



ORCA GOLD INC.

THIRD QUARTER REPORT

For the Three and Nine Months Ended

September 30, 2018

ORCA GOLD INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018
(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, 2018.

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 29, 2018. Additional information about the Company and its business activities is available on SEDAR at www.sedar.com and the Company's website www.orcagold.com.

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

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

The license for Block 14 was originally granted to Orca's partner, Meyas Nub Multiactivities Co. Ltd. ("Meyas Nub") under a Concession Agreement dated May 19, 2010. The license is currently held by Meyas Sand Minerals Company Ltd ("MSMCL"). Sand Metals Company Ltd. ("SMCL"), a 100% owned subsidiary of Orca, and Meyas Nub own 70% and 30% of MSMCL respectively. Under the Concession Agreement, the MoM has a right to a 20% free-carried interest in any mining operation developed on Block 14. Under an agreement between SMCL and Meyas Nub, the MoM's 20% interest will come from Meyas Nub's current 30% ownership interest in MSMCL. As provided under the Concession Agreement, in March 2018, the Company successfully extended the final term of the Block 14 exploration license, which measures approximately 2,176 km², to November 2018. The Company is in discussions with the government on permitting the development of Block 14. In addition, in January 2018, the Company was granted a water extraction permit covering an aquifer system discovered by the Company in 2017, which is located 85 km from the Company's Galat Sufar South ("GSS") deposit, in an area known as Area 5.

The Company's Mineral Resources are associated with the GSS and Wadi Doum deposits located on Block 14. The Company announced probable reserves of 79.94Mt @ 1.11g/t for 2.85 Moz at its Block 14 project in its Feasibility Study on the Block 14 Gold Project during Q4 (news release November 8, 2018).

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 2018 OPERATING HIGHLIGHTS

Sudan - Completion of 2018 Resource Drilling Programme at Block 14

During the quarter, the Company completed the resource drilling programme as part of the Block 14 Feasibility Study. A total of 2,123m of reverse circulation ("RC") drilling was completed during the quarter at GSS and 1,615m of RC and 1,620.3m of core drilling were completed at Wadi Doum.

With the additional drilling completed, the Company announced (news release September 19, 2018) an updated Mineral Resource Estimate for the Galat Sufar South ("GSS") and Wadi Doum deposits comprising an Indicated resource of 79.9Mt grading 1.30g/t Au for 3.342 Moz of gold and an Inferred resource of 18.5Mt grading 1.2g/t Au for 0.711 Moz of gold (at a cut-off grade of 0.6g/t).

Notable intercepts from the quarter's drilling included 10m grading 8.49g/t (GSRC797), 13m grading 3.90g/t (GSRC796) and 27m grading 2.51g/t (GSRC798) at GSS and 10m grading 3.95g/t (GSRC805) and 14m grading 8.96g/t (GSRC806) at Wadi Doum.

Ivory Coast - Drilling Program

During the quarter, exploration was focussed on the resource drilling at the Koné Prospect in the Morondo Exploration Permit. A total of 6,419m of RC drilling was completed during the quarter with the programme completed on September 2, 2018. Drill results included the following:

- 43m at 1.41g/t (MRC094), 78m at 1.19g/t (MRC098), 68m at 1.49g/t (MRC110), 67m at 1.86g/t (MRC111) and 49m at 1.69g/t (MRC114).

At the end of the quarter the exploration team mobilised to the Korokaha North Exploration permit where a reconnaissance soil sampling programme is planned in the southern part of the licence in an area of significant artisanal workings.

Corporate

On May 31, 2018, the Company closed the first of two tranches of a private placement to Resolute Mining Limited ("Resolute"). The Company issued 16,182,480 common shares to a subsidiary of Resolute Mining Limited at a price of C\$0.675 per share for proceeds of \$10,923,174. The second tranche was closed on July 13, 2018 with Resolute subscribing for an additional 16,182,480 shares in exchange for 8,953,421 ordinary shares of Resolute. Orca paid a 5% commission on the cash proceeds received and a 5% commission in ordinary shares of Resolute on the shares the Company received to an arm's length finder in connection with the private placement.

The Company also issued a warrant (the "Special Warrant") whereby Resolute may acquire an additional 1,876,442 shares of the Company at a price of C\$0.675 per share following the issuance of 10,633,169 shares to Kinross Gold Corporation ("Kinross") on the closing of the acquisition of two wholly-owned exploration companies from Kinross (the "Kinross Deal") located and operating in Côte d'Ivoire (news release on February 1, 2017). Following the closing of the Kinross Deal on October 3, 2018 and the second tranche closing on July 13, 2018, Resolute may exercise the Special Warrant of 1,876,422 shares. The Special Warrant will expire on December 3, 2018. All of the securities of the Company issued under the private placement were subject to a hold period which expired on October 1, 2018 in accordance with applicable Canadian securities laws.

Total first tranche 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, \$10.5 million of the total \$10.9 million gross proceeds were

allocated to share capital with the residual balance of \$0.4 million allocated to warrants. Share issuance costs of \$0.6 million were deducted from share capital.

The second tranche payment of Resolute shares was recorded as short-term investments measured at fair value as of the second closing date on July 13, 2018. At the end of September 2018, the Resolute shares held by the Company were re-measured based on the share price and Canadian/Australian exchange rate on September 30, 2018. This resulted in an unrealized loss of \$1.6 million which was recognized in other comprehensive income.

