



ORCA GOLD INC.

THIRD QUARTER REPORT

For the Three and Nine Months Ended

September 30, 2017

ORCA GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017
(Amounts in Canadian Dollars unless otherwise indicated)

The following management's discussion and analysis ("MD&A") of Orca Gold Inc. ("Orca" or the "Company") should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2017 and the December 31, 2016 year end audited consolidated financial statements and related notes therein. The financial information in this MD&A is reported in Canadian dollars unless otherwise indicated and is derived from the Company's condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. The effective date of this MD&A is November 23, 2017. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.orcagold.com.

Orca is a junior exploration company focused on the acquisition and exploration of mineral properties in Africa. Its current exploration focus is on the Arabian Nubian Shield in the north of Sudan, where it holds the Block 14 exclusive prospecting license. This property is located close to the Egyptian border, 700 km north of Khartoum and 300 km west of the Red Sea. The nearest significant population centre is the town of Abu Hamad located 200 km due south of the Block 14 prospecting license perimeter.

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

The license for Block 14 was originally granted to Orca's partner, Meyas Nub Multiactivities Co. Ltd. ("Meyas Nub") under a Concession Agreement dated May 19, 2010. The license is currently held by Meyas Sand Minerals Company Ltd ("MSMCL"). Sand Metals Company Ltd. ("SMCL"), a 100% owned subsidiary of Orca, and Meyas Nub own 70% and 30% of MSMCL respectively. Under the Concession Agreement, the MoM has a right to a 20% free-carried interest in any mining operation developed on Block 14. Under an agreement between SMCL and Meyas Nub, the MoM's 20% interest will come from Meyas Nub's current 30% ownership interest in MSMCL. As provided under the Concession Agreement, in March 2017, the Company selected and renewed approximately 2,176 km² of the Block 14 exploration license as well as the water license, which permits hydrological studies on Block 14 and on an additional 300 km² area north of Block 14, for its final exploration term, ending in May 2018.

The Company's Mineral Resources are associated with the Galat Sufar South ("GSS") and Wadi Doum deposits located on Block 14. Using a cut-off grade of 1.0 Au g/t, the current Mineral Resource estimate consists of an Indicated Resource of 30.6 Mt grading 1.82 Au g/t for 1.792 Moz of gold and an Inferred Resource of 9.7 Mt grading 1.7 Au g/t for an additional 0.536 Moz. In May 2017, the Company completed a revised preliminary economic assessment (the "Revised PEA"), using a gold price of US\$ 1,100/oz for mine design and US\$ 1,200/oz for economic analysis, which showed strong economics with an estimated after-tax NPV_{7%} of US\$ 227.7 million and an estimated IRR of 23.1% for the Block 14 Project on a 100% basis.

The technical contents of this MD&A have been reviewed by Hugh Stuart, CGeol., FGS, a Qualified Person pursuant to NI 43-101. Mr. Stuart holds the position of President and Director of the Company. Some of the statements in this MD&A are forward-looking statements that are subject to risk factors set out in the cautionary note contained herein.

THIRD QUARTER 2017 OPERATING HIGHLIGHTS

Water Resource Expansion and Potential Increase to Block 14 Throughput

In May 2017, the Company's hydrogeological consultant, GCS Water & Environmental Consultants ("GCS") of South Africa, confirmed that a new aquifer system had been discovered 85 km from GSS, in an area known as Area 5. The Area 5 water resource was used to support the 3.4 Mtpa throughput scenario contemplated in the Revised PEA.

Recognizing the potential and quality of the fresh water at the Area 5 aquifer, the Company followed up on this discovery and completed a second drill programme, consisting of six boreholes, during the third quarter of 2017. The borehole drilling, and subsequent pump testing, successfully expanded the water resource area to 135 km² and increased the estimated volume capacity of the aquifer to 100 million cubic meters (see News Releases dated November 1, 2017 and November 2, 2017). This important development has effectively removed availability of water as a constraint for Block 14 development, allowing the Company to analyze a much broader spectrum of throughput scenarios and to design and develop Block 14 to its full potential. The potential to increase the throughput will reduce unit process operating costs and lead to an increase in the "in-pit" resources. These potential areas for further value creation will be explored, along with the overall impact of the larger fresh water resource discovery, and incorporated into the Feasibility Study on the Block 14 Project that is currently underway and targeted for completion by the second quarter of 2018 (see "Outlook" section).

Drilling at GSS

During the third quarter of 2017, in support of the ongoing Feasibility Study, the Company initiated a 25,000 metre drill programme at Block 14, which is aimed at increasing in-pit resources, testing the potential of the resource expansion below the pit shells that formed the basis of the Revised PEA, and further defining mineralogical and geological models of the deposit.

The drilling commenced at GSS, where approximately 11,000 metres have been drilled thus far in 30 holes. Two batches of results have been received to date, covering the first 17 holes (see News Releases dated October 17, 2017 and November 21, 2017). The results have been highlighted by several intercepts outside of the current mineral resource and below Orca's Revised PEA pit shells, confirming the potential for significant resource expansion.

Highlights of the first 7 holes (see News Release dated October 17, 2017) include:

- GSDD015: 19.1 metres at 3.98 g/t Au (infill) and 48.0 metres at 1.96 g/t Au (infill);
- GSDD016: 96.0 metres at 2.68 g/t Au (infill) and 20.4 metres at 3.80 g/t Au (outside of resource); and
- GSGT004: 39.5 metres at 4.94 g/t Au (infill) and 13.0 metres at 10.19 g/t Au (outside of resource).

Of particular significance, Hole GSGT004 intersected the Main Zone mineralization at GSS, close to surface, and then continued through the Revised PEA pit wall confirming and extending a high-grade zone (13m at 10.19 g/t Au) intersected in previous reverse circulation. This zone has now been defined over 100 metres strike and is expected to be extended with further drilling as the programme progresses.

Highlights of the second batch of 10 holes (see News Release dated November 21, 2017) include:

- GSDD020A: 17.4 metres at 7.92 g/t Au (outside of resource);
- GSDD024: 72.3 metres at 1.67 g/t Au (outside of resource) and 11.0 metres at 3.68 g/t Au (outside of resource); and
- GSDD028: 25.0 metres at 2.58 g/t Au (outside resource) and 19.4 metres at 2.09 g/t Au (outside of resource).

