ORCA GOLD INC.

ANNUAL REPORT

For the Year Ended

December 31, 2020

Independent auditor's report

To the Shareholders of Orca Gold Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Orca Gold Inc. and its subsidiaries (together, the Company) as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited
The Company's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2020 and 2019;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Craig McMillan.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 29, 2021

ORCA GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020
(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 audited consolidated financial statements for the year ended December 31, 2020 and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). The effective date of this MD&A is April 29, 2021. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.orcagold.com.

Orca is a junior mining company focused on the acquisition, exploration and development of mineral properties in Africa. The Company's main assets are Block 14 in the north of Sudan and a 31.5% interest in Montage Gold Corp ("Montage"). Montage's main project is the Morondo Gold Project in Côte d'Ivoire. Orca's ownership in Montage decreased from an initial 45% to 31.5% following Montage's initial public offering on October 23, 2020.

Block 14 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 exploration concession perimeter.

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

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

In August 2019, after 25 years of military rule and following an extensive negotiation between the populous movement and the military, a Sovereign Council was declared to lead the people of Sudan during a 39 month transition period towards the establishment of an open, fair and transparent democratic process culminating in elections in 2022-23. The Sovereign Council comprises six civilians, five military and three rebel group representatives.

Following its formation, the Sovereign Council immediately appointed Abdalla Hamdok as the new Prime Minister of Sudan. Mr Hamdok is an economist, a technocrat and has spent the last decades in the African Development Bank and the UN Economic Commission for Africa.

Following successful peace negotiations between the new government and the principal rebel factions operating in Sudan accords were signed in September and October 2020 and Prime Minister Hamdok established a new cabinet of Ministers based on these accords. The latest Government has the approval and support of the people of Sudan and the international community at large, including the United States of America. The establishment of the Sovereign Council and a new government under the direction of Prime Minister Hamdok heralds the start of a new era for Sudan and its people, an era that looks to prioritize peace, economic restructuring, human rights, equality and freedom of speech.

In October 2019, the then newly established national unity government of Sudan issued a new exploration permit to the company for a period of 4 years over an area of 1,000 km^2, surrounding the planned Block 14 Mining Lease (38km^2). The exploration permit was backdated to November 18, 2018, the termination date of the prior exploration licence.

During Q1 2020 Sudan continued to progress on its path towards democracy (See Company News Release dated February 24, 2020) and an end to economic isolation. Sudan has received support from the Friends of Sudan and on March 4, 2020, the US Foreign Affairs Committee Leaders' introduced legislation to the US Congress supporting Sudan's democratic transition. The introduced Sudan Democratic Transition, Accountability and Financial Transparency Act of 2020 (H.R. 6094) would support a civilian led democratic transition, promote accountability for human rights abuses and encourage fiscal transparency in Sudan. In July, 2020 the US Secretary of State, Mike Pompeo addressed the US State Department supporting the removal of Sudan from the list of State Sponsors of Terror ("SST List"). On October, 23 2020, following more than 27 years on the list of US State Sponsors of Terror, the American President signed a resolution removing Sudan from the list.

In 2020, Sudan's transitional government also signed peace agreements in September and October, 2020 with rebel groups who have been waging wars in the country for decades. This new peace accord resulted in the establishment of a new Cabinet to reflect the rebel group participation in the new Government.

On March 26, 2021 the US treasury announced that it was pleased to provide financing of approximately US$ 1.2 billion to help Sudan meet its debt obligations to the World Bank, providing Sudan access to nearly $2 billion in grants for poverty reduction and sustainable development. In April 2021 Sudan announced that it will receive $400 million from Saudi Arabia and UAE to fund agricultural production inputs for this year's summer and winter seasons. These economic and peace initiatives and removal from the SST List have created a new era of hope in Sudan, as a welcomed member of the international community. Sudan is now in a position to promote economic development and political stability through its people, new leadership and natural resources. With these significant positive political advancements in Sudan the Company looks forward to developing Block 14

In Côte d'Ivoire, the Company created Montage on July 23, 2019, transferring its permits and permit applications in Côte d'Ivoire to Montage and subsequently on August 27, 2019 entered into a share purchase agreement with Avant Minerals Inc ("Avant") pursuant to which Avant transferred its assets in Côte d'Ivoire and Burkina Faso and cash of $3.8 million to Montage.

Contemporaneously with the completion of the Avant transaction, Montage completed a non-brokered private placement issuing 18,226,374 shares in Montage to new shareholders at CA$0.45/share for cash of $8.2 million. Following the completion of the Avant transaction and the Montage private placement, the ownership of Montage was Orca 45%, Avant 30% and investors in the private placement 25%.

On October 23, 2020, Montage closed an initial public offering of an aggregate of 27,272,728 common shares at a price of $1.10 per share for total proceeds of $30 million on October 23, 2020 and commenced trading on the TSXV ("MAU"). On October 30, 2020 the underwriters fully exercised an over-allotment option to acquire an additional 4,090,909 shares at the offering price resulting in additional aggregate gross proceeds of approximately $4.5 million.

Following the Montage IPO on October 23, 2020, Orca's percentage ownership in Montage decreased from 45% to 31.5% and the Company entered into a new investor rights agreement with Montage replacing the initial shareholders agreement between Orca and Avant. Under the investor rights agreement Orca has the right to appoint a single director to the board of directors if it has a 10% ownership percentage in Montage and can appoint up to three directors if it has a 20% ownership interest in Montage. The board of directors appoints officers and management of the business and approves the Company's budget and operation and capital direction of the Company. With Orca's reduced board representation and ownership percentage, management determined that Orca has significant influence, rather than control, over Montage. The Company has reported the results of Montage as an associate using the equity method effective from October 23, 2020.

Montage's immediate objective is to demonstrate that the Morondo Gold Project is a robust development-worthy open pit gold property, with Koné serving as the initial standalone operation hosting a central mill. The broader Morondo Gold Project includes a total land position of 1,442km2, which includes several mineralized trends that the Company intends to explore to identify satellite deposits that can be trucked and processed at Koné.

COVID-19

On March 11, 2020 the World Health Organization declared the rapidly spreading COVID-19 outbreak as a global pandemic. In response to this pandemic, Orca has implemented strict protocols at our operations (in The Sudan, Côte d'Ivoire, UK, UAE and Canada). The primary focus of the Company at this point is to protect the safety and security of our personnel, their families and the communities where we work. Working with our health and security consultants, an identification and management plan has been put in place to handle potential issues relating to the Coronavirus. As of today, there are no confirmed cases of the virus amongst our employees.

The current global uncertainty with respect to the spread of COVID-19, the rapidly evolving nature of the pandemic and local and international developments related thereto and its effect on the broader global economy and capital markets may have a negative effect on the Company and the advancement of the Morondo Gold Project. While the precise impact of the COVID-19 outbreak on the Company remains unknown, rapid spread of COVID-19 and declaration of the outbreak as a global pandemic has resulted in travel advisories and restrictions, certain restrictions on business operations, social distancing precautions and restrictions on group gatherings which are having direct impacts on businesses in Canada, the United States and around the world and could result in travel bans, closure of assay labs, work delays, difficulties for contractors and employees getting to site, and diversion of management attention all of which in turn could have a negative impact on development of Montage's Morondo Gold Project and the Company generally. The spread of COVID-19 may also have a material adverse effect on global economic activity and could result in volatility and disruption to global supply chains and the financial and capital markets, which could affect the business, financial condition, results of operations and other factors relevant to the Company, including its ability to raise additional financing.

OUTLOOK

For the past two years the Company's focus in Sudan has been on advancing detailed engineering, asset maintenance and health and safety. Now with positive developments in and for Sudan, Block 14 is ready for development and, with financing, could be in production within 24-30 months. Pre-development work has already commenced. Contracts have been completed for the construction of an airstrip at site and for the purchase of Phases 1 and 2 of a development camp for Block 14. Exploration is expected to recommence in H2 towards further expanding the resources at Galat Surfar South, the main deposit of the project.

