



**ORCA GOLD INC.**

**SECOND QUARTER REPORT**

**For the Six Months Ended**

**June 30, 2015**

**ORCA GOLD INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SIX MONTHS ENDED JUNE 30, 2015**  
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of Orca Gold Inc. ("Orca" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2015 and the December 31, 2014 year end audited consolidated financial statements and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is partly derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The effective date of this MD&A is August 26, 2015. Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.orcagold.com](http://www.orcagold.com).

Orca is a junior exploration company focused on the acquisition and exploration of mineral properties in Africa. Its current exploration focus is on the Arabian Nubian Shield in the north of Sudan, where it holds the Block 14 prospecting license. This property is located close to the Egyptian border, 700 km north of Khartoum and 300 km west of the Red Sea. The nearest significant population centre is the town of Abu Hamad located 160 km due south of the Block 14 prospecting license perimeter.

All exploration and mining projects in Sudan are subject to The Mineral Resources Development and Mining Act, 2007, which sets forth the legal and fiscal framework for the administration of the country's mineral industry by the Ministry of Energy and Mining ("MEM"). Industrial levels of exploration and mining rights are provided for in the Mining Code, defined by concession agreements and granted under exclusive prospecting licenses and the mining leases (the "Concession Agreement").

The license for Block 14 was originally granted to Orca's partner, Meyas Nub Multiactivities Co. Ltd. ("Meyas Nub") under a Concession Agreement dated May 19, 2010. The license is currently held by Meyas Sand Minerals Company Ltd ("MSMCL"). Sand Metals Company Ltd. ("SMCL"), a 100% owned subsidiary of Orca, and Meyas Nub own 70% and 30% of MSMCL respectively. Under the Concession Agreement, MEM has a right to a 20% free-carried interest in any mining operation developed on Block 14. Under an agreement between SMCL and Meyas Nub, MEM's 20% interest will come from Meyas Nub's current 30% ownership interest in MSMCL. As provided under the Concession Agreement, the Company has provided the relevant government authority with written notice of the exercise of its option to renew the Block 14 exploration license for a further two years and the approximately 50% area of the license that it has elected to retain during the renewal period based on an assessment of prospectivity. The total area elected for renewal is approximately 3,752 km<sup>2</sup>. In April 2015, the Company was also granted a two year water license to further hydrological studies on Block 14 and on an additional 300 km<sup>2</sup> area north of Block 14.

The technical contents of this MD&A have been reviewed by Hugh Stuart, CGeol., FGS, a Qualified Person pursuant to NI 43-101. Mr. Stuart holds the position of President and CEO of the Company. Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

## **SECOND QUARTER OPERATING HIGHLIGHTS**

### ***Ongoing Mineral Exploration on Block 14***

Orca's sole mineral exploration license at and during the six months ended June 30, 2015 was Block 14. In Q1 2015, the Company updated its NI 43-101 compliant mineral resource estimate, which saw the indicated resources increase to 27.6Mt at 1.83 Au g/t for 1,625,000 ounces of gold and the inferred resource increase to 10.3Mt at 1.8 Au g/t for an additional 594,000 ounces of gold, using a cut-off grade of 1.0 Au g/t (see News Release dated February 4, 2015).

In Q2 2015, Orca's exploration efforts have been focused on identifying new targets on Block 14, including in and around the currently identified mineral resources at Galat Sufar South ("GSS") and Wadi Doum, with the objective of expanding, and/or adding satellite resources to, the mineral resources. The period's exploration work mainly consisted of trench, chip and surface sampling on various areas of Block 14 to further understand and define mineralization trends and identify targets to be drilled as part of a small campaign planned for Q3 2015. While analysis is still ongoing, to date, various new drill targets have already been located near GSS, Wadi Doum, and the Liseiwi prospect, located 17 kilometers north of Wadi Doum, which hosts high levels of artisanal mining activity. Initial channel sampling at the Liseiwi prospect has yielded positive intercepts including 40 meters at 4.5 Au g/t (uncut), while follow-up channel and rock chip sampling yielded results which included 38m at 6.5 Au g/t (uncut).

Metallurgical test and leach test work has also continued during Q2 2015, and will be ongoing, to determine optimum process routes ahead of scoping studies.

### ***Hydrological Studies***

During Q2 2015, Orca was granted a water exploration license, which permits the furthering of hydrological studies on Block 14 and on an additional 300 km<sup>2</sup> area to the north of the original Block 14 exploration license area for this purpose. The water exploration license has a two year term, which coincides with the term of the underlying Block 14 exploration license.

Initial geophysical surveys and an 11 hole water drilling program in 2014 identified water bearing Nubian Sandstones at one location in the water exploration license area (50 km north of GSS). The Company plans to expand the geophysical survey in Q4 2015 to determine the potential of the area and to explore other parts of the water exploration license.

## **RESULTS FROM OPERATIONS**

As a junior exploration company, Orca has no expectation of generating operating profits until it identifies and develops a commercially viable mineral deposit. Orca incurred a net loss of \$2.1 million (2014: \$3.8 million) and \$4.7 million (2014: \$8.0 million) respectively during the three and six months ended June 30, 2015. Exploration and project investigation costs account for approximately 71% (2014: 82%) and 74% (2014: 81%) of the net losses incurred during the three and six months ended June 30, 2015, respectively, while administration expenses account for approximately 35% (2014: 20%). The reported net losses for the three and six months ended June 30, 2015 are net of \$146,000 (2014: \$159,000) and \$239,000 (2014: \$332,000) of interest income, respectively. In addition, the reported net losses for the three and six months ended June 30, 2015 are respectively net of \$25,000 (2014: \$15,000) and \$85,000 in other income (2014: \$30,000) generated by management and administrative services to a third party.