RESULTS FROM OPERATIONS

As a junior mining company, Orca has no expectation of generating operating profits until it develops a commercially viable mineral deposit. During the three and nine months ended September 30, 2018, Orca incurred a net loss of \$4.9 million and \$13.5 million (2017: \$7.0 million and \$13.7 million) respectively. Exploration and project investigation costs account for approximately 72% and 76% (2017: 84% and 81%) of the net loss incurred during the period, respectively while administration expenses account for approximately 32% and 25% (2017: 16% and 20%), respectively. These costs were partially offset by interest income and a dividend received on the Company's Resolute shares during the period. Interest income of \$48,000 and \$101,000 (2017: \$37,000 and \$107,000) for the three and nine months ended September 30, 2018, respectively reflects interest earned on cash held on deposit and invested in short-term money market instruments. The Company received a dividend from Resolute for \$113,623.42

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, 2018 and 2017, are provided in the notes to the condensed interim consolidated financial statements. Technical costs, most notably engineering and evaluation costs related to the ongoing feasibility program and exploration drilling, were the largest combined cost category and accounted for 58% and 62% of exploration costs for the three and nine months respectively ended September 30, 2018 (2017: 71% and 68% respectively). This cost represents the work undertaken during the period in support of the completing the Feasibility Study and the exploration campaigns undertaken at both Block 14 and Morondo, as discussed above. Exploration staff compensation costs were the second largest component of exploration costs and accounted for 23% and 22% of exploration costs for the three and nine months to September 30, 2018 (2017: 13% and 15%) respectively. In addition, consistent with prior years, costs related to logistics and infrastructure remain high due to the remoteness of Block 14.

Excluding stock-based compensation of \$0.7 million and \$1.0 million (2017: \$0.2 million and \$0.8 million) for the three and nine months ended September 30, 2018, respectively administration costs were \$0.8 million and \$2.4 million (2017: \$0.7 million and \$2.1 million), respectively. 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. On July 17, 2018 the Company granted an aggregate 6,000,000 incentive stock options to certain officers, directors and other eligible officers of the Company. 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.

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

In other comprehensive income, the Company also reported a foreign exchange translation loss of \$86,000 (2017: loss of \$23,000) for the nine months ended September 30, 2018, on the translation of subsidiary company accounts from their functional currency to the Canadian dollar presentation currency. This is principally the result

of fluctuations of the Canadian dollar relative to the Euro during the respective periods. At the end of September 2018, the Resolute shares held by the Company were re-measured based on the share price and Canadian/Australian exchange rate on September 30, 2018. This resulted in an unrealized loss of \$1.6m which was recognized in other comprehensive income.

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

Three Months Ended	Sep-18	Jun-18	Mar-18	Dec-17	Sep-17	Jun-17	Mar-17	Dec-16
Exploration costs (\$000's)	3,536	3,705	3,060	5,853	5,873	3,172	1,957	4,330
Total net loss (\$000's)	4,923	4,508	4,044	6,803	6,960	3,890	2,815	5,234
Net loss attributed to the Company's shareholders (\$000's)	4,370	3,691	3,287	5,158	5,254	2,978	2,275	4,010
Net loss per share attributed to the Company's shareholders, basic and diluted (\$)	\$0.02	0.03	0.02	0.03	0.04	0.03	0.02	0.04

The nature and extent of exploration activities carried out under specific work programs affect the costs incurred and loss reported in any given quarter. Over the last eight quarters, Orca has been focused on exploration in Sudan as it advanced the evaluation of Block 14 and achieved various milestones, including the substantial completion of Block 14's first preliminary economic assessment during the second quarter of 2016, the successful completion of additional hydrological studies and engineering work in support of the Revised PEA from the latter half of 2016 into the first half of 2017, a significant water drilling programme at the Area 5 aquifer, along with the commencement of the Feasibility Study and a 25,000 metre drill programme in support thereof in the third quarter of 2017. Exploration work continued during all quarters during the year with work focused at GSS for the completion of the Feasibility Study in November 2018 (see news release November 9, 2018). Drilling work was also advanced in Côte d'Ivoire at the Koné Prospect in the Morondo Exploration Permit.

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2018, the Company had cash and cash equivalents of \$10.0 million, short term investments of \$6.3 million with a net working capital of \$14.2 million, compared to cash and cash equivalents of \$5.8 million and net working capital of \$2.6 million at December 31, 2017. On May 31, 2018 the Company closed the first of two tranches of a private placement to Resolute Mining Limited. The Company issued 16,182,480 common shares to a subsidiary of Resolute Mining Limited at a price of C\$0.675 per share for net proceeds of \$10.3 million. The Company completed the second close of the Resolute private placement on July 13, 2018 and received 8,505,750 million Resolute shares (net of finders fees), which is expected to improve the Company's liquidity. During the quarter, the Company sold 2.3 million Resolute shares for cash proceeds of \$2.9 million. The Company also received a Resolute dividend of \$0.1 million during the quarter based on 6.2 million Resolute shares at a declared dividend of A\$0.02/share. The net proceeds of the private placement has been used to complete the Company's Feasibility Study on its Block 14 Gold Project in Sudan and advancing drilling work in Côte d'Ivoire.

The Company's interest in the Block 14 license was acquired on March 1, 2012 when SMCL acquired the right and option to a 70% interest in MSMCL from Meyas Nub, which was fully paid and crystalized in September 2014. Under the terms of the purchase agreement, the Company must fund all exploration, development and construction costs to commercial production.

RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and nine months ended September 30, 2018, were Hugh Stuart Exploration Consulting Ltd. ("HSEC"), Geodex Consultants Ltd. ("Geodex") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). HSEC and Geodex are related by virtue of their proprietor being a director and officer of the Company. Meyas Nub is identified as a related party as a result of its ability to exert significant influence on MSMCL through its non-controlling equity interest. Related party transactions occur and are recorded at the amounts agreed between the parties.

