ORCA GOLD INC.

ANNUAL REPORT

For the Year Ended

December 31, 2021

ORCA GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 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 audited consolidated financial statements for the year ended December 31, 2021 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 11, 2022. 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 mineral development company focused on the acquisition, exploration and development of mineral properties in Africa. The Company's main assets are the Block 14 Concession in the north of the country of Sudan and a 31.4% interest in Montage Gold Corp ("Montage"). Montage's main asset is the Koné Gold Project in Côte d'Ivoire. Orca's ownership in Montage decreased from an initial 45% to 31.4% 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 Concession perimeter. Block 14 is ready for development.

The Company holds its rights to Block 14 through a Concession Agreement established on May 19, 2010 (the "Concession Agreement"), and by a Mining Lease Agreement and a Shareholders Agreement, both entered into on October 20, 2021. All of these agreements are subject to Sudan law, including The Mineral Wealth and Mining Development Act, 2015. The Mineral Resources and Mining Development Act 2007 and The Investment (Encouragement) Act 2021 and their respective Regulations. Under the terms of the Mining Lease Agreement, the Company has been granted development rights over a 38 square kilometre portion of Block 14 for a 30 year term. Under the terms of the Concession Agreement, the Company currently has continuing exclusive exploration rights over an area of 1,000 square kilometres of Block 14 until November 18, 2024.

PERSEUS MINING LIMITED AGREEMENT TO ACQUIRE ORCA GOLD INC

On February 26, 2022 the Company announced it had entered into a binding agreement (the "Arrangement Agreement") with Perseus Mining Limited ("Perseus") whereby Perseus has agreed to acquire all of the outstanding common shares of the Company (the "Transaction" or "Perseus Transaction") all subject to the terms and conditions contained in the Arrangement Agreement as available on SEDAR (www.sedar.com). Upon completion of the Transaction holders of Orca common shares that are not already owned by Perseus have been offered 0.56 Perseus shares for every Orca common share held.

The Perseus Transaction will be carried out by way of a court approved plan of arrangement under the CBCA and will require approval by at least (i) 66⅔% of the votes cast by the Company's shareholders and (ii) 66⅔% of the votes cast by holders of Orca shares, restricted share units, deferred share units and options, voting together as a single class, and (iii) approval of a simple majority of the votes cast by holders of Orca Shares, excluding votes from certain shareholders, including Perseus, in accordance with Multilateral Instrument 61-101 at a special meeting to be held on May 16, 2022 to consider the Perseus Transaction. In addition to approval by the Company's shareholders, the Perseus Transaction is also subject to court approval, regulatory approvals and other customary closing conditions for transactions of this nature. The details of the Perseus Transaction, including the unanimous recommendation of the Board of Directors of Orca to shareholders to vote in favor of the Transaction, will be set out in the management information circular mailed to shareholders which will be available on SEDAR (www.sedar.com). The Perseus Transaction is expected to be completed in late May 2022.

BLOCK 14 GOLD PROJECT

On November 7, 2018, the Company released a Feasibility Study on the Block 14 Gold Project, outlining a probable reserve of 79.94Mt @ 1.11g/t for 2.85 Moz of gold and a production profile that will see annual gold production of 228,000 oz for the first seven years of a 13.5-year mine life. The Feasibility Study was later revised in September 2020 to reflect updated costs and economics.

The issuance of the Feasibility Study triggered the right of the Company to apply for mining lease rights over the area at Block 14 to be developed for gold production. During Q3 2021, Sudan's Minister of Minerals signed all project agreements to proceed with the construction of the Block 14 Gold Project., including the Mining Lease Agreement and the Shareholders' Agreement. The Mining Lease Agreement provides the development and financial terms in respect of construction, development and production on the subject area of Block 14. The Shareholders Agreement establishes the rights and obligations of the shareholders (the Government (20%), Meyas Nub (10%) and the Company (70%)) in respect of the development and operation of a gold mine at Block 14. With these agreements in place, the Company is fully authorized to proceed with full development and construction of a gold mining operation at Block 14.

Pre-construction work at site is underway including the construction of phase 1 of a 120 person construction camp, completion of an airstrip to service the development and operation of a mine and the construction of a seven-kilometer security fence around the project resources.

In Khartoum, the Company has relocated its corporate office to a larger space more appropriate for the transition from exploration activities to development and construction of a mine.

SUDAN POLITICAL

On October 12, 2017, the U.S. Department of State announced the United State's decision to lift all economic sanctions on Sudan, which removed all restrictions for people and businesses to invest and operate in the country.

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.

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 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's designation as a State Sponsor of Terrorism. On December 15, 2020, following more than 27 years on the list, the US rescinded Sudan's designation.

Sudan's transitional government signed peace agreements in September and October 2020 with rebel groups who had 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. 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 38th country to reach this milestone, known as the HIPC Decision Point. IMF approved Sudan for the relief of more than $56 billion in debt and new IMF funding of $2.5 billion over three years as part of the initiative.

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. Orca's CEO was invited to speak on the mining investment opportunities in Sudan and showcase Orca as the leading gold project in the country.

The MEDEF Paris Conference highlighted investment opportunities in Sudan and introduced the Company's Block 14 gold project to the international market. This initiative has supported the Company's financing efforts and discussions continue for financing for the full development of a mine at Block 14.

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. Concurrently, France had cancelled US$5 billion that was owed by Sudan.

On October 25, 2021, with a non-government sanctioned initiative and without popular support, Sudan's military dissolved the transitional Government and the Sovereign Council and announced a state of emergency prior to the planned full transition to civilian rule scheduled for November 2021. General Abel-Fattah Burhan announced that the military would appoint a new technocratic government to lead the country toward the democratic elections set for 2023. General Burhan represented that the military's action was necessary in order to protect and ensure the transition of the country to democracy, as demanded by the people of Sudan. He further announced that all commercial agreements would continue to be honoured by the government.

Following the military intervention, the United States immediately paused $700 million of financial assistance to Sudan and the World Bank suspended its $2 billion in development grants. Sudan had also been on course to have much of its $50 billion external written off under the Heavily Indebted Poor Country (HIPC) Initiative however, as a result of this military action, this process is now under review.

On November 12, 2021, the military announced the appointment of a new Transitional Sovereign Council, with General Burnham as its head. The new Council included five civilian members and representation from the military and rebel groups. This new Council has not been recognized by the people of the Sudan or any international authority. Protests have been ongoing to reverse the military initiative and restore the original constitution and mandate of the Transitional Sovereign Council and to establish a Council and government solely made up of civilians.

On November 21, 2021 the protest activities of the people of Sudan together with pressure from the international community were successful in affecting change to the military initiative. An agreement was reached between the military and certain key civilian organizations re-establishing the original constitution and mandate of the Sovereign Council. A new government, led by Prime Minister Hamdok comprised of technocrats to steer the country towards democratic elections in July 2023. The international community has responded positively to this development. Civil protests continue to seek prevention of any military involvement in the new government.

The Company's operations in Khartoum and at Block 14 have not been interrupted by the recent military actions, with the Company continuing its activities including the construction a 120 person camp, perimeter fencing of its resource areas and completion of the airstrip at site. The Company continues to monitor the political developments in Sudan.

MONTAGE GOLD CORP.

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.