Exploration costs are the most significant expenditure of the Company and have been expensed in accordance with its accounting policy. Detailed breakdowns of exploration costs for the three and six months ended June 30, 2015 and 2014 are provided in the notes to the unaudited condensed interim consolidated financial statements. Exploration staff compensation cost was the largest component of exploration costs and accounted for 37% (2014: 29%) and 41% (2014: 24%) of exploration costs for the three and six months ended June 30, 2015, respectively. Drilling and other technical geological costs, such as assays, were the second largest cost category and accounted for approximately 27% of exploration costs for the three and six months ended June 30, 2015, which has decreased in comparison to 43% and 51%, respectively, for the same periods in 2014, which were characterized by much higher levels of drilling activity. In addition, consistent with prior periods, costs related to logistics and infrastructure remain high due to the remoteness of Block 14. As fully described under the section "Second Quarter Operating Highlights", the focus of activities during Q2 2015 was Block 14, accounting for more than 90% of Orca's year-to-date exploration costs.

Excluding stock-based compensation of \$62,000 (2014: \$139,000) and \$208,000 (2014: \$557,000) for the three and six months ended June 30, 2015, respectively, administration costs were \$0.7 million (2014: \$0.6 million) and \$1.3 million (2014: \$1.2 million). Stock-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period. The calculation of the fair value of options is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of Orca's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years.

Interest income of \$146,000 (2014: \$159,000) and \$239,000 (2014: \$332,000) respectively for the three and six months ended June 30, 2015 reflect the interest earned from cash held on deposit and invested in short-term money market instruments. Foreign exchange gains or losses reflect the short-term fluctuations of foreign currencies used in operations against the Canadian dollar.

No tax recovery is recognized as a result of the nature of activities and lack of expectations of profits in the near term.

In other comprehensive income, the Company also reported a foreign exchange translation gain of \$91,000 (2014: loss of \$173,000) and a loss of \$56,000 (2014: loss of \$48,000), respectively, for the three and six months ended June 30, 2015 on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. This is principally the result of fluctuations of the Canadian dollar relative to the Euro during the respective periods.

Key operating statistics and financial results for the last eight quarters are provided in the table below.

<b>Three Months Ended</b>	<b>Jun-15</b>	<b>Mar-15</b>	<b>Dec-14</b>	<b>Sep-14</b>	<b>Jun-14</b>	<b>Mar-14</b>	<b>Dec-13</b>	<b>Sept-13</b>
Exploration costs (\$000's)	1,516	1,944	4,515	2,983	3,158	3,289	4,692	2,487
Total loss (\$000's)	2,148	2,529	5,482	3,709	3,831	4,124	5,474	3,501
Net loss attributed to the Company's shareholders (\$000's)	1,743	1,996	4,186	2,579	2,445	2,654	3,370	2,435
Net loss per share attributed to the Company's shareholders, basic and diluted (\$)	0.02	0.02	0.04	0.02	0.02	0.02	0.03	0.02

The nature and extent of exploration activities carried out under specific work programs affect the costs incurred and loss reported in any given quarter. Over the last eight quarters, Orca has been focused on exploration in Sudan as it advanced the evaluation of some of its properties to the drilling and resource definition phase. Compared to earlier quarters, to date in 2015 the overall level of activity has been curtailed as the Company is mindful of the importance of managing its existing treasury during difficult capital market conditions in the resource sector, and for junior gold exploration companies in particular.

## **LIQUIDITY AND CAPITAL RESOURCES**

At June 30, 2015, the Company had cash and cash equivalents of \$14.6 million, fixed income short-term investments of \$7.7 million and working capital of \$21.7 million as compared to cash and cash equivalents of \$24.7 million, fixed income short-term investments of \$3.0 million and working capital of \$25.9 million at December 31, 2014. Other than for general corporate and administrative costs, the majority of funds spent by Orca are directed towards exploration in Sudan. The short-term investments have a maturity of approximately one year from the date of purchase, and will be redeemable in the second quarter of 2016.

Orca's interest on its Block 14 license was acquired on March 1, 2012 when SMCL acquired the right and option to a 70% interest in MSMCL from Meyas Nub. Under the purchase agreement, SMCL agreed to pay USD \$9.5 million in three installments in exchange for an increasing ownership interest in MSMCL, as follows:

Date	Payment	Total ownership interest
March 1, 2012	USD \$3.5 million	35.0%
September 30, 2013	USD \$3.0 million	52.5%
September 30, 2014	USD \$3.0 million	70.0%

On August 28, 2014, the Company made its third and final installment payment of USD \$3.0 million and crystallized its 70% interest in MSMCL.

Under the agreement, the Company must fund all exploration, development and construction costs to commercial production in accordance with the purchase agreement. Based on the Company's financial position at June 30, 2015, the Company has a strong treasury to support its ongoing exploration expenditures in Sudan and general corporate activities.

## **RELATED PARTY TRANSACTIONS**

The related parties with which the Company has transacted during the three and six months ended June 30, 2015, were Hugh Stuart Exploration Consultants Ltd. ("HSEC"), RB Energy Inc. ("RB Energy"), Meyas Nub Multiactivities Company Limited ("Meyas Nub") and SinoTech (Hong Kong) Corporate Limited ("SinoTech"). Other than Meyas Nub and SinoTech, these companies are related by way of directors, officers and shareholders in common. Meyas Nub is identified as a related party as a result of its ability to exert significant influence on MSMCL through its non-controlling equity interest. SinoTech is related by virtue of its greater than 10% shareholding in the Company. Related party transactions are recorded at the exchange amounts.