Services received from related parties

	Related party	Three months ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
Drilling and exploration support	Meyas Nub	12,264	142,909	86,994	226,829
Camp and field equipment	Meyas Nub	-	25,842	-	25,842
Geological consulting	HSEC/Geodex	55,322	62,676	179,059	162,863
Total related party costs		67,586	231,427	266,053	415,534

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, 2018	December 31, 2017
Accounts payable and accrued liabilities	Meyas Nub	-	(25,622)
Accounts payable and accrued liabilities	HSEC/Geodex	(118,335)	(181,881)

Key management compensation

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

The remuneration of key management personnel were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Salaries and management fees	349,570	169,242	797,213	508,614
Short term benefits	11,158	7,367	27,025	21,291
Director fees	65,625	50,067	173,125	142,692
Stock-based compensation	515,024	301,492	729,859	487,358
Total key management compensation	941,377	528,168	1,727,222	1,159,955

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. There have been no material changes to the critical accounting estimates discussed in the annual MD&A filed on Sedar on April 16, 2018.

SIGNIFICANT ACCOUNTING POLICIES

Orca follows the accounting policies described in Note 3 of the Company's December 31, 2017 audited consolidated financial statements that were filed on Sedar on April 16, 2018, except for the adoption of IFRS 9, *Financial Instruments*, as discussed below.

Adoption of new accounting policy

On January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which sets out the accounting standards for the classification and measurement of financial instruments. IFRS 9 became effective for annual periods beginning on or after January 1, 2018, and replaces IAS 39, *Financial Instruments: Recognition and Measurement*. The new standard provides a model for the classification and measurement of financial instruments, a single forward-looking "expected loss" impairment model, and a reformed approach for hedge accounting. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward into IFRS 9, the Company's accounting policy with respect to financial liabilities is unchanged.

The Company has determined that the adoption of this standard has resulted in no material impact to its consolidated financial statements.

Classification and measurement

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the new classification of the Company's financial instruments under IFRS 9:

	Measurement basis	Classification under IFRS 9
Cash and cash equivalents	Note 1	Amortized cost
Receivables	Note 1	Amortized cost
Trade payables and accrued liabilities	Note 1	Amortized cost

Note 1 – Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

De-recognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is

discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of net losses.

Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

Short term Investments

The Company adopted the policy for equity investments during Q3, 2018. Equity investments in entities that are not subsidiaries, joint ventures or investments in associates are designated as fair value through profit and loss unless they are irrevocably designated on an individual basis, as fair value through other comprehensive income ("FVOCI"). These investments are measured at fair value on acquisition and at each reporting date. Any unrealized holding gains or losses related to the investments designated as FVOCI are excluded from net earnings and are included in other comprehensive income. Upon disposal any accumulated gains or losses remain in equity.

FINANCIAL INSTRUMENTS

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

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

Currency risk

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

(i) Sudanese operations

As at September 30, 2018, the Company's Sudanese operating subsidiary did not have any material foreign currency risk exposure.

ii) Ivorian operations

As at September 30, 2018, the Company's Ivorian operating subsidiary did not have any material foreign currency risk exposure.

iii) Canadian head office operations

At September 30, 2018, the Company's Canadian head office also held cash in foreign currencies and had net foreign currency financial assets and liabilities. The estimated impacts of relative currency rate fluctuations between the foreign currencies and the Canadian dollar, the Company's functional currency, based on these total foreign currency exposures are as follows:

	In thousands of dollars		
	Foreign currency cash held (in source currency)	Net financial asset (liability) position	Change in net financial position from a 10% variation in exchange rates
US dollar	7	9	0.9
British pounds	-	(102)	10

Credit risk

At September 30, 2018, the majority of the Company's cash and cash equivalents were held through Canadian institutions with investment grade ratings.

Liquidity risk

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

The maturities of the Company's financial liabilities as at September 30, 2018 are as follows:

	In thousands of dollars			
	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	2,736	2,736	-	-
Total	2,736	2,736	-	-

Following the close of the Resolute transaction the Company has replenished its treasury with cash proceeds received of \$10.9 million during the quarter and the receipt of 8,953,421 Resolute shares as part of the second close in the third quarter. Orca paid a 5% commission on the cash proceeds received and a 5% commission in ordinary shares of Resolute on the shares the Company received to an arm's length finder in connection with the private placement.

On July 13, 2018 the Company closed the second of two tranches of a private placement to Resolute subscribing for an additional 16,182,480 shares paid by the issuance of 8,953,421 ordinary shares of Resolute. The Company paid a 5% commission in ordinary shares of Resolute on the shares the Company received to an arm's length finder in connection with the private placement. These shares are reported as short-term investments of \$6.3 million as at September 30, 2018.

Following the completion of the Company's Feasibility Study, the Company is considering financing alternatives for the development of its Block 14 project. The company is also advancing work in Côte d'Ivoire and is planning to complete a pre-feasibility study on the Koné Prospect on its 100%-owned Morondo Gold Project in early 2019.

While the Company believes that it will be able to settle its commitments and liabilities in the normal course of business, as they fall due during the next 12 months, as an exploration and development stage company with no current sources of revenues, the Company is dependent on its ability to raise funds to support the ongoing advancement of its mineral properties and corporate activities

OUTSTANDING SHARE DATA

As at November 29, 2018, the Company had 204,660,569 common shares outstanding, 17,025,000 share options outstanding under its stock-based incentive plan and 12,590,442 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. The Company's main risks were discussed in the Company's 2017 MD&A that was filed on Sedar on April 16, 2018. The Company's Feasibility Study results are 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 the forward-looking statements, including, without limitation, that the Feasibility Study 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 Feasibility Study.

