5.1 Climate Change
5.2 Water
5.3 Waste and Hazardous Materials
5.4 Air Quality
5.5 Biodiversity

OUR PRIORITY SUSTAINABLE DEVELOPMENT GOALS

Environment

5.1 Climate Change

Our Approach: Building an Adaptation Pathway

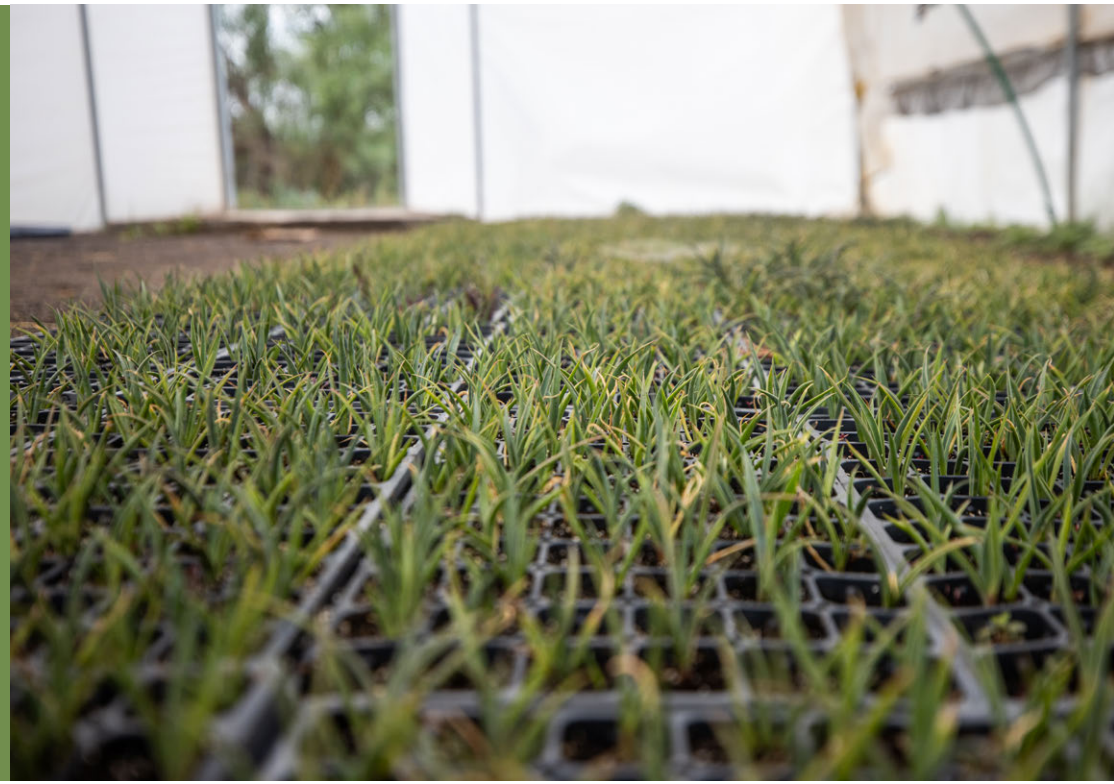
Orla is committed to being part of the climate solution, which is essential to our purpose of creating net-positive benefits for our stakeholders. We know we can do this by working with our employees, contractors, suppliers, and communities, and by embedding climate considerations into our decision-making and operations, as we endeavour to limit our GHG footprint.

As a young growing company, we are continuing to learn and find ways to support the global climate goal of limiting the Earth's temperature increase to 1.5° C by 2100, relative to pre-industrial levels, as called for by the International Panel on Climate Change (IPCC) and the Paris Agreement.

Why this Matters to Orla

Climate change is widespread and no country, organization, or species is immune from the adverse consequences of a changing climate. In the face of this major global threat, enormous work and collaboration are required to reduce global greenhouse gas (GHG) emissions and make urgent progress toward reaching net-zero emissions by 2050 or sooner.

Gold mining – and mining in general – is a major industrial activity that generates GHG emissions, including carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O). As a responsible mining company, we understand that Orla must take effective action to make our operations energy-efficient and contribute to cleaner methods of mining.



