



ORCA GOLD INC.

SECOND QUARTER REPORT

For the Three and Six Months Ended

June 30, 2019

ORCA GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND SIX MONTHS ENDED JUNE 30, 2019
(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, 2019. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is 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, applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The effective date of this MD&A is August 29, 2019. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.orcagold.com.

Orca is a junior mining company focused on the acquisition, exploration and development of mineral properties in Africa. The Company's main project is Block 14 in the north of Sudan. 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 200 km due south of the Block 14 prospecting license perimeter. The Company is also focussed on advancing exploration in Côte d'Ivoire with a newly created joint venture between Orca Gold Inc and Avant Minerals Inc (see 'Outlook' section in the MD&A on page 4).

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 Minerals (the "MoM"). 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 mining leases (the "Concession Agreement").

The Company's Block 14 Exploration Licence expired in November 2018. However, the Government has approved the extension of the exploration permit for an additional 4 years over an area of 1,000 km², surrounding the planned Block 14 Mining Lease (38km²). Before a formal extension could be issued however, a popular uprising developed in Sudan in December 2018 which subsequently led to the removal of then President Omar al-Bashir and his government in April 2019. Discussions with the Ministry of Mines in respect of the extension of the exploration permit and the issuance of a Mining Lease were suspended during this time. Since April 2019 Sudan has been governed by an interim Military Council towards reaching an agreement with the civilian opposition alliance to establish democratic process in Sudan. Recently an accord was formally signed between the parties agreeing to a power sharing arrangement for 39 months after which full democratic elections will be held. The Company anticipates the commencement of normal government operations shortly, including the appointment of a new Prime Minister and Cabinet. With the appointment of a new Minister of Mines the Company intends to immediately reengage with the Government to finalize the Block 14 Exploration Licence extension and complete the application process for the issuance of a Mining Lease

In January 2018, the Company was granted a water extraction permit covering an aquifer system discovered by the Company in 2017, which is located 85 km from the Company's Galat Sufar South ("GSS") deposit, known as Area 5.

The Company's Mineral Resources are associated with the GSS and Wadi Doum deposits located on Block 14. The Company announced probable reserves of 79.94Mt @ 1.11g/t for 2.85 Moz at its Block 14 project in its Feasibility Study on the Block 14 Gold Project during Q4 2018 (news release November 8, 2018).

The technical contents of this MD&A have been reviewed by Kevin Ross, Eur. Ing., a Qualified Person pursuant to NI 43-101. Mr. Ross holds the position of Chief Operations Officer 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.

2019 Q2 HIGHLIGHTS

Sudan

Towards the end of 2018, the Company was in serious discussions on the advancement of the Block 14 gold project in Sudan. This was following the successful delivery of a positive Feasibility Study, clearly demonstrating the robust economic and production profile of the project (see Company News Release on November 7, 2018).

In December 2018, the people of Sudan rose up in peaceful protest against the regime of then President, Omar al-Bashir. After a 30-year rule, this peaceful movement resulted in the removal and imprisonment of President al-Bashir in April 2019. On July 17, 2019, an agreement was reached between the military council and opposition alliance to share power for a transitional period of 39 months before holding general elections. This historical achievement was reached principally through the mediation efforts of Ethiopia and the African Union and has the support of Sudan's neighbours in the Gulf and the international community at large. The next step for Sudan is to form a functioning government and administrative system, including a new cabinet to govern the Sudan and its people.

The Company is ready to re-engage with interested parties on financing initiatives for the development of Block 14. Upon the re-establishment of a ministerial structure in Khartoum, the Company will commence discussions with the new government of Sudan in conjunction with potential banking and industry partners. Block 14 is ready for development and with a financing commitment, could be in production within 24 months. Block 14 is expected to be a priority project for the new government and the people of the Sudan. Which will capitalize on Sudan's significant gold endowment and create a sustainable business, which will generate significant skills, community improvement, employment opportunities, internal revenue and foreign exchange for the country, whilst unlocking value for Orca's shareholders in Sudan.

Côte d'Ivoire

Exploration in Côte d'Ivoire initially focussed on the delineation of a Mineral Resource at the Koné Prospect in the Morondo Permit leading to the definition of an initial inferred resource comprising 34.1MT grading at 1.1 g/t for 1.206Moz of gold at 0.70g/t cut-off grade (see Company news release on October 3, 2018).

On completion of the Koné Prospect resource drilling the exploration team moved to Korokaha North which is immediately adjacent to the east of Barrick's Nielle Mining lease and identified a broad soil anomaly in the southern part of the permit (the "Badenou Anomaly").

During the second quarter of 2019 exploration in the Morondo Permit has included a pitting programme to test the extensions to the known mineralisation and build a picture of the underlying geology, complemented with an expansion of the regolith mapping.

In Korokaha North a mechanised auger programme has been used to test various areas of anomalism in the soil geochemistry in the northern part of the permit. Infill soil sampling at the Badenou anomaly will be completed during the second half of the year.

Corporate

During the first six months to June 2019, employees of the Company exercised 6.3 million options for \$1.7 million of cash proceeds to the Company. On May 2, 2019 the Company granted an aggregate 3,450,000 incentive stock options to certain officers, directors and other eligible officers of the Company. The options are exercisable, subject to vesting provisions over a period of three years at a price of \$0.35 per share.

RESULTS FROM OPERATIONS

As a junior mining company, Orca has no expectation of generating operating profits until it develops a commercially viable mineral deposit. During the three and six months ended June 30, 2019, Orca incurred a net loss of \$4.3 million and \$7.9 million (2018: \$4.5 million and \$8.6 million) respectively. Exploration and project investigation costs accounted for approximately 59% and 61% (2018: 82% and 79%) of the net loss incurred during the three and six month period to June 2019, while administration expenses accounted for approximately 36% and 37% during the three and six month period (2018: 18% and 21%).