OUTLOOK

The Company completed its Feasibility Study on the Companies Block 14 project in Sudan. The economics of the project report an NPV (5% and \$1,250 gold price) of \$403 million on a 100% basis with a production rate of almost 230,000 ounces of gold for the first seven years, a low production cash cost per ounce and exploration upside. Based on the strong economics the Company is considering alternatives to advance the project including external financing and corporate opportunities.

In Côte d'Ivoire, the Company announced an inferred maiden resource estimate at its Koné Prospect on the Morondo. The Koné Prospect comprises 34.1Mt grading 1.1g/t for 1.206M oz of gold at a 0.70g/t cut-off grade. The project is at an early stage and evaluation and the drilling database contains 115 RC and 2 diamond holes for only 18,172m of drilling and considerable scope remains for further exploration. Based on these results the mineral resource estimate and first phase metallurgical test work will form the basis for a Preliminary Economic Assessment which is expected to be complete in early 2019 (see news release October 3, 2018).

SUBSEQUENT EVENT

The Company has now completed its acquisition from Kinross Gold Corporation ("Kinross"), of all of the issued and outstanding common shares of the two wholly-owned Kinross exploration subsidiaries located and operating

in Côte d'Ivoire. The acquisition is pursuant to a share purchase agreement among Orca, a wholly-owned subsidiary of Orca and two wholly-owned subsidiaries of Kinross (see Company news release on February 1, 2017), which collectively owned and had rights to the Morondo, Korokaha North and Bassawa exploration licences, and four exploration licence applications (collectively, the "Côte d'Ivoire Exploration Assets").

Under the terms of the agreement Orca has:

- issued 10,633,169 common shares to Kinross, which are subject to a statutory hold period of four months, representing approximately 5.2% of the post-acquisition share capital of Orca;
- granted to Kinross a right to maintain a 5% 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%;
- granted to Kinross a two-year right of first refusal on any subsequent disposal of the Côte d'Ivoire Exploration Assets, in whole or in part, by Orca;
- granted to Kinross a right of first offer on the Côte d'Ivoire Exploration Assets to take effect upon the expiry of the two-year right of first refusal; and
- granted to Kinross a 2% net smelter return royalty on products mined and sold from the Exploration Assets.

Following the closing of the Kinross Deal on October 3, 2018 and the Resolute second tranche private placement closing on July 13, 2018, Resolute may exercise the Special Warrant of 1,876,422 shares.

Orca Gold Inc.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2018 and 2017

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

	<u>September 30, 2018</u>	<u>December 31, 2017</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,038,860	\$ 5,792,695
Short-term investments (Note 4)	6,267,905	-
Receivables and other assets (Note 5)	689,512	460,520
	<u>16,996,277</u>	<u>6,253,215</u>
Equipment (Note 6)	902,464	953,686
Mineral properties (Note 7)	4,236,808	4,257,433
	<u>\$ 22,135,549</u>	<u>\$ 11,464,334</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,735,902	\$ 3,632,432
EQUITY		
Equity attributed to common shareholders		
Share capital (Note 8)	125,264,676	99,532,458
Warrants	917,597	959,816
Contributed surplus	7,275,881	6,116,654
Accumulated other comprehensive income	(852,086)	1,097,682
Deficit	(92,107,294)	(80,760,026)
	<u>40,498,774</u>	<u>26,946,584</u>
Non-controlling interest (Note 15)	(21,099,127)	(19,114,682)
	<u>19,399,647</u>	<u>7,831,902</u>
	<u>\$ 22,135,549</u>	<u>\$ 11,464,334</u>
Subsequent event (Note 17)		

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,	
	2018	2017	2018	2017
Administration costs (Note 11)	\$ 1,581,582	\$ 1,110,847	\$ 3,395,864	\$ 2,723,756
Exploration and project investigation costs (Note 12)	3,536,197	5,873,327	10,300,958	11,002,074
Foreign exchange loss	(29,693)	12,672	12,682	46,794
Interest income	(48,324)	(37,002)	(101,361)	(107,440)
Other Income	(116,268)	-	(132,546)	-
Net loss for the period	<u>\$ 4,923,494</u>	<u>\$ 6,959,844</u>	<u>\$ 13,475,597</u>	<u>\$ 13,665,184</u>
Net loss for the period attributed to:				
Common shareholders of the Company	4,370,048	5,253,808	11,347,268	10,506,729
Non-controlling interest (Note 15)	553,446	1,706,036	2,128,329	3,158,455
	<u>\$ 4,923,494</u>	<u>\$ 6,959,844</u>	<u>\$ 13,475,597</u>	<u>\$ 13,665,184</u>
Net loss for the period	\$ 4,923,494	\$ 6,959,844	\$ 13,475,597	\$ 13,665,184
Items that may be subsequently reclassified to net loss:				
Loss (gain) on translation to presentation currency	126,305	128,684	86,652	23,701
Realized & unrealized Loss (gain) on Investment	1,719,232		1,719,232	
Comprehensive loss for the period	<u>\$ 6,769,031</u>	<u>\$ 7,088,528</u>	<u>\$ 15,281,481</u>	<u>\$ 13,688,885</u>
Comprehensive loss for the period attributed to:				
Common shareholders of the Company	\$ 6,706,852	\$ 5,437,615	\$ 13,297,036	\$ 9,986,749
Non-controlling interest (Note 15)	62,179	1,650,913	1,984,445	3,702,136
	<u>\$ 6,769,031</u>	<u>\$ 7,088,528</u>	<u>\$ 15,281,481</u>	<u>\$ 13,688,885</u>
Basic and diluted loss per common share	<u>\$ 0.02</u>	<u>\$ 0.04</u>	<u>\$ 0.07</u>	<u>\$ 0.08</u>
Basic and diluted weighted average number of shares outstanding	<u>179,065,625</u>	<u>148,545,878</u>	<u>172,966,171</u>	<u>125,169,846</u>