These latest holes confirm an overall increase in grade below the current resource. The Company believes that this will have a positive impact on a new resource calculation and consequently the economic results of the Feasibility Study. In addition, hole GSDD020A successfully intercepted a high grade, steeply plunging shoot at depth, returning 17.4m @ 7.92 g/t Au between 354.6m and 372.0m. This high grade intercept at depth, which falls outside and below the current resource, highlights the significant potential to explore underground options at GSS, which the Company will continue to evaluate.

RESULTS FROM OPERATIONS

As a junior exploration company, Orca has no expectation of generating operating profits until it identifies and develops a commercially viable mineral deposit. During the three and nine months ended September 30, 2017, Orca incurred net losses of \$7.0 million and \$13.7 million, respectively (2016: \$2.8 million and \$7.2 million). Exploration and project investigation costs account for approximately 84% and 81% (2016: 76% and 72%) of the net losses incurred during the three and nine months ended September 30, 2017, respectively, while administration expenses account for approximately 16% and 20% (2016: 25% and 30%), respectively. The reported net losses for the three and nine months ended September 30, 2017 are net of \$37,000 and \$107,000 of interest income (2016: \$38,000 and \$165,000), respectively.

Exploration costs are the most significant expenditure of the Company and have been expensed in accordance with its accounting policy. Detailed breakdowns of exploration costs for the three and nine months ended September 30, 2017 and 2016, are provided in the notes to the unaudited condensed interim consolidated financial statements. Geophysical surveys and drilling related to the hydrological studies, resource drilling and other technical costs, most notably engineering and other related study costs, were the largest combined cost category for the three and nine months ended September 30, 2017 and accounted for 69% and 65% of exploration costs (2016: 58% and 55%), respectively, increasing as compared to the 2016 period as a result of the work undertaken during the first nine months of 2017 in support of the Revised PEA and the ongoing Feasibility Study. Exploration staff compensation costs were the second largest component of exploration costs in the three and nine months ended September 30, 2017 and accounted for 14% and 16% (2016: 19% and 22%), respectively. In addition, consistent with prior years, costs related to logistics and infrastructure remain high due to the remoteness of Block 14. As fully described under the section "Third Quarter 2017 Operating Highlights", the focus of activities during the three and nine months ended September 30, 2017 was Block 14, accounting for approximately 100% and 99% (2016: 99%) of Orca's exploration costs for the periods, respectively.

Excluding stock-based compensation of \$393,000 and \$611,000 (2016: \$172,000 and \$610,000) for the three and nine months ended September 30, 2017, respectively, administration costs were \$0.7 million and \$2.1 million (2016: \$0.5 million and \$1.5 million), respectively. The increase in administration costs for the three and nine months ended September 30, 2017 is due primarily to an increase in travel and promotional activities undertaken by the Company, to increase Orca's presence in the junior resource sector, in support of an equity financing, which closed in July 2017 (see "Liquidity and Capital Resources" section).

Stock-based compensation, a non-cash cost, reflects the amortization of the estimated fair value of options over their vesting period. The calculation of the fair value of options is based to a large degree on the Company's share price and its volatility. The actual future value to the option holders may differ materially from these estimates as it depends on the trading price of Orca's shares if and when the options are exercised. In addition, as the granting of options and their vesting is at the discretion of the Board, the related expense is unlikely to be uniform across quarters or financial years.

Interest income of \$37,000 and \$107,000 (2016: \$38,000 and \$165,000) for the three and nine months ended September 30, 2017, respectively, reflects interest earned on cash held on deposit and invested in short-term money market instruments. The decrease in interest income is primarily due to Orca's smaller average treasury balance in the current periods. Foreign exchange gains or losses reflect the short-term fluctuations of foreign currencies used in operations against the Canadian dollar.

No tax recovery is recognized as a result of the nature of Orca's current business activities and the lack of reasonable expectation that taxable profit will be generated by the Company in the near term.

In other comprehensive income, the Company also reported foreign exchange translation losses of \$129,000 and \$24,000 (2016: gain of \$98,000 and loss of \$65,000) for the three and nine months ended September 30, 2017, respectively, on translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. This is principally the result of fluctuations of the Canadian dollar relative to the Euro during the respective periods.

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

Three Months Ended	Sep-17	Jun-17	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16	Dec-15
Exploration costs (\$000's)	5,873	3,172	1,957	4,330	2,119	1,764	1,274	1,908
Total net loss (\$000's)	6,960	3,890	2,815	5,234	2,801	2,591	1,770	2,496
Net loss attributed to the Company's shareholders (\$000's)	5,254	2,978	2,275	4,010	2,201	2,129	1,418	1,976
Net loss per share attributed to the Company's shareholders, basic and diluted (\$)	0.04	0.03	0.02	0.04	0.02	0.02	0.01	0.02

The nature and extent of exploration activities carried out under specific work programs affect the costs incurred and loss reported in any given quarter. Over the last eight quarters, Orca has been focused on exploration in Sudan as it advanced the evaluation of Block 14 and achieved various milestones, including identification of a new prospective high grade target, Liseiwi, through sampling and drilling during the latter portion of 2015, substantial completion of Block 14's first preliminary economic assessment during the first half of 2016, the successful completion of additional hydrological studies and engineering work in support of the Revised PEA from the latter half of 2016 into the first half of 2017, and a significant water drilling programme at the Area 5 aquifer, along with the commencement of the 25,000 metre drill program at Block 14 in the third quarter of 2017 (see "Third Quarter 2017 Operating Highlights" section above).

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2017, the Company had a treasury of \$12.6 million, comprised entirely of cash and cash equivalents, as compared to a treasury of \$10.4 million at December 31, 2016, consisting of cash and cash equivalents of \$5.3 million and fixed income short-term investments of \$5.1 million. The Company's short-term investments, as held as at December 31, 2016, matured and were redeemed in May 2017. Working capital at September 30, 2017 was \$8.4 million (December 31, 2016: \$7.6 million).

