



**ORCA GOLD INC.**

**FIRST QUARTER REPORT**

**For the Three Months Ended**

**March 31, 2019**

**ORCA GOLD INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE MONTHS ENDED MARCH 31, 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 months ended March 31, 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 May 27, 2019. Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.orcagold.com](http://www.orcagold.com).

Orca is a junior mining company focused on the acquisition, exploration and development of mineral properties in Africa. The Company's main project is in the north of Sudan, where it holds the Block 14 exclusive prospecting license. This property is located close to the Egyptian border, 700 km north of Khartoum and 300 km west of the Red Sea. The nearest significant population centre is the town of Abu Hamad located 200 km due south of the Block 14 prospecting license perimeter. The Company is also advancing exploration in Côte d'Ivoire.

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 license for Block 14 was originally granted to Orca's partner, Meyas Nub Multiactivities Co. Ltd. ("Meyas Nub") under a Concession Agreement dated May 19, 2010. The license is currently held by Meyas Sand Minerals Company Ltd ("MSMCL"). Sand Metals Company Ltd. ("SMCL"), a 100% owned subsidiary of Orca, and Meyas Nub own 70% and 30% of MSMCL respectively. Under the Concession Agreement, the MoM has a right to a 20% free-carried interest in any mining operation developed on Block 14. Under an agreement between SMCL and Meyas Nub, the MoM's 20% interest will come from Meyas Nub's current 30% ownership interest in MSMCL. As provided under the Concession Agreement, in March 2018, the Company successfully extended the final term of the Block 14 exploration license, to November 2018. The Company's Block 14 Exploration Licence expired in November 2018. The Government has confirmed the extension of the exploration permit for a period of 4 years over an area of 1,000 km<sup>2</sup>, surrounding the planned Block 14 Mining Lease (38km<sup>2</sup>). The Company is currently in discussions with the government on permitting the development of Block 14 following the completion of the Feasibility Study.

In addition, 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).

In Côte d'Ivoire, the Company owns the rights to the Morondo, Korokaha North, Bassawa and three exploration licence applications. The Company has advanced its exploration programme, focussed on Morondo and Korokaha North.

The technical contents of this MD&A have been reviewed by Hugh Stuart, CGeol., FGS, a Qualified Person pursuant to NI 43-101. Mr. Stuart holds the position of President and Director 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 Q1 HIGHLIGHTS**

### **Sudan**

Since December 2018 Sudan has seen an increasing level of popular protest to the government of President Omar Al Bashir. The escalating protests finally led to the fall of President Bashir and his government in April 2019. The protest movement is now in serious discussions with a military led transitional council towards the normalization of economic and political institutions in Sudan towards the establishment of a non-military, democratically elected, government. The Company believes that these developments in Sudan are positive for the Country and its future economic prosperity and as well as for the development of a mine Block 14.

Following completion of the Feasibility Study (see press release November 7, 2018) the Company has continued exploration at its Block 14 Gold Project and commenced early engineering works on long lead items.

The Company has made the following progress to advance its project in Sudan:

- The application for a formal Mining Lease covering 38sq km of Block 14 has been made
- An exploration licence extension has been approved over an area of 1000km<sup>2</sup> surrounding the Mining Leases, including the more prospective land area of Block 14
- Funding discussions for the development of the Block 14 Project are advancing
- Commenced the next stage of engineering design for the long lead items; crusher, mills, power generation plant, water pipeline and camp

Exploration in Block 14 has concentrated on trenching, channel sampling and detailed geological mapping in the immediate environs of the Wadi Doum and GSS resources, and the identification of new targets for drilling later in the year.

### **Côte d'Ivoire**

The Company completed its acquisition from Kinross Gold Corporation ("Kinross"), of all of the issued and outstanding common shares of the two wholly-owned Kinross exploration subsidiaries located and operating in Côte d'Ivoire on October 3, 2018. The acquisition was pursuant to a share purchase agreement among Orca, a wholly-owned subsidiary of Orca and two wholly-owned subsidiaries of Kinross (see Company news release on February 1, 2017), which collectively owned and had rights to the Morondo, Korokaha North and Bassawa exploration licences, and three exploration licence applications (collectively, the "Côte d'Ivoire Exploration Assets").