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,	
	2018	2017
Cash flows from (for) operating activities		
Net loss for the period	\$ (13,475,597)	\$ (13,665,184)
Add non-cash items		
Depreciation of equipment (Note 6)	258,817	245,195
Stock-based compensation expense (Note 10a)	1,182,172	697,853
Interest income on short-term investments	-	(35,565)
	<u>(12,034,608)</u>	<u>(12,757,701)</u>
Changes in non-cash working capital items		
Receivables and other assets	(233,591)	(146,542)
Accounts payable and accrued liabilities	(904,209)	1,318,194
	<u>(13,172,408)</u>	<u>(11,586,049)</u>
Cash flows from (for) investing activities		
Redemption of short-term investments, net	-	5,177,190
Proceeds of short term investments (Note 4)	2,960,124	
Purchase of equipment (Note 6)	(210,979)	(645,630)
	<u>2,749,145</u>	<u>4,531,560</u>
Cash flows from financing activities		
Proceeds from share capital (Note 8)	10,259,494	14,367,785
Net proceeds from issue of warrants and stock options (Note 9 & 10)	4,460,300	120,000
	<u>14,719,794</u>	<u>14,487,785</u>
Foreign exchange on cash and cash equivalents	<u>(50,367)</u>	<u>(82,409)</u>
Increase (decrease) in cash and cash equivalents	4,246,165	7,350,887
Cash and cash equivalents, beginning of period	5,792,695	5,285,095
Cash and cash equivalents, end of period	<u>\$10,038,860</u>	<u>\$ 12,635,982</u>
Supplemental information		
Interest received	<u>\$ 101,361</u>	<u>\$ 71,875</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	Share Capital to be Issued	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total		
Balance January 1, 2018	153,476,440	\$ 99,532,458	\$ 959,816		\$ 6,116,654	\$ 1,097,682	\$ (80,760,026)	\$ 26,946,584	\$ (19,114,682)	\$ 7,831,902
Stock based compensation expense					1,182,172			1,182,172		1,182,172
Exercise of options	150,000	63,445			(22,945)			40,500		40,500
Exercise of Warrants	8,036,000	4,866,581	(446,781)					4,419,800		4,419,800
Proceeds from private placement (Note 8)	32,364,960	22,042,043	404,562		-	-	-	22,446,605	-	22,446,605
Share issuance costs (Note 8)		(1,239,851)						(1,239,851)		(1,239,851)
Net loss for the period	-	-	-				(11,347,268)	(11,347,268)	(2,128,329)	(13,475,597)
Gain (loss) on translation to presentation currency	-	-	-			(230,536)		(230,536)	143,884	(86,652)
Unrealized Gain (loss) on Investment						(1,719,232)		(1,719,232)		(1,719,232)
Balance September 30, 2018	194,027,400	\$ 125,264,676	\$ 917,597		\$ 7,275,881	\$ (852,086)	\$ (92,107,294)	\$ 40,498,774	\$ (21,099,127)	\$ 19,399,647
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	37,500,000	13,997,950	1,002,050					15,000,000		15,000,000
Share issuance costs (Note 8)		(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

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, 2018 and 2017
(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, exploration and development 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, other external corporate investments or debt to support its future activities. Orca is a public company listed on the TSX-V and trades under the symbol "ORG.V".

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

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. As such, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2017. 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, 2017, except for newly accounting policies as noted in Note 3 below.

These condensed interim consolidated financial statements were approved for issue by Orca's board of directors on November 29, 2018.

3. ADOPTION OF NEW ACCOUNTING POLICIES

On January 1, 2018, the Company adopted IFRS 9, *Financial Instruments*, which sets out the accounting standards for the classification and measurement of financial instruments. IFRS 9 became effective for annual periods beginning on or after January 1, 2018, and replaces IAS 39, *Financial Instruments: Recognition and Measurement*. The new standard provides a model for the classification and measurement of financial instruments, a single forward-looking "expected loss" impairment model, and a reformed approach for hedge accounting. As most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward into IFRS 9, the Company's accounting policy with respect to financial liabilities is unchanged.

The Company has determined that the adoption of this standard has resulted in no material impact to its consolidated financial statements.

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

a) Classification and measurement

The Company completed a detailed assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the new classification of the Company's financial instruments under IFRS 9:

	Measurement basis	Classification under IFRS 9
Cash and cash equivalents	Note 1	Amortized cost
Receivables	Note 1	Amortized cost
Trade payables and accrued liabilities	Note 1	Amortized cost

Note 1 – Financial assets and liabilities at amortized costs are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

b) De-recognition

The Company derecognizes financial assets when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risk and rewards of ownership to another entity. A financial liability is derecognized when the obligation under the liability is discharged, canceled or expired. Gains and losses on de-recognition of financial assets and liabilities are generally recognized in the consolidated statements of net losses.

c) Impairment

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost based on a probability-weighted estimate of credit losses over the expected life of the financial asset.

Short term Investments

The Company adopted the policy for equity investments during Q3, 2018. Equity investments in entities that are not subsidiaries, joint ventures or investments in associates are designated as fair value through profit and loss unless they are irrevocably designated on an individual basis, as fair value through other comprehensive income ("FVOCI"). These investments are measured at fair value on acquisition and at each reporting date. Any unrealized holding gains or losses related to the investments designated as FVOCI are excluded from net earnings and are included in other comprehensive income. Upon disposal any accumulated gains or losses remain in equity.

