

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Jun 1, 2017) - [Orca Gold Inc.](#) (TSX VENTURE:ORG) ("Orca" or the "Company") is pleased to announce that it held its annual meeting of shareholders ("Annual Meeting") in Vancouver, British Columbia on Tuesday, May 30, 2017. The following matters were voted upon at the Annual Meeting:

Election of Directors

The nominees listed in the management proxy circular for the Annual Meeting were elected as directors of the Company. The seven nominees will serve on the Company's board of directors until the next annual meeting of shareholders or until the earlier of their resignation and such time that their successors are elected or appointed. The detailed results of the vote for the election of directors held at the Annual Meeting are set out below.

Nominee	Votes For	% For	Votes Withheld	% Withheld
Richard P. Clark	48,113,336	99.98	8,833	0.02
Robert Chase	48,056,609	99.86	65,499	0.14
Alexander Davidson	48,072,970	99.90	49,199	0.10
David Field	48,056,670	99.86	65,499	0.14
L. Simon Jackson	48,073,275	99.90	48,833	0.10
Hugh Stuart	48,073,336	99.90	48,833	0.10
Derek White	48,053,336	99.86	68,833	0.14

Approval of Stock Option Plan

Shareholders approved an ordinary resolution ratifying the Company's Stock Option Plan, as more particularly set out in the management information circular in connection with the Annual Meeting.

Appointment of Auditors

PricewaterhouseCoopers LLP was reappointed as auditor of the Company for the upcoming year, and shareholders authorized the directors of the Company to fix the remuneration of the auditor.

Highlights of Presentation at Annual Meeting on Revised PEA

The Company provided a presentation to shareholders in attendance at the Annual Meeting, which focused on its updated preliminary economic assessment on the Block 14 Gold Project (the "Revised PEA") (see Company Release May 30, 2017). Highlights of this presentation are summarized below.

As a result of discovering more water, Orca will be expediting towards definitive feasibility study on its Block 14 gold project in Sudan. As announced in a news release on Tuesday, May 30, 2017, below are the results for the Revised PEA (see Company Release May 30, 2017) along with the updated NI 43-101 mineral resource estimate:

Highlights of the Revised PEA on a 100% Basis:

Using a gold price of US\$ 1,100/oz for mine design, and US\$ 1,200/oz for economic analysis, highlights of the Revised PEA include:

Pre-tax NPV _{7%}	US\$ 278.2 M (+78% from Jul '16 PEA)
Pre-tax IRR	26.5%
After-tax NPV _{7%}	US\$ 227.7 M
After-tax IRR	23.1%
In-Pit Mineral Resources*	INDICATED: 41.0Mt grading 1.46g/t for 1,928 Koz (+57% from Jul '16 PEA) INFERRED: 3.4Mt grading 1.56g/t for 173 Koz (+25% from Jul '16 PEA)
Life of Mine (LOM)	13.2 years
Avg. LOM Production	135,000 oz Au/year
Avg. Gold Recovery	84.5%
Cash Cost	US\$701/oz for LOM
All-in Sustaining Costs	US\$ 752/oz for LOM
Initial CapEx	US\$211 M (including 25% contingency)
Sustaining CapEx	US\$ 92 M

Payback Period 3.0

**The Preliminary Economic Assessment is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.*

Revised PEA Detail

Mineral Resource Estimate

Project Mineral Resource Estimates were updated in February 2017 (News Release February 2, 2017) by independent consultant MPR Geological Consultants of Perth, Western Australia using Multiple Indicator Kriging (MIK), and are shown below at a range of cut off grades.