During the Company's ownership of the Block 14 Concession exploration and engineering work and studies have been carried out in an environment of local artisanal mining in the area. The understanding with local miners has been that they could continue with near surface excavations, with limited mechanical equipment, until such time as the Company requests them to leave for development and safety reasons. At the request of the Company the Government of Sudan is now in discussions with the affected artisanal miners to achieve this departure, particularly from the resource areas. The Government has assured the Company of a peaceful and near term result in this regard.

In Côte d'Ivoire, Montage's exploration efforts are focussed on the Morondo Gold Project and specifically advancing the Koné Gold Deposit which hosts an Inferred Mineral Resource of 52.5Mt at 0.91 g/t for 1,536koz of gold at 0.50g/t cut-off grade, effective as at October 3, 2018.

Diamond core and RC drilling has been ongoing at Koné since Montage's initial public offering, initially to grow the Inferred Mineral Resource and is now focused on infilling the resource in support of a maiden Indicated Mineral Resource calculation that is targeted for the third quarter of 2021, which will be the base for the filing of a Preliminary Economic Assessment in mid May 2021. The Company then intends to continue advancing the Morondo Gold Project towards completion of a Feasibility Study by the end of 2021.

2020 OPERATING HIGHLIGHTS

Sudan

With improving political conditions for Sudan, both nationally and internationally, the Company seeks to rapidly advance the development discussions in respect of Block 14, subject to the ongoing impact of COVID-19. During H1, 2020 the Company completed its detailed engineering work on block 14 and on September 14, 2020 the Company delivered a revised Feasibility Study on the project. Block 14 is ready for development and with a financing commitment, could be in production within 24-30 months. Block 14 is a priority project for the new government and the people of the Sudan and capitalizes on Sudan's significant gold endowment and will create a sustainable business, generate significant skills, realize community improvement and employment opportunities, and will generate internal revenue and foreign exchange for the country, whilst unlocking value for Orca's shareholders.

Discussions are in progress with numerous interested parties for the financing and development of a commercial gold mining operation at Block 14. With the strong support of the government of Sudan and the international community, the Company is confident of a near term development decision and financing structure for the project.

Côte d'Ivoire

Montage's exploration program for 2020 has been focussed on the Morondo Gold Project. During Q1 2020, Montage's exploration program was halted following Côte d'Ivoire closing its borders on March 22, 2020 due to COVID-19. Montage was able to recommence exploration actively on May 20, 2020 following the government's health authority guidance and the re-opening of the country's borders.

Following completion of the initial public offering in October 2020, Montage commenced a drill campaign designed to expand Inferred Mineral Resources at the Morondo Gold Project. This drill campaign was completed in December 2020 and included 6,815 of RC drilling and 10,601m of DD drilling. Following completion of that drill program an updated Inferred Mineral Resource estimate was calculated and released on January 28, 2021 which comprised of 128Mt grading 0.80g/t for 3.16Moz of gold at a cut-off grade of 0.40g/t.

As at the date hereof, Montage is executing a further 35,000m drill campaign, designed to infill the resource area at the Morondo Gold Project to support the calculation of a maiden Indicated Mineral Resource estimate targeted for the third quarter of 2021. Concurrent with the drill program, various test work and studies have been undertaken to support the economic evaluation of the Morondo Gold Project with a planned PEA targeted for release early in the second quarter of 2021 followed by, if justified, a Feasibility Study targeted for the fourth quarter of 2021.

In Q1 2020 Montage also completed a program of infill soil sampling (640 samples) on the Badenou anomaly within the Korokaha North Permit confirming previous widely spaced soil sampling results. On April 22, 2020, the Ministry of Minerals granted by Presidential Decree the Korokaha South Exploration Permit (352.8km^2) which lies adjacent to the south of the Korokaha North permit. A programme of reconnaissance soil sampling was completed in Q4 2020.

At the Bobosso Project (Bassawa and Wendéné permits), a program of geological and regolith mapping was completed as part of a re-assessment of all historic exploration work on the property. A portion of the permit area has now been relinquished based on a re-assessment of previous exploration work.

Corporate

On June 2, 2020, the Company closed a private placement for $5.5 million at a price of $0.30 per share. The placement was used primarily for ongoing operations at the Company's 70% owned Block 14 Gold Project in Sudan and for general working capital purposes.

During H2 2020, 3.2 million share options were exercised resulting in cash proceeds of $1.5 million.

SELECTED ANNUAL INFORMATION

Year Ended	Dec-20	Dec-19	Dec-18
Revenue ($000's)	-	-	-
Exploration costs ($000's)	8,235	8,591	13,120
Total net (gain)/loss ($000's)	(14,806)	12,913	17,619
Net (gain)/loss attributed to the Company's shareholders	(19,144)	10,256	14,804
Net (gain)/loss per share, basic and diluted ($)	(0.08)	0.06	0.08
Total assets ($000's)	47,198	31,593	24,299
Total current financial liabilities ($000's)	990	1,394	2,644

As a junior mining company, Orca has no expectation of generating operating profits until it develops a commercially viable mineral deposit.

Exploration costs in Sudan decreased to $3.7 million during the year ended December 31, 2020 (2019: $5.5 million). The decrease is due to the completion of the Block 14 exploration program, which was partially offset due to costs of early works engineering programs.

The Côte d'Ivoire exploration results for 2020 have been consolidated to the date of the Montage IPO on October 23, 2020. Following the IPO and Orca's loss of control over Montage, the results of Montage were equity accounted and reported as Investment in Montage. On a 100% basis, Montage's total exploration expense in Côte d'Ivoire was $7.2 million during the year to December 31, 2020 (2019: $2.9 million). During Q4 Montage commenced a drill program designed to expand the Inferred Mineral Resources at the Morondo Gold Project. This program was completed in December 2020 and included 6,815m of RC and 10,601m of DD drilling.

The Company recorded a net gain of $19.1 million for the year. Following the Montage IPO on October 23, 2020 Orca lost control over Montage and it was reclassified from a subsidiary to an associate. The Company re-measured the value of its investment in Montage at fair value using the IPO share price of $1.10/share compared to its 45% interest in Montage's net assets on October 23, 2020 which resulted in a gain of $29.0 million. This also accounts for the increase in total assets of $47 million from $32 million in the prior year.

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

Three Months Ended	Dec-20	Sept-20	Jun-20	Mar-20	Dec-19	Sept-19	Jun-19	Mar-19
Revenue ($000's)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exploration costs ($000's)	1,814	2,515	1,704	2,201	2,479	1,324	2,565	2,223
Total net (gain)/loss ($000's)	(25,073)	3,898	2,990	3,379	2,647	2,339	4,297	3,630
Net loss attributed to the Company's shareholders ($000's)	(25,956)	2,447	2,381	1,984	1,242	1,724	3,711	3,579
(Gain)/Net loss per share attributed to the Company's shareholders, basic and diluted ($)	(0.12)	0.02	0.01	0.01	0.02	0.01	0.02	0.01
Total net assets ($000's)	47,198	31,548	32,802	30,047	31,593	34,642	19,432	23,215
Total current financial liabilities ($000's)	990	2,093	1,407	1,812	1,394	2,589	3,160	3,303

The nature and extent of exploration activities carried out under specific work programs affect the costs incurred and loss reported in any given quarter. During H1 2020 exploration work in Sudan was largely complete.

Exploration work in Q2 and Q3 was focussed on advancing exploration in Côte d'Ivoire at the Koné Prospect at Morondo. Exploration activities were suspended at Morondo following the COVID-19 outbreak in March 2020. The Company recommenced exploration at Morondo following the government's lifting COVID-19 restrictions on May 20, 2020. The Company completed 1,551.4m of diamond core drilling at Morondo during to the end of September 30, 2020.