From January 2021 through the end of July 2021, Montage executed a 60,155m infill and expansion drill campaign at the Koné Gold Project with the objective to expand existing Inferred Mineral Resources and to upgrade them to the Indicated Mineral Resource category. On August 19, 2021, Montage released an updated Mineral Resource Estimate at the Koné Gold Project which included a maiden Indicated Mineral Estimate of 225Mt grading 0.59g/t for 4.27Moz at a cut-off grade of 0.20g/t and additional Inferred Mineral Resources of 22Mt grading 0.45g/t for 0.32Moz at a cut-off grade of 0.20g/t. On February 14, 2022, Montage released the results of a definitive feasibility study ("DFS") for the Koné Gold Project which confirmed a large-scale, long-life, low-cost gold project.

OUTLOOK

The Company has planned a Special Meeting of its shareholders on May 16, 2022 to approve the Perseus Transaction with expectation that the transaction will be finalized by the end of May 2022.

The Company continues to advance work at Block 14 following the completion of initial infrastructure projects during 2021. Ongoing programs include:

- Planning an exploration programme at Block 14 and on its exploration permits to recommence in 2022
- Complete optimization studies for the development and operation of Block 14
- Advance discussions on project financing

2021 OPERATING HIGHLIGHTS

Sudan

On October 20, 2021 Sudan's Minister of Minerals signed all remaining project agreements to proceed with the construction of the Block 14 Gold Project in Sudan. The agreements include a Shareholders Agreement, Mining Lease Agreement and Royalty Agreement.

The Company completed the following projects and studies at Block 14:

- the construction of a 1,700m airstrip, located 8km from GSS. A successful test flight landing took place on October 19, 2021 and the first Company flight landed in January 2022. The airstrip will help to significantly reduce transport time to site and will improve safety and security for our employees and contractors
- The construction of a 120 person camp at GSS
- In Khartoum, the Company relocated its corporate office to a larger space more appropriate for the transition from exploration activities to development and construction of a mine
- Mining contractors submitted bids for a drill, blast load and haul operations contracts
- A study of the LNG supply logistics was completed

The Company also advanced finance discussions for the construction of Block 14 culminating in the Perseus Transaction.

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 year were 3,883,335 for cash proceeds of $1.9 million.

SELECTED ANNUAL INFORMATION

Year Ended	Dec-21	Dec-20	Dec-19
Revenue ($000's)	-	-	-
Exploration costs ($000's)	7,752	8,235	8,591
Total net loss/(gain) ($000's)	20,396	(14,806)	12,913
Net loss/(gain) attributed to the Company's shareholders	18,327	(19,144)	10,256
Net loss/(gain) per share, basic and diluted ($)	0.07	(0.08)	0.06
Total assets ($000's)	40,189	47,198	31,593
Total current financial liabilities ($000's)	1,926	990	1,394

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 were $7.7 million for the full year ended December 31, 2021 compared to $5.5m in the prior year (excluding Burkina Faso and Cote d'Ivoire). The increase is due to increased security on Block 14, additional studies to optimize development of Block 14 and an accrual for end of service employee liabilities. The Company has increased expenditure on field and camp equipment during the year of $3.1 million for construction of the Company's airstrip, perimeter fencing and construction of its 120 person camp.

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

Months Ended	Dec-21	Sept-21	Jun-21	Mar-21	Dec-20	Sept-20	Jun-20	Mar-20
Revenue ($000's)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Exploration costs ($000's)	2,796	2,519	1,486	951	1,814	2,515	1,704	2,201
Total net loss/(gain) ($000's)	5,309	4,790	5,822	4,475	(25,073)	3,898	2,990	3,379
Net loss/(gain) attributed to the Company's shareholders ($000's)	4,442	4,161	5.435	4,189	(25,956)	2,447	2,381	1,984
Net loss/(gain) per share attributed to the Company's shareholders, basic and diluted ($)	0.01	0.02	0.02	0.02	(0.12)	0.02	0.01	0.01
Total net assets ($000's)	40,189	44,553	47,951	52,400	47,198	31,548	32,802	30,047
Total current financial liabilities ($000's)	1,926	902	977	1,172	990	2,093	1,407	1,812

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 the resources at Block 14. The Company's net assets increased by $5.0 million at March 31, 2021 due to the Company's 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 Montage'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 120 person 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.

During Q3 2021 Exploration costs were $2.5 million (2020: $1.0 million in Sudan, excluding Côte d'Ivoire and Burkina Faso). The increase in costs were due to increased security costs to provide ongoing security at GSS and Wadi Doum as well as\to conduct earthworks at Block 14.

During Q4 2021 Exploration costs were $2.8 million (2020: $1.0 million in Sudan excluding Côte d'Ivoire and Burkina Faso). The increase in costs were due to the continued security costs to provide ongoing security at GSS and Wadi Doum. The Company also advanced studies at GSS including mine contractor bids for a drill, blast load and haul operations, LNG logistics supply and studies to advance project financing discussions.

LIQUIDITY AND CAPITAL RESOURCES

The Company had a cash balance of $5.1 million as at December 31, 2021 compared to $6.8m in 2020. The Company's treasury has been increased with the completion of a private placement of $10.8 million in March 2021 and share options exercised during the year for proceeds of $1.9 million. On January 1, 2022 Perseus agreed to provide Orca with a US$5.0 million short-term facility, which will mature on June 30, 2022 with interest charged at a rate of 7.5% per annum. The proceeds from the loan will be used as working capital and for continued development activities at Block 14.

RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the year ended December 31, 2021 were Geodex Consultants Ltd. ("Geodex") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). Geodex is a related party by virtue of its 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, 2021**	**Year ended December 31, 2020**
Field operation and consumables	Meyas Nub	667,319	230,797
Geological consulting	Geodex	14,773	17,547
Total services received from related parties		**682,092**	**248,344**

As at December 31, 2021 the Company had an outstanding payable to Meyas Nub of $25,213

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, 2021	**Year ended December 31, 2020**
Salaries and management fees	1,216,756	1,327,720
Short term benefits	66,890	39,438
Directors fees	209,749	179,898
Stock-based compensation	1,129,423	378,300
Total key management compensation	**2,622,818**	**1,925,356**

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, 2021, 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 $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 $100,000 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, 2021 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable and accrued liabilities	1,795,993	1,795,993	-	-
Lease Liabilities	416,651	130,372	286,279	-
Total	**2,212,644**	**1,926,365**	**286,279**	**-**

OUTSTANDING SHARE DATA

As at April 11, 2021, the Company had 260,850,155 common shares outstanding and 7,400,000 share options outstanding under its stock based incentive plan, 2,546,869 restricted share units outstanding under the Restricted Share Unit Plan and 192,308 deferred share units outstanding under the Deferred Share Unit Plan.

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:

SIGNIFICANT ACCOUNTING POLICIES

Orca follows the accounting policies described in Note 3 of the Company's December 31, 2021 audited consolidated financial statements that were filed on Sedar on April 11, 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.

SUBSEQUENT EVENT

On January 5, 2022 Perseus agreed to provide Orca with a US$5.0 million short-term loan facility, which will mature on June 30, 2022 with interest charged at a rate of 7.5% per annum. The proceeds from the loan will be used as working capital and for continued exploration and development activities at Block 14. This strategic share acquisition and loan facility positions Perseus to complete its evaluation of Sudan and the Block 14 Gold Project towards a possible transaction to acquire the balance of the outstanding securities of Orca.

On February 26, 2022 the Company announced it had entered into a binding agreement (the "Arrangement Agreement") with Perseus Mining Limited ("Perseus") whereby Perseus agreed to acquire all of the outstanding common shares of the Company (the "Transaction" or "Perseus Transaction"), all subject to the terms and conditions contained in the Arrangement Agreement as available on SEDAR (www.sedar.com).