Deposit	Cut off Indicated				Inferred		
	Au g/t	Mt	Au g/t	Au koz	Mt	Au g/t	Au koz
Galat Sufar South	0.60	54.1	1.29	2,246	18.3	1.2	716
	0.80	39.0	1.52	1,909	12.6	1.5	591
	1.00	28.6	1.75	1,609	9.0	1.7	485
	1.20	21.1	1.99	1,347	6.4	1.9	395
Wadi Doum	0.60	3.2	2.04	213	2.1	1.3	84
	0.80	2.5	2.44	196	1.2	1.7	64
	1.00	2.0	2.79	183	0.7	2.2	52
	1.20	1.7	3.10	172	0.5	2.6	44
Block 14	0.60	57.3	1.33	2,459	20.3	1.2	800
	0.80	41.5	1.58	2,105	13.8	1.5	654
	1.00	30.6	1.82	1,792	9.7	1.7	536
	1.20	22.8	2.07	1,518	6.9	2.0	439

Notes: Defined under Canadian National Instrument 43-101 ("NI 43-101"), Standards of Disclosure for Mineral Projects. Numbers may not add up due to rounding.

The Mineral Resource has been estimated using the results of 79,815 metres of drilling (6,136m of diamond drilling and 74,505m of reverse circulation drilling) completed between November 2012 and December 2016.

Processing

Based on the results of metallurgical test work by SGS Mineral Services in Vancouver, Lycopodium has defined a process flowsheet which is based on a processing rate of 3.4 Mtpa.

The treatment plant design incorporates single stage primary crushing with a jaw crusher to produce a crushed product which flows to a crushed material surge bin. Surge bin overflow is conveyed to an emergency stockpile. Material from the emergency stockpile is reclaimed by front end loader (FEL) to feed the mill during periods when primary crushing is off-line. The milling circuit is configured as a two-stage circuit with a SAG mill and ball mill (SAB), both with the ability to operate in closed circuit. Milled material undergoes pre-leach thickening to increase the slurry density feeding the leach and carbon in leach (CIL) circuit to minimise tankage, improve slurry mixing characteristics, and reduce overall reagent consumption. The leach step consists of a leach and CIL circuit incorporating three dedicated leach tanks ahead of six stages of CIL for gold adsorption. Gold desorption and recovery is provided via a split AARL elution circuit, electrowinning, mercury retorting and gold smelting to recover gold from the loaded carbon to produce doré, and safely remove mercury. Tailings are thickened to recover and recycle process water from the CIL tailings with the tailings pumped to the tailings storage facility (TSF).

A summary of the ultimate recoveries used in the study is summarized below:

	Grind (µm)	Au Recovery	Ag Recovery
East Zone Oxide	53	89.7%	32%
Main Zone Oxide	53	91.8%	35%
NE Zone Oxide	53	91.8%	33%
WD Oxide	53	91.8%	33%
East Zone Transition	75	84.9%	69%
Main Zone Transition	75	81.3%	47%
NE Zone Transition	75	83.1%	58%
WD Transition	75	83.1%	58%

East Zone Fresh	94	81.0%	68%
Main Zone Fresh	94	83.7%	59%
NE Zone Fresh	94	82.4%	63%
Wadi Doum Fresh	53	85.7%	57%

Process Cost Summary

Process operating costs have been developed for each material type. In general, costs have been built up from first principle estimates, with quotations obtained for major reagents and consumables and consumption rates based on metallurgical test work, calculations or modeling. Minor reagents, laboratory, expatriate labour rates and a number of G&A costs have been sourced from the Lycopodium database. The process operating cost includes all direct costs to produce gold bullion for the Project.

Power will be generated on site using diesel generators under a Build Own Operate ("BOO") contract. A cost of \$0.50/l has been used in determining the power costs.

The table below details the Process costs used in the study which are inclusive of general and administrative costs. Process costs (including G&A) are presented on the basis of fixed, \$18.0M/yr and variable costs. Costs are based on pricing as at 2Q 2017 and have an accuracy of +/- 30%.

	Variable Cost
Main Zone Fresh	US\$ 10.65 / t
Main Zone Transition	US\$ 10.33 / t
Main Zone Oxide	US\$ 9.09 / t
East Zone Fresh	US\$ 10.56 / t
East Zone Transition	US\$ 11.55 / t
East Zone Oxide	US\$ 10.15 / t
NE Zone Oxide	US\$ 8.54 / t
Wadi Doum Fresh	US\$ 12.10 / t

Mining

The Mining section of the study has been completed by Deswik Europe. Both GSS and Wadi Doum are amenable to development as open pit (OP) mines as all mineralization commences at surface with limited pre-strip. Mining of the deposit is planned to produce a total of 41.0 Mt of CIL feed from Indicated Resources and 3.4 Mt of feed from Inferred Resources and 104.4 Mt of waste (strip ratio 2.35:1) over a 13.2-year project production life, with 6 months of pre-production waste strip.

