



Consolidated Financial Statements

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Orla Mining Ltd.

We have audited the accompanying consolidated financial statements of Orla Mining Ltd., which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Orla Mining Ltd. as at December 31, 2017 and 2016 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

April 24, 2018



ORLA MINING LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

<i>As at</i>	December 31, 2017	December 31, 2016
ASSETS		
Current assets		
Cash	\$ 6,142,278	\$ 25,935,149
Sales taxes recoverable	148,915	408,695
Prepaid expenses and deposits	770,056	359,590
	7,061,249	26,703,434
Non-current assets		
Reclamation deposits (note 5)	188,259	201,405
Equipment (note 6)	234,317	418,115
Exploration and evaluation assets (note 7)	164,560,651	111,725,507
	164,983,227	112,345,027
TOTAL ASSETS	\$ 172,044,476	\$ 139,048,461
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (notes 8 and 10)	\$ 2,256,759	\$ 2,696,677
TOTAL LIABILITIES	2,256,759	2,696,677
EQUITY		
Share capital (note 9)	\$ 174,435,785	\$ 128,139,781
Reserves (note 9)	19,175,865	11,985,482
Accumulated deficit	(14,984,344)	(5,059,078)
Accumulated other comprehensive income (loss)	(8,839,589)	1,285,599
TOTAL EQUITY	169,787,717	136,351,784
TOTAL EQUITY AND LIABILITIES	\$ 172,044,476	\$ 139,048,461

Corporate information and continuance of operations (note 1)
Commitments and contingencies (note 11)
Segmented information (note 13)
Subsequent events (note 17)

The accompanying notes are an integral part of these consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors and signed on its behalf by:

/s/ Marc Prefontaine Director */s/ Charles Jeannes* Director

ORLA MINING LTD.**Consolidated Statements of Loss and Comprehensive Loss****(Expressed in Canadian Dollars)**

	For the years ended	
	December 31, 2017	December 31, 2016
EXPENSES		
Depreciation (note 6)	\$ 8,538	\$ 1,249
Management and directors' fees (note 10)	1,133,088	358,721
Office and administration	771,342	172,397
Professional fees (note 10)	597,194	183,458
Property investigation costs	510,873	145,357
Public and community relations	648,466	55,257
Regulatory and transfer agent fees	82,375	48,146
Rent	92,497	18,028
Salaries and benefits	969,744	62,334
Share-based payments (note 9)	3,698,033	706,745
Travel	397,278	121,354
	8,909,428	1,873,046
OTHER EXPENSES (INCOME)		
Interest income	(187,198)	(66,535)
Finance costs	14,309	859
Foreign exchange loss	562,162	113,844
Loss (gain) on disposal	26,853	-
Impairment loss on exploration and evaluation assets (note 7)	594,144	-
Penalties and interest on flow-through shares	5,568	(728)
Loss on Pershimco shares (note 4)	-	969,697
LOSS FOR THE YEAR	\$ 9,925,266	\$ 2,890,183
OTHER COMPREHENSIVE EXPENSES		
Foreign currency translation differences for foreign operations	\$ 10,125,188	\$ (1,285,599)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	\$ 20,050,454	\$ 1,604,584
Basic and diluted loss per share for the period attributable to common shareholders (warrants and options not included as the impact would be anti-dilutive)	\$ 0.08	\$ 0.09
Weighted average number of common shares outstanding	131,549,997	30,899,596

ORLA MINING LTD.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital		Reserves			Total	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
	Number of shares	Amount	Bonus shares	Options	Warrants				
Balance at December 31, 2015	17,437,924	\$ 2,229,514	\$ -	\$ 440,742	\$ 342,214	\$ 782,956	\$ (2,168,895)	\$ -	\$ 843,575
Shares issued for acquisition	54,070,908	72,995,726	-	-	-	-	-	-	72,995,726
Shares issued for liabilities of restricted shares units	483,312	652,471	-	-	-	-	-	-	652,471
Shares issued for cash - private placement	42,946,428	54,698,270	-	-	2,331,729	2,331,729	-	-	57,029,999
Share issue costs	-	(2,570,102)	-	-	740,954	740,954	-	-	(1,829,148)
Shares issued for cash - warrant exercise	1,550,000	93,000	-	-	-	-	-	-	93,000
Shares issued for cash - stock option exercise	10,000	1,500	-	-	-	-	-	-	1,500
Warrants issued for acquisition	-	-	-	-	6,952,828	6,952,828	-	-	6,952,828
Options issued for acquisition	-	-	-	509,672	-	509,672	-	-	509,672
Reclassification of grant-date fair value on exercise of warrants	-	37,393	-	-	(37,393)	(37,393)	-	-	-
Reclassification of grant-date fair value on exercise of stock options	-	2,009	-	(2,009)	-	(2,009)	-	-	-
Share-based payments	-	-	-	706,745	-	706,745	-	-	706,745
Net loss for the year	-	-	-	-	-	-	(2,890,183)	-	(2,890,183)
Other comprehensive income for the year	-	-	-	-	-	-	-	1,285,599	1,285,599
Balance at December 31, 2016	116,498,572	\$ 128,139,781	\$ -	\$ 1,655,150	\$ 10,330,332	\$ 11,985,482	\$ (5,059,078)	\$ 1,285,599	\$ 136,351,784
Shares issued for acquisition	31,860,141	44,604,197	-	-	-	-	-	-	44,604,197
Warrants issued for acquisition	-	-	-	-	4,137,532	4,137,532	-	-	4,137,532
Shares issued for cash - warrant exercised	11,708,000	778,400	-	-	-	-	-	-	778,400
Shares issued for cash - stock option exercised	374,500	268,225	-	-	-	-	-	-	268,225
Reclassification of grant-date fair value on exercise of warrants	-	354,480	-	-	(354,480)	(354,480)	-	-	-
Reclassification of grant-date fair value on exercise of stock options	-	290,702	-	(290,702)	-	(290,702)	-	-	-
Share-based payments	-	-	118,300	3,579,733	-	3,698,033	-	-	3,698,033
Net loss for the year	-	-	-	-	-	-	(9,925,266)	-	(9,925,266)
Other comprehensive loss for the year	-	-	-	-	-	-	-	(10,125,188)	(10,125,188)
Balance at December 31, 2017	160,441,213	\$ 174,435,785	\$ 118,300	\$ 4,944,181	\$ 14,113,384	\$ 19,175,865	\$ (14,984,344)	\$ (8,839,589)	\$ 169,787,717

The accompanying notes are an integral part of these consolidated financial statements.

