OREZONE

OREZONE GOLD CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017

This Management's Discussion and Analysis ("MD&A") was prepared by management, and was reviewed and approved by the Board of Directors ("Board") on April 4, 2018. The date of this MD&A is April 4, 2018. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2017 and 2016 ("Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the Annual Information Form ("AIF") on file with the Canadian provincial securities regulatory authorities for the year ended December 31, 2017. All dollar amounts in this MD&A are in United States dollars, unless otherwise specified. References to "$" or "US$" are to United States dollars, references to "C$" are to Canadian dollars and references to "CFA" are to Communauté Financière Africaine francs. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates (the "functional currency"). The Company's functional currency is the Canadian dollar. Throughout this document, abbreviations "M" means millions, "k" means thousands, "km" means kilometres, and "m" means metres.

This MD&A contains forward-looking statements (see "Forward Looking Statements" below for a full discussion). Statements regarding the adequacy of cash resources to carry out our exploration and development programs or the need for future financing are forward-looking statements. Statements regarding the potential for expansion of current mineral resources, expected results including, but not limited to, targeted economic parameters and production levels for Bomboré, planned expenditures on the Company's projects, the formal documentation of the granted mining permit and the potential timing and milestones required to become a gold producer are also forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language at the end of this document. Readers are advised to refer to the cautionary language included at the end of this MD&A when reading any forward-looking statements.

Corporate Information

The Company was incorporated on December 1, 2008 under the *Canada Business Corporations Act* and is the product of a spin-out transaction between Orezone Resources Inc. and IAMGOLD Corporation. The Company was initially listed on the Toronto Stock Exchange and moved to a Tier 1 listing on the TSX Venture Exchange ("TSXV") on December 21, 2015. The Company is engaged in the exploration and development of gold properties in Burkina Faso, West Africa, focusing on its flagship Bomboré gold project ("Bomboré" or "Bomboré Project"). The Company's main priority is to advance the multi-million ounce Bomboré Project to a near-term production decision.

2017 Highlights

1. Corporate activities

- On January 26, 2017, the Company repurchased the 0.45% Net Smelter Returns ("NSR") royalty on Bomboré held by Sandstorm Gold Ltd. ("Sandstorm") for $3.6M. There is no other interest held by any third party on Bomboré other than those due to the government of Burkina Faso;

- On January 17, 2017, the Company announced the appointment of Patrick Downey as Executive Chairman;

- On May 22, 2017, Patrick Downey was appointed President and CEO and Keith Peck, a director since 2011, was appointed Chairman;

- On July 18, 2017, the Company announced the appointment of Charles Oliver to the Board;

- On August 18, 2017, the Ministry of Mines delivered the new Bondi Djarkadougou Order ("Arrêté") in Sarama Resources Ltd.'s ("Sarama") name to complete the sale of the Bondi Project to Sarama. The Sarama shares and warrants issued to Orezone as part of the transaction were released from escrow on August 22, 2017; and
- At December 31, 2017, the Company had a cash balance of $11.1M.

2. Released updated mineral resource statement for Bomboré showing an expansion of resources

- On January 10, 2017, the Company announced an updated mineral resource statement for Bomboré that was performed by Roscoe Postle Associates Inc. of Toronto ("RPA"). In the 2017 Measured and Indicated ("M&I") resource, the gold ounces contained within the combined oxide and sulphide zones increased by 15% from 3.22M ounces ("oz") to 3.69M oz with a 5% reduction in the average gold grade to 0.92 gram per tonne ("gpt") as compared to the 2016 estimate. Within this M&I resource, the Oxidized and Transition M&I Resource increased by 10% with a 3% reduction in the average gold grade to 0.87 gpt and the fresh rock (Sulphide) M&I Resource increased by 18% with a 7% reduction in the average gold grade to 0.97 gpt.

3. Optimized Bomboré Project design for future feasibility study update

- Subsequent to the appointment of Patrick Downey as CEO in May 2017, the Company undertook a comprehensive review of the Bomboré Project with the goal of simplifying the process flowsheet and improving the economics of the project. Based on this work, the Company announced on September 18, 2017 to suspend work on the current reserve statement and feasibility study ("FS") until the completion of additional test work. This work has led to a more simplified approach to the project with a new FS expected in June 2018.