During Q4, the Company reported a net gain of $25.9 million following the Company's loss of control in Montage and its revaluation of its investment in Montage , which resulted in a gain of $29.0 million. Offsetting this gain were exploration costs of $1.8 million in Sudan and Côte d'Ivoire. Exploration costs in Sudan during were $1.0 million (2019: $0.9 million), which were incurred for onsite maintenance and health and safety expenditures. Exploration costs in Côte d'Ivoire were $0.8 million to October 23, 2020. Following the IPO Montage was accounted for under the equity method and reported as investment in Montage. Côte d'Ivoire exploration costs were incurred for Montage's drill program at Morondo.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a cash balance of $6.8 million as at December 31, 2020 compared to $4.7m in 2019 (excluding cash held by Montage). The Company's treasury has been increased with the completion of a private placement of $10.8 million in March 2021.

RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the year ended December 31, 2020 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. Montage is an associate and a related party of Orca. There were no related party transactions between Orca and Montage during the year. Related party transactions occur and are recorded at the amounts agreed between the parties.

a) Services received from related parties

	Related party	Year ended December 31, 2020	Year ended December 31, 2019
Drilling and exploration support	Meyas Nub	230,797	81,907
Geological consulting	HSEC	-	50,311
Geological consulting	Geodex	17,547	70,971
Total services received from related parties		**248,344**	**203,189**

b) 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:

	Year ended December 31, 2020	Year ended December 31, 2019
Salaries and management fees	1,327,720	1,418,996
Short term benefits	39,438	43,436
Directors fees	179,898	241,663
Stock-based compensation	378,300	617,982
Total key management compensation	**1,925,356**	**2,322,077**

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 audited 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.

a) Currency risk

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies. As at December 31, 2020, the Company's Sudanese operating subsidiaries' largest foreign currency risk exposure was a net financial liability denominated in Euro of an amount equivalent to approximately $0.1 million. A 10% change in the foreign exchange rate between the British pound and the European Euro would give rise to increases/decreases of approximately $10,000 in financial position/comprehensive loss.

b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held in large financial institutions with a high investment grade rating. The expected credit loss related to these assets is negligible.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents balances to meet its anticipated operational needs. The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses.

The maturities of the Company's financial liabilities as at December 31, 2020 are as follows:

	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	990,058	990,058	-	-
Total	**990,058**	**990,058**	**-**	**-**

OUTSTANDING SHARE DATA

As April 29, 2020, the Company had 256,236,903 common shares outstanding and 8,600,000 share options outstanding under its stock based incentive plan, 1,666,667 restricted share units outstanding under the Restricted Share Unit Plan and 192,308 deferred share units outstanding under the Deferred Share Unit Plan.

SUBSEQUENT EVENT

The Company completed a non-brokered private placement of 19,649,998 common shares on March 31, 2021 for gross proceeds of $10.8 million. The proceeds of the offering will primarily be used to fund ongoing operations at Block 14 and for general working capital.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates. These estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ materially from the amounts included in the financial statements. Areas where critical estimates have the most significant impact effect on the amounts recognize in the consolidated financial statements include the following:

INVESTMENT IN ASSOCIATE - MONTAGE

On August 27, 2019, the Company concluded a corporate restructuring in Côte d'Ivoire creating a new entity, Montage Gold Corp. Orca transferred its permits and permit applications in Côte d'Ivoire to Montage and subsequently entered into a share purchase agreement with Avant Minerals Inc. ("Avant") pursuant to which Avant transferred its assets in Côte d'Ivoire and Burkina Faso and cash of $3.8 million to Montage. At the formation of Montage Orca and Avant owned 60% (33m shares) and 40% (22m shares) respectively.

As the Company was a party to an arrangement over which it did not have sole ownership, judgment was required in determining whether control or joint control over this arrangement existed. In assessing whether control existed, the Company analyzed whether it had the power to govern the financial and operating policies in order to obtain benefits from their activities. Management judgment was required in order to determine which factors were considered most relevant in this evaluation. When performing this assessment, management considered the following factors:

(a) the power to direct the relevant activities that significantly affect the entities returns;

(b) the ability to use its power over the investee to affect the amount of the investor's returns; and

(c) exposure, or rights, to variable returns from its involvement with the investee.

Under the initial Montage shareholders agreement between Orca and Avant, Orca had a majority representation on the board of directors and therefore held the majority voting rights to appoint officers and management of the business and to approve the Company's budget and operational and capital direction of the Company. As a result the Company was deemed to have control and consolidated the financial results of Montage.

On October 23, 2020, Montage closed its initial public offering of an aggregate of 27,272,728 common shares at a price of $1.10 per share for total proceeds of $30 million. On October 30, 2020 the underwriters fully exercised an over-allotment option to acquire an additional 4,090,909 shares at the offering price resulting in additional aggregate gross proceeds of approximately $4.5 million.

Following the Montage IPO on October 23, 2020, Orca's percentage ownership in Montage decreased from 45% to 31.5% and the Company entered into a new investor rights agreement with Montage replacing the initial shareholders agreement between Orca and Avant. Under the investor agreement Orca has the right to appoint a single director to the board of directors if it has a 10% ownership percentage in Montage and can appoint up to three directors if it has a 20% ownership interest in Montage. The board of directors appoints officers and management of the business and approves the Company's budget and operation and capital direction of the Company. With Orca's reduced board representation and ownership percentage, management determined that Orca has significant influence, rather than control, over Montage. The Company has reported the results of Montage as an associate using the equity method effective October 23, 2020.

SIGNIFICANT ACCOUNTING POLICIES

Orca follows the accounting policies described in Note 3 of the Company's December 31, 2020 audited consolidated financial statements that were filed on Sedar on April 29, 2021.

QUALIFIED PERSON

The technical contents of this MD&A have been reviewed by Kevin Ross, Eur. Ing., a Qualified Person pursuant to NI 43-101. Mr. Ross holds the position of Chief Operations Officer of the Company. Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

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

The Company completed a non-brokered private placement of 19,649,998 common shares on March 31, 2021 for gross proceeds of $10.8 million. The proceeds of the offering will primarily be used to fund ongoing operations at Block 14 and for general working capital.

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.

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

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

	December 31, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,775,706	$ 14,293,643
Receivables and other assets (Note 6)	490,183	397,406
	7,265,889	14,691,049
Equipment (Note 7)	355,699	1,007,421
Mineral properties (Note 8)	4,426,250	15,869,983
Other assets	-	24,461
Investment in Montage (Note 5)	35,150,004	-
	$ 47,197,842	$ 31,592,914
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 990,058	$ 1,394,307
EQUITY		
Equity attributed to common shareholders		
Share capital (Note 10)	143,189,405	134,186,499
Warrants (Note 10)	513,035	513,035
Contributed surplus	7,164,488	7,641,178
Accumulated other comprehensive income	1,873,258	(789,034)
Deficit	(81,676,594)	(100,820,705)
Non-controlling interest (Note 17)	(24,855,808)	(10,532,366)
	46,207,784	30,198,607
	$ 47,197,842	$ 31,592,914

Subsequent Event (Note 21)

Approved by the Board of Directors

(signed) "Robert F. Chase"
Director

(signed) "David Field"
Director

The accompanying nostes are an integral part of these consolidated financial statements.

