's Restricted Share Unit Plan (the "Plan") permits the Board, or a committee of the Board which administers the Plan, to grant restricted share unit awards to directors, consultants and full-time employees and officers of the Corporation or an affiliate in a calendar year as a bonus for services rendered to the Corporation or an affiliate in the fiscal year ending in such calendar year, as determined in the sole and absolute discretion of the Board or such committee. The number of restricted share units ("RSUs") awarded will be credited to your account effective on the grant date of the RSUs.

In recognition of your contribution to the Corporation, the Board is pleased to grant to you the RSUs on the terms set forth below and subject to the Plan, a copy of which is attached hereto as Schedule "A".

This letter and the Plan are referred to collectively below as the "Restricted Share Unit Documents". All capitalized terms not otherwise defined herein shall have the meaning attributed to them in the Plan.

The total number of RSUs granted to you is:

**[Note: insert
number]**

Notwithstanding the foregoing and subject to Sections 3.03 of the Plan, provided that your employment with the Corporation has not been terminated, the RSUs granted to you shall fully vest on the following schedule [●].

[Insert vesting conditions]

In the event of vesting pursuant to the schedule above, subject to the Plan, you shall receive in respect of each RSU held by you, one fully-paid common share in the capital of the Corporation OR a cash payment equal to the Fair Market Value of one Share at such time, OR a combination thereof, in each case without payment of additional consideration and without any further action on your part.

Nothing in the Restricted Share Unit Documents will affect our right to terminate your services, responsibilities, duties and authority at any time for any reason whatsoever. The treatment of your RSUs upon termination or other events is detailed herein and in the Plan.

No RSU and no other right or interest of a Participant hereunder is assignable or transferable.

Please acknowledge acceptance of your RSUs on these terms by signing where indicated below on the enclosed copy of this letter and returning the signed copy to the Corporation to the attention of [●]. By signing and delivering this copy, you are acknowledging receipt of a copy of the Plan and are agreeing to be bound by all of the terms of the Restricted Share Unit Documents.

Yours truly,

ORLA MINING LTD.

By: _____

I have read and agree to be bound by this letter and the Plan.

_____	}	_____
Signature of Witness		[Name]
_____	}	_____
Name of Witness (please print)		Address

**SCHEDULE “C”
DSU PLAN**

ORLA MINING LTD.

DEFERRED SHARE UNIT PLAN

EFFECTIVE JUNE 27, 2018

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

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

- (a) **“Affiliate”** means any corporation that is an affiliate of the Corporation as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended from time to time;
- (b) **“Board”** means the Board of Directors of the Corporation;
- (c) **“Code”** means the United States Internal Revenue Code of 1986, as amended.
- (d) **“Committee”** means the Board or if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan which may include any compensation committee of the Board;
- (e) **“Corporation”** means Orla Mining Ltd., a corporation existing under the *Canada Business Corporations Act*;
- (f) **“Deferred Share Unit”** means the agreement by the Corporation to pay, and the right of the Participant to receive, a DSU Payment for each Deferred Share Unit held, evidenced by way of book-keeping entry in the books of the Corporation and administrated pursuant to this Plan;
- (g) **“Director”** means a member of the Board or an Affiliate from time to time;
- (h) **“DSU Grant Date”** means the date of grant of Deferred Share Units by the Committee in accordance with Section 3.02;
- (i) **“DSU Grant Letter”** has the meaning ascribed thereto in Section 3.03;
- (j) **“DSU Payment”** means, subject to any adjustment in accordance with Section 5.04, as determined by the Board or the Committee, in its sole discretion: (i) the issuance to a Participant of one previously unissued Share for each whole Deferred Share Unit held by the Participant on the Separation Date; (ii) the payment to a Participant of cash in an amount equal to the number of Deferred Share Units held by the Participant on the Separation Date multiplied by the Fair Market Value of one Share on the Redemption Date, or (iii) a combination thereof;