**Services received from related parties**

		<b>Three months ended</b>		<b>Six months ended</b>	
		<b>June 30,</b>		<b>June 30,</b>	
	<b>Related party</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Drilling and exploration support	Meyas Nub	24,976	219,489	48,094	430,410
Geological consulting	SinoTech	15,864	32,839	40,568	47,436
Geological consulting	HSEC	168,829	137,691	408,909	279,832
Support and administration	RB Energy	18,871	111,000	63,871	222,000
Support and administration	SinoTech	7,500	7,500	15,000	15,000
<b>Total related parties costs</b>		<b>236,040</b>	<b>508,519</b>	<b>576,442</b>	<b>994,678</b>

**Related party balances**

The amounts due from (to) related parties by the Company, and the components of the consolidated statement of financial position in which they are included, are as follows:

	<b>Related party</b>	<b>June 30,</b>	<b>December 31,</b>
		<b>2015</b>	<b>2014</b>
Accounts payable and accrued liabilities	Meyas Nub	(34,701)	(28,072)
Accounts payable and accrued liabilities	RB Energy	-	(75,365)
Accounts payable and accrued liabilities	HSEC	(68,333)	(121,587)
Accounts payable and accrued liabilities	SinoTech	(7,500)	(31,575)

**Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and vice-presidents.

The remuneration of key management personnel were as follows:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Salaries and management fees	125,649	142,030	208,392	265,057
Short term benefits	2,344	2,933	2,628	5,857
Stock-based compensation	16,279	66,136	70,551	264,538
<b>Total key management compensation</b>	<b>144,272</b>	<b>211,099</b>	<b>281,571</b>	<b>535,452</b>

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. There have been no material changes to the critical accounting estimates discussed in the annual MD&A filed on Sedar on April 30, 2015.

## **SIGNIFICANT ACCOUNTING POLICIES**

Other than for the adoption of International Accounting Standards Board's Annual Improvements 2010-2012 and 2011-2013 cycles, Orca continues to follow the accounting policies described in Note 4 of the Company's December 31, 2014 audited consolidated financial statements that were filed on Sedar on April 30, 2015. The Company has determined that the adoption of the Annual Improvements 2010-2012 and 2011-2013 cycles has resulted in no material impact on the Company's consolidated financial statements.

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, short-term investments, and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents, accounts receivable, short-term investments, accounts payable and accrued liabilities approximate their fair value because of the immediate or short-term maturity of these financial instruments.

The Company's financial instruments are exposed to certain financial risks, including currency, credit and liquidity risk.

### ***Currency risk***

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies.

#### *(i) Sudanese operations*

The Company's Sudanese operating subsidiaries, including SMCL and MSMCL, incur costs in multiple foreign currencies and, therefore, they are exposed to foreign exchange risks arising from these transactions. A significant change in the currency exchange rates could have an effect on the Company's results of operations, financial position and cash flows. The Company has not hedged its exposure to currency fluctuations. Based on the approximate costs incurred during the six months ended June 30, 2015 in the three foreign currencies outlined below, a 10% variation in the exchange rate between these currencies and the European Euro, the functional currency of the Company's Sudanese operating subsidiaries, would have resulted in the following change in costs:

		In thousands of dollars
	<b>Percentage of total costs</b>	<b>Change in costs resulting from a 10% variation in exchange rates</b>
Sudanese pound	49%	146
US dollar	13%	38
British pound	33%	98

As at June 30, 2015, the Company's Sudanese operating subsidiaries' largest material foreign currency risk exposure is a British pound net financial liability with an equivalent of approximately \$153,000 Canadian dollars. A 10% change in the foreign exchange rate between the British pound and the European Euro would give rise to increases/decreases of approximately \$15,000 in financial position/comprehensive loss.

*ii) Canadian head office operations*

At June 30, 2015, the Company's Canadian head office also held cash in foreign currencies and had net foreign currency financial assets and liabilities. The estimated impacts of relative currency rate fluctuations between the foreign currencies and the Canadian dollar, the Company's functional currency, based on these total foreign currency exposures are as follows:

		In thousands of dollars	
	<b>Foreign currency cash held (in source currency)</b>	<b>Net financial asset (liability) position</b>	<b>Change in net financial position from a 10% variation in exchange rates</b>
US dollar	90	111	11
Euro	-	349	35
British pounds	-	(38)	(4)

***Credit risk***

At June 30, 2015, the majority of the Company's cash and cash equivalents and short-term investments were held through Canadian institutions with high investment grade ratings.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity requirements are managed based on expected cash flow to ensure that there is capital to meet short term and long term obligations.

The maturities of the Company's financial liabilities are as follows:

	In thousands of dollars			
	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	1,244	1,244	-	-
<b>Total</b>	<b>1,244</b>	<b>1,244</b>	-	-

## **OUTSTANDING SHARE DATA**

As at August 26, 2015, the Company had 107,405,754 common shares outstanding and 9,018,335 share options outstanding under its stock-based incentive plan and no share purchase warrants outstanding.

## **RISKS AND UNCERTAINTIES**

The operations of the Company are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2014 MD&A that was filed on Sedar on April 30, 2015.

## **OUTLOOK**

Orca is a Canadian resource company focused on exploration opportunities in Africa with an experienced board of directors and management team and a strong balance sheet which includes \$14.6 million in cash, \$7.7 million in short-term investments, and net working capital of \$21.7 million. Management and board continue to be mindful of the subdued equity market conditions in the resource sector and for junior gold exploration companies in particular and the importance of properly managing the treasury. Future exploration programs will continue to be guided by results and prospectivity.

During Q2 2015, the focus of the Company was on trench, chip and surface sampling, which was aimed at identifying new targets on Block 14, with the objective of expanding, and/or adding satellite resources, to the current indicated resource of 1,625,000 ounces of gold and the inferred resource of 594,000 ounces of gold.

