



**ORCA GOLD INC.**

**SECOND QUARTER REPORT**

**For the Three and Six Months Ended**

**June 30, 2021**

**ORCA GOLD INC.**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**THREE AND SIX MONTHS ENDED JUNE 30, 2021**  
**(Amounts in Canadian Dollars unless otherwise indicated)**

The following management's discussion and analysis ("MD&A") of Orca Gold Inc. ("Orca" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The effective date of this MD&A is August 30, 2021. Additional information about the Company and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website [www.orcagold.com](http://www.orcagold.com).

Orca is a junior mining company focused on the acquisition, exploration and development of mineral properties in Africa. The Company's main 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 Koné 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. Block 14 is ready for development and with a financing commitment, could be in production within 24-30 months.

All exploration and mining projects in Sudan are subject to The Mineral Resources Development and Mining Act, 2015 and its regulations ("The Mining Act"), 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 Act, defined by concession agreements and granted under exclusive exploration concessions and mining leases issued pursuant to the Mining Act. The Company, through its local subsidiary, owns the Block 14 Concession, granted by the Sudan Government on May 19, 2010 (the "Concession Agreement"). The Company also owns an exclusive prospecting licence over the Block 14 concession area, which expires on November 18, 2024.

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 2023-24. The Sovereign Council currently 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<sup>2</sup>, surrounding the planned Block 14 Mining Lease (38km<sup>2</sup>). The exploration permit is currently scheduled to expire in 2024.

During 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.

Sudan's transitional government 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 would 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. These ongoing economic and political initiatives and removal from the SST List have created a new era of hope in Sudan, as a welcomed member of the international community. With these significant positive advancements in Sudan the Company looks forward to developing a gold mine at our Block 14 project

On May 17, 2021, Mouvement des Entreprises de France's ("MEDEF") held a Conference on Sudan in Paris, France and brought together political leaders, banking representatives and corporate executives from different sectors to discuss investment opportunities in Sudan. Organised by French President Emmanuel Macron, the Conference encouraged private investors to return to Sudan as it emerges from three decades of isolation and rebuilds its shattered economy. President Macron invited Sudan's bilateral creditors to help lighten Sudan's debt burden.

At the end of June 2021, the Executive Boards of the World Bank's International Development Association (IDA) and the International Monetary Fund (IMF) determined that Sudan had taken the necessary steps to begin receiving debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. Sudan is the 38<sup>th</sup> country to reach this milestone, known as the HIPC Decision Point.

HIPC debt relief will assist Sudan in enacting critical reforms to enhance the lives of its citizens by allowing resources to be freed up to combat poverty and improve social conditions. If Sudan reaches the HIPC Completion Point within a 3 year time frame, Sudan's external public debt could be irreversibly reduced by more than US\$50 billion through HIPC debt relief and other debt relief initiatives anchored to the HIPC initiative, representing over 90% of Sudan's total estimated external debt.

In July 2021 the Paris Club of creditors agreed to cancel US\$14.1 billion and reschedule the balance of \$9.4 Billion of Sudan's international debt owed to the Club, praising the country's economic reforms. Concurrently, France has cancelled the US\$5 billion it was owed by Sudan and the IMF announced a US\$1.4 billion debt relief package.

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 the 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 Montage board is currently comprised of six directors. The Company has reported the results of Montage as an associate using the equity method effective from October 23, 2020.

## **Q2 2021 OPERATING HIGHLIGHTS**

### **Sudan**

With improving political and economic 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. 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.

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 requested them to leave for development and safety reasons. During Q2, at the request of the Company, the Government of Sudan has peacefully and successfully removed the local miners peacefully from GSS and Wadi Doum.

Following the removal of the local miners, the Company continued to advance the development of Block 14 including the following initiatives:

- Construction of a 1700m airstrip located 8km from GSS.
- Erecting a perimeter fencing at GSS and Wadi Doum.
- Construction of a 100 man camp at GSS.

The Company is also in the final stages of discussions with the Sudan government on the necessary project agreements to fully secure financing for the construction at Block 14. The agreements include a Shareholders Agreement, Mining Lease Agreement and Royalty Agreement. The Company also expects to sign these agreements during H2, 2021.

