WATER MANAGEMENT STANDARD

INTRODUCTION

Orla Mining Ltd. and its subsidiaries ("**Orla**" or the "**Company**") is committed to meeting or surpassing regulatory requirements in all of its exploration, development, and operation activities while working to protect the environment both within and beyond the Company's operational boundaries. We will:

- Identify and monitor, on an ongoing basis, all significant environmental aspects of our activities and establish appropriate objectives and strategies to manage them;
- Have a high level of preparedness to react to environmental accidents in order to contain, control, clean up, and eliminate negative environmental effects; and
- Have the utmost respect for the local cultures, values, and traditions and adopt an open communication policy regarding Orla's activities with all impacted parties in order to achieve transparency in the Company's socio environmental performance.

The requirements established in this Water Management Standard have been informed by the World Gold Council's Responsible Gold Mining Principles and the Mining Association of Canada's Towards Sustainable Mining Water Stewardship Protocol.

SCOPE

This Standard is applicable to, and is the responsibility of, all Company directors, officers, employees, contractors, sub-contractors, consultants, and suppliers. 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

- **Groundwater:** Water present in water bodies that exist underground (e.g., underground aquifers).
- **Hierarchy of Control Approach:** A systematic way of prioritizing controls in a sequential way. For environmental controls, 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) Rehabilitate/Restore: Rehabilitate or restore impacted conditions to satisfaction.

  d) Remedy/Offset: Compensate or offset residual impacts as a last resort.
- **Mitigation Hierarchy:** The mitigation hierarchy is a set of prioritized steps to alleviate environmental (or social) harm as far as possible through avoidance, minimization, restoration, and offset of adverse impacts. Compensation/offsets should only be considered after all other measures have been applied.

- **Process Water:** Water that is used to process ore using hydrometallurgical extraction techniques. It commonly contains process chemicals.
- **Seep/Spring:** A natural seep is a moist or wet place where water reaches the earth's surface from an underground aquifer. Seeps are usually not of sufficient volume to be flowing much beyond their above-ground location.
- **Stakeholders:** Individuals, groups, and public, private, or civil society organizations who directly or indirectly engage with and affect Orla's operations, or may have interests in an Orla project, as well as the individuals, groups, and public, private, or civil society organizations that Orla's operations may directly or indirectly impact. Among others, Orla's stakeholders include employees, investors, Indigenous Nations and communities where we operate.
- **Surface Water:** Water bodies that exist on the earth's surface, such as lakes, ponds, rivers, streams.
- **Watershed:** Also referred to as catchment or basin, this is an area of land from which all surface runoff and subsurface waters flow through a sequence of streams, rivers, aquifers and lakes into the sea or another outlet at a single river mouth, estuary or delta; and the area downstream affected by the facility's discharge. Watershed, as defined here, includes an associated groundwater area and may include portions of water bodies (such as lakes or rivers).
- **Water Balance:** An accounting of the inflow to, outflow from, transfers and storage changes of water over a fixed period.
- **Water Quality:** Refers to the physical, chemical, and biological characteristics of water, determining its purity and suitability for specific uses.
- **Water Quantity:** The amount of water present or passing a certain location in water bodies, typically expressed as volumes. Water quantity measurements may also be expressed as the rate of flow (e.g., m3/sec).
- **Water Stewardship:** The use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site and catchment-based actions. This may also be referred to as Water Security.

REQUIREMENTS

We will:

1 Establish and maintain site-level water baseline and balance models throughout the life of the facility and including closure, assessing how operational water management practices contribute to cumulative effects in the watershed.

2 Establish a water management plan and monitoring program to document changes in the quality and quantity of surface water and groundwater, including total water withdrawn and consumed.

3 Identify and engage with affected stakeholders, water-related Communities of Interest (COI), in the watershed to better understand water-related uses, water stakeholders mapping, practices, beliefs, customs, and traditional knowledge, in accordance with the Stakeholder Engagement and Community Response Standard. Sites will integrate collaborative and participatory monitoring at the watershed scale involving relevant COI.

4 Identify and regularly assess risks related to surface water and groundwater, and establish and maintain controls using a hierarchy of controls and mitigation approach, including response and contingency plans, in accordance with the Enterprise Risk Management Standard.

5 Establish and monitor water performance targets and actions for relevant water-related risks and opportunities, as part of site-level water management plans, in compliance with water-related regulatory requirements and commitments.

6 Operations must monitor relevant water impoundments, solutions, effluents, and surface waters to ensure compliance with the International Cyanide Management Code. During monitoring activities, sites should measure parameters such as temperature, arsenic, nitrate, calcium, dissolved oxygen, and alkalinity (as CaCO3).

7 Identify and regularly assess community needs and cumulative impacts, including addressing community issues and concerns.

8 Sites will develop and maintain water storage reservoir operating plans incorporating ecological management strategies that consider the anticipated aquatic flora, fauna, and limnological conditions.

9 Define roles, responsibilities, and accountabilities for operational water management and watershed-scale planning, and allocate sufficient resources for effective implementation.

10 Sites must implement a Water Accounting Framework (WAF) that prioritizes reducing the water footprint through optimization, minimizing the use of fresh water, and promoting recycling and reuse. WAF data should be collected and reported to corporate and site management on regularly basis. Sites must develop an erosion and sediment control plan prior to land disturbance.

11 Each site must identify and regularly assess the Best Available Technology Economically Achievable (BATEA) for its water management practices.

12 Engage with local authorities on water access and use and participate in watershed governance fora or groups where they exist.

13 Publicly communicate water stewardship commitments and performance to relevant stakeholders to identify opportunities for continuous improvement.

14 Develop, provide and regularly review training to designated personnel for implementation of the requirements in this Standard.

RELATED POLICIES AND STANDARDS

Internal documents

- Climate Change Policy, Orla, 2023
- Code of Business Conduct and Ethics, Orla, 2020
- Corporate Social Responsibility Policy, Orla, 2020
- Environmental, Sustainability, Health and Safety Policy, Orla, 2020
- Stakeholder Engagement and Community Response Standard, Orla, 2023
- Enterprise Risk Management Standard, 2023

Industry references

- Guidance on implementing and assuring the RGMPs, World Gold Council, 2019
- Water Stewardship Framework, Towards Sustainable Mining, 2017
- Water Stewardship Protocol, Towards Sustainable Mining, 2018
- Responsible Gold Mining Principles, World Gold Council, 2019
- A practical guide to catchment-based water management for the mining and metals industry, ICMM, 2015
- Standard for Responsible Mining and Mineral Processing, Initiative for Responsible Mining Assurance, 2023