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, 2019 and 2018, are provided in the notes to the condensed interim consolidated financial statements. Staff compensation, most notably salaries and benefits, were the largest combined cost category and accounted for 39% and 38% of exploration costs for the three and six months ended June 30, 2019 (2018: 16% and 21%) respectively. Technical costs, most notably engineering and evaluation costs related to the ongoing feasibility program and drilling, were the second largest combined cost category and accounted for 40% and 34% of exploration costs for the three and six months to June 30, 2019 (2018: 65% and 64%) respectively. For the six months to June 2019, the Company accrued \$0.4 million of an expected payment of \$0.8 million in 2019 for an exploration licence in Sudan and also paid \$0.1 million for licence costs in Côte d'Ivoire for the first six months of the year. Exploration costs for the three and six months ended June 30, 2019 were largely due to sampling work and the completion of engineering designs for long lead items at Block 14.

Excluding stock-based compensation of \$0.5 million and \$0.7 million (2018: \$0.1 million and \$0.3 million) for the three to six months ended June 30, 2019 respectively, administration costs were \$1.0 million and \$2.2 million (2018: \$0.7 million and \$1.5 million), respectively. 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 \$31,000 and \$57,000 (2018: \$30,000 and \$53,000) for the three and six months ended June 30, 2019 respectively reflects interest earned on cash held on deposit and invested in short-term money market instruments.

No tax recovery is recognized as a result of the nature of the Company's current business activities and the lack of reasonable expectation that taxable profit will be generated by the Company in the near term.

In other comprehensive income, the Company also reported foreign exchange translation losses of \$67,000 and \$346,000 (2018: loss of \$88,000 and a gain of \$40,000) for the three and six months ended June 30, 2019, on the 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 and the British Pound during the respective periods. The Company realized a gain of \$228,000 from the sale of its remaining Resolute shares in Q1.

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

Three Months Ended	Jun-19	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17
Exploration costs (\$000's)	2,565	2,223	2,943	3,536	3,705	3,060	5,853	5,873
Total net loss (\$000's)	4,297	3,630	4,192	4,923	4,508	4,044	6,803	6,960
Net loss attributed to the Company's shareholders (\$000's)	3,711	3,579	3,505	4,370	3,691	3,287	5,158	5,254
Net loss per share attributed to the Company's shareholders, basic and diluted (\$)	0.02	0.01	0.02	0.02	0.03	0.02	0.03	0.04

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 Block 14 and achieved various milestones, including the substantial completion of Block 14's first preliminary economic assessment during the second quarter of 2016, the successful completion of additional hydrological studies and engineering work in support of the Revised PEA from the latter half of 2016 into the first half of 2017, a significant water drilling programme at the Area 5 aquifer, along with the commencement of the Feasibility Study and a 25,000 metre drill programme in support thereof in the third quarter of 2017. Exploration work continued during all quarters in 2018 with work focused at GSS for the completion of the Feasibility Study in November 2018 (see news release November 9, 2018). Drilling work was also advanced in Côte d'Ivoire at the Koné Prospect in the Morondo Exploration Permit. During Q2 2019 trenching and channelling work was completed at Wadi Doum and GSS, with further some exploration work continuing at Morondo and Korokaha.

OUTLOOK

Sudan

Following recent developments between the military council and opposition alliance to share power for a transitional period of 39 months before holding general elections, the Company is ready to finalise negotiations on the Company's mine lease and exploration licence extension. The Company is ready to re-engage with interested parties on financing initiatives for the development of Block 14. Upon the re-establishment of a ministerial structure in Khartoum, the Company will commence discussions with the new government of the Sudan in conjunction with potential banking and industry partners. Block 14 is ready for development and with a financing commitment, could be in production within 24 months.

Côte d'Ivoire

On August 28, 2019, the Company concluded a corporate restructuring in Côte d'Ivoire (see Orca release dated August 28, 2019) and entered into a share purchase agreement with Avant Minerals Inc. ("Avant"). In connection therewith, the Company created a new entity, Montage Gold Corp ("Montage") which will be focussed on exploration development in Côte d'Ivoire. Contemporaneously with the closing of the Avant transaction, Montage completed a private placement of approximately \$8.3 million. Montage is owned 45% by the Company, 30% by Avant and 25% by private placement investors. Montage will hold the following permits and permit applications.

- Four permits and nine permit applications in Côte d'Ivoire totaling 4,243km². This includes the Morondo Licence, which currently hosts a 1.2 Moz inferred resource (see Orca release dated October 3, 2018) and is strategically centered between Roxgold's Seguela Project 60kms to the south and Barrick/Endeavour's Mankono joint venture adjacent to the north.
- Nine permits and two permit applications under earn-in in Burkina Faso totaling 1,128km². In Burkina Faso, the company will hold a dominant land position on the Sirba Greenstone belt between the Kouri

Project of Golden Rim and the Samira Hill/Libiri deposit previously mined by Semafo. Avant presently owns 51% in this collection of properties and is earning into 70% from Predictive Discovery Ltd.

