ORCA GOLD INC.

THIRD QUARTER REPORT

For the Nine Months Ended

September 30, 2013

ORCA GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2013
(Amounts in United States 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 nine months ended September 30, 2013 and the December 31, 2012 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 consolidated interim 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 November 26, 2013. 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 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 two licenses, Block 14 and Block 68, are currently held. These properties are located 700 km north of Khartoum and 100 km west of the Red Sea, and stretch 300 km due west across the northernmost part of Sudan. The nearest significant population centre is the town of Abu Hamed located 160 kilometres due south of the Block 14 prospecting license perimeter. These two licenses total over 15,000 km^2 in area.

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. 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 originally granted to Orca's partner, Meyas Nub Multiactivities Co. Ltd. ("Meyas Nub") under a Concession Agreement dated 19th May 2010, is in good standing and currently in its third exploration year. The license is currently held by Meyas Sand Minerals Company Ltd ("MSMCL"), a company owned by Sand Metals Company Ltd. ("SMCL"), a 100% owned subsidiary of Orca, and Meyas Nub. Details of the agreement between SMCL and Meyas Nub whereby SMCL has the right to earn a 70% interest in Block 14 are summarized in the "Liquidity and Capital Resources" section of this MD&A. The license for Block 68 was originally granted to SMCL on July 17, 2011 under a Concession Agreement and is in good standing and currently in its second exploration year.

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 Vice President Exploration 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.

THIRD QUARTER OPERATING HIGHLIGHTS

In early July 2013, Orca completed an intensive second drilling campaign as part of an initial exploration program at the Galat Sufar South ("GSS") prospect on its Block 14 mineral license in Sudan.

Results from the second drilling campaign at GSS continue to exhibit wide intercepts and excellent grades (e.g.: holes GSDD004: 59m @ 2.43 g/t, GSRC161: 26m @ 3.78 g/t, GSDD008: 48m @ 2.26 g/t, GSRC174: 32m @ 6.63 g/t). The entire results are set out in a news release dated September 12, 2013. A total of 15,940 metres of drilling (13,790m of RC and 2,150m diamond) has been completed to date at GSS. Results to date indicate consistent widths of high grade material being intersected.

Mineralization at GSS is hosted in and is typical of structurally controlled, mesothermal, shear zone hosted gold systems. The geology is dominated by calc-alkaline volcaniclastics which are in places interbedded with marls and dolomites and intruded by small, syenite and granite stocks. The dominant alteration associated with gold mineralisation is sericite + silica +/- carbonate. Pyrite is the main sulphide present.

Mineralisation is divided into two domains. The Main Zone is a N-S and NW trending series of mineralized bodies associated with intense shearing and quartz sericite alteration. The East Zone is 500m east of Main Zone where broad zones of ENE trending mineralisation have been intersected in an area of similar alteration with small, brecciated granitic stocks. The gap area between the Main and East Zones remains substantially untested. This gap, like much of the area around GSS is under sand cover. To date exploration at GSS has focused on outcroppings and extensions thereof. There remains a wider area of alteration (as mapped by geophysics) and prospective geology around GSS, much of it under sand cover that is highly prospective and still to be explored. Part of the next seven month work program will be aimed at testing the gap and other covered areas.

Based on the results of a comprehensive analysis of the initial exploration programs at GSS, including an assessment of the future potential of GSS, on September 11, 2013 Orca made the second option payment of US$3 million to Meyas Nub. This payment increases Orca's interest in MSMCL from 35.0% to 52.5% (see "Liquidity and Capital Resources" section of this MD&A for full details of the agreement with Meyas Nub). Orca is now proceeding with a $7 million exploration program aimed at delineating an NI 43-101 compliant initial resource at GSS by the end of the first quarter of 2014. This $7 million program will include:

- ~18,000 metres of infill drilling at GSS;
- an additional 10,000 metres of drilling targeted at areas outside the contemplated initial resource area;
- metallurgical testwork on composite samples from GSS;
- baseline environmental work;
- initial hydrological studies; and
- scoping level engineering for indicative operating and capital costs

With Orca focusing its resources on Block 14, its most prospective permit in light of the positive results at GSS, the Company formally relinquished Block 67 in Q3 2013, a third license previously also held in northern Sudan.

CORPORATE TRANSACTIONS

As more fully described in the Management Discussion and Analysis for the interim period ended June 30, 2013 that was filed on Sedar on August 29, 2013, the Company completed a major restructuring as a result of closing the following transactions (collectively, the "Transaction"):

- a spinout transaction by way of a plan of arrangement (the "Spinout"). The legal form of the Spinout provided that the Company
  a) transfer materially all of its assets and liabilities, including its Tanzanian exploration properties and related activities, to East Africa Metals Inc. ("EAM"), a newly formed wholly-owned subsidiary, except for cash and short-term investments of $60,000,000 and sufficient funds to pay certain liabilities outstanding as at April 4, 2013; and
  b) distribute all of the shares of EAM to its shareholders immediately prior to giving effect to the Acquisition;
- a share purchase agreement with Shark Minerals Inc. ("Shark") and the shareholders of Shark dated December 14, 2012 (the "Acquisition"). Under the Acquisition, the Company acquired all of the outstanding common shares of Shark, a tightly controlled private company with active exploration projects in Sudan, in exchange for the issuance of 118,584,735 of its common shares;
- a share consolidation on the basis of one (1) new share for three (3) existing shares (the "Consolidation") resulting in issued capital of 106,834,124 common shares. As of closing of the Acquisition and Consolidation, the Company became 63% owned by its former shareholders and 37% owned by former Shark shareholders and changed its name to Orca.

As a result of the Transaction, the Company changed its board and senior management and the focus of its exploration activities from Tanzania to Sudan.

Under applicable International Financial Reporting Standards ("IFRS"), Shark, the legal subsidiary, was determined to have acquired effective control of Orca and to be the acquirer for accounting purposes. The transaction did not constitute a business combination as Orca prior to the Acquisition did not meet the definition of a business under IFRS. Accordingly, the Acquisition was accounted for as an acquisition by Shark of Orca's remaining net assets following the Spinout.

In accordance with the principles of reverse takeover accounting, the Company now reports the operations of Shark and its related historical comparatives as its continuing business, except for the legal capital shown in the Condensed Interim Consolidated Statements of Shareholders' Equity, which has been adjusted retroactively to reflect the legal capital of Orca.