- (k) “**Eligible Director**” means a person who is a Director or a member of the board of directors of any Affiliate of the Corporation and who, at the relevant time, is not otherwise an employee or a consultant of the Corporation or of any Affiliate, and such person shall continue to be an Eligible Director for so long as such person continues to be a member of such board(s) of directors and is not otherwise an employee or a consultant of the Corporation or of any Affiliate;
- (l) “**Fair Market Value**” means, at any date, the higher of: (i) weighted average price per share at which the Shares have traded on the TSXV during the last five (5) trading days prior to that date; and (ii) the closing price of the Shares on the TSXV on the date prior to the relevant date or, if the Shares are not then listed and posted for trading on the TSXV, then on such stock exchange on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board, or, if the Shares are not then listed and posted for trading on any stock exchange, then it shall be the fair market value per Share as determined by the Committee in its sole discretion; and for such purposes, the weighted average price per share at which the Shares have traded on the TSXV or on any other stock exchange shall be calculated by dividing: (i) the aggregate sale price for all of the Shares traded on such stock exchange during the relevant five (5) trading days by (ii) the aggregate number of Shares traded on such stock exchange during the relevant five (5) trading days;
- (m) “**Insider**” means: (i) an insider as defined in the *Securities Act* (British Columbia), as may be amended from time to time, other than a person who is an Insider solely by virtue of being a Director or senior officer of an Affiliate; and (ii) an associate of any person who is an insider by virtue of (i);
- (n) “**Market Value**” means the closing trading price of the Shares on the DSU Grant Date or other applicable date, as reported by the TSXV. If the Shares are not trading on the TSXV, then the Market Value shall be determined based on the trading price on such stock exchange or over-the-counter market on which the Shares are listed and posted for trading as may be selected for such purpose by the Committee. In the event that the Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Market Value shall be the fair market value of such Shares as determined by the Committee in its sole discretion;
- (o) “**Participant**” means each Eligible Director to whom Deferred Share Units are issued;
- (p) “**Plan**” means this 2018 Deferred Share Unit Plan;
- (q) “**Redemption Date**” with respect to a Participant who had a Separation Date, means such date as the Corporation determines which shall be no earlier than 30 days but no later than 60 days after the Separation Date (or no earlier than 30 days but no later than 60 days after the expiry of a blackout period if such blackout period was in effect on the Separation Date), provided, that with respect to a Participant who is United States taxpayer, if a blackout period was in effect on the Separation Date, the Redemption Date shall be no later than the later of (i) 60 days after the Separation Date or (ii) the first day following the end of the blackout period in which Shares are traded on the TSXV or another stock exchange and provided further in no case may the Redemption Date be prior to the Separation Date or later than the last day of the calendar year commencing immediately after the Participant's Separation Date;

- (r) “**Security Based Compensation Arrangement**” includes, without limitation: (i) stock option plans for the benefit of employees, insiders, service providers or any one of such groups; (ii) individual stock options granted to employees, service providers or insiders if not granted pursuant to a plan previously approved by the Corporation’s security holders; (iii) stock purchase plans where the Corporation provides financial assistance or where the Corporation matches the whole or a portion of the securities being purchased; (iv) stock appreciation rights involving issuances of securities from treasury; (v) any other compensation or incentive mechanism involving the issuance or potential issuances of securities of the Corporation; and (vi) security purchases from treasury by an employee, insider or service provider which is financially assisted by the Corporation by any means whatsoever;
- (s) “**Separation Date**” means the date on which the Participant ceases to be an Eligible Director for any reason whatsoever and is not an officer or employee of the Corporation or any Affiliate;
- (t) “**Shares**” means the shares of the Corporation;
- (u) “**TSXV**” means the TSX Venture Exchange; and
- (v) “**year**” means a calendar year unless otherwise specified.

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

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

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

Section 1.05 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to Canadian dollars.