### **Côte d'Ivoire**

In Côte d'Ivoire, Montage commenced a 35,000m infill drilling program at the Koné Gold Project in January 2021, which was later increased by an additional 25,000m of drilling for a total drill program of approximately 60,000m. This program was completed by the end of June 2021 and was the basis for an Indicated Mineral Resource Estimate to support the delivery of a Feasibility Study, scheduled for the end of 2021.

During the quarter, Montage also completed the Preliminary Economic Assessment ("PEA") for the Koné Gold Project, the summary of which was announced via press release on May 25, 2021. The NI 43-101 Technical Report titled "Preliminary Economic Assessment for the Koné Gold Project Côte d'Ivoire" was filed on SEDAR on June 7,

2021. The PEA demonstrates strong economics from a large scale, low-cost, open pit project with an initial project life of 14.7 years, producing an average of 205,000 ounces of gold annually over that timeframe with life-of-mine all-in sustaining costs of \$975/payable ounce of gold. Pre-production capital costs are estimated at \$489.9 million, including contingency of \$65.1 million.

## OUTLOOK

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 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 COVID-19. As of today, there are no confirmed cases of the virus amongst our employees.

Given the uncertainty of the duration and magnitude of the impact of COVID-19 there may be a material adverse effect on global economic activity and it 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.

During H2, 2021 the Company is will commence an exploration program at Block 14 targeting additional resource development at GSS and will also be conducting regional exploration on the 1000sq km exploration concession to evaluate more than 300 artisanal workings and to follow up on previously identified high grade targets.

The Company has also planning to complete the following initiatives that commenced in Q2, 2021:

- Construction of the 1700m airstrip by October 2021.
- Fencing of GSS and WDD in early Q4, 2021.
- Construction of its 100 man camp at GSS in Q4, 2021.
- Mining contractors have been requested to bid for a drill, blast load and haul operations contracts, with bids to be received in Q4, 2021.

In Côte d'Ivoire following the completion of the PEA, Montage has continued to advance the Koné Gold Project towards the delivery of a Feasibility Study by year-end 2021. The Company's infill/expansion drill program was completed at the end of July 2021 for a total of 60,155m including 38,497m of core and 21,658m of RC drilling, bringing the total drilling at the Koné deposit to 100,695m. The updated Mineral Resource Estimate was completed in Q3 2021 and includes a maiden Indicated Mineral Resource of 225Mt grading 0.59g/t for 4.27Moz (at a 0.20g/t cut-off grade) and an additional Inferred Mineral Resource of 22Mt grading 0.45g/t for 0.32Moz (at a 0.20g/t cut-off grade).

## Corporate

The Company completed a private placement on March 30, 2021 issuing 19,649,998 shares at a value of \$10.8 million. Stock options exercised during the six months to June 30, 2021 were 2,083,335 for cash proceeds of \$1.1 million.

## SUMMARY OF QUARTERLY FINANCIAL RESULTS

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

Months Ended	Jun-21	Mar-21	Dec-20	Sept-20	Jun-20	Mar-20	Dec-19	Sept-19
Revenue (\$000's)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exploration costs (\$000's)	1,486	951	1,814	2,515	1,704	2,201	2,479	1,324
Total net (gain)/loss (\$000's)	5,822	4,475	(25,073)	3,898	2,990	3,379	2,647	2,339

Net loss attributed to the Company's shareholders (\$000's)	5,435	4,189	(25,956)	2,447	2,381	1,984	1,242	1,724
(Gain)/Net loss per share attributed to the Company's shareholders, basic and diluted (\$)	0.02	0.02	(0.12)	0.02	0.01	0.01	0.02	0.01
Total net assets (\$000's)	47,951	52,400	47,198	31,548	32,802	30,047	31,593	34,642
Total current financial liabilities (\$000's)	977	1,172	990	2,093	1,407	1,812	1,394	2,589

During Q4 2020, the Company reported a net gain of \$25.9 million following the Company's loss of control of Montage and the 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 Q4 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 its IPO, Montage was deconsolidated and accounted for using the equity method

Exploration costs for Q1 2021 were \$1.0 million (2020: \$2.2 million). The decrease follows the Orca's deconsolidation from Montage. The Company reported an addition in fixed assets in Sudan of \$0.5 million for materials to construct a perimeter fence around Block 14. The Company's net assets increased by \$5.0 million at March 31, 2021 due to its March private placement of \$10.8 million, which was partially offset by the decrease in the Company's 31.5% investment in Montage of \$3.7 million and an increase in liabilities of \$0.2 million. The Montage loss was due to exploration expenditures of \$7.3 million during the quarter to deliver on its 35,000m drilling program at Koné and the work toward the completion of the Company's Preliminary Economic Assessment ("PEA").