ORLA MINING LTD.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the years ended	
	December 31, 2017	December 31, 2016
Cash flows provided from (used by):		
OPERATING ACTIVITIES		
Net loss for the year	\$ (9,925,266)	\$ (2,890,183)
Adjustments for items not affecting cash:		
Depreciation	8,538	1,249
Share-based compensation	3,698,033	706,745
Loss on disposal of property and equipment	26,853	-
Impairment loss on exploration and evaluation assets	594,144	-
Net changes in non-cash working capital items:		
Sales taxes recoverable	259,017	6,621
Prepaid expenses and deposits	(432,549)	(15,342)
Accounts payable and accrued liabilities	(391,419)	(285,465)
Net cash flows used in operating activities	(6,162,649)	(2,476,375)
FINANCING ACTIVITIES		
Proceeds on issuance of shares (note 9(b))	1,046,625	55,295,351
Cash payment for liabilities of restricted shares units (note 4)	-	(536,821)
Repayment of long-term debt (note 4)	-	(23,210,912)
Net cash flows from financing activities	1,046,625	31,547,618
INVESTING ACTIVITIES		
Exploration and evaluation assets (note 7)	(14,460,908)	(361,354)
Purchase of equipment (note 6)	(54,065)	-
Acquisition costs less cash assumed on acquisition of Pershimoc Resources Inc. (note 4)	-	(3,196,751)
Net cash flows used in investing activities	(14,514,973)	(3,558,105)
Effects of exchange rate changes on cash	(161,874)	3,308
Net decrease in cash	(19,792,871)	25,516,446
Cash, beginning of year	25,935,149	418,703
Cash, end of year	\$ 6,142,278	\$ 25,935,149
Cash and cash equivalents consist of :		
Cash	6,119,278	25,935,149
Cash equivalents	23,000	-
	\$ 6,142,278	\$ 25,935,149
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

Supplemental cash flow information (note 12)

The accompanying notes are an integral part of these consolidated financial statements.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

Orla Mining Ltd. (the “Company” or “Orla”) was incorporated under the Business Corporations Act of Alberta on May 31, 2007 as a Capital Pool Company as defined by Policy 2.4 of the TSX Venture Exchange. The Company was continued into British Columbia under the Business Corporations Act in 2010 and subsequently into Ontario under the Business Corporations Act (Ontario) in 2014.

The head office, principal address and records office of the Company are located at Suite 1240, 1140 West Pender Street, Vancouver, British Columbia. The Company’s registered office is located at 885 W. Georgia Street, 2200 HSBC Building, Vancouver, British Columbia.

On December 6, 2016, the Company and Pershimco Resources Inc. (“Pershimco”) completed a plan of arrangement (the “Plan of Arrangement”) under the *Canada Business Corporations Act* (“CBCA”), pursuant to which Orla and Pershimco have combined to create a new gold company in the Americas. Orla will focus on continued exploration and development of the Cerro Quema project located in Panama, and intends to seek further growth opportunities in the Americas. (Note 4)

On June 20, 2017, the Company entered into an asset purchase agreement (the “Agreement”) with Goldcorp Inc. (“Goldcorp”) to acquire the Camino Rojo Project in Zacatecas State, Mexico, a gold and silver oxide heap leach project (the “Acquisition”). On November 7, 2017, the Company completed the Agreement with Goldcorp (Note 7).

These audited consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at December 31, 2017, the Company had not advanced its property to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to fund operating costs over the next twelve months with cash and further equity financings. Subsequent to the year ended December 31, 2017, the Company closed an offering of units (Note 17).

The audited consolidated financial statements of the Company for the year ended December 31, 2017 were reviewed by the Audit Committee and approved and authorized by the Board of Directors on April 24, 2018

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

Basis of presentation

These financial statements of the Company have been prepared on the historical cost basis except for certain non-current assets which are measured at fair value. In addition, these financial statements are presented in Canadian dollars which is also the Company's functional currency.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

Basis of consolidation

These consolidated financial statements comprise the accounts of the Company and the following wholly-owned subsidiaries of the Company:

	Country of incorporation	Percentage owned*	
		December 31, 2017	December 31, 2016
CR Acquisitions Ltd.	Canada	100%	Nil
Minerometalurgica San Miguel, S. de R.L. de C.V.	Mexico	100%	100%
Minera Camino Rojo, S.A. de C.V.	Mexico	100%	Nil
Minera Cerro Quema, S.A.	Panama	100%	100%
Aurum Exploration Inc.	Panama	100%	100%
Monitor Gold Corporation	United States	100%	Nil

The incorporation date for CR Acquisitions Ltd., Minera Camino Rojo, S.A. de C.V. and Monitor Gold Corporation is October 16, 2017, April 28, 2006, and June 27, 2017, respectively.

All subsidiaries have a reporting date of December 31.

i) Subsidiaries

A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

ii) Acquisitions and disposals

The results of entities acquired during the reporting period are brought into the consolidated financial statements from the date the control is transferred; the results of entities sold during the reporting period are included in the consolidated financial statements for the period up to the date the control is ceased.

Gains or losses on disposal are calculated as the difference between the sale proceeds (net of expenses) and the net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the statement of loss and comprehensive loss.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Significant accounting judgments, estimates and assumptions

The preparation of these financial statements requires management to make judgements and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these judgements and estimates. The financial statements include judgements and estimates which, by their nature, are uncertain. The impacts of such judgements and estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both current and future periods.

Significant assumptions about the future and other sources of judgements and estimates that management has made at the statement of financial position date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i. Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

ii. Site Closure and Reclamation Provisions

The Company assesses its reclamation provision at each reporting date or when new material information becomes available. Exploration, development and mining activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for reclamation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation work required to comply with existing laws and regulations at each location. Actual costs incurred may differ from those amounts estimated. The Company's exploration work to date has resulted in no significant site disturbance and therefore the Company has not recognized any reclamation provision in its statements of financial position.

iii. Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Further, the Company makes judgements for properties where concessions terms have expired, and a renewal application has been made and is awaiting approval. The Company uses the latest information available to make a judgment as to whether the concession renewal application is probable to be received, but ultimately this is beyond the Company's control. If a renewal application was not approved, the Company could lose rights to its concession.

iv. Share Capital

Proceeds from the exercise of stock options and warrants, in addition to estimated fair value attributable to these equity instruments, are recorded as share capital when exercised. In a unit offering, the Company prorates the proceeds between common shares and warrants using the relative fair value method. Share issuance costs are recorded as a reduction of share capital.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Significant accounting judgments, estimates and assumptions (continued)

v. Share-Based Payments and finders' warrants

Management uses valuation techniques in measuring the fair value of share options and finders' warrants granted. The fair value is determined using the Black Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions for any share options granted could have a material impact on the Company's financial statements.

vi. Deferred Income Taxes

Judgement is required to determine which types of arrangements are considered to be a tax on income in contrast to an operating cost. Judgement is also required in determining whether deferred tax liabilities are recognized in the statement of financial position. Deferred tax assets, including those potentially arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods, in order to recognize deferred tax assets. Assumptions about the generation of future taxable income depend on management's estimates of future operations and cash flows. These estimates of future taxable income are based on forecast cash flows from operations (which are impacted by production and sales volumes, commodity prices, reserves, operating costs, closure and rehabilitation costs, capital expenditure, and other capital management transactions) and judgement about the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize deferred tax assets or offset these against any deferred tax liabilities recorded at the reporting date could be impacted.

vii. The assessment of the Plan of Arrangement as an asset acquisition

Determination of whether a set of assets acquired and liabilities assumed constitute the acquisition of a business or asset requires the Company to make certain judgments as to whether or not the assets acquired and liabilities assumed include the inputs, processes and outputs necessary to constitute a business as defined in IFRS 3 – Business Combinations. If an acquired set of assets and liabilities includes goodwill, the set is presumed to be a business. Based on an assessment of relevant facts and circumstances, the Company concluded that the acquisitions disclosed in Note 4 and Note 7 were acquisitions of assets. The values assigned to common shares, stock options and warrants issued and the allocation of the purchase price to the net assets in the acquisition are based on numerous estimates and judgements including discount rates, volatility, expected option/warrant lives and the relative fair values of net assets.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Financial instruments

Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss "FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. The Company's cash is classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity assets are measured at amortized cost. The Company has classified its sales taxes recoverable as loans and receivables. Financial assets classified as available for sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income and loss except for losses in value that are considered other than temporary which are recognized in earnings. The Company does not have any assets classified as available for sale.