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 first quarter of 2019 exploration in the Morondo permit has comprised a 111 line kilometre gradient array survey over the wider Koné area coupled with a pitting programme to test the extensions to the known mineralisation and build a picture of the underlying geology.

In Korokaha a mechanised auger programme has been used to test various areas of anomalism in the soil geochemistry in the northern part of the permit.

Ongoing exploration at Korokaha North will focus on further defining the Badenou Anomaly and conducting work at Kadona, where a short trenching programme identified 7m at 5.17g/t Au and 28m at 0.56g/t Au.

## Corporate

On February 5, 2019, 5.7 million incentive stock options at \$0.27 per share and 300,000 incentive stock options at \$0.32 per share held by certain officers, directors and other eligible persons were exercised. This resulted in proceeds of \$1.6 million to the Company. Of the total 6.0 million options exercised, 4.6 million shares were purchased from the optionees by a significant shareholder for a price of \$0.46 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 months ended March 31, 2019, Orca incurred a net loss of \$3.6 million (2018: \$4.0 million). Exploration and project investigation costs account for approximately 62% (2018: 76%) of the net loss incurred during the period, respectively while administration expenses account for approximately 39% (2018: 24%).

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 months ended March 31, 2019 and 2018, are provided in the notes to the condensed interim consolidated financial statements. Exploration costs decreased by \$0.9 million compared to the prior due to the completion of the Company's Block 14 Feasibility Study in 2018, resulting in a reduced exploration program during Q1. During Q1 2019, the Company accrued \$0.2 million of an expected payment of \$0.75 million in 2019 for an exploration licence in Sudan and also paid \$0.1 million for licence costs in Côte d'Ivoire during Q1.

Administration costs were \$1.4 million (2018: \$1.0m). The increase is due to an increase in salaries and director/management fees of \$0.24 million. Other increases include insurance costs paid in Q1 2019 and broker fees paid on the sale of Resolute shares.

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 a foreign exchange translation loss of \$1.1 million for the three months ended March 31, 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 during the respective periods. The Company realized a gain of \$0.2 million from the sale of its remaining Resolute shares during the quarter.

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

Three Months Ended	Mar-19	Dec-18	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17
Exploration costs (\$000's)	2,223	2,943	3,536	3,705	3,060	5,853	5,873	3,172
Total net loss (\$000's)	3,630	4,192	4,923	4,508	4,044	6,803	6,960	3,890
Net loss attributed to the Company's shareholders (\$000's)	3,579	3,505	4,370	3,691	3,287	5,158	5,254	2,978
Net loss per share attributed to the Company's shareholders, basic and diluted (\$)	0.02	0.02	0.02	0.03	0.02	0.03	0.04	0.03

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 with a Preliminary Economic Assessment expected to be completed on the Morondo Resource during Q2, 2019. During Q1 2019 trenching and channelling work was completed at Wadi Doum and GSS, with further some exploration work continuing at Morondo and Korokaha.

## **OUTLOOK**

The Company continues its exploration and development in Sudan and Côte d'Ivoire. In Sudan the Company has started early works at Block 14 including:

- Airstrip design and permitting
- Lycopodium has commenced detailed engineering works on long lead items; crusher, mills, generation plant, water pipeline and camp. These studies will be completed in early Q3 2019.

The Company achieved successful results at Morondo and the discovery of a broad soil anomaly in the highly prospective Korokaha North Permit, which is located close to Randgold's Tongon Mine (15kms). The Company's plan is to systematically work through the extensive property portfolio in Côte d'Ivoire to continue to add value for Orca shareholders.

## **LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2019, the Company had cash and cash equivalents of \$11.6 million (December 31, 2018: \$6.3 million). During Q1 2019, the Company sold its remaining 6.2 million Resolute shares for proceeds of \$7.0 million. The net proceeds of the private placement continue to be used for advancing work at the Company's Block 14 Gold Project in Sudan and advancing exploration work in Côte d'Ivoire.