During Q2 2021 Exploration costs were \$1.5 million (2020: \$0.8m in Sudan, excluding Côte d'Ivoire and Burkina Faso. Montage is now equity accounted as Orca's investment in Montage). Exploration costs increased during the current year due to additional expenditures for security forces to remove the illegal artisanal miners from Block 14 and to provide ongoing security of GSS and Wadi Doum. The Company also incurred additional costs for increased site equipment to conduct earthworks at Block 14 to advance site development and for infrastructure development, including laying the foundations for a 100 man camp. The Company's net assets were \$47.9 million at June 30, 2021, an increase of \$0.6 million compared to December 31, 2020. The increase was due to the Company's March private placement of \$10.8 million and the exercise of stock options for \$1.1 million during Q2, 2021. This was largely offset by the decrease in the Company's Interest in Montage of \$6.4 million following its ongoing exploration work, Sudan exploration expenditures of \$2.5m and administration expenditures of \$2.5 million during H1, 2021.

## LIQUIDITY AND CAPITAL RESOURCES

The Company had a cash balance of \$13.4 million as at June 30, 2021 compared to \$6.8 million at December 31, 2020. The Company's treasury has been increased with the completion of a private placement of 19.6 million shares at \$0.55 per share for a value of \$10.8 million in March 2021 and the exercise of stock options for \$1.1 million during Q2, 2021.

## 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 or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

As at June 30, 2021, the Company did not have any material foreign currency risk exposure at its operation in Sudan or corporate office in Canada.

#### **b) Credit risk**

As at June 30, 2021, the majority of the Company's cash was held through Canadian institutions with investment grade ratings.

#### **c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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 June 30, 2021 are as follows:

	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Account payable and accrued liabilities</b>	<b>976,943</b>	<b>976,943</b>	-	-

#### **OUTSTANDING SHARE DATA**

As at August 30, 2021, the Company had 259,720,237 common shares outstanding and 7,900,000 share options outstanding under its stock based incentive plan, 3,128,061 restricted share units outstanding under the Restricted Share Unit Plan and 700,785 deferred share units outstanding under the Deferred Share Unit Plan.

#### **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.

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

Certain of the statements made and contained herein are forward-looking information or forward-looking statements within the meaning of applicable Canadian securities laws, including statements regarding Orca's (the "Company", the "Corporation", "we" or "our") plans and expectations relating to the Block 14 Gold Project ("Block 14") in northern

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

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

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

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

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

# **Orca Gold Inc.**

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2021 and 2020

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

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 13,360,224	\$ 6,775,706
Receivables and other assets (Note 4)	581,544	490,183
	<u>13,941,768</u>	<u>7,265,889</u>
Equipment (Note 5)	1,113,107	355,699
Mineral properties (Note 6)	4,170,454	4,426,250
Investment in Montage (Note 3)	28,729,499	35,150,004
	<u>\$ 47,954,828</u>	<u>\$ 47,197,842</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 976,944	\$ 990,058
<b>EQUITY</b>		
Equity attributed to common shareholders		
Share capital (Note 7)	155,410,972	143,189,405
Warrants	513,035	513,035
Contributed surplus	7,429,270	7,164,488
Accumulated other comprehensive income	(1,395,637)	1,873,258
Deficit	(91,300,516)	(81,676,594)
	<u>70,657,124</u>	<u>71,063,592</u>
Non-controlling interest (Note 13)	(23,679,240)	(24,855,808)
	<u>46,977,884</u>	<u>46,207,784</u>
	<u>\$ 47,954,828</u>	<u>\$ 47,197,842</u>

Subsequent event (Note 15)