The acquisition date fair value of the deemed equity consideration paid by Shark was determined by reference to the fair value of the net assets acquired and was allocated, net of transaction costs of $444,800 incurred by Shark, as follows:

	As at April 4, 2013 (in thousands)		
Common shares	59,763	(445)	59,319
Options	1,037	-	1,037
	60,800	(445)	60,355

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 loss of $3.5 million and $17.7 million for the three and nine months ended September 30, 2013 respectively (2012: $2.3 million and $5.6 million). Exploration and administration expenses account for 103% and 76% of the losses for the three and nine months ended September 30, 2013 respectively. The loss for the nine months ended September 30, 2013 also includes a $3.9 million write-down of the acquisition costs of three exploration permits and a listing expense of $0.8 million reflecting the fair value of the listing acquired on April 4, 2013, for a total of $4.7 million. Both of these costs are non-cash costs.

Exploration costs are the most significant expenditure of the Company. Drilling and other technical geological costs such as assays accounted for approximately half of the exploration costs with technical staff in support of all of aspects of exploration activities being the second largest costs. In addition, costs related to logistics and infrastructure are high due to the remoteness of the properties.

Excluding stock-based compensation, administration costs were $0.7 million and $1.4 million for the three and nine months ended September 30, 2013 (2012: $39,000 and $131,000). There was a step change in administrative costs starting in Q2 2013. In 2012 and Q1 2013, these costs were lower as they reflected the support costs of Shark, a privately held company in its formative stages at the time; in 2013, following completion of the Transaction on April 4, 2013, administration costs reflect the necessary complement of ongoing head office expenses of a public company.

Stock-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period. Options were granted in Q2 2013 and will vest over two years. The calculation of the fair value of options is based to a large degree on the Company's share price and its volatility. 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. 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.

Interest income of $0.2 million and $0.3 million (2012: $3,000 and $17,000) 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 in the first half of the year.

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

The Company also reported foreign exchange translation gains of $0.2 million and $0.2 million for the three and nine months ended September 30, 2013 respectively (2012: gain of $4,000 and loss of $76,000) on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. This is principally the result of the strengthening of the Euro against the Canadian dollar.

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

Three Months Ended	**Sept-13**	**Jun-13**	**Mar-13**	**Dec-12**	**Sep-12**	**Jun-12**	**Mar-12**	**Dec-11**
Exploration costs ($000's)	2,487	4,557	2,975	3,040	2,180	1,913	1,336	714
Total loss ($000’s)	3,501	7,230	6,998	3,146	2,308	1,956	1,350	822
Net loss attributed to the Company’s shareholders ($000’s)	2,435	4,746	5,436	2,119	1,670	1,430	1,175	822
Net loss per share attributed to the Company’s shareholders, basic and diluted ($)	0.02	0.05	0.14	0.06	0.05	0.05	0.06	1.60

Note: the Company was incorporated on October 21, 2011.

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 increasing its level of exploration in Sudan as a result of acquiring new properties directly or through option and advancing the evaluation of some of its properties to the drilling phase. Exploration costs in Q3 2013 tapered off compared to Q2 2013 as the Company’s principal focus shifted to assaying drill samples and interpreting results from a drilling campaign on Block 14 that had concluded near the end of Q2 2013.

The loss in Q1 2013 also reflects the write-down of the acquisition costs of two properties relative to which Orca decided to cease further exploration on the basis of its continuous assessment of technical results and reprioritization of its mineral projects. The loss in Q2 2013 also includes stock-based compensation, the listing expense acquired on April 4, 2013, and increased administration costs. The higher administrative costs reflect the additional support and costs required as the result of the Company becoming a public company trading on the TSX-V following the Transactions described at the beginning of this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2013, the Company had cash and cash equivalents of $51 million and working capital of $50 million as compared to cash of $5.4 million and working capital of $4.4 million at December 31, 2012. The Transaction summarized in the previous section of the MD&A resulted in a $60 million increase in the Company’s cash position in Q2 2013. Other than for general corporate and administrative costs, the majority of funds spent by Orca are directed towards exploration in Sudan.

Orca's interest on its most advanced property, Block 14, 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 (paid)	35.0%
September 30, 2013	USD $3.0 million (paid)	52.5%
September 30, 2014	USD $3.0 million	70.0%

The agreement stipulates that SMCL would forfeit its then current interest if it does not make the required final payment by the due date. Under the agreement, SMCL has agreed to fund all exploration, development and construction costs to commercial production. The very encouraging results from exploration on Block 14, including the drilling of the GSS prospect supported Orca's decision to make the second payment and proceed with a further program to define a maiden resource at GSS.

At the time of the acquisition of the original 35% interest in MSMCL, management determined that SMCL had the ability to affect the activities of and variable returns from MSMCL although SMCL held less than 35%. Accordingly, the financial statements of MSMCL were consolidated in the accounts of the Company, resulting in a 65% non-controlling interests in MSMCL. In Q3 2013, when SMCL acquired an additional 17.5% interest in MSMCL, in accordance with the applicable guidance under IFRS, Orca adjusted the carrying amounts of the controlling and non-controlling interests disclosed in its shareholders' equity to reflect the new relative ownership interests in MSMCL by SMCL and Meyas Nub. Orca also recognized directly in equity the difference between the amount by which the non-controlling interest was adjusted and the fair value of the consideration paid (i.e. USD $3.0 million).

Based on the Company's financial position at September 30, 2013, 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 nine months ended September 30, 2013, were Hugh Stuart Exploration Consulting Ltd. ("HSEC"), Sirocco Mining Inc. ("Sirocco"), Sirocco Gold CDI SARL ("SCDI"), and SinoTech (Hong Kong) Corporate Limited ("SinoTech"). Other than SinoTech, these companies are related by way of directors, officers and shareholders in common. SinoTech is related by virtue of its greater than 10% shareholding in the Company. Related party transactions are recorded at the exchange amounts.