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

	Year ended December 31, 2020	Year ended December 31, 2019
Administration costs (Note 11)	$ 5,027,581	$ 5,185,141
Exploration and project investigation costs (Note 12)	8,234,604	8,590,681
Gain on loss of control of Montage (Note 5)	(29,008,382)	-
Share of loss in Montage (Note 5)	1,157,216	-
Foreign exchange loss	32,545	221,508
Interest income	(164,553)	(136,874)
Burkina Faso asset impairment	-	338,124
Other income (Note 13)	(84,703)	(1,285,563)
Net (gain)/loss for the year	$ (14,805,693)	$ 12,913,017
Net (gain)/loss for the year attributed to:		
Common shareholders of the Company	$ (19,144,111)	$ 10,255,899
Non-controlling interest (Note 17)	4,338,418	2,657,118
	$ (14,805,693)	$ 12,913,017
Net (gain)/loss for the year	$ (14,805,693)	$ 12,913,017
Items that may be subsequently reclassified to net loss:		
(Gain)/loss on translation to presentation currency	(1,053,454)	365,452
Montage loss on translation reclassified to net loss on deconsolidation	(449,950)	-
Items that will not be subsequently reclassified to net loss:		
Realized loss (gain) on Investment	-	(228,125)
Comprehensive (gain)/loss for the year	$ (16,309,097)	$ 13,050,344
Comprehensive (gain)/loss for the year attributed to:		
Common shareholders of the Company	$ (21,806,402)	$ 6,801,300
Non-controlling interest (Note 17)	5,497,305	6,249,044
	$ (16,309,097)	$ 13,050,344
Basic and diluted (gain)/loss per common share	$ (0.08)	$ 0.06
Basic and diluted weighted average number of shares outstanding	225,284,870	210,395,542

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

Orca Gold Inc.
Consolidated Statement of Cash Flows
(All amounts expressed in Canadian Dollars, unless otherwise indicated)

	Year ended December 31, 2020	**Year ended December 31, 2019**
Cash flows from (for) operating activities		
Net gain/(loss) for the year	$ 14,805,693	$ (12,913,017)
Add non-cash items		
Depreciation of equipment (Note 7)	345,456	268,395
Stock-based compensation expense (Note 10)	1,553,297	1,583,862
Montage – gain on loss of control	(29,008,382)	-
Share of loss in Montage	1,157,216	-
Burkina Faso impairment	-	338,124
Other income (Note 13)	(84,724)	(1,285,563)
	(11,231,444)	(12,008,199)
Changes in non-cash working capital items		
Receivables and other assets	(1,725,921)	218,763
Accounts payable and accrued liabilities	2,378,907	112,896
	(10,578,458)	(11,676,540)
Cash flows from (for) investing activities		
Purchase of equipment	(4,593)	(209,316)
Sale of short-term investments	-	7,058,269
Cash acquired through Avant Minerals acquisition	-	3,754,546
Deconsolidation of cash held in Montage	(4,022,023)	-
	(4,026,616)	10,603,499
Cash flows from financing activities		
Net proceeds from private placement	5,468,919	-
Net proceeds from exercise of stock options (Note 10)	1,504,000	1,780,000
Montage Gold private placement	-	8,033,085
Montage transaction costs	-	(357,791)
	6,972,919	9,455,159
Foreign exchange on cash and cash equivalents	114,218	(255,250)
Increase (decrease) in cash and cash equivalents	(7,517,937)	8,127,003
Cash and cash equivalents, beginning of year	14,293,643	6,166,640
Cash and cash equivalents, end of year	$ 6,775,706	$ 14,293,643
Supplemental information		
Interest received	$ 102,528	$ 136,874

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

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

		Equity Attributed to Common Shareholders							
	Number of Shares Issued and Outstanding	**Share Capital**	**Warrants**	**Contributed Surplus**	**Accumulated Other Comprehensive Income**	**Deficit**	**Total**	**Non-controlling Interest**	**Total**
Balance January 1, 2019	**204,660,569**	**$ 131,083,057**	**$ 513,035**	**$ 7,529,578**	**$ 755,757**	**$ (95,564,195)**	**$ 44,317,232**	**$ (22,662,621)**	**$ 21,654,611**
Net loss for the year	-	-	-	-	-	(10,255,899)	(10,255,899)	(2,657,118)	(12,913,017)
Stock-based compensation expense	-	-	-	1,135,177	-	-	1,135,177	148,820	1,283,997
Realized Gain on sale of investments	-	-	-	-	228,125	-	228,125	-	228,125
Exercise of stock Options (Note 10a)	6,500,000	2,803,577	-	(1,023,577)	-	-	1,780,000	-	1,780,000
Share compensation (see Note 10c)	983,164	299,865	-	-	-	-	299,865	-	299,865
Montage Gold Acquisition	-	-	-	-	-	4,999,389	4,999,389	13,231,090	18,230,479
Gain (loss) on translation to presentation currency	-	-	-	-	(1,772,916)	-	(1,772,916)	1,407,463	(365,453)
Balance December 31, 2019	**212,143,733**	**$ 134,186,499**	**$ 513,035**	**$ 7,641,178**	**$ (789,034)**	**$ (100,820,705)**	**$ 40,730,973**	**$ (10,532,366)**	**$ 30,198,607**
Balance January 1, 2020	**212,143,733**	**$ 134,186,499**	**$ 513,035**	**$ 7,641,178**	**$ (789,034)**	**$ (100,820,705)**	**$ 40,730,973**	**$ (10,532,366)**	**$ 30,198,607**
Net gain/(loss) for the year	-	-	-	-	**-**	19,144,111	**19,144,111**	(**4,338,418**)	**14,805,693**
Stock-based compensation (Note10)	-	-	-	636,174	-	-	636,174	-	636,174
Exercise of stock Options (Note 10a)	3,200,000	2,339,554	-	(835,554)	-	-	1,504,000	-	1,504,000
Restricted and deferred share units (Note 10b)	652,043	277,310	-	(277,310)	-	-	-	-	-
Private placement (Note 9)	18,333,334	5,468,920	-	-	-	-	5,468,920	-	5,468,920
Share compensation (see Note 10c)	1,857,795	917,122	-	-	-	-	917,122	-	917,122
Deconsolidation of Montage	-	-	-	-	449,950	-	449,950	(8,826,136)	(8,376,186)
Gain (loss) on translation to presentation currency	-	-	-	-	2,212,342	-	2,212,342	(1,158,888)	1,053,454
Balance December 31, 2020	**236,186,905**	**$ 143,189,405**	**$ 513,035**	**$ 7,164,488**	**$ 1,873,258**	**$ (81,676,594)**	**$ 71,063,592**	**$ (24,855,808)**	**$ 46,207,784**

The accompanying notes are an integral part of these 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 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 include:

Subsidiary	Ownership %
Sudan:	
Sand Metals Company Limited	100%
Meyas Sand Minerals Company Limited	70%

2. BASIS OF PRESENTATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards , as issued by the International Accounting Standards Board ("IFRS"). The consolidated financial statements have been prepared on a historical cost basis.

These financial statements were approved for issue by Orca's board of directors on April 29, 2021.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used to prepare these consolidated financial statements are outlined below. These accounting policies have been applied by all of Orca's subsidiaries, as necessary, to ensure consistency with the policies adopted by the Company.

a) Consolidation

These financial statements consolidate the financial statements of the Company and its subsidiaries. Inter-company transactions, balances and unrealized gains or losses on transactions between group companies are eliminated in full on consolidation.

(i) Subsidiaries

Subsidiaries are entities controlled by Orca. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power, directly or indirectly, to govern the financial and operating policies of that investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Investment in Associates

Investments in Associates over which the Company exercises significant influence but does not control or jointly control are associates. Investments in associates are accounted for using the equity method, except when classified as held for sale.

The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit (loss), other comprehensive income (loss) and any other changes in the associate's or joint venture's net assets, such as further investment. Adjustments are made to align any inconsistencies between the Company's accounting policies and its associate's policies before applying the equity method. Adjustments are also made to account for depreciable assets based on their fair values at the acquisition date of the investment and for any impairment losses recognized by the associate. The equity method requires shares of losses to be recognized only until the carrying amount of an interest in associate is nil. Any further losses are not recognized unless the entity has a legal or constructive obligation in respect of the liabilities associated with those losses.

At each balance sheet date, the Company considers whether there is objective evidence of impairment in investments in associates. If there is such evidence, the Company determines the amount of impairment to record, if any, in relation to the associate.

Where the Company losses control of an entity and it is reclassified as an associate the Company will re-measure the value of it's retained investment at fair market value. A gain or loss will be recognized for the difference between the net amount of the change in interest and the fair value of any consideration received or paid. As of the date of loss of control the Company will cease to consolidate the results of the entity and report its results as an associate using the equity method of accounting.