4. Completed over 29,000 m of infill and expansion drilling on the Bomboré Project

- On January 17, 2017, the Company announced preliminary metallurgical test results and positive drilling results from a recent 5,968 m drill program at its Bomboré Project. The most significant results were from the P17S target, a new higher-grade sulphide zone situated two km south of the Bomboré deposit on the adjoining Toéyoko permit;
- On April 12, 2017, the Company announced additional positive results from the ongoing Bomboré drill program at P17S. The step-out holes intersected mineralized granodiorite to a vertical depth of 150 m and indicate a down-plunge continuity of the zone to over 350 m from the outcrop. Drilling continued to test for further extensions and other occurrences of the mineralization within a three km corridor;
- In June 2017, additional positive results were announced from the ongoing Bomboré drill program at P17S. Significantly mineralized granodiorite was intercepted to the northeast of P17S in a series of scout drilling holes that were targeting the gap between the P17S and P17 deposits where the prospective sequence was confirmed over an additional strike length of more than 400 m;
- In July 2017, based on the success at P17S, the Company commenced a 10,000 m RC campaign to drill test four prioritized targets (Siga South, Siga East, P11 and CFU) within the main Bomboré deposit to identify high-grade zones within the existing pit shells in the oxidized portion of the known gold resources. The recent consistent higher-grade intercepts at P17S has led the Company to make new interpretation of the significance of historical high-grade hits within the main zone. The mineralization at P17S is associated with a shallower plunge and hosted in granodiorite. Previous historical drilling in the main zone returned several high-grade intercepts and is now recognized to be within or adjacent to granodiorite units and to follow a similar plunge to that of the P17S zones;
- On September 12, 2017, the Company announced positive drill results from the first two of four specifically identified target areas prioritized within the Bomboré deposit. The drilling at Siga East and Siga South was successful in intercepting high-grade mineralization; and
- On November 27, 2017, the Company announced the second set of positive drill results from final two prioritized targets within the Bomboré deposit. Drilling at both P11 and CFU was also successful in intercepting high-grade mineralization.

5. Received exploration and mining permits encompassing the Bomboré Project

- In January 2017, the Company received the Bomboré mining permit Decree that was dated December 30, 2016 and the new Bomboré II, Bomboré III and Bomboré IV exploration permits that together comprise most of the area of the previous Bomboré I exploration permit that surrounds the Bomboré mining permit; and

- On August 1, 2017, the Company received the official Arrêté for the final three-year term for the Toéyoko exploration permit**.** In October 2017, the Company received the official *Arrêtés* for the geographic extension of its Bomboré II, Bomboré III and Bomboré IV exploration permits, increasing the total Bomboré Project area to 150 km^2.

Significant developments after 2017

1. Appointment of new chief financial officer

- On March 4, 2018, the Company announced Peter Tam as the Company's new chief financial officer, taking over from Joe McCoy who will remain with the Company as Vice-President, Administration and Corporate Secretary.

2. Announced strategic private placement of common shares to raise gross proceeds of C$44.92M

- On March 23, 2018, the Company entered into a non-brokered private placement of 56,150,000 common shares of the Company at a price per share of C$0.80 for gross proceeds of C$44,920,000 (the "Private Placement"). No finders' fee or commissions are payable on this Private Placement. The Private Placement is expected to close on or about April 9, 2018, post receipt of regulatory approvals and satisfaction of closing conditions.

  Two new strategic investors, RCF Capital Funds VII L.P. and Coris Capital S.A., subscribed in this Private Placement.

  The Company intends to use the proceeds from the Private Placement to advance the development of Bomboré and for general corporate purposes.

2018 Objectives and Outlook

- Release the results of an updated FS for the Bomboré Project along with a new mineral reserve estimate by the end of Q2 2018;

- Issue a Bomboré mineral resource update in Q3 2018 that includes the drilling completed in 2017;

- Complete a 24,000 m drill program on highly prospective targets on the Bomboré property, following on the drilling success from 2017. Approximately 16,000 m is planned for the main Bomboré deposit targeting high-grade oxide and shallow sulfide zones in four main areas (Maga North, Maga Hill, Siga East and P11). The remaining 8,000 m is directed at step-out and definition drilling on targets (P17S, P13, KT, P17N, and GHO) within the Company's four exploration permits;

- Commence detailed engineering in H2 2018 to allow for substantial completion of detailed engineering by Q1 2019;

- Finalize planning and approval of Phase I Resettlement Action Plan ("RAP") by Q2 2018 and begin Phase I RAP field work (relocation of approximately 385 families to nine nearby resettlement sites) in the H2 2018 in preparation of potential early-stage construction activities in H1 2019;

- Commence early stage civil works such as upgrading of access roads, and the construction of permanent river crossings for future mine haulage and long-term water supply systems amongst others;

- Continue work to have the mineralized portion of the main Bomboré deposit that is located on or adjacent to environmentally sensitive flood plains re-instated for mining through submission of a plan of operations and follow-up meetings with the appropriate departments in the Burkina Faso government;

- Continue the hiring of qualified personnel for key positions in project development and operations; and

- Advance discussions on project financing alternatives in anticipation of a construction decision in early 2019.