As a result of this work, various new drill targets have been located near GSS, Wadi Doum, and the recently identified Liseiwi prospect, which will be drilled as part of a small campaign that is planned for Q3 2015. Metallurgical test work is also planned to continue in 2015 to determine the optimum process route ahead of scoping studies.

During Q2 2015, Orca acquired a water exploration license, which permits the furthering of hydrological studies on Block 14, and granted the Company a 300 km<sup>2</sup> expansion to the north of the original Block 14 exploration license area for this purpose. Initial geophysical surveys and an 11 hole water drilling program in 2014 identified water bearing Nubian Sandstones at one location in the water exploration license area (50 km north of GSS). The Company plans to expand the geophysical survey in Q4 2015 to determine the potential of the area and to explore other parts of the water exploration license.

With a strong treasury, and having crystallized its 70% interest in Block 14, Orca is well poised to remain flexible and adaptable to resource sector market conditions, while continuing to focus on enhancing the prospectivity of the Block 14 license. In addition, the Company remains open to partnership opportunities while actively pursuing future growth opportunities by evaluating other exploration, development or production assets on an on-going basis with a view to building a diversified, African focused exploration company. While at any given time discussions and activities may be in progress on a number of initiatives, Orca currently does not have any binding agreements or binding commitments to enter into any such transactions. There is no assurance that these corporate activities will ever progress to the stage where a potential transaction might be successfully completed.

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements made and contained herein in the MD&A and elsewhere may contain statements of forward-looking information. Forward-looking statements are frequently, but not always, identified by words or statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential", "possible" or variations thereof or stating that certain actions, events, conditions or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements.

Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of projections and estimates; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of diminishing quantities of grades of resources; contests over title to properties; and changes in project parameters as plans continue to be refined.

Forward-looking statements are based on a number of material assumptions, including those listed below, which could prove to be significantly incorrect:

- our ability to achieve exploration targets;
- estimated future mineral prices, capital and operating costs, production and economic returns;
- assumptions underlying the Company's potential future resource estimates;
- our expected ability to develop adequate infrastructure and that the cost of doing so will be reasonable;
- assumptions that all necessary permits and governmental approvals will be obtained;
- assumptions made in the interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits;
- our expectations regarding demand for equipment, skilled labour and services needed for exploration, development and operations of mineral properties; and
- our assumption that activities will not be adversely disrupted or impeded by development, operating or regulatory risks.

Forward-looking statements are statements about the future and are inherently uncertain. The actual results and achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in the "Risks and Uncertainties" section of the MD&A. Such factors include, without limitation:

- uncertainty relating to the estimation of the mineralization, resources and reserves;
- risks related to lack of infrastructure, or interference with access to existing infrastructure or other unanticipated difficulties with or interruptions in exploration, development, construction or production;
- uncertainty related to title to the Company's mineral properties;
- risks related to the competitive nature of the mining industry;
- fluctuations in interest rates, foreign currency exchange rates, the supply and demand of mineral products, marketability, commodity prices and the general volatility of the securities markets;
- risks related to the Company's ability to finance the exploration and development of its mineral properties through external financing, strategic alliances, the sale of property interests or otherwise;
- the presence of potentially uninsurable risks;
- acts of the governments of the jurisdictions in which the Company's operations and properties are located and other risks associated with operations in foreign jurisdictions;

- risks related to the third parties on which the Company depends for its exploration, development and operating activities as well as the inherent hazards and risks associated with mining operations;
- risks related to governmental regulation and permits, including environmental regulation;
- risks related to hedging of commodity prices and exchange rates should the Company choose or need to do so; and
- conflicts of interest as well as the Company's dependence on its management and technical teams.

This is not meant to be an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Further, the Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. Accordingly, for the reasons set forth above, readers are cautioned not to place undue reliance on these forward-looking statements.

# **Orca Gold Inc.**

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2015 and 2014

**Orca Gold Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 14,636,842	\$ 24,701,443
Short-term investments	7,653,448	2,996,415
Receivables and other assets (Note 3)	604,621	176,488
	<u>22,894,911</u>	<u>27,874,346</u>
Equipment (Note 4)	1,082,301	1,329,132
Mineral properties (Note 5)	3,939,440	3,950,127
	<u>\$ 27,916,652</u>	<u>\$ 33,153,605</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,244,274	\$ 1,998,823
	<u>1,244,274</u>	<u>1,998,823</u>
<b>EQUITY</b>		
Equity attributed to common shareholders		
Share capital (Note 6)	82,739,268	82,739,268
Contributed surplus	4,781,426	4,530,018
Accumulated other comprehensive income	15,415	132,350
Deficit	(51,207,234)	(47,467,999)
	<u>36,328,875</u>	<u>39,933,637</u>
Non-controlling interest (Note 12)	(9,656,497)	(8,778,855)
	<u>26,672,378</u>	<u>31,154,782</u>
	<u>\$ 27,916,652</u>	<u>\$ 33,153,605</u>