From July 6, 2017 to July 12, 2017, the Company closed a non-brokered private placement of 37,500,000 equity units at a price of \$0.40 per unit, for gross proceeds of \$15.0 million (the "Private Placement"). Each equity unit consisted of one common share of the Company and one-half of one common share purchase warrant, with each full warrant exercisable at \$0.55 for 24 months from the date of closing of the Private Placement. A portion of the subscriptions related to the Private Placement were subject to a 6.0% finder's fee, payable in cash, resulting in total net proceeds of \$14.4 million generated by the Private Placement.

Other than for general corporate and administrative costs, the majority of funds spent by Orca are directed towards exploration activities, with a focus on advancing Orca's Block 14 Project in Sudan.

Orca's interest in its Block 14 license was acquired on March 1, 2012 when SMCL acquired the right and option to a 70% interest in MSMCL from Meyas Nub. Under the purchase agreement, SMCL paid USD \$9.5 million in three installments in exchange for an increasing ownership interest in MSMCL, as follows:

Date	Payment	Total ownership interest
March 1, 2012	USD \$3.5 million	35.0%
September 30, 2013	USD \$3.0 million	52.5%
September 30, 2014	USD \$3.0 million	70.0%

Under the agreement, the Company must fund all exploration, development and construction costs to commercial production in accordance with the purchase agreement. Based on the Company's financial position at September 30, 2017, management believes that the Company has a sufficient treasury to support its ongoing exploration expenditures in Sudan and general corporate activities for at least the next 12 months, considering that operating budgets and plans are adjusted from time to time, as necessary.

RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and nine months ended September 30, 2017, were Hugh Stuart Exploration Consulting Ltd. ("HSEC") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). HSEC is related by way of directors, officers and shareholders in common. Meyas Nub is identified as a related party as a result of its ability to exert significant influence on MSMCL through its non-controlling equity interest. Related party transactions occur and are recorded at the amounts agreed between the parties.

Services received from related parties

	Related party	Three months ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
Drilling and exploration support	Meyas Nub	142,909	218,711	226,829	277,939
Camp and field equipment	Meyas Nub	25,842	-	25,842	-
Geological consulting	HSEC	62,676	213,383	162,863	326,420
Support and administration	SinoTech	-	-	-	3,750
Total related party costs		231,427	432,094	415,534	608,109

Related party balances

The amounts due to related parties by the Company, and the components of the consolidated statement of financial position in which they are included, are as follows:

	Related party	September 30, 2017	December 31, 2016
Accounts payable and accrued liabilities	Meyas Nub	(123,044)	(19,984)
Accounts payable and accrued liabilities	HSEC	(323,846)	(69,188)

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 executive officers and vice-presidents.

The remuneration of key management personnel were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Salaries and management fees	169,242	153,202	508,614	396,298
Short term benefits	7,367	3,073	21,291	8,390
Stock-based compensation	182,744	80,749	285,291	243,062
Total key management compensation	359,353	237,024	815,196	647,750

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. There have been no material changes to the critical accounting estimates discussed in the annual MD&A filed on Sedar on March 29, 2017.

SIGNIFICANT ACCOUNTING POLICIES

Orca follows the accounting policies described in Note 3 of the Company's December 31, 2016 audited consolidated financial statements that were filed on Sedar on March 29, 2017.

New accounting pronouncements

The IASB has issued a number of new and revised International Accounting Standards, IFRS amendments and related interpretations which are effective for the Company for periods after December 31, 2016, beginning on the dates indicated below. Pronouncements that are not applicable to the Company have been excluded from those described below.

Pronouncement	Effective Date
IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. The standard includes: (i) a third measurement category for financial assets – fair value through other comprehensive income and (ii) a single, forward-looking 'expected loss' impairment model.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 7 <i>Financial instruments – disclosure</i> has been amended to require additional disclosures on transition from IAS 39 to IFRS 9.	Required to be applied for years beginning on or after January 1, 2018.
IFRS 16 <i>Leases</i> specifies how leases should be recognized, measured, presented and disclosed. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has an insignificant value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	Required to be applied for years beginning on or after January 1, 2019.

Management is currently assessing whether these new standards and interpretations would have a material impact on the future financial position and results of the Company.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, other receivables, short-term investments, and accounts payable and accrued liabilities. The carrying amounts reported in the unaudited condensed interim consolidated statements of financial position for cash and cash equivalents, other receivables, short-term investments, accounts payable and accrued liabilities approximate their fair value because of the immediate or short-term maturity of these financial instruments.

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

Currency risk

Foreign currency risk can arise when the Company or its subsidiaries transact in currencies other than their functional currencies.

(i) Sudanese operations

As at September 30, 2017, the Company's Sudanese operating subsidiaries' largest foreign currency risk exposure is a net financial liability denominated in US dollars of an amount equivalent to approximately 1.7 million Canadian dollars. A 10% change in the foreign exchange rate between the US dollar and the European Euro would give rise to increases/decreases of approximately 169,000 Canadian dollars in financial position/comprehensive loss.

ii) Canadian head office operations

At September 30, 2017, the Company's Canadian head office also held cash in foreign currencies and had net foreign currency financial assets and liabilities. The estimated impacts of relative currency rate fluctuations between the foreign currencies and the Canadian dollar, the Company's functional currency, based on these total foreign currency exposures are as follows:

In thousands of dollars

	Foreign currency cash held (in source currency)	Net financial asset (liability) position	Change in net financial position from a 10% variation in exchange rates
US dollar	146	419	42
British pounds	-	(108)	11

Credit risk

At September 30, 2017, the majority of the Company's cash and cash equivalents and short-term investments were held through Canadian institutions with investment grade ratings.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. Liquidity requirements are managed based on expected cash flow to ensure that there is capital to meet short term and long term obligations.

The maturities of the Company's financial liabilities as at September 30, 2017 are as follows:

	In thousands of dollars			
	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	4,591	4,591	-	-
Total	4,591	4,591	-	-

OUTSTANDING SHARE DATA

As at November 23, 2017, the Company had 151,946,440 common shares outstanding, 12,835,000 share options outstanding under its stock-based incentive plan and 18,750,000 share purchase warrants outstanding.

