# Form **8937**(December 2011) Department of the Treasury Internal Revenue Service

## Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-2224

Pa	art I Reporting	j Issuer			•		
1	Issuer's name				2 Issuer's employer identification number (EIN)		
	Mining Ltd.	1.100			N/A		
3	Name of contact for a	idditional information	4 Telephon	e No. of contact	5 Email address of contact		
Paul Robertson (604) 564-18					paul@orlamining.com		
6	Number and street (or	r P.O. box if mail is not	t 7 City, town, or post office, state, and Zip code of contact				
	0-1140 West Pender S Date of action	Street	Vancouver, BC, V6E 4G1				
0	Date of action		9 Class	sification and description			
Dece	ember 6, 2016		Exchanc	ge of Shares			
	CUSIP number	11 Serial number		12 Ticker symbol	13 Account number(s)		
	68634K106			TSXV: OLA			
					. See back of form for additional questions.		
14			applicable, the	date of the action or the	e date against which shareholders' ownership is measured for		
	the action ► See A	Attachment					
15	Describe the quantit	tative effect of the orga	anizational act	ion on the basis of the se	ecurity in the hands of a U.S. taxpayer as an adjustment per		
share or as a percentage of old basis ► See Attachment							
16	Describe the coloule	ation of the change in l	agaig and the	data that augments the col	alculation, such as the market values of securities and the		
10	valuation dates ► Se		Jasis and the	uata triat supports trie cai	alculation, such as the market values of securities and the		
	valuation dates > 3	ee Attachment					

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax freatment is based ► See Attachment  18 Can any resulting loss be recognized? ► See Attachment  19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► See Attachment  19 Under penalties of perpay, I declare that I have examined the return, including accompanying schedules and statements, and to the best of my knowledge and letter, it is tue, correct, and complete. Declaration of perpare (other than official) is based on all information of which prepare has any knowledge.  Sign Here  Signature ► Date ►  Paid Preparer  Date Coxoc.   FTIN settlemptone  Preparer is signature  Date Coxoc.   FTIN settlemptone  Preparer is signature  Date Coxoc.   FTIN settlemptone  Preparer Use Only  Penns accross > Penns accross	Par	Ш	Organizational Action (continued)			, <b>,</b>
19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ See Attachment    Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge an belief, if its true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.    Signature ▶	17	List the	e applicable Internal Revenue Code section	(s) and subsection(s) upon which the tax tre	eatment is based ▶	See Attachment
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#### ORLA MINING LTD.

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

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

#### Form 8937, Part II, Item 14

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

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

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

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

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

#### Form 8937, Part II, Item 15

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

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

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

#### Form 8937, Part II, Item 16

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

#### Form 8937, Part II, Line 17

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

#### Form 8937, Part II, Line 18

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

### Form 8937, Part II, Line 19

The Amalgamation occurred in calendar year 2016.