The Company understands that Montage's exploration programme to the end of the 2019 will focus on:

- Advancing the Koné prospect in the Morondo permit where the resource shows potential for expansion;
- Continuing exploration on the Bobosso Project where Avant have identified a number of drill targets within areas of strong soil anomalism.; and
- Infill sampling on the Badenou soil anomaly in the Korokaha North permit which lies adjacent to Barrick's Tongon mining lease.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2019, the Company had cash and cash equivalents of \$8.0 million (December 31, 2018: \$6.2 million) and net working capital of \$5.9 million (December 31, 2018: \$11 million). During Q1 2019, the Company sold its remaining 6.2 million Resolute shares for proceeds of \$7.0 million. Following the completion of the Company's restructuring of its assets in Côte d'Ivoire into Montage the Company's cash resources will be focussed on advancing the Company's Block 14 Gold Project in Sudan and for general corporate purposes.

The Company's interest in the 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, which was fully paid and vested in September 2014. Under the terms of the purchase agreement, the Company must fund all exploration, development and construction costs to commercial production.

While the Company believes that it will be able to settle its commitments and liabilities in the normal course of business, as they fall due during the next 12 months, as an exploration and development stage company with no current sources of revenues, the Company is dependent on its ability to raise funds to support the ongoing advancement of its mineral properties, corporate activities and to fund the development of Block 14.

RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and six months ended June 30, 2019, were Hugh Stuart Exploration Consulting Ltd. ("HSEC"), Geodex Consultants Ltd. ("Geodex") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). HSEC and Geodex are related by virtue of their proprietor being a director and officer of the Company. 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. Related party transactions occur and are recorded at the amounts agreed between the parties.

Services received from related parties

	Related party	Three months ended June 30,		Six months ended June 30,	
		2019	2018	2019	2018
Drilling and exploration support	Meyas Nub	16,562	61,035	25,608	74,730
Geological consulting	HSEC/Geodex	31,080	63,225	66,561	123,737
Total related party costs		47,642	124,260	92,169	198,467

Related party balances

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

	Related party	June 30, 2019	December 31, 2018
Accounts payable and accrued liabilities	HSEC/Geodex	(28,323)	(72,576)

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 directors and executive officers.

The remuneration of key management personnel were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Salaries and management fees	350,352	238,240	703,68	447,643
Short term benefits	9,458	5,943	13,410	15,567
Director fees	42,447	53,750	108,072	107,500
Stock-based compensation	341,458	88,184	492,365	214,835
Total key management compensation	743,715	386,117	1,317,531	785,845

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain 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, 2019.

SIGNIFICANT ACCOUNTING POLICIES

Orca follows the accounting policies described in Note 3 of the Company's December 31, 2018 audited consolidated financial statements as published on Sedar on April 30, 2019. The Company adopted IFRS 16, Leases on January 1, 2019 as discussed below.

Adoption of new accounting policy

Leases

On January 1, 2019, the Company adopted IFRS 16, Leases, which specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for almost all leases, unless the lease term is 12 months or less or the underlying asset has a low value, in which case, lease payments are recognized as an expense on a straight-line basis over the lease term or another systematic basis, if deemed more representative.

The Company has adopted IFRS 16 retrospective from January 1, 2019, but has not restated the 2018 comparative periods presented, as permitted under the specific transitional provision in the standard.

The Corporation has elected to use the following practical expedients permitted under the standard:

- Account for leases with a remaining term of twelve (12) months or less as at January 1, 2019 as short-term leases, recognized as an expense over the lease term; and
- Account for lease payments as an expense and not recognize a right of use asset if the underlying asset is of low dollar value (less than \$5,000 CAD)

As the Company does not currently have any leases other than short-term or low value leases, there was no impact by the adoption of this new standard and there was no recognition of an asset (right to use asset) or a financial liability to pay rentals. The Company's lease payments are recognized in the financial statements as an expense over the lease term.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, other receivables, and accounts payable and accrued liabilities. The carrying amounts reported in the condensed interim consolidated statements of financial position for cash and cash equivalents, other receivables, 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

As at June 30, 2019, the Company's Sudanese operating subsidiary did not have any material foreign currency risk exposure.

ii) Ivorian operations

As at June 30, the Company's Ivorian operating subsidiary did not have any material foreign currency risk exposure.

iii) Canadian head office operations

At June 30, 2019, 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:

	Foreign currency cash held (in source currency)	Net financial asset (liability) position	Change in net financial position from a 10% variation in exchange rates
US dollar	6,380	(8,350)	835
British Pounds	-	(65,476)	6,548

Credit risk

At June 30, 2019, the majority of the Company's cash and cash equivalents were held through Canadian institutions with 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 as at June 30, 2019 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	3,159,716	3,159,716	-	-
Total	3,159,716	3,159,716	-	-

At June 30, 2019, the Company had cash and cash equivalents of \$8.0 million (December 31, 2018: \$6.2 million). During Q1 the Company sold its remaining 6.2 million Resolute shares for proceeds of \$7.0 million. The net proceeds of the private placement continued to be used for advancing work at the Company's Block 14 Gold Project in Sudan and advancing exploration work in Côte d'Ivoire for the six months to June 2019. Following the completion of the Company's restructuring of its assets in Côte d'Ivoire into Montage the Company's cash resources will be focussed on advancing the Company's Block 14 Gold Project in Sudan and for general corporate purposes.

OUTSTANDING SHARE DATA

As at August 29, 2019, the Company had 210,960,569 common shares outstanding, 13,908,000 share options outstanding under its stock-based incentive plan.

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. The material risks and uncertainties, should be taken into account in assessing the Companies activities are described under the heading "Risks and Uncertainties" in the Company's most recent Annual Information Form available at <http://www.sedar.com> (the "AIF"). Any one or more of these risks and uncertainties could have a material adverse effect on the Company.