Governance

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

Strategy

Through our **Towards 2030 Strategy**, we are building a road map to decarbonization and taking actions to minimize energy consumption and associated GHG emissions as much as possible. At the same time, we are identifying climate-related risks and opportunities and establishing plans to address them.

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

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

This past year, we conducted a governance gap analysis to assess our environment-related policies and standards against industry practices, recommendations from investors, and regulatory changes across jurisdictions in which we operate. Based on the findings, our Board of Directors and senior leadership team approved an update to critical policies, including the Climate Change Policy. The newly added Indigenous Peoples Policy and Responsible Procurement Standard, Enterprise Risk Management Standard, and Closure and Reclamation Management Standard also have environmental considerations.

Climate-Related Risk Management

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

Orla's Climate Change Policy Commitments

- Integrate consideration of climate-related risks and opportunities into our strategic planning processes.
- Adapt to the potential physical impacts of climate change and increase the resilience of our operations and projects.
- Reduce GHG emissions by promoting resource efficiency and increasing the use of renewable energy sources.
- Establish partnerships—in particular, with local communities and Indigenous peoples—in the regions in which we operate to help increase the resilience of their communities and local ecosystems to the potential physical impacts of climate change.
- Continuously improve the performance of our governance and climate change action plans based on climate change science, regulatory and voluntary frameworks, and international standards.
- Provide timely and transparent disclosure on our climate-related performance, risks and opportunities, including through this report and future reporting.
- Establish measurable objectives and, where appropriate, targets for improved environmental performance and resource utilization.

Transition Risks

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

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

While these risks are becoming better understood, there is a lot of uncertainty in modelling local variations in climate and in the actions that governments or civil society will take, which poses its own risks for a reporting company. Orla's focus on energy efficiency and decarbonization over time is an appropriate mitigation against transition-related risk. Under the law in Zacatecas, Mexico, our Camino Rojo operation pays a carbon tax of $14 per tCO_2e - for Scope 1 emissions, which equated to approximately $190,390 paid in 2023.

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial, and local levels. Regulation relating to emission levels (such as carbon taxes), energy efficiency, and reporting of climate change-related risks is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Company's operations.

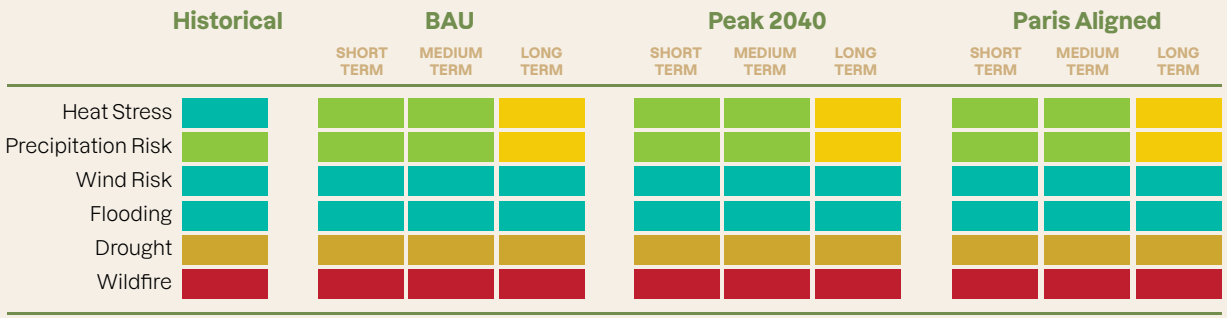
Physical Risks

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

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

To better understand and prepare for our long-term climate risks, Orla has partnered with the climate intelligence technology company, Mitiga Solutions. The company combines global and regional climate models with observational data to calculate climate hazard metrics and generate accurate future projections of hazard exposure across different emissions scenarios. Through this collaboration, we used scientific and data-based scenarios to quantify future exposure of our operations and our critical supply chain to natural hazards.