The Company expects to expend between $17.0M to $19.0M on its 2018 activities, assuming average 2018 foreign currency exchanges rates of 1.28 CAD and 550 CFA to one USD. Within this expected 2018 spending, the Company anticipates completion of the FS, an updated mineral resource estimate, commencement of detailed engineering, ongoing drilling programs, and expenditures of approximately $7.0M for the Phase I RAP field work.

Exploration and Development Summary

Since 2009, the Company has been mainly focused on the development of its wholly owned Bomboré Project. On August 11, 2016, the Government of Burkina Faso approved the mining permit application to build a Phase 1, open pit operation mining only the surface oxide resource that can be processed without grinding or cement agglomeration using a combined Heap Leach ("HL") and Carbon in Leach ("CIL") circuit.

From January 2014 to April 2015, the Company completed all test work and designs required to complete the 2015 FS that focused only on Phase 1. However, because of the significant resource revision released on August 22, 2016, the Company withdrew the 2015 FS.

The Company released an updated resource statement on September 7, 2016 and continued work to review, model and estimate the mineralization that was excluded from the September 7, 2016 resource statement. The excluded mineralization occurred in part within the pit shells that constrain the resource and was treated as waste (with zero grade) in the September 7, 2016 resource statement. On January 10, 2017, the Company released the 2017 mineral resource statement, its current mineral resource statement. The wire framing methodology used for the 2017 resource estimate, based on the same parameters as those used for the September 7, 2016 estimate, resulted in the addition of 391 lower grade envelopes to the North and South models, many of which demonstrated grade continuity suitable to be classified as M&I mineral resources. There was also the addition of a minor third domain located outside the envelopes as an unconstrained model using a limited search ellipse up to 35 m by 35 m by 2.5 m. All of the "third domain" was classified as Inferred resources and cannot, therefore, be included in a mineral reserve estimate.

The following table discloses the mineral resources on the Company's Bomboré Project as of December 31, 2017 (with an effective date of January 5, 2017) using the standards prescribed by the Canadian Institute of Mining and Metallurgy ("CIM") and disclosed in accordance with National Instrument ("NI") 43-101:

Table 1 - 2017 Mineral Resources Statement for the Bomboré Deposit, Burkina Faso, West Africa

		Measured Mineral Resource			Indicated Mineral Resource			Measured and Indicated Mineral Resource			Inferred Mineral Resource		
Material Type	Cutoff gpt	Tonnes Mt	Grade gpt	Gold koz	Tonnes Mt	Grade gpt	Gold koz	Tonnes Mt	Grade gpt	Gold koz	Tonnes Mt	Grade gpt	Gold koz
Oxide+Tran HG	0.45	**16.9**	**0.94**	**513**	**36.5**	**0.83**	**974**	**53.4**	**0.87**	**1,487**	**4.8**	**0.77**	**117**
Oxide+Tran LG	0.2 to 0.45	18.5	0.33	196	50.1	0.33	531	68.6	0.33	727	16.4	0.29	151
Total Ox+Tr	**0.20**	**35.4**	**0.62**	**709**	**86.7**	**0.54**	**1,505**	**122.0**	**0.56**	**2,214**	**21.2**	**0.39**	**268**
Fresh HG	0.50	**2.3**	**1.18**	**87**	**68.7**	**0.96**	**2,121**	**71.0**	**0.97**	**2,208**	**20.1**	**0.97**	**630**
Fresh LG	0.38 to 0.5	0.8	0.43	11	24.2	0.43	337	25.0	0.43	348	6.9	0.43	96
Total Fresh	**0.38**	**3.1**	**0.99**	**97**	**93.0**	**0.82**	**2,458**	**96.0**	**0.83**	**2,556**	**27.0**	**0.84**	**726**
Total HG		**19.2**	**0.97**	**600**	**105.3**	**0.91**	**3,095**	**124.5**	**0.92**	**3,695**	**24.9**	**0.93**	**747**
Total LG		19.2	0.33	206	74.4	0.36	868	93.6	0.36	1,075	23.3	0.33	246
Total HG + LG		**38.4**	**0.65**	**806**	**179.6**	**0.69**	**3,964**	**218.1**	**0.68**	**4,770**	**48.2**	**0.64**	**994**

Notes: 1. CIM definitions were followed for Mineral Resources. 2. HG indicates material above the higher-grade cutoffs, LG indicates low grade material between the high grade and breakeven cutoff grades. 3. Mineral Resources are estimated at variable cutoff grades depending on weathering layer and location. 4. Mineral Resources are estimated using a long-term gold price of US$1,400 per ounce. 5. A minimum mining width of approximately 3 m was used. 6. Bulk densities vary by material type. 7. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. 8. Numbers may not add due to rounding. 9. The effective date of this Mineral Resource statement is January 5, 2017.