Approved by the Board of Directors

(signed) "Robert F. Chase"  
Director

(signed) "Alex Davidson"  
Director

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

**Orca Gold Inc.**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>2015</b>	<b>June 30, 2014</b>	<b>2015</b>	<b>June 30, 2014</b>
Administration costs (Note 8)	\$ 755,237	\$ 761,781	\$ 1,517,134	\$ 1,776,280
Exploration and project investigation costs (Note 9)	1,516,325	3,157,672	3,460,279	6,446,740
Foreign exchange loss	47,539	85,326	24,861	94,030
Interest income	(145,591)	(159,037)	(239,447)	(332,227)
Other income	(25,161)	(15,000)	(85,161)	(30,000)
<b>Net loss for the period</b>	<b>\$ 2,148,349</b>	<b>\$ 3,830,742</b>	<b>\$ 4,677,666</b>	<b>\$ 7,954,823</b>
Net loss for the period attributed to:				
Common shareholders of the Company	1,743,293	2,445,170	3,739,235	5,099,566
Non-controlling interest (Note 12)	405,056	1,385,572	938,431	2,855,257
	<b>\$ 2,148,349</b>	<b>\$ 3,830,742</b>	<b>\$ 4,677,666</b>	<b>\$ 7,954,823</b>
Net loss for the period	\$ 2,148,349	\$ 3,830,742	\$ 4,677,666	\$ 7,954,823
Items that may be subsequently reclassified to net loss:				
Loss (gain) on translation to presentation currency	(91,324)	172,505	56,146	48,042
<b>Comprehensive loss for the period</b>	<b>\$ 2,057,025</b>	<b>\$ 4,003,247</b>	<b>\$ 4,733,812</b>	<b>\$ 8,002,865</b>
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	\$ 1,471,600	\$ 2,980,742	\$ 3,856,170	\$ 5,244,036
Non-controlling interest (Note 12)	585,425	1,022,505	877,642	2,758,829
	<b>\$ 2,057,025</b>	<b>\$ 4,003,247</b>	<b>\$ 4,733,812</b>	<b>\$ 8,002,865</b>
Basic and diluted loss per common share	\$ 0.02	\$ 0.02	\$ 0.03	\$ 0.05
Basic and diluted weighted average number of shares outstanding	107,405,790	107,405,790	107,405,790	107,405,790

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

**Orca Gold Inc.**  
**Condensed Interim Consolidated Statements of Cash Flows**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	<b>Six months ended</b>	
	<b>2015</b>	<b>June 30, 2014</b>
	<u>2015</u>	<u>2014</u>
Cash flows from (for) operating activities		
Net loss for the period	\$ (4,677,666)	\$ (7,954,823)
Add non-cash items		
Depreciation of equipment (Note 4)	248,114	260,716
Stock-based compensation expense	251,408	625,268
Interest income on short-term investments	(24,209)	-
	<u>(4,202,353)</u>	<u>(7,068,839)</u>
Changes in non-cash working capital items		
Receivables and other assets	(428,872)	(336,724)
Accounts payable and accrued liabilities	(734,515)	(1,287,184)
	<u>(5,365,740)</u>	<u>(8,692,747)</u>
Cash flows for investing activities		
Purchase of short-term investments, net	(4,632,823)	-
Purchase of equipment (Note 4)	(15,549)	(353,732)
Acquisition of water exploration license (Note 5)	(24,810)	-
	<u>(4,673,182)</u>	<u>(353,732)</u>
Foreign exchange on cash and cash equivalents	<u>(25,679)</u>	<u>(1,301)</u>
Decrease in cash and cash equivalents	(10,064,601)	(9,047,780)
Cash and cash equivalents, beginning of period	24,701,443	47,958,645
Cash and cash equivalents, end of period	<u>\$ 14,636,842</u>	<u>\$ 38,910,865</u>

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

**Orca Gold Inc.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

	Number of Shares Issued and Outstanding	Equity Attributed to Common Shareholders						Non- controlling Interest	Total
		Share Capital	Contributed Surplus	Other Comprehensive Income (Loss)	Accumulated Deficit	Total	Total		
<b>Balance January 1, 2015</b>	107,405,790	82,739,268	4,530,018	132,350	(47,467,999)	39,933,637	(8,778,855)	<b>31,154,782</b>	
Stock-based compensation expense (Note 7)	-	-	251,408	-	-	251,408	-	251,408	
Net loss for the period	-	-	-	-	(3,739,235)	(3,739,235)	(938,431)	(4,677,666)	
Gain (loss) on translation to presentation currency	-	-	-	(116,935)	-	(116,935)	60,789	(56,146)	
<b>Balance June 30, 2015</b>	<b>107,405,790</b>	<b>\$ 82,739,268</b>	<b>\$ 4,781,426</b>	<b>\$ 15,415</b>	<b>\$ (51,207,234)</b>	<b>\$ 36,328,875</b>	<b>\$ (9,656,497)</b>	<b>\$ 26,672,378</b>	
<b>Balance January 1, 2014</b>	107,405,790	82,739,268	3,352,497	841,045	(28,179,356)	58,753,454	(8,187,593)	50,565,861	
Stock-based compensation expense	-	-	625,268	-	-	625,268	-	625,268	
Net loss for the period	-	-	-	-	(5,099,566)	(5,099,566)	(2,855,257)	(7,954,823)	
Gain (loss) on translation to presentation currency	-	-	-	(144,470)	-	(144,470)	96,428	(48,042)	
<b>Balance June 30, 2014</b>	<b>107,405,790</b>	<b>\$ 82,739,268</b>	<b>\$ 3,977,765</b>	<b>\$ 696,575</b>	<b>\$ (33,278,922)</b>	<b>\$ 54,134,686</b>	<b>\$ (10,946,422)</b>	<b>\$ 43,188,264</b>	

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

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2015 and 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**1. NATURE OF OPERATIONS**

Orca Gold Inc. ("Orca" or the "Company") is a resource company engaged in the acquisition and exploration of mineral properties in Africa. As an exploration-stage company with no current sources of revenues, it is dependent on its ability to raise funds through the equity markets to support its future activities. Orca is a public company listed on the TSX-V and trades under the symbol "ORG.V".

Orca was incorporated under the Business Corporations Act (British Columbia) on January 13, 1987 and its registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3. The Company's significant subsidiaries are Sand Metals Company Limited ("SMCL") and Meyas Sand Minerals Company Limited ("MSMCL"), which are located and operate in the Republic of the Sudan.