SUBSEQUENT EVENT

On August 28, 2019, the Company concluded a corporate restructuring in Côte d'Ivoire creating a new entity, Montage Gold Corp ("Montage"). Orca transferred its permits and permit applications in Côte d'Ivoire to Montage and subsequently entered into a share purchase agreement with Avant pursuant to which Avant transferred its assets in Côte d'Ivoire and Burkina Faso and cash of \$4.0 million to Montage. Contemporaneously with the completion of the Avant transaction, Montage completed a non-brokered private placement of \$8.3 million. Following the completion of the Avant transaction and the Montage private placement, the ownership of Montage is Orca 45%, Avant 30% and investors in the private placement 25%.

The Company's 10,714,000 warrants with an average exercise price of \$0.55 per share expired unexercised during July 2019.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain of the statements made and contained herein are forward-looking information or forward-looking statements within the meaning of applicable Canadian securities laws, including statements regarding Orca's (the "Company", the "Corporation", "we" or "our") plans and expectations relating to the Block 14 Gold Project ("Block 14") in northern Sudan, the Feasibility Study on the Block 14 Gold Project ("FS") as reported by the Corporation on November 9, 2018 (with an effective date of November 7, 2018) the assets in Côte d'Ivoire and the intention of Montage in respect of the Cote d'Ivoire assets. Such forward-looking information or forward-looking statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralisation that will be encountered if the property is developed. The assumptions, risks and uncertainties outlined below are non-exhaustive. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Corporation or its properties and projects may vary materially from those described herein.

Any 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", "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 statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including without limitation, assumptions about the following (the "Forward-Looking Factors"): future prices of gold and other metals; successful exploration, development, and production; performance of contractual obligations by counterparties; operating conditions; political stability; obtaining governmental approvals and financing on time; financial projections and budgets; obtaining licenses and permits; government regulation of the Corporation's mining activities; environmental risks and expenses; market conditions; the securities market; price volatility of the Corporation's securities; currency exchange rates; foreign mining tax regimes; financial projections and results; competition; availability of sufficient capital, infrastructure, equipment and labour; litigation; land title issues; local community issues; estimation of mineral resources; realization of mineral resources; timing and amount of estimated future production; the life of mine; reclamation obligations; changes in project parameters as plans continue to be evaluated; and anticipated costs and expenditures and our ability to achieve the Corporation's goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, many of which are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation, known and unknown risks, uncertainties and other factors relating to the Forward-Looking Factors above, and those factors disclosed under the heading "Risk Factors" in the Corporation's most recent Annual Information Form available at <http://www.sedar.com> and the Corporation's other continuous disclosure documents filed from time to time with the securities regulators in the provinces of Canada.

In addition, a number of other factors could cause the actual results, performance or achievements of the Corporation to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information, and there is no assurance that the actual results, performance or achievements of the Corporation will be consistent with them. Although the Corporation has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this management's discussion and analysis and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or forward-looking information.

Orca Gold Inc.

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2019 and 2018

	June 30, 2019	December 31, 2018
ASSETS		
Current assets		
Cash and cash equivalents	\$ 7,978,421	\$ 6,166,640
Short-term investments	-	6,830,144
Receivables and other assets (Note 4)	1,038,144	610,190
	<u>9,016,565</u>	<u>13,606,974</u>
Equipment (Note 5)	780,239	851,685
Mineral properties (Note 6)	9,635,186	9,840,101
	<u>\$ 19,431,990</u>	<u>\$ 24,298,760</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,159,716	\$ 2,644,149
EQUITY		
Equity attributed to common shareholders		
Share capital (Note 7)	133,780,326	131,083,057
Warrants (Note 8)	513,035	513,035
Contributed surplus	7,444,226	7,529,578
Accumulated other comprehensive income	(376,724)	755,757
Deficit	(102,436,521)	(95,564,195)
	<u>38,924,342</u>	<u>44,317,232</u>
Non-controlling interest (Note 14)	(22,652,068)	(22,662,621)
	<u>16,272,274</u>	<u>21,654,611</u>
	<u>\$ 19,431,990</u>	<u>\$ 24,298,760</u>
Subsequent event		

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 Loss and Comprehensive Loss
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

	Three months ended		Six months ended	
	2019	June 30, 2018	2019	June 30, 2018
Administration costs (Note 10)	\$ 1,537,440	\$ 831,448	\$ 2,921,732	\$ 1,814,282
Exploration and project investigation costs (Note 11)	2,564,618	3,704,851	4,787,385	6,764,761
Foreign exchange loss	226,030	18,617	223,885	42,375
Interest income	(30,769)	(30,471)	(56,541)	(53,037)
Other Income	-	(16,278)	-	(16,278)
Net loss for the period	<u>\$ 4,297,319</u>	<u>\$ 4,508,167</u>	<u>\$ 7,876,461</u>	<u>\$ 8,552,103</u>
Net loss for the period attributed to:				
Common shareholders of the Company	3,711,073	3,690,629	6,872,326	6,977,220
Non-controlling interest (Note 14)	586,246	817,538	1,004,135	1,574,883
	<u>\$ 4,297,319</u>	<u>\$ 4,508,167</u>	<u>\$ 7,876,461</u>	<u>\$ 8,552,103</u>
Net loss for the period	\$ 4,297,319	\$ 4,508,167	\$ 7,876,461	\$ 8,552,103
Items that may be subsequently reclassified to net loss:				
Loss (gain) on translation to presentation currency	67,283	88,248	345,918	(39,653)
Items that will not be subsequently reclassified to net loss:				
Realized loss (gain) on Investment	-	-	(228,125)	-
Comprehensive loss for the period	<u>\$ 4,364,602</u>	<u>\$ 4,596,415</u>	<u>\$ 7,994,254</u>	<u>\$ 8,512,450</u>
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	\$ 3,921,679	\$ 4,469,704	\$ 8,004,807	\$ 6,590,184
Non-controlling interest (Note 14)	442,923	126,711	(10,553)	1,922,266
	<u>\$ 4,364,602</u>	<u>\$ 4,596,415</u>	<u>\$ 7,994,254</u>	<u>\$ 8,512,450</u>
Basic and diluted loss per common share	<u>\$ 0.02</u>	<u>\$ 0.02</u>	<u>\$ 0.03</u>	<u>\$ 0.04</u>
Basic and diluted weighted average number of shares outstanding	<u>210,888,042</u>	<u>167,133,120</u>	<u>209,639,575</u>	<u>161,204,489</u>