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 crystalized 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 and corporate activities

## **RELATED PARTY TRANSACTIONS**

The related parties with which the Company has transacted during the three months ended March 31, 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***

	<b>Related party</b>	<b>Three Months ended, March 31, 2019</b>	<b>Three Months ended, March 31, 2018</b>
Drilling and exploration support	Meyas Nub	9,046	13,695
Geological consulting	HSEC/Geodex	35,481	60,512
<b>Total services received from related parties</b>		<b>44,527</b>	<b>74,207</b>

### ***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:

	<b>Related party</b>	<b>March 31, 2019</b>	<b>December 31, 2018</b>
Accounts payable and accrued liabilities	HSEC/Geodex	(30,229)	(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:

	<b>Three Months ended, March 31, 2019</b>	<b>Three Months ended, March 31, 2018</b>
Salaries and management fees	353,332	209,403
Short term benefits	3,952	9,924
Directors fees	65,625	53,750
Stock-based compensation	150,907	126,651
<b>Total key management compensation</b>	<b>573,816</b>	<b>399,728</b>

### **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 March 31, 2019, the Company's Sudanese operating subsidiary did not have any material foreign currency risk exposure.

*ii) Ivorian operations*

As at March 31, the Company's Ivorian operating subsidiary did not have any material foreign currency risk exposure.

*iii) Canadian head office operations*

At March 31, 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:

	In thousands of dollars		
	<b>Foreign currency cash held (in source currency)</b>	<b>Net financial asset (liability) position</b>	<b>Change in net financial position from a 10% variation in exchange rates</b>
US dollar	7	10	1
British Pounds	205	357	36

***Credit risk***

At March 31, 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 March 31, 2019 are as follows:

	In thousands of dollars			
	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	3,304	3,304	-	-
<b>Total</b>	<b>3,304</b>	<b>3,304</b>	-	-

At March 31, 2019, the Company had cash and cash equivalents of \$11.6 million (December 31, 2018: \$6.3 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 continue to be used for advancing work at the Company's Block 14 Gold Project in Sudan and advancing exploration work in Côte d'Ivoire.

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 and corporate activities.

## **OUTSTANDING SHARE DATA**

As at May 27, 2019, the Company had 210,960,569 common shares outstanding, 14,175,000 share options outstanding under its stock-based incentive plan and 10,714,000 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. 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 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.

## **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) and its exploration assets in Côte d'Ivoire. 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 months ended March 31, 2019 and 2018

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

	<b>March 31, 2019</b>	<b>December 31, 2018</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 11,634,731	\$ 6,166,640
Short-term investments	-	6,830,144
Receivables and other assets (Note 4)	1,133,999	610,190
	<u>12,768,730</u>	<u>13,606,974</u>
Equipment (Note 5)	783,944	851,685
Mineral properties (Note 6)	9,662,641	9,840,101
	<u>\$ 23,215,315</u>	<u>\$ 24,298,760</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 3,303,399	\$ 2,644,149
<b>EQUITY</b>		
Equity attributed to common shareholders		
Share capital (Note 7)	133,653,436	131,083,057
Warrants (Note 8)	513,035	513,035
Contributed surplus	6,846,155	7,529,578
Accumulated other comprehensive income	(166,118)	755,757
Deficit	<u>(98,725,448)</u>	<u>(95,564,195)</u>
	42,121,060	44,317,232
Non-controlling interest (Note 14)	<u>(22,209,145)</u>	<u>(22,662,621)</u>
	<u>19,911,915</u>	<u>21,654,611</u>
	<u>\$ 23,215,315</u>	<u>\$ 24,298,760</u>

Approved by the Board of Directors

(signed) "Robert F. Chase"  
Director

(signed) "Richard P. Clark"  
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)**