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"), have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2014. The Company has consistently applied the same accounting policies disclosed in Note 4 to the audited consolidated financial statements for the year ended December 31, 2014.

These condensed interim consolidated financial statements were approved for issue by Orca's Board of Directors on August 26, 2015.

**3. RECEIVABLES AND OTHER ASSETS**

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Prepaid expenses	211,716	113,826
Other receivables	392,905	62,662
<b>Total receivables and other assets</b>	<b>604,621</b>	<b>176,488</b>

Orca Gold Inc.  
Notes to the Condensed Interim Consolidated Financial Statements  
For the three and six months ended June 30, 2015 and 2014  
(All amounts expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

4. EQUIPMENT

Cost	Computer Equipment	Office Furniture and Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
<b>As at January 1, 2014</b>	<b>248,824</b>	<b>61,952</b>	<b>891,368</b>	<b>899,843</b>	<b>2,101,987</b>
Additions	33,958	10,040	200,123	226,299	470,420
Disposal of equipment	(100,862)	(996)	-	(5,868)	(107,726)
Effects of foreign exchange on translation to presentation currency	(7,535)	(2,582)	(46,071)	(35,252)	(91,440)
<b>As at December 31, 2014</b>	<b>174,385</b>	<b>68,414</b>	<b>1,045,420</b>	<b>1,085,022</b>	<b>2,373,241</b>
Additions	2,247	-	-	13,302	15,549
Effects of foreign exchange on translation to presentation currency	(1,559)	(618)	(9,458)	(9,687)	(21,322)
<b>As at June 30, 2015</b>	<b>175,073</b>	<b>67,796</b>	<b>1,035,962</b>	<b>1,088,637</b>	<b>2,367,468</b>
<b>Accumulated depreciation</b>					
<b>As at January 1, 2014</b>	<b>(106,820)</b>	<b>(13,590)</b>	<b>(224,646)</b>	<b>(286,336)</b>	<b>(631,392)</b>
Depreciation for the period	(82,734)	(11,614)	(165,163)	(269,627)	(529,138)
Write-off and disposal of equipment	83,271	-	-	-	83,271
Effects of foreign exchange on translation to presentation currency	4,459	655	16,508	11,528	33,150
<b>As at December 31, 2014</b>	<b>(101,824)</b>	<b>(24,549)</b>	<b>(373,301)</b>	<b>(544,435)</b>	<b>(1,044,109)</b>
Depreciation for the period	(29,971)	(3,357)	(81,118)	(133,668)	(248,114)
Effects of foreign exchange on translation to presentation currency	639	189	2,595	3,633	7,056
<b>As at June 30, 2015</b>	<b>(131,156)</b>	<b>(27,717)</b>	<b>(451,824)</b>	<b>(674,470)</b>	<b>(1,285,167)</b>
<b>Net book amount</b>					
<b>As at December 31, 2014</b>	<b>72,561</b>	<b>43,865</b>	<b>672,119</b>	<b>540,587</b>	<b>1,329,132</b>
<b>As at June 30, 2015</b>	<b>43,917</b>	<b>40,079</b>	<b>584,138</b>	<b>414,167</b>	<b>1,082,301</b>

Orca Gold Inc.  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2015 and 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**5. MINERAL PROPERTIES**

Cost	Sudan			Total
	Block 14	Northern Blocks	Block 68	
<b>As at January 1, 2014</b>	<b>4,123,743</b>	<b>14,656</b>	<b>14,656</b>	<b>4,138,399</b>
Write-off of mineral properties	-	(14,664)	(14,664)	(14,664)
Effects of foreign exchange on translation to presentation currency	(173,616)	8	8	(173,608)
<b>As at December 31, 2014</b>	<b>3,950,127</b>	<b>-</b>	<b>-</b>	<b>3,950,127</b>
Acquisition of water exploration license	24,810	-	-	24,810
Effects of foreign exchange on translation to presentation currency	(35,497)	-	-	(35,497)
<b>As at June 30, 2015</b>	<b>3,939,440</b>	<b>-</b>	<b>-</b>	<b>3,939,440</b>

The Company's sole mineral project as at June 30, 2015 is Block 14, located in the northern part of the Republic of Sudan.

Block 14 was originally granted under a Concession Agreement dated May 19, 2010. The most recent exploration period for Block 14 expired on May 19, 2015, and as provided under the Concession Agreement, the Company has provided the relevant government authority with written notice of the exercise of its option to renew the exploration license for a further two years and the approximately 50% area of the license that it has elected to retain during the renewal period based on an assessment of prospectivity.

In April 2015, the Company was granted a water exploration license, which permits the furthering of hydrological studies on Block 14 and on an additional 300 km<sup>2</sup> area to the north of Block 14. The water exploration license has a two year term which coincides with the term of the Block 14 exploration license. The acquisition costs of the Block 14 water exploration license have been capitalized in accordance with the Company's accounting policies.

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2015 and 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**6. SHARE CAPITAL**

The authorized share capital consists of an unlimited number of common shares, with no par value.

The Company's issued and outstanding stock options were not included in the calculation of diluted earnings per share because they are anti-dilutive for the three and six months ended June 30, 2015 and 2014.

**7. STOCK OPTIONS**

**a) Stock option plan**

The Company has a stock option plan (the "Plan") in which common shares have been made available for the Company to grant incentive stock options to certain directors, officers, employees and consultants of the Company. Under the Plan, the total number of options outstanding at any given point in time cannot exceed 10% of the issued and outstanding common shares of the Company. Vesting and terms of the option agreement are at the discretion of the Board of Directors.