RISKS AND UNCERTAINTIES

The operations of the Company are speculative due to the high risk nature of its business which includes the acquisition, financing, exploration, development and operation of mining properties. These risk factors could materially affect the Company's future operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. There have been no material changes in the risks and uncertainties affecting the Company that were discussed in the Company's 2016 MD&A that was filed on Sedar on March 29, 2017.

OUTLOOK

Orca is a Canadian resource company focused on exploration opportunities in Africa with an experienced board of directors and management team and a strong balance sheet which includes a treasury of \$12.6 million and net working capital of \$8.4 million. Management and the Board of Directors continue to be mindful of the challenging conditions in the equity markets, particularly for junior gold exploration companies, and the importance of properly managing the treasury.

Block 14 Feasibility Study in Progress

A Feasibility Study on Orca's flagship Block 14 Gold Project is currently underway and is targeted for completion early in the second quarter of 2018. The Feasibility Study is focusing on optimizing the Project towards a development decision in 2018 and will follow up on material project enhancement opportunities, including:

Resource Expansion and Conversion

The Revised PEA pit optimizations incorporated the bulk of mineral resources defined to date at both GSS and Wadi Doum. As a result, in a number of areas, the optimized shells are restricted in depth by the base of the current resource block model.

A main objective of the 25,000 metre drill programme currently underway at Block 14 is to upgrade the current in-pit Inferred resources (8%) to the Indicated category and to extend the resource model to depth to allow the pit optimizations to reach their economic depth. While the drill campaign is still underway, initial results to date from the first 7,625 metres of diamond drilling at GSS have provided positive infill results, as well as confirmed the potential for extension of the current mineral resource beyond the current pit shells as contemplated by the Revised PEA (see News Release dated October 17, 2017).

A revised resource for GSS that will form the basis for the Feasibility Study will be completed in January 2018.

Further Water Expansion and Potential to Increase Throughput for Feasibility Study

As discussed in the section "Third Quarter 2017 Operating Highlights" above, the Company successfully expanded the water resource area at the Area 5 aquifer to 135 km² and increased the estimated volume capacity of the aquifer to 100 million cubic meters (see News Releases dated November 1, 2017 and November 2, 2017).

This important development has effectively removed availability of water as a development constraint for Block 14, allowing the Company to expand the proposed processing capacity for the project to 6.0Mtpa and therefore to develop Block 14 to its full potential. The potential to increase the throughput as a result of the water resource expansion will also reduce unit process operating costs and lead to an increase in Mineral Resources within the scope of the Feasibility Study. These potential areas for further value creation will be explored, along with the overall impact of the larger fresh water resource discovery, and incorporated into the Feasibility Study on the Block 14 Project.

Exploration

Given the large exploration permit area (2,176 km²), prospective geological setting, and clear gold endowment, as indicated by the large numbers of artisanal miners, exploration will be ramped up at Block 14 during the Feasibility Study evaluation.

The last drilling campaign identified high grade plunging structures at both GSS and Wadi Doum, and exploration drilling is now underway to target these structures to evaluate pit extensions. In addition, resource definition drilling will also evaluate the Liseiwi high grade prospect, located 15 km to the north of Wadi Doum (see News Release dated February 2, 2017).

Metallurgy

Additional metallurgical testing is being carried out to provide the basis for Feasibility Study, in particular evaluating the metallurgical variability throughout the Resource. Other test work has been carried out in support of flowsheet development:

- Comminution to support design of crushing and grinding circuits
- Leach dissolution variability to support gold and silver recovery
- Carbon modelling to aid design of leach kinetics
- Pulp rheology in support of thickener design and tailings storage

Expansion into Côte d'Ivoire

In October 2017, the Company has received written approval by the Minister of Industry and Mines of Côte d'Ivoire (the "Ministerial Approval") with respect to the transfer of the wholly-owned Kinross Gold Corporation ("Kinross") subsidiary that holds the Morondo and Korokaha North exploration licenses and the Korokaha South application to Orca. In addition, the Minister has advised the Company that formal written approval is in process for the transfer of the remaining Ivorian exploration assets contemplated under the share purchase agreement between wholly-owned subsidiaries of Kinross, Orca and a wholly-owned subsidiary of Orca (the "SPA") (see News Releases on February 1, 2017).

Having received formal written approval for the transfer of the Morondo and Korokaha North permits, the most advanced and higher priority properties within the aggregate land package contemplated in the SPA, and having been advised by the Minister that the second approval is in progress, the Company and Kinross have agreed to mutually waive the requirement in the SPA to obtain all approvals from the Minister and will now proceed with the closing of the transaction (see News Release dated November 6, 2017).

The Company expects the transaction to close in December 2017, or in early 2018, upon which Orca will:

- issue 10,633,169 common shares to Kinross, which are subject to a statutory hold period of four months, representing 6.6% of the post-acquisition share capital of Orca;
- grant to Kinross a right to maintain its proportionate equity interest in the Company through participation in Orca's future equity financings, provided that at the applicable time Kinross holds a minimum equity interest in Orca of 5%;
- grant to Kinross a two-year right of first refusal on any subsequent disposal of the Exploration Assets, in whole or in part, by Orca;
- grant to Kinross a right of first offer on the Exploration Assets to take effect upon the expiry of the two-year right of first refusal; and
- grant to Kinross a 2% net smelter return royalty on products mined and sold from the Exploration Assets

General

In recent months, Orca has replenished its treasury with the net proceeds received in the Private Placement and strengthened the outlook for the Block 14 Project with robust project economics from the Revised PEA, all the while maintaining significant upside to further improve the Project during the Feasibility Study through exploring various opportunities to create value, such as increasing throughput with elimination of the water constraint.

Accordingly, Orca is well positioned to be flexible and responsive to changes in the resource sector market conditions. Nonetheless, careful consideration has resulted in operating budgets that will advance Block 14 under strict financial oversight and future exploration programs will continue to be guided by results and prospectivity.