Financial assets (continued)

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities. At December 31, 2017, the Company has not classified any financial liabilities as FVTPL.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company's accounts payable and accrued liabilities is classified as other financial liabilities.

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

Government tax credits and assistance received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment when indicators and circumstances suggest that the carrying amount may exceed its recoverable amount. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Exploration and evaluation assets (continued)

Industry specific indicators for an impairment review arise typically when one of the following circumstances applies:

- Substantive expenditure or further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised, has expired or is expected to expire;
- Adverse changes in the taxation, regulatory or political environment;
- Adverse changes in variables in commodity prices and markets making the project unviable; and
- Variations in the exchange rate for the currency of operation.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Contingent consideration

Contingent consideration from an asset acquisition is recognized when: (i) the conditions associated with the contingency are met; (ii) the Company has a present legal or constructive obligation that can be estimated reliably; and (iii) and it is probable that an outflow of economic benefits will be required to settle the obligation.

Restoration, rehabilitation, and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arise from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in profit or loss. The Company has no material restoration, rehabilitation and environmental obligations as at December 31, 2017.

Share based payments

The Company operates an employee stock option plan. Share based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share based payments reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. For those options that expire after vesting, the recorded value is transferred to the deficit.

ORLA MINING LTD.
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle, a provision is expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount receivable can be measured reliably.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income of loss or directly in equity, in which case it is recognized in other comprehensive income or loss or equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred income tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Flow through shares

Any premium received by the Company on the issuance of flow through shares is initially recorded as a liability ("unrenounced flow through share premium") and included in liabilities. Upon renouncement by the Company of the tax benefits associated with the related expenditures, a deferred tax liability is recognized and the flow through tax liability will be reversed. To the extent that suitable deferred tax assets are available, the Company will reduce the deferred tax liability and record a deferred tax recovery.

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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Equipment

Equipment is initially recognized at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future costs of dismantling and removing items. The corresponding liability is recognized within provisions. All items of equipment are subsequently carried at depreciated cost less impairment losses, if any.

Depreciation is provided on all items of equipment to write off the carrying value of items over their expected useful economic lives. Depreciation is provided on a straight-line basis over the estimated useful lives of the equipment at the following annual rates:

- Office equipment 5 years
- Vehicles 4 years
- Equipment 5 years
- Computer equipment 3 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate, only when it's probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognized. All other repairs and maintenance are charged to the consolidated statements of loss during the financial year in which they are incurred.

Currency translation

Functional currency

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined the functional currency of the Company and its subsidiaries based on the currency of the primary economic environment in which the Company operates. Following is the summary of the functional currency of the Company and its subsidiaries:

	Functional currency
Orla Mining Ltd.	Canadian dollars
CR Acquisitions Ltd.	Canadian dollars
Minerometalurgica San Miguel, S. de R.L. de C.V.	Mexican Peso
Minera Camino Rojo, S.A. de C.V.	Mexican Peso
Minera Cerro Quema, S.A.	US dollars
Aurum Exploration Inc.	US dollars
Monitor Gold Corporation	US dollars

The consolidated financial statements are presented in Canadian dollars, which is the presentation currency of the Company.

Translation of foreign transactions and balances into the functional currency

Foreign currency transactions are translated into the functional currency of the underlying entity using appropriate average rates of exchange. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange in effect at the end of each reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION (continued)

Currency translation (continued)

Translation of the functional currency into the presentation currency

The results of foreign operations which have a different functional currency of the Company are translated to Canadian dollars at appropriate average rates of exchange during the year and are included in other comprehensive income (loss). The assets and liabilities of foreign operations are translated to Canadian dollars at rates of exchange in effect at the end of the period. Gains or losses arising on translation of foreign operation's assets and liabilities to Canadian dollars at period end are recognized in accumulated other comprehensive income (loss) as a foreign currency translation adjustment. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2018. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted in these consolidated financial statements:

- IFRS 9 – New standard that replaced IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018. The Company has performed a preliminary analysis and expects no material impact from adopting this standard.
- IFRS 15 - New standard to establish principles for reporting the nature, amount, timing, and uncertainty of revenue and cash flows arising from an entity's contracts with customers, effective for annual periods beginning on or after January 1, 2018. The Company has performed a preliminary analysis and expects no material impact from adopting this standard.
- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of this standard.

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4. ACQUISITION OF PERSHIMCO RESOURCES INC.

On September 14, 2016, Orla and Pershimco entered into a definitive arrangement agreement (the "Arrangement Agreement"). Under the terms of the Arrangement Agreement and the accompanying Plan of Arrangement, among other things, Orla and Pershimco will amalgamate (the "Merger") and continue as an amalgamated corporation to be named Orla Mining Ltd. ("Amalco"). On December 6, 2016 the Company and Pershimco completed the Plan of Arrangement under the Canada Business Corporations Act ("CBCA").

Pursuant to the Merger, each Orla shareholder received one common share of Amalco (an "Amalco Share") for each Orla common share (an "Orla Share") held. Each Pershimco shareholder received 0.19 of an Amalco Share for each Pershimco common share (a "Pershimco Share") held. All the options and warrants outstanding of Orla and Pershimco at the close of the Merger were exchanged using the same conversion ratio as outlined above. Under the Plan of Arrangement, all outstanding restricted share units of Pershimco will be paid out, at the election of the RSU holder, in either cash or Amalco Shares.

In addition, each Pershimco shareholder was entitled to receive 0.04 of a Class A Share of Amalco (a "Class A Share") for each Pershimco Share held. Each whole Class A share of Amalco entitled its holder to receive, without payment of additional consideration, one Amalco Share conditional upon the issuance of a ministerial resolution by the Ministry of Environment of Panama, accepting the Environmental and Social Impact Study on the Cerro Quema project (the "Conversion Event") on or prior to January 31, 2017 (the "Conversion Deadline"). If the Conversion Event did not occur prior to the Conversion Deadline, the right to receive Amalco Shares would terminate. As of January 31, 2017, the Conversion Event was not satisfied. Accordingly, each Class A Share has been automatically cancelled and the right to receive common shares of Orla has terminated. Orla's work towards obtaining the ministerial resolution continues to progress.