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)

	Six months ended	
	June 30,	
	2019	2018
Cash flows for operating activities		
Net loss for the period	\$ (7,876,461)	\$ (8,552,104)
Add non-cash items		
Depreciation of equipment (Note 5)	115,440	171,878
Stock-based compensation expense (Note 9)	895,917	321,018
	<u>(6,865,104)</u>	<u>(8,059,208)</u>
Changes in non-cash working capital items		
Receivables and other assets	(456,797)	(629,873)
Accounts payable and accrued liabilities	638,695	(41,593)
	<u>(6,683,206)</u>	<u>(8,730,674)</u>
Cash flows from investing activities		
Sale of short-term investments	7,058,269	-
Purchase of equipment	(83,060)	(58,834)
	<u>6,975,209</u>	<u>(58,834)</u>
Cash flows from financing activities		
Net proceeds from exercise of stock options	1,716,000	10,286,345
Net proceeds from exercise of warrants (Note 8)	-	4,460,300
	<u>1,716,000</u>	<u>14,746,645</u>
Foreign exchange on cash and cash equivalents	<u>(196,222)</u>	<u>(3,062)</u>
Increase in cash and cash equivalents	1,811,781	5,954,075
Cash and cash equivalents, beginning of period	6,166,640	5,792,695
Cash and cash equivalents, end of period	<u>\$7,978,421</u>	<u>\$11,746,770</u>
Supplemental information		
Interest received	<u>\$ 56,541</u>	<u>\$ 53,307</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	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total		
Balance January 1, 2019	204,660,569	\$ 131,083,057	\$ 513,035	\$ 7,529,578	\$ 755,757	\$ (95,564,195)	\$ 44,317,232	\$ (22,662,621)	\$ 21,654,611
Stock based compensation expense (Note 9)	-	-	-	895,917	-	-	895,917	-	895,917
Exercise of options	6,300,000	2,697,269	-	(981,269)	-	-	1,716,000	-	1,716,000
Net loss for the period	-	-	-	-	-	(6,872,326)	(6,872,326)	(1,004,135)	(7,876,461)
Gain (loss) on translation to presentation currency	-	-	-	-	(1,360,606)	-	(1,360,606)	1,014,688	(345,918)
Realized Gain on sale of investments	-	-	-	-	228,125	-	228,125	-	228,125
Balance June 30, 2019	210,960,569	\$ 133,780,326	\$ 513,035	\$ 7,444,226	\$ (376,724)	\$ (102,436,521)	\$ 38,924,342	\$ (22,652,068)	\$ 16,272,274
Balance January 1, 2018	153,476,440	\$ 99,532,458	\$ 959,816	\$ 6,116,654	\$ 1,097,682	\$ (80,760,026)	\$ 26,946,584	\$ (19,114,682)	\$ 7,831,902
Stock based compensation expense (Note 9)	-	-	-	321,018	-	-	321,018	-	321,018
Exercise of options	150,000	63,445	-	(22,945)	-	-	40,500	-	40,500
Exercise of Warrants	8,036,000	4,866,581	(446,781)	-	-	-	4,419,800	-	4,419,800
Proceeds from private placement	16,182,480	9,881,783	404,562	-	-	-	10,286,345	-	10,286,345
Net loss for the period	-	-	-	-	-	(6,977,220)	(6,977,220)	(1,574,883)	(8,552,103)
Gain on translation to presentation currency	-	-	-	-	387,036	-	387,036	(347,383)	39,653
Balance June 30, 2018	177,844,920	\$ 114,344,267	\$ 917,597	\$ 6,414,727	\$ 1,484,718	\$ (87,737,246)	\$ 35,424,063	\$ (21,036,948)	\$ 14,387,115

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, 2019 and 2018
(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 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, and Orca Gold CDI S.A.R.L ("OGCDI"), Shark Minerals CDI S.a.r.l and Hammerhead Resources CDI which are located in the Ivory Coast.. Subsequent to June 30, 2019 the Company completed a transaction with Avant Minerals Inc combining Orca's assets in Côte d'Ivoire with Avant's assets in Côte d'Ivoire and Burkina Faso (see Subsequent Event note on page 18).

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2018. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2018, except for new accounting policies as noted in Note 3 below.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 29, 2019.

3. ADOPTION OF NEW ACCOUNTING POLICIES

Leases

On January 1, 2019, the Company adopted IFRS 16, Leases, which specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for almost all leases, unless the lease term is 12 months or less or the underlying asset has a low value, in which case, lease payments are recognized as an expense on a straight-line basis over the lease term or another systematic basis, if deemed more representative.

The Company has adopted IFRS 16 retrospective from January 1, 2019, but has not restated the 2018 comparative periods presented, as permitted under the specific transitional provision in the standard.