Transactions with SCDI relate to expenses that are initially paid by SCDI and subsequently charged to Orca for reimbursement in the normal course of business.

a) Services received from related parties

		Three months ended September 30,		**Nine months ended September 30,**	
	Related party	**2013**	**2012**	**2013**	**2012**
Geological consulting	SinoTech	24,201	-	32,000	-
Geological consulting	HSEC	123,379	127,413	360,093	333,575
Management fees	HSEC	-	12,591	40,352	37,883
Support and administration	Sirocco	141,000	-	277,300	-
Support and administration	SinoTech	14,000	-	14,000	-
Total related parties costs		**302,580**	**140,004**	**723,745**	**371,458**

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:

	Related party	September 30, 2013	December 31, 2012
Accounts payable and accrued liabilities	SCDI	(97,879)	-
Accounts payable and accrued liabilities	Sirocco	(4,675)	(43,143)
Accounts payable and accrued liabilities	HSEC	(159,904)	(135,438)
Accounts payable and accrued liabilities	SinoTech	(33,054)	-
Receivables and other assets	Sirocco	15,750	-
Receivables and other assets	HSEC	49,917	48,534

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 includes the Company's executive officers and vice-presidents.

The remuneration of key management personnel were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Salaries and management fees	122,949	-	239,911	-
Short term benefits	2,907	-	5,436	-
Stock-based compensation	198,406	-	925,895	-
Total key management compensation	**324,262**	**-**	**1,171,242**	**-**

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.

Areas of judgement and estimates that have the most significant effect on the amounts recognized in the financial statements are:

Reverse takeover accounting

The Company has accounted for the Transaction as a reverse takeover. Significant judgment and estimates were required to determine that the application of this accounting treatment was appropriate for the Transaction. These included, among others, the determination that Shark acquired effective control of Canaco, the basis for the calculation of the fair value of the consideration transferred and the estimate of the fair value of the listing expense.

Valuation of mineral properties

The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. The Company undertakes periodic reviews of the carrying values of mineral properties and whenever events or changes in circumstances indicate that their carrying values may exceed their fair value. In undertaking these reviews, management of the Company is required to make significant estimates. These estimates are subject to various risks and uncertainties, which may ultimately have an effect on the expected recoverability of the carrying values of the mineral properties and related expenditures.

Stock-based compensation

The fair value of stock options is determined using the Black-Scholes option pricing model and are expensed over their vesting periods. In estimating fair value, management of the Company is required to make certain assumptions and estimates regarding the life of the options, volatility and forfeitures rates. Changes in the assumptions used could result in materially different results.

Income taxes

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases ("temporary differences"), and losses carried forward.
The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax payable requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is "probable" that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilizing the losses.

Decommissioning and site restoration

The future obligations for site closure activities are estimated by the Company based on the laws and regulations of the countries in which it operates, with due consideration to the fact that the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies. As the estimate of obligations is based on future expectations, a number of assumptions and judgments are made by management in the determination of closure provisions. The decommissioning and site restoration provisions are more uncertain the further into the future the site closure activities are to be carried out. In light of the early stage of its exploration activities, the Company has determined that its closure costs as at September 30, 2013 would not be material.

SIGNIFICANT ACCOUNTING POLICIES

Other than the adoption of the new or revised standards as described under the caption "Corporate transactions" and as noted below, Orca continues to follow the accounting policies described in Note 5 of the December 31, 2012 audited consolidated financial statements of Shark that were filed on Sedar on April 30, 2013. The Company has determined that the adoption of the following standards has not resulted in a material impact on the Company's consolidated financial statements:

IFRS 13, Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures.

IFRIC 20 – Stripping in the Production Phase of a Producing Mine

IFRIC 20 sets out the accounting for overburden waste removal (stripping) costs in the production phase of a producing mine. Stripping activity may produce two types of benefit: inventory produced and improved access to ore. Stripping costs associated with the latter are accounted for as an addition to or enhancement of an existing asset. The former is accounted for as a current production cost in accordance with IAS 2, *Inventories*.

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IFRS 7, Financial Instruments: Disclosures, IAS 1, Presentation of Financial Statements, IAS 12, Income Taxes, and IAS 28, Investments in Associates and Joint Ventures. IFRS 7 requires additional disclosures in relation to the transfer of financial assets, including those in with which there is continuing involvement. IAS 1 requires changes to the grouping of items in the consolidated statement of comprehensive loss. Amendments to IAS 12 provide guidelines for determining the recovery of investment properties as it relates to the accounting for deferred income taxes. IAS 28 has been amended to include joint ventures in its scope and to address the changes to IFRS 10 – 12

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated balance sheets for cash and cash equivalents, accounts receivable, 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

Ghazal, 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 in the three foreign currencies outlined below, a 10% variation in the exchange rate between these currencies and the European Euro, Ghazal, SMCL, and MSMCL's functional currency, would have resulted in the following change in costs:

		In thousands of dollars
	Percentage of total costs	**Change in costs resulting from a 10% variation in exchange rates**
Sudanese pound	32%	302
US dollar	37%	351
British pound	14%	132

As at September 30, 2013, Ghazal, SMCL, and MSMCL's only material foreign currency risk exposure is a US dollar net financial liability of an amount equivalent to approximately $321,000 Canadian dollars. A 10% change in the foreign exchange rate between the US dollar and the European Euro would give rise to increases/decreases of approximately $32,000 Canadian dollars in financial position/comprehensive loss.

ii) Canadian head office operations

At September 30, 2013, the Company's Canadian head office also held cash in foreign currencies and had net foreign currency financial assets. 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
	Foreign currency cash held (in source currency)	**Net financial asset position**	**Change in net financial position from a 10% variation in exchange rates**
US dollar	166	170	17
European euro	366	489	49
British pounds	5	44	4

Credit risk

At September 30, 2013, the majority of the Company's cash was held through Canadian and Swiss financial 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.

Payments due on contractual obligations for the next five years are outlined in the table below.

(Amounts in thousands of dollars)	**Total**	**< 1 year**	**1 – 3 years**	**3- 5 years**	**> 5 years**
Accounts payable	1,764	1,764	-	-	-
Total	1,764	1,764	-	-	-

OUTSTANDING SHARE DATA

As at November 26, 2013, the Company had 107,405,754 common shares outstanding and 6,536,668 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. The more significant risks include:

Exploration and Development Risks: The successful exploration and development of mineral properties is speculative and subject to a number of uncertainties which even a combination of careful evaluation, experience and knowledge may not eliminate. There is no certainty that the expenditures to be made by the Company in the exploration and development of its mineral properties or properties in which it has an interest will result in the discovery of commercially mineable deposits. Major expenses may be required to establish resources and reserves by drilling and to construct mining and processing facilities at a site. The Company's operations are subject to all of the hazards and risks normally incident to mineral exploration, mine development and operation, any of which could result in damage to life or property, environmental damage and possible legal liability for any or all damage.