In addition, the Company remains open to partnership opportunities while actively pursuing future growth opportunities by evaluating other exploration, development or production assets on an on-going basis with a view to building a diversified, African focused exploration company. While at any given time discussions and activities may be in progress on a number of initiatives, Orca currently does not have any binding agreements or binding commitments to enter into any such transactions. There is no assurance that these corporate activities will ever progress to the stage where a potential transaction might be successfully completed.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made and contained herein in the MD&A and elsewhere may contain forward-looking statements and forward-looking information within the meaning of applicable Canadian securities laws, including statements regarding Orca's (the "Company", the "Corporation", "we" or "our") plans and expectations relating, but not limited to, the Block 14 project ("Block 14") in northern Sudan and the timing and completion of the Feasibility Study ("FS") currently being conducted by the Company, the timing and receipt of the written Ministerial Approval for the transfer of the second Kinross subsidiary as contemplated by the SPA, exploration plans at the properties covered by the SPA, and closing of the transaction contemplated by the SPA. These 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 mineralization that will be encountered if the property is developed. The assumptions, risk 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 industry results, may vary materially from those described in this presentation.

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"): timing and receipt of all necessary regulatory approvals; future prices of gold and other metals; successful exploration, development, and production of Block 14; the timing and completion of the FS; 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; insurance and uninsured risks; financial projections and results; competition; availability of sufficient capital, infrastructure, equipment and labour; dependence on key personnel; dependence on outside parties; conflicts of interest; 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 Block 14; reclamation obligations; changes in project parameters as plans continue to be evaluated; and anticipated costs and expenditures and our ability to achieve the Corporation's goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies, many of which are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation known and unknown risks, uncertainties and other factors relating to the Forward-Looking Factors above, and those factors disclosed under the heading "Risk Factors" in the Corporation's 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. For further details, reference is made to the risk factors discussed or referred to in the Corporation's annual and interim management's discussion and analyses on file with the Canadian securities regulatory authorities and available electronically on the SEDAR website at www.sedar.com. 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 presentation and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or forward-looking information.

Orca Gold Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2017 and 2016

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

	<u>September 30,</u> <u>2017</u>	<u>December 31,</u> <u>2016</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 12,635,982	\$ 5,285,095
Short-term investments	-	5,141,625
Receivables and other assets (Note 3)	397,457	245,618
	<u>13,033,439</u>	<u>10,672,338</u>
Equipment (Note 4)	967,369	511,487
Mineral properties (Note 5)	4,174,770	4,012,503
	<u>\$ 18,175,578</u>	<u>\$ 15,196,328</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 4,590,569	\$ 3,108,072
EQUITY		
Equity attributed to common shareholders		
Share capital (Note 6)	98,158,816	84,570,738
Warrants (Note 6, 7)	959,816	-
Contributed surplus	6,392,631	5,754,887
Accumulated other comprehensive income	806,762	286,782
Deficit	<u>(75,601,809)</u>	<u>(65,095,080)</u>
	30,716,216	25,517,327
Non-controlling interest (Note 13)	<u>(17,131,207)</u>	<u>(13,429,071)</u>
	<u>13,585,009</u>	<u>12,088,256</u>
	<u>\$ 18,175,578</u>	<u>\$ 15,196,328</u>

Approved by the Board of Directors

(signed) "Robert F. Chase"
Director

(signed) "Alex Davidson"
Director

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

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

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Administration costs (Note 9)	\$ 1,110,847	\$ 708,196	\$ 2,723,756	\$ 2,134,038
Exploration and project investigation costs (Note 10)	5,873,327	2,119,143	11,002,074	5,156,507
Foreign exchange loss	12,672	12,270	46,794	37,250
Interest income	(37,002)	(38,312)	(107,440)	(164,970)
Net loss for the period	<u>\$ 6,959,844</u>	<u>\$ 2,801,297</u>	<u>\$ 13,665,184</u>	<u>\$ 7,162,825</u>
Net loss for the period attributed to:				
Common shareholders of the Company	5,253,808	2,200,933	10,506,729	5,747,348
Non-controlling interest (Note 13)	1,706,036	600,364	3,158,455	1,415,477
	<u>\$ 6,959,844</u>	<u>\$ 2,801,297</u>	<u>\$ 13,665,184</u>	<u>\$ 7,162,825</u>
Net loss for the period	\$ 6,959,844	\$ 2,801,297	\$ 13,665,184	\$ 7,162,825
Items that may be subsequently reclassified to net loss:				
Loss (gain) on translation to presentation currency	128,684	(98,247)	23,701	65,467
Comprehensive loss for the period	<u>\$ 7,088,528</u>	<u>\$ 2,703,050</u>	<u>\$ 13,688,885</u>	<u>\$ 7,228,292</u>
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	\$ 5,437,615	\$ 1,807,940	\$ 9,986,749	\$ 6,013,471
Non-controlling interest (Note 13)	1,650,913	895,110	3,702,136	1,214,821
	<u>\$ 7,088,528</u>	<u>\$ 2,703,050</u>	<u>\$ 13,688,885</u>	<u>\$ 7,228,292</u>
Basic and diluted loss per common share	<u>\$ 0.04</u>	<u>\$ 0.02</u>	<u>\$ 0.08</u>	<u>\$ 0.05</u>
Basic and diluted weighted average number of shares outstanding	<u>148,545,878</u>	<u>107,405,790</u>	<u>125,169,846</u>	<u>107,405,790</u>

