

## **FINAL TRANSCRIPT**

**Orca Gold Inc.**

### **Gold Feasibility Conference Call**

**Event Date/Time: November 9, 2018 — 10:00 a.m. E.T.**

**Length: 27 minutes**

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



November 9, 2018 — 10:00 a.m. E.T.  
Orca Gold Inc. Gold Feasibility Conference Call

## CORPORATE PARTICIPANTS

**Richard Clark**

*Orca Gold Inc. — Chief Executive Officer*

**Kevin Ross**

*Orca Gold Inc. — Chief Operating Officer*

**Hugh Stuart**

*Orca Gold Inc. — President*

## CONFERENCE CALL PARTICIPANTS

**Mike Curran**

*Beacon Securities — Analyst*

**Don MacLean**

*Paradigm Capital — Analyst*

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



## PRESENTATION

### Operator

Good morning. My name is Joanna (phon), and I will be your conference Operator today. At this time, I would like to welcome everyone to the Orca Gold Feasibility Conference Call. All lines have been placed on mute to prevent any background noise.

After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press \*, then the number 1 on your telephone keypad. If you would like to withdraw your question, please press \*, followed by 2. Thank you.

Mr. Clark, you may begin your conference.

**Richard Clark** — Chief Executive Officer, Orca Gold Inc.

Thank you, Joanna. Good morning, everyone, and welcome to the conference call where we're going to talk about our feasibility study results that we announced yesterday.

On the call with me from Orca is Hugh Stuart, President, and Hugh's responsible for all these wonderful resources and reserves, well, resources; Kevin will claim reserves, on the project; and Kevin Ross, our Chief Operating Officer, and Kevin was responsible for coordinating and overseeing the feasibility study; and Glenn Kondo, our Chief Financial Officer.

So we have the four principals of Orca, and between the four of us, we believe we can answer any question that you might come up with in terms of our results.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



November 9, 2018 — 10:00 a.m. E.T.  
Orca Gold Inc. Gold Feasibility Conference Call

So first of all, I'm very pleased to be talking to you this morning about the feasibility results on Block 14. To assist in going forward, I'm happy to report that we've also now filed the feasibility study on SEDAR. Normally, be prepared to do that within 45 days, but we're well ahead of the curve. So that document is now available for review in terms of the full study.

So in the news release, we put out all the major items, the particulars, and details, financial and resource-wise and mine-wise, of the project. As everyone knows, this project is in Sudan. What I think is unique about where we are today is this is a project that we first drilled about five years ago. And in a very short period of time, as this industry goes, we've taken the project from nothing, a discovery with no information on it, up to a full feasibility, a bankable feasibility study.

Not only that, the project is significant, both in terms of its scale, its production capability, and in terms of open pit. The first seven years of production in mining will be almost at 1.5 grams. And that, these days, that's a pretty amazing statistic for an open-pit gold mine.

On the one hand, the biggest challenge, I think, that we have in the market for this project is perception. Okay? And that relates directly to the country of Sudan. When we mention this project to people, they're first reaction is, oh my god, Sudan.

We've, as I said, been in Sudan for almost seven years and can tell you, and I think everybody knows the background of our group, we've been all over the world, in all sorts of difficult places, and we've built projects in all sorts of difficult places, including and in particular Africa. And I can tell you that operating in Sudan is probably one of the best operating experiences that we've had in the group.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



The perception of Sudan has not been good for activities that took place a long time ago, back in the early '90s. Sudan was sanctioned for their actions in terms of how they treated their people in the South. That culminated recently, about five years ago, with the split of Sudan. Under pressure from international economic sanctions, Sudan was split into what is Sudan, and then that's where we work today, which is in the North, and South Sudan.

Unfortunately, South Sudan since, over the five-year period, has deteriorated into civil war. However, that has recently changed with the signing of a peace treaty, which, surprisingly to a lot of people in the world, that peace treaty was brokered by Khartoum or Sudan itself. And so far, knock on wood, fingers crossed, that peace treaty is holding, and we expect the most significant results of that will be the flowing again of oil from South Sudan through the pipeline that goes through Khartoum and out to Port Sudan on the East Coast.