Estimation of Mineralization, Resources and Reserves: There is a degree of uncertainty attributable to the calculation of mineralization, resources and reserves and corresponding grades being mined or dedicated to future production. Until reserves or mineralization are actually mined and processed, the quantity of mineralization and reserve grades must be considered estimates only. In addition, the quantity of reserves and mineralization may vary depending on commodity prices. Any material change in quantity of reserves, mineralization, grade or stripping ratio may affect the economic viability of a mine. In addition, there can be no assurance that recoveries from laboratory tests will be duplicated in tests under on-site conditions or during production.

Financial Markets: The Company must utilize external financing sources to finance its growth and sustain capital requirements. In time, the Company may be required to raise significant additional capital through the capital markets and/or incur significant borrowings to meet its capital requirements. There is no assurance that the Company will be successful in obtaining additional financing, if available, on a timely basis, in the amount required or on favorable terms.

Foreign Investments and Operations: The Company conducts its exploration and development activities in Sudan. The economy and political systems of Sudan, as with other countries in North and East Africa and many other mining jurisdictions, are subject to the risks normally associated with the conduct of business in these foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Resulting Issuer's profitability or the viability of its affected foreign operations. Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties to honour contractual relations, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold exports, instability due to economic under-development, inadequate infrastructure and increased financing costs. These risks could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial position.

Regulatory Risks: The Company's operations may be affected by other government regulations, in addition to the mining regime, with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, claims of artisanal miners, water use and safety regulations. Changes in these regulations due to a change in government, a change in the policies of the existing government, a change in political attitude or a change in the international policies may adversely affect the Company's business and its ability to conduct operations. The effect of these factors cannot be predicted.

Title Risk: The mining regulatory regime in Sudan is defined almost entirely by concession contracts with the government and the Company holds its mining interests through concession agreements with the government. In addition, any mining property may be subject to prior agreements, transfers, claims, including claims by artisanal miners currently working on the properties, and title may be affected such undetected defects. Although the Company has taken reasonable measures to ensure proper title to the properties in which it has an interest, no assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining authorizations nor that such exploration and mining authorizations will not be challenged or impugned by third parties.

Environmental: The Company seeks to operate within environmental protection standards that meet or exceed existing requirements in the countries in which the Company operates. Present or future laws and regulations, however, may affect the Company's operations. Future environmental costs may increase due to changing requirements or costs associated with exploration and the developing, operating and closing of mines. Programs may also be delayed or prohibited in some areas.

Competition: There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition and development of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Mineral Prices: Factors beyond the control of the Company such as inflation, foreign currency fluctuation, interest rates, supply and demand and industrial disruption may have an adverse impact on operating costs, commodity prices and stock market prices and may impact the Company's ability to fund its activities. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market will continue to exist for the sale of products from that ore as mineral prices have fluctuated widely, particularly in recent years.

No Operating History: Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from the Company's estimates. There can be no assurance that the underlying assumed levels of expenses for any activity or project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated.

Uninsured Risks: The mining business is subject to a number of risks and hazards including environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God. Such risks could result in damage to, or destruction of, mineral properties or facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. The Company may maintain insurance against certain risks associated with its business in amounts that it believes to be reasonable. Such insurance, however, would contain exclusions and limitations on coverage. There can be no assurance that such insurance would be available, would be available at economically acceptable premiums or would be adequate to cover any resulting claim.

Conflicts of Interest: Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Resulting Issuer with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

OUTLOOK

Orca is a Canadian resource company focused on exploration opportunities in Africa. As a result of the completion of the Transaction in Q2 2013, the Company now has an experienced board of directors and management team, a strong balance sheet which includes $51 million in cash and an early stage, prospective gold discovery in Sudan. Management and board are mindful of the subdued equity market conditions for junior exploration companies and the importance of properly managing the treasury. Future exploration programs will continue to be guided by results and prospectivity.

Based on the results of a comprehensive analysis of the initial exploration programs at GSS on Block 14, including an assessment of the future potential of GSS, Orca is now proceeding with a $7 million exploration program aimed at delineating an NI 43-101 compliant initial resource at GSS by the end of the first quarter of 2014. This $7 million program will include:

- ~18,000 metres of infill drilling at GSS;
- an additional 10,000 metres of drilling targeted at areas outside the contemplated initial resource area;
- metallurgical testwork on composite samples from GSS;
- baseline environmental work;
- initial hydrological studies; and
- scoping level engineering for indicative operating and capital costs.

In addition, the Company actively pursues 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 nine months ended September 30, 2013 and 2012

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

	September 30, 2013	December 31, 2012
ASSETS		
Current assets		
Cash	$ 51,406,480	$ 5,412,998
Receivables and other assets (Note 5)	480,015	208,331
Deferred transaction costs	-	273,544
	51,886,495	5,894,873
Equipment (Note 6)	1,400,285	1,287,472
Mineral properties (Note 7)	3,930,843	7,603,538
	$ 57,217,623	$ 14,785,883
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,763,686	$ 1,508,315
	1,763,686	1,508,315
EQUITY		
Equity attributed to common shareholders		
Share capital (Note 8)	82,739,268	22,869,280
Contributed surplus	2,897,284	-
Accumulated other comprehensive income (loss)	490,095	(11,339)
Deficit	(24,809,676)	(7,216,102)
	61,316,971	15,641,839
Non-controlling interest (Note 14)	(5,863,034)	(2,364,271)
	55,453,937	13,277,568
	$ 57,217,623	$ 14,785,883

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)

	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
Administration costs (Note 10)	$ 1,093,763	$ 38,729	$ 3,367,578	$ 131,453
Exploration and project investigation costs (Note 11)	2,487,931	2,180,493	10,019,757	5,429,453
Write-off of mineral properties (Note 7)	13,476	-	3,865,513	-
Write-off of equipment (Note 6)	32,128		32,128	-
Listing expense (Note 2)	-	-	800,000	-
Foreign exchange loss (gain)	96,035	92,020	(15,376)	69,813
Interest income	(206,840)	(2,844)	(325,079)	(16,508)
Other income	(15,000)	-	(15,000)	-
Net loss for the period	$ 3,501,493	$ 2,308,398	$ 17,729,521	$ 5,614,211
Net loss for the period attributed to:				
Common shareholders of the Company	2,434,888	1,670,224	12,617,230	4,275,552
Non-controlling interest (Note 14)	1,066,605	638,174	5,112,291	1,338,659
	$ 3,501,493	$ 2,308,398	$ 17,729,521	$ 5,614,211
Net loss for the period	$ 3,501,493	$ 2,308,398	$ 17,729,521	$ 5,614,211
Loss (gain) on translation to presentation currency	(192,696)	(3,969)	(239,715)	75,849
Comprehensive loss for the period	$ 3,308,797	$ 2,304,429	$ 17,489,806	$ 5,690,060
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	$ 1,893,252	$ 1,675,937	$ 11,990,894	$ 4,357,187
Non-controlling interest (Note 14)	1,415,545	628,492	5,498,912	1,332,873
	$ 3,308,797	$ 2,304,429	$ 17,489,806	$ 5,690,060
Basic and diluted loss per common share (Note 8)	$ 0.02	$ 0.05	$ 0.15	$ 0.15
Basic and diluted weighted average number of shares outstanding	107,405,790	31,065,262	84,121,077	27,643,976