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

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

	Nine months ended	
	September 30,	
	2017	2016
Cash flows from (for) operating activities		
Net loss for the period	\$ (13,665,184)	\$ (7,162,825)
Add non-cash items		
Depreciation of equipment (Note 4)	245,195	314,153
Stock-based compensation expense (Note 8)	697,853	739,144
Interest income on short-term investments	(35,565)	(88,704)
	<u>(12,757,701)</u>	<u>(6,198,232)</u>
Changes in non-cash working capital items		
Receivables and other assets	(146,542)	(125,340)
Accounts payable and accrued liabilities	1,318,194	1,132,319
	<u>(11,586,049)</u>	<u>(5,191,253)</u>
Cash flows from (for) investing activities		
Redemption of short-term investments, net	5,177,190	2,690,851
Purchase of equipment	(645,630)	(1,868)
	<u>4,531,560</u>	<u>2,688,983</u>
Cash flows from financing activities		
Proceeds from private placement, net (Note 6)	14,367,785	-
Proceeds from exercise of stock options (Note 8)	120,000	-
	<u>14,487,785</u>	<u>-</u>
Foreign exchange on cash and cash equivalents	<u>(82,409)</u>	<u>13,945</u>
Increase (decrease) in cash and cash equivalents	7,350,887	(2,488,325)
Cash and cash equivalents, beginning of period	5,285,095	10,029,880
Cash and cash equivalents, end of period	<u>\$ 12,635,982</u>	<u>\$ 7,541,555</u>
Supplemental information		
Interest received	<u>\$ 71,875</u>	<u>\$ 213,320</u>

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

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

	Number of Shares Issued and Outstanding	Equity Attributed to Common Shareholders						Non-controlling Interest	Total
		Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total		
Balance January 1, 2017	113,288,143	\$ 84,570,738	\$ -	\$ 5,754,887	\$ 286,782	\$ (65,095,080)	\$ 25,517,327	\$ (13,429,071)	\$ 12,088,256
Stock-based compensation expense (Note 8)	-	-	-	697,853	-	-	697,853	-	697,853
Proceeds from private placement (Note 6)	37,500,000	13,997,950	1,002,050	-	-	-	15,000,000	-	15,000,000
Share issuance costs (Note 6)	-	(589,981)	(42,234)	-	-	-	(632,215)	-	(632,215)
Exercise of stock options (Note 8)	299,963	180,109	-	(60,109)	-	-	120,000	-	120,000
Net loss for the period	-	-	-	-	-	(10,506,729)	(10,506,729)	(3,158,455)	(13,665,184)
Gain (loss) on translation to presentation currency	-	-	-	-	519,980	-	519,980	(543,681)	(23,701)
Balance September 30, 2017	151,088,106	\$ 98,158,816	\$ 959,816	\$ 6,392,631	\$ 806,762	\$ (75,601,809)	\$ 30,716,216	\$ (17,131,207)	\$ 13,585,009
Balance January 1, 2016	107,405,790	\$ 82,739,268	\$ -	\$ 4,895,389	\$ 1,093,726	\$ (55,337,229)	\$ 33,391,154	\$ (11,476,064)	\$ 21,915,090
Stock-based compensation expense	-	-	-	739,144	-	-	739,144	-	739,144
Net loss for the period	-	-	-	-	-	(5,747,348)	(5,747,348)	(1,415,477)	(7,162,825)
Gain (loss) on translation to presentation currency	-	-	-	-	(266,123)	-	(266,123)	200,656	(65,467)
Balance September 30, 2016	107,405,790	\$ 82,739,268	\$ -	\$ 5,634,533	\$ 827,603	\$ (61,084,577)	\$ 28,116,827	\$ (12,690,885)	\$ 15,425,942

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

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

1. NATURE OF OPERATIONS

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

Orca was incorporated under the Business Corporations Act (British Columbia) on January 13, 1987 and its registered office is located at Suite 2600, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L3. The Company's significant subsidiaries are Sand Metals Company Limited ("SMCL") and Meyas Sand Minerals Company Limited ("MSMCL"), which are located and operate in the Republic of the Sudan.

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2016. In preparation of these condensed interim consolidated financial statements, the Company has consistently applied the same accounting policies as disclosed in Note 3 to the audited consolidated financial statements for the year ended December 31, 2016.

These condensed interim consolidated financial statements were approved for issue by Orca's board of directors on November 23, 2017.

3. RECEIVABLES AND OTHER ASSETS

	September 30, 2017	December 31, 2016
Prepaid expenses	306,825	173,748
Other receivables	90,632	71,870
Total receivables and other assets	397,457	245,618

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

4. EQUIPMENT

Cost	Computer Equipment	Office Furniture and Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2016	188,801	73,244	1,119,221	1,176,129	2,557,395
Additions	3,666	-	-	6,745	10,411
Effects of foreign exchange on translation to presentation currency	(10,560)	(4,191)	(64,045)	(67,528)	(146,324)
As at December 31, 2016	181,907	69,053	1,055,176	1,115,346	2,421,482
Additions	35,054	2,845	379,150	257,540	674,589
Disposals	(2,247)	-	-	-	(2,247)
Effects of foreign exchange on translation to presentation currency	7,491	2,832	47,881	48,644	106,848
As at September 30, 2017	222,205	74,730	1,482,207	1,421,530	3,200,672
Accumulated depreciation					
As at January 1, 2016	(160,820)	(33,607)	(576,620)	(848,034)	(1,619,081)
Depreciation	(23,766)	(7,146)	(172,647)	(193,099)	(396,658)
Effects of foreign exchange on translation to presentation currency	9,754	2,164	38,803	55,023	105,744
As at December 31, 2016	(174,832)	(38,589)	(710,464)	(986,110)	(1,909,995)
Depreciation	(8,664)	(5,529)	(135,744)	(95,258)	(245,195)
Disposals	2,247	-	-	-	2,247
Effects of foreign exchange on translation to presentation currency	(6,939)	(1,636)	(30,599)	(41,186)	(80,360)
As at September 30, 2017	(188,188)	(45,754)	(876,807)	(1,122,554)	(2,233,303)
Net book amount					
As at December 31, 2016	7,075	30,464	344,712	129,236	511,487
As at September 30, 2017	34,017	28,976	605,400	298,976	967,369

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

5. MINERAL PROPERTIES

<u>Cost</u>	<u>Block 14</u>
As at January 1, 2016	4,256,045
Effects of foreign exchange on translation to presentation currency	(243,542)
As at December 31, 2016	4,012,503
Effects of foreign exchange on translation to presentation currency	162,267
As at September 30, 2017	4,174,770

The Company's sole mineral project as at September 30, 2017 is Block 14, located in the northern part of the Republic of Sudan. The Block 14 mineral project consists of mineral exploration lands and an additional water exploration area.