4. SHORT-TERM INVESTMENTS

The second tranche payment of Resolute shares was recorded as short-term investments measured at fair value as of the second closing date on July 13, 2018. At the end of September 2018, the Resolute shares held by the Company were re-measured based on the share price and Canadian/Australian exchange rate on September 30, 2018 resulting in short term investments of \$6.3 million.

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

5. RECEIVABLES AND OTHER ASSETS

	September 30, 2018	December 31, 2017
Prepaid expenses	208,963	153,283
Fuel inventory	218,464	100,056
Other receivables	262,085	207,181
Total receivables and other assets	689,512	460,520

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

6. EQUIPMENT

Cost	Computer Equipment	Office Furniture and Equipment	Vehicles and Mobile Equipment	Field and Camp Equipment	Total
As at January 1, 2017	181,907	69,053	1,055,176	1,115,346	2,421,482
Additions	43,159	2,866	384,320	300,628	730,973
Write-off and disposals	(4,260)	-	-	-	(4,260)
Effects of foreign exchange on translation to presentation currency	11,665	4,291	74,588	76,045	166,589
As at December 31, 2017	232,471	76,210	1,514,084	1,492,019	3,314,784
Additions	17,526	12,171	82,701	98,581	210,979
Write-off and disposals	(1,868)	-	-	-	(1,868)
Effects of foreign exchange on translation to presentation currency	(1,554)	(692)	(9,527)	(9,841)	(21,614)
As at September 30, 2018	246,575	87,689	1,587,258	1,580,759	3,502,281
Accumulated depreciation					
As at January 1, 2017	(174,832)	(38,589)	(710,464)	(986,110)	(1,909,995)
Depreciation	(12,956)	(7,424)	(181,205)	(128,849)	(330,434)
Write-off and disposals	4,260	-	-	-	4,260
Effects of foreign exchange on translation to presentation currency	(10,600)	(2,552)	(48,169)	(63,608)	(124,929)
As at December 31, 2017	(194,128)	(48,565)	(939,838)	(1,178,567)	(2,361,098)
Depreciation	(17,196)	(6,538)	(147,370)	(87,713)	(258,817)
Write-off and disposals	1,868	-	-	-	1,868
Effects of foreign exchange on translation to presentation currency	1,328	408	8,460	8,034	18,230
As at September 30, 2018	(208,128)	(54,695)	(1,078,748)	(1,258,246)	(2,599,817)
Net book amount					
As at December 31, 2017	38,343	27,645	574,246	313,452	953,686
As at September 30, 2018	38,447	32,994	508,510	322,513	902,464

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

Cost	Block 14
As at January 1, 2017	4,012,503
Effects of foreign exchange on translation to presentation currency	244,930
As at December 31, 2017	4,257,433
Effects of foreign exchange on translation to presentation currency	(20,625)
As at September 30, 2018	4,236,808

The Company's sole mineral project as at September 30, 2018 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.

8. SHARE CAPITAL AND SHARE CAPITAL TO BE ISSUED

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

The Company's issued and outstanding 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, 2018 and 2017.

On May 31, 2018 the Company closed the first of two tranches of a private placement to Resolute Mining Limited ("Resolute"). The Company issued 16,182,480 common shares to a subsidiary of Resolute Mining Limited at a price of C\$0.675 per share for cash proceeds of \$10,923,174. The Company paid a 5% commission on the cash proceeds received.

On July 13, 2018 the Company closed the second of two tranches of a private placement to Resolute subscribing for an additional 16,182,480 shares which were issued in exchange for 8,953,421 ordinary shares of Resolute. The Company paid a 5% commission in ordinary shares of Resolute on the shares the Company received to an arm's length finder in connection with the private placement. The Company has sold 2.3 million shares for \$3.0 million and holds 6.2 million Resolute shares.

The Company also issued a warrant (the "Special Warrant") whereby Resolute may acquire an additional 1,876,442 shares of the Company at a price of C\$0.675 per share following the issuance of 10,633,169 shares to Kinross Gold Corporation ("Kinross") on the closing of the acquisition of two wholly-owned exploration companies from Kinross (the "Kinross Deal") located and operating in Côte d'Ivoire. Following the closing of the Kinross Deal on October 3, 2018 and the Resolute second tranche private placement closing on July 13, 2018, Resolute may exercise the Special Warrant of 1,876,422 shares. The Special Warrant will expire on December 3, 2018. All of the securities of the Company issued under the private placement were subject to a hold period which expired on October 1, 2018 in accordance with applicable Canadian securities laws.

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2018 and 2017
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(Unaudited)

9. WARRANTS

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

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2017	-	-
Granted	18,750	\$0.55
Outstanding at December 31, 2017	18,750	\$0.55
Resolute Warrants Granted	1,876	\$0.675
Exercised	(8,036)	\$0.55
Outstanding at September 30, 2018	12,590	\$0.57
Exercisable at September 30, 2018	10,714	\$0.55

As at September 30, 2018, the outstanding warrants had a weighted average life of 0.68 years and the exercisable warrants had a weighted average remaining contractual life of 0.77 years.

10. STOCK OPTIONS

a) Stock option plan

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

The total stock-based compensation for the three and nine months ended September 30, 2018 was \$861,000 and \$1,182,000, respectively (2017: \$445,000 and \$698,000). For the three and nine months ended September 30, 2018, stock-based compensation of \$724,000 and \$1,007,000 (2017: \$393,000 and \$611,000) has been allocated to administration costs, respectively, and \$138,000 and \$175,000 (2017: \$53,000 and \$87,000) 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, 2018 was \$1,057,000 (December 31, 2017: \$591,000).