And that is going to generate a lot of cash for Sudan, where for the last five years, it's generated nothing. It'll also generate cash for South Sudan. So we expect to see some major economic changes in Sudan over the coming years.

At the same time, the economic sanctions against Sudan were removed back in October 2017 by the Americans, in recognition of the changes, politically, and also in terms of religious tolerance, in Sudan; also, in recognition of Sudan's support and backing of anti-terrorism campaigns. And Sudan has been closely aligned with the United States and other powers in the region, in terms of anti-terrorist initiatives.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



So fast-forward to today. The only impediment on Sudan being open for full investment and restructuring of their debt position is they're on the list of state-sponsored terror. It's an American list. Sudan is still on that list along with Iran and others. However, there is many discussions that have been going on between Sudan and the United States over the last two years. And the latest news we have is during the American elections earlier this week, various American officials reported that they were very close to reaching an agreement with Sudan, whereby Sudan will come off that list.

That is sooner than we expected, but our projection now that Sudan will be off the list within the next six months, we will see a restructuring of Sudan's debt, and Sudan will be open for whatever kind of international finance is available for emerging economies and developing countries.

So in a very short period of time, five, six years, there's been massive changes in Sudan and culminating in them coming out again into the western world fold and the strength of those economies. Sudan, before it went under sanction, was one of the fastest growing economies in Africa. And we fully expect that that will happen again once they're removed from this list.

So for Orca, this is pretty amazing timing. You'll see, from the feasibility study, the preproduction capital's approximately \$323 million. We will be looking to put financing structures and development structures together over the coming months in order to move forward with the development of Block 14.

It is, as I said, Sudan's one of the easiest countries we've operated in, and we fully expect this will be one of the easiest mines that we will construct in our careers. It is really in the middle of

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



nowhere, in the middle of the Sahara Desert. The closest community is 200 kilometres away. There's no indigenous people other than itinerant, artisanal miners. There's virtually no flora, no fauna. There's no water table. You couldn't ask for a better place on the planet to build an open-pit gold mine.

Access is, as I said, favourable. We can drive directly to site. There's a railway that's nearby. Our water aquifer is within 100 kilometres. There's a deep-water port. There's an oil refinery. There's cement plants. There's fabrication plants. Sudan is really an ideal place for us to construct an industrial project of this scale.

So as I indicated at the beginning, all the material numbers for the feasibility study were set out in the news release. Again, the study has now been filed on SEDAR. However, I think this is an opportunity for anybody that's on this call to ask questions of management about the study.

Before we go into the Q&A, though, let me just tell you, as I foreshadowed a bit. The objective of Orca is now, going forward, is to carry on ongoing dialogues that we've had with potential parties in terms of moving forward on the development of this project.

We are also going to be in discussions with Sudan. We've put out the financial terms. We've put the fiscal terms out. We are still in discussions and negotiations with the Sudanese government on some tax metrics that we think will improve the financial outlook of the project even further. And we are, as I said, advancing discussions in terms of development financing and moving forward.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



So that's just on Sudan. At the same time, everyone knows we've also been successful in, after a long period of negotiation and government approvals, acquiring back the Red Back assets in Côte d'Ivoire that we, as a management team, discovered back in 2009. We've made a discovery on one of those assets, and we are taking that to a preliminary economic assessment that we expect will be completed in Q1 of next year. And we will be looking also towards development options and opportunities in respect to that discovery as well.

So Orca's sitting here with, certainly, a mine that is ready to go into development in Sudan, and we're very optimistic about our project in Côte d'Ivoire. We think that's going to be another project that we can take into development very quickly.

So that's my summary. I'm going to turn over the call now to Q&A for anybody that's on the call. And please feel free to direct your question to the appropriate person, and if you're not sure who that is, then I'll get the right person to answer the question. Thank you.

Joanna, we'll turn it over to questions and answers.