6. SHARE CAPITAL

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

From July 6, 2017 to July 12, 2017, the Company closed a non-brokered private placement of 37,500,000 equity units at a price of \$0.40 per unit, for gross proceeds of \$15,000,000 (the "Private Placement"). Each equity unit consisted of one common share of the Company and one-half of one common share purchase warrant, with each full warrant exercisable at \$0.55 for 24 months from the date of closing of the Private Placement. A portion of the subscriptions related to the Private Placement is subject to a 6.0% finder's fee, payable in cash, resulting in total net proceeds of \$14.4 million generated by the Private Placement.

Total net proceeds of the Private Placement were allocated between the Company's share capital and warrants in accordance with the residual value method, based upon the Company's share price at the time of the closing of the Private Placement. Accordingly, gross proceeds of \$14.0 million and share issuance costs of \$590,000 were allocated to share capital, and gross proceeds of \$1.0 million and share issuance costs of \$42,000 were allocated warrants.

The Company's issued and outstanding share purchase warrants and stock options were not included in the calculation of diluted earnings per share because they are anti-dilutive for the three and nine months ended September 30, 2017 and 2016.

7. WARRANTS

Between July 6, 2017 and July 12, 2017, the Company issued a total of 18,750,000 share purchase warrants pursuant to the Private Placement (see Note 6).

As at September 30, 2017, all 18,750,000 warrants remain outstanding and exercisable at CDN \$0.55 per share, and had a weighted average remaining contractual life of 1.77 years.

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
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(Unaudited)

8. STOCK OPTIONS

a) Stock option plan

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

The total stock-based compensation for the three and nine months ended September 30, 2017 was \$445,000 and \$698,000, respectively (2016: \$201,000 and \$739,000). For the three and nine months ended September 30, 2017, stock-based compensation of \$393,000 and \$611,000 (2016: \$171,000 and \$610,000) has been allocated to administration costs, respectively, and \$53,000 and \$87,000 (2016: \$30,000 and \$129,000) to exploration and project investigation costs, respectively, for employees directly involved in exploration activities.

The unrecognized compensation cost for non-vested share options at September 30, 2017 was \$779,000 (December 31, 2016: \$333,000).

b) Stock options outstanding

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

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2016	8,602	\$0.74
Granted	7,450	\$0.27
Expired	(5,350)	\$0.90
Forfeited	(400)	\$0.27
Outstanding at December 31, 2016	<u>10,302</u>	\$0.34
Granted	4,525	\$0.45
Exercised	(300)	\$0.40
Expired	(817)	\$0.68
Outstanding at September 30, 2017	<u>13,710</u>	\$0.35
Exercisable at September 30, 2017	<u>8,410</u>	\$0.34

During the nine months ended September 30, 2017, the Company granted 625,000 options at an exercise price of CDN \$0.36 per share, and 3,900,000 options at an exercise price of CDN \$0.47 per share.

The Company uses the Black Scholes option pricing model to estimate the fair value for all stock-based compensation. The weighted average assumptions used in this pricing model, and the resulting weighted average fair values per option, for the 4,525,000 options granted during the nine months ended September 30, 2017, are as follows:

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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(i) Average risk-free interest rate:	1.16%
(ii) Expected life:	3 years
(iii) Expected volatility:	86.86%
(iv) Expected dividends:	nil
(v) Weighted average fair value per option:	\$0.25

The weighted average share price on the exercise date for the share options exercised during the nine months ended September 30, 2017 was CDN \$0.57.

The following summarizes information about the stock options outstanding and exercisable at September 30, 2017:

Exercise prices (CDN\$)	Outstanding options			Exercisable options		
	Number of options outstanding (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)	Number of options exercisable (In thousands)	Weighted average remaining contractual life (Years)	Weighted average exercise price (CDN\$)
\$0.27	6,500	1.53	\$0.27	4,383	1.53	\$0.27
\$0.32	500	1.91	\$0.32	334	1.91	\$0.32
\$0.36	625	2.43	\$0.36	208	2.43	\$0.36
\$0.40	2,185	0.16	\$0.40	2,185	0.16	\$0.40
\$0.47	3,900	2.96	\$0.47	1,300	2.96	\$0.47
	<u>13,710</u>	1.77	\$0.35	<u>8,410</u>	1.43	\$0.34

9. ADMINISTRATION COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	2017	2016
Depreciation	693	682	1,609	2,136
Management and consulting fees	197,662	183,628	575,447	564,426
Office and administration	64,982	51,117	266,667	220,300
Professional fees	19,334	13,093	96,444	31,585
Salaries and benefits	234,511	182,209	637,174	509,699
Stock based compensation expense	392,759	171,504	610,811	610,446
Travel and promotion	200,906	105,963	535,604	195,446
Total administration costs	1,110,847	708,196	2,723,756	2,134,038

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

10. EXPLORATION AND PROJECT INVESTIGATION COSTS

Three months ended September 30,		Sudan		Total
		Northern Blocks	Other	
2017	Depreciation	83,775	1,858	85,633
	Drilling	2,868,135	-	2,868,135
	Exploration support and administration	154,288	9,144	163,432
	Field operation and consumables	592,625	3,219	595,844
	Geological consulting	50,295	-	50,295
	Permitting and licensing fees	17,011	4,523	21,534
	Salaries and benefits	751,476	24	751,500
	Sampling, geological and other evaluation costs	1,127,726	1,466	1,129,192
	Stock-based compensation expense	52,658	-	52,658
	Travel and accommodation	146,492	8,612	155,104
Total exploration and project investigation costs		5,844,481	28,846	5,873,327
2016	Depreciation	79,004	12,924	91,928
	Drilling	971,891	-	971,891
	Exploration support and administration	58,264	4,616	62,880
	Field operation and consumables	267,457	-	267,457
	Geological consulting	53,755	-	53,755
	Permitting and licensing fees	26,198	-	26,198
	Salaries and benefits	366,597	-	366,597
	Sampling, geological and other evaluation costs	210,516	-	210,516
	Stock-based compensation expense	29,620	-	29,620
	Travel and accommodation	38,301	-	38,301
Total exploration and project investigation costs		2,101,603	17,540	2,119,143