Upon completion of the Transaction, Holder's of Orca common shares that were not already owned by Perseus have been offered 0.56 Perseus shares for every Orca common share held.

The Transaction will be carried out by way of a court approved plan of arrangement under the CBCA and will require approval by at least (i) 66⅔% of the votes cast by the Company's shareholders and (ii) 66⅔% of the votes cast by holders of Orca Shares, restricted share units, deferred share units and options, voting together as a single class, and (iii) approval of a simple majority of the votes cast by holders of Orca Shares, excluding votes from certain shareholders, including Perseus, in accordance with Multilateral Instrument 61-101 at a special meeting to be held on May 16, 2022 to consider the Transaction. In addition to approval by the Company's shareholders, the Transaction is also subject to court approval, regulatory approvals and other customary closing conditions for transactions of this nature. The details of the Perseus Transactions, including the unanimous recommendation of the Board of Directors of Orca to shareholders to vote in favor of the Transaction, will be set out in the management information circular mailed to shareholders which will be available on SEDAR (www.sedar.com) . The Transaction is expected to be completed in late May 2022.

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. There are a number of factors that could negatively affect the Company's business and the value of its common shares including the more significant risk factors identified by the Company and listed below. The following information pertains to the outlook and conditions currently known to the Company. Other factors may arise that are not currently foreseen by management of the Company that may present risks in the future. Current and prospective security holders of the Company should carefully consider these risk factors as they could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company.

Political and/or economic instability in Sudan

In addition to the near-term risks associated with the transition from a military controlled government towards democratic elections in 2023-24, any future political and/or economic instability in the country may trigger civil unrest that could result in the suspension of the Company's activities in Sudan for an extended period of time. Even if the Company is able to maintain its operations, market perception of country risk may persist and lead to a deterioration in the valuation of the Common Shares.

The Perseus Transaction is subject to conditions

The completion of the Perseus Transaction is subject to a number of conditions precedent, certain of which are outside the control of Orca and Perseus. Among other things, completion of the Arrangement is subject to the approval of the Court, the approval of the Arrangement Resolution by Orca securityholders and obtaining all necessary conditional approvals, including conditional listing approval of the TSX in respect of the Perseus Shares issuable pursuant to the Arrangement. There is no certainty, nor can Orca provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied.

Even if all approvals, orders and consents are obtained and conditions precedent to the completion of the Arrangement are satisfied, no assurance can be made as to the terms, conditions and timing of such approvals, orders and consents. These approvals, orders and consents may impose conditions on Orca and/or Perseus or may impose requirements, limitations or costs or place restrictions on the conduct of Perseus's or Orca's respective businesses, and if such approvals, orders or consents require an extended period of time to be obtained, such extended period of time could increase the chance that an adverse event occurs with respect to Perseus or Orca.

Each Party's obligation to complete the Arrangement is also subject to the accuracy of the representations and warranties of the other Party (subject to certain qualifications and exceptions) and the performance in all material respects of the other Party's covenants under the Arrangement Agreement. As a result of these conditions, Orca cannot provide assurance that the Arrangement will be completed on the terms or timeline contemplated in the Arrangement Agreement, or at all.

Each of Orca and Perseus has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can either of Orca or Perseus provide any assurance, that the Arrangement Agreement will not be terminated by either Orca or Perseus before the completion of the Arrangement. For instance, Perseus has the right to terminate the Arrangement Agreement in certain circumstances including upon Orca accepting a "Superior Proposal", or if a material adverse change with respect to Orca occurs.

The details of the Perseus Transactions, including the associated risks, will be set out in the management information circular mailed to shareholders which will be available on SEDAR (www.sedar.com).

COVID-19

The health and safety of the Company's employees, contractors, visitors and stakeholders is the Company's top priority in these difficult times. Accordingly, initiatives have been put in place to address this priority at the Company's project sites and offices.

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 its projects. While the impact of the COVID-19 outbreak on the Company continues to evolve, 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 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 the Company's projects and on 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

The Company will continue to monitor developments with respect to COVID-19, both globally and within its jurisdictions, and will implement such further changes to its business as may be deemed appropriate to mitigate any potential impacts to its business and its stakeholders. Such changes may include but are not limited to, temporary closures of the Company's project sites or offices and deviations from the timing and nature of previous development and operating plans.

Revised Feasibility Study "RFS" - Block 14

The RFS for Block 14 includes estimates and assumptions by management at the date the statements are made, including, without limitation, assumptions about the RFS represents an accurate and viable development option for Block 14; the amount and grade of Mineral Resources and Mineral Reserves at Block 14; future production from Block 14, including recovered and produced gold and the grade thereof; the life of mine of Block 14; the capital costs of constructing the mine and developing it to production; sustaining capital and the duration of financing payback periods; operating costs and total costs; net cash flow; net present value; the economic returns that may be derived by the Company from Block 14; obtaining licenses and permits; government regulation of the Company's mining activities; that the development and mining of Block 14 will proceed as expected in the manner set out in the RFS; future prices of gold and other metals; performance of contractual obligations by counterparties; operating conditions; political stability; obtaining governmental approvals and financing on time; financial projections and budgets; environmental risks and expenses; market conditions; the securities market; price volatility of the Company's securities; currency exchange rates; foreign mining tax regimes; insurance and uninsured risks; financial projections and results; and competition and reclamation obligations.

While these assumptions are considered to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties and contingencies, many of which are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct. As such, the feasibility study is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from those reflected in study, including, without limitation, that the RFS may not represent a viable development option for Block 14 and that the assumptions set out therein (particularly with respect to the economics of Block 14) may prove to be untrue or inaccurate; that actual Mineral Reserves and Resources at Block 14 and the grades thereof may be less or different in nature than those contained in the Feasibility Study; that the Company may not meet the production estimates set out in the Feasibility Study; that the life of mine at Block 14 may be shorter than anticipated; that the Company may not receive the necessary permits on time, or at all; risks related to cost overruns and the changes of the cost of inputs; that the development and mining of Block 14 may experience delays and may not proceed on the expected timeline, or at all; that the Company may develop Block 14 in a different manner than is set forth in the RFS.

Exploration and Development Risks

Mining exploration, development and operations generally involve a high degree of risk that cannot be eliminated, and which can adversely impact the Company's success and financial performance. Exploration for and development of mineral deposits involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

Major expenses are typically required to locate and establish Mineral Reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, among other things, the following:

- the interpretation of geological data obtained from drill holes and other sampling techniques;
- feasibility studies (which include estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed);
- the particular attributes of the deposit, such as size, grade and metallurgy; expected recovery rates of metals from the ore;
- proximity to infrastructure and labour; the ability to acquire and access land; the availability and cost of water and power; anticipated climatic conditions;
- cyclical metal prices; fluctuations in inflation and currency exchange rates;
- higher input commodity and labour costs; and
- government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

The risks and uncertainties inherent in exploration activities include but are not limited to: legal and political risk arising from operating in certain developing countries; civil unrest; general economic; market and business conditions; the regulatory process and actions; failure to obtain necessary permits and approvals; technical issues; new legislation; competitive and general economic factors and conditions; the uncertainties resulting from potential delays or changes in plans; the occurrence of unexpected events; and management's capacity to execute and implement its future plans. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade, metallurgy and proximity to infrastructure and labour), the interpretation of geological data obtained from drilling and sampling, feasibility studies, the cost of water and power; anticipated climatic conditions; cyclical metal prices; fluctuations in inflation and currency exchange rates; higher input commodity and labour costs, commodity prices, government regulations, including regulations relating to prices, taxes, royalties, land tenure and use, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. Development projects will also be subject to the successful completion of final feasibility studies, issuance of necessary permits and other governmental approvals and receipt of adequate financing. The exact effect of these factors cannot be accurately predicted, but the combination of any of these factors may adversely affect the Company's business. The Company's operations are subject to all of the hazards and risks normally encountered in the exploration and development of copper, gold, and silver projects and properties, including unusual and unexpected geologic formations, seismic activity, rock slides, ground instabilities or failures, mechanical failures, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of facilities, damage to life or property, environmental damage and possible legal liability.