---

## Q&A

### Operator

Thank you. Ladies and gentlemen, as a reminder, should you have any questions at this time, please press \*, followed by 1.

And your first question is from Mike Curran from Beacon Securities. Mike, please go ahead.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



**Mike Curran** — Beacon Securities

Hi. Good morning, guys. Just one question in one of the line items for the CapEx, and which is a little different than we'd normally see is that amount for the generator in the sustaining capital. So I wonder if you could explain to us why something like a generator isn't in the initial capital? And maybe, if it's later on, when does that come in? Is that halfway through the mine or maybe just a little colour on how that expense is a sustaining capital.

**Richard Clark**

Sure. I'll let Kevin answer that, Mike. He's the one that's been stick-handling that part.

**Kevin Ross** — Chief Operating Officer, Orca Gold Inc.

Mike, good morning. There are two aspects of the CapEx, a which we are operating under a huge contract. So a build-out and operating transfer, and so those are—they're five-year contracts. And so the CapEx of those is also spread out over the five years. So the two elements are the generator and then the—are considered to be—so they will start into preproduction. So that's why there's a small amount there. But the majority of them occur in the first five years of the project. So basically, it's a way of financing the capital.

**Mike Curran**

Okay. Nope. Great. That explains it. Yeah. Thank you.

**Kevin Ross**

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



And we've have entered into an MOU with the Inglett & Stubbs, who are the people providing the generator guidance for us. So we've entered into an MOU with them and are working closely with them to develop the generator plant. Obviously, that's quite an important part of our operating costs. And they will provide operating guarantees as well.

So they will—basically, you're talking about the amount of fuel that we'll be using to generate the power. And so that gives us a lot more confidence on the fuel aspect, the cost of power onsite, that we will have, basically, professional power plant operators stick-handling that for us, because it's obviously a very important part of the project in North Sudan because we're not connected to the grid.

**Mike Curran**

Right. And just remind us how big a plant that is, the generator. How many megawatts is that?

**Kevin Ross**

There's going to be five—sorry. There's going to be—total installed it's 39 megawatts, but we'll be basically using 30. So there'll be two generators on standby or available for maintenance and stand-by.

**Mike Curran**

Great. Thank you.

**Richard Clark**

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Sure, Mike.

**Operator**

Thank you. Your next question comes from Don MacLean from Paradigm Capital. Don, please go ahead.

**Don MacLean — Paradigm Capital**

Good morning, guys, and thanks for hosting the call. Rick, I was just hoping we could get a bit of an update from you about the discussions with the government in terms of what are the next steps. What do you need to be ready to go with this including the fiscal discussions? And then maybe give us a sense of where you think they can help and they can't help.

**Richard Clark**

Okay. Thanks, Don, and good morning. The discussions with Sudan have gone extremely well. And we are—as everyone knows and we've released, I think the biggest element for us on a project of this nature is water, and we've secured our water rights, and the water has been permitted for the operation. So that's the big one.

We have also submitted our environmental study for approval. That is, I think, almost completed, and we're pretty much expecting the approvals on the environmental study any day. We've gone back and forth on Q&A and made some changes in consultation with the government on that study.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



November 9, 2018 — 10:00 a.m. E.T.  
Orca Gold Inc. Gold Feasibility Conference Call

What is happening now, with the delivery of this feasibility study, we trigger the right to convert our exploration concession into mining leases. And we have submitted to the government the configuration we're looking for. And what's going to happen now is a new company will be incorporated in Sudan, a Sudanese company, and that company will apply for the mining leases. And the shareholders of that company will be ourselves, the government, and our business partner who we bought the project from years ago.

Then the permits, the actual permits, the final permits, the mining permit, the environmental, will be issued to that mining company. And at the same time, we've applied and been advised that we have been granted a new or an extension of the exploration concession that we've been operating under. And so our mining leases will be surrounded by a new exploration concession as well, and purpose of that, obviously, is that we've only touched the surface, no pun intended, of the potential of this ground.

