

AMENDMENT TO ARRANGEMENT AGREEMENT

THIS AMENDING AGREEMENT (the “**Amending Agreement**”) is made as of October 21, 2016

BETWEEN:

ORLA MINING LTD.,

a corporation existing under the laws of the Province of Ontario (the “**Acquirer**”)

- and -

PERSHIMCO RESOURCES INC.,

a corporation incorporated under the laws of the federal laws of Canada (the “**Company**”).

WHEREAS the Acquirer and the Company entered into an arrangement agreement dated September 14, 2016 (the “**Arrangement Agreement**”) pursuant to which they agreed to complete a plan of arrangement whereby the Acquirer would acquire all of the issued and outstanding common shares of the Company;

AND WHEREAS each of the Parties to the Arrangement Agreement desire to amend certain terms of the Arrangement Agreement in accordance with Section 8.8(a)(ii) of the Arrangement Agreement and certain terms of the Plan of Arrangement in accordance with Section 6.1(B) of the Plan of Arrangement, as set out in the present Amending Agreement;

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto covenant and agree as follows:

1. Defined Terms

In this Amending Agreement, capitalized terms used and not otherwise defined or amended herein shall have the meanings ascribed to such terms in the Arrangement Agreement, unless the context otherwise requires.

2. Amendments to the Arrangement Agreement

- a. The definition of “**Agreement**” in Section 1.1 of the Arrangement Agreement is hereby deleted in its entirety and replaced, as and from the date hereof, with the following:

““**Agreement**” means this Agreement (including the Schedules attached hereto), as amended by that certain Amending Agreement dated October 21,

2016 between the Acquirer and the Company, as the same may be further amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof;”

- b. The definition of “Plan of Arrangement” in Section 1.1 of the Arrangement Agreement is hereby deleted in its entirety and replaced, as and from the date hereof, with the the following:

“**Plan of Arrangement**” means the plan of arrangement substantially in the form and content set out in Schedule A hereto, as amended by that certain Amending Agreement dated October 21, 2016 between the Acquirer and the Company, as the same may be further amended, modified or supplemented from time to time in accordance with Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order, with the written consent of the Company and the Acquirer, each acting reasonably;”

- c. Section 2.2(b) of the of the Arrangement Agreement is amended by replacing “October 21, 2016” with “October 31, 2016”.
- d. Section 2.3(b) of the of the Arrangement Agreement is amended by replacing “October 21, 2016” with “October 31, 2016”.

3. Amendments to the Plan of Arrangement (attached to the Arrangement Agreement as Schedule “A”)

- a. The definition of “Arrangement Agreement” in Section 1.1 of the Plan of Arrangement is hereby deleted in its entirety and replaced, as and from the date hereof, with the following:

“**Arrangement Agreement**” means the agreement made as of September 14, 2016, as amended by that certain Amending Agreement dated October 21, 2016, between the Acquirer and the Company, including the schedules thereto, as the same may be further amended or supplemented from time to time;”

- b. The definition of “Plan of Arrangement” in Section 1.1 of the Plan of Arrangement is hereby deleted in its entirety and replaced, as and from the date hereof, with the following:

“**Plan of Arrangement**” means this plan of arrangement proposed under Section 192 of the CBCA, as amended by that certain Amending Agreement dated October 21, 2016 including any appendices hereto, and any amendments, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Final Order, with the prior written consent of the Acquirer and the Company, each acting reasonably;”

- c. Section 3.1(F)(d) of the is hereby deleted in its entirety and replaced, as and from the date hereof, with the the following:

- “(d) Company Optionholders shall, without further action on their part, be entitled to receive in exchange for their Company Options (whether vested or unvested) options (each, a “**Replacement Company Option**”) to acquire Common Shares as follows:
- (i) for every 5.2632 Company Options held by the Company Optionholder, the Company Optionholder shall receive one (1) Replacement Company Option, each entitling the holder to receive from Amalco, upon the due exercise of such Replacement Company Option (including without limitation, payment of the exercise price thereof), subject to Section 5.4, one (1) Common Share at an exercise price per Common Share (rounded up to the nearest whole cent) equal to the exercise price per Company Share subject to such Company Option immediately prior to the Effective Time divided by 0.19; and
 - (ii) for every 25 Company Options held by the Company Optionholder, the Company Optionholder shall receive one (1) Replacement Company Option, each entitling the holder to receive from Amalco, upon the due exercise of such Replacement Company Option (including without limitation, payment of the exercise price thereof), subject to Section 5.4, one (1) Common Share at an exercise price per Common Share of \$0.001;

provided that if either of the foregoing items (i) or (ii) would result in the issuance of a fraction of a Replacement Company Option on any particular exchange of the Company Options, then the number of Replacement Company Options otherwise issued shall be rounded down to the nearest whole number of Replacement Company Options. Except as otherwise specified below or in other terms of this Plan of Arrangement, all other terms and conditions of a Replacement Company Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Company Option for which it was exchanged, and shall be governed by the terms of the Company Stock Option Plan and any document evidencing a Company Option shall thereafter evidence and be deemed to evidence such Replacement Company Options, except that the term to expiry of any Replacement Company Option shall not be affected by a holder of Replacement Company Options not becoming, or ceasing to be, an employee, consultant, officer or director of the Company or Amalco, as the case may be, and such Replacement Company Options will remain exercisable for a period of one year from the Effective Date of the Arrangement (provided

any such term to expiry shall be subject to the approval of the TSX Venture Exchange). The Replacement Company Options at item (i) will be subject to no vesting period at all and those at item (ii) will be subject to a vesting period whereby such Replacement Company Options will become exercisable only if the Conversion Event has occurred or does occur on or before the Conversion Deadline. If the Conversion Event has not occurred or does not occur on or before the Conversion Deadline, the Replacement Company Options at item (ii) shall be cancelled as at the Conversion Deadline and be of no further force and effect. It is intended that subsection 7(1.4) of the Tax Act apply to the foregoing exchange of Company Options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Replacement Company Option under item (i) will be increased such that the aggregate In-The-Money Amount of the Replacement Company Options issued under (i) and (ii) to any Company Optionholder immediately after the exchange does not exceed the In-The-Money Amount of the exchanged Company Options of the Company Optionholder immediately before the exchange. Replacement Company Options have not been registered under the U.S. Securities Act and will be issued by Amalco in reliance on the exemption provided under Section 3(a)(10) of the U.S. Securities Act, but such exemption does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the U.S. Securities Act; therefore, the Common Shares issuable upon exercise of any Replacement Company Options cannot be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and the Replacement Company Options may only be exercised pursuant to a then available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws, if any; ”

4. Effect on the Arrangement Agreement

Except as specifically amended by this Amending Agreement, the provisions of the Arrangement Agreement, including the schedules thereto, remain in full force and effect. After giving effect to the amendments contemplated in present Amending Agreement, the Plan of Arrangement will be as set forth in Schedule “A” attached hereto.