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

Nine months ended September 30,		Sudan		Total
		Northern Blocks	Other	
2017	Depreciation	216,055	27,531	243,586
	Drilling	4,304,720	-	4,304,720
	Exploration support and administration	402,028	51,007	453,035
	Field operation and consumables	1,067,129	7,568	1,074,697
	Geological consulting	174,264	-	174,264
	Permitting and licensing fees	65,937	11,544	77,481
	Salaries and benefits	1,668,504	200	1,668,704
	Sampling, geological and other evaluation costs	2,675,483	4,893	2,680,376
	Stock-based compensation expense	87,042	-	87,042
	Travel and accommodation	215,597	22,572	238,169
Total exploration and project investigation costs		10,876,759	125,315	11,002,074
2016	Depreciation	272,704	39,314	312,018
	Drilling	988,232	-	988,232
	Exploration support and administration	180,508	29,993	210,501
	Field operation and consumables	530,356	-	530,356
	Geological consulting	173,737	-	173,737
	Permitting and licensing fees	75,603	-	75,603
	Salaries and benefits	1,012,935	-	1,012,935
	Sampling, geological and other evaluation costs	1,648,935	-	1,648,935
	Stock-based compensation expense	128,698	-	128,698
	Travel and accommodation	75,492	-	75,492
Total exploration and project investigation costs		5,087,200	69,307	5,156,507

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2017 and 2016
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

11. RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and nine months ended September 30, 2017, were Hugh Stuart Exploration Consulting Ltd. ("HSEC") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). HSEC is related by way of directors, officers and shareholders in common. Meyas Nub is identified as a related party as a result of its ability to exert significant influence on MSMCL through its non-controlling equity interest (Note 13). Related party transactions occur and are recorded at the amounts agreed between the parties.

a) Services received from related parties

	Related party	Three months ended September 30,		Nine months ended September 30,	
		2017	2016	2017	2016
Drilling and exploration support	Meyas Nub	142,909	218,711	226,829	277,939
Camp and field equipment	Meyas Nub	25,842	-	25,842	-
Geological consulting	HSEC	62,676	213,383	162,863	326,420
Support and administration	SinoTech	-	-	-	3,750
Total related party costs		231,427	432,094	415,534	608,109

b) Related party balances

The amounts due to related parties by the Company, and the components of the condensed interim consolidated statement of financial position in which they are included, are as follows:

	Related party	September 30, 2017	December 31, 2016
Accounts payable and accrued liabilities	Meyas Nub	(123,044)	(19,984)
Accounts payable and accrued liabilities	HSEC	(323,846)	(69,188)

Orca Gold Inc.
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(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

c) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and vice-presidents.

The remuneration of key management personnel is as follows:

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Salaries and management fees	169,242	153,202	508,614	396,298
Short term benefits	7,367	3,073	21,291	8,390
Stock-based compensation	182,744	80,749	285,291	243,062
Total key management compensation	359,353	237,024	815,196	647,750

12. SEGMENT INFORMATION

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

13. NON-CONTROLLING INTEREST

On March 1, 2012, an indirect wholly owned subsidiary of Orca, SMCL, closed a transaction whereby it acquired the right and option to a 70% interest in MSMCL, a Sudanese company incorporated to hold the Block 14 exploration license in the Republic of the Sudan. Under the purchase agreement, SMCL paid the holder of the license a total of USD \$9.5 million in three installments, in exchange for an increasing ownership interest in MSMCL, as follows:

Date	Payment	Total ownership interest
March 1, 2012	USD \$3.5 million	35.0%
September 30, 2013	USD \$3.0 million	52.5%
September 30, 2014	USD \$3.0 million	70.0%

Under the agreement, the Company must fund all exploration, development and construction costs to commercial production in accordance with the purchase agreement.

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(Unaudited)

14. OTHER

On February 1, 2017, the Company announced that it has executed a share purchase agreement with two wholly-owned subsidiaries of Kinross Gold Corporation ("Kinross"), whereby the Company is acquiring from Kinross all the issued and outstanding common shares of two wholly-owned exploration companies located and operating in Côte d'Ivoire (the "Acquisition"), which collectively own and have rights to the Morondo Korokaha North and Bassawa exploration licences, and four exploration licence applications (collectively, the "Exploration Assets").

Upon closing of the Acquisition, which is subject to a number of conditions, Orca will:

- issue 10,633,169 common shares to Kinross, which are subject to a statutory hold period of four months, representing 6.6% of the post-acquisition share capital of Orca;
- grant to Kinross a right to maintain its proportionate equity interest in the Company through participation in Orca's future equity financings, provided that at the applicable time Kinross holds a minimum equity interest in Orca of 5%;
- grant to Kinross a two-year right of first refusal on any subsequent disposal of the Exploration Assets, in whole or in part, by Orca;
- grant to Kinross a right of first offer on the Exploration Assets to take effect upon the expiry of the two-year right of first refusal; and
- grant to Kinross a 2% net smelter return royalty on products mined and sold from the Exploration Assets.

Closing of the Acquisition is subject to a number of conditions, including, but not limited to, the parties receiving approval of the Acquisition by the Minister of Industry and Mines of Côte d'Ivoire and approval by the TSX-V, as required.



CORPORATE DIRECTORY

OFFICERS

L. Simon Jackson
Chairman of the Board
Richard Clark
Chief Executive Officer
Hugh Stuart
President
Jeff Yip
Chief Financial Officer
Kevin Ross
Chief Operating Officer
Kathy Love
Corporate Secretary

DIRECTORS

Robert F. Chase
Audit Committee
Corporate Governance and Nominating
Committee
Richard Clark
Compensation Committee
Alexander Davidson
Compensation Committee
Corporate Governance and Nominating
Committee
David Field
Audit Committee
Corporate Governance and Nominating
Committee
L. Simon Jackson
Hugh Stuart
Derek White
Audit Committee
Compensation Committee

AUDITORS

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REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Vancouver, British Columbia
Canada

SHARE LISTING

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