The Corporation has elected to use the following practical expedients permitted under the standard:

- Account for leases with a remaining term of twelve (12) months or less as at January 1, 2019 as short-term leases, recognized as an expense over the lease term; and

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- Account for lease payments as an expense and not recognize a right of use asset if the underlying asset is of low dollar value (less than \$5,000 CAD)

As the Company does not currently have any leases other than short-term or low value leases, there was no impact by the adoption of this new standard and there was no recognition of an asset (right to use asset) or a financial liability to pay rentals. The Company's lease payments are recognized in the financial statements as an expense over the lease term.

4. RECEIVABLES AND OTHER ASSETS

	June 30, 2019	December 31, 2018
Prepaid expenses	268,766	132,562
Fuel inventory	189,012	240,798
Other receivables	580,366	236,830
Total receivables and other assets	1,038,144	610,190

Orca Gold Inc.
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5. EQUIPMENT

Cost	Computer Equipment	Office Furniture and Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2018	232,471	76,210	1,514,084	1,492,019	3,314,784
Additions	24,245	12,113	82,362	88,615	207,335
Write-off and disposals	(1,868)	-	-	-	(1,868)
Effects of foreign exchange on translation to presentation currency	8,928	3,099	58,444	57,741	128,212
As at December 31, 2018	263,776	91,422	1,654,890	1,638,375	3,648,463
Additions	6,650	2,888	-	73,522	83,060
Effects of foreign exchange on translation to presentation currency	(12,063)	(4,277)	(76,772)	(76,917)	(170,029)
As at June 30, 2019	258,363	90,033	1,578,118	1,634,980	3,561,494
Accumulated depreciation					
As at January 1, 2018	(194,128)	(48,565)	(939,838)	(1,178,567)	(2,361,098)
Depreciation	(25,372)	(8,755)	(191,100)	(117,147)	(342,374)
Write-off and disposals	1,868	-	-	-	1,868
Effects of foreign exchange on translation to presentation currency	(7,587)	(1,996)	(39,049)	(46,542)	(95,174)
As at December 31, 2018	(225,219)	(59,316)	(1,169,987)	(1,342,256)	(2,796,778)
Depreciation	(8,610)	(4,499)	(51,724)	(50,607)	(115,440)
Effects of foreign exchange on translation to presentation currency	10,334	2,807	54,926	62,896	130,963
As at June 30, 2019	(223,495)	(61,008)	(1,166,785)	(1,329,967)	(2,781,255)
Net book amount					
As at December 31, 2018	38,557	32,106	484,903	296,119	851,685
As at June 30, 2019	34,868	29,025	411,333	305,013	780,239

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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6. MINERAL PROPERTIES

Cost	Block 14	Côte d'Ivoire	Total
As at January 1, 2018	4,257,433	-	4,257,433
Purchase of Kinross properties	-	5,422,916	5,422,916
Effects of foreign exchange on translation to presentation currency	159,752	-	159,752
As at December 31, 2018	4,417,185	5,422,916	9,840,101
Effects of foreign exchange on translation to presentation currency	(204,915)	-	(204,915)
As at June 30, 2019	4,212,270	5,422,916	9,635,186

The Company's mineral projects are in Sudan and Côte d'Ivoire. The Company's main project in Sudan is Block 14, located in the northern part of the Republic of Sudan. The Company's projects in Côte d'Ivoire include exploration properties with rights to the Morondo, Korokaha North and Bassawa exploration licences and three application exploration licences. On August 29, 2019 the Company completed a transaction with Avant Minerals Inc combining Orca's assets in Côte d'Ivoire with Avant's assets in Côte d'Ivoire and Burkina Faso (see Subsequent Event note on page 18).

7. SHARE CAPITAL

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

The Company's issued and outstanding share purchase warrants and stock options were not included in the calculation of diluted earnings per share as they are anti-dilutive for the six months ended June 30, 2019.

8. WARRANTS

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

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2018	18,750	\$0.55
Exercised	(8,036)	\$0.55
Outstanding at December 31, 2018	10,714	\$0.55
Outstanding at June 30, 2019	10,714	\$0.55
Exercisable at June 30, 2019	10,714	\$0.55

As at June 30, 2019, the outstanding and exercisable warrants had a weighted average remaining contractual life of 0.02 years.

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9. 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 agreements are at the discretion of the Board of Directors.

The total stock-based compensation for the three and six months ended June 30, 2019 was \$644,000 and \$896,000, respectively (2018: \$137,000 and \$321,000). For the three and six months ended June 30, 2019, stock-based compensation of \$513,000 and \$726,000 (2018: \$122,000 and \$283,000) has been allocated to administration costs, respectively, and \$131,000 and \$170,000 (2018: \$15,000 and \$38,000) 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, 2019 was \$920,000 (December 31, 2018: \$800,000).