5. Governing Laws

This Amending Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, all in accordance with section 8.6 of the Arrangement Agreement.

[Remainder of page left intentionally blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Amending Agreement as of the date first written above by their respective officers thereunto duly authorized.

ORLA MINING LTD.

Per: “*Marc Prefontaine*”
Name: Marc Prefontaine
Title: President, Chief Executive Officer and
Director

PERSHIMCO RESOURCES INC.

Per: “*Alain Bureau*”
Name: Alain Bureau
Title: President, Chief Executive Officer and
Director

SCHEDULE "A"

See attached.

SCHEDULE A

FORM OF PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of those terms shall have corresponding meanings:

“**Acquirer**” means Orla Mining Ltd.;

“**Acquirer Arrangement Resolution**” means the special resolution to be considered and, if thought fit, passed by the Acquirer Securityholders at the Acquirer Meeting, to approve the Arrangement and related matters, to be substantially in the form and content of Schedule C to the Arrangement Agreement;

“**Acquirer Dissent Rights**” has the meaning ascribed thereto in Section 4.2;

“**Acquirer Financing**” means a private placement of Acquirer Subscription Receipts by the Acquirer pursuant to the terms of the Financing Agreement at a minimum offering price of \$1.75 per Acquirer Subscription Receipt for aggregate gross proceeds of not less than \$30,000,000, subject to the Acquirer’s right, in its sole discretion, to increase the size of the Acquirer Financing to aggregate gross proceeds of up to \$50,000,000, after notification by email to the President and Chief Executive Officer of the Company whereby the proceeds of such Acquirer Financing less the expenses of the underwriters will be placed into escrow and released at the Effective Time;

“**Acquirer Meeting**” means the special meeting of the Acquirer Securityholders including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Acquirer Resolutions and New Incentive Plan Resolution, as applicable;

“**Acquirer Options**” means, at any time, options to acquire Acquirer Shares granted pursuant to the Acquirer Stock Option Plan which are, at such time, outstanding and unexercised, whether or not vested;

“**Acquirer Resolutions**” means the Continuance Resolution and the Acquirer Arrangement Resolution;

“Acquirer Securityholders” means together the Acquirer Shareholders and holders of Acquirer Options;

“Acquirer Share” means a common share in the capital of the Acquirer;

“Acquirer Share Consideration” means one Common Share for each Acquirer Share held;

“Acquirer Shareholder” means a holder of one or more Acquirer Shares;

“Acquirer Stock Option Plan” means the Acquirer’s Stock Option Plan, dated May 26, 2011;

“Acquirer Subscription Receipts” means the subscription receipts to be offered by the Acquirer in connection with the Acquirer Financing, with each subscription receipt to be automatically exchanged (for no further consideration and with no further action on the part of the holder thereof) for one Acquirer Share upon the satisfaction of certain escrow release conditions which will then be automatically exchanged (for no further consideration and with no further action on the part of the holder thereof) for one Common Share at the Effective Time pursuant to the Arrangement;

“Acquirer Warrants” means, at any time, common share purchase warrants to acquire Acquirer Shares expiring October 17, 2016, March 9, 2017, June 30, 2017, February 18, 2018 and July 8, 2021 which are, at such time, outstanding and unexercised;

“Amalco” or alternatively **“the Corporation”** means the corporation resulting from the Amalgamation of the Acquirer and the Company under the CBCA pursuant to the Arrangement contemplated hereby;

“Amalgamating Corporations” means the Acquirer and the Company and **“Amalgamating Corporation”** means either one of them;

“Amalgamation” means the amalgamation of the Amalgamating Corporations as contemplated by this Plan of Arrangement;

“Arrangement” means the arrangement pursuant to which, among other things, the Acquirer and the Company will be amalgamated under the provisions of Section 192 of the CBCA, on the terms and conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.8 of the Arrangement Agreement or Article 6 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Acquirer and the Company, each acting reasonably;

“Arrangement Agreement” means the agreement made as of September 14, 2016, as amended by that certain Amending Agreement dated October 21, 2016, between the

Acquirer and the Company, including the schedules thereto, as the same may be further amended or supplemented from time to time;

“**Arrangement Resolution**” means the special resolution to be considered and, if thought fit, passed by the Company Securityholders at the Company Meeting to approve the Arrangement and related matters to be substantially in the form and content of Schedule B to the Arrangement Agreement;

“**Articles of Arrangement**” means the articles of arrangement of the Acquirer and the Company in respect of the Arrangement, required under section 192(6) of the CBCA to be filed with the Director after the Final Order has been granted, giving effect to the Arrangement, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Acquirer and the Company, each acting reasonably;

“**Business Day**” means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Montréal, Québec, Vancouver, British Columbia or in Toronto, Ontario are authorized or required by applicable Law to be closed;

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended;

“**Cerro Quema Project**” means the Company’s rights to develop a mining project in the Republic of Panama pursuant to the rights granted under the three (3) concession contracts between the Company and the Government of Panama: (i) Contract No. 19, dated February 13, 1997; (ii) Contract No. 20, dated February 13, 1997; and (iii) Contract No. 21, dated February 13, 1997;

“**Certificate of Arrangement**” means the certificate of arrangement giving effect to the Arrangement, issued pursuant to Section 192 (7) of the CBCA after the Articles of Arrangement have been filed;

“**Class A Share**” means a preferred share in the capital of Amalco which on the occurrence of the Conversion Event after the Effective Time and on or prior to the Conversion Deadline, shall be converted into a Common Share on the basis of one (1) Common Share for each Class A Share held;

“**Common Share**” means a common share in the capital of Amalco;

“**Company**” means Pershimco Resources Inc., a corporation incorporated under the CBCA;

“**Company Dissent Rights**” has the meaning ascribed thereto in Section 4.1;

“**Company Meeting**” means the special meeting of the Company Securityholders, including any adjournment or postponement thereof, to be called and held in accordance

with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution and New Incentive Plan Resolution;

“Company Option” means, at any time, options to acquire Company Shares granted pursuant to the Company Stock Option Plan which are, at such time, outstanding and unexercised, whether or not vested;

“Company Optionholder” means a holder of one or more Company Options;

“Company RSU” means, at any time, restricted share units to acquire Company Shares or to receive an amount in cash equivalent to the closing price of the Company Shares on the last trading date prior to the Effective Date subject to a minimum price of \$0.3325 per Company RSU granted pursuant to the RSU Plan which are, at such time, outstanding and unvested;

“Company RSU Holders” means a holder of one or more Company RSUs;

“Company Securityholders” means, together, the Company Shareholders, and the Company Optionholders;

“Company Share” means a common share in the capital of the Company;