(iii) Acquisitions

The acquisition method of accounting is used to account for acquisitions. The cost of an acquisition is measured as the aggregate fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange.

If the investee constitutes a business, as defined by IFRS, the acquisition is accounted for as a business combination whereby identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The excess of the cost of acquisition over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in net loss.

If the investee does not meet the definition of a business, the acquisition is accounted for as an asset acquisition, whereby the cost of the acquisition is allocated between the individual identifiable assets and liabilities based on their relative fair values at the date of acquisition. No goodwill can be recognized in an asset acquisition.

b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Company's subsidiaries and associates are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the parent company and a Canadian holding company is the Canadian dollar. The functional currency of Sand Metals Company Limited and Meyas Sand Minerals Company Limited is the Euro. The consolidated financial statements are presented in Canadian dollars.

The results and financial positions of the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each statement of financial position presented are translated using the exchange rate prevailing at the date of that statement of financial position.

b) Income, expenses, and other comprehensive income for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions).

c) All resulting exchange differences are recognized as a separate component of equity and in other comprehensive income.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency using the exchange rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from changes in the translation rates of monetary assets and liabilities denominated in foreign currencies are recognized in net loss within the consolidated statement of comprehensive loss.

c) Equipment

Equipment is carried at cost less accumulated depreciation and impairment losses. The cost of an asset consists of its purchase price, any directly attributable costs of bringing the asset to its present condition and location for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of each asset is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The depreciation rates and methods are as follows:

Computer equipment	straight line basis over 2 to 4 years

Office furniture and equipment	straight line basis over 4 to 10 years
Vehicles and mobile equipment	straight line basis over 6 to 7 years
Field and camp equipment	straight line basis over 4 years

The assets' residual values, depreciation methods, and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

When an asset is disposed of, the difference between the net sale proceeds and its carrying amount is recognized as a gain or loss within net loss on the consolidated statement of comprehensive loss.

d) Exploration and evaluation expenditure and mineral properties

Exploration and evaluation expenditures comprise of costs which are directly attributable to: researching and analyzing existing exploration data; conducting geological studies, exploratory drilling and sampling; examining and testing extraction and treatment methods; and compiling pre-feasibility and feasibility studies. Exploration and evaluation expenditures also include the costs incurred in acquiring mining rights, the entry premiums paid to gain access to areas of interest and amounts payable to third parties to acquire interests in existing projects.

Exploration and evaluation expenditures are expensed as incurred except for the costs associated with the acquisition of mineral interests. Once a mineral property's technical and economic potential is demonstrable, all further expenditures for the current year and subsequent years are capitalized as incurred and subsequently amortized on a units of production basis based on proven and probable reserves of the assets they relate to. These costs include, costs of maintaining the site until commercial production, mine planning costs, and development and infrastructure costs. The establishment of technical feasibility and commercial viability of a mineral property is assessed based on a combination a factors, including the extent to which mineral reserves or mineral resources have been identified through a feasibility study or similar level document, the results of optimization studies and further technical evaluation carried out to mitigate project risks identified in a feasibility study and the status of environment permits and mining leases or permits. Once a mineral property's technical and economic potential is demonstrable an impairment test on the asset is completed. The impairment test is performed under the Company's impairment of non-financial assets policy.

e) Impairment of non-financial assets

At each reporting period, the Company assesses whether there is an indication that an asset or group of assets may be impaired. When impairment indicators exist, the Company estimates the recoverable amount of the asset and compares it against the asset's carrying amount. The recoverable amount is the higher of the fair value less cost of disposal and the asset's value in use. If the carrying value exceeds the recoverable amount, an impairment loss is recorded in the consolidated statement of earnings during the period.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The cash flows are based on best estimates of expected future cash flows from the continued use of the asset and its eventual disposal.

Reversals of impairment are assessed at each reporting period where there is an indication that an impairment loss recognized previously may no longer exist or has decreased. If an impairment reversal indicator exists, the recoverable amount is calculated. If the recoverable amount exceeds the carrying amount, the carrying value of the asset is increased to the recoverable amount net of depreciation. The increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as a gain in the consolidated statement of earnings in the period it is determined.

f) Financial instruments

IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or at fair value. On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) at fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

Amortized cost
Trade and other receivables and fixed rate investments are classified as and measured at amortized cost using the effective interest rate method, less impairment losses, if any. Cash and cash equivalents include cash on account, demand deposits and money market investments with maturities from the date of acquisition of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant changes in value. Cash is classified as a financial asset that is subsequently measured at amortized cost

Financial assets at fair value through other comprehensive income
The Company's investments in equity marketable securities are designated as financial assets at fair value through other comprehensive income and are recorded at fair value on the trade date with directly attributable transaction costs included in the recorded amount. Subsequent changes in fair value are recognized in other comprehensive income.

Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortized cost or financial assets at fair value through other comprehensive income are measured at fair value through profit or loss.

Non-derivative financial liabilities
Accounts payable and accrued liabilities are accounted for at amortized cost, using the effective interest rate method.

g) Impairment of financial assets

Financial assets measured at amortized cost are reviewed for impairment at each reporting date to determine whether there is any objective evidence of impairment. A financial asset is considered to be impaired if objective evidence, that can be estimated reliably, indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment charge in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

A prior period impairment charge is reviewed for possible reversal of impairment whenever an event or change in circumstance indicates the impairment may have reversed. If it has been determined that the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount to a maximum of the carrying amount that would have been determined had no impairment charge been recognized in prior periods. Impairment charge reversals are recognized in the Consolidated statements of earnings.

h) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with banks, including monetary instruments that may be cashed or redeemed within three months of purchase.

i) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the related proceeds, net of applicable tax.

j) Income tax

Tax is recognized in net loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is the expected tax payable on the taxable income for the year plus any adjustment to tax payable in respect to previous years. It is calculated on the basis of the tax laws and rates enacted or substantively enacted at the balance sheet date in the countries where the Company, its subsidiaries and associates operate. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

k) Stock-based compensation

Share-based compensation arises when the Company issues equity instruments as consideration for services received from employees and non-employees. Its amount is calculated based on the fair value of shares or stock options awarded to employees, measured on their grant date.

The fair value of the shares and stock options is recognized as an expense over their vesting period with a corresponding increase in equity.

l) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognized when: (1) the Company has a present legal or constructive obligation as a result of past events; (2) it is probable that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

4. CRITICAL ACCOUNTING JUDGMENTS

Management exercised judgements in applying the entity's accounting policies. Areas where critical accounting policy judgments have the most significant effect on the consolidated financial statements include:

Investment in Associate - Montage

On August 27, 2019, the Company concluded a corporate restructuring in Côte d'Ivoire creating a new entity, Montage Gold Corp. Orca transferred its permits and permit applications in Côte d'Ivoire to Montage and subsequently entered into a share purchase agreement with Avant Minerals Inc. ("Avant") pursuant to which Avant transferred its assets in Côte d'Ivoire and Burkina Faso and cash of $3.8 million to Montage. At the formation of Montage Orca and Avant owned 60% (33m shares) and 40% (22m shares) respectively.

As the Company was a party to an arrangement over which it did not have sole ownership, judgment was required in determining whether control or joint control over this arrangement existed. In assessing whether control existed, the Company analyzed whether it had the power to govern the financial and operating policies in order to obtain benefits from their activities. Management judgment was required in order to determine which factors were considered most relevant in this evaluation. When performing this assessment, management considered the following factors:

(a) the power to direct the relevant activities that significantly affect the entities returns;
(b) the ability to use its power over the investee to affect the amount of the investor's returns; and
(c) exposure, or rights, to variable returns from its involvement with the investee.

Under the initial Montage shareholders agreement between Orca and Avant, Orca had a majority representation on the board of directors and therefore held the majority voting rights to appoint officers and management of the business and to approve the Company's budget and operational and capital direction of the Company. As a result the Company was deemed to have control and consolidated the financial results of Montage.