Concurrent with entering into, but not contingent on, the Arrangement Agreement, Orla subscribed for 12,121,212 Pershimco Shares (the "Pershimco Shares") at a price of \$0.33 per Pershimco Share in a private placement for total gross proceeds to Pershimco of \$4 million. The Pershimco Shares were accounted for as available for sale financial assets. On the close of the Merger, the Pershimco shares were cancelled and accordingly, the fair value of the Pershimco Shares, based the closing market price on the close of the Merger, has been included in the purchase consideration. The decrease in the value of the Pershimco Shares from the date acquired to the close of the Merger has been included in the consolidated statement of loss and comprehensive loss.

In connection with the Merger, Orla completed a Private Placement pursuant to which Orla issued 28,571,428 Subscription Receipts at a price of \$1.75 (note 9(b)) with each Subscription Receipt entitling the holder thereof to receive one common share of Amalco. Following the completion of the Merger, the Subscription Receipts were released from escrow and the underlying common shares of Orla were issued.

The transaction has been accounted for as acquisition of assets and assumed liabilities. The consideration of \$76,227,130 paid by Orla and the transaction costs of \$8,403,344 has been allocated to the assets and liabilities acquired based on their relative fair value on the date of the Merger.

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4. ACQUISITION OF PERSHIMCO RESOURCES INC. (continued)

The following table summarizes the allocation of the purchase price and related acquisition costs to the fair value of the assets acquired and liabilities assumed at the date of acquisition.

Consideration comprised of:	
Fair value of Pershimco Shares	\$ 3,030,303
Common shares issued for acquisition (note 9(b))	72,687,155
Replacement options issued for Pershimco's option holders (note 9(d))	509,672
Cash paid for transaction costs	1,141,945
Common shares issued for transaction costs (note 9(b))	308,571
Warrants issued for transaction costs (note 9(c))	6,952,828
	\$ 84,630,474
Net identifiable assets acquired:	
Cash	\$ 975,497
Sales taxes recoverable	410,083
Prepaid expenses	49,160
Deposits	284,081
Reclamation deposits	199,080
Equipment	431,308
Exploration and evaluation assets	109,474,213
Accounts payable and accrued liabilities	(2,792,744)
Liabilities of restricted shares units	(1,189,292)
Long-term debt	(23,210,912)
	\$ 84,630,474

Subsequent to the Merger, the Company issued 483,312 common shares with a fair value of \$652,471 (note 9(b)) and made a cash payment of \$536,821 in settlement of the liability of restricted share units of Pershimco. The Company also made a cash payment of \$23,210,912 to settle the long-term debt of Pershimco.

5. RECLAMATION DEPOSITS

The Company has reclamation deposits of \$188,259 (US\$150,000). These bonds were put as collateral for the 3 mining concessions at Cerro Quema (Panama) in the event of future operations (December 31, 2016 – \$201,405 (US\$150,000)).

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6. EQUIPMENT

	Equipment	Vehicles	Computer equipment	Office equipment	Total
Cost					
As at December 31, 2016	\$ 258,580	\$ 81,519	\$ 85,806	\$ 10,434	\$ 436,339
Additions	32,519	-	18,035	3,511	54,065
Disposals	-	(49,575)	-	-	(49,575)
Effect of movements in exchange rates	(17,986)	(5,320)	(5,806)	(785)	(29,897)
Balance as at December 31, 2017	\$ 273,113	\$ 26,624	\$ 98,035	\$ 13,160	\$ 410,932
Depreciation					
As at December 31, 2016	\$ (10,563)	\$ (2,620)	\$ (3,890)	\$ (1,151)	\$ (18,224)
Charged for the year	(112,951)	(24,748)	(44,162)	(6,581)	(188,442)
Eliminated on disposal	-	22,722	-	-	22,722
Effect of movements in exchange rates	4,405	985	1,650	289	7,329
Balance as at December 31, 2017	\$ (119,109)	\$ (3,661)	\$ (46,402)	\$ (7,443)	\$ (176,615)
Net book value					
As at December 31, 2016	\$ 248,017	\$ 78,899	\$ 81,916	\$ 9,283	\$ 418,115
As at December 31, 2017	\$ 154,004	\$ 22,963	\$ 51,633	\$ 5,717	\$ 234,317

	Equipment	Vehicles	Computer equipment	Office equipment	Total
Cost					
As at December 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Additions	255,594	80,578	84,818	10,318	431,308
Disposals	-	-	-	-	-
Effect of movements in exchange rates	2,986	941	988	116	5,031
Balance as at December 31, 2016	\$ 258,580	\$ 81,519	\$ 85,806	\$ 10,434	\$ 436,339
Depreciation					
As at December 31, 2015	\$ -	\$ -	\$ -	\$ -	\$ -
Charged for the year	(10,510)	(2,606)	(3,871)	(1,149)	(18,136)
Eliminated on disposal	-	-	-	-	-
Effect of movements in exchange rates	(53)	(14)	(19)	(2)	(88)
Balance as at December 31, 2016	\$ (10,563)	\$ (2,620)	\$ (3,890)	\$ (1,151)	\$ (18,224)
Net book value					
As at January 1, 2016	\$ -	\$ -	\$ -	\$ -	\$ -
As at December 31, 2016	\$ 248,017	\$ 78,899	\$ 81,916	\$ 9,283	\$ 418,115

During the year ended December 31, 2017, the Company disposed a vehicle with a net book value of \$26,853 for \$nil; as a result, the Company recognized a loss on disposal of \$26,853 in the statements of loss and comprehensive loss.

During the year ended December 31, 2017, the Company charged \$188,442 (December 31, 2016 – \$18,136) in depreciation expense of which \$8,538 (December 31, 2016 – \$1,249) was recognized as expenses and \$179,904 was capitalized to exploration and evaluation assets (December 31, 2016 – \$16,887).

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7. EXPLORATION AND EVALUATION ASSETS

The Company's evaluation and exploration assets are broken down as follows:

	Panama		Canada	Mexico	Total
	Cerro Quema	Aurum	Blue Quartz	Camino Rojo	
BALANCE DECEMBER 31, 2016	111,131,830	1	593,676	-	111,725,507
DURING THE YEAR					
Acquisition costs					
Addition	-	-	468	54,257,517	54,257,985
	-	-	468	54,257,517	54,257,985
Deferred exploration costs					
Assays and sample analysis	229,116	-	-	7,067	236,183
Consulting	29,309	-	-	-	29,309
Depreciation	179,883	-	-	21	179,904
Drilling	1,857,652	-	-	-	1,857,652
Project management	-	-	-	26,667	26,667
Geological and geophysical	2,085,664	-	-	85,747	2,171,411
Rentals, supplies and other	980,448	-	-	73,830	1,054,278
Repairs and maintenance	302,855	-	-	-	302,855
Salaries and benefits	2,500,976	-	-	5,659	2,506,635
Social responsibility	6,863	-	-	5,952	12,815
Travel, food and accommodations	720,410	-	-	10,592	731,002
Value-added tax	-	-	-	15,844	15,844
	8,893,176	-	-	231,379	9,124,555
Impairment	-	-	(594,144)	-	(594,144)
Effect of movements in exchange rates	(7,476,434)	-	-	(2,476,818)	(9,953,252)
BALANCE DECEMBER 31, 2017	\$ 112,548,572	\$ 1	\$ -	\$ 52,012,078	\$ 164,560,651