Mine planning for Block 14 was conducted using DESWIK software. As derived from a geotechnical assessment completed by SRK Consulting (UK) Ltd, inter-ramp pit slope angles range from 37° in the near surface weathered oxide rock mass to between 58° and 65° in the fresh rock depending on structural geology controls and vertical inter-ramp height.

Pit optimizations were carried out using a gold price of US\$1,100/oz, a royalty rate of 7% and processing costs detailed above and mining costs detailed below and a series of optimized shells generated for each area and preliminary pit design undertaken based on a feed rates of 2.6, 3.0 and 3.4Mtpa to determine optimal throughput rate. 3.4mtpa showed the highest NPV and was selected for pit design. Cut off grades (Au g/t) were estimated as follows:

Material	Main Zone	East Zone	NE Zone	Wadi Doum
Oxide	0.50	0.55	0.50	0.80
Transitional	0.65	0.65	0.65	0.90
Fresh	0.65	0.65	0.65	0.90

Contract open pit mining costs were derived from first principles based on equipment required and include pit and dump operations, road maintenance, mine supervision and technical services cost. In addition Wadi Doum mining costs include the haulage of material to the process plant.

The average open pit operating cost (US\$/t mined) is shown below:

	Mineralised Waste Rock	
Main	2.79	2.55
East	2.83	2.59
NEZ	2.57	2.44
Wadi Doum	2.71	2.57

Total 2.79 2.57

In addition, a transfer cost of \$7.74/t will be incurred on material from Wadi Doum.

The revised PEA study is based on Indicated and Inferred Mineral Resources. The table below shows the breakdown of material by resource type within the pit designs:

Deposit	Indicated Resources		Inferred Resources			% Indicated	
	Mt	Au g/t	Koz	Mt	Au g/t		Koz
Galat Sufar South	38.7	1.40	1,740	3.0	1.5	141	93%
Wadi Doum	2.3	2.59	188	0.5	2.2	32	83%
Total	41.0	1.46	1,928	3.1	1.6	173	92%

Note: Numbers may not add up due to rounding

Capital Cost Summary

A capital cost estimate was developed to an accuracy level range of +/- 30% to cover engineering, procurement, construction, and start-up of the mine and processing facilities, as well as the ongoing sustaining capital costs. The capital cost estimates were developed for a conventional open pit mine, CIL process plant and supporting infrastructure for an operation capable of treating 3.4 million tonnes of material per annum. For the purpose of this PEA, power supply via a third-party Build Own Operate Transfer and a contract mining scenario have been assumed.

The estimate covers the direct costs of purchasing and constructing the CIL facility and infrastructure components of the project and an allowance for mining related infrastructure.

Indirect costs associated with the design, construction and commissioning of the new facilities, owner's costs, and contingencies have also been estimated, based on percentages of the direct capital cost estimate. Risk amounts are specifically excluded from this estimate. A breakdown of the capital cost estimates is shown below:

Pre-production Capex	US\$ '000
Mine	8,332
Process Plant	122,392
TSF	7,902
EPCM	15,810
Owner	15,078
Construction Sub Total	169,514
Contingency	41,113
Construction Total	210,627
Sustaining Capex	US\$ '000
TSF	54,709
TSF Closure	4,418
Generator	1,535
Other	31,385
Sustaining Total	92,046

Water Supply

Work undertaken by GCS during the course of the pre-feasibility study showed that the HA8 water resource had limited expansion potential.

As a result, SkyTEM Surveys of Denmark, an airborne geophysical contractor specialising in water exploration were contracted to fly a 5,000km electromagnetic survey with the aim of expanding the HA8 discovery and investigating a new area to the west of Block 14 (Area 5) where two old production wells are located.