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



Excellent. Minimal risk of climate hazard events that have the potential to cause physical damage and/or disruption

Good. Low risk of climate hazard events that have the potential to cause physical damage and/or disruption

Moderate. Medium risk of climate hazard events that have the potential to cause physical damage and/or disruption

Poor. High risk of climate hazard events that have the potential to cause physical damage and/or disruption

Very poor. Very high risk of climate hazard events that have the potential to cause physical damage and/or disruption

Extremely poor. Extreme risk of climate hazard events that have the potential to cause physical damage and/or disruption

* Scenarios determined for the direct area of influence of Camino Rojo and South Railroad

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

Following the recommendations by the International Panel of Climate Change (IPCC) and the Task Force on Climate-related Financial Disclosures (TCFD), we considered six climate hazard categories of both acute and chronic types (namely, heat stress, extreme precipitation, extreme wind, drought, wildfire, and flooding) and evaluated three possible climate emission scenarios:

- SSP5-8.5: Business as Usual (BAU) — where emissions continue to rise throughout the 21st century unabated.
- SSP2-4.5: Emissions Peak in 2040 — where emissions do not increase beyond 2040.
- SSP1-2.6: Paris-aligned Scenario — where emissions are compatible with the objectives of the Paris Agreement.

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

The scenario analysis helps our teams at sites to better understand potential changes and prepare plans to adapt, prevent, or minimize those potential physical risks.

Metrics and Targets

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

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

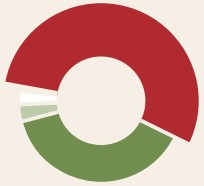
For the initial Scope 3 emissions measurement, we adopted a phase-based model integrating a third-party accounting platform to facilitate its calculation. We will begin measuring emissions related to Camino Rojo, starting with the most relevant Scope 3 categories based on size and influence. We will move from secondary to primary sources of data, beginning with our main suppliers in categories such as purchased goods and services, upstream transportation and distribution, waste generated, and employee commuting and travel.

Highlights

2023 Total Scope 1 and Scope 2 tCO_2e Emissions

- Scope 1 **61.1% (14,290 tCO_2e)**
- Scope 2 **38.9% (9,060 tCO_2e)**

2023 Total Scope 1 and Scope 2 Emissions by Energy Source



- Diesel Heavy Equipment **54.50%**
- Grid Electricity **38.80%**
- Explosives **3.30%**
- Gasoline Vehicles **2.80%**
- Liquified Petroleum Gas (LPG) **0.40%**
- Diesel Light **0.20%**

2023 Highlights

- Our Scope 1 emissions totaled 14,290 tCO_2e in 2023, which represents an 8% increase from 2022. In 2023, the main contributor to our emissions profile was diesel use. Our Scope 1 emissions inventory included emissions resulting from diesel and petroleum usage from mobile and stationary equipment, Liquid Petroleum Gas (LPG), and explosives. The increase in Scope 1 emissions was caused by a slight increase in the quantity of diesel consumption as a result of an increased average ore stacking rate during 2023 which achieved a record of 19,194 tonnes per day, compared to 18,251 tonnes per day in 2022, notwithstanding the diesel consumption rate (litres per ton) in 2023 was within the operational range.
- Scope 2 emissions in 2023 totaled 9,060 tCO_2e, increasing by 16% from the previous year. Camino Rojo uses electricity for pumping large volumes of solution onto the leach pad and through the processing plant in a continuous loop. This significant rise in absolute terms is attributed to the increase in the processing stage, leading to an increase in gold production in 2023, totaling 121,877 ounces. This represents an 11.2% rise in gold production compared to 2022.
- In 2023, Orla's carbon emissions per ounce of gold produced were 0.19 tCO_2 eq/oz Au, similar to the previous year, showcasing the continued efficiency of our site in terms of carbon emissions by being well below the global benchmark for open pit mining operations. This result is principally due to the mine plan at Camino Rojo, which features a low strip ratio, short haul distances between the open pit and the crushing plant, as well as efficient conveyance from the crushing plant to the heap leach pad. As the mine is new, carbon emissions will potentially rise over time. The distances for hauling both waste and ore will increase as pits become deeper and waste rock facilities and leach pads expand in area and height. Likewise, more pumping solutions will require longer pumping distances. Our challenge is to identify efficiencies and alternative low-carbon energy solutions to offset these potential increased emissions.