	Panama		Canada	Mexico	Total
	Cerro Quema	Aurum	Blue Quartz	Camino Rojo	
BALANCE DECEMBER 31, 2015	\$ -	\$ -	\$ 593,045.00	\$ -	\$ 593,045.00
DURING THE YEAR					
Acquisition costs					
Addition (Note 4)	109,474,212	1	-	-	109,474,213
	109,474,212	1	-	-	109,474,213
Deferred exploration costs					
Assays and sample analysis	13,698	-	-	-	13,698
Depreciation	16,887	-	-	-	16,887
Geological and geophysical	81,378	-	631	-	82,009
Rentals, supplies and other	22,342	-	-	-	22,342
Repairs and maintenance	17,742	-	-	-	17,742
Salaries and benefits	169,492	-	-	-	169,492
Travel, food and accommodations	56,071	-	-	-	56,071
	377,610	-	631	-	378,241
Effect of movements in exchange rates	1,280,008	-	-	-	1,280,008
BALANCE DECEMBER 31, 2016	\$ 111,131,830	\$ 1	\$ 593,676	\$ -	\$ 111,725,507

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Camino Rojo, Mexico

On June 20, 2017, the Company entered into the Agreement with Goldcorp to acquire the Camino Rojo Project in Zacatecas State, Mexico, a gold and silver oxide heap leach project.

On November 7, 2017, the Company completed the Agreement with Goldcorp. The purchase price for acquiring Camino Rojo consists of the followings:

- i. 31,860,141 common shares of the Company (issued);
- ii. a 2.0% net smelter royalty (the "Royalty") on the sale of all metal production from Camino Rojo, except for metals produced from a sulphide project where Goldcorp has exercised its Sulphide Option. If Goldcorp elects to sell the Royalty, in whole or in part, the Company would retain a right of first offer on the sale; and,
- iii. Assumption of certain obligations including Mexican value-added taxes of approximately \$4,922,860 (USD\$3,859,969) exigible on the acquisition of Camino Rojo (paid).

In addition, the Company and Goldcorp entered into an option agreement regarding the potential development of sulphide operations at Camino Rojo whereby Goldcorp will, subject to the applicable sulphide project meeting certain thresholds, have an option to acquire a 60% or 70% interest in the applicable sulphide project.

In connection with the Acquisition, the Company issued 3,000,000 finders' warrants at an exercise price of \$1.40 per common share of Orla for a period of 5 years. The Company also incurred transaction costs of \$592,922.

Following is the summary of the acquisition costs paid for the Acquisition:

31,860,141 common shares	\$	44,604,197
3,000,000 finders' warrants (Note 9(c))		4,137,532
Value-added taxes		4,922,866
Transaction costs		592,922
	\$	<u>54,257,517</u>

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7. EXPLORATION AND EVALUATION ASSETS (continued)

Cerro Quema, Panama

The Company's 100% owned Cerro Quema project is located on the Azuero Peninsula in the Los Santos Province of Southwestern Panama, about 45 kilometres southwest of the city of Chitre and about 190 kilometres southwest of Panama City. Rights to gold and silver at Cerro Quema are held through 3 concessions that encompass 14,833 hectares. As well as mineral rights, the Company owns the surface rights over the areas of the current resources.

Concession to the property comprises of three contracts between the Republic of Panama and Minera Cerro Quema S.A., a wholly owned subsidiary of the Company. The original 20-year term for these concessions expired on February 26, 2017 (Contracts 19 and 20) and March 3, 2017 (Contract 21). The Company has applied for the prescribed 10-year extension to these contracts as it is entitled to under Panamanian mineral law. The Company believes it has complied with all legal requirements in relation to the concessions. On March 6, 2017, the Ministry of Commerce and Industry provided written confirmation to the Company that the extension applications were received and that exploration work could continue while the Company waits for the renewal of the concessions. Furthermore, the Panamanian Ministry of Commerce and Industry approved the most recent annual report for the concessions which includes a work plan for 2017. On April 26, 2017, the Company received authorization from the Ministry of Environment to drill in two areas outside of the existing permitted drill area. On June 28, 2017, the Company received a permit to use water for drilling. In early August 2017, an additional two drill permits were received. As of the date of this Financial Statement, final concession renewals have not been received.

Aurum, Panama

The Company holds, through its wholly-owned Panama subsidiary, Aurum Exploration Inc., a 100% interest in a group of six mineral concession applications. These cover approximately 55,000 hectares located in two separate locations: the Herrera and Los Santos provinces. The applications in the Los Santos province are due west of the Cerro Quema property.

Blue Quartz Property, Ontario

The Company holds a 50% interest in the Blue Quartz Property in northern Ontario. The property is subject to net smelter returns royalties totaling 2.5%, up to an aggregate 0.5% of which can be bought back for \$500,000. The Company does not consider this property as core to its operations and is reviewing its options relating to this concession.

During the year ended December 31, 2017, the Company decided not to continue exploration of the Blue Quartz Property. As a result of the Company's decision not to conduct any significant work on the Blue Quartz Property in the near future, the Company wrote off the capitalized costs of \$594,144 associated with the Blue Quartz Property during the year ended December 31, 2017.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are broken down as follows:

	Note	December 31, 2017	December 31, 2016
Trade payables		\$ 1,071,726	\$ 1,774,074
Accrued liabilities		682,742	728,277
Due to related party	10	387,420	85,023
Indemnification liability	11	114,871	109,303
		\$ 2,256,759	\$ 2,696,677

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9. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

b) Issued share capital

At December 31, 2017, the Company had 160,441,213 common shares issued and outstanding (December 31, 2016 – 116,498,572) with a value of \$174,435,785 (December 31, 2016 – \$128,139,781).

During the year ended December 31, 2017:

- 11,708,000 warrants were exercised for proceeds of \$778,400. In addition, the Company reclassified the grant date fair value of the exercised warrants of \$354,480 from reserve to share capital.
- 374,500 options were exercised for proceeds of \$268,225. In addition, the Company reclassified the grant date fair value of the exercised warrants of \$290,702 from reserve to share capital.
- On June 26, 2017, the Company's Board of Directors approved the issuance of up to 500,000 common shares to the non-executive Chairman of the Company as bonus shares. The bonus shares are subject to a vesting period from June 19, 2017 to June 18, 2020 ("Eligibility Period"). If the non-executive Chairman ceases to be the director of the Company before the Eligibility Period ends, the bonus shares will be immediately forfeited. The bonus shares will become issuable on the date that the non-executive Chairman ceases to act as a director of the Company after the Eligibility Period or a change in control of the Company.

The Company determined the fair value of the bonus shares (\$655,000) based on the market value of the common shares at the date of approval. These amounts are recognized evenly over the Eligibility Period.

During the year ended December 31, 2017, the Company recognized \$118,300 as share-based payments in the statement of loss and comprehensive loss.

- On November 7, 2017, the Company issued 31,860,141 common shares with a fair value of \$44,604,197 for the Acquisition (Note 7).