And we fully expect this mine is going to be lasting a lot longer than the currently designed mine life. And Hugh and the guys are going to be doing lots of work exploring still. So we expect the mine to be fully permitted early in the new year. And right now, we're targeting permitting by the end of Q1. And our discussions on going forward are running parallel to that timeline.

Now on the fiscal terms, this is the first time that we will be presenting actual fiscal numbers to the government, so they can see exactly what this project looks like. And obviously, our discussions with the government are on the lines of, look, this is the first major gold mine in Sudan anywhere

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



near this scale. And this is going to be—everyone's going to be looking in through the glass on this one as to how this develops. And we have to put our best foot forward, both in terms of us as an instructor and operator, and the government, in terms of a host for potential other mining companies coming in.

So what we're in discussions with the government on are certain tax concessions in the early years of the mine associated with the payback period. In other words, we're trying to convince the government and work with them such that, for investors, for debt financing, for everything else, the payback will be quicker than it currently is under the tax regime as it's listed in legislation.

And to date, we've got favourable responses. But again, until we actually sit in front of the government with this feasibility study, we're not going to get the actual terms. But what I can tell you is the financial numbers that we've reported are based on current legislated fiscal structures in Sudan. So that's the worst-case scenario, that we presented.

**Don MacLean**

Great. Okay. And have you held any discussions with your local partner on whether they want to carry on with their—I guess they're going to convert to a 10 percent from 30 percent, and the government ends up with 20 percent. Is that correct?

**Richard Clark**

That's correct. Yes.

**Don MacLean**

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Have you had any discussions with the local partner about that?

**Richard Clark**

Yeah. And, Don, we've had discussions with the government as well. I'll tell you, there is an interest in them reducing their position for cash. I mean obviously, Sudan's in a situation where cash is king at the moment. And that is something that would easily be achievable subject to negotiation on price. But our problem is, we're in an equity market that doesn't give a damn about precious metals, and so it would be incredibly dilutive for us just to go out and try to raise equity to buy out either the government or our partner right now as opposed to putting in a much bigger and a much more structured development package for the mine.

**Don MacLean**

Right. Understood. Yeah. Cash is king in our market as well.

**Richard Clark**

I mean, if we could go and raise the money easily, Don, without huge dilution, we'd be doing that and looking at the government interests. But this is not a responsive market for that type of an initiative.

**Don MacLean**

Right. And has the government indicated they might reduce theirs as well?

**Richard Clark**

Yup.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



**Don MacLean**

Interesting. Okay. And then when—

**Richard Clark**

Well, they need—

**Don MacLean**

Go ahead.

**Richard Clark**

They need cash. I mean—

**Don MacLean**

Like every government in the world.

**Richard Clark**

The only—By far, the majority component of their hard, foreign currency reserve is gold, and that's what they're pushing. I mean, as I think we've been putting out over the years, statistics on Sudan's increase as a major gold producer. I mean arguably, if you listen to their numbers, they're going to be number one next year in Africa. And they're pushing hard on all these artisanal miners to produce gold because it's their only way of getting hard currency.

**Don MacLean**

Right.

**Richard Clark**

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



But what that does for us is it shows, in five, six years, Sudan's gone from a negligible gold producer to one of the biggest ones in Africa, if not the world. It certainly demonstrates the potential of this area to host very, very significant gold mines, of which ours is the first. So we're pushing the government to do everything that they can to assist us in getting this mine up and running as quickly as we can. That helps them. It helps us. It helps everybody.

**Don MacLean**

Right. Okay. And when you convert to the mining licence and you keep the exploration-permitted areas, do you have to give back a portion of that to the government? Relinquish?

**Richard Clark**

Yeah. So what we've negotiated with the government is we will have our mining leases surrounded by 1,000 square kilometres. Originally, we started out with 7,200 square kilometres, the concession. Remember, we were one of the first ones to come into Sudan when people found out there was a gold rush going on. And the concession system at the time was based on oil. And so even their mining concessions were these huge plots of land.