“Company Share Consideration” means (i) 0.19 of a Common Share and 0.04 of a Class A Share for each Company Share held if the Conversion Event has not occurred before the Effective Time, or (ii) 0.23 of a Common Share for each Company Share held if the Conversion Event has occurred prior to the Effective Time;

“Company Shareholder” means a holder of one or more Company Shares;

“Company Stock Option Plan” means the Stock Option Plan of the Company dated October 24, 2014;

“Continuance” means the continuance of the Acquirer from the OBCA to the CBCA on the terms and subject to the conditions set out in the Arrangement Agreement;

“Continuance Dissent Rights” means the rights of dissent in respect of the Continuance Resolution pursuant to the OBCA;

“Continuance Dissenting Shareholder” means a registered holder of Acquirer Shares who has validly exercised Continuance Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Continuance Dissent Rights as of the effective time of the Continuance, but only in respect of the Acquirer Shares in respect of which Continuance Dissent Rights are validly exercised by such holder;

“Continuance Resolution” means the special resolution of the Acquirer Shareholders in respect of the Continuance to be considered at the Acquirer Meeting and to be substantially in the form and content of Schedule C to the Arrangement Agreement;

“Conversion Deadline” means 5:00 p.m. (Vancouver time) on January 31, 2017;

“Conversion Event” means the receipt by the Company of the environmental impact assessment (EsIA) permit related to the Cerro Quema Project;

“Court” means the Superior Court of Québec (commercial division), in the city of Montréal, or other court as applicable;

“CRA” means the Canada Revenue Agency;

“Depository” means any trust company, bank or other financial institution agreed to in writing by each of the Parties for the purpose of, among other things, exchanging certificates representing Acquirer Shares and Company Shares for the Acquirer Share Consideration and Company Share Consideration, respectively, in connection with the Arrangement and convert, as required, the Class A Shares into Common Shares;

“Dissenting Acquirer Shares” means the Acquirer Shares held by Dissenting Acquirer Shareholders in respect of which such holders have given Notice of Dissent;

“Dissenting Acquirer Shareholder” means a registered holder of Acquirer Shares who has duly and validly exercised the Acquirer Dissent Rights in respect of the Acquirer Arrangement Resolution in strict compliance with the Acquirer Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Acquirer Dissent Rights;

“Dissenting Company Shares” means the Company Shares held by Dissenting Company Shareholders in respect of which such holders have given Notice of Dissent;

“Dissenting Company Shareholder” means a registered holder of Company Shares who has duly and validly exercised the Company Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Company Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Company Dissent Rights;

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

“Effective Time” means 12:01 a.m. (Vancouver time) on the Effective Date or such other time as the Company and the Acquirer may agree upon in writing;

“Final Order” means the definitive bilingual order of the Court approving the Arrangement under Section 192 of the CBCA, in form and substance acceptable to the

Acquirer and the Company, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the Acquirer and the Company, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both the Acquirer and the Company, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

“Financing Agreement” means the engagement letter to be entered into between the Acquirer and a lead underwriter on the date of the Arrangement Agreement for the purposes of completing the Acquirer Financing, which agreement will provide in certain circumstances, for a “market out” termination right, as well as the Financing Termination Provisions in favour of the lead underwriter;

“Financing Termination Provisions” means the “regulatory proceedings out”, “material change or change in material fact out”, “breach of agreement out” and “disaster out” termination rights in favour of the lead underwriter in the Financing Agreement, in each case other than termination as a result of an act or omission by the Acquirer;

“Former Shareholders” means the holders of Acquirer Shares or Company Shares, as the case may be, immediately prior to the Effective Time and the holder of any Company RSUs who acquires Company Shares pursuant to Section 3.1(D) of the Plan of Arrangement and holders of Acquirer Subscription Receipts who acquire Acquirer Shares pursuant to Section 3.1(A) of the Plan of Arrangement (other than the Dissenting Acquirer Shareholders and Dissenting Company Shareholders)

“Governmental Authority” means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including the TSXV or any other stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

“holder”, when used with reference to any securities of the Acquirer or the Company, as the case may be, means the holder of such securities shown from time to time in the central securities register maintained by or on behalf of the Acquirer or the Company, respectively, in respect of such securities;

“In-the-Money Amount” in respect of an Acquirer Option or a Company Option means the amount, if any, by which the aggregate fair market value at a particular time of the Acquirer Shares or the Company Shares, as the case may be, subject to the option, exceeds the aggregate exercise price of the relevant option at that particular time;

“Interim Order” means the bilingual interim order of the Court to be issued following the application therefor submitted to the Court as contemplated by Section 2.2(b) and 2.3(b) of the Arrangement Agreement after being informed of the intention to rely upon the exemption from registration under Section 3(a)(10) of the U.S. Securities Act with respect to the Common Shares, Class A Shares, Company Shares issued to Company RSU Holders, Replacement Acquirer Options and Replacement Company Options, in form and substance acceptable to the Company and the Acquirer, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both the Company and the Acquirer, each acting reasonably;

“Letter of Transmittal” means the letter of transmittal to be delivered to the Acquirer Shareholders and the Company Shareholders providing for the delivery of Acquirer Shares and Company Shares to the Depository, as applicable;

“Liens” means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, restriction, adverse right, prior assignment, lease, sublease, royalty, levy, right to possession or any other encumbrance, easement, license, right of first refusal, covenant, voting trust or agreement, transfer restriction under any shareholder or similar agreement, right or restriction of any kind or nature whatsoever of any kind, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“New Incentive Plan” means the evergreen stock option plan for new directors, officers, employees, advisors and consultants of Amalco to become effective at the Effective Time;

“New Incentive Plan Resolution” means the resolution in respect of the New Incentive Plan substantially in the forms set out in Schedule B and Schedule C to the Arrangement Agreement;

“Notice of Dissent” means a notice of dissent duly and validly given by a registered holder of either Acquirer Shares or Company Shares exercising Acquirer Dissent Rights or Company Dissent Rights as contemplated in the Interim Order and as described in Article 4;

“OBCA” means the *Business Corporations Act* (Ontario), as amended;

“Plan of Arrangement” means this plan of arrangement proposed under Section 192 of the CBCA, as amended by that certain Amending Agreement dated October 21, 2016 including any appendices hereto, and any amendments, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Final Order, with the prior written consent of the Acquirer and the Company, each acting reasonably;

“**Replacement Acquirer Option**” has the meaning ascribed thereto in Section 3.1(F)(e);

“**Replacement Company Option**” has the meaning ascribed thereto in Section 3.1(F)(d);

“**Tax Act**” means the *Income Tax Act* (Canada) including all regulations thereunder;

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended and the rules and regulations promulgated thereunder; and

“**U.S. Tax Code**” means the United States *Internal Revenue Code of 1986*, as amended.

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references to an “Article”, “Section” or “paragraph” followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement. The terms “Plan of Arrangement”, “this Plan of Arrangement”, “the Plan of Arrangement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Plan of Arrangement in its entirety and not to any particular provision hereof.