The Company is focussed in the gold mining industry, and as such, the Company's success will be sensitive to changes in, and the Company's performance will depend to a greater extent on, the overall condition of the gold mining industry. The Company's business may be negatively impacted by fluctuations in the gold mining industry generally. The Company may be susceptible to an increased risk of loss, including losses due to adverse occurrences affecting us more than the market as a whole, as a result of the fact that the Company's projects and properties are concentrated in the gold mining sector.

Estimation of Mineralization, Resources and Reserves

The Company's reported Mineral Reserves and Mineral Resources are estimations only. No assurance can be given that the estimated Mineral Reserves and Mineral Resources are accurate or that the indicated level of gold or silver will be recovered or produced. Actual mineralization or formations may be different from those predicted. It may take many years from the initial phase of drilling before production is possible and during that time the economic feasibility of exploiting a discovery may change. Market price fluctuations of gold and silver, as well as increased production and capital costs or reduced recovery rates, may render the Company's Mineral Reserves uneconomic to develop. Moreover, short term operating factors relating to the Mineral Reserves, such as the need for the orderly development of orebodies, the processing of new or different ore grades, the technical complexity of ore bodies, unusual or unexpected geological formations, ore dilution or varying metallurgical and other ore characteristics may cause Mineral Reserves to be reduced. Estimated Mineral Reserves may have to be recalculated based on fluctuations in the price of metals, or changes in other assumptions on which they are based. Any of these factors may require the Company to reduce its Mineral Reserves and Mineral Resources, which could have a negative impact on the Company's business.

Failure to obtain or maintain necessary permits or government approvals or changes to applicable legislation could also cause the Company to reduce its reserves. In addition, changes to mine plans could cause the Company to reduce its Mineral Reserves. There is also no assurance that the Company will achieve indicated levels of gold or silver recovery or obtain the prices assumed in determining such Mineral Reserves.

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to Mineral Resources, there is no assurance that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves; and no assurance that all or any part of an Inferred Mineral Resources exists or is economically or legally mineable.

Title Matters

The Company holds its rights to Block 14 through a Concession Agreement established on May 19, 2010 (the "Concession Agreement"), and by a Mining Lease Agreement and a Shareholders Agreement, both entered into on October 20, 2021. All of these agreements are subject to Sudan law, including The Mineral Wealth and Mining Development Act, 2015. The Mineral Resources and Mining Development Act 2007 and The Investment (Encouragement) Act 2021 and their respective Regulations. Under the terms of the Mining Lease Agreement, the Company has been granted development rights over a 38 square kilometre portion of Block 14 for a 30 year term. Under the terms of the Concession Agreement, the Company currently has continuing exclusive exploration rights over an area of 1,000 square kilometres of Block 14 until November 18, 2024.

Any mining property may be subject to prior unrecorded agreements, transfers, claims, including claims by artisanal miners, and title may be affected by such undetected defects. Other parties may dispute the validity of a concession agreement or the Company's right to enter into such agreement. Although the Company believes it has taken reasonable measures to ensure proper and valid title to the properties in which it will have an interest, there is no guarantee that such title will not be challenged or impaired.

Foreign Investments and Operations

The Company conducts its exploration and development activities in the country of Sudan. The Company's foreign mining investments are subject to the risks normally associated with the conduct of business in foreign countries. The occurrence of one or more of these risks could have a material and adverse effect on the Company's profitability or the viability of its affected foreign operations, which could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Risks may include, among others, labour disputes, invalidation of governmental orders and permits, corruption, uncertain political and economic environments, sovereign risk, war (including in neighbouring states), civil disturbances and terrorist actions, arbitrary changes in laws or policies of particular countries, the failure of foreign parties to honour contractual relations, foreign taxation, delays in obtaining or the inability to obtain necessary governmental permits, opposition to mining from environmental or other non-governmental organizations, limitations on foreign ownership, limitations on the repatriation of earnings, limitations on gold exports, instability due to economic under-development, inadequate infrastructure and increased financing costs.

In addition, the enforcement by the Company of its legal rights to exploit its properties may not be recognized by the local government or by its court system. These risks may limit or disrupt the Company's operations, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation. The economy and political systems of Sudan, as with other countries in North and East Africa and many other mining jurisdictions, should be considered by investors to be less predictable than those in countries in which the majority of investors are likely to be resident. The possibility that the current, or a future, government may adopt substantially different policies, take arbitrary action which might halt production, extend to the re-nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out, the happening of any of which could result in a material and adverse effect on the Company's results of operations and financial condition.

Regulatory Risks

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

Influence of Third-Party Stakeholders

The mineral properties in which the Company holds an interest, or the exploration equipment and road or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Company.

No Operating History

Exploration projects have no operating history upon which to base estimates of future cash flows. Substantial expenditures are required to develop mineral projects. It is possible that actual costs and future economic returns may differ materially from the Company's estimates. There can be no assurance that the underlying assumed levels of expenses for any activity or project will prove to be accurate. Further, it is not unusual in the mining industry for new mining operations to experience unexpected problems during start-up, resulting in delays and requiring more capital than anticipated. There can be no assurance that the Company's projects will move beyond the exploration stage and be put into production, achieve commercial production or that the Company will produce revenue, operate profitably or provide a return on investment in the future. Mineral exploration involves considerable financial and technical risks.

No History of Earnings

The Company has no history of earnings or of a return on investment, and there is no assurance that the Block 14 Project or any other property or business that the Company may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends in the future.

Competition

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

Mineral Prices

Factors such as inflation, foreign currency fluctuation, interest rates, supply and demand and industrial disruption have an adverse impact on operating costs, commodity prices and stock market prices and may impact the Company's ability to fund its activities. The Company's costs and share price will likely be affected by these and other factors which are beyond the control of the Company. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market will continue to exist for the sale of products from that ore. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

Uninsured Risks

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

Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and, if warranted, commencement of production on properties in which it has an interest, require permits from various governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the conduct of mineral exploration and development can be obtained or maintained on reasonable terms or that such laws and regulations would not have an adverse effect on any such mineral exploration or development which the Company might undertake. Amendments to current laws, regulations and permits governing operations and activities of mineral exploration companies, or more stringent interpretation, implementation or enforcement thereof, could have a material adverse impact on the Company.

Capital Requirements and Operating Risks Associated with Exploration Activities

The Company must be able to utilize available financing sources to finance its growth and sustain capital requirements. The Company may be required to raise significant additional capital through the capital markets and/or incur significant borrowings to meet its capital requirements. These financing requirements could adversely affect the Company's credit ratings and its ability to access the capital markets in the future to meet any external financing requirements the Company might have.

In addition, the Company's operations and related infrastructure facilities are subject to risks normally encountered in the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, labour disputes, changes in laws, technical difficulties or failures, late delivery of supplies or equipment, unusual or unexpected geological formations or pressures, cave-ins, pit-wall failures, rock falls, unanticipated ground, grade or water conditions, flooding, periodic or extended interruptions due to the unavailability of materials and force majeure events. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining or processing, losses and possible legal ability. Any prolonged downtime or shutdowns at the Company's exploration or development operations could materially adversely affect the Company's business, results of operations, financial condition and liquidity.