The survey in Area 5 returned positive results over a large area and has now been followed up with drilling. The aquifer, which is hosted within the Nubian Sandstone Formation (NSF), has been intersected in 6 boreholes between 58m and 90m from surface. Pump test results have shown consistent aquifer yields and GCS are comfortable that the aquifer has a high probability to sustain the output required for a 3.4Mtpa process plant.

The bore field will be connected to plant site at GSS by an 80km HDPE pipeline.

Environment

In 2014, Orca initiated comprehensive environmental baseline studies under the supervision of Mineesia Ltd., a UK consultancy with experience of remote desert projects. Terms of Reference for the Environmental Impact Assessment were submitted to the Government in 2015 as part of the Environmental Protection and Management Plan.

The site is located in a remote location, with no human settlements nearby (the closest town, Abu Hamad is 200km to the south). There are numerous artisanal and small-scale mining operations in the vicinity of the Project, although these are mostly illegal and unlicensed. No other sources of industry are present in the area. There are no permanent surface watercourses within the Project area and there is no evidence of significant groundwater in the crystalline basement. Soils have little to no agricultural potential. Vegetation is sparse and fauna, including domestic livestock, is limited due to the scarcity of permanent water sources.

About Orca Gold Inc.

[Orca Gold Inc.](#) (TSX VENTURE:ORG) is a Canadian resource company focused on exploration opportunities in Africa, where it is currently focused on its 70% owned Block 14 project in the Republic of the Sudan.

On behalf of the Board of Directors:

Richard P. Clark, CEO and Director

Cautionary Statement Regarding Forward-Looking Information

This press release contains forward-looking information and forward-looking statements within the meaning of applicable Canadian securities laws, including statements regarding Orca's (the "Company", the "Corporation", "we" or "our") plans and expectations relating to the Block 14 project ("Block 14") in northern Sudan and the revised Preliminary Economic Assessment (the "Revised PEA") and Definitive Feasibility Study ("DFS") currently being completed and/or conducted by the Corporation. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. The assumptions, risk and uncertainties outlined below are non-exhaustive. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results, performance or achievements of the Corporation, or industry results, may vary materially from those described in this press release.

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

Forward-looking statements and forward-looking information are not guarantees of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including without limitation, assumptions about the following (the "Forward-Looking Factors"): future prices of gold and other metals; successful exploration, development, and production of Block 14; the timing and completion of the DFS; the timing and likelihood of a production decision; performance of contractual obligations by counterparties; operating conditions; political stability; obtaining governmental approvals and financing on time; financial projections and budgets; obtaining licenses and permits; government regulation of the Corporation's mining activities; environmental risks and expenses; market conditions; the securities market; price volatility of the Corporation's securities; currency exchange rates; foreign mining tax regimes; insurance and uninsured risks; financial projections and results; competition; availability of sufficient capital, infrastructure, equipment and labour; dependence on key personnel; dependence on outside parties; conflicts of interest; litigation; land title issues; local community issues; estimation of mineral resources; realization of mineral resources; timing and amount of estimated future production; the life of Block 14; reclamation obligations; changes in project parameters as plans continue to be evaluated; and anticipated costs and expenditures and our ability to achieve the Corporation's goals. While we consider these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, and contingencies, many of which are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation known and unknown risks, uncertainties and other factors relating to the Forward-Looking Factors above, and those factors disclosed under the heading "Risk Factors" in the Corporation's documents filed from time to time with the securities regulators in the provinces of Canada.

In addition, a number of other factors could cause the actual results, performance or achievements of the Corporation to differ

materially from any future results, performance or achievements expressed or implied by the forward-looking information, and there is no assurance that the actual results, performance or achievements of the Corporation will be consistent with them. For further details, reference is made to the risk factors discussed or referred to in the Corporation's annual and interim management's discussion and analyses on file with the Canadian securities regulatory authorities and available electronically on the SEDAR website at www.sedar.com. Although the Corporation has attempted to identify important factors that could cause actual actions, events, results, performance or achievements to differ materially from those described in forward-looking statements and forward-looking information, there may be other factors that cause actions, events, results, performance or achievements not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Such forward-looking statements and information are made or given as at the date of this press release and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities law. The reader is cautioned not to place undue reliance on forward-looking statements or forward-looking information.

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