2024 Focus

- **Develop science-based emissions-reduction targets consistent with national policies and international environmental commitments.**
- **Continue assessing alternatives to diesel-powered equipment such as conveyors or battery-operated vehicles.**
- **Continue exploring renewable and lower carbon energy sources.**
- **Develop an online training hub on climate change for our employees and contractors.**

5.2 Water

Our Approach: Demonstrating Water Stewardship

At Orla, we understand that to maintain public support for our social license to operate, to comply with water-related permits, and be a sustainable business, it is critical that we manage water responsibly. Our practices to minimize resources consumption allowed the Camino Rojo operation to achieve a reduction of 18% last year in total water consumption.

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

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

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

Why this Matters to Orla

From exploration drilling to mineral processing, water is required for many aspects of a mining operation. Yet water is possibly the most critical ESG challenge for any mining company simply because water is interconnected with other pressing material issues. For instance, water scarcity and frequent storm events are linked to climate change and can impact a mining operation.

Water risks to mining businesses include those related to the quantity of water used for operations and the potential impact our mining activities have on local water quality and availability.

'One Water' Strategy

Our water management strategy focuses on optimizing water use during operations (through reuse), minimizing waste, and protecting water quality. We use a holistic, "One Water" approach to water resource management, in which we consider the entire ecosystem of water – whether from rainfall, surface water, or groundwater – as part of a single, interconnected system. The One Water concept recognizes that water is a finite resource facing increasing pressures from population growth, urbanization, climate change, and pollution.

We have adopted sustainable practices such as water conservation, stormwater management, water reuse, and ecosystem restoration, and follow regional and local water management plans for freshwater consumption and waste water management to reduce upstream or downstream effects.

Reuse and Management

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

At Camino Rojo, potable water is treated by a reverse osmosis water treatment system from the raw water tank and stored in a storage tank to make sure the water remains acceptable for domestic uses. Water is then distributed by pumps to the camp and other facilities.

Two sewage treatment plants of a total of 71 m^3 / day capacity were constructed next to the Camino Rojo operations camp. These plants handle the sewage from all camp rooms, kitchens, laundry rooms and restrooms. Sludge volume generated in the treatment plant is collected and utilized for compost production and sent to the growth media stockpiles, while the treated water is reused into the heap leaching process, reducing the use of fresh water. Waste from the septic systems of

the process area, administrative buildings, and laboratory is collected in septic holding tanks and removed from the site by sanitary services.

Water Monitoring and Evaluation

As another layer of due diligence with the goal of ensuring Orla doesn't impact local water quality, we operate a program in which we take water samples from production and monitoring wells and community water sources near our Camino Rojo operation on a quarterly basis. The samples are then tested by an independent laboratory approved by the authorities against local water standards. To date, no water quality issues have been recorded. The water sampling program is jointly monitored by community members who participate actively in the sampling and are informed about the laboratory results.

Our South Railroad Project developed a Water Management Plan that formed the basis for evaluating the infrastructure, strategies, and associated investments to manage water through the life cycle of the mine. The purpose of this plan is to present the water management strategies that focus on water as an asset and allow Orla to proactively plan and manage water from development to post-closure such that operational and stakeholder water needs are met, and that human health and the environment are protected. In Panama, our environmental team monitored watersheds every month to evaluate flows and quality within the concession and in the surrounding communities; to date, no water quality issues have been recorded.

Accountability

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

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

Highlights

0.12 m^3/t

freshwater use intensity (volume of freshwater consumed per tonne of processed ore

Ø

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

6.57 m^3/oz

Water use intensity (volume of freshwater consumed per ounce of gold)

2023 Highlights

- We are pleased to report that water consumption decreased in 2023 by 18% with a total consumption of 800,226 m^3. Of this total, 100% was freshwater withdrawn from local water bodies. Our water intensity, which is a measure of how much fresh water we use per ounce of gold produced, was 6.57 m^3/oz of gold in 2023 that represents a decrease of 26% compared to 2022.
- Total water recycled, all within our Camino Rojo operation, was 100%. The site had no water discharge to the environment.
- In 2023, we fulfilled Orla's responsibilities under our water permits and recorded no incidents, fines or non-financial penalties related to water usage or impacts on water quality.
- Camino Rojo treated 7,536 m^3 of used water, which was reused in heap leach pad.