1.3 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and *vice versa* and words importing the use of any gender shall include all genders.

1.4 Date of Any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 References to Legislation

References to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislation provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto;

1.6 References to Agreements or Documents

References to any agreement or document shall be to such agreement or document (together with the schedules and exhibits attached thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time.

1.7 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in any letter of transmittal contemplated herein are local time (Vancouver, British Columbia) unless otherwise stipulated herein or therein.

1.8 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

ARTICLE 2 **EFFECT OF THE ARRANGEMENT**

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms a part of the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein. If there is any conflict or inconsistency between the provisions of the Plan of Arrangement and the provisions of the Arrangement Agreement regarding the Arrangement, the provisions of the Plan of Arrangement shall govern.

2.2 Binding Effect

- (A) This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement will become effective at the Effective Time and shall be binding upon (i) the Acquirer; (ii) all holders of Acquirer Shares, Acquirer Options and Acquirer Subscription Receipts; (iii) the Company; (iv) all holders of Company Shares, Company Options, and Company RSUs; and (v) all holders of Common Shares and Class A Shares.
- (B) Articles of Arrangement shall be filed with the Director with the purpose and intent that none of the provisions of this Plan of Arrangement shall become effective unless all of the provisions of this Plan of Arrangement become effective. The Certificate of Arrangement under the CBCA shall be conclusive evidence that this Plan of Arrangement has become effective

and that each of the provisions of Section 3.1 has become effective in the sequence set out therein.

2.3 Preliminary Steps to the Arrangement

The following preliminary steps shall occur prior to, and shall be conditions to, the implementation of the Plan of Arrangement:

- (A) the Acquirer Financing shall have been completed; and
- (B) the Continuance shall have been completed.

ARTICLE 3 **ARRANGEMENT**

3.1 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence, in each case without any further authorization, act or formality of or by the Acquirer, the Company or any other person:

- (A) the escrowed funds from the Acquirer Financing shall be released to the Acquirer in accordance with the Financing Agreement and each Acquirer Subscription Receipt will be automatically converted (for no further consideration and with no further action on the part of the holder thereof) into one Acquirer Share upon the satisfaction of the escrow release conditions in connection with the Acquirer Financing, and the name of each such holder will be removed from the register of holders of Acquirer Subscription Receipts and added to the register of holders of Acquirer Shares;
- (B) each Company Share held by a Dissenting Company Shareholder who has validly exercised their rights of dissent and which rights of dissent remain valid immediately prior to the Effective Time shall be cancelled and the holder shall cease to have any rights as a holder of such Company Share other than the right to be paid the fair value of such Company Share by Amalco in accordance with Section 4.1;
- (C) each Acquirer Share held by a Dissenting Acquirer Shareholder who has validly exercised their rights of dissent and which rights of dissent remain valid immediately prior to the Effective Time shall be cancelled and the holder shall cease to have any rights as a holder of such Acquirer Share other than the right to be paid the fair value of such Acquirer Share by Amalco in accordance with Section 4.2;

- (D) the vesting of each Company RSU will be accelerated and each Company RSU will be surrendered by the Company RSU holder for, at the election of each Company RSU Holder, by way of a written notice to the Company not later than five Business Days before the Effective Date, (a) issuance of one Company Share, (b) payment of an amount in cash equivalent to the closing price of the Company Shares on the last trading date prior to the Effective Date payable by the Company, or (c) a combination of the settlement methods at (a) and (b), in all cases, less any amounts required to be withheld pursuant to Section 5.4, with the exception of the Company RSUs held by a director or officer holding over 1,000,000 Company Shares (other than Roger Bureau) who will surrender each Company RSU for one Company Share. If applicable, the Company Shares issuable in connection therewith will be deemed to be issued to such Company RSU Holder as fully paid and non-assessable common shares in the authorized share structure of Company provided that no share certificates shall be issued with respect to such shares.
- (E) the Amalgamating Corporations shall be amalgamated under the CBCA and continue as one corporation on the terms prescribed in this Plan of Arrangement (the “**Amalgamation**”) as follows:
- (a) **Name.** The name of Amalco shall be “Orla Mining Ltd.”;
 - (b) **Registered Office.** The registered office of Amalco shall be located at 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8;
 - (c) **Business and Powers.** There shall be no restrictions on the business Amalco may carry on or on the powers it may exercise;
 - (d) **Authorized Capital.** The authorized capital of Amalco shall consist of an unlimited number of Common Shares and an unlimited number of Class A Shares, in each case with the rights, privileges, conditions and restrictions set out in Exhibit A;
 - (e) **Directors and Officers.**
 - (i) **Minimum and Maximum.** The directors of Amalco shall, until otherwise changed in accordance with the CBCA, consist of a minimum number of three and a maximum number of ten;
 - (ii) **Initial Directors.** The number of directors on the board of directors shall initially be set at eight and the initial directors shall be:

Marc Prefontaine	Hans Smit
Richard Hall	Troy Fierro
Kerry Sparkes	Aaron Wolfe
Alain Bureau	Jean Robitaille

The initial directors shall hold office until the next annual meeting of the shareholders of Amalco or until their successors are elected or appointed. The actual number of directors within the minimum and maximum number set out in Section 3.1(E)(e)(i) may be determined from time to time by resolution of the directors of Amalco. Any vacancy on the board of directors resulting from an increase in the number of directors as so determined may be filled by resolution of the directors. The initial address of each proposed director shall be the registered office set out in Section 3.1(E)(b);

- (iii) **Initial Officers.** The initial officers of Amalco shall be as follows:

Name	Title
Marc Prefontaine	President and Chief Executive Officer
Paul Robertson	Chief Financial Officer
Hans Smit	Chief Operating Officer

Additional officers shall be appointed by the board upon designation by the President and Chief Executive Officer of Amalco;

- (f) **Stated Capital.** For the purposes of the CBCA, (i) the stated capital attributable to the Common Shares issued pursuant to the Arrangement on the conversion of the Company Shares and the Acquirer Shares shall be the aggregate of the stated capital attributable to the Company Shares and the Acquirer Shares immediately before the Amalgamation, less the amount of any stated capital attributable to Company Shares or Acquirer Shares that are cancelled on the Amalgamation and less the stated capital attributable to Class A Shares; and (ii) the stated capital attributable to the Class A Shares issued pursuant to the Arrangement on the conversion of the Company Shares shall be an amount equal to \$0.0001 multiplied by the number of Class A Shares issued upon the Amalgamation;
- (g) **By-laws.** The by-laws of Amalco shall be the same as those of the Acquirer, *mutatis mutandis*;