On October 23, 2020, Montage closed its initial public offering of an aggregate of 27,272,728 common shares at a price of $1.10 per share for total proceeds of $30 million. On October 30, 2020 the underwriters fully exercised an over-allotment option to acquire an additional 4,090,909 shares at the offering price resulting in additional aggregate gross proceeds of approximately $4.5 million.

Following the Montage IPO on October 23, 2020, Orca's percentage ownership in Montage decreased from 45% to 31.5% and the Company entered into a new investor rights agreement with Montage replacing the initial shareholders agreement between Orca and Avant. Under the investor agreement Orca has the right to appoint a single director to the board of directors if it has a 10% ownership percentage in Montage and can appoint up to three directors if it has a 20% ownership interest in Montage. The board of directors appoints officers and management of the business and approves the Company's budget and operation and capital direction of the Company. With Orca's reduced board representation and ownership percentage, management determined that Orca has significant influence, rather than control, over Montage. The Company has reported the results of Montage as an associate using the equity method effective October 23, 2020.

Assessment of impairment and reverse impairment indicators

The Company carries the acquisition costs of its mineral properties at cost less any provision for impairment. The Company undertakes periodic reviews of its mineral properties for indicators of impairment, which requires the Company to exercise key judgements, including but not limited to, the Company's right to explore the mineral property, whether the Company has further plans or budgets for substantive expenditures for the ongoing exploration and evaluation of the mineral property, the impact of exploration and evaluation results to date with respect to the mineral property, and the likelihood that the carrying value of the mineral property will be recovered in the future through development or sale of the asset. If indicators of impairment are identified, the Company would further review the carrying values of the applicable mineral properties to determine if their carrying values may exceed their fair value, which also requires the Company to make significant judgments and estimates. The judgments and estimates mentioned above 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.

The Company has determined that no indicators of impairment exist for its mineral properties as of December 31, 2020.

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

5. INVESTMENT IN MONTAGE

Following the Company's loss of control over Montage, the Company remeasured the value of its retained investment in Montage and recognized a gain of $29.8 million. Orca has valued its 33.0 million share interest in Montage at the IPO price of $1.10 per share.

Gain on loss of control in Montage

Fair Value of Investment in Montage	36,300,000
Montage net asset value – October 23, 2020	7,291,618
ain on loss of control in Montage	**29,008,382**

The changes in the Investment in Montage from October 23, 2020 to December 31, 2020 and a reconciliation to Montage's December 31, 2020 net assets were as follows:

Investment in Montage - October 23, 2020	36,300,000
Share of loss of Montage October 23 - December 31, 2020	(1,157,216)
Share of OCI of Montage October 23-December 31, 2020	7,220
ıvestment in Montage - December 31, 2020	**35,150,004**

Montage Balance Sheet – December 31, 2020

Current assets	
Cash and cash equivalents	32,751,159
Other current assets	975,988
Total current assets	33,727,147
Other assets	22,070
Equipment	382,919
Mineral Properties	12,561,587
Current liabilities	(2,117,799)
Net assets	**44,575,924**
Orca share of net assets (31.5% ownership)	**14,030,995**
Fair value adjustment on initial recognition of investment in Montage	**21,119,009**
Investment in Joint Venture – December 31, 2020	**35,150,004**

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

6. RECEIVABLES AND OTHER ASSETS

	December 31, 2020	**December 31, 2019**
Prepaid expenses	456,345	137,211
Fuel inventory	33,838	139,904
Other receivables	-	120,291
Total receivables and other assets	**490,183**	**397,406**

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

7. EQUIPMENT

Cost	Computer and Office Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2019	**355,198**	**1,654,890**	**1,638,375**	**3,648,463**
Avant acquisition	16,696	16,375	176,245	209,316
Additions	11,559	256,593	344,327	612,479
Effects of foreign exchange on translation to presentation currency	(30,543)	(133,464)	(154,610)	(318,617)
As at December 31, 2019	**352,910**	**1,794,394**	**2,004,337**	**4,151,641**
Additions	716	-	-	716
Deconsolidation of Montage	(23,874)	(281,074)	(548,324)	(853,272)
Effects of foreign exchange on translation to presentation currency	24,867	144,966	151,744	321,577
As at December 31, 2020	**354,619**	**1,658,286**	**1,607,757**	**3,620,662**
Accumulated depreciation				
As at January 1, 2019	**(284,535)**	**(1,169,987)**	**(1,342,256)**	**(2,796,778)**
Depreciation	(29,234)	(129,422)	(109,739)	(268,395)
Burkina Faso impairment	(11,559)	-	(294,393)	(305,952)
Effects of foreign exchange on translation to presentation currency	25,659	112,212	89,034	226,905
As at December 31, 2019	**(299,669)**	**(1,187,197)**	**(1,657,354)**	**(3,144,220)**
Depreciation	(32,260)	(188,038)	(124,452)	(344,750)
Deconsolidation of Montage	14,226	13,391	322,929	350,546
Effects of foreign exchange on translation to presentation currency	(12,566)	(34,529)	(79,444)	(126,539)
As at December 31, 2020	**(330,269)**	**(1,396,373)**	**(1,538,321)**	**(3,264,963)**
Net book amount				
As at December 31, 2019	**53,241**	**607,197**	**346,983**	**1,007,421**
As at December 31, 2020	**24,350**	**261,913**	**69,436**	**355,699**

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

8. MINERAL PROPERTIES

Cost	Total
As at January 1, 2019	**9,840,101**
Avant acquisition	6,192,590
Effects of foreign exchange on translation to presentation currency	(162,708)
As at December 31, 2019	**15,869,983**
Deconsolidation of Montage	(11,734,994)
Effects of foreign exchange on translation to presentation currency	291,261
As at December 31, 2020	**4,426,250**

The Company's mineral property is Block 14, located in the northern part of the Republic of Sudan.

In 2018, the Company completed a transaction with Kinross to acquire projects in Côte d'Ivoire for $5.4 million including exploration properties with rights to the Morondo, Korokaha North and Bassawa exploration licences and three application exploration licences. On August 29, 2019 the Company, through Montage (its subsidiary at the time), acquired permits in Côte d'Ivoire and Burkina Faso with a mineral property valuation of $6.2 million from Avant.

Following the Montage IPO and Orca's loss of control over Montage the Côte d'Ivoire mineral properties with a carrying value of $11,734,994 were deconsolidated.

9. 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 year ended December 31, 2020.

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

A continuity summary of the issued and outstanding common shares and associated dollar amounts is presented below:

	Number of common shares	Share capital
Balance at January 1, 2019	204,660,569	131,083,057
Exercise of share options (Note 10a)	6,500,000	2,803,577
Share compensation (Note 10c)	983,164	299,865
Balance at December 31, 2019	**212,143,733**	**134,186,499**
Exercise of share options (Note 10a)	3,200,000	2,339,554
Restricted and Deferred share units (Note 10b)	652,043	277,310
Private placement [a]	18,333,334	5,468,920
Share compensation (Note 10c)	1,857,795	917,122
Balance at December 31, 2020	**236,186,905**	**143,189,405**

(a) On June 2, 2020 the Company completed a private placement of 18,333,333 shares for net proceeds of $5,468,920.

10. 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 stock-based compensation for options for the year ended December 31, 2020 was $0.2 million (2019: $1.3 million). For the year ended December 31, 2020, stock-based compensation of $0.2 million (2019: $1.0 million) has been allocated to administration costs and nil (2019: $0.3 million) to exploration and project investigation costs, for employees directly involved in exploration activities.

The unrecognized compensation cost for non-vested share options at December 31, 2020 was $0.1 million (December 31, 2019: $0.3 million).

b) Stock options outstanding

During 2020, 3.2 million share options were exercised resulting in cash proceeds of $1.5 million at a weighted average price of $0.47 per share.