2024 Focus

- **Develop and approve a Water Management Standard for Orla.**
- **Monitor water uses and water quality across the mining life cycle and reinforce our water-saving campaigns across our sites.**
- **Define a water use baseline and set targets to optimize water consumption and water intensity.**
- **Continue to support neighboring communities with monitoring campaigns to assess quality and availability of communal water sources.**
- **Provide equipment and technical assistance to communities near our operations to increase rainwater harvesting capacity for consumption and agriculture.**

5.3 Waste & Hazardous Materials

Our Approach: Responsible Production

Our objective is to minimize all forms of waste generated by our operations and to manage it responsibly. We look for new opportunities to reduce waste, incorporate circular economy approaches, and extend the life cycle of the products we use.

Waste Rock

As part of the environmentally safe management of our waste rock (rock removed from a mine that has no economic value), we identify the short- and long-term risks associated with its storage, including chemical risks such as the risk of metal leaching and acid rock drainage (ARD).

Once we understand the nature and magnitude of the risk, we store the waste rock in specially-designed storage facilities based on a waste rock management plan and industry good practices, in order to prevent water contact and mobilization of contaminants.

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

Hazardous Materials

Through our Environmental Management System, we have programs in place to manage and mitigate all non-mineral waste and hazardous materials across our operational mine and our exploration projects.

Why this Matters to Orla

Responsible management of waste and hazardous materials is critical to protect people and local ecosystems, while reducing risk and environmental liability for our business. Gold mining uses and generates both waste and hazardous materials, which vary depending on the type of mine and operations.

At Camino Rojo, we use standard industry practices in the transport, storage, and use of various chemicals required for mining and processing. For explosives and cyanide in particular, there are strict regulatory requirements that must be met. All non-mineral waste generated in Camino Rojo is collected and transported to the on-site waste management centre where it is further sorted into hazardous and non-hazardous waste.

Orla complies with all permits and relevant regulatory requirements as a part of everyday operations. The Camino Rojo Hazardous Waste Management Plan was approved by the environmental authority, SEMARNAT in Mexico City. Every year, the operation reports waste management results to the environmental authorities. We conduct inspections and audits to ensure we adhere to our internal standards and regulatory requirements.

Our Camino Rojo site maintains all necessary permits and licenses from the relevant authorities, including the Secretaria de la Defensa Nacional (SEDENA), related to the transport, storage, usage, and disposal of waste, and hazardous materials. Our operational practice is aligned with the International Cyanide Management Code (ICMC) to guide our transport, storage, and use of cyanide in terms of public safety, worker health and safety, and environmental stewardship.

Training and Reporting

We educate our workforce about different types of waste, ways to responsibly manage it, and how to report any environmental incident including spills. Additional training is provided to employees that use hazardous materials, to ensure their safety as well as understanding of the environmental risks associated with the various chemicals used.

Accountability

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

Highlights

Ø

fines or penalties recorded related to hazardous materials or chemical spills

0.56
w:o strip ratio

the amount of **waste material** that was moved to extract a given amount of ore

Camino Rojo Non-Mineral Waste
(in tonnes)

- Non-Hazardous **193.51**
- Hazardous **64.70**

Waste Rock Indicators at Camino Rojo

WASTE ROCK	2023	2022
Waste Generated (tonnes)	**4,161,591**	5,535,125
Intensity (tonnes generated / tonnes ore mined-strip ratio)	**0.56**	0.67
Intensity (tonnes generated / tonnes ore processed)	**0.61**	0.84
Intensity (tonnes generated / ounces gold produced)	**34.15**	50.50
Daily Stacking Rate – Average (tonnes per day)	**19,194**	18,251

2023 Highlights

- During 2023, we continued to train our employees on the ICMC. We also ran information campaigns with communities around our projects, so that they understand the risks associated with cyanide and how we manage those risks to a rigorous international standard.
- We tracked and disposed 51.2 tonnes of hazardous chemical residues according to regulatory requirements.