During the year ended December 31, 2016:

- On February 15, 2016, the Company closed a non-brokered private placement of 375,000 units at a price of \$0.08 for gross proceeds of \$30,000. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common Share at an exercise price of \$0.10 for a period of 24 months.

The Company estimated the grant date fair value of warrants issued with the private placement, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.44%, an expected life of 2 years, an expected volatility of 244% and an expected dividend yield of 0%, which totaled \$14,347, and recorded this value in warrant reserve. The value attributed to the warrants was based on their relative fair value as compared to the fair value of the common shares. The remaining balance of \$15,653 was recorded as common shares.

In connection with this placement, the Company incurred share issue costs of \$900.

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9. SHARE CAPITAL (continued)

b) Issued share capital (continued)

- On July 8, 2016, the Company closed a non-brokered private placement of 14,000,000 units at a price of \$0.50 for gross proceeds of \$7,000,000. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common Share at an exercise price of \$0.62 for a period of 60 months.

The Company estimated the grant date fair value of warrants issued with the private placement, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.50%, an expected life of 5 years, an expected volatility of 232% and an expected dividend yield of 0%, which totaled \$2,317,382, and recorded this value in warrant reserve. The value attributed to the warrants was based on their relative fair value as compared to the fair value of the common shares. The remaining balance of \$4,682,618 was recorded as common shares.

In connection with this placement, the Company incurred share issue costs of \$49,497.

- On October 13, 2016, the Company closed a non-brokered private placement of 28,571,428 shares at a price of \$1.75 for gross proceeds of \$49,999,999. In connection with the private placement, the Company paid a cash commission of \$1,778,751 and issued 865,668 broker warrants ("Broker Warrants") to the agents. Each Broker Warrant will entitle the holder thereof to subscribe for one common share of Orla at an exercise price of \$1.75 per common share of Orla until October 13, 2018.

The Company estimated the grant date fair value of Broker Warrants, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.73%, an expected life of 2 years, an expected volatility of 141% and an expected dividend yield of 0%, which totaled \$740,954, and recorded this value in warrant reserve.

- On December 6, 2016, the Company issued 53,842,337 common shares with a fair value of \$72,687,155 to acquire all of the outstanding shares of Pershimco. In addition, the Company issued 228,571 common shares with a fair value of \$308,571 as advisory fees.
- On December 6, 2016, the Company issued 483,312 common shares with a fair value of \$652,471 in settlement of the liability of restricted share units of Pershimco.
- 1,550,000 warrants were exercised for proceeds of \$93,000. In addition, the Company reclassified the grant date fair value of the exercised warrants of \$37,393 from reserve to share capital.
- 10,000 options were exercised for proceeds of \$1,500. In addition, the Company reclassified the grant date fair value of the exercised warrants of \$2,009 from reserve to share capital.

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9. SHARE CAPITAL (continued)

c) Warrants

The changes in warrants during the years ended December 31, 2017 and 2016 was as follows:

	December 31, 2017		December 31, 2016	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
Outstanding, beginning of year	25,673,828	\$ 0.71	13,265,200	\$ 0.07
Issued	3,000,000	1.40	14,065,828	1.25
Exercised	(11,708,000)	0.07	(1,550,000)	0.06
Expired	(50,000)	0.50	(107,200)	0.62
Outstanding and exercisable, end of year	<u>16,915,828</u>	\$ 1.28	<u>25,673,828</u>	\$ 0.71

During the year ended December 31, 2017:

- In connection with the Acquisition (Note 7), the Company issued 3,000,000 finders' warrants at an exercise price of \$1.40 per common share of Orla for a period of 5 years.

The Company estimated the grant date fair value of finders' warrants, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 1.54%, an expected life of 5 years, an expected volatility of 217% and an expected dividend yield of 0%, which totaled \$4,137,532, and recorded this value in warrant reserve.

- 50,000 warrants with an exercise price of \$0.50 expired unexercised.

During the year ended December 31, 2016:

- In connection with the Merger (Note 4), the Company issued 3,000,000 finders' warrants at an exercise price of \$2.00 per common share of Orla for a period of 2 years

The Company estimated the grant date fair value of finders' warrants, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.73%, an expected life of 2 years, an expected volatility of 227% and an expected dividend yield of 0%, which totaled \$3,580,757, and recorded this value in warrant reserve.

- In connection with the Merger, the Company issued 2,825,160 advisory warrants at an exercise price of \$2.00 per common share of Orla for a period of 2 years

The Company estimated the grant date fair value of advisory warrants, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 0.73%, an expected life of 2 years, an expected volatility of 227% and an expected dividend yield of 0%, which totaled \$3,372,071, and recorded this value in warrant reserve.

- 57,200 and 50,000 warrants with an exercise price of \$0.50 and \$0.75, respectively, expired, unexercised.

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9. SHARE CAPITAL (continued)

c) Warrants (continued)

The following summarizes information about warrants outstanding at December 31, 2017:

Expiry date	Exercise price	Warrants outstanding	Weighted average remaining contractual life (in years)	Estimated grant date fair value
February 15, 2018	\$ 0.10	375,000	0.13	\$ 14,347
October 13, 2018	\$ 1.75	865,668	0.78	740,954
December 6, 2018	\$ 2.00	5,825,160	0.93	6,952,828
July 8, 2021	\$ 0.62	6,850,000	3.52	2,267,724
November 7, 2022	\$ 1.40	3,000,000	4.85	4,137,531
		16,915,828	2.65	\$ 14,113,384

d) Stock Options

The Company has a Stock Option Plan (the "Plan") applicable to directors, officers and consultants, under which the total outstanding stock options are limited to 10% of the outstanding common shares of the Company at any one time. Under the plan, an option's maximum term is ten years from the grant date. Under the stock option plan, management has the option of determining vesting periods.

The changes in stock options during the years ended December 31, 2017 and 2016 was as follows:

	December 31, 2017		December 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of year	2,618,744	\$ 0.91	1,600,000	\$ 0.16
Granted	4,365,000	1.39	1,068,744	2.00
Exercised	(374,500)	0.72	(10,000)	0.15
Expired / Cancelled	(332,496)	3.30	(40,000)	0.50
Outstanding, end of year	<u>6,276,748</u>	<u>\$ 1.13</u>	<u>2,618,744</u>	<u>\$ 0.91</u>
Outstanding, and exercisable end of year	<u>3,366,751</u>	<u>\$ 0.90</u>	<u>2,618,744</u>	<u>\$ 0.91</u>

During the year ended December 31, 2017

- On June 25, 2017, the Company's Board of Directors approved a resolution to extend the period which certain former directors have to exercise their 546,000 stock options from 90 days of their resignation under the Plan to 12 months. As a result of the modification, \$2,567 was recognized as share-based payments in the statement of loss and comprehensive loss.
- On June 26, 2017, the Company granted 4,365,000 options with an exercise price of \$1.39 to certain officers, directors and employees. The options are exercisable for a period of five years. One-third vest on the date of grant and one-third will vest every twelve months thereafter.
- 332,496 options with an exercise price ranging from \$0.81 to \$7.48 expired unexercised.