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)

	Nine months ended September 30, 2013	2012
Cash flows from (for) operating activities		
Net loss for the period	$ (17,729,521)	$ (5,614,211)
Add non-cash items		
Depreciation of equipment (Note 6)	281,679	164,635
Write-off of mineral properties (Note 7)	3,865,513	-
Write-off of equipment (Note 6)	32,128	-
Stock-based compensation expense	2,243,145	100,000
Listing expense (Note 2)	800,000	-
	(10,507,056)	(5,349,576)
Changes in non-cash working capital items		
Receivables and other assets	(39,808)	(97,209)
Related party payables	-	(52,889)
Accounts payable and accrued liabilities	(453,325)	177,583
	(11,000,189)	(5,322,091)
Cash flows from (for) financing activities		
Common shares issued, net	-	12,065,518
Proceeds from exercise of stock options	168,927	-
Short-term advances from related party	-	612,146
Repayment of short-term advances to related party	-	(820,699)
	168,927	11,856,965
Cash flows for investing activities		
Cash acquired in Canaco's acquisition (Note 2)	60,622,084	-
Payment to increase interest in MSMCL (Note 14)	(3,101,097)	-
Transaction costs paid on acquisition of Canaco (Note 2)	(387,160)	-
Net cash used in acquisition of Ghazal	-	(538,721)
Acquisition of option to earn interest in exploration license	-	(3,708,772)
Purchase of equipment	(346,821)	(730,754)
	56,787,006	(4,978,247)
Foreign exchange on cash	37,738	(43,478)
Increase in cash	45,993,482	1,513,149
Cash, beginning of period	5,412,998	109,685
Cash, end of period	$ 51,406,480	$ 1,622,834

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 (Note 8)	Equity Attributed to Common Shareholders						
		Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total	Non-controlling Interest	Total
Balance January 1, 2013	39,528,245	22,869,280	-	(11,339)	(7,216,102)	15,641,839	(2,364,271)	13,277,568
Existing shares of Orca (Note 2)	67,305,879	59,318,661	1,036,539	-	-	60,355,200	-	60,355,200
Exercise of stock options (Note 9)	571,666	551,327	(382,400)	-	-	168,927	-	168,927
Stock-based compensation expense	-	-	2,243,145	-	-	2,243,145	-	2,243,145
Increase in proportionate shareholding in MSMCL (Note 14)	-	-	-	(124,902)	(4,976,344)	(5,101,246)	2,000,149	(3,101,097)
Net loss for the period	-	-	-	-	(12,617,230)	(12,617,230)	(5,112,291)	(17,729,521)
Gain (loss) on translation to presentation currency	-	-	-	626,336	-	626,336	(386,621)	239,715
Balance September 30, 2013	**107,405,790**	**$ 82,739,268**	**$ 2,897,284**	**$ 490,095**	**$ (24,809,676)**	**$ 61,316,971**	**$ (5,863,034)**	**$ 55,453,937**

Balance January 1, 2012	2,047,694	225	-	34,421	(821,623)	(786,977)	-	(786,977)
Proceeds from private placements	22,012,441	12,065,518	-	-	-	12,065,518	-	12,065,518
Acquisition of Ghazal	6,834,750	3,750,000	-	-	-	3,750,000	-	3,750,000
Incorporation of MSMCL Company	-	-	-	-	-	-	10,793	10,793
Stock-based compensation expense	182,261	100,000				100,000		100,000
Net loss for the period	-	-	-	-	(4,275,552)	(4,275,552)	(1,338,659)	(5,614,211)
Gain (loss) on translation to presentation currency	-	-	-	(81,635)	-	(81,635)	5,786	(75,849)
Balance September 30, 2012	**31,077,146**	**$15,915,743**	**$ -**	**$ (47,214)**	**$ (5,097,175)**	**$ 10,771,354**	**$ (1,322,080)**	**$ 9,449,274**

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

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 a development-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 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. On April 4, 2013, following completion of the transactions described in Note 2 below, the Company changed its name from Canaco Resources Inc. ("Canaco") to Orca and on April 9, 2013 it commenced trading on the TSX-V under the new ticker symbol "ORG.V".

The Company's significant subsidiaries are Ghazal Minerals Company Limited ("Ghazal"), Sand Metals Company Limited ("SMCL"), and Meyas Sand Minerals Company Limited ("MSMCL"), which are located and operate in the Republic of Sudan.

2. CORPORATE TRANSACTIONS AND NET ASSET ACQUISITION

On April 4, 2013, the Company closed the following transactions:

- a spinout transaction by way of a plan of arrangement (the "Spinout"). The legal form of the Spinout provided that the Company:

    a) transfer materially all of its assets and liabilities, including its Tanzanian exploration properties and related activities, to East Africa Metals Inc. ("EAM"), a newly formed wholly-owned subsidiary, except for cash and short-term investments of $60,000,000 and sufficient funds to pay certain liabilities outstanding as at April 4, 2013; and

    b) distribute all of the shares of EAM to its shareholders immediately prior to giving effect to the Acquisition;

- a share purchase agreement with Shark Minerals Inc. ("Shark") and the shareholders of Shark dated December 14, 2012 (the "Acquisition"). Under the Acquisition, the Company acquired all of the outstanding common shares of Shark, a tightly controlled private company with active exploration projects in Sudan, in exchange for the issuance of 118,584,735 of its common shares; and

- a share consolidation on the basis of one (1) new share for three (3) existing shares (the "Consolidation") resulting in issued capital of 106,834,124 common shares. As of closing of the Acquisition and Consolidation, the Company became 63% owned by its former shareholders and 37% owned by former Shark shareholders and changed its name to Orca.