- (h) ***Effect of the Amalgamation.*** The provisions of subsections 186 (a), (b), (c), (d), (e) and (f) of the CBCA shall apply to the amalgamation with the result that:
 - (i) The amalgamation of the Acquirer and the Company and their continuance as one corporation shall become effective;
 - (ii) The property of each of the Acquirer and the Company shall continue to be the property of Amalco;
 - (iii) Amalco shall continue to be liable for the obligations of each of the Acquirer and the Company;
 - (iv) Any existing cause of action, claim or liability to prosecution shall be unaffected;
 - (v) Any civil, criminal or administrative action or proceeding pending by or against the Acquirer or the Company may continue to be prosecuted by or against Amalco; and
 - (vi) Any conviction against, or ruling, or order or judgment in favour of or against the Acquirer or the Company may be enforced by or against Amalco;
 - (i) ***Articles.*** The Articles of Arrangement filed to give effect to the Arrangement shall be deemed to be the articles of amalgamation of Amalco and the Certificate of Arrangement issued in respect of such Articles of Arrangement by the Director under the CBCA shall be deemed to be the certificate of amalgamation of Amalco;
 - (j) ***Inconsistency with Laws.*** To the extent any provision of this Plan of Arrangement is deemed to be inconsistent with applicable Laws, this Plan of Arrangement shall be deemed adjusted to remove such inconsistency;
- (F) on the Amalgamation:
- (a) the issued and outstanding common shares of the Amalgamating Corporations shall be converted into Common Shares, Class A Shares or cancelled, as applicable, in accordance with the following:
 - (i) each Company Share, other than Company Shares held by Acquirer, shall be exchanged for the Company Share Consideration;

- (ii) each Acquirer Share, other than Acquirer Shares held by the Company, shall be exchanged for the Acquirer Share Consideration; and
 - (iii) any shares of an Amalgamating Corporation held by the other Amalgamating Corporation shall be cancelled without any repayment of capital in respect thereof;
- (b) upon the exchange pursuant to Section 3.1(F)(a)(i): (x) each holder of such Company Shares shall cease to be a holder of the Company Shares so exchanged and the name of such holder shall be removed from the central securities register of Company Shares; (y) the Company Shares shall be, and shall be deemed to be, immediately cancelled and cease to be outstanding; and (z) subject to Section 5.1, Amalco shall issue to such former holder of Company Shares the Company Share Consideration for each Company Share exchanged, and the name of such holder shall be added to the central securities register of Common Shares and Class A Shares;
- (c) upon the exchange pursuant to Section 3.1(F)(a)(ii): (x) each holder of such Acquirer Shares shall cease to be a holder of the Acquirer Shares so exchanged and the name of such holder shall be removed from the central securities register of Acquirer Shares; (y) the Acquirer Shares shall be, and shall be deemed to be, immediately cancelled and cease to be outstanding; and (z) subject to Section 5.1, Amalco shall issue to such former holder of Acquirer Shares the Acquirer Share Consideration for each Acquirer Share exchanged, and the name of such holder shall be added to the central securities register of Common Shares;
- (d) Company Optionholders shall, without further action on their part, be entitled to receive in exchange for their Company Options (whether vested or unvested) options (each, a “**Replacement Company Option**”) to acquire Common Shares as follows:
 - (i) for every 5.2632 Company Options held by the Company Optionholder, the Company Optionholder shall receive one (1) Replacement Company Option, each entitling the holder to receive from Amalco, upon the due exercise of such Replacement Company Option (including without limitation, payment of the exercise price thereof), subject to Section 5.4, one (1) Common Share at an exercise price per Common Share (rounded up to the nearest whole cent) equal to the exercise price per Company Share subject to such

Company Option immediately prior to the Effective Time divided by 0.19; and

- (ii) for every 25 Company Options held by the Company Optionholder, the Company Optionholder shall receive one (1) Replacement Company Option, each entitling the holder to receive from Amalco, upon the due exercise of such Replacement Company Option (including without limitation, payment of the exercise price thereof), subject to Section 5.4, one (1) Common Share at an exercise price per Common Share of \$0.001;

provided that if either of the foregoing items (i) or (ii) would result in the issuance of a fraction of a Replacement Company Option on any particular exchange of the Company Options, then the number of Replacement Company Options otherwise issued shall be rounded down to the nearest whole number of Replacement Company Options. Except as otherwise specified below or in other terms of this Plan of Arrangement, all other terms and conditions of a Replacement Company Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Company Option for which it was exchanged, and shall be governed by the terms of the Company Stock Option Plan and any document evidencing a Company Option shall thereafter evidence and be deemed to evidence such Replacement Company Options, except that the term to expiry of any Replacement Company Option shall not be affected by a holder of Replacement Company Options not becoming, or ceasing to be, an employee, consultant, officer or director of the Company or Amalco, as the case may be, and such Replacement Company Options will remain exercisable for a period of one year from the Effective Date of the Arrangement (provided any such term to expiry shall be subject to the approval of the TSX Venture Exchange). The Replacement Company Options at item (i) will be subject to no vesting period at all and those at item (ii) will be subject to a vesting period whereby such Replacement Company Options will become exercisable only if the Conversion Event has occurred or does occur on or before the Conversion Deadline. If the Conversion Event has not occurred or does not occur on or before the Conversion Deadline, the Replacement Company Options at item (ii) shall be cancelled as at the Conversion Deadline and be of no further force and effect. It is intended that subsection 7(1.4) of the Tax Act apply to the foregoing exchange of Company Options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Replacement Company Option under item (i) will

be increased such that the aggregate In-The-Money Amount of the Replacement Company Options issued under (i) and (ii) to any Company Optionholder immediately after the exchange does not exceed the In-The-Money Amount of the exchanged Company Options of the Company Optionholder immediately before the exchange. Replacement Company Options have not been registered under the U.S. Securities Act and will be issued by Amalco in reliance on the exemption provided under Section 3(a)(10) of the U.S. Securities Act, but such exemption does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the U.S. Securities Act; therefore, the Common Shares issuable upon exercise of any Replacement Company Options cannot be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and the Replacement Company Options may only be exercised pursuant to a then available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws, if any;

- (e) each Acquirer Option (whether vested or unvested) shall, without further action on the part of any holder of a Acquirer Option, be exchanged for an option (each, a “**Replacement Acquirer Option**”) entitling the holder to receive from Amalco, upon the due exercise of such Replacement Acquirer Option (including without limitation, payment of the exercise price thereof), subject to Section 5.4, the number of Common Shares equal to the number of Acquirer Shares subject to the Acquirer Option immediately before the Effective Time, provided that if the foregoing would result in the issuance of a fraction of a Common Share on any particular exercise of the Replacement Acquirer Option, then the number of Common Shares otherwise issued shall be rounded down to the nearest whole number of Common Shares. The exercise price per Common Share subject to the Replacement Acquirer Option shall be an amount equal to the exercise price per Acquirer Share subject to such Option immediately prior to the Effective Time. All terms and conditions of a Replacement Acquirer Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Acquirer Option for which it was exchanged, and shall be governed by the terms of the Acquirer Stock Option Plan and any document evidencing an Acquirer Option shall thereafter evidence and be deemed to evidence such Replacement Acquirer Option. It is intended that subsection 7(1.4) of the Tax Act apply to such exchange of options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Replacement Acquirer