Approved by the Board of Directors

(signed) "Robert F. Chase"  
Director

(signed) "David Field"  
Director

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

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

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>2021</b>	<b>June 30, 2020</b>	<b>2021</b>	<b>June 30, 2020</b>
Administration costs (Note 9)	\$ 1,526,451	\$ 1,371,652	\$ 2,451,021	\$ 2,603,534
Exploration and project investigation costs (Note 10)	1,485,912	1,704,389	2,437,147	3,905,731
Foreign exchange (gain) loss	135,068	(30,783)	179,869	(30,784)
Interest income	(11,293)	(55,621)	(22,941)	(109,471)
Share of loss in Montage (Note 3)	2,686,195	-	5,252,737	-
Net loss for the period	<u>\$ 5,822,333</u>	<u>\$ 2,989,635</u>	<u>\$ 10,297,833</u>	<u>\$ 6,369,010</u>
Net loss for the period attributed to:				
Common shareholders of the Company	5,434,564	2,380,533	9,623,922	4,364,971
Non-controlling interest (Note 13)	387,769	609,102	673,911	2,004,039
	<u>\$ 5,822,333</u>	<u>\$ 2,989,635</u>	<u>\$ 10,297,833</u>	<u>\$ 6,369,010</u>
Net loss for the period	\$ 5,822,333	\$ 2,989,635	\$ 10,297,833	\$ 6,369,010
Items that may be subsequently reclassified to net loss:				
Loss (gain) on translation to presentation currency	57,880	247,050	1,418,416	(765,383)
Comprehensive loss for the period	<u>\$ 5,880,213</u>	<u>\$ 3,236,685</u>	<u>\$ 11,716,249</u>	<u>\$ 5,603,627</u>
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	\$ 5,946,050	\$ 2,664,629	\$ 12,892,817	\$ 2,492,191
Non-controlling interest (Note 12)	(65,837)	572,056	(1,176,568)	3,111,436
	<u>\$ 5,880,213</u>	<u>\$ 3,236,685</u>	<u>\$ 11,716,249</u>	<u>\$ 5,603,627</u>
Basic and diluted loss per common share	<u>\$ 0.02</u>	<u>\$ 0.01</u>	<u>\$ 0.04</u>	<u>\$ 0.02</u>
Basic and diluted weighted average number of shares outstanding	<u>256,577,014</u>	<u>221,021,781</u>	<u>246,615,450</u>	<u>216,582,735</u>

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

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

	<b>Six months ended</b>	
	<b>2021</b>	<b>June 30, 2020</b>
Cash flows for operating activities		
Net loss for the period	\$ (10,297,832)	\$ (6,369,010)
Add non-cash items		
Depreciation of equipment (Note 5)	91,695	180,235
Stock-based compensation expense (Note 8)	810,600	1,331,112
Share of loss in Montage (Note 3)	5,252,737	-
	<u>(4,142,800)</u>	<u>(4,857,663)</u>
Changes in non-cash working capital items		
Receivables and other assets	(137,019)	(145,896)
Accounts payable and accrued liabilities	(78,857)	(37,506)
	<u>(4,358,676)</u>	<u>(5,041,065)</u>
Cash flows for investing activities		
Purchase of equipment (Note 5)	(883,379)	-
	<u>(883,379)</u>	<u>-</u>
Cash flows from financing activities		
Net proceeds from private placement	10,655,915	5,468,919
Net proceeds from exercise of stock options	1,019,834	-
	<u>11,675,749</u>	<u>5,468,919</u>
Foreign exchange on cash and cash equivalents	<u>150,824</u>	<u>(23,356)</u>
Increase in cash and cash equivalents	6,584,518	404,498
Cash and cash equivalents, beginning of period	6,775,706	14,293,643
Cash and cash equivalents, end of period	<u>\$ 13,360,224</u>	<u>\$ 14,698,141</u>
Supplemental information		
Interest received	<u>\$ 22,941</u>	<u>\$ 56,541</u>