ARTICLE TWO PURPOSE AND ADMINISTRATION OF THE DEFERRED SHARE PLAN

Section 2.01 **Purpose of the Deferred Share Unit Plan:** The purpose of this Plan is to strengthen the alignment of interests between the Eligible Directors and the shareholders of the Corporation by linking a portion of annual director compensation, as determined by the Committee from time to time, to the future value of the Shares. In addition, the Plan has been adopted for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of Directors of the Corporation and its Affiliates, it being generally recognized that the Plan aids in attracting, retaining and encouraging Director commitment and performance due to the opportunity offered to them to receive compensation in line with the value of the Shares.

Section 2.02 **Administration of the Deferred Share Unit Plan:** The Plan shall be administered by the Committee and the Committee shall have full discretionary authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such

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

Section 2.03 Delegation to Committee: All of the powers exercisable hereunder by the Board may, to the extent permitted by applicable law and as determined by resolution of the Board, be exercised by the Committee.

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

- (i) the name and address of each Participant in the Plan;
- (ii) the number of Deferred Share Units granted to each Participant under the Plan;
- (iii) the number of Deferred Share Units credited to a Participant pursuant to Section 3.04 hereof;
- (iv) the date on which Deferred Share Units were granted or credited to a Participant;
- (v) the Redemption Date of Deferred Shares Units; and
- (vi) the form and amount of each DSU Payment.

Section 2.05 Compliance with *Income Tax Act (Canada)*: Notwithstanding any other provisions of the Plan, all actions of the Board, the Committee and the Corporation shall be such that the Plan continuously meets the conditions in paragraph 6801(d) of the regulations under the *Income Tax Act (Canada)*, or any successor provision, in order for the Plan to qualify as a “prescribed plan or arrangement” for the purposes of the definition of a “salary deferral arrangement” contained in subsection 248(1) of the *Income Tax Act (Canada)*.

ARTICLE THREE DEFERRED SHARE UNIT PLAN

Section 3.01 Deferred Share Unit Plan: A Deferred Share Unit Plan is established for Eligible Directors.

Section 3.02 Grant of Deferred Share Units: The Committee may grant to each Participant on each DSU Grant Date, that number of DSUs as determined by resolution of the Committee. The DSU Payment in respect of DSUs granted to an Eligible Participant may be satisfied, upon redemption in accordance with section 3.05, in the sole discretion of the Committee, in cash or by way of issuance of Shares from treasury or any combination thereof.

Section 3.03 **Deferred Share Unit Letter:** Each grant of Deferred Share Units under the Plan shall be evidenced by a letter of the Corporation (a “**DSU Grant Letter**”). Such Deferred Share Units shall be subject to all applicable terms and conditions of the Plan and may be subject to any other terms and conditions which are not inconsistent with the Plan and which the Committee deems appropriate for inclusion in a DSU Grant Letter. The provisions of the various DSU Grant Letters entered into under the Plan need not be identical, and may vary from Participant to Participant. To the extent that there is any inconsistency between the Plan and the Deferred Share Unit grant letter or any other communications, the Plan shall prevail.

Section 3.04 **Dividends:** Subject to the absolute discretion of the Committee, in the event that a dividend (other than a stock dividend) is declared and paid by the Corporation on Shares, the Committee may elect to credit each Participant with additional Deferred Share Units. In such case, the number of additional Deferred Share Units will be equal to the aggregate amount of dividends that would have been paid to the Participant if the Deferred Share Units in the Participant’s account had been Shares divided by the Market Value of a Share on the date on which dividends were paid by the Corporation.