	<b>Three months ended March 31, 2019</b>	<b>Three months ended March 31, 2018</b>
Administration costs (Note 10)	\$ 1,384,292	\$ 982,834
Exploration and project investigation costs (Note 11)	2,222,767	3,059,910
Foreign exchange loss (gain)	(2,146)	23,758
Interest income	(25,772)	(22,566)
Net loss for the period	<u>\$ 3,579,142</u>	<u>\$ 4,043,936</u>
Net loss for the period attributed to:		
Common shareholders of the Company	\$ 3,161,253	\$ 3,286,591
Non-controlling interest (Note 14)	417,889	757,345
	<u>\$ 3,579,142</u>	<u>\$ 4,043,936</u>
Net loss for the period	\$ 3,579,142	\$ 4,043,936
Items that may be subsequently reclassified to net loss:		
Loss (gain) on translation to presentation currency	278,635	(127,901)
Realized loss (gain) on Investment	(228,125)	-
Comprehensive loss for the period	<u>\$ 3,629,652</u>	<u>\$ 3,916,035</u>
Comprehensive loss for the period attributed to:		
Common shareholders of the Company	\$ 4,083,128	\$ 2,120,480
Non-controlling interest (Note 14)	(453,476)	1,795,555
	<u>\$ 3,629,652</u>	<u>\$ 3,916,035</u>
Basic and diluted loss per common share	<u>\$ 0.02</u>	<u>\$ 0.02</u>
Basic and diluted weighted average number of shares outstanding	<u>208,327,236</u>	<u>155,209,984</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)**

	<b>Three months ended March 31, 2019</b>	<b>Three months ended March 31, 2018</b>
Cash flows for operating activities		
Net loss for the period	\$ (3,579,142)	\$ (4,043,936)
Add non-cash items		
Depreciation of equipment (Note 5)	76,508	71,860
Stock-based compensation expense (Note 9)	251,956	184,081
	<u>(3,250,678)</u>	<u>(3,787,995)</u>
Changes in non-cash working capital items		
Receivables and other assets	(586,267)	45,677
Accounts payable and accrued liabilities	755,045	(334,696)
	<u>(3,081,900)</u>	<u>(4,077,014)</u>
Cash flows from (for) investing activities		
Sale of short term investments	7,058,269	-
Purchase of equipment	(42,236)	(30,476)
	<u>7,016,033</u>	<u>(30,476)</u>
Cash flows from financing activities		
Net proceeds from exercise of stock options	1,635,000	-
Net proceeds from exercise of warrants (Note 8)	-	4,351,050
	<u>1,635,000</u>	<u>4,351,050</u>
Foreign exchange on cash and cash equivalents	<u>(101,042)</u>	<u>1,382</u>
Increase in cash and cash equivalents	5,468,091	244,942
Cash and cash equivalents, beginning of period	6,166,640	5,792,695
Cash and cash equivalents, end of period	<u>11,634,731</u>	<u>\$ 6,037,637</u>
Supplemental information		
Interest received	<u>\$ 25,772</u>	<u>\$ 22,566</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			
<b>Balance January 1, 2019</b>	204,660,569	\$ 131,083,057	\$ 513,035	\$ 7,529,578	\$ 755,757	\$ (95,564,195)	\$ 44,317,232	\$ (22,662,621)	<b>\$ 21,654,611</b>
Stock-based compensation expense (Note 9)	-	-	-	251,956	-	-	251,956	-	<b>251,956</b>
Exercise of stock options	6,000,000	2,570,379	-	(935,379)	-	-	1,635,000	-	<b>1,635,000</b>
Net loss for the period	-	-	-	-	-	(3,161,253)	(3,161,253)	(417,889)	<b>(3,579,142)</b>
Loss on translation to presentation currency	-	-	-	-	(1,150,000)	-	(1,150,000)	871,365	<b>(278,635)</b>
Realized gain on sale of investments	-	-	-	-	228,125	-	228,125	-	<b>228,125</b>
<b>Balance March 31, 2019</b>	<b>210,660,569</b>	<b>\$ 133,653,436</b>	<b>\$ 513,035</b>	<b>\$ 6,846,155</b>	<b>\$ (166,118)</b>	<b>\$ (98,725,448)</b>	<b>\$ 42,121,060</b>	<b>\$ (22,209,145)</b>	<b>\$ 19,911,945</b>
<b>Balance January 1, 2018</b>	153,476,440	\$ 99,532,458	\$ 959,816	\$ 6,116,654	\$ 1,097,682	\$ (80,760,026)	\$ 26,946,584	\$ (19,114,682)	<b>\$ 7,831,902</b>
Stock-based compensation expense (Note 9)	-	-	-	184,081	-	-	184,081	-	<b>184,081</b>
Exercise of warrants (Note 8)	7,911,000	4,790,647	(439,597)	-	-	-	4,351,050	-	<b>4,351,050</b>
Net loss for the period	-	-	-	-	-	(3,286,591)	(3,286,591)	(757,345)	<b>(4,043,936)</b>
Gain on translation to presentation currency	-	-	-	-	1,166,111	-	1,166,111	(1,038,210)	<b>127,901</b>
<b>Balance March 31, 2018</b>	<b>161,387,440</b>	<b>\$ 104,323,105</b>	<b>\$ 520,219</b>	<b>\$ 6,300,735</b>	<b>\$ 2,263,793</b>	<b>\$ (84,046,617)</b>	<b>\$ 29,361,235</b>	<b>\$ (20,910,237)</b>	<b>\$ 8,450,998</b>