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

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

	Number of Shares Issued and Outstanding	Equity Attributed to Common Shareholders						Non-controlling Interest	Total
		Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total		
<b>Balance January 1, 2021</b>	<b>236,186,905</b>	<b>\$ 143,189,405</b>	<b>\$ 513,035</b>	<b>\$ 7,164,488</b>	<b>\$ 1,873,258</b>	<b>\$ (81,676,594)</b>	<b>\$ 71,063,592</b>	<b>\$ (24,855,808)</b>	<b>\$ 46,207,784</b>
Net loss and other comprehensive loss for the period	-	-	-	-	(3,268,895)	(9,623,922)	(12,892,817)	1,176,568	<b>(11,716,249)</b>
Private placement	19,649,998	10,807,510	-	-	-	-	10,807,510	-	10,807,510
Share issue costs	-	(151,595)	-	-	-	-	(151,595)	-	(151,595)
Stock option exercise	2,083,335	1,565,652	-	(545,818)	-	-	1,019,834	-	1,019,834
Stock based compensation (Note 8)	-	-	-	810,600	-	-	810,600	-	810,600
<b>Balance June 30, 2021</b>	<b>257,920,238</b>	<b>\$ 155,410,972</b>	<b>\$ 513,035</b>	<b>\$ 7,429,270</b>	<b>\$ (1,395,637)</b>	<b>\$ (91,300,516)</b>	<b>\$ 70,657,124</b>	<b>\$ (23,679,240)</b>	<b>\$ 46,977,884</b>
<b>Balance January 1, 2020</b>	<b>212,143,733</b>	<b>\$ 134,186,499</b>	<b>\$ 513,035</b>	<b>\$ 7,641,178</b>	<b>\$ (789,034)</b>	<b>\$ (100,820,705)</b>	<b>\$ 40,730,973</b>	<b>\$ (10,532,366)</b>	<b>\$ 30,198,607</b>
Net loss and other comprehensive loss for the period	-	-	-	-	1,872,780	(4,364,971)	(2,492,191)	(3,111,436)	<b>(5,603,627)</b>
Stock based compensation (Note 8)	-	-	-	521,310	-	-	521,310	255,521	<b>776,831</b>
Private placement	18,333,334	5,468,919	-	-	-	-	5,468,919	-	<b>5,468,919</b>
Share compensation	1,231,740	554,283	-	-	-	-	554,283	-	<b>554,283</b>
<b>Balance June 30, 2020</b>	<b>231,708,807</b>	<b>\$ 140,209,701</b>	<b>\$ 513,035</b>	<b>\$ 8,162,488</b>	<b>\$ 1,083,746</b>	<b>\$ (105,185,676)</b>	<b>\$ 44,783,294</b>	<b>\$ (13,388,281)</b>	<b>\$ 31,395,013</b>

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

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

**1. NATURE OF OPERATIONS**

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

Orca was incorporated under the Business Corporations Act (British Columbia) on January 13, 1987 and its registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3.

**2. BASIS OF PRESENTATION**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2020.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 30, 2021.

**3. INVESTMENT IN MONTAGE**

The following is a summary of Montage Gold Corp.'s balance sheet on a 100% basis as at June 30, 2021. Montage Gold Corp.'s financial statements are prepared in accordance with IFRS.

	<b>June 30, 2021</b>
Current assets	
Cash and cash equivalents	18,438,571
Receivables and other assets	595,460
Total current assets	19,034,031
Non-current assets	12,483,455
Current liabilities	(3,375,196)
<b>Net assets</b>	<b>28,142,290</b>
<b>Investment in Montage – December 31, 2020</b>	<b>\$ 35,150,004</b>
<b>Change in investment in Montage (31.5% ownership):</b>	
Share of loss in Montage	(5,252,737)
Share of OCI of Montage	(78,383)
Translation adjustment on fair value on initial recognition of Investment in Montage	(1,089,385)
<b>Change in Investment in Montage</b>	<b>(6,420,505)</b>
<b>Investment in Montage – June 30, 2021</b>	<b>\$ 28,729,499</b>

**Orca Gold Inc.**  
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**4. RECEIVABLES AND OTHER ASSETS**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>
Prepaid expenses	339,973	456,345
Fuel inventory	33,015	33,838
Other receivables	208,556	-
<b>Total receivables and other assets</b>	<b>581,544</b>	<b>490,183</b>

**5. EQUIPMENT**

<b>Cost</b>	<b>Computer and Office Equipment</b>	<b>Vehicles and Mobile Equipment</b>	<b>Field and Camp Equipment</b>	<b>Total</b>
<b>As at January 1, 2020</b>	<b>352,910</b>	<b>1,794,394</b>	<b>2,004,337</b>	<b>4,151,641</b>
Additions	716	-	-	716
Avant acquisition (including Burkina Faso impairment)	(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
<b>As at December 31, 2020</b>	<b>354,619</b>	<b>1,658,286</b>	<b>1,607,757</b>	<b>3,620,662</b>
Additions	28,565	-	854,814	883,379
Effects of foreign exchange on translation to presentation currency	(20,460)	(95,833)	(115,917)	(232,210)
<b>As at June 30, 2021</b>	<b>362,724</b>	<b>1,562,453</b>	<b>2,346,654</b>	<b>4,271,831</b>
<b>Accumulated depreciation</b>				
<b>As at January 1, 2020</b>	<b>(299,669)</b>	<b>(1,187,197)</b>	<b>(1,657,354)</b>	<b>(3,144,220)</b>
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)
<b>As at December 31, 2020</b>	<b>(330,269)</b>	<b>(1,396,373)</b>	<b>(1,538,321)</b>	<b>(3,264,963)</b>
Depreciation	(4,519)	(35,649)	(51,527)	(91,695)
Effects of foreign exchange on translation to presentation currency	15,936	78,115	103,883	197,934
<b>As at June 30, 2021</b>	<b>(318,852)</b>	<b>(1,353,907)</b>	<b>(1,485,965)</b>	<b>(3,158,724)</b>
<b>Net book amount</b>				
<b>As at December 31, 2020</b>	<b>24,350</b>	<b>261,913</b>	<b>69,436</b>	<b>355,699</b>
<b>As at June 30, 2021</b>	<b>43,872</b>	<b>208,546</b>	<b>860,689</b>	<b>1,113,107</b>