Over the years, the government's learned, and they've changed their policies and their laws as to size. And nobody's getting even 1,000 square kilometres anymore. So this is a big concession for the government under the new structure.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



Hugh and the guys have had a hard look at what we've relinquished over the years and what we wanted to maintain. And so we are the ones that came up with this configuration, and the government agreed to it.

**Don MacLean**

And maybe just on that topic, not to hog this call, but it would be great to have Hugh just sort of point out to us where he thinks sort of the low-hanging fruit is from adding more valuable ounces in this project.

**Richard Clark**

Okay. Hugh?

**Hugh Stuart** — President, Orca Gold Inc.

Yeah. Morning, everyone. We still think the most prospective part of this licence is the western side of the permit area, and that's where probably 650 square kilometres of that 1,000 square kilometres will be. GSS sits in the middle of quite a unique geological setting, and we really haven't looked outside that a great deal. We probably haven't really drilled off resource for a long time, at least two years. A lot of the drilling, most of the drilling this year and last year was all focused on developing the resource as part of the feasibility study.

So there is low-hanging fruit. Then it's going to be—I actually think that the best chance are still pretty close in, within sort of 2 to 5 kilometres from GSS and Wadi Doum to a lesser extent. And

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



that's why we've really pegged this extension, sort of focused largely on the western side of the licence block.

**Don MacLean**

Great. Okay. Thanks very much, guys.

**Richard Clark**

Thanks, Don.

**Operator**

Thank you. There are no further questions at this time. You may proceed.

**Richard Clark**

Okay. Thank you very much, Joanna. You know, in this market, I am not surprised that a lot of this type of news, and we've seen it with other companies, goes with little fanfare. But what's significant is this is a project that is buildable. And we have designed this study, I think, to probably the highest standard that you can do in these types of studies because of where we are in Sudan.

So a lot of the numbers, we're very confident in these numbers. Unlike a lot of studies, we've actually gone out and got quotes for most of the—real quotes for most of the numbers here, particularly let's look back at power, and I think it's significant to note that our power contractor—as I said, we've entered into an MOU, and for all those people that say who's prepared to come and do business in Sudan, our power contractor is an American company.

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »



November 9, 2018 — 10:00 a.m. E.T.  
Orca Gold Inc. Gold Feasibility Conference Call

So this is happening. And we also think we're going to be able to fine-tune these numbers, the goal of our team in Khartoum. And we've hired a new management member. Orca will be announcing that shortly. He is going to be based in Khartoum. He'll be our country manager for Sudan. And he'll be working primarily with Kevin. And his job is to start the ball rolling, get this project developed, and also to fine-tune the feasibility study numbers, particularly with in-country costs. And our objective, obviously is to make the economics even better than they are on that front.

So we're not sitting on this study. We're going to move forward, and I can tell you there are lots of discussions going on. We're pleasantly surprised with the interest. Certainly not from the equity markets, but I don't think anybody will be surprised in terms of where the interest is coming from, which side of our business.

So stay tuned. We will be hopefully, over the next six months, be progressing forward and announcing development package for this project one way or the other.

So thanks everybody for attending the call, and if there is any other questions post-call, feel free to email us or, if you have our numbers, call whoever would be the appropriate person to answer the questions. And we will talk soon. Thanks again.

### **Operator**

Ladies and gentlemen, this concludes today's conference call. We thank you for participating, and we ask that you please disconnect your lines.

\*\*\*\*\*

"Though CNW Group has used commercially reasonable efforts to produce this transcript, it does not represent or warrant that this transcript is error-free. CNW Group will not be responsible for any direct, indirect, incidental, special, consequential, loss of profits or other damages or liabilities which may arise out of or result from any use made of this transcript or any error contained therein."

« Bien que CNW Telbec ait fait tous les efforts possibles pour produire cet audioscript, la société ne peut affirmer ou garantir qu'il ne contient aucune erreur. CNW Telbec ne peut être tenue responsable de pertes ou profits, responsabilités ou dommages causés par ou découlant directement, indirectement, accidentellement ou corrélativement à l'utilisation de ce texte ou toute erreur qu'il contiendrait. »