Uncertainty of Funding and Dilution of Shareholders' Interests in the Company

The exploration and development of mineral properties requires a substantial amount of capital and may depend on the Company's ability to obtain financing through joint ventures, debt financing, equity financing or other means. General market conditions, volatile metals prices, a claim against the Company, a significant disruption to the Company's business, or other factors may make it difficult to secure the necessary financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms. Failure to obtain any necessary additional financing may result in delaying or indefinite postponement of exploration or development or even a loss of property interest. If the Company needs to raise additional funds, such financing may substantially dilute the economic and voting rights of the Company's shareholders and reduce the value of their investment. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges and power and water supply are important determinants that affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's activities and profitability.

Conflicts of Interest

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

Currency Risk

Currency fluctuations may impact the Company's financial performance. The Company's costs and expenses being incurred in Sudanese Pounds, CFA Franc, Canadian and U.S. dollar currencies and Great Britain Sterling. As a consequence, fluctuations in exchange rates may have a significant effect on the Companies cash balance in either a positive or negative direction.

Taxes

The Company is subject to routine tax audits by various tax authorities and future audits may result in additional tax and interest payments. There is no assurance that future changes in taxes, or the interpretation of tax laws, in any of the countries in which the Company has a presence, including Canada and Sudan will not adversely affect the Company's operations.

Tax regimes in Sudan may be subject to differing interpretations and are subject to change without notice. The Company's interpretation of tax law as applied to its transactions and activities may not coincide with that of the tax authorities and may be disputed, notwithstanding the economic stability provided to the Company under its mining lease. As a result, the taxation applicable to transactions and operations may be challenged or revised by the tax authorities, which could result in significant additional taxes, penalties and/or interest.

Community Relations

The Company's relationships with the communities close to its mining operations and other stakeholders are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Publicity adverse to the Company's operations, or the mining industry generally, could have an adverse effect on the Company and may impact relationships with the communities in which the Company operates and other stakeholders. While the Company is committed to operating in a socially responsible manner, there can be no assurance that its efforts in this respect will mitigate this potential risk.

Illegal mining

Illegal mining on properties in any of the jurisdictions in which we operate, may delay our projects and raise disputes regarding the development or operation of commercial gold deposits and may also expose us to potential responsibility for environmental, property and personal damage. We are working with local government to prevent and discourage this hazardous activity, but illegal mining continues to be a concern. Illegal miners have and may continue to trespass on our properties and engage in dangerous practices including the use of mercury and dynamite in their operations, without any government regulation or oversight. The presence of illegal miners could also lead to project delays and disputes regarding the development or operation of commercial gold deposits, including disputes with governmental authorities regarding reporting of mineral resources and mine production. The illegal activities of miners could cause pollution and other environmental damage (including from the use of mercury in recovery practices by certain of these illegal artisanal miners) or other damage to our properties, as well as personal injury or death, for which we could potentially be held responsible, all of which could have an adverse impact on our future cash flows, earnings, results of operations and financial condition.

Information Systems Securities Threats

The Company depends on the continuous and uninterrupted operation of its software, hardware, telecommunication and other information technology systems. The Company is reliant on maintenance, upgrade and replacement of networks, equipment, IT systems and software. Protection against cyber security incidents, cloud security and security of all of the Company's IT systems are critical to its operations. The Company's IT systems could be compromised by unauthorized parties attempting to extract business sensitive, confidential or personal information, denial of access extortion, corrupting information or disrupting business processes or by inadvertent or intentional actions by The Company's employees or vendors. A cyber security breach or failure to identify a security threat could disrupt business and could result in the loss of business sensitive, confidential or personal information or other assets, as well as litigation, regulatory enforcement, violation of privacy or securities laws and regulations, which could adversely impact Orca's reputation and results of operations.

Internal Controls

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

Legal Proceedings

Due to the nature of its business, the Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the effects of discovery of new evidence or advancement of new legal theories, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurance that these matters will not have a material adverse effect on the Company's business.

In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts. The Company's ability to enforce its rights or its potential exposure to the enforcement in

Canada or locally of judgments from foreign courts could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Natural Disasters and Health Risks

The occurrence of one or more natural disasters or unusually adverse weather conditions could disrupt exploration activities and have a material adverse effect on the Company.

Compliance with Legislation, including ESTMA, and Public Company Obligations

The Company, headquartered in Vancouver, Canada and its Sudan business is subject to various laws and regulations in Canada and the Sudan. These laws include compliance with the Canadian Extractive Sector Transparency Measures Act, which requires companies to report annually on payments made to all levels of governments both in Canada and abroad. The Company is also required to comply with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act. In addition, as a publicly traded company with a listing on stock exchanges in Canada the Company is subject to additional laws and regulations, compliance with which is both time consuming and costly. If the Company and/or its businesses are subject to an enforcement action or are found to be in violation of any such laws, this may result in significant penalties, fines and/or sanctions which could have a material adverse effect on the Company, which could cause a significant decline in the Company's stock price.

The legal and regulatory requirements in Sudan are different from those in Canada. The Company relies, to a great extent, on the Company's local advisors in respect of legal, environmental compliance, banking, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Company's operations in Sudan. Despite these resources, the Company may fail to comply with a legal or regulatory requirement in Sudan, which may lead to the revocation of certain rights or to penalties or fees and in enforcement actions thereunder.

Licensing Regulatory Reform

Licensing and other regulatory requirements in the African jurisdictions in which we operate may be subject to amendment or reform which could make compliance more challenging. Our current operations are, and our future operations will be, subject to licenses, regulations and approvals of governmental authorities for exploration, development, construction, operation, production, marketing, pricing, transportation and storage of oil, taxation and environmental and health and safety matters. We cannot guarantee that such licenses applied for will be granted or, if granted, will not be subject to possibly onerous conditions. Any changes to exploration and production, or production licenses, regulations and approvals, or their availability to us may adversely affect our assets, plans, targets and projections.

Climate Change

We are subject to evolving climate change legislation that may increase both compliance costs and the risk of non-compliance. New and/or future climate change legislation may affect our ability to continue to operate as currently operated or planned to be operated. Any changes to these current or planned operations could significantly increase costs of operations and have material adverse effect on our business, results of operations and future cash flow.

Trading Price for the Common Shares is Volatile

The securities of publicly traded companies; particularly mineral exploration and development companies, can experience a high level of price and volume volatility and the value of the Company's securities can be expected to fluctuate depending on various factors, not all of which are directly related to the success of the Company and its operating performance, underlying asset values or prospects. These include the risks described elsewhere in this MD&A. The trading price of the Company's Common Shares has been and may continue to be subject to large fluctuations, which may result in losses to investors. The trading price of the Company's Common Shares may increase or decrease in response to a number of events and factors, including:

- issuances of shares or debt securities by the Company;
- the Company's operating performance and the performance of competitors and other similar companies;

- the addition or departure of key management and other personnel;
- the expiration of lock-up or other transfer restrictions on outstanding Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors;
- the public's reaction to the Company's press releases, other public announcements and the Company's filings with the various securities regulatory authorities;
- changes in recommendations by research analysts who track the Company's Common Shares or the shares of other companies in the resource sector;
- the number of common shares to be publicly traded after an offering; and
- the factors listed under the heading "Cautionary Note Regarding Forward-Looking Information and Statements".