2024 Focus

- **Continue the alignment of Camino Rojo's practices and procedures to the ICMC.**
- **Continue the operations of the non-mineral and non-hazardous waste landfill at Camino Rojo.**
- **Reinforce our strategic aim to reduce or, if possible, eliminate the generation of non-mineral, non-hazardous waste, including contaminated solids, scrap metals, wood waste, plastics, tires, glass, cardboard, paper, and electronic waste across all sites.**
- **Approve and disclose our Hazardous Materials Management Standard.**

5.4 Air Quality

Our Approach: Minimizing Emissions

Guided by our Environmental, Sustainability, Health and Safety Policy, our Environmental Management System and our Sustainability Strategy, we have practices in place to mitigate our impacts on air quality and to meet obligations set out in our permits and environmental regulations.

As part of our pre-mine planning and environmental baseline studies, across our sites we collect air quality data, conduct environmental impact assessments, and identify areas and processes that may potentially impact air quality. Based on these insights, we develop and implement programs to reduce the impact to the lowest extent possible. For example:

- Air quality control systems are installed at our premises to measure and mitigate emissions.
- One of our main uses of water is for dust control and to minimize air pollution caused by winds and dust. Dust suppression controls, such as water trucks, are used to curb dust from hauling material on gravel roads. Where feasible, roads are paved to eliminate dust emissions altogether.
- We maintain a modern fleet of vehicles that we service routinely to ensure they operate efficiently. The vehicle engines have pollution controls to minimize particulate matter emitted and are compliant with Tier 4 standards, which emit up to 90% less particulate matter and NOx compounds.
- We recycle the water used for human use through a septic tank, which is then used on roads for dust control.

Why this Matters to Orla

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

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

Air Quality Monitoring

Our site-level teams closely monitor the performance of our operations on air quality. Camino Rojo has an ongoing air quality monitoring program in local communities, and South Railroad completed a material characterization that indicates limited air quality impacts that appear to be within State of Nevada standards.

This due diligence helps prevent worker health, public health, and the environment from being adversely affected by poor air quality, while ensuring Orla complies with mandatory air quality standards.

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

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

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

Accountability

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

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

Highlights

Full compliance

with relevant **air quality regulations**

0.74

tonnes of NOx emissions

0.97

tonnes of CH_4 emissions

2023 Highlights

- We initiated the construction of a dome, with an investment of $2 million, to help reduce dust generation from the crushed ore stockpile. This investment will reduce the amount of dust particles in the air and improve air quality.
- Continuous monitoring of air quality around our sites continued in 2023, as we use real-time data and ongoing research to assess all environmental emissions produced by our activities. The results demonstrated compliance with relevant air quality regulations. There were no incidents or concerns raised by stakeholders related to air quality.
- During 2023, our operations generated minor quantities of nitrogen oxide (NO_2 emissions = 0.74 tonnes) and methane (CH_4 emissions = 0.97 tonnes).
- Our Nevada project obtained its Class I and Class II Air Pollution Control permits.

2024 Focus

- **Continue to monitor the impact of all emissions on air quality surrounding our sites.**
- **Continue to work with communities near Camino Rojo to evaluate any air quality concerns and inform them about mitigation initiatives to minimize dust generated during operation.**
- **Approve and disclose our Air Emissions Management Standard.**

5.5 Biodiversity

Our Approach: Path to Nature-Positive Operations

Our commitment to biodiversity starts with planning ahead to identify and address any possible ecological, wildlife, and land use impacts. Orla has environmental management plans at each of our sites to ensure we monitor and protect biodiversity and comply with permit conditions and regulatory obligations. These plans cover the different stages of project lifecycles and address risks to various biodiversity elements. Our plans include monitoring wildlife, plants, and species, with a focus on species at risk that have been identified through the environmental baseline studies.

We view partnerships as essential to good stewardship of the ecosystems we are a part of. Orla collaborates with local communities, ejidos, conservation groups, and private partners to protect unique ecosystems and species around our mining properties. We also understand that biodiversity and climate risks go hand in hand, so we take an integrated sustainability approach to addressing those challenges.