Option will be increased such that the In-The-Money Amount of the Replacement Acquirer Option immediately after the exchange does not exceed the In-The-Money Amount of the Acquirer Option immediately before the exchange. Replacement Acquirer Options have not been registered under the U.S. Securities Act and will be issued by Amalco in reliance on the exemption provided under Section 3(a)(10) of the U.S. Securities Act, but such exemption does not exempt the issuance of securities upon the exercise of securities that were previously issued pursuant to Section 3(a)(10) of the U.S. Securities Act; therefore, the Common Shares of Amalco issuable upon exercise of the Replacement Acquirer Options cannot be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and the Replacement Acquirer Options may only be exercised pursuant to a then available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws, if any; and

- (f) the New Incentive Plan shall become effective.

3.2 Post Effective Time Procedures

- (A) Following the receipt of the Final Order and prior to the Effective Date, the Company shall deliver to the Depository the requisite cash required to be paid to former Company RSU Holders, if applicable, in accordance with the provisions of Section 3.1 hereof, which shall be held by the Depository as agent and nominee for such former Company RSU Holders for distribution to such former Company RSU Holders in accordance with the provisions of Article 5 hereof.
- (B) In accordance with the terms of the Acquirer Warrants, each holder of an Acquirer Warrant shall be entitled to receive (and such holder shall accept) upon the exercise of such holder's Acquirer Warrant, in lieu of Acquirer Shares to which such holder was theretofore entitled upon such exercise, and for the same aggregate consideration payable therefor, the number of Common Shares which the holder would have been entitled to receive as a result of the transactions contemplated by this Arrangement if, immediately prior to the Effective Date, such holder had been the registered holder of the number of Acquirer Shares to which such holder would have been entitled if such holder had exercised such holder's Acquirer Warrants immediately prior to the Effective Time. Each Acquirer Warrant shall continue to be governed by and be subject to the terms of the applicable Acquirer Warrant certificate, subject to any supplemental exercise documents issued by the Acquirer to holders of Acquirer Warrants to facilitate the exercise of the

Acquirer Warrants and the payment of the corresponding portion of the exercise price with each them.

- (C) Subject to the provisions of Article 5 hereof, and upon return of a properly completed Letter of Transmittal by a registered Former Shareholder together with certificates representing Acquirer Shares or Company Shares and such other documents as the Depositary may require, Former Shareholders shall be entitled to receive delivery of the certificates representing the Common Shares and/or a cheque representing the net cash payment to former Company RSU Holders, if applicable, to which they are entitled pursuant to Section 3.1(F) hereof.
- (D) Within three Business Days following the occurrence of a Conversion Event (provided such event occurs after the Effective Time and on or prior to the Conversion Deadline), Amalco shall deliver or arrange to be delivered to the Depositary certificates representing the Common Shares required to be issued following the conversion of any of the issued and outstanding Class A Shares on the basis of one (1) Common Share for each Class A Share held, which certificates shall be held by the Depositary as agent and nominee for holders of such Class A Shares for distribution to such holders in accordance with the provisions of Article 5 hereof.

3.3 No Fractional Shares or Cash

In no event shall any Former Shareholder be entitled to a fractional Common Share or Class A Share. Where the aggregate number of Common Shares or Class A Shares to be issued to a Former Shareholder as consideration under or as a result of this Arrangement would result in a fraction of a Common Share or Class A Share being issuable, the number of Common Shares or Class A Shares to be received by such Former Shareholder shall be rounded down to the nearest whole Common Share or Class A Share and no Former Shareholder will be entitled to any compensation in respect of a fractional Common Share or Class A Share, respectively.

If applicable, any cash consideration owing to a former Company RSU Holder shall be rounded up to the nearest whole cent.

ARTICLE 4 **DISSENT RIGHTS**

4.1 Rights of Dissent for Company Shareholders

Pursuant to the Interim Order, each registered Company Shareholder may exercise rights of dissent (“**Company Dissent Rights**”) under Section 190 of the CBCA as modified by this Article 4 as the same may be modified by the Interim Order or the Final Order in respect of the Arrangement, provided that the written objection to the Arrangement

Resolution contemplated by Section 190 (5) of the CBCA must be sent to and received by the Company not later than 5:00 p.m. on the Business Day that is two Business Days before the Company Meeting. Company Shareholders who duly exercise such rights of dissent and who:

- (A) are ultimately determined to be entitled to be paid fair value by Amalco, for the Dissenting Shares in respect of which they have exercised Company Dissent Rights, notwithstanding anything to the contrary contained in Section 190 of the CBCA, will be deemed to have irrevocably transferred such Dissenting Company Shares to Amalco pursuant to Section 3.1(B) in consideration of such fair value; or
- (B) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Company Shares in respect of which they have exercised Company Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a Company Shareholder who has not exercised Company Dissent Rights, as at and from the time specified in Section 3.1(F)(a)(i), and be entitled to receive only the consideration set forth in Section 3.1(F), but in no case will Amalco, the Company or any other person be required to recognize such holders as holders of Company Shares after the completion of the steps set forth in Section 3.1, and each Dissenting Company Shareholder will cease to be entitled to the rights of a Company Shareholder in respect of the Company Shares in relation to which such Dissenting Company Shareholder has exercised Company Dissent Rights and the central securities register of the Company will be amended to reflect that such former holder is no longer the holder of such Company Shares as and from the completion of the steps in Section 3.1.

In addition to any other restrictions set forth in the CBCA none of the following shall be entitled to exercise Company Dissent Rights: (i) Company Optionholders; (ii) Company RSU Holders; and (iii) Company Shareholders who vote (or who have instructed a proxyholder to vote) in favour of the Arrangement Resolution.

4.2 Rights of Dissent for Acquirer Shareholders

Nothing in this Plan of Arrangement or the transactions contemplated hereby shall affect, reduce or derogate from the rights of Continuance Dissenting Shareholders to be paid fair value by the Acquirer (or Amalco as its successor) for their Acquirer Shares under Section 185 of the OBCA. A Continuance Dissenting Shareholder shall not be entitled to exercise rights of dissent with respect to the Arrangement.