As part of these transactions, the Company changed its board and senior management and the focus of its exploration activities.

Under applicable International Financial Reporting Standards ("IFRS"), the substance of the Acquisition is a reverse takeover of a non-operating company whereby Shark, the legal subsidiary, has been determined to have acquired effective control of Orca on acquisition date and to be the acquirer for accounting purposes. The transaction does not constitute a business combination as Orca prior to the Acquisition did not meet the definition of a business under IFRS. Accordingly, the Acquisition has been accounted for as an acquisition by Shark of Orca's remaining net assets following the Spinout.

In accordance with the principles of reverse takeover accounting, the Company will report the operations of Shark and its related historical comparatives as its continuing business, except for the legal capital shown in the Condensed Interim Consolidated Statements of Shareholders' Equity and in Notes 8 and 9 below, which have been adjusted retroactively to reflect the legal capital of Orca.

The acquisition consideration deemed to have been transferred by Shark, the legal subsidiary, is in the form of equity instruments issued by Orca, the legal parent company. The acquisition date fair value of the deemed consideration was determined by reference to the fair value of the net assets acquired which are listed in the table below.

(in thousands of dollars)	As at April 4, 2013
Cash and short-term deposits	60,622
Accounts receivable	222
Listing expense *(Note)*	800
Accounts payable and accruals	(844)
Total net assets acquired	60,800

Note: Under IFRS, the Company was required to estimate the fair value of the listing expense obtained as part of the Acquisition and then expense it in the same period.

The fair value of the consideration was allocated to the deemed equity instruments, net of transaction costs of $444,800 incurred by Shark, as follows:

	As at April 4, 2013 (in thousands of dollars)		
Common shares	59,763	(445)	59,319
Options (see Note 9(b))	1,037	-	1,037
	60,800	(445)	60,355

3. 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, 2012. Other than for the adoption of the accounting policies disclosed in Note 2 above and Note 4 below, the Company has consistently applied the same accounting policies disclosed in Note 5 to the audited financial statements for the year ended December 31, 2012.

These condensed interim consolidated financial statements were approved for issue by Orca's board of directors on November 26, 2013.

4. ADOPTION OF NEW ACCOUNTING POLICIES

The Company has adopted the following standards, each of which are effective for annual periods beginning on or after January 1, 2013: IFRS 13, *Fair Value Measurement;* IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine;* and amended IFRS 7, *Financial Instruments: Disclosure;* IAS 1, *Presentation of Financial Statements;* and IAS 12, *Income Taxes.*

The Company has determined that the adoption of these standards has not resulted in a material impact on its consolidated financial statements. The following is a brief summary of these new standards:

IFRS 13 - Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under previous IFRS, guidance on measuring and disclosing fair value was dispersed among the specific standards requiring fair value measurements and in many cases did not reflect a clear measurement basis or consistent disclosures.

IFRIC 20 - Stripping in the Production Phase of a Producing Mine

IFRIC 20 sets out the accounting for overburden waste removal (stripping) costs in the production phase of a producing mine. Stripping activity may produce two types of benefit: inventory produced and improved access to ore. Stripping costs associated with the latter are accounted for as an addition to or enhancement of an existing asset. The former is accounted for as a current production cost in accordance with IAS 2, *Inventories*.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

Amendments to Other Standards

In addition, there have been amendments to existing standards, including IFRS 7, Financial Instruments: Disclosures, IAS 1, Presentation of Financial Statements, IAS 12, Income Taxes, and IAS 28, Investments in Associates and Joint Ventures. IFRS 7 requires additional disclosures in relation to the transfer of financial assets, including those in with which there is continuing involvement. IAS 1 requires changes to the grouping of items in the consolidated statement of comprehensive loss. Amendments to IAS 12 provide guidelines for determining the recovery of investment properties as it relates to the accounting for deferred income taxes.

5. RECEIVABLES AND OTHER ASSETS

	September 30, 2013	December 31, 2012
Deposits for capital expenditures	-	16,938
Prepaid expenses	289,315	44,453
Other receivables	190,700	146,940
Total receivables and other assets	**480,015**	**208,331**

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

6. EQUIPMENT

Cost	Computer Equipment	Office Furniture and Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2012	**2,369**	**10,385**	**-**	**8,757**	**21,511**
Additions	131,165	18,411	460,953	349,507	960,036
Assets acquired from Ghazal	20,487	16,234	256,665	225,626	519,012
Reclassifications	(926)	-	-	926	-
Effects of foreign exchange on translation to presentation currency	5,566	394	10,817	8,287	25,064
As at December 31, 2012	**158,661**	**45,424**	**728,435**	**593,103**	**1,525,623**
Additions	52,705	13,836	85,119	195,161	346,821
Reclassifications	13,409	-	(13,409)	-	-
Write-off of equipment	-	-	-	(75,400)	(75,400)
Effects of foreign exchange on translation to presentation currency	9,337	3,233	46,518	40,207	99,295
As at September 30, 2013	**234,112**	**62,493**	**846,663**	**753,071**	**1,896,339**
Accumulated depreciation					
As at January 1, 2012	**(178)**	**(260)**	**-**	**(547)**	**(985)**
Depreciation for the year	(30,060)	(4,388)	(84,154)	(111,046)	(229,648)
Effects of foreign exchange on translation to presentation currency	(3,375)	(89)	(1,750)	(2,304)	(7,518)
As at December 31, 2012	**(33,613)**	**(4,737)**	**(85,904)**	**(113,897)**	**(238,151)**
Depreciation for the period	(49,082)	(6,209)	(88,744)	(137,645)	(281,680)
Write-off of equipment	-	-	-	43,272	43,272
Effects of foreign exchange on translation to presentation currency	(753)	(495)	(8,175)	(10,072)	(19,495)
As at September 30, 2013	**(83,448)**	**(11,441)**	**(182,823)**	**(218,342)**	**(496,054)**
Net book amount					
As at December 31, 2012	**125,048**	**40,687**	**642,531**	**479,206**	**1,287,472**
As at September 30, 2013	**150,664**	**51,052**	**663,840**	**534,729**	**1,400,285**

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

7. MINERAL PROPERTIES

	Sudan		
Cost	**Northern Blocks**	**South-eastern Blocks**	**Total**
As at January 1, 2012	**26,406**	**-**	**26,406**
Mineral properties acquired in the acquisition of Ghazal	-	3,852,037	3,852,037
Acquisition of option to earn interest in exploration license (Note 14)	3,725,266	-	3,725,266
Effects of foreign exchange on translation to presentation currency	(171)	-	(171)
As at December 31, 2012	**3,751,501**	**3,852,037**	**7,603,538**
Write-off of mineral properties	(13,476)	(3,852,037)	(3,865,513)
Effects of foreign exchange on translation to presentation currency	192,818	-	192,818
As at September 30, 2013	**3,930,843**	**-**	**3,930,843**

On the basis of the Company's continuous assessment of technical results and reprioritization of its mineral projects, the Company ceased further exploration activities on its two South-eastern Blocks and one of its three Northern Blocks, and relinquished the related exploration licenses. The South-eastern mineral properties were acquired in the acquisition of Ghazal in February, 2012.