→ Learn more: Climate Change

Mitigation Hierarchy

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

Why this Matters to Orla

A mine's physical footprint can be large and put significant stress on local ecosystems encompassing plants, animals, bacteria, and fungi. Impacts can include disturbed land and water bodies, species displacement and loss, and contaminated natural habitats through mining processes like acid rock drainage.

It's therefore important that mining companies take meaningful steps to safeguard biodiversity across the entire mining life cycle (including once mining is completed) and respect laws protecting endangered species and/or ecologically sensitive areas. We also believe companies like Orla must take concrete measures to support the goals of the Global Biodiversity Framework, a UN-driven agreement adopted by 196 countries in 2022 to address biodiversity loss and guide global action on nature through to 2030.

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

Progressive Reclamation

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

Orla's Closure Plan – which in Mexico is reviewed and approved by local municipalities and shared with host communities – addresses the final landform, vegetation types and densities, and habitat qualities. Under Mexican regulations by the Secretary of Environment, SEMARNAT, Orla maintains a guaranteed closure bond that assures money is available for proper guarantee of our site in the event of unforeseen circumstances.



Highlights

467,752 m³

rich soil recovered and stored for future remediation activities since operation began

326.43 ha

total footprint of the Camino Rojo mine operation as of December 31, 2023

2023 Highlights

- In 2023, we continued to progress our biodiversity plans and partnerships. We advanced multi-partner collaboration in Zacatecas, Mexico, with the women-focused organization Murlota and the NGO Organizacion Vida Silvestre (OVIS) to conserve and protect ecologically significant lands near Camino Rojo and promote regenerative agriculture practices and sustainable entrepreneurship. As part of Orla's role, we completed an ecosystem evaluation encompassing soil, vegetation, flora and fauna and identified areas for remediation, conservation and management across the Ejido San Tiburcio.
- Our Camino Rojo plant nursery continued to support mining rehabilitation needs. We produced and grew an additional 6,280 plants last year (2022: 10,701 plants), of which all were grown from local seed stock. These plants are maintained and designated for replenishing lands impacted by our mining activities.
- Around our sites we relocated 65 animals that were protected.

2024 Focus

- **Approve and publish a Biodiversity Standard for Orla.**
- **Continue to create and/or engage in multi-stakeholder partnerships to facilitate biodiversity conservation.**
- **Develop initiatives to support sustainable ranching and farming in areas surrounding our Camino Rojo and South Railroad Projects.**
- **Support local programs for ecosystem preservation and biodiversity protection at Camino Rojo and South Railroad.**

Environment in Practice: **A Case Study**

Collaborating to Protect and Restore Ecosystems

Our mining operations and development projects have been guided by a clear focus from day one: building a positive legacy for the ecosystems where we operate. At each site, Orla's teams collaborate with communities, authorities, NGOs, and business partners to adopt and promote practices that protect, restore, or regenerate the environment we are part of.

At Camino Rojo, in partnership with the Ejido San Tiburcio, local ranchers, and the Organización Vida Silvestre (OVIS), we completed an extensive environmental assessment in 2023 of the flora, fauna, soil, water bodies, and other aspects of approximately 50,000 hectares owned by the ejido. For the first time, the landowners evaluated the potential of their communal land and the sustainable income opportunities that biodiversity can generate for their well-being in the short, medium, and long term.

The findings offer a roadmap for more sustainable ranching, through regenerative and less extensive grazing, conservation agriculture, and restoring the commercial value of native species associated with the Zacatecas semidesert in Mexico.

Protecting endangered native species is also integrated into this collaborative initiative between our team and the communities.

In Panama, in 2023 our team partnered with the community organization, ACEPAT, to undertake a voluntary mangrove reforestation initiative covering around 50 hectares outside our area of influence. This project aims to reduce natural erosion in the Isla Cañas conservation area, located on the Azuero Peninsula. Our project in Panama has been supporting conservation and sustainable productive projects in Isla Cañas for more than three years, including water and fishing infrastructure and reforestation efforts to improve honeybee production.