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, 2019	17,025	$0.41
Granted	3,450	$0.35
Exercised	(6,500)	$0.27
Expired	(267)	$0.50
Outstanding at December 31, 2019	13,708	$0.45
Exercised	(3,200)	$0.48
Expired	(1,775)	$0.43
Outstanding at December 31, 2020	8,733	$0.45
Exercisable at December 31, 2020	7,750	$0.46

The following summarizes information about the stock options outstanding and exercisable at December 31, 2020:

	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$)
0.35	3,250	1.26	$0.35	2,267	1.23	$0.35
0.51	5,483	0.52	$0.51	5,483	0.52	$0.51
	8,733	0.79	$0.45	7,750	0.72	$0.46

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

On September 16, 2019, the Company granted a total of 1,961,538 restricted share unit's ("RSUs") to certain senior officers and other eligible persons of the Company. The RSU's vest over a period of three years and are redeemable in shares of the company over a period of five years at a price of $0.39 per share. The RSU stock based compensation expense recorded in the Statement of Comprehensive Loss was $0.3 million for the year ended December 31, 2020 (2019: $0.1 million) The Company also granted 256,410 deferred share units ("DSUs") to non-employee directors on September 16, 2019. The grant resulted in stock based compensation expense recorded in the Statement of Comprehensive income of $0.1 million for the year ended December 31, 2020 (2019: $0.2 million). During 2020, a total of 652,043 RSU and DSU's with a fair value of $277,310 were issued during the period.

c) Share Compensation Agreement

On December 23, 2019 the Company entered into share compensation agreements with certain directors and employees. Pursuant to the share compensation agreements, such directors and employees will receive all or a portion of their director fees or wages for the period from September 1, 2019 to December 31, 2020 in common shares of the Company, with the remaining amount, if any, to be satisfied in cash. For the year ended December 31, 2020, a total 1,857,795 shares with a fair value of $917,122 were issued (2019: shares issued 983,164 with a fair value of $299,865). Under the share compensation agreements, the deemed price per common share to be issued will be no less than the closing price of the Company's common shares on the third trading day prior to the end of each quarter minus the discount permitted under applicable TSX Venture Exchange policies, provided that in any event, such price will be no lower than $0.305 per share, the closing price as of December 23, 2019.

11. ADMINISTRATION COSTS

	Year ended December 31, 2020	**Year ended December 31, 2019**
Depreciation	-	999
Management and consulting fees	2,286,602	2,107,049
Office and administration	427,116	602,851
Professional fees	1,318,018	294,975
Salaries and benefits	145,095	523,064
Stock based compensation expense (Note 10)	504,153	1,000,796
Travel and promotion	346,597	655,407
Total administration costs	**5,027,581**	**5,185,141**

Montage's administration costs have been consolidated at Orca's 45% in Montage to the date of the Montage IPO on October 23, 2020. Following the IPO and Orca's loss of control of Montage, the results of Montage have been equity accounted and reported as Investment in Montage.

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

12. EXPLORATION AND PROJECT INVESTIGATION COSTS

Year ended December 31,		Sudan (Block 14)	Côte d'Ivoire	Burkina Faso	Total
2020	Depreciation	222,463	122,287	-	344,750
	Drilling	-	2,397,549	-	2,397,549
	Exploration support and administration	320,560	316,688	120,956	758,204
	Field operation and consumables	741,454	174,594	-	916,048
	Geological consulting	17,436	28,821	23,725	69,982
	Permitting and licensing fees	416,165	13,030	36,589	465,784
	Salaries and benefits	1,638,398	613,451	475,208	2,727,057
	Sampling, geological and other evaluation costs	106,991	180,257	-	287,248
	Stock-based compensation expense (Note 10)	108,489	23,532	-	132,021
	Travel and accommodation	94,501	18,635	22,825	135,961
	Total exploration and project investigation costs	**3,666,457**	**3,888,844**	**679,303**	**8,234,604**
2019	Depreciation	219,367	38,863	9,166	267,396
	Drilling	79,863	957,855	-	1,037,718
	Exploration support and administration	325,384	138,717	39,396	503,497
	Field operation and consumables	695,464	343,341	1,127	1,039,932
	Geological consulting	68,275	67,714	20,501	156,490
	Permitting and licensing fees	410,879	157,252	11,500	579,631
	Salaries and benefits	2,273,590	782,739	135,129	3,191,458
	Sampling, geological and other evaluation costs	1,037,658	334,195	-	1,371,853
	Stock-based compensation expense	283,201	-	-	283,201
	Travel and accommodation	84,885	62,032	12,588	159,505
	Total exploration and project investigation costs	**5,478,566**	**2,882,708**	**229,407**	**8,590,681**

The Côte d'Ivoire results have been consolidated to the date of the Montage IPO on October 23, 2020. Following the IPO and Orca's loss of control over Montage, the results of Montage are equity accounted and reported as investment in Montage.

13. OTHER INCOME

During the year ended December 31, 2020, the Company recognized a recovery of $0.1 million (2019: $1.3 million) related to the reversal of a previously accrued withholding tax liability following a tax audit in Sudan for the period from January 2018 to December 2019. The amount accrued in prior years related to withholding tax that was considered likely to be remitted in connection with work performed by certain foreign contractors. The reversal of the liability reflects the amounts not assessed as part of the tax audit, and as such, the related accrual has been reversed during the period.

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

14. RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the year ended December 31, 2020 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. Montage is an associate and a related party of Orca. There were no related party transactions between Orca and Montage during the year. Related party transactions occur and are recorded at the amounts agreed between the parties.

a) Services received from related parties

	Related party	Year ended December 31, 2020	Year ended December 31, 2019
Drilling and exploration support	Meyas Nub	230,797	81,907
Geological consulting	HSEC	-	50,311
Geological consulting	Geodex	17,547	70,971
Total services received from related parties		**248,344**	**203,189**

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

b) 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:

	Year ended December 31, 2020	**Year ended December 31, 2019**
Salaries and management fees	1,327,720	1,418,996
Short term benefits	39,438	43,436
Directors fees	179,898	241,663
Stock-based compensation	378,300	617,982
Total key management compensation	**1,925,356**	**2,322,077**

15. INCOME TAX

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to the loss for the year. These differences result from the following items:

	Year ended December 31, 2020	**Year ended December 31, 2019**
(Gain)/loss before taxes	(14,805,693)	12,913,017
Combined Canadian federal and provincial statutory income tax rates	27.00%	27.00%
Income tax (expense) recovery based on the above rate	(3,997,537)	3,486,515
Changes in deferred tax not recognized	6,642,793	(2,057,154)
Differences between Canadian and foreign tax rates	(338,060)	(814,869)
Non-deductible expenses	(2,282,815)	(37,976)
Impacts of changes in foreign exchange rates	(24,381)	(576,516)
Total income tax recovery	**-**	**-**

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

The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset has been recognized consist of the following:

	December 31, 2020	**December 31, 2019**
Non-capital losses carried forward – Canada	12,002,286	11,709,073
Capital losses carried forward – Canada	6,503,506	9,100,471
Investment in Montage	(2,787,751)	-
Non-Capital losses carried forward – United Kingdom	322,091	226,332
Share issue costs – Canada	169,026	390,368
Other asset/resource pools – Canada	1,625,943	1,625,943
Cumulative exploration losses – Sudan	12,676,798	11,368,373
Cumulative operating losses – Sudan	514,674	584,502
Cumulative operating losses – Ivory Coast	-	1,618,262
Non-capital losses carried forward - Burkina Faso	-	99,320
	31,026,573	**36,722,644**

The Company's Canadian capital loss carry-forwards have no expiration and the respective years of expiration of the Canadian non-capital loss carry-forwards are as follows:

Year of expiration	
2027	821,178
2028	971,806
2029	964,651
2030	1,762,183
2031	4,940,525
2032	4,476,464
2033	7,558,852
2034	3,583,583
2035	5,288,437
2036	2,187,592
2037	2,812,578
2038	3,213,813
2039	3,117,771
2040	2,753,477
Total non-capital loss carry-forwards	**44,452,910**

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

Operating losses in Sudan may be carried forward for five years, and no benefit has been recognized for tax purposes.

