

Orla Mining news – Draws down US \$50 million second tranche of drawdown facility



Orla Mining Ltd. (TSX: OLA)

Has completed the second tranche drawdown of \$50-million (U.S.) on its previously announced project finance facility. The funds will be used toward the development of the Camino Rojo oxide gold project located in Zacatecas state, Mexico.

Orla has the two principal permits necessary, and construction activities at Camino Rojo are under way. At the end of the third quarter of 2020, detailed engineering was 87 per cent complete, and commitments for equipment and contracts totalled \$67-million.



Orla Mining panoramic vista

of their project site in
Zacatecas, Mexico.

Orla Mining closes \$50M (U.S.) drawdown on facility

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Mr. Jason Simpson reports

ORLA MINING COMPLETES SECOND TRANCHE DRAWDOWN OF US\$50 MILLION IN PROJECT FINANCE FACILITY

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All conditions precedent for the second drawdown have been satisfied, including the receipt of key mine permits at Camino Rojo. To date, \$75-million (U.S.) of the \$125-million (U.S.) credit facility has been drawn. Under the terms of the credit facility, the third and final tranche of \$50-million (U.S.) must be drawn within six months of the second tranche and

remains subject to meeting certain conditions precedent. The term of the credit facility is five years and bears interest at 8.8 per cent per annum. For additional details on the credit facility, please refer to the company's news releases dated Oct. 21, 2019, and Dec. 18, 2019.

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Current construction activities include mobilization of the earthworks contractor, installation of the construction camp and offices, and site fence erection. A power line to site has been approved by the federal electricity commission (CFE), and construction is currently under way ahead of schedule, which is anticipated to result in cost savings during the first year of operation. Process plant equipment, including crusher and conveyors, is expected to start arriving on site in November, 2020.

The next phase of construction will be the earthworks, which can commence upon the placement of a required environmental bond. As a condition of the company's environmental impact statement (MIA), Orla submitted a technical economic study on Aug. 27, 2020, to the Mexican Federal Environmental Department (SEMARNAT). Upon acceptance of the study by SEMARNAT, the environmental bond will be placed.

Orla continues to maintain robust organization-wide COVID-19

prevention protocols to support the health of employees and local communities. To date, the company has reported zero cases of COVID-19. Orla is closely monitoring the potential impacts from the pandemic on areas including equipment delivery and logistics, construction costs and schedule, as well as community and government relations.

About Orla Mining Ltd.

Orla is developing the Camino Rojo Oxide gold project, an advanced gold and silver open-pit and heap leach project, located in Zacatecas state, central Mexico. The project is 100 per cent owned by Orla and covers over 160,000 hectares. The technical report entitled "Feasibility Study, NI 43-101 Technical Report on the Camino Rojo Gold Project – Municipality of Mazapil, Zacatecas, Mexico," dated June 25, 2019, is available on SEDAR under the company's profile as well as on Orla's website. Orla also owns 100 per cent of the Cerro Quema project located in Panama, which includes a near-term gold production scenario and various exploration targets.

Disclosure

The writer owns shares in Orla Mining bought in the market at the prevailing prices.

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