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

<u>Cost</u>	<u>Total</u>
<b>As at January 1, 2020</b>	<b>15,869,983</b>
Deconsolidation of Montage	(11,734,994)
Effects of foreign exchange on translation to presentation currency	291,261
<b>As at December 31, 2020</b>	<b>4,426,250</b>
Effects of foreign exchange on translation to presentation currency	(255,796)
<b>As at June 30, 2021</b>	<b>4,170,454</b>

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. The Company has reported the results of Montage as an associate using the equity method effective October 23, 2020.

**7. SHARE CAPITAL**

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

The Company's issued and outstanding share purchase warrants and stock options were not included in the calculation of diluted earnings per share as they are anti-dilutive for the three months ended March 31, 2021.

The Company completed a private placement on March 30, 2021 issuing 19,649,998 shares at a value of \$10.8 million. During the six months ended June 30, 2021 2,083,335 stock options were exercised for cash proceeds of \$1.1 million.

**8. STOCK OPTIONS**

**a) Stock option plan**

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

The total stock-based compensation for three and six months ended June 30, 2021 was \$499,267 (2020: \$103,000) and \$571,476 (2019: \$238,000) respectively. For the three and six months ended June 30, 2021, stock-based compensation of \$478,434 (2020: \$78,000) and \$547,964 (2020: \$180,000) has been allocated

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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to administration costs, respectively and \$20,833 (2020: \$25,000) and \$23,512 (2020: \$58,000), respectively to exploration and project investigation costs, for employees directly involved in exploration activities.

**b) Stock options outstanding**

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

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2020	13,708	\$0.45
Exercised	(3,200)	\$0.48
Expired	(1,775)	\$0.43
Outstanding at December 31, 2020	8,733	\$0.45
Granted	4,950	\$0.60
Expired	(100)	\$0.46
Exercised	(2,083)	\$0.49
Outstanding at June 30, 2021	11,500	\$0.51
Exercisable at June 30, 2021	8,200	\$0.47

The following summarizes information about the stock options outstanding and exercisable at June 30, 2021:

Outstanding options			Exercisable options		
Number of options outstanding (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)	Number of options exercisable (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)
2,950	0.84	\$0.35	2,950	0.84	\$0.35
3,600	0.05	\$0.51	3,600	0.05	\$0.51
4,650	2.85	\$0.59	1,550	2.85	\$0.59
300	2.52	\$0.82	100	2.52	\$0.82
11,500	1.45	\$0.51	8,200	0.89	\$0.47

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**c) Restricted and Deferred Share Units**

On September 16, 2019 the Company granted 1,961,538 restricted share units ("RSUs") to certain senior officers and other eligible persons of the Company. On May 5, 2021 the Company issued 2,016,951 RSUs to certain senior officers and other eligible persons of the Company. The RSU's vest over a period of three years and the eligible person will receive the RSU's on each vesting date over the three year vesting period. The RSU grants resulted in total charges to the Statement of Comprehensive Loss of \$147,492 and \$195,437 for the three and six months ended June 30, 2021, respectively. The RSU grant included \$106,143 and \$43,349 to administration and exploration costs for the three months to June 30, 2021, respectively and \$141,074, and \$54,363 to administration and exploration costs for the six months to June 30, 2021, respectively.