In addition, the market price of the Company's common shares is affected by many variables not directly related to the Company's success and therefore not within the Company's control. Factors which may influence the price of the Company's securities, include, but are not limited to: worldwide economic conditions; changes in government policies; local community opposition to mining projects generally; investor perceptions; movements in global interest rates and global stock markets; variations in operating costs; the cost of capital that the Company may require in the future; the market price of metals, including copper, gold and silver; the price of commodities necessary for the Company's operations; recommendations by securities research analysts; the share price performance of the Company's competitors; news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related industry and market issues affecting the mining sector; publicity about the Company, the Company's personnel or others operating in the industry; loss of a major funding source; and all market conditions that are specific to the mining industry, including other developments that affect the market for all resource sector shares, the breadth of the public market for the common shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of shares on the exchanges on which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Future Offerings of Debt or Equity Securities

The Company may require additional funds to finance further exploration, development and production activities, or to take advantage of unanticipated opportunities. If the Company raises additional funds by issuing additional equity securities, such financing would dilute the economic and voting rights of the Company's shareholders. Since the Company's capital needs depend on market conditions and other factors beyond its control, it cannot predict or estimate the amount, timing or nature of any such future offering of securities. Thus, holders of common shares of the Company bear the risk of any future offerings reducing the market price of the common shares and diluting their shareholdings in the Company.

The Price of Publicly Traded Securities Can Be Volatile

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many corporations have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such corporations. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company from exploration, demonstrating an economically feasible development project, creating revenues, cash flows or earnings.

Acquisition Strategy

As part of the Company's business strategy, it will seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit 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, statements in respect of the consummation and timing of the Perseus Transaction; the satisfaction of the conditions precedent to the Perseus Transaction; the characteristics of Perseus post-Transaction; anticipated timing of receipt of securityholder, court and regulatory approvals; the structure and anticipated value of the Perseus Transaction and the ability of the parties to complete the Perseus Transaction.

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"): all requisite approvals to the Perseus Transaction will be obtained, all other conditions precedent to the completion of the Perseus Transaction will be satisfied, 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 discussed under "Risks and Uncertainties" above 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, 2021 and 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, 2021 and 2020, 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, 2021 and 2020;
- 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 11, 2022

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

	December 31, 2021	December 31, 2020
ASSETS		
Current assets		
Cash and cash equivalents	$ 5,130,342	$ 6,775,706
Receivables and other assets (Note 6)	539,540	490,183
	5,669,882	7,265,889
Equipment (Note 7)	3,968,906	355,699
Mineral properties (Note 9)	4,079,990	4,426,250
Other assets	295,864	-
Investment in Montage (Note 5)	26,174,546	35,150,004
	$ 40,189,188	$ 47,197,842
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,795,993	$ 990,058
Lease liabilities	130,372	-
	1,926,365	990,058
Non current liabilities		
Lease liabilities	286,279	-
EQUITY		
Equity attributed to common shareholders		
Share capital (Note 10)	156,823,435	143,189,405
Warrants	513,035	513,035
Contributed surplus	7,804,768	7,164,488
Accumulated other comprehensive income	(2,407,377)	1,873,258
Deficit	(100,003,448)	(81,676,594)
Non-controlling interest (Note 18)	(24,753,869)	(24,855,808)
	37,976,544	46,207,784
	$ 40,189,188	$ 47,197,842

Subsequent Event (Note 22)

Approved by the Board of Directors

(signed) "*Robert F. Chase*"
Director

(signed) "*David Field*"
Director

The accompanying notes 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, 2021	Year ended December 31, 2020
Administration costs (Note 12)	$ 5,350,878	$ 5,027,581
Exploration and project investigation costs (Note 13)	7,751,730	8,234,604
Gain on loss of control of Montage	-	(29,008,382)
Share of loss in Montage (Note 5)	7,379,676	1,157,216
Foreign exchange loss	39,783	32,544
Interest income	(38,903)	(164,553)
Interest expense	20,585	-
Other income (Note 14)	(107,583)	(84,703)
Net loss/(gain) for the year	$ 20,396,166	$ (14,805,693)
Net loss/(gain) for the year attributed to:		
Common shareholders of the Company	$ 18,326,854	$ (19,144,111)
Non-controlling interest (Note 18)	2,069,312	4,338,418
	$ 20,396,166	$ (14,805,693)
Net (gain)/loss for the year	$ 20,396,166	$ (14,805,693)
Items that may be subsequently reclassified to net loss:		
Loss/(gain) on translation to presentation currency	2,109,384	(1,053,454)
Montage loss on translation reclassified to net loss on deconsolidation	-	(449,950)
Comprehensive loss/(gain) for the year	$ 22,505,550	$ (16,309,097)
Comprehensive (gain)/loss for the year attributed to:		
Common shareholders of the Company	$ 22,607,489	$ (21,806,402)
Non-controlling interest (Note 18)	(101,939)	5,497,305
	$ 22,505,550	$ (16,309,097)
Basic and diluted loss per common share	$ 0.07	$ (0.08)
Basic and diluted weighted average number of shares outstanding	253,171,836	225,284,870

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, 2021	**Year ended December 31, 2020**
Cash flows for operating activities		
Net (loss) gain for the year	$ (20,396,166)	$ 14,805,693
Add non-cash items		
Depreciation of equipment (Note 7)	273,186	345,456
Stock-based compensation expense (Note 11)	1,680,561	1,553,297
Montage – gain on loss of control	-	(29,008,382)
Share of loss in Montage	7,379,676	1,157,216
Lease expense	20,337	-
Other income (Note 14)	(107,583)	(84,724)
	(11,149,989)	(11,231,444)
Changes in non-cash working capital items		
Receivables and other assets	(350,540)	(1,725,921)
Accounts payable and accrued liabilities	619,509	2,378,907
	(10,881,020)	(10,578,458)
Cash flows for investing activities		
Purchase of equipment	(3,141,277)	(4,593)
Deconsolidation of cash held in Montage	-	(4,022,023)
	(3,141,277)	(4,026,616)
Cash flows from financing activities		
Net proceeds from private placement	10,655,915	5,468,919
Net proceeds from exercise of stock options	1,937,834	1,504,000
Non-current leases	(130,948)	-
	12,462,801	6,972,919
Foreign exchange on cash and cash equivalents	(85,868)	114,218
Decrease in cash and cash equivalents	(1,645,364)	(7,517,937)
Cash and cash equivalents, beginning of year	6,775,706	14,293,643
Cash and cash equivalents, end of year	$ 5,130,342	$ 6,775,706
Supplemental information		
Interest received	$ 38,903	$ 102,528

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, 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 and other comprehensive income for the year	-	-	-	-	2,212,342	19,144,111	**21,356,453**	**(5,497,306)**	**15,859,147**
Stock-based compensation (Note 11)	-	-	-	636,174	-	-	636,174	-	636,174
Exercise of stock options (Note 11)	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	18,333,334	5,468,920	-	-	-	-	5,468,920	-	5,468,920
Share compensation	1,857,795	917,122	-	-	-	-	917,122	-	917,122
Deconsolidation of Montage	-	-	-	-	449,950	-	449,950	(8,826,136)	(8,376,186)
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**
Balance January 1, 2021	**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**
Net loss and other comprehensive loss for the year	-	-	-	-	(4,280,635)	(18,326,854)	(22,607,489)	101,939	(22,505,550)
Private placement (Note 10)	19,649,998	10,807,510	-	-		-	10,807,510	-	10,807,510
Share issue costs	-	(151,595)	-	-		-	(151,595)	-	(151,595)
Exercise of stock options (Note 11)	3,883,335	2,978,115	-	(1,040,281)		-	1,937,834	-	1,937,834
Stock based compensation (Note 11)	-	-	-	1,680,561	-	-	1,680,561		1,680,561
Balance December 31, 2021	**259,720,238**	**156,823,435**	**513,035**	**7,804,768**	**(2,407,377)**	**(100,003,448)**	**62,730,413**	**(24,753,869)**	**37,976,544**

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 11, 2022.