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, 2018	11,175	\$0.35
Granted	6,000	\$0.51
Exercised	(150)	\$0.27
Outstanding at December 31, 2018	17,025	\$0.41
Granted	3,450	\$0.35
Exercised	(6,300)	\$0.27
Expired	(267)	\$0.50
Outstanding at June 30, 2019	13,908	\$0.45
Exercisable at June 30, 2019	6,575	\$0.45

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The following summarizes information about the stock options outstanding and exercisable at June 30, 2019:

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\$)
\$0.32	200	0.16	\$0.32	200	0.16	\$0.32
\$0.35	3,450	2.84	\$0.35	1,150	2.84	\$0.35
\$0.36	625	0.68	\$0.36	625	0.68	\$0.36
\$0.47	3,833	1.21	\$0.47	2,600	1.21	\$0.47
\$0.51	5,800	2.05	\$0.51	2,000	2.05	\$0.51
	<u>13,908</u>	<u>1.93</u>	<u>\$0.45</u>	<u>6,575</u>	<u>1.67</u>	<u>\$0.45</u>

10. ADMINISTRATION COSTS

	Three months ended		Six months ended	
	2019	June 30, 2018	2019	June 30, 2018
Depreciation	461	612	923	1,376
Management and consulting fees	428,238	242,319	925,872	423,401
Office and administration	117,684	73,684	343,476	162,364
Professional fees	227,348	18,999	295,672	46,168
Salaries and benefits	127,620	166,156	263,525	378,710
Stock based compensation expense	512,882	122,040	725,464	283,297
Travel and promotion	123,207	207,638	366,800	518,966
Total administration costs	\$1,537,440	\$831,448	\$2,921,732	\$1,814,282

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Notes to the Condensed Interim Consolidated Financial Statements
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11. EXPLORATION AND PROJECT INVESTIGATION COSTS

Three months ended June 30,		Sudan (Block 14)	Côte d'Ivoire	Total
2019	Depreciation	35,049	3,422	38,471
	Drilling	39,884	14,146	54,030
	Exploration support and administration	63,237	23,701	86,938
	Field operation and consumables	180,011	63,937	243,948
	Geological consulting	21,344	9,731	31,075
	Permitting and licensing fees	187,812	-	187,812
	Salaries and benefits	670,052	189,205	859,257
	Sampling, geological and other evaluation costs	798,251	78,358	876,609
	Stock-based compensation expense	131,079	-	131,079
	Travel and accommodation	21,882	33,517	55,399
	Total exploration and project investigation costs	2,148,601	416,017	2,564,618
2018	Depreciation	99,405	-	99,405
	Drilling	1,119,563	551,064	1,670,627
	Exploration support and administration	104,787	27,189	131,976
	Field operation and consumables	253,299	40,473	293,772
	Geological consulting	60,059	6,595	66,654
	Permitting and licensing fees	17,949	325	18,274
	Salaries and benefits	618,243	165,376	783,619
	Sampling, geological and other evaluation costs	517,123	75,351	592,474
	Stock-based compensation expense	14,897	-	14,897
	Travel and accommodation	18,023	15,130	33,153
	Total exploration and project investigation costs	2,823,348	881,503	3,704,851

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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(Unaudited)

Six months ended June 30,		Sudan		Total
		Northern Blocks	Côte d'Ivoire	
2019	Depreciation	106,968	7,549	114,517
	Drilling	82,974	86,589	169,563
	Exploration support and administration	115,786	48,224	164,010
	Field operation and consumables	362,264	130,017	492,281
	Geological consulting	44,236	22,320	66,556
	Permitting and licensing fees	376,528	136,155	512,683
	Salaries and benefits	1,283,748	383,477	1,667,225
	Sampling, geological and other evaluation costs	1,042,291	273,184	1,315,475
	Stock-based compensation expense	170,453	-	170,453
	Travel and accommodation	65,836	48,786	114,622
	Total exploration and project investigation costs	3,651,084	1,136,301	4,787,385
2018	Depreciation	170,501	-	170,501
	Drilling	1,775,701	758,884	2,534,585
	Exploration support and administration	193,364	54,814	248,178
	Field operation and consumables	438,855	74,685	513,540
	Geological consulting	117,819	10,993	128,812
	Permitting and licensing fees	39,339	6,003	45,342
	Salaries and benefits	1,110,869	330,233	1,441,102
	Sampling, geological and other evaluation costs	1,492,485	87,346	1,579,831
	Stock-based compensation expense	37,721	-	37,721
	Travel and accommodation	38,616	26,533	65,149
	Total exploration and project investigation costs	5,415,270	1,349,491	6,764,761

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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12. RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and six months ended June 30, 2019, were Hugh Stuart Exploration Consulting Ltd. ("HSEC"), Geodex Consultants Ltd. ("Geodex") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). HSEC and Geodex are related by virtue of their proprietor being a director and officer of the Company. 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 14). Related party transactions occur and are recorded at the amounts agreed between the parties.

a) Services received from related parties

	Related party	Three months ended June 30,		Six months ended June 30,	
		2019	2018	2019	2018
Drilling and exploration support	Meyas Nub	16,562	61,035	25,608	74,730
Geological consulting	HSEC/Geodex	31,080	63,225	66,561	123,737
Total related party costs		47,642	124,260	92,169	198,467

b) Related party balances

The amounts due 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, 2019	December 31, 2018
Accounts payable and accrued liabilities	HSEC/Geodex	(28,323)	(72,576)

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 directors and executive officers.

The remuneration of key management personnel is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
Salaries and management fees	350,352	238,240	703,684	447,643
Short term benefits	9,458	5,943	13,410	15,867
Director fees	42,447	53,750	108,072	107,500
Stock-based compensation	341,458	88,184	492,365	214,835
Total key management compensation	743,715	386,117	1,317,531	785,845

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13. SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in Africa. The information regarding mineral properties and exploration and project investigation costs presented in Notes 6 and 11, respectively, represent the manner in which management reviews its business performance. The Company's mineral properties and exploration and project investigation costs relate to the Block 14, located in the northern region of the Republic of Sudan and Morondo, Korokaha North, Bassawa and three application exploration licences in Côte d'Ivoire. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's operating subsidiaries in support of ongoing and planned work programs.