The Company also granted 256,410 deferred share grants ("DSU"s) to non-employee directors on September 16, 2019 and granted 508,476 DSUs on May 5, 2021. The May 5, 2021 grant resulted in total charges to the Statement of Comprehensive Loss of \$43,687 for the three and six months to June 30, 2021. The September 16, 2019 grant was fully vested in 2020 and no stock based compensation has been reported in 2021.

**9. ADMINISTRATION COSTS**

	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Management and consulting fees	407,655	598,325	871,097	1,131,511
Office and administration	226,965	143,956	362,942	254,572
Professional fees	138,254	122,864	201,599	202,642
Salaries and benefits	48,187	129,958	113,475	198,826
Stock based compensation	628,263	284,226	732,725	591,235
Travel and promotion	77,127	92,323	169,183	224,748
<b>Total administration costs</b>	<b>\$1,526,451</b>	<b>1,371,652</b>	<b>\$2,451,021</b>	<b>\$2,603,534</b>

**Orca Gold Inc.**  
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**10. EXPLORATION AND PROJECT INVESTIGATION COSTS**

<b>Three months ended June 30,</b>		<b>Sudan</b>	<b>Côte d'Ivoire</b>	<b>Burkina Faso</b>	<b>Total</b>
<b>2021</b>	Depreciation	42,292	-	-	42,292
	Drilling	-	-	-	-
	Exploration support and administration	72,650	-	-	72,650
	Field operation and consumables	606,954	-	-	606,954
	Geological consulting	24,821	-	-	24,821
	Permitting and licensing fees	128,257	-	-	128,257
	Salaries and benefits	521,734	-	-	521,734
	Sampling, geological and other evaluation costs	-	-	-	-
	Stock-based compensation expense	62,182	-	-	62,182
	Travel and accommodation	27,022	-	-	27,022
	<b>Total exploration and project investigation costs</b>	<b>1,485,912</b>	<b>-</b>	<b>-</b>	<b>1,485,912</b>
<b>2020</b>	Depreciation	55,342	33,998	-	89,340
	Drilling	1,099	379,502	-	380,601
	Exploration support and administration	78,858	96,606	52,390	227,854
	Field operation and consumables	124,686	20,895	-	145,581
	Geological consulting	3,436	4,220	-	7,656
	Permitting and licensing fees	103,981	10,708	4,398	119,087
	Salaries and benefits	384,123	155,575	45,620	585,318
	Sampling, geological and other evaluation costs	23,104	18,934	-	42,038
	Stock-based compensation expense	16,026	72,749	-	88,775
	Travel and accommodation	9,016	-	9,123	18,139
	<b>Total exploration and project investigation costs</b>	<b>799,671</b>	<b>793,187</b>	<b>111,531</b>	<b>1,704,389</b>

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

<b>Six months ended June 30,</b>		<b>Sudan</b>	<b>Côte d'Ivoire</b>	<b>Burkina Faso</b>	<b>Total</b>
<b>2021</b>	Depreciation	91,695	-	-	91,695
	Drilling	-	-	-	-
	Exploration support and administration	142,910	-	-	142,910
	Field operation and consumables	744,318	-	-	744,318
	Geological consulting	28,229	-	-	28,229
	Permitting and licensing fees	231,470	-	-	231,470
	Salaries and benefits	1,069,875	-	-	1,069,875
	Sampling, geological and other evaluation costs	-	-	-	-
	Stock-based compensation expense	77,875	-	-	77,875
	Travel and accommodation	50,775	-	-	50,775
	<b>Total exploration and project investigation costs</b>	<b>2,437,147</b>	<b>-</b>	<b>-</b>	<b>2,437,147</b>
<b>2020</b>	Depreciation	113,248	66,987	-	180,235
	Drilling	1,099	752,228	-	753,327
	Exploration support and administration	139,100	156,464	106,204	401,768
	Field operation and consumables	211,478	80,290	-	291,768
	Geological consulting	10,669	10,565	20,163	41,397
	Permitting and licensing fees	204,799	11,872	4,398	221,069
	Salaries and benefits	870,255	387,882	447,580	1,705,717
	Sampling, geological and other evaluation costs	28,516	50,566	-	79,082
	Stock-based compensation expense	57,893	127,702	-	185,595
	Travel and accommodation	23,795	6,403	15,575	45,773
	<b>Total exploration and project investigation costs</b>	<b>1,660,852</b>	<b>1,650,959</b>	<b>593,920</b>	<b>3,905,731</b>

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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**11. 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 5 and , 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.