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

b) Stock options outstanding

On July 17, 2018 the Company granted an aggregate 6.0 million incentive stock options to certain officers, directors and other eligible officers of the Company. The options are exercisable, subject to vesting provisions, over a period of three years at a price of \$0.51 per share.

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

	Number of shares (In thousands)	Weighted average exercise price CDN\$
Outstanding at January 1, 2017	10,302	\$0.34
Granted	4,525	\$0.45
Exercised	(2,688)	\$0.38
Expired	(964)	\$0.64
Outstanding at December 31, 2017	11,175	\$0.35
Granted	6,000	\$0.51
Exercised	(150)	\$0.27
Outstanding at September 30, 2018	<u>17,025</u>	\$0.41
Exercisable at September 30, 2018	<u>11,517</u>	\$0.36

The following summarizes information about the stock options outstanding and exercisable at September 30, 2018:

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	6,000	0.55	\$0.27	6,000	0.55	\$0.27
\$0.32	500	0.91	\$0.32	500	0.91	\$0.32
\$0.36	625	1.43	\$0.36	417	1.43	\$0.36
\$0.47	3,900	1.96	\$0.47	2,600	1.96	\$0.47
\$0.51	6,000	2.80	\$0.51	2,000	2.80	\$0.51
	<u>17,025</u>	1.71	\$0.41	<u>11,517</u>	1.31	\$0.36

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

11. ADMINISTRATION COSTS

	Three months ended September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Depreciation	461	693	1,837	1,609
Management and consulting fees	335,754	197,662	759,155	575,447
Office and administration	103,054	64,982	265,418	266,667
Professional fees	47,264	19,334	93,432	96,444
Salaries and benefits	178,857	234,511	557,567	637,174
Stock based compensation expense	723,614	392,759	1,006,911	610,811
Travel and promotion	192,578	200,906	711,544	535,604
Total administration costs	1,581,582	1,110,847	3,395,864	2,723,756

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2018 and 2017
(All amounts expressed in Canadian Dollars, unless otherwise indicated)
(Unaudited)

12. EXPLORATION AND PROJECT INVESTIGATION COSTS

three months ended September 30,		Sudan	Côte d'Ivoire	Total
2018	Depreciation	86,479	-	86,479
	Drilling	504,955	1,026,559	1,531,513
	Exploration support and administration	68,765	48,682	117,447
	Field operation and consumables	228,528	65,312	293,841
	Geological consulting	52,328	5,015	57,342
	Permitting and licensing fees	28,777	-	28,777
	Salaries and benefits	642,607	172,086	814,693
	Sampling, geological and other evaluation costs	324,880	86,224	411,104
	Stock-based compensation expense	137,540	-	137,540
	Travel and accommodation	42,275	15,185	57,461
Total exploration and project investigation costs		2,117,134	1,419,063	3,536,197
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

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

Nine months ended September 30,		Sudan	Côte d'Ivoire	Total
2018	Depreciation	256,980	-	256,980
	Drilling	2,280,655	1,785,443	4,066,098
	Exploration support and administration	262,129	103,496	365,625
	Field operation and consumables	667,384	139,997	807,381
	Geological consulting	170,146	16,008	186,154
	Permitting and licensing fees	68,151	5,968	74,119
	Salaries and benefits	1,753,476	502,319	2,255,795
	Sampling, geological and other evaluation costs	1,817,365	173,570	1,990,935
	Stock-based compensation expense	175,261	-	175,261
	Travel and accommodation	80,892	41,718	122,610
	Total exploration and project investigation costs	7,532,439	2,768,519	10,300,958
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

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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13. RELATED PARTY TRANSACTIONS

The related parties with which the Company has transacted during the three and nine months ended September 30, 2018, were Hugh Stuart Exploration Consulting Ltd. ("HSEC"), Geodex Consultants Ltd. ("Geodex") and Meyas Nub Multiactivities Company Limited ("Meyas Nub"). HSEC and Geodex are related by virtue of their proprietor being a director and officer of the Company. Meyas Nub is identified as a related party as a result of its ability to exert significant influence on MSMCL through its non-controlling equity interest (Note 14). Related party transactions occur and are recorded at the amounts agreed between the parties.

a) Services received from related parties

	Related party	Three months ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
Drilling and exploration support	Meyas Nub	12,264	142,909	86,994	226,829
Camp and field equipment	Meyas Nub	-	25,842	-	25,842
Geological consulting	HSEC/Geodex	55,322	62,676	179,059	162,863
Total related party costs		67,586	231,427	266,053	415,534

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, 2018	December 31, 2017
Accounts payable and accrued liabilities	Meyas Nub	-	(25,622)
Accounts payable and accrued liabilities	HSEC/Geodex	(118,335)	(181,881)

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 September 30,		Nine months ended September 30,	
	2018	2017	2018	2017
Salaries and management fees	349,570	169,242	797,213	508,614
Short term benefits	11,158	7,367	27,025	21,291
Director fees	65,625	50,067	173,125	142,692
Stock-based compensation	515,024	301,492	729,859	487,358
Total key management compensation	941,377	528,168	1,727,222	1,159,955

Orca Gold Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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14. SEGMENT INFORMATION

The Company is principally engaged in the acquisition, exploration and development of mineral properties in Africa. The information regarding mineral properties and exploration and project investigation costs presented in Notes 5 and 9, respectively, represent the manner in which management reviews its business performance. Materially all of the Company's mineral properties and exploration and project investigation costs relate to the Block 14, located in the northern region of the Republic of Sudan. Materially all of the Company's administrative costs are incurred by the Canadian parent, where materially all of the Company's cash is held in the normal course of business until it is required to be deployed to the Company's operating subsidiaries in support of ongoing and planned work programs.