The respective years of expiration of the cumulative operating losses in Sudan are as follows:

r of expiration	
2021	287,096
2022	190,372
2023	351,558
2024	427,439
2025	214,032
mulative operating losses in Sudan	**1,470,497**

In addition, should the Company reach a development decision with respect to a mineral property, cumulative exploration costs incurred may be capitalized and subsequently depleted against the related mineral property as operating costs for tax purposes in Sudan. As at December 31, 2020, the Company's exploration losses are $84.5 million (2019: $75.9 million) and relate to Block 14, its sole mineral property as of that date.

16. 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 8 and 12, respectively, represent the manner in which management reviews its business performance. The Company's interests in mineral properties and exploration and project investigation costs are located in Sudan and through its associate Montage, in Côte d'Ivoire. Materially all of the Company's administrative costs are incurred by the Orca's Canadian legal entities, 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.

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

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

As at December 31,		**Sudan (Block 14)**	**Côte d'Ivoire**	**Burkina Faso**	**Corporate & Other**	**Total**
2020	Current assets	451,946	-	-	6,813,943	7,265,890
	Equipment	354,271	-	-	1,428	355,699
	Mineral properties	4,426,250	-	-	-	4,426,250
	Investment in Montage	-	-	-	35,150,004	35,150,004
	Total Assets	5,232,467	-	-	41,965,375	47,197,842
	Current liabilities	728,655	-	-	261,403	990,058
2019	Current assets	199,382	97,093	119,419	14,275,155	14,691,049
	Equipment	539,010	468,411	-	-	1,007,421
	Mineral properties	4,134,989	11,734,994	-	-	15,869,983
	Other assets	-	24,461	-	-	24,461
	Total Assets	4,873,381	12,324,959	119,419	14,275,155	31,592,914
	Current liabilities	445,020	679,621	15,267	254,399	1,394,307

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

Year ended December 31,		**Sudan (Block 14)**	**Côte d'Ivoire**	**Burkina Faso**	**Corporate & Other**	**Total**
2020						
	Exploration and project investigation	3,666,457	3,888,844	679,303	-	8,234,604
	General administration and other items	-	-	-	4,895,572	4,895,572
	Sudan withholding tax accrual reversal	(84,703)	-	-	-	(84,703)
	Gain on Montage loss of control	-	-	-	(29,008,382)	(29,008,382)
	Investment in Montage	-	964,573	-	192,643	1,157,216
	Net loss	3,581,754	4,853,417	679,303	(23,920,167)	(14,805,693)
2019	Exploration and project investigation	5,478,566	2,882,708	229,407	-	8,590,681
	General administration and other items	-	-	-	5,269,775	5,269,775
	Burkina Faso asset impairment	-	-	338,124	-	338,124
	Sudan Withholding tax accrual reversal	(1,285,563)	-	-	-	(1,285,563)
	Net loss	4,193,003	2,882,708	567,531	5,269,775	12,913,017

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

17. NON-CONTROLLING INTEREST

Sudan

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.

Montage

Following the formation of Montage on August 27, 2019, Orca consolidated the results of Montage and reported its 45% interest as non-controlling interest (note 4). Montage had a 51% equity interest in its Burkina Faso properties, with Predictive Discovery Limited, owning 49%. The Predictive Discovery Limited ownership is reported as non-controlling interest.

Following the Montage IPO on October 23, 2020 the Company reported Montage as investment in associate (note 4). This resulted in the elimination of Orca's non-controlling interest in Montage.

The changes to the non-controlling interest for the year ended December 31, 2020 are as follows:

	MSMCL	**Montage**	**Total**
January 1, 2019	**22,662,621**	**-**	**22,662,621**
Non-controlling interest's 30% share of MSMCL's net loss for the year	1,075,787	-	1,075,787
Non-controlling interest's 30% share of MSMCL's other comprehensive gain for the year on translation to presentation currency	(1,398,578)	-	(1,398,578)
Non-controlling interest 55% share of Montage net loss for the year	-	1,581,330	1,581,330
Non-controlling interest 55% share of Montage Acquisition	-	(13,239,974)	(13,239,974)
Montage share options issued	-	(148,820)	(148,820)
December 31, 2019	**22,339,830**	**(11,807,464)**	**10,532,366**
Non-controlling interest's 30% share of MSMCL's net loss for the year	944,091	-	944,091
Non-controlling interest 55% share of Montage net loss for the year	-	3,394,327	3,394,327
Non-controlling interest's 30% share of MSMCL's other comprehensive income	1,571,887	-	1,517,887
Deconsolidation of Montage	-	8,413,137	8,413,137
December 31, 2020	**24,855,808**	**-**	**24,855,808**

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

The following is summarized financial information of Meyas Sand Minerals Company Limited:

	December 31, 2020	**December 31, 2019**
Current assets	91,532	190,477
Equipment, net	334,808	485,812
Mineral properties	4,426,250	4,134,989
Current liabilities	(486,212)	(423,763)
Advances from SMCL	(83,006,221)	(74,978,405)
Advances from another wholly owned subsidiary of Orca	(413,000)	(385,824)

	Year ended December 31, 2020	**Year ended December 31, 2019**
Net loss	3,248,036	3,585,956
Cash flows for operating activities	(2,995,224)	(5,124,741)
Cash flows from financing activities	8,027,816	5,026,425
Cash flows for investing activities	(4,593)	(11,006)

18. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to provide returns for shareholders, through investment in mineral exploration, while safeguarding the Company's ability to continue as a going concern.

In the management of capital, the Company considers its capital resources to be the shareholders' equity, existing cash resources and short-term investments, if any.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt instruments, adjust the level of operations, acquire or dispose of assets, bring in joint venture partners, or enter into corporate transactions.

In order to facilitate the management of its capital requirements, the Company prepares annual exploration budgets that are updated as necessary depending on various factors, including exploration results, political stability, and general industry conditions.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has estimated the fair values of its financial instruments based on appropriate valuation methodologies. These values are not materially different from their carrying value.

The Company classifies the fair values of its financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

Level 1 – Quoted price (unadjusted) in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted market prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, trade payables and accrued liabilities with carrying values considered to be reasonable approximations of fair value due to the short term nature of these instruments.

20. MANAGEMENT OF FINANCIAL RISK

The Company's financial instruments are exposed to certain financial risks, including currency, credit, 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 December 31, 2020, the Company's Sudanese operating subsidiaries' largest foreign currency risk exposure was a net financial liability denominated in Euro of an amount equivalent to approximately $0.1 million. A 10% change in the foreign exchange rate between the British pound and the European Euro would give rise to increases/decreases of approximately $10,000 in financial position/comprehensive loss.

b) Credit risk

Credit risk is the risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The majority of the Company's cash is held in large financial institutions with a high investment grade rating. The expected credit loss related to these assets is negligible.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents balances to meet its anticipated operational needs. The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses.

The maturities of the Company's financial liabilities as at December 31, 2019 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	990,058	990,058	-	-
Total	**990,058**	**990,058**	**-**	**-**

21. SUBSEQUENT EVENT

The Company completed a non-brokered private placement of 19,649,998 common shares on March 31, 2021 for gross and net proceeds of $10.8 million and $10.7 million, respectively.

CORPORATE DIRECTORY

OFFICERS
Richard P. Clark
Chief Executive Officer
Hugh Stuart
President
Glenn Kondo
Chief Financial Officer
Kevin Ross
Chief Operating Officer
David Field
Lead Director
Dr. Karamo NM Sonko
Chief Strategist, African Affairs
Kathy Love
Corporate Secretary

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

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REGISTRAR AND TRANSFER AGENT
Computershare Trust Company of Canada
Vancouver, British Columbia
Canada

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