Pursuant to the Interim Order, each registered Acquirer Shareholder may exercise rights of dissent (“**Acquirer Dissent Rights**”) under Section 190 of the CBCA as modified by this Article 4 as the same may be modified by the Interim Order or the Final Order in respect of the Arrangement, provided that the written objection to the Acquirer Arrangement

Resolution contemplated by Section 190(5) of the CBCA must be sent to and received by the Acquirer not later than 5:00 p.m. on the Business Day that is two Business Days before the Acquirer Meeting. Acquirer Shareholders who duly exercise such rights of dissent and who:

- (A) are ultimately determined to be entitled to be paid fair value by the Acquirer (or Amalco as its successor), for the Dissenting Shares in respect of which they have exercised Acquirer Dissent Rights, notwithstanding anything to the contrary contained in Section 190 of the CBCA, will be deemed to have irrevocably transferred such Dissenting Acquirer Shares to the Acquirer pursuant to Section 3.1(C) in consideration of such fair value; or
- (B) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Acquirer Shares in respect of which they have exercised Acquirer Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a Acquirer Shareholder who has not exercised Acquirer Dissent Rights, as at and from the time specified in Section 3.1(F)(a)(ii), and be entitled to receive only the consideration set forth in Section 3.1(F), but in no case will the Acquirer, Amalco or any other person be required to recognize such holders as holders of Acquirer Shares after the completion of the steps set forth in Section 3.1, and each Dissenting Acquirer Shareholder will cease to be entitled to the rights of a Acquirer Shareholder in respect of the Acquirer Shares in relation to which such Dissenting Acquirer Shareholder has exercised Acquirer Dissent Rights and the central securities register of the Acquirer will be amended to reflect that such former holder is no longer the holder of such Acquirer Shares as and from the completion of the steps in Section 3.1.

In addition to any other restrictions set forth in the CBCA none of the following shall be entitled to exercise Acquirer Dissent Rights: (i) Acquirer Optionholders; (ii) holders of Acquirer Warrants; and (iii) Acquirer Shareholders who vote (or who have instructed a proxyholder to vote) in favour of the Acquirer Arrangement Resolution.

ARTICLE 5

CERTIFICATES AND PAYMENTS

5.1 Delivery of Consideration

- (A) As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate that immediately prior to the Effective Time represented outstanding Acquirer Shares or Company Shares that were exchanged under Section 3.1(F)(a)(i) or 3.1(F)(a)(ii), together with a duly completed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require and such other documents and instruments as would have been

required to effect such transfer under the CBCA, the *Act Respecting the Transfer of Securities and the Establishment of Security Entitlements* and the articles of the Acquirer or the Company, as applicable, after giving effect to Section 3.1 the former holder of such Acquirer Shares or Company Shares shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, or make available for pick up at its offices during normal business hours, a certificate representing the Common Shares and/or a cheque representing the net cash payment to former Company RSU Holders, if applicable, that such holder is entitled to receive in accordance with Section 3.1(F)(a)(i) or 3.1(F)(a)(ii) hereof, less any amounts withheld pursuant to Section 5.4. Notwithstanding the foregoing, (a) holders of Company RSUs who received Company Shares pursuant to Section 3.1(D) shall not receive certificates representing such Company Shares and, accordingly, shall not be required to deliver any such certificates; and (b) holders of Acquirer Subscription Receipts who received Acquirer Shares pursuant to Section 3.1(A) shall not receive certificates representing such Acquirer Shares and, accordingly, shall not be required to deliver any such certificates.

- (B) Subject to Section 5.3, until surrendered as contemplated by this Section 5.1, each certificate which immediately prior to the Effective Time represented Acquirer Shares or Company Shares will be deemed after the time described in Sections 3.1 to represent only the right to receive from the Depository upon such surrender the Common Shares that the holder of such certificate is entitled to receive in accordance with Section 3.1 hereof, less any amounts withheld pursuant to Section 5.4.
- (C) Amalco, the Company and the Acquirer will cause the Depository, as soon as a Former Shareholder becomes entitled to the consideration in accordance with Section 3.1, to:
 - (a) forward or cause to be forwarded by first class mail (postage paid) to such Former Shareholder at the address specified in the Letter of Transmittal;
 - (b) if requested by such Former Shareholder in the Letter of Transmittal make available at the offices of the Depository specified in the Letter of Transmittal for pick up by such Former Shareholder; or
 - (c) if the Letter of Transmittal neither specifies an address as described in Section 5.1(C)(a) nor contains a request as described in Section 5.3(C)(b), forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address of such former holder as shown on the applicable securities register maintained by

or on behalf of the Acquirer or the Company immediately prior to the Effective Time;

the consideration to such Former Shareholder in accordance with the provisions hereof or a cheque representing the net cash payment to former Company RSU Holders, if applicable.

- (D) No holder of Acquirer Shares, Acquirer Options, Acquirer Warrants, Company Shares, Company Options, or Company RSUs shall be entitled to receive any consideration or entitlement with respect to such securities other than any consideration or entitlement to which such holder is entitled to receive in accordance with Section 3.1, this Section 5.1 and the other terms of this Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith, other than any declared but unpaid dividends.

5.2 Loss of Certificates

In the event any certificate which immediately prior to the Effective Time represented any outstanding Acquirer Shares or Company Shares that were converted pursuant to Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the former holder of such Acquirer Shares or Company Shares, the Depositary will deliver to such person or make available for pick up at its offices in exchange for such lost, stolen or destroyed certificate, the Common Shares to which the former holder of such Acquirer Shares or Company Shares is entitled to receive pursuant to Section 3.1 hereof in accordance with such holder's Letter of Transmittal. When authorizing such delivery in relation to any lost, stolen or destroyed certificate, the former holder of such Acquirer Shares or Company Shares will, as a condition precedent to the delivery of Common Shares give a bond satisfactory to Amalco and the Depositary (acting reasonably) in such sum as Amalco may direct or otherwise indemnify Amalco in a manner satisfactory to Amalco against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed.

5.3 Extinction of Rights

If any Former Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 5.1 or Section 5.2 on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to Amalco or its successor any Common Shares or Class A Shares, as the case may be, or, if applicable, cash consideration in respect of Company RSUs, held by the Depositary in trust for such former holder to which such former holder is entitled, and (ii) any certificate representing Acquirer Shares or Company Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been

surrendered to Amalco and will be cancelled. Neither Amalco nor any of its successors will be liable to any person in respect of any Common Shares or Class A Shares or, if applicable, cash consideration in respect of Company RSUs (including any consideration previously held by the Depositary in trust for any such former holder) which is forfeited to Amalco or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

5.4 Withholding Rights

The Company, the Acquirer, Amalco and the Depositary will be entitled to deduct and withhold from any consideration otherwise payable under this Plan of Arrangement (including any payment to Dissenting Acquirer Shareholders or Dissenting Company Shareholders) such amounts as the Company, the Acquirer, Amalco or the Depositary is required to deduct and withhold with respect to such payment under the Tax Act, the U.S. Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local or foreign tax law as counsel may advise is required to be so deducted and withheld by the Company, the Acquirer, Amalco or the Depositary, as the case may be. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of the Company, the Acquirer, Amalco or the Depositary, as the case may be.