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9. SHARE CAPITAL (continued)

d) Stock Options (continued)

During the year ended December 31, 2016

- In connection with the Merger, the Company issued 1,068,744 options to replace the outstanding options of Pershimco (5,625,000 options) at a conversion rate of 0.19.
- 40,000 options with an exercise price of \$0.50 expired unexercised.

The estimated grant date fair value of the options granted during the years ended December 31, 2017 and 2016 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	For the years ended	
	December 31, 2017	December 31, 2016
Risk-free interest rate	1.07%	0.80%
Expected annual volatility	233%	180%
Expected life (in years)	5.00	2.41
Expected dividend yield	0.00%	0.00%
Share price	\$ 1.39	\$ 1.37
Exercise price	\$ 1.39	\$ 2.00

The following summarizes information about stock options outstanding and exercisable at December 31, 2017:

Expiry date	Exercise price	Options outstanding	Options exercisable	Estimated grant date fair value	Weighted average
					remaining contractual life (in years)
June 19, 2018	\$ 0.15	375,000	375,000	\$ 75,316	0.47
June 19, 2018	\$ 3.53	38,000	38,000	\$ 11,732	0.47
June 19, 2018	\$ 1.69	38,000	38,000	\$ 31,708	0.47
June 19, 2018	\$ 1.48	38,000	38,000	\$ 48,625	0.47
June 19, 2018	\$ 0.81	57,000	57,000	\$ 76,475	0.47
July 30, 2018	\$ 1.90	38,000	38,000	\$ 30,132	0.58
September 19, 2018	\$ 1.69	111,148	111,148	\$ 92,745	0.72
October 1, 2019	\$ 1.48	98,800	98,800	\$ 126,435	1.75
November 27, 2020	\$ 0.15	1,000,000	1,000,000	\$ 200,852	2.91
December 3, 2020	\$ 0.81	117,800	117,800	\$ 158,055	2.93
June 27, 2022	\$ 1.39	4,365,000	1,455,003	\$ 6,012,266	4.49
		6,276,748	3,366,751	\$ 6,864,341	3.73

During the years ended December 31, 2017 and 2016, the Company recognized share-based payments expense arising from stock options of \$3,579,733 and \$706,745, respectively.

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10. RELATED PARTY TRANSACTIONS AND BALANCES

a) Related Party Transactions

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole.

Total compensation of key company personnel for the years ended December 31, 2017 and 2016 is as follows:

	For the years ended	
	December 31, 2017	December 31, 2016
Management fees and directors' fees	\$ 1,133,088	\$ 358,721
Professional fees	102,646	-
Share-based payments		
- Bonus shares	118,300	-
- Options	2,706,950	304,967
	<u>\$ 4,060,984</u>	<u>\$ 663,688</u>

The Company entered into the following transactions with a related party during year ended December 31, 2017:

- The Company paid \$250,000 (December 31, 2016 – \$123,333) for management services to the Company's Chief Executive Officer or to Pref-Ex Geological Inc., which is a corporation controlled by the Company's Chief Executive Officer.
- The Company paid \$250,000 (December 31, 2016 – \$123,333) for management services to the Company's Chief Operating Officer or to Hans Smit, P.Geol. Inc., which is a corporation controlled by the Company's Chief Operating Officer.
- The Company paid \$173,088 (December 31, 2016 – \$149,648, of which \$75,414 was classified as acquisition costs related to the Merger, \$6,230 was classified as share issuance costs, and \$68,004 for management fees) for management fees, to Quantum Advisory Partners LLP whose incorporated partner is the Company's Chief Financial Officer.
- The Company paid \$100,000 (December 31, 2016 – \$25,000), included in professional fees, for consulting fees to Alain Bureau Project Management Inc., which is a corporation controlled by a former director of the Company.
- The Company paid \$2,646 (December 31, 2016 – \$nil), included in professional fees, for consulting fees to Pure Gold Mining Inc., which is a corporation controlled by a director of the Company.
- The Company declared \$375,000 bonus for certain officers of the Company (December 31, 2016 – \$nil).
- The Company's Board of Directors approved the issuance of up to 500,000 common shares to the non-executive Chairman of the Company as bonus shares (Note 9b)).

b) Related party balances

The balances due to the Company's directors and officer included in accounts payables and accrued liabilities were \$387,420, as at December 31, 2017 (December 31, 2016 – \$110,654), which were paid subsequent to December 31, 2017. These amounts are unsecured, non-interest bearing and payable on demand.

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11. COMMITMENTS AND CONTINGENCIES

Flow-through shares

The Company committed to incur \$165,000 of qualifying resource expenditures pursuant to a flow-through private placement completed in 2012. Renunciation forms relating to this financing were filed in February of 2013. As the Company did not fulfil its obligation to incur the required qualifying expenditures within the specified time frame, the Company has recognized \$133,112 related to penalties, interest and indemnification liabilities to date in these financial statements (December 31, 2016 – \$128,926) of which \$nil was paid during the year ended December 31, 2017 (December 31, 2016 – \$19,623).

During the year ended December 31, 2017, the Company has recognized \$5,568 in interest and penalties relating to these obligations (December 31, 2016 – \$5,298).

The balances due to the indemnification liability included in accounts payables and accrued liabilities were \$114,871, as at December 31 2017 (December 31, 2016 – \$109,303).

Camino Rojo project (Mexico)

A 2.0% net smelter royalty on the sale of all metal production from Camino Rojo, except for metals produced from a sulphide project where Goldcorp has exercised its Sulphide Option.

Minera Cerro Quema project (Panama)

In the event that commercial production begins, as per article 211 of the mining resources code, the properties are subject to a 4% royalty against production payable to the government.

Commitments

- The Company is a party to certain management contracts. These contracts contain clauses requiring that \$1,144,000 be paid to certain management personnel upon a change of control of the Company. As the likelihood of these events taking place is not determinable, the contingent payments have not been reflected in these consolidated financial statements.

12. SUPPLEMENT CASH FLOWS

	For the years ended	
	December 31, 2017	December 31, 2016
Shares issued for acquisition	\$ 44,604,197	\$ 72,687,155
Shares issued for liabilities of restricted shares units	-	652,471
Warrants issued for transaction costs	4,137,532	308,571
Warrants issued for acquisition	-	6,952,828
Options issued for acquisition	-	509,672
Reclassification of grant-date fair value on exercise of stock options from reserves to share capital	290,702	2,009
Reclassification of grant-date fair value on exercise of stock warrants from reserves to share capital	354,480	37,393
Depreciation capitalized to exploration and evaluation assets	179,904	16,887

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13. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral exploration properties in three geographic regions: Canada, Panama and Mexico. The Company's long-lived assets are as follows:

	Canada	Panama	Mexico	Total
<i>As at December 31, 2017</i>				
Reclamation deposits	\$ -	\$ 188,259	\$ -	\$ 188,259
Equipment	10,475	218,967	4,875	234,317
Exploration and evaluation assets	-	112,548,573	52,012,078	164,560,651
	\$ 10,475	\$ 112,955,799	\$ 52,016,953	\$ 164,983,227
<i>As at December 31, 2016</i>				
Reclamation deposits	\$ -	\$ 201,405	\$ -	\$ 201,405
Equipment	-	417,927	188	418,115
Exploration and evaluation assets	593,677	111,131,830	-	111,725,507
	\$ 593,677	\$ 111,751,162	\$ 188	\$ 112,345,027

14. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital.