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

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 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.

## **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 newly 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 May 27, 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.



**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

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.

**4. RECEIVABLES AND OTHER ASSETS**

	<b>March 31, 2018</b>	<b>December 31, 2018</b>
Prepaid expenses	134,732	132,562
Fuel inventory	204,516	240,798
Other receivables	794,751	236,830
<b>Total receivables and other assets</b>	<b>1,133,999</b>	<b>610,190</b>

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**5. EQUIPMENT**

<b>Cost</b>	<b>Computer Equipment</b>	<b>Office Furniture and Equipment</b>	<b>Vehicles and Mobile Equipment</b>	<b>Field and Camp Equipment</b>	<b>Total</b>
<b>As at January 1, 2018</b>	<b>232,471</b>	<b>76,210</b>	<b>1,514,084</b>	<b>1,492,019</b>	<b>3,314,784</b>
Additions	24,245	12,113	82,362	88,615	207,335
Disposals	(1,868)	-	-	-	(1,868)
Effects of foreign exchange on translation to presentation currency	8,928	3,099	58,444	57,741	128,212
<b>As at December 31, 2018</b>	<b>263,776</b>	<b>91,422</b>	<b>1,654,890</b>	<b>1,638,375</b>	<b>3,648,463</b>
Additions	6,650	-	-	35,586	42,236
Effects of foreign exchange on translation to presentation currency	(9,997)	(3,673)	(66,486)	(66,111)	(146,267)
<b>As at March 31, 2019</b>	<b>260,429</b>	<b>87,749</b>	<b>1,588,404</b>	<b>1,607,850</b>	<b>3,544,432</b>
<b>Accumulated depreciation</b>					
<b>As at January 1, 2018</b>	<b>(194,128)</b>	<b>(48,565)</b>	<b>(939,838)</b>	<b>(1,178,567)</b>	<b>(2,361,098)</b>
Depreciation	(25,372)	(8,755)	(191,100)	(117,147)	(342,374)
Disposals	1,868	-	-	-	1,868
Effects of foreign exchange on translation to presentation currency	(7,587)	(1,996)	(39,049)	(46,542)	(95,174)
<b>As at December 31, 2018</b>	<b>(225,219)</b>	<b>(59,316)</b>	<b>(1,169,987)</b>	<b>(1,342,256)</b>	<b>(2,796,778)</b>
Depreciation	(3,145)	(2,212)	(45,801)	(25,350)	(76,508)
Effects of foreign exchange on translation to presentation currency	8,889	2,401	47,376	54,132	112,798
<b>As at March 31, 2019</b>	<b>(219,475)</b>	<b>(59,127)</b>	<b>(1,168,412)</b>	<b>(1,313,474)</b>	<b>(2,760,488)</b>
<b>Net book amount</b>					
<b>As at December 31, 2018</b>	<b>38,557</b>	<b>32,106</b>	<b>484,903</b>	<b>296,119</b>	<b>851,685</b>
<b>As at March 31, 2019</b>	<b>40,954</b>	<b>28,622</b>	<b>419,992</b>	<b>294,376</b>	<b>783,944</b>

