



ENTERPRISE RISK MANAGEMENT STANDARD

OBJECTIVES

Orla Mining Ltd. and its subsidiaries (“Orla” or the “Company”) are committed to meeting or surpassing regulatory requirements in all our exploration and development activities while working to protect the environment and its employees and the surroundings in which it operates, minimizing and managing risk, and enhancing sustainable practices. We will:

- Strive for continuous improvement and hold ourselves accountable through the development of a framework and transparent reporting of our performance;
- Ensure that our activities are conducted in a sustainable manner and that our contractors adhere to the same high standards; and
- Develop and operate our projects with a focus on maintaining the health and safety of our employees, contractors, and neighbours.

The requirements in this Enterprise Risk Management Standard have been informed by industry best practices, including the World Gold Council’s Responsible Gold Mining Principles, and the Mining Association of Canada’s Towards Sustainable Mining initiative.

SCOPE

This Standard is applicable to, and is the responsibility of, all the Company directors, officers, employees, and contractors. Specifically, site General Managers and Site Risk Champions, will be responsible for applying this standard periodically and at all stages of development to all site-level risks. All such individuals shall conduct their activities in a manner that is aligned with this Standard and minimizes environmental, social and health and safety risks.

KEY TERMS

- **Consequence:** An outcome or change in status (positive or negative) affecting objectives arising from a set of circumstances or from the occurrence of an event. In Orla’s *Risk Matrix*, consequence ranges from ‘insignificant’ to ‘catastrophic’.
- **Control:** Actions taken to reduce either the probability of a possible set of events or the severity of the consequences should the events occur.
- **Control Owner:** An individual (or individuals) designated by a Risk Owner, responsible for the effective implementation and verification of an assigned control.
- **Effectiveness:** The extent to which planned activities are realized and planned results achieved.

- **Engagement:** Ongoing interaction and dialogue with potentially affected stakeholders that enables the Company to hear, understand and respond to their interests and concerns, including through collaboration.
- **Hierarchy of Control Approach:** A systematic way of prioritizing controls in a sequential way.

For **Health and Safety**, the Hierarchy of Control Approach is as follows:

- a) Eliminate the hazard.
- b) Substitute with less hazardous processes, operations, materials or equipment.
- c) Use engineering controls and reorganization of work.
- d) Use administrative controls, including training.
- e) Use adequate personal protective equipment.

For **environmental and social**, the Hierarchy of Control Approach is as follows:

- a) Prevent/Avoid: Anticipate or avoid the potential impact by designing it out of operations.
- b) Minimize/Mitigate: Minimize or mitigate the impact through controls.
- c) Restore or rehabilitate: Rehabilitate or restore impacted conditions to satisfaction.
- d) Remedy/Offset: Compensate or offset residual impacts as a last resort.

- **Personnel:** People working on behalf of Orla, including employees and contract workers.
- **Probability:** Chance of an event happening. In the *Orla Risk Matrix*, probability ranges from 'rare' to 'almost certain.'
- **Risk:** The prospect of consequences (harm or benefit) associated with a set of circumstances or events, where the occurrence of those events or specific outcomes of those circumstances is uncertain. i.e. The probability and consequence of something occurring associated with a set of circumstances or events. Risk-based approach means attention and resources flow to managing the highest risk events and incidents first, and once these are well controlled, moving to manage lower risks.
- **Risk Matrix:** Visual tool adopted by Orla to evaluate, categorize, score, and manage the potential risks associated with its operations. Operations and corporate levels will develop and update their risk matrix based on likelihood and impact as primary factors.
- **Risk Owner:** An individual accountable for managing a particular risk, and who provides direction, oversight, and resources for the control of that risk.
- **Severity:** Magnitude of the consequence of a risk or combination of risks.
- **Significant Change:** Changes in scale or scope (e.g., production increases, new or expanded activities or facilities, transition to closure, etc.) that may have environmental, social and/or health and safety impacts, or change the nature or degree of an existing impact.
- **Site:** A location under the management control of Orla.
- **Stakeholders:** Individuals, groups, and public, private, or civil society organizations who directly or indirectly engage with and affect Orla's operations, as well as the individuals, groups, and public, private, or civil society organizations that Orla operations influence.

REQUIREMENTS

We will:

1. Identify risks and their cause(s), including but not limited to people, environment, financial, reputational, climate change, and compliance potential material impacts.
2. Identify the consequence(s) if the risk materializes, independent of probability.
3. Identify current control(s) in place, using a hierarchy of control approach.
4. Determine the probability of the risks occurring with the current control(s) in place, using Orla's *Risk Matrix*.
5. Determine the risk rating if the risk is actualized after current controls are implemented, using Orla's *Risk Matrix*.
6. Identify and implement additional risk management options or control(s) to further address risks where necessary.
7. Assign an owner to each risk and control who is responsible for managing that risk.
8. Document the identified risks and controls in a site-level risk register, to be developed by a Site Risk Champion and approved by Site and Executive Management, and review and update on a quarterly basis.
9. Where risks or controls directly affect stakeholders, engage with stakeholders regarding the risks and/or controls, in conformance with the *Stakeholder Engagement and Community Response Standard*.
10. Incorporate site-level risks ranked as Major or Catastrophic into a corporate risk register, and update on a quarterly basis. Each site shall develop and implement its own risk management process and risk register in accordance with Orla's Environmental, Sustainability, Health & Safety Policy.
11. Provide updates to the Board of Directors and the Environmental, Sustainability, Health and Safety Committee on a quarterly basis, or whenever there is a significant change, on risks rated as Major or Catastrophic.
12. Review the risk assessment process with executive management quarterly, or whenever there is a significant change, to assess the effectiveness of existing controls and identify opportunities for continuous improvement.
13. Develop, provide, and regularly review training to designated personnel for implementation of the requirements of this Standard.

RELATED POLICIES AND STANDARDS

Internal documents

- Code of Business Conduct and Ethics, Orla, 2020
- Environmental, Sustainability, Health and Safety Policy, Orla, 2020
- Environmental, Sustainability, Health & Safety Management System, Orla, 2022
- Anti-Corruption and Anti-Bribery Policy, Orla, 2023
- Corporate Social Responsibility Policy, Orla, 2020
- Risk Matrix, Orla, 2023
- Stakeholder Engagement and Community Response Standard, Orla, 2023

- Climate Change Policy, Orla 2023
- Human Rights Policy, Orla 2023

Industry references

- Guidance on implementing and assuring the RGMPs, World Gold Council, 2019
- Responsible Gold Mining Principles, World Gold Council, 2019
- Safe, Healthy, and Respectful Workplaces Protocol, Towards Sustainable Mining, 2023
- Standard for Responsible Mining, Initiative for Responsible Mining Assurance, 2018

APPROVAL

Reviewed and approved by Executive Management of the Company on November 2, 2023.