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 loses control of an entity and it is reclassified as an associate the Company will re-measure the value of its 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
Building and office	straight line base over 3 to 5 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.

m) Leases

At inception of a contract, the Company assesses whether the contract is, or contains a lease. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less, and leases of low-value assets. For these leases, the Company recognizes the lease payments as an expense in the consolidated statement of earnings on a straight-line basis over the term of the lease.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, each operation's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the Company's accounting policy for plant and equipment, from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Each lease payment is allocated between the lease liability and finance cost. The finance cost is recorded as an expense in the consolidated statement of earnings over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. On the consolidated balance sheet, right-of-use assets and lease liabilities are reported in Equipment.

4. CRITICAL ACCOUNTING JUDGEMENTS

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

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 Minerals Inc ("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 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, 2021.

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

5. INVESTMENT IN MONTAGE

The following is a summary of Montage Gold Corp.' s balance sheet on a 100% basis as at December 31, 2021. Montage Gold Corp.'s financial statements are prepared in accordance with IFRS.

	December 31, 2021
Current assets	11,274,376
Non-current assets	12,135,312
Current liabilities	(1,100,936)
Net assets	**22,308,752**

Investment in Montage – December 31, 2020	**$ 35,150,004**
Change in investment in Montage (31.4% ownership):	
Share of loss in Montage	(7,379,676)
Share of OCI of Montage	(71,908)
Translation adjustment on fair value on initial recognition of Investment in Montage	(1,523,874)
Change in Investment in Montage	**(8,975,458)**
Investment in Montage – December 31, 2021	**26,174,546**

As at December 31, 2021 the Montage share price was $0.64 per share, which results in a fair market value for Orca's 33.0 million shares of $21.1 million.

6. RECEIVABLES AND OTHER ASSETS

	December 31, 2021	December 31, 2020
Prepaid expenses	220,230	432,598
Fuel inventory	63,996	33,838
Other receivables	255,314	23,747
Total receivables and other assets	**539,540**	**490,183**

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

7. EQUIPMENT

Cost	Building and Office	Computer and Office Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2020	**-**	**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**
Additions	688,236	254,029	-	3,077,284	4,019,549
Effects of foreign exchange on translation to presentation currency	(19,453)	(41,129)	(129,726)	(218,230)	(408,538)
As at December 31, 2021	**668,783**	**567,519**	**1,528,560**	**4,466,811**	**7,231,673**
Accumulated depreciation					
As at January 1, 2020	**-**	**(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)**
Depreciation	(109,957)	(24,733)	(70,334)	(68,162)	(273,186)
Effects of foreign exchange on translation to presentation currency	3,108	31,943	107,996	132,335	275,382
As at December 31, 2021	**(106,849)**	**(323,059)**	**(1,358,711)**	**(1,474,148)**	**(3,262,767)**
Net book amount					
As at December 31, 2020	**-**	**24,350**	**261,913**	**69,436**	**355,699**
As at December 31, 2021	**561,934**	**244,460**	**169,849**	**2,992,663**	**3,968,906**

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

8. LEASES

During 2021, the Company entered into two leases including an office lease on September 6, 2021, which renews annually and can be terminated by either party with two months notice prior to the expiration of the contract and a housing accommodation lease on March 14, 2021 for a two year term. The Company classifies its right of use assets to property, plant and equipment and is amortizing these right of use assets over three years based on its period of expected occupancy.

Right of use assets are included in the Consolidated Statements of Financial Position as Equipment - Building and Office as follows (see note 7):

Lease additions	**Lease**	**Refurbishment**	**Total**
Office building	367,423	66,889	434,312
Housing accommodation	159,841	74,630	234,471
Total	**527,264**	**141,519**	**668,783**

Lease liabilities are reported in the Consolidated Statements of Financial Position as follows:

Lease liabilities	**December 31, 2021**
Current	130,372
Non-current	286,279
Total	**416,651**

The undiscounted maturity analysis of lease liabilities as at December 31, 2021 is as follows:

Lease liabilities	**Within 1 year**	**Within 1-2 years**	**2-3 years**	**Total**
Office building	134,315	134,315	62,374	331,004
Housing accommodation	58,432	58,432	-	116,864
Total	**192,747**	**192,747**	**62,374**	**447,868**

The consolidated statement of loss shows the following amounts related to leases:

Lease depreciation	**Lease**	**Refurbishment**	**Total**
Office building	42,012	7,648	49,660
Housing accommodation	41,096	19,201	60,297
Total	**83,108**	**26,849**	**109,957**

Interest expense of $20,337 was reported for year ended December 31, 2021.

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

9. MINERAL PROPERTIES

Cost	**Total**
As at January 1, 2020	**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**
Effects of foreign exchange on translation to presentation currency	(346,260)
As at December 31, 2021	**4,079,990**

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 on October 20, 2020 and Orca's loss of control over Montage the Côte d'Ivoire mineral properties with a carrying value of $11,734,994 were deconsolidated.

10. 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, 2021. The Company completed a private placement on March 30, 2021 issuing 19,649,998 shares at a value of $10.8 million for net proceeds of $10.7 million.

11. STOCK OPTIONS

a) Stock option plan

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

The total stock-based compensation for the year ended December 31, 2021 was $0.9 million (2020: $0.2 million). For the year ended December 31, 2021, stock-based compensation of $0.8 million (2020: $0.2 million) has been allocated to administration costs and $0.1 million (2020: Nil) to exploration and project investigation costs, for employees directly involved in exploration activities.

b) 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)	$0.47
Expired	(1,775)	$0.43
Outstanding at December 31, 2020	8,733	$0.45
Granted	4,950	$0.60
Expired	(1,900)	$0.51
Exercised	(3,883)	$0.50
Outstanding at December 31, 2021	7,900	$0.51
Exercisable at December 31, 2021	4,600	$0.44

The following summarizes information about the stock options outstanding and exercisable at December 31, 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	0.59	$0.35	2,950	0.59	$0.35
4,650	2.60	$0.59	1,550	2,60	$0.59
300	2.27	$0.82	100	2.27	$0.82
7,900	1.84	$0.51	4,600	1.30	$0.44

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

The fair value method of accounting was applied to options granted to employees and directors on the date of the grant using the Black Scholes pricing model with the following weighted average assumptions

	March 5, 2021
Average risk-free interest rate:	0.5%
Expected life:	3 years
Expected dividends:	nil
Weighted average fair value per option:	$0.25

c) Restricted and Deferred Share Units

On September 16, 2019 the Company granted 1,961,538 restricted share unit's ("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 for the year ended December 31, 2021 of $0.6 million (2020: 0.3 million). The RSU expense included $0.3 million (2020: $0.2 million) to administration and $0.3 million (2020: $0.1 million) to exploration costs for the year ended December 31, 2021.

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 $0.2 million for the year ended December 31, 2021. The September 16, 2019 grant was fully vested in 2020 and no stock based compensation has been reported in 2021 in connection with this grant.