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**6. MINERAL PROPERTIES**

<b>Cost</b>	<b>Block 14</b>	<b>Côte d'Ivoire</b>	<b>Total</b>
<b>As at January 1, 2018</b>	<b>4,257,433</b>	-	<b>4,257,433</b>
Purchase of Kinross properties	-	5,422,916	5,422,916
Effects of foreign exchange on translation to presentation currency	159,752	-	159,752
<b>As at December 31, 2018</b>	<b>4,417,185</b>	<b>5,422,916</b>	<b>9,840,101</b>
Effects of foreign exchange on translation to presentation currency	(177,460)	-	(177,460)
<b>As at March 31, 2019</b>	<b>4,239,725</b>	<b>5,422,916</b>	<b>9,662,641</b>

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.

**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 three months ended March 31, 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	-
Exercised	(8,036)	\$0.55
Outstanding at December 31, 2018	10,714	\$0.55
Outstanding at March 31, 2019	10,714	\$0.675
Exercisable at March 31, 2019	10,714	\$0.675

As at March 31, 2019, the outstanding and exercisable warrants had a weighted average remaining contractual life of 0.27 years.

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**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 months ended March 31, 2019 was \$252,000 (2018: \$184,000). For the three months ended March 31, 2019, stock-based compensation of \$213,000 (2018: \$161,000) has been allocated to administration costs, and \$39,000 (2018: \$23,000) to exploration and project investigation costs for employees directly involved in exploration activities.

The unrecognized compensation cost for non-vested share options at March 31, 2019 was \$550,000 (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
Exercised	(6,000)	\$0.27
Outstanding at March 31, 2019	11,025	\$0.48

The following summarizes information about the stock options outstanding and exercisable at March 31, 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\$)
\$0.27	300	0.05	\$0.27	300	0.05	\$0.27
\$0.32	200	0.41	\$0.32	200	0.41	\$0.32
\$0.36	625	0.93	\$0.36	625	0.93	\$0.36
\$0.47	3,900	1.46	\$0.47	2,600	1.46	\$0.47
\$0.51	6,000	2.30	\$0.51	2,000	2.30	\$0.51
	11,025	1.83	\$0.48	5,725	1.59	\$0.46

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**10. ADMINISTRATION COSTS**

	<b>Three months ended March 31, 2019</b>	<b>Three months ended March 31, 2018</b>
Depreciation	462	764
Management and consulting fees	497,634	181,082
Office and administration	225,792	88,680
Professional fees	68,324	27,169
Salaries and benefits	135,905	212,554
Stock based compensation expense (Note 9)	212,582	161,257
Travel and promotion	243,593	311,328
<b>Total administration costs</b>	<b>1,384,292</b>	<b>982,834</b>

Orca Gold Inc.  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**11. EXPLORATION AND PROJECT INVESTIGATION COSTS**

<b>Three months ended March 31,</b>		<b>Sudan (Block 14)</b>	<b>Côte d'Ivoire</b>	<b>Total</b>
<b>2019</b>	Depreciation	71,919	4,127	76,046
	Drilling	43,090	72,443	115,533
	Exploration support and administration	52,584	24,488	77,072
	Field operation and consumables	182,253	66,080	248,333
	Geological consulting	22,892	12,589	35,481
	Permitting and licensing fees	188,681	136,190	324,871
	Salaries and benefits	613,696	194,272	807,968
	Sampling, geological and other evaluation costs	244,040	194,826	438,866
	Stock-based compensation expense (Note 9)	39,374	-	39,374
	Travel and accommodation	43,954	15,269	59,223
	<b>Total exploration and project investigation costs</b>	<b>1,502,483</b>	<b>720,284</b>	<b>2,222,767</b>
<b>2018</b>	Depreciation	71,096	-	71,096
	Drilling	656,138	207,820	863,958
	Exploration support and administration	88,577	27,625	116,202
	Field operation and consumables	185,556	34,212	219,768
	Geological consulting	57,760	4,398	62,158
	Permitting and licensing fees	21,390	5,678	27,068
	Salaries and benefits	492,626	164,857	657,483
	Sampling, geological and other evaluation costs	975,362	11,995	987,357
	Stock-based compensation expense	22,824	-	22,824
	Travel and accommodation	20,593	11,403	31,996
	<b>Total exploration and project investigation costs</b>	<b>2,591,922</b>	<b>467,988</b>	<b>3,059,910</b>