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

		<b>Sudan (Block 14)</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
<b>June 30, 2021</b>	Current assets	373,718	13,568,050	13,941,768
	Equipment	1,111,152	1,955	1,113,107
	Mineral properties	4,170,454	-	4,170,454
	Investment in Montage	-	28,729,499	28,729,499
	Total Assets	5,655,324	42,299,504	47,954,828
	Current liabilities	755,319	221,625	976,944
<b>December 31, 2020</b>	Current assets	451,946	6,813,943	7,265,889
	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

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
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<b>Three months ended June 30,</b>		<b>Sudan (Block 14)</b>	<b>Côte d'Ivoire</b>	<b>Burkina Faso</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
<b>2021</b>	Exploration and project investigation	1,485,912	-	-	-	1,485,912
	General administration and other items	-	-	-	1,650,226	1,650,226
	Investment in Montage	-	-	-	2,686,195	2,686,195
	Net loss	1,485,912	-	-	4,336,421	5,822,333
<b>2020</b>	Exploration and project investigation	799,670	793,187	111,532	-	1,704,389
	General administration and other items	-	-	-	1,285,246	1,285,246
	Net loss	799,670	793,187	111,532	1,285,246	2,989,635

<b>Six months ended June 30,</b>		<b>Sudan (Block 14)</b>	<b>Côte d'Ivoire</b>	<b>Burkina Faso</b>	<b>Corporate &amp; Other</b>	<b>Total</b>
<b>2021</b>	Exploration and project investigation	2,437,147	-	-	-	2,437,147
	General administration and other items	-	-	-	2,607,949	2,607,949
	Investment in Montage	-	-	-	5,252,737	5,252,737
	Net loss	2,437,147	-	-	7,860,686	10,297,833
<b>2020</b>	Exploration and project investigation	1,660,861	1,650,959	593,911	-	3,905,731
	General administration and other items	-	-	-	2,463,279	2,463,279
	Net loss	1,660,861	1,650,959	593,911	2,463,279	6,369,010

**Orca Gold Inc.**  
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**12. 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.

**13. 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 or have net financial assets or liabilities which are denominated in currencies other than their respective functional currencies.

As at June 30, 2021, the Company did not have any material foreign currency risk exposure at its operation in Sudan or corporate office in Canada.

**b) Credit risk**

As at June 30, 2021, the majority of the Company's cash was held through Canadian institutions with investment grade ratings.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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.

**Orca Gold Inc.**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the three and six months ended June 30, 2021 and 2020**  
**(All amounts expressed in Canadian Dollars, unless otherwise indicated)**  
**(Unaudited)**

The maturities of the Company's financial liabilities as at June 30, 2021 are as follows:

	<b>Total</b>	<b>Less than 1 year</b>	<b>1-5 years</b>	<b>More than 5 years</b>
<b>Account payable and accrued liabilities</b>	<b>976,944</b>	<b>976,944</b>	-	-

**14. COMMITMENTS**

The Company is contracted to purchase a 50 and 20 man camp for Block 14 at a cost of US\$0.7 million and US\$0.3 million respectively. The 50 man camp costs include the transportation and installation of the camp and is to be paid in 24 equal payments to commence once the camp has been delivered to Block 14. The 20 man camp contract includes the transportation and installation of the camp and is to be paid in a single payment on completion of the works.

**15. SUBSEQUENT EVENT**

Following June 30th, 2021, there were 1.8 million stock options exercised at an option price of \$0.51 per share for cash proceeds of \$0.9 million.



## CORPORATE DIRECTORY

### OFFICERS

Richard P. Clark  
President & Chief Executive Officer  
Glenn Kondo  
Chief Financial Officer  
Kevin Ross  
Chief Operating Officer  
David Field  
Lead Director  
Dr. Karamo NM Sonko  
Chief Strategist, African Affairs  
Elina Chow  
Vice President Corporate Strategy  
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  
Corporate Governance and Nominating  
Committee  
Derek White  
Compensation Committee  
Corporate Governance and Nominating  
Committee  
Brad White  
Audit Committee  
Compensation Committee

### AUDITORS

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Vancouver, British Columbia, Canada

### LEGAL COUNSEL

Blake Cassels & Graydon LLP  
Vancouver, British Columbia, Canada

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Vancouver, British Columbia  
Canada V7X 1L3

### REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada  
Vancouver, British Columbia  
Canada

### SHARE LISTING

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