Section 3.05 **Redemption of Deferred Share Units:**

- (a) Subject to Sections 3.05(b) and 4.01, as soon as practicable following the Separation Date, each Deferred Share Unit held by a Participant who ceases to be an Eligible Director shall be redeemed by the Corporation on the relevant Redemption Date for a DSU Payment to be made to the Participant (or after the Participant’s death, a dependent, relative or legal representative of the Participant) on such Redemption Date on the basis of issue of one fully paid Share from treasury for each Deferred Share Unit held by a Participant, without any further action on the part of the holder of the Deferred Share Unit in accordance with this Article Three, less any applicable taxes and other source deductions required to be withheld by the Corporation.
- (b) In the event that the Corporation elects to satisfy all or a part of the DSU Payment in cash, the Deferred Share Units shall be redeemed and payment made by the Corporation to the Participant subject to Section 4.01. The amount of the cash payment will be determined by multiplying the number of Deferred Share Units being redeemed for cash, by the Fair Market Value of one Share on the Redemption Date, less any applicable taxes and other source deductions required to be withheld by the Corporation.
- (c) Fractional Deferred Share Units shall be cancelled.
- (d) For certainty, DSU Payments will be made on the applicable Redemption Date which shall be no later than December 31 of the year following the year of the Participant’s Separation Date.

Section 3.06 **Maximum Number of Shares:**

- (a) The aggregate maximum number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 5.04 hereof, shall not exceed 2,000,000. Under no circumstances may the number of Deferred Share Units granted in aggregate, together with any other Security Based Compensation Arrangements of the Corporation exceed 10% of the total number of Shares then outstanding. For purposes of this Section 3.06, the number of Shares then outstanding shall mean the number of Shares

outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Deferred Share Unit.

- (b) The maximum number of Deferred Share Units available for grant to any one person in a 12-month period pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation, is 5% of the total number of Shares then outstanding (unless the Corporation has obtained the requisite disinterested Shareholder approval). For purposes of this Section 3.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (c) The maximum number of Shares reserved for issuance under Deferred Share Units granted to Insiders (as a group), at any time, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation, is 10% of the total number of Shares then outstanding. The maximum number of Deferred Share Units which may be granted to Insiders (as a group), within any one year period, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation is 10% of the total number of Shares then outstanding. For purposes of this Section 3.06, the number of Shares then outstanding shall mean the number of Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Restricted Share Unit.
- (d) The maximum equity value of Deferred Share Units which may be granted to each Eligible Director shall not exceed \$150,000 (based on the Market Value of the Deferred Share Units) in any fiscal year.
- (e) For purposes of determining the number of Shares that remain available for issuance under the Plan, the number of Shares underlying any grants of Deferred Share Units that are surrendered, forfeited, waived, repurchased by the Corporation and/or cancelled shall be added back to the Plan and again be available for future grant, whereas the number of Shares underlying any grants of Deferred Share Units that are issued shall not be available for future grant.

Section 3.07 Term of the Deferred Share Unit Plan: The Plan is effective as of June 27, 2018. The Plan shall remain in effect until it is terminated by the Board, subject to the requirements of the stock exchange upon which the Shares of the Corporation are then listed. Upon termination of the Plan, the Corporation shall satisfy all obligations with respect to all remaining Deferred Share Units under Section 3.04 above, as at the applicable Separation Date for each of the remaining Participants.

Section 3.08 Blackout. Unless otherwise determined by the Committee, in the event that any Separation Date occurs during, or within 48 hours after a self-imposed blackout period on the trading of securities of the Corporation, settlement of the applicable Deferred Share Units will occur on the applicable Redemption Date.

ARTICLE FOUR TAX MATTERS

Section 4.01 Withholding Taxes: The Corporation or its Affiliates may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or its Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any payment or delivery of Shares or cash made under this Plan including, without

limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Shares to be issued under the Plan, until such time as the Participant has paid the Corporation or an Affiliate of the Corporation for any amount which the Corporation and its Affiliates are required to withhold with respect to such taxes. For greater certainty, immediately upon delivery of any Shares, the Corporation shall have the right to require that a Participant sell a given number of Shares to the Corporation or an Affiliate of the Corporation sufficient to cover any applicable withholding taxes and any other source deductions to be withheld by the Corporation in connection with payments made in satisfaction of the Participant's vested Deferred Share Units.

Section 4.02 **Code Section 409A.** The Deferred Share Units are intended to be exempt from Code Section 409A as "short-term deferrals" and this Plan and all DSU Grant Letters shall be interpreted and administered accordingly. Notwithstanding the foregoing, in no event shall the Corporation or any of its Affiliates have any liability to any Participant for taxes, penalties or interest that may be assessed as a result of the application of Code Section 409A to any Deferred Share Units granted hereunder.