The total stock-based compensation for the three and six months ended June 30, 2015 was \$70,000 and \$251,000, respectively (2014: \$162,000 and \$625,000). For the three and six months ended June 30, 2015, stock-based compensation of \$62,000 and \$208,000 (2014: \$139,000 and \$557,000) has been allocated to administration costs, respectively, and \$9,000 and \$44,000 (2014: \$22,000 and \$68,000) to exploration and project investigation costs, respectively, for employees directly involved in exploration activities.

The unrecognized compensation cost for non-vested share options at June 30, 2015 was \$199,000 (December 31, 2014: \$443,000).

**b) Stock options outstanding**

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2014	6,420	\$1.81
Granted	2,875	\$0.40
Expired or forfeited	(67)	\$0.90
Outstanding at December 31, 2014	9,228	\$1.38
Granted	150	\$0.27
Expired or forfeited	(360)	\$0.81
Outstanding at June 30, 2015	9,018	\$1.38
Exercisable at June 30, 2015	7,062	\$1.65

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2015 and 2014**  
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In May 2015, 150,000 options were granted at an exercise price of CDN \$0.27 per share.

The Company uses the Black Scholes option pricing model to estimate the fair value for all stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting weighted average fair values per option, for the 150,000 options granted during the three months ended June 30, 2015, are as follows:

(i) Average risk-free interest rate:	0.67%
(ii) Expected life:	3 years
(iii) Expected volatility:	84.30%
(iv) Expected dividends:	nil
(v) Weighted average fair value per option:	\$0.15

The following summarizes information about the stock options outstanding and exercisable at June 30, 2015:

Exercise prices (CDN\$)	Outstanding options			Exercisable options		
	Number of options outstanding (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)	Number of options exercisable (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)
\$0.27	150	2.92	\$0.27	50	2.92	\$0.27
\$0.40	2,784	2.42	\$0.40	928	2.42	\$0.40
\$0.90	5,350	0.81	\$0.90	5,350	0.81	\$0.90
\$1.20	317	2.10	\$1.20	317	2.10	\$1.20
\$14.64	417	0.43	\$14.64	417	0.43	\$14.64
	<u>9,018</u>	1.37	\$1.38	<u>7,062</u>	1.07	\$1.65

Orca Gold Inc.  
Notes to the Condensed Interim Consolidated Financial Statements  
For the three and six months ended June 30, 2015 and 2014  
(All amounts expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

**8. ADMINISTRATION COSTS**

	Three months ended		Six months ended	
	2015	June 30, 2014	2015	June 30, 2014
Depreciation	813	-	1,065	-
Management and consulting fees	210,793	248,674	466,072	471,571
Office and administration	65,014	16,751	162,663	156,075
Professional fees	91,867	70,332	112,307	87,866
Salaries and benefits	195,637	169,135	349,325	339,924
Stock based compensation expense	61,698	139,313	207,729	557,217
Travel and promotion	129,415	117,576	217,973	163,627
<b>Total administration costs</b>	<b>755,237</b>	<b>761,781</b>	<b>1,517,134</b>	<b>1,776,280</b>

Orca Gold Inc.  
Notes to the Condensed Interim Consolidated Financial Statements  
For the three and six months ended June 30, 2015 and 2014  
(All amounts expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

9. EXPLORATION AND PROJECT INVESTIGATION COSTS

Three months ended June 30,	Sudan			Total
	Northern Blocks	Other		
<b>2015</b>				
Depreciation	76,879	45,287		122,166
Drilling	23,831	-		23,831
Exploration support and administration	142,010	2,295		144,305
Field operation and consumables	202,272	-		202,272
Geological consulting	127,896	61,239		189,135
Permitting and licensing fees	33,173	-		33,173
Salaries and benefits	518,612	35,316		553,928
Sampling, satellite and geological costs	160,096	14,006		174,102
Stock-based compensation expense	7,983	723		8,706
Travel and accommodation	64,707	-		64,707
<b>Total exploration and project investigation costs</b>	<b>1,357,459</b>	<b>158,866</b>		<b>1,516,325</b>
<b>2014</b>				
Depreciation	112,622	23,678		136,300
Drilling	533,879	-		533,879
Exploration support and administration	193,573	8,157		201,730
Field operation and consumables	352,334	1,107		353,441
Geological consulting	111,506	30,788		142,294
Permitting and licensing fees	69,395	-		69,395
Salaries and benefits	895,850	177		896,027
Sampling, satellite and geological costs	686,782	-		686,782
Stock-based compensation expense	22,392	-		22,392
Travel and accommodation	114,714	718		115,432
<b>Total exploration and project investigation costs</b>	<b>3,093,047</b>	<b>64,625</b>		<b>3,157,672</b>

Orca Gold Inc.  
Notes to the Condensed Interim Consolidated Financial Statements  
For the three and six months ended June 30, 2015 and 2014  
(All amounts expressed in Canadian Dollars, unless otherwise indicated)  
(Unaudited)

Six months ended June 30,	Sudan			Total
	Northern Blocks	Other	Total	
<b>2015</b>				
Depreciation	155,257	91,792		247,049
Drilling	88,446	-		88,446
Exploration support and administration	273,169	9,916		283,085
Field operation and consumables	385,763	-		385,763
Geological consulting	341,417	87,798		429,215
Permitting and licensing fees	63,207	-		63,207
Salaries and benefits	1,305,221	72,239		1,377,460
Sampling, satellite and geological costs	390,136	14,189		404,325
Stock-based compensation expense	41,388	2,291		43,679
Travel and accommodation	138,050	-		138,050
<b>Total exploration and project investigation costs</b>	<b>3,182,054</b>	<b>278,225</b>		<b>3,460,279</b>
<b>2014</b>				
Depreciation	213,139	47,577		260,716
Drilling	1,717,564	-		1,717,564
Exploration support and administration	327,656	8,309		335,965
Field operation and consumables	679,069	1,107		680,176
Geological consulting	221,471	56,140		277,611
Permitting and licensing fees	141,754	-		141,754
Salaries and benefits	1,476,318	1,189		1,477,507
Sampling, satellite and geological costs	1,271,143	-		1,271,143
Stock-based compensation expense	67,970	81		68,051
Travel and accommodation	215,535	718		216,253
<b>Total exploration and project investigation costs</b>	<b>6,331,619</b>	<b>115,121</b>		<b>6,446,740</b>