As a result, the carrying values of the South-eastern Blocks and one of its three Northern Blocks were written off to $nil in the statements of loss and comprehensive loss at March 31, 2013, and September 30, 2013, respectively.

8. SHARE CAPITAL

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

As a result of the Acquisition on April 4, 2013 (see Note 2), the number of issued and outstanding shares in the Condensed Interim Consolidated Statements of Shareholders' Equity reflects the legal capital of Orca. This change has been applied retroactively by restating Shark's issued and outstanding shares using the share exchange ratio of 2.7339 established in the Acquisition.

In addition, all share and stock option information presented in these financial statements has been adjusted retroactively to reflect the three for one reverse share split that resulted from the Consolidation on April 4, 2013 (see Note 2).

All comparative period information has been adjusted to reflect the Acquisition, and basic and diluted loss per common share has also been adjusted for the Consolidation.

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 agreement are at the discretion of the Board of Directors. Options granted after the Acquisition on April 4, 2013 have a three year life and vest in three even tranches. The first third vests immediately on the date of the grant, and the second and third tranches vest on the first and second anniversary dates of the grant, respectively.

The total stock-based compensation for the period ended September 30, 2013 was $2,243,000 (2012: $100,000). Stock-based compensation of $1,950,000 (2012 - $nil) has been allocated to Administration Expenses and $293,000 (2012 - $100,000) to Exploration Expenses for employees directly involved in exploration activities.

The unrecognized compensation cost for non-vested share options at September 30, 2013 was $1,609,000 (December 31, 2012: $nil).

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$
Options recognized on Acquisition, post Consolidation	4,815	$7.08
Granted	5,850	$0.90
Exercised	(572)	$0.30
Expired	(3,490)	$7.86
Forfeited	(66)	$0.90
Outstanding at September 30, 2013	6,537	$1.79
Exercisable at September 30, 2013	2,703	$3.06

During the period ended September 30, 2013, 5,850,000 options were granted at an exercise price of CDN $0.90 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 options granted during the periods ended September 30, 2013 are as follows:

(i)	Average risk-free interest rate:	1.01%
(ii)	Expected life:	3 years
(iii)	Expected volatility:	134.77%
(iv)	Expected dividends:	nil
(v)	Weighted average fair value per option:	$0.67

As a result of the Acquisition and the treatment of Shark as the accounting acquirer (see note 2 above), the fair value of Orca's issued and outstanding options at April 4, 2013 was also recalculated based on the following assumptions:

(i)	Average risk-free interest rate:	1.01%
(ii)	Expected life:	0.7 years
(iii)	Expected volatility:	142.91%
(iv)	Expected dividends:	nil
(v)	Weighted average fair value per option:	$0.22

The weighted average share price at the time of stock option exercises during the period ended September 30, 2013 was CDN $0.60.

The following summarizes information about the stock options outstanding and exercisable at September 30, 2013:

	Outstanding options			Exercisable options		
Exercise prices (CDN$)	Number of options outstanding (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN$)	Number of options exercisable (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN$)
$0.90	5,783	2.56	$0.90	1,950	2.56	$0.90
$1.20 – $1.50	337	3.71	$1.22	337	3.71	$1.22
$14.52 – $14.64	417	2.18	$14.64	416	2.18	$14.64
	6,537	2.59	$1.79	2,703	2.64	$3.06

10. ADMINISTRATION COSTS

	Three months ended September 30,		**Nine months ended September 30,**	
	2013	**2012**	**2013**	**2012**
Office and administration	130,994	9,067	212,264	55,650
Management and consulting fees	234,070	29,252	515,268	75,393
Salaries and benefits	173,537	-	310,100	-
Stock based compensation expense	417,921	-	1,950,301	-
Travel and promotion	101,881	-	251,201	-
Professional fees	35,360	410	128,444	410
Total administration costs	**1,093,763**	**38,729**	**3,367,578**	**131,453**

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

11. EXPLORATION AND PROJECT INVESTIGATION COSTS

Three months ended September 30,		Sudan Northern Blocks	Sudan South-eastern Blocks	Other	Total
2013	Drilling	384,741	-	-	384,741
	Salaries and benefits	834,141	-	90,211	924,352
	Stock-based compensation expense	50,797	-	5,638	56,435
	Sampling, satellite and geological costs	315,552	-	23,366	338,918
	Field operation and consumables	212,982	-	8,200	221,182
	Exploration support and administration	135,109	-	14,282	149,391
	Travel and accommodation	98,401	-	4,004	102,405
	Geological consulting	96,253	-	34,126	130,379
	Permitting and licensing fees	69,256	-	11,921	81,177
	Depreciation	76,733	-	22,218	98,951
	Total exploration and project investigation costs	**2,273,965**	**-**	**213,966**	**2,487,931**
2012	Drilling	-	334,368	-	334,368
	Salaries and benefits	234,513	213,419	-	447,932
	Stock-based compensation expense	52,500	47,500	-	100,000
	Sampling, satellite and geological costs	389,528	261,962	-	651,490
	Field operation and consumables	51,522	94,637	-	146,159
	Exploration support and administration	117,262	35,107	-	152,369
	Travel and accommodation	61,183	37,327	-	98,510
	Geological consulting	79,727	47,686	-	127,413
	Permitting and licensing fees	46,365	1,943	-	48,308
	Depreciation	37,070	36,874	-	73,944
	Total exploration and project investigation costs	**1,069,670**	**1,110,823**	**-**	**2,180,493**