The following are summaries of the Company's current and non-current assets, current liabilities, and net losses by segment:

		Sudan (Block 14)	Côte d'Ivoire	Corporate & Other	Total
June 30, 2019	Current assets	912,966	55,827	8,047,772	9,016,565
	Equipment	654,811	125,353	75	780,239
	Mineral properties	4,212,270	5,422,916	-	9,635,186
	Total Assets	5,780,047	5,604,096	8,047,847	19,431,990
	Current liabilities	2,636,558	54,104	469,054	3,159,716
December 31, 2018	Current assets	452,978	262,539	12,891,457	13,606,974
	Equipment	787,055	63,631	999	851,685
	Mineral properties	4,417,185	5,422,916	-	9,840,101
	Total Assets	5,657,218	5,749,086	12,892,456	24,298,760
	Current liabilities	2,291,882	73,434	278,835	2,644,151

Orca Gold Inc.
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Three months ended June 30,		Sudan (Block 14)	Côte d'Ivoire	Corporate & Other	Total
2019	Exploration and project investigation	2,148,601	416,017	-	2,564,618
	General administration and other items	13,328	21	1,719,352	1,732,701
	Net loss	2,161,929	416,038	1,719,352	4,297,319
2018	Exploration and project investigation	2,823,348	881,503	-	3,704,851
	General administration and other items	-	20,625	782,691	803,316
	Net loss	2,823,348	902,128	782,691	4,508,167

Six months ended June 30,		Sudan (Block 14)	Côte d'Ivoire	Corporate & Other	Total
2019	Exploration and project investigation	3,651,084	1,136,301	-	4,787,385
	General administration and other items	11,614	(9,391)	3,086,853	3,089,076
	Net loss	3,662,698	1,126,910	3,086,853	7,876,461
2018	Exploration and project investigation	5,415,270	1,349,491	-	6,764,761
	General administration and other items	14,229	22,115	1,750,998	1,787,342
	Net loss	5,429,499	1,371,606	1,750,998	8,552,103

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14. NON-CONTROLLING INTEREST

Pursuant to a purchase agreement, an indirect wholly owned subsidiary of the Company, SMCL, acquired a 70% interest in MSMCL, a Sudanese company incorporated to hold the Block 14 exploration licenses in the Republic of the Sudan, in exchange for cash payments totalling USD \$9.5 million. Under the terms of the agreement, the Company must fund all exploration, development and construction costs to commercial production.

15. MANAGEMENT OF FINANCIAL RISK

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

a) Currency risk

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

(i) Sudanese operations

As at June 30, 2019, the Company's Sudanese operating subsidiary did not have any material foreign currency risk exposure.

(ii) Ivorian operations

As at June 30, 2019, the Company's Ivorian operating subsidiary did not have any material foreign currency risk exposure.

(iii) Canadian head office operations

At June 30, 2019, 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:

	Foreign currency cash held (in source currency)	Net financial asset (liability) position	Change in net financial position from a 10% variation in exchange rates
US dollar	6,380	(8,350)	835
British pounds	-	(65,476)	6,548

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and six months ended June 30, 2019 and 2018
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

b) Credit risk

At June 30, 2019, the majority of the Company's cash and cash equivalents were held through Canadian institutions with investment grade ratings.

c) 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 as at June 30, 2019 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	3,159,716	3,159,716	-	-
Total	3,159,716	3,159,716	-	-

While the Company believes that it will be able to settle its commitments and liabilities in the normal course of business, as they fall due, during the next 12 months, as an exploration-stage company with no current sources of revenues, the Company is dependent on its ability to raise funds to support the ongoing advancement of its mineral properties and corporate activities. Accordingly, the Company anticipates the need for further funding to support a planned exploration program at its operations in Sudan and Côte d'Ivoire. The Company continuously evaluates potential additional sources of financing for its exploration program and operations. Historically, capital requirements have been primarily funded through equity financing, and proceeds received through the exercise of stock options and share purchase warrants. Factors that could affect the availability of financing include the progress and results of ongoing exploration at the Company's mineral properties, the state of international debt and equity markets, and investor perceptions and expectations of the global gold markets. Based on the amount of funding raised, the Company's planned exploration or other work programs may be postponed, or otherwise revised, as necessary.

Subsequent Event

On August 28, 2019, the Company concluded a corporate restructuring in Côte d'Ivoire creating a new entity, Montage Gold Corp ("Montage"). Orca transferred its permits and permit applications in Côte d'Ivoire to Montage and subsequently entered into a share purchase agreement with Avant pursuant to which Avant transferred its assets in Côte d'Ivoire and Burkina Faso and cash of \$4.0 million to Montage. Contemporaneously with the completion of the Avant transaction, Montage completed a non-brokered private placement of \$8.3 million. Following the completion of the Avant transaction and the Montage private placement, the ownership of Montage is Orca 45%, Avant 30% and investors in the private placement 25%.

The Company's 10,714,000 warrants with an average exercise price of \$0.55 per share expired unexercised during July 2019.



CORPORATE DIRECTORY

OFFICERS

Alexander Davidson
Chairman of the Board
Richard P. Clark
Chief Executive Officer
Hugh Stuart
President
Glenn Kondo
Chief Financial Officer
Kevin Ross
Chief Operating Officer
Dr. Karamo NM Sonko
Chief Strategist, African Affairs
Kathy Love
Corporate Secretary

DIRECTORS

Richard P. Clark
Compensation Committee
Hugh Stuart
Alexander Davidson
Compensation Committee
Corporate Governance and Nominating
Committee
Robert F. Chase
Audit Committee
Corporate Governance and Nominating
Committee
David Field
Audit Committee
Corporate Governance and Nominating
Committee
Derek White
Audit Committee
Compensation Committee

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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