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

	Sudan (Block 14)	Ivory Coast	Corporate & Other	Total
September 30, 2018				
Current assets	673,806	334,739	15,987,732	16,996,277
Equipment	822,933	78,071	1,460	902,464
Mineral properties	4,236,808	-	-	4,236,808
Total Assets	5,733,547	412,810	15,989,192	22,135,549
Current liabilities	2,385,586	44,198	306,118	2,735,902
December 31, 2017				
Current assets	217,904	39,603	5,995,708	6,253,215
Equipment	950,389	-	3,297	953,686
Mineral properties	4,257,433	-	-	4,257,433
Total Assets	5,425,726	39,603	5,999,005	11,464,334
Current liabilities	3,107,145	211,067	314,220	3,632,432

Orca Gold Inc.
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(Unaudited)

Three months ended September 30,		Sudan (Block 14)	Ivory Coast	Corporate & Other	Total
2018	Exploration and project investigation	2,117,169	1,419,028	-	3,536,197
	General administration, foreign exchange and other items	(18,065)	(20,641)	1,426,003	1,387,297
	Net loss	2,099,104	1,398,387	1,426,003	4,923,494
2017	Exploration and project investigation	5,844,481	26,983	1,863	5,873,327
	General administration, foreign exchange and other items	(3,646)	3	1,090,160	1,086,517
	Net loss	5,840,835	26,986	1,092,023	6,959,844
Nine months ended September 30,		Sudan (Block 14)	Ivory Coast	Corporate & Other	Total
2018	Exploration and project investigation	7,532,439	2,768,519	-	10,300,958
	General administration, foreign exchange and other items	(3,836)	1,474	3,177,001	3,174,639
	Net loss	7,528,603	2,769,993	3,177,001	13,475,597
2017	Exploration and project investigation	10,876,759	97,726	27,589	11,002,074
	General administration, foreign exchange and other items	28,540	406	2,634,164	2,663,110
	Net loss	10,905,299	98,132	2,661,753	13,665,184

Orca Gold Inc.
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15. 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.

16. MANAGEMENT OF FINANCIAL RISK

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

a) Currency risk

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

(i) Sudanese operations

As at September 30, 2018, the Company's Sudanese operating subsidiary did not have any material foreign currency risk exposure.

(ii) Ivorian operations

As at September 30, 2018, the Company's Ivorian operating subsidiary did not have any material foreign currency risk exposure.

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(iii) Canadian head office operations

At September 30, 2018, the Company's Canadian head office also held cash in foreign currencies and had net foreign currency financial assets and liabilities. The estimated impacts of relative currency rate fluctuations between the foreign currencies and the Canadian dollar, the Company's functional currency, based on these total foreign currency exposures are as follows:

In thousands of dollars			
	Foreign currency cash held (in source currency)	Net financial asset (liability) position	Change in net financial position from a 10% variation in exchange rates
US dollar	7	9	1
British pounds	-	(102)	10

b) Credit risk

At September 30, 2018, the majority of the Company's cash and cash equivalents were held through Canadian institutions with investment grade ratings.

c) Liquidity risk

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

The maturities of the Company's financial liabilities as at September 30, 2018 are as follows:

In thousands of dollars				
	Total	Less than 1 year	1-5 years	More than 5 years
Accounts payable and accrued liabilities	2,736	2,736	-	-
Total	2,736	2,736	-	-

Following the close of the Resolute transaction the Company has received cash proceeds of \$10.9 million during the second quarter and received 8,953,421 Resolute shares as part of the close of the second tranche in the third quarter. Orca paid a 5% commission on the cash proceeds received and a 5% commission in ordinary shares of Resolute on the shares the Company received to an arm's length finder in connection with the private placement. These shares are reported as short-term investments of \$6.3 million as at September 30, 2018.

Following the completion of the Company's Feasibility Study, the Company is considering financing alternatives for the development of its Block 14 project. The company is also advancing work in Côte d'Ivoire and is planning to complete a pre-feasibility study on the Koné Prospect on its 100%-owned Morondo Gold Project in early 2019.

While the Company believes that it will be able to settle its commitments and liabilities in the normal course of

Orca Gold Inc.
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business, as they fall due during the next 12 months, as an exploration and development stage company with no current sources of revenues, the Company is dependent on its ability to raise funds to support the ongoing advancement of its mineral properties and corporate activities

17. SUBSEQUENT EVENT

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

Under the terms of the agreement Orca has:

- issued 10,633,169 common shares to Kinross, which are subject to a statutory hold period of four months, representing approximately 5.2% of the post-acquisition share capital of Orca;
- granted to Kinross a right to maintain a 5% 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%;
- granted to Kinross a two-year right of first refusal on any subsequent disposal of the Côte d'Ivoire Exploration Assets, in whole or in part, by Orca;
- granted to Kinross a right of first offer on the Côte d'Ivoire Exploration Assets to take effect upon the expiry of the two-year right of first refusal; and
- granted to Kinross a 2% net smelter return royalty on products mined and sold from the Exploration Assets.

Following the closing of the Kinross Deal on October 3, 2018 and the Resolute second tranche private placement closing on July 13, 2018, Resolute may exercise the Special Warrant of 1,876,422 shares.



CORPORATE DIRECTORY

OFFICERS

Alexander Davidson
Chairman of the Board
Richard P. Clark
Chief Executive Officer
Hugh Stuart
President
Glenn Kondo
Chief Financial Officer
Kevin Ross
Chief Operating Officer
Dr. Karamo NM Sonko
Chief Strategist, African Affairs
Kathy Love
Corporate Secretary

DIRECTORS

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

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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