There were no changes to the Company policy for capital management during the year ended December 31, 2017.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company and its subsidiaries are not subject to any externally imposed capital requirements.

The Company's investment policy is to invest its excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. By using this strategy, the Company preserves its cash resources and is able to marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

The Company expects that its current capital resources will be sufficient to fund its present operational commitments and working capital needs for the coming twelve months.

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15. FINANCIAL INSTRUMENTS

a) Fair value

The carrying values of sales taxes recoverable and accounts payable and accrued liabilities approximate their fair values due to the relatively short period to maturity of those financial instruments.

	December 31, 2017	December 31, 2016
Financial assets:		
<i>Fair value through profit and loss</i>		
Cash	\$ 6,142,278	\$ 25,935,149
<i>Loans and receivables</i>		
Sales taxes recoverable	148,915	408,695
Financial liabilities:		
<i>Other financial liabilities</i>		
Accounts payable and accrued liabilities	\$ 2,256,759	\$ 2,696,677

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at December 31, 2017 and 2016, the financial instrument recorded at fair value on the statement of financial position is cash which is measured using Level 1 of the fair value hierarchy.

b) Financial risk management

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to financial instruments fails to meet its contractual obligations. The Company's exposure to credit risk includes cash and sales taxes recoverable.

The Company's cash is held at a large Canadian financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk related to its cash and sales taxes recoverable is negligible.

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15. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

The Company maintained sufficient cash at December 31, 2017 in the amount of \$6,142,278 in order to meet short-term operating requirements (December 31, 2016 – \$25,935,149). At December 31, 2017, the Company had accounts payable and accrued liabilities of \$2,256,759 (December 31, 2016 – \$2,696,677). All accounts payable and accrued liabilities are current.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, currency risk and commodity price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents are held mainly in high yield saving accounts and term deposits and therefore there is currently minimal interest rate risk. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of December 31, 2017.

The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. A 1% change in interest rates on cash and cash equivalents outstanding at December 31, 2017 would result in approximately \$62,000 change to the Company's net loss for the year ended December 31, 2017 (December 31, 2016 – \$65,000).

Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, sales taxes recoverable, and accounts payable and accrued liabilities are held in Canadian Dollars ("CAD"), US Dollars ("USD") and Mexican Peso ("MXN"); therefore, USD and MXN accounts are subject to fluctuation against the Canadian dollar.

The Company had the following balances in foreign currency as at December 31, 2017:

	in Canadian dollars		in US dollars		in MXN
Cash	\$	996,816	\$	3,734,784	7,186,944
Sales taxes recoverable		130,389		14,761	-
Accounts payable and accrued liabilities		(837,220)		(988,989)	(2,797,385)
Total foreign currencies		289,985		2,760,556	4,389,559
Foreign currency rate		1.000		1.2551	0.0637
Equivalent to Canadian dollars	\$	289,985	\$	3,464,669	\$ 279,777

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15. FINANCIAL INSTRUMENTS (continued)

b) Financial risk management (continued)

Currency risk (continued)

Based on the above net exposures as at December 31, 2017, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and MXN by 10% would increase/decrease profit or loss by approximately \$375,000.

The Company had the following balances in foreign currency as at December 31, 2016:

	in Canadian dollars	in US dollars	in MXN
Cash	\$ 12,149,105	\$ 10,260,505	143,044
Sales taxes recoverable	404,738	2,947	-
Accounts payable and accrued liabilities	(1,119,859)	(1,058,425)	(2,403,683)
Total foreign currencies	11,433,984	9,205,027	(2,260,639)
Foreign currency rate	1.000	1.3427	0.0648
Equivalent to Canadian dollars	\$ 11,433,984	\$ 12,359,589	\$ (146,406)

Based on the above net exposures as at December 31, 2016, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the CAD against the USD and MXN by 10% would increase/decrease profit or loss by \$1,221,318.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

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16. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2017	2016
Loss for the year	\$ (9,925,266)	\$ (2,890,183)
Expected income tax recovery	\$(2,581,000)	\$ (751,000)
Change in statutory, foreign tax, foreign exchange rates and other	28,000	2,000
Permanent Difference	1,203,000	195,000
Share issue cost	-	(476,000)
Change in unrecognized deductible temporary differences	1,350,000	1,030,000
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2017	2016
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	\$ 2,442,000	\$ (72,000)
Share issue costs	296,000	380,000
Non-capital losses available for future period	8,372,000	998,000
	11,110,000	1,306,000
Unrecognized deferred tax assets	(11,110,000)	(1,306,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2017	Expiry Date	2016	Expiry Date
	\$	Range	\$	Range
Temporary Differences				
Share issue costs	1,097,000	No Expiry Date	1,462,000	No Expiry Date
Exploration and evaluation assets	9,044,000	No Expiry Date	8,449,849	No Expiry Date
Property and equipment	2,004,000	No Expiry Date	2,006,213	No Expiry Date
Non-capital losses available for future period	31,192,000	2026 to 2037	26,867,071	2026 to 2036

Tax attributes are subject to review, and potential adjustment, by tax authorities.

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17. SUBSEQUENT EVENTS

Subsequent to December 31, 2017

- The Company completed shares for debt settlement after being granted approval of the transaction by the TSX Venture Exchange. An aggregate of \$206,783 in debt was extinguished through the issuance of an aggregate of 147,702 common shares of the Company.
- The Company entered into an agreement to acquire up to a 100% interest in the Monitor Gold exploration project (the "Project") consisting of 340 claims covering approximately 2,800 hectares in central Nevada. Pursuant to the terms of the agreement, the Company is required to make an advanced royalty payment of US\$5,000 on execution of the agreement, and advanced royalty payments in the aggregate amount of US\$525,000, as allocated per year in the agreement until the 10th anniversary date, and US\$100,000 on the 11th anniversary date and each anniversary date thereafter. The Company has annual work commitments in the aggregate of US\$155,000 for the first four years of the lease, and US\$100,000 for the fifth year and each year thereafter. In addition, the Company will be required to make payments of US\$50,000, US\$150,000 and US\$250,000, on each of the first, third and fifth anniversary dates, respectively, with such payments to be satisfied in cash or through the issuance of common shares of the Company, which shares will be issued at a price based on the closing price of the common shares of Orla on the TSX Venture Exchange on the date prior to the applicable anniversary date or such other price as may be required by the TSX Venture Exchange.
- The Company closed a non-brokered private placement of 17,581,200 units at a price of \$1.75 for gross proceeds of \$30,767,100. Each Unit consists of one common share of Orla and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share of Orla at a price of \$2.35 at any time prior to February 15, 2021.
- 387,500 warrants with an exercise price of \$0.10 were exercised
- 200,000 stock options with an exercise price of \$0.15 were exercised.