ARTICLE FIVE GENERAL

Section 5.01 **Amendment of Deferred Share Unit Plan:** The Board or the Committee, as the case may be, may terminate, discontinue or amend the Plan at any time, provided that, without the consent of a Participant, such termination, discontinuance or amendment may not in any manner adversely affect such Participant's rights under any Deferred Share Unit granted to such Participant under the Plan.

The Board or the Committee may, subject to receipt of requisite regulatory and shareholder approval, make the following amendments to the Plan:

- (a) amendments to increase the number of Shares, other than by virtue of Section 5.04 of the Plan, which may be issued pursuant to the Plan;
- (b) amendments to this Section 5.01 of the Plan;
- (c) amendments to cancel and reissue Deferred Share Units;
- (d) amendments that extend the term of a Deferred Share Unit;
- (e) amendments to the participation limits in Section 3.06; or
- (f) amendments that would permit Deferred Share Units to be transferred other than for normal estate settlement purposes; or
- (g) materially modify the requirements as to eligibility for participation in the Plan.

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

- (a) amendments of a housekeeping nature;
- (b) amendments to the definitions, other than such definitions noted above;
- (c) amendments to reflect changes to applicable securities laws; and

- (d) amendments to ensure that the Deferred Share Units granted under the Plan will comply with any provisions respecting income tax and other laws in force in any country or jurisdiction of which a Participant may from time to time be a resident, or otherwise subject to tax therein.

Section 5.02 **Non-Assignable:** Except as otherwise may be expressly provided for under this Plan or pursuant to a will or by the laws of descent and distribution, no Deferred Share Unit and no other right or interest of a Participant is assignable or transferable, and any such assignment or transfer in violation of this Plan shall be null and void.

Section 5.03 **Rights as a Shareholder and Director:** No holder of any Deferred Share Units shall have any rights as a shareholder of the Corporation at any time. Nothing in the Plan shall confer on any Eligible Director the right to continue as a Director of the Corporation or as a Director of any Affiliate of the Corporation or interfere with right to remove such Director.

Section 5.04 **Adjustment in Number of Payments Subject to the Deferred Share Unit Plan:** In the event there is any change in the Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Shares available under the Plan; and
- (b) the number of Shares subject to or underlying any Deferred Share Units.

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

However, if there is an increase in the number of Shares outstanding for any reason other than by reason of a stock dividend, consolidation, subdivision or reclassification as described above (for example, as a result of a private placement of Shares or the issuance of Shares in connection with the acquisition of an asset) there will be no adjustment to the number of Shares that a Participant will receive under his or her Deferred Share Unit Grant Letter award and no adjustment to the number of Shares available under the Plan.

Section 5.05 **Unfunded Plan.** The Plan shall be unfunded. The Corporation's obligations hereunder shall (unless otherwise determined by the Committee) constitute a general, unsecured obligation, payable solely out of its general assets, and no holder of any Deferred Share Units or other person shall have any right to any specific assets of the Corporation. Neither the Corporation nor the Committee shall be required to segregate any assets that may at any time be represented by the amounts credited with respect to Deferred Share Units hereunder. Neither the Corporation nor the Committee shall be deemed to be a trustee of any amounts to be distributed or paid pursuant to the Plan. No liability or obligation of the Corporation pursuant to the Plan shall be deemed to be secured by any pledge of, or encumbrance on, any property of the Corporation or any Affiliate.

Section 5.06 **No Representation or Warranty:** The Corporation makes no representation or warranty as to the future market value of any Deferred Share Units issued in accordance with the provisions of the Plan. No amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Deferred Share Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

Section 5.07 **Compliance with Applicable Law:** If any provision of the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. For greater certainty, the Plan is also subject to TSX Venture Exchange Corporate Finance Manual Policy 4.4 - *Incentive Stock Options*, or any successor policy.

Section 5.08 **Interpretation:** This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