5.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

5.6 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Acquirer Shares, Acquirer Options, Acquirer Warrants, Company Shares, Company Options and Company RSUs issued prior to the Effective Time; (b) the rights and obligations of the Acquirer Securityholders, the Company Securityholders, the Company, the Acquirer, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Acquirer Shares, Acquirer Options, Acquirer Warrants, Company Shares, Company Options and Company RSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 6
AMENDMENTS

6.1 Amendments to Plan of Arrangement

- (A) The Acquirer and the Company reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) approved by the Acquirer and the Company, (iii) filed with the Court and, if made following the Acquirer Meeting or the Company Meeting, approved by the Court and (iv) communicated to or approved by the Acquirer Securityholders and Company Securityholders if and as required by the Court.
- (B) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Acquirer or the Company at any time prior to the Acquirer Meeting and the Company Meeting (provided that the other Party shall have consented thereto in writing) with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Acquirer Meeting or the Company Meeting (other than as may be required under the Interim Order), will become part of this Plan of Arrangement for all purposes.
- (C) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Acquirer Meeting or the Company Meeting will be effective only if such amendment, modification or supplement (i) is consented to by each of the Company and the Acquirer and (ii) if required by the Court or applicable law, is consented to by Acquirer Securityholders or Company Securityholders voting in the manner directed by the Court.
- (D) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Amalco provided that it concerns a matter which, in the reasonable opinion of Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any Former Shareholder.
- (E) The Acquirer shall be entitled to propose an amendment, modification or supplement to this Plan of Arrangement at any time prior to the Effective Time and, unless such proposal shall be adverse to the financial or economic interests of any Acquirer Securityholders or Company Securityholders, the Company shall propose and implement such

amendment, modification or supplement in accordance with the process described in paragraphs (a) to (c) of this Section 6.1, as may be applicable.

ARTICLE 7
TERMINATION

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 8
FURTHER ASSURANCES

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Company and the Acquirer will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

EXHIBIT A

COMMON SHARE AND CLASS A SHARE TERMS

The rights, privileges, restrictions and conditions attached to the Common Shares and Class A Shares of Orla Mining Ltd. (the “**Corporation**”) are as follows:

1. **Common Shares.** The Common Shares have no nominal value and have the following rights, privileges, restrictions and conditions:

- (a) Dividends. The holders of Common Shares shall be entitled to receive dividends and the Corporation shall pay dividends thereon, as and when declared by the board of directors of the Corporation out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine and all dividends which the directors may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding.
- (b) Dissolution. Subject to the prior rights and privileges of the holders of Class A Shares, in the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall be entitled to receive the remaining property and assets of the Corporation.
- (c) Voting Rights. The holders of the Common Shares shall be entitled to receive notice of and to attend all meetings of the shareholders of the Corporation and shall have one vote for each Common Share held at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.

2. **Class A Shares.** The Class A Shares are preferred shares, have no nominal value and have the following rights, privileges, restrictions and conditions:

- (a) Transferability. The Class A Shares shall not be transferable, subject to transfers that occur as the result of an operation of law.
- (b) Conversion. Subject to adjustment as specified in Section 2(c) below, provided the Conversion Event occurs on or before the Conversion Deadline, the Class A Shares shall be automatically converted into Common Shares on the basis of one (1) Common Share for each Class A Share held as at the time (if any) that the Conversion Event takes place.

- (c) Adjustments to Class A Share Conversion. At any time when the Class A Shares are issued and outstanding, the terms of conversion are subject to adjustment as follows:
- (i) If at any time after the Effective Date, there shall be any reorganization, recapitalization, merger, conversion or similar transaction involving the Corporation or a sale, lease or other transfer of all or substantially all of the assets of the Corporation to another person (a “**Reorganization**”) effected in such a manner that the holders of the Corporation’s capital stock are entitled to receive securities, cash or other property (whether such securities, cash or other property are issued or distributed by the Corporation or another person) with respect to or in exchange for such shares, then, as a part of such Reorganization, lawful provision shall be made so that the holders of any Class A Shares shall thereafter be entitled to receive the kind and amount of securities, cash or other property equivalent in value to that which a holder of Common Shares deliverable in such circumstances would have been entitled in such Reorganization if such holder had held such Common Shares immediately prior to such Reorganization. The foregoing provisions of this Section 2(c)(i) shall similarly apply to successive Reorganizations and to the stock or securities of any other person that are at the time receivable upon the occurrence of the Conversion Event.
 - (ii) If at any time after the Effective Date, the Common Shares are changed into the same or a different number of securities of any other class or classes by reclassification, capital reorganization, conversion of all outstanding shares of capital stock of the relevant class or series or otherwise (other than as otherwise provided for herein) (a “**Reclassification**”), then, in any such event, in lieu of the number of Common Shares which a holder of Class A Shares would otherwise have been entitled to receive, such holder shall have the right thereafter to receive the number of securities of such other class or classes that a holder of such number of Common Shares immediately before that change would have been entitled to receive in such Reclassification, all subject to further adjustment as provided herein with respect to such other securities.
 - (iii) If at any time after the Effective Date, in the event that Common Shares are subdivided (by share split, by payment of a share dividend or otherwise) into a greater number of securities, the number of Common Shares issuable in connection with each Class A Share immediately prior to such subdivision shall, concurrently

with the effectiveness of such subdivision, be proportionately increased and in the event that any outstanding Common Shares are consolidated (by reclassification or otherwise) into a lesser number of securities, the number of Common Shares issuable in connection with each Class A Share immediately prior to such consolidation shall, concurrently with the effectiveness of such consolidation, be proportionately decreased.

- (d) No Right to Dividends. The holders of Class A Shares are not entitled to receive any dividends.
- (e) Dissolution. If, for any reason, and in particular, in the event of a dissolution or of a voluntary or involuntary winding-up or liquidation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs the holders of Class A Shares shall be entitled prior to the holders of Common Shares, to receive the amount of \$0.0001 per Class A Share.
- (f) No Right to Additional Participation. The Class A Shares do not confer any other right to share in the property, the profits or the surplus assets of the Corporation.
- (g) No Right to Vote. Subject to the provisions of the CBCA, the holders of Class A Shares are not entitled to vote at meetings of the shareholders of the Corporation, nor to attend same nor to receive notice thereof.
- (h) Right of Corporation to Unilaterally Redeem Shares. Subject to the provisions of Section 36(2) of the CBCA, if the Conversion Event does not occur on or prior to the Conversion Deadline, the Corporation is entitled to unilaterally redeem all of the Class A Shares at price of \$0 per Class A Share and without any notice to the holders of the Class A Shares. The Class A Shares so redeemed unilaterally by the Corporation shall automatically be cancelled on the date of their redemption and the applicable securities register shall be adjusted accordingly.