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

Nine months ended September 30,		Sudan Northern Blocks	Sudan South-eastern Blocks	Other	Total
2013	Drilling	3,917,671	124	-	3,917,795
	Salaries and benefits	1,812,724	125,067	154,701	2,092,492
	Stock based compensation	263,586	-	29,258	292,844
	Sampling, satellite and geological costs	831,469	92,302	48,354	972,125
	Field operation and consumables	929,790	28,123	27,132	985,045
	Exploration support and administration	479,390	25,787	40,971	546,148
	Travel and accommodation	333,359	15,238	16,830	365,427
	Geological consulting	289,386	13,377	75,794	378,557
	Permitting and licensing fees	149,516	21,019	17,110	187,645
	Depreciation	177,232	40,793	63,654	281,679
	Total exploration and project investigation costs	**9,184,123**	**361,830**	**473,804**	**10,019,757**
2012	Drilling	-	424,998	-	424,998
	Salaries and benefits	624,978	655,091	-	1,280,069
	Stock-based compensation expense	52,500	47,500	-	100,000
	Sampling, satellite and geological costs	694,976	919,046	-	1,614,022
	Field operation and consumables	281,999	268,866	-	550,865
	Exploration support and administration	385,906	82,358	-	468,264
	Travel and accommodation	199,881	118,507	-	318,388
	Geological consulting	230,109	103,466	-	333,575
	Permitting and licensing fees	130,547	44,090	-	174,637
	Depreciation	58,741	105,894	-	164,635
	Total exploration and project investigation costs	**2,659,637**	**2,769,816**	**-**	**5,429,453**

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

12. RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and nine months ended September 30, 2013, were Hugh Stuart Exploration Consulting Ltd. ("HSEC"), Sirocco Mining Inc. ("Sirocco"), Sirocco Gold CDI SARL ("SCDI"), and SinoTech (Hong Kong) Corporate Limited ("SinoTech"). Other than SinoTech, these companies are related by way of directors, officers and shareholders in common. SinoTech is related by virtue of its greater than 10% shareholding in the Company. Related party transactions are recorded at the exchange amounts.

Transactions with SCDI relate to expenses that are initially paid by SCDI and subsequently charged to Orca for reimbursement in the normal course of business. The amount shown in Note 12b below represents the accounts payable balance outstanding as at September 30, 2013.

a) Services received from related parties

		Three months ended September 30,		**Nine months ended September 30,**	
	Related party	**2013**	**2012**	**2013**	**2012**
Geological consulting	SinoTech	24,201	-	32,000	-
Geological consulting	HSEC	123,379	127,413	360,093	333,575
Management fees	HSEC	-	12,591	40,352	37,883
Support and administration	Sirocco	141,000	-	277,300	-
Support and administration	SinoTech	14,000	-	14,000	-
Total related parties costs		**302,580**	**140,004**	**723,745**	**371,458**

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:

	Related party	**September 30, 2013**	**December 31, 2012**
Accounts payable and accrued liabilities	SCDI	(97,879)	-
Accounts payable and accrued liabilities	Sirocco	(4,675)	(43,143)
Accounts payable and accrued liabilities	HSEC	(159,904)	(135,438)
Accounts payable and accrued liabilities	SinoTech	(33,054)	-
Receivables and other assets	Sirocco	15,750	-
Receivables and other assets	HSEC	49,917	48,534

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

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 includes the Company's executive officers and vice-presidents.

The remuneration of key management personnel were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	**2012**	**2013**	**2012**
Salaries and management fees	122,949	-	239,911	-
Short term benefits	2,907	-	5,436	-
Stock-based compensation	198,406	-	925,895	-
Total key management compensation	**324,262**	**-**	**1,171,242**	**-**

13. SEGMENT INFORMATION

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

14. NON-CONTROLLING INTEREST

On March 1, 2012, Sand Metals Company Limited ("SMCL"), an indirect wholly owned subsidiary of Shark, closed a transaction whereby it acquired the right and option to a 70% interest in Meyas Sand Minerals Company Ltd. ("MSMCL"), a Sudanese company incorporated to hold an exploration license in the Republic of Sudan. Under the purchase agreement, SMCL agreed to pay the holder of the license 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 (paid)	35.0%
September 30, 2013	USD $3.0 million (paid)	52.5%
September 30, 2014	USD $3.0 million	70.0%

The agreement stipulates that SMCL would forfeit its then current interest if it does not make the required final payment on or prior to September 30, 2014. Under the agreement, SMCL has agreed to fund all exploration, development and construction costs to commercial production.

The first installment payment of USD $3.5 million, and other related transaction costs, have been attributed to the acquisition of the exploration license.

(All amounts expressed in Canadian Dollars, unless otherwise indicated)

At the time of the acquisition of the original 35% interest in MSMCL, management determined that SMCL had the ability to affect the activities of and variable returns from MSMCL although SMCL held less than 50%. Accordingly, the financial statements of MSMCL were consolidated in the accounts of the Company, resulting in a 65% non-controlling interest in MSMCL.

On September 11, 2013, the non-controlling interest in MSMCL decreased from 65% to 47.5% as a result of SMCL paying the second installment of USD $3.0 million. Accordingly, the Company adjusted the carrying amounts of the controlling and non-controlling interests disclosed in its shareholders' equity to reflect the new relative ownership interests in MSMCL. The changes to the non-controlling interest for the nine months ended September 30, 2013, including this adjustment, are as follows:

Balance, January 1, 2013	**2,364,271**
Non-controlling interest's 65% share of MSMCL's comprehensive loss, from January 1, 2013 to September 11, 2013	5,064,856
Balance, before change in non-controlling interest in MSMCL	7,429,127
Change in the non-controlling interest in MSMCL from 65% to 47.5%	(2,000,149)
Non-controlling interest's 47.5% share of MSMCL's comprehensive loss, from September 12, 2013 to September 30, 2013	434,056
Balance, September 30, 2013	**5,863,034**

The impact of the change in the non-controlling interest in MSMCL includes:

- $1,878,153 for the additional portion of the non-controlling interest's cumulative net losses allocated to SMCL;
- $124,902 representing the additional portion of the non-controlling interest's accumulated other comprehensive losses allocated to SMCL; net of,
- the decrease in the non-controlling interest's amount of the share capital of MSMCL.

The Company also recognized directly in deficit the difference between the amount by which the non-controlling interest was adjusted and the fair value of the consideration paid (i.e. USD $3.0 million).

ORCA GOLD INC

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L. Simon Jackson
President/Chief Executive Officer
Alessandro Bitelli
Chief Financial Officer
Hugh Stuart
Vice President - Exploration
Kathy Love
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
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