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**12. RELATED PARTY TRANSACTIONS**

The related parties with which the Company has transacted during the three months ended March 31, 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**

		<b>Three months ended March 31, 2019</b>	<b>Three months ended March 31, 2018</b>
	<b>Related party</b>		
Drilling and exploration support	Meyas Nub	9,046	13,695
Geological consulting	HSEC/Geodex	35,481	60,512
<b>Total services received from related parties</b>		<b>44,527</b>	<b>74,207</b>

**b) 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:

		<b>March 31, 2018</b>	<b>December 31, 2018</b>
	<b>Related party</b>		
Accounts payable and accrued liabilities	HSEC/Geodex	(30,229)	(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:

	<b>Three months ended March 31, 2019</b>	<b>Three months ended March 31, 2018</b>
Salaries and management fees	353,332	209,403
Short term benefits	3,952	9,924
Directors fees	65,625	53,750
Stock-based compensation	150,907	126,651
<b>Total key management compensation</b>	<b>573,816</b>	<b>399,728</b>

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**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:

		<b>Sudan (Block 14)</b>	<b>Côte d'Ivoire</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
<b>March 31, 2019</b>	Current assets	1,204,957	328,135	11,235,638	12,768,730
	Equipment	691,933	91,041	970	783,944
	Mineral properties	4,239,725	5,422,916	-	9,662,641
	Total Assets	6,136,615	5,842,092	11,236,608	23,215,315
	Current liabilities	2,597,291	175,456	530,652	3,303,399
<b>December 31, 2018</b>	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
<b>Three months ended March 31,</b>		<b>Sudan (Block 14)</b>	<b>Côte d'Ivoire</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
	<b>2019</b>	Exploration and project investigation	1,502,483	720,284	-
	General administration and other items	(1,715)	(9,412)	1,367,502	1,356,375
	Net loss	1,500,768	710,872	1,367,502	3,579,142
<b>2018</b>	Exploration and project investigation	2,591,922	467,988	-	3,059,910
	General administration and other items	14,229	1,490	968,307	984,026
	Net loss	2,606,151	469,478	968,307	4,043,936



**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**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 March 31, 2019, the Company's Sudanese operating subsidiaries' largest foreign currency risk exposure was a net financial liability denominated in British pounds of an amount equivalent to approximately 0.7 million Canadian dollars. A 10% change in the foreign exchange rate between the British pound and the European Euro would give rise to increases/decreases of approximately 73,000 Canadian dollars in financial position/comprehensive loss.

*(ii) Ivorian operations*

As at March 31, 2019, the Company's Ivorian operating subsidiary did not have any material foreign currency risk exposure.

*(iii) Canadian head office*

At March 31, 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:

In thousands of dollars			
	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	7	10	1
British pounds	205	357	36

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2019 and 2018**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

**b) Credit risk**

At March 31, 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 March 31, 2019 are as follows:

In thousands of dollars

	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
Accounts payable and accrued liabilities	3,304	3,304	-	-
<b>Total</b>	<b>3,304</b>	<b>3,304</b>	-	-

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 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.



## 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

L. Simon Jackson  
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

### AUDITORS

PricewaterhouseCoopers LLP  
Vancouver, British Columbia, Canada

### LEGAL COUNSEL

Blake Cassels & Graydon LLP  
Vancouver, British Columbia, Canada

### CORPORATE OFFICE

Suite 2000 - 885 West Georgia Street  
Vancouver, British Columbia  
Canada V6C 3E8  
Telephone: (604) 689-7842  
Fax: (604) 689-4250

### REGISTERED OFFICE

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

### RECORDS OFFICE

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

### REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada  
Vancouver, British Columbia  
Canada

### SHARE LISTING

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