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2015 and 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**10. RELATED PARTY TRANSACTIONS**

The related parties with which the Company has transacted during the six months ended June 30, 2015, were Hugh Stuart Exploration Consultants Ltd. ("HSEC"), RB Energy Inc. ("RB Energy"), Meyas Nub Multiactivities Company Limited ("Meyas Nub") and SinoTech (Hong Kong) Corporate Limited ("SinoTech"). Other than Meyas Nub and SinoTech, these companies are related by way of directors, officers and shareholders in common. Meyas Nub is identified as a related party as a result of its ability to exert significant influence on MSMCL through its non-controlling equity interest (Note 12). SinoTech is related by virtue of its greater than 10% shareholding in the Company. Related party transactions are recorded at the exchange amounts.

**a) Services received from related parties**

	Related party	Three months ended June 30,		Six months ended June 30,	
		2015	2014	2015	2014
Drilling and exploration support	Meyas Nub	24,976	219,489	48,094	430,410
Geological consulting	SinoTech	15,864	32,839	40,568	47,436
Geological consulting	HSEC	168,829	137,691	408,909	279,832
Support and administration	RB Energy	18,871	111,000	63,871	222,000
Support and administration	SinoTech	7,500	7,500	15,000	15,000
<b>Total related parties costs</b>		<b>236,040</b>	<b>508,519</b>	<b>576,442</b>	<b>994,678</b>

**b) Related party balances**

The amounts due from (to) related parties by the Company, and the components of the condensed interim consolidated statement of financial position in which they are included, are as follows:

	Related party	June 30, 2015	December 31, 2014
Accounts payable and accrued liabilities	Meyas Nub	(34,701)	(28,072)
Accounts payable and accrued liabilities	RB Energy	-	(75,365)
Accounts payable and accrued liabilities	HSEC	(68,333)	(121,587)
Accounts payable and accrued liabilities	SinoTech	(7,500)	(31,575)

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2015 and 2014**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**c) Key management compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and vice-presidents.

The remuneration of key management personnel were as follows:

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Salaries and management fees	125,649	142,030	208,392	265,057
Short term benefits	2,344	2,933	2,628	5,857
Stock-based compensation	16,279	66,136	70,551	264,538
<b>Total key management compensation</b>	<b>144,272</b>	<b>211,099</b>	<b>281,571</b>	<b>535,452</b>

**11. SEGMENT INFORMATION**

The Company's operations currently consist of the acquisition and exploration of mineral resources in the Republic of the Sudan. Materially all of the Company's equipment and exploration and project investigation costs are located and incurred in the Republic of the Sudan, whereas materially all of the Company's cash is held by the Canadian parent.

**12. NON-CONTROLLING INTEREST**

On March 1, 2012, an indirect wholly owned subsidiary of Orca, SMCL, closed a transaction whereby it acquired the right and option to a 70% interest in MSMCL, a Sudanese company incorporated to hold the Block 14 exploration license in the Republic of the Sudan. Under the purchase agreement, SMCL agreed to pay the holder of the license a total of USD \$9.5 million in three installments, in exchange for an increasing ownership interest in MSMCL, as follows:

Date	Payment	Total ownership interest
March 1, 2012	USD \$3.5 million	35.0%
September 30, 2013	USD \$3.0 million	52.5%
September 30, 2014	USD \$3.0 million	70.0%

On August 28, 2014, the Company made its third and final installment payment of USD \$3.0 million and crystalized its 70% interest in MSMCL.

Under the agreement, the Company must fund all exploration, development and construction costs to commercial production in accordance with the purchase agreement.



## CORPORATE DIRECTORY

### OFFICERS

Richard Clark  
Chairman of the Board  
Hugh Stuart  
President/Chief Executive Officer  
Alessandro Bitelli  
Chief Financial Officer  
Rashida McLean  
Corporate Secretary

### DIRECTORS

Richard Clark  
Compensation Committee  
Corporate Governance and Nominating  
Committee  
L. Simon Jackson  
Dr. Jingbin Wang  
Audit Committee  
Compensation Committee  
Shuixing Fu  
Corporate Governance and Nominating  
Committee  
Robert F. Chase  
Audit Committee  
Corporate Governance and Nominating  
Committee  
Alexander Davidson  
Audit Committee  
Compensation Committee  
Hugh Stuart

### AUDITORS

PricewaterhouseCoopers LLP  
Vancouver, British Columbia, Canada

### LEGAL COUNSEL

Blake Cassels & Graydon LLP  
Vancouver, British Columbia, Canada

### CORPORATE OFFICE

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Vancouver, British Columbia  
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### REGISTERED OFFICE

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2600 - 595 Burrard Street  
Vancouver, British Columbia  
Canada V7X 1L3

### RECORDS OFFICE

Blake Cassels & Graydon LLP  
2600 - 595 Burrard Street  
Vancouver, British Columbia  
Canada V7X 1L3

### REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada  
Vancouver, British Columbia  
Canada

### SHARE LISTING

TSX Venture Exchange  
Symbol: ORG  
CUSIP No.: 68558N102  
ISIN: CA68558N1024