12. ADMINISTRATION COSTS

	Year ended December 31, 2021	**Year ended December 31, 2020**
Management and consulting fees	1,552,649	2,286,602
Office and administration	735,523	427,116
Professional fees	991,179	1,318,018
Salaries and benefits	226,835	145,095
Stock based compensation expense (Note 11)	1,409,665	504,153
Travel and promotion	435,027	346,597
Total administration costs	**5,350,878**	**5,027,581**

For the year ended December 31, 2020, Montage's administration costs were consolidated at Orca's previously held 45% ownership percentage 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 share of loss in Montage.

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

13. EXPLORATION AND PROJECT INVESTIGATION COSTS

Year ended December 31,		Sudan (Block 14)	Côte d'Ivoire	Burkina Faso	Total
2021	Depreciation	273,186	-	-	273,186
	Exploration support and administration	107,470	-	-	107,470
	Field operation and consumables	3,338,898	-	-	3,338,898
	Geological consulting	531,944	-	-	531,944
	Permitting and licensing fees	606,323	-	-	606,323
	Salaries and benefits	2,454,386	-	-	2,454,386
	Stock-based compensation expense (Note 11)	270,896	-	-	270,896
	Travel and accommodation	168,627	-	-	168,627
	Total exploration and project investigation costs	**7,751,730**	**-**	**-**	**7,751,730**
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	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**

For the year ended December 31, 2020, the Côte d'Ivoire results were 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 share of loss in Montage.

14. OTHER INCOME

During the year ended December 31, 2021, the Company recognized a tax accrual recovery of $0.1 million (2020: $0.1 million) and is related to estimated withholding tax that was considered likely to be remitted in connection with work performed by certain foreign contractors.

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

15. RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the year ended December 31, 2021 were Geodex Consultants Ltd. ("Geodex") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). Geodex is a related party by virtue of its 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, 2021	Year ended December 31, 2020
Field operation and consumables	Meyas Nub	667,319	230,797
Geological consulting	Geodex	14,773	17,547
Total services received from related parties		**682,092**	**248,344**

As at December 31, 2021 the Company had an outstanding payable to Meyas Nub of $25,213.

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, 2021	Year ended December 31, 2020
Salaries and management fees	1,216,756	1,327,720
Short term benefits	66,890	39,438
Directors fees	209,749	179,898
Stock-based compensation	1,129,423	378,300
Total key management compensation	**2,622,818**	**1,925,356**

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

16. 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, 2021	**Year ended December 31, 2020**
(Gain)/loss before taxes	20,396,166	(14,805,693)
Combined Canadian federal and provincial statutory income tax rates	27.00%	27.00%
Income tax (expense) recovery based on the above rate	5,506,965	(3,997,537)
Changes in deferred tax not recognized	(694,443)	6,642,793
Differences between Canadian and foreign tax rates	(1,357,311)	(338,060)
Non-deductible expenses	(2,446,266)	(2,282,815)
Impacts of changes in foreign exchange rates	(1,008,945)	(24,381)
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, 2021	**December 31, 2020**
Non-capital losses carried forward – Canada	12,494,422	12,002,286
Capital losses carried forward – Canada	7,705,706	6,503,506
Investment in Montage	(1,585,552)	(2,787,751)
Non-Capital losses carried forward – United Kingdom	438,346	322,091
Share issue costs – Canada	100,188	169,026
Other asset/resource pools – Canada	1,625,943	1,625,943
Cumulative exploration losses – Sudan	12,706,200	12,676,798
Cumulative operating losses – Sudan	219,197	514,674
	33,704,450	**31,026,573**

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	
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	2,532,463
2041	2,864,918
Total non-capital loss carry-forwards	**46,275,636**

(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:

Year of expiration	
2022	175,480
2023	324,056
2024	394,001
2025	197,288
2026	370,489
Cumulative operating losses in Sudan	**1,461,314**

As at December 31, 2021, the Company's exploration losses are $84.7 million (2020 $84.5 million) and relate to Block 14, its sole mineral property as of that date.

17. 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 9 and 13, respectively, represent the manner in which management reviews its business performance. The Company's non-current assets, excluding financial instruments and exploration and project investigation costs are located in Sudan.

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

18. NON-CONTROLLING INTEREST

Sudan

Pursuant to a purchase agreement dated March 1, 2012, 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 previously held 45% interest as non-controlling interest to the date of the Montage IPO on October 23, 2020. Following the Montage IPO on October 23, 2020 the Company reported Montage as an investment in associate. 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, 2021 are as follows:

	MSMCL	Montage	Total
January 1, 2020	**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	-	1,571,887
Deconsolidation of Montage	-	8,413,137	8,413,137
December 31, 2020	**24,855,808**	-	**24,855,808**
Non-controlling interest's 30% share of MSMCL's net loss for the year	2,069,312	-	2,069,312
Non-controlling interest's 30% share of MSMCL's other comprehensive gain for the year	(2,171,251)	-	(2,171,251)
December 31, 2021	**24,753,869**	-	**24,753,869**

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

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

	December 31, 2021	**December 31, 2020**
Current assets	469,761	91,532
Equipment, net	3,936,101	334,808
Mineral properties	4,079,990	4,426,250
Other assets	295,864	-
Current liabilities	(1,646,314)	(486,212)
Long term liabilities	(286,279)	-
Advances from SMCL	(86,093,692)	(83,006,221)
Advances from another wholly owned subsidiary of Orca	(389,775)	(413,000)

	Year ended December 31, 2021	**Year ended December 31, 2020**
Net loss	6,900,791	3,248,036
Cash flows for operating activities	(6,773,437)	(2,995,224)
Cash flows from financing activities	9,758,405	8,027,816
Cash flows for investing activities	(2,987,573)	(4,593)

19. 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.

20. 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, receivables, 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.

21. MANAGEMENT OF FINANCIAL RISK

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

a) Currency risk

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies. As at December 31, 2021, 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 $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 $100,000 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, 2021 are as follows:

	Total	**Less than 1 year**	**1-5 years**	**More than 5 years**
Accounts payable, accrued liabilities	1,795,993	1,795,993	-	-
Lease liabilities	416,651	130,372	286,279	-
Total	**2,212,644**	**1,926,365**	**286,279**	**-**

22. SUBSEQUENT EVENT

PERSEUS MINING LIMITED AGREEMENT TO ACQUIRE ORCA GOLD INC.

On January 5, 2022, Perseus agreed to provide Orca with a US$5 million short-term loan facility, which will mature on June 30, 2022 with interest charged at a rate of 7.5% per annum.

On February 26, 2022 the Company announced it had entered into a binding agreement (the "Arrangement Agreement") with Perseus Mining Limited ("Perseus") whereby Perseus has agreed to acquire all of the outstanding common shares of the Company (the "Transaction" or "Perseus Transaction"), all subject to the terms and conditions contained in the Arrangement Agreement as available on SEDAR (www.sedar.com).

Upon completion of the Transaction, holder's of Orca's common shares that were not already owned by Perseus have been offered 0.56 Perseus shares for every Orca common share held.

The Transaction will be carried out by way of a court approved plan of arrangement under the CBCA and will require approval by at least (i) 66⅔% of the votes cast by the Company's shareholders and (ii) 66⅔% of the votes cast by holders of Orca Shares, restricted share units, deferred share units and options, voting together as a single class, and (iii) approval of a simple majority of the votes cast by holders of Orca Shares, excluding votes from certain shareholders, including Perseus, in accordance with Multilateral Instrument 61-101 at a special meeting to be held on May 16, 2022 to consider the Transaction. In addition to approval by the Company's shareholders, the Transaction is also subject to court approval, regulatory approvals and other customary closing conditions for transactions of this nature.

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

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Canada

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