With the change in management of the Company in early 2017, the Company completed a comprehensive review of the Bomboré project including the overall development strategy. This review led to a greatly simplified approach which eliminated the HL circuit focussing only on the free digging oxides. A revised FS examining this more simplified approach was commenced in early 2018 and completion is expected in June 2018. After the completion of the FS, the Company expects to advance the project towards a construction decision in early 2019.

The Company also commenced an exploration and definition drill program at Bomboré in November 2016 that continued into 2017 and 2018. This program was initially focused on P17S, a new higher-grade sulphide zone and on the oxide mineralization of the P13 oxide target, both situated south of the Bomboré mining permit. Previous shallow drilling at P17S from surface to a depth of only 60 m resulted in a M&I Sulphide mineral resource of 310,000 tonnes at 2.6 gpt for 25,700 ounces of gold. Step-out drill holes to date have intersected mineralized granodiorite to a vertical depth of 215 m and indicate a down-plunge continuity of the zone to over 500 m from the outcrop of the deposit. Drilling along trend indicates that the mineralization occurs within an interpreted prospective corridor that now extends to nearly three kilometres in length, with two major gaps in the drilling between P17 and the P17S NE extension and between P17S and prospect 172. The P17S program continued until the end of June 2017 to the north and south of P17S to better define the continuity of the mineralization within this corridor.

Based on the results of the P17S drill program which showed that P17S was a series of shallow plunging folded granodiorite limbs, the Company reviewed the resource model within the existing mining permit pit shells to determine if potential exists to better define higher-grade zones within these pit shells. A first stage drilling program to test this hypothesis commenced in July 2017 and was completed by October 2017. This program consisted of infill holes to tighten up the drill spacing from 50 m by 25 m to 25 m by 25 m in four specific target areas where discrete higher-grade zones were identified within the oxide zone. A total 249 drill holes for approximately 13,911 m were completed at Siga East, Siga South, P11 and CFU areas. On September 12, 2017 and November 28, 2017, the Company announced positive RC drill results from the RC infill drill program. The drilling at all four targets was successful in intercepting high-grade mineralization, which should improve grade domaining, but more drilling will be required in certain areas to confirm the geometry of these potential discrete higher-grade zones.

Bomboré Gold Project

Bomboré is situated 85 km east of the capital city, Ouagadougou, and is adjacent to an international highway, with access to sufficient water for mining operations, as well one major town and several local smaller villages that will be the source of the operational labour force. The project benefits from a large oxide resource (average depth of 45 m) that sits above a large sulphide resource. The average depth of over 496,000 m of drilling to date is 120 m and the sulphide resource reaches depths of up to 240 m within the CIL optimized pit shells that constrain the resource. Since 2011, the Company has been examining various scenarios to develop the project in stages to reduce the initial capital requirements. In June 2013, the Company postponed the completion of a CIL FS and to focus on a 5.5 M tonne/year Phase I oxide-only HL scenario. The Company completed an updated Preliminary Economic Assessment ("PEA") on the HL scenario that was released and filed in Q1 2014. The updated HL PEA was completed by G Mining Services Inc. ("GMS"), Kappes, Cassiday & Associates ("KCA"), and Golder Associates Inc. ("Golder"). Subsequently, the Company revised the planned processing method to employ a combined approach of HL and CIL circuits to eliminate the metallurgical and operating issues associated with the large fines content in the HL only circuit. The combined approach was positively evaluated as part of the 2015 FS; however, with the Bomboré Project resource revision announced on August 22, 2016, the Company withdrew the filed 2015 FS.

The final Environmental and Resettlement approvals from the Burkina Faso Ministry of Environment, Green Economy and Climate Change was received on May 18, 2016. Project development will result in the resettlement of the population living on the project site (approximately 600 traditional families and 4,000 artisanal gold miners) and the expropriation of a large area of agricultural land (approximately 700 hectares). The Company and its consultants, Socrege, BEGE, and WSP, worked with the local population to agree on all resettlement areas for each of the communities potentially impacted by the project. The mining permit application was submitted on May 25, 2015 and was approved on August 11, 2016. The formal mining permit Decree was signed on December 30, 2016 and was received on January 25, 2017 (see Permit Status section below for details). The Company was planning to release a new Oxide and Transition mineral reserve estimate in Q4 2017. However, the Company subsequently decided to delay the completion of the new FS and mineral reserve update in order to complete a detailed optimization of the process flowsheet, and the associated capital and operating costs.

The original planned flowsheet was a combined HL and CIL circuit. This circuit design separated the fines from the coarser +212-micron product. This process was selected due to the high fines content that would require excessive cement for HL agglomeration and prevent construction of a normal heap pad height of 50m to 60m due to potential percolation and slump issues.

A detailed review of the test work was completed in late 2017 which indicated that most of the oxide/upper transition material will report to the leach circuit without crushing or grinding. The softness of this material and its low abrasive index indicate that the small fraction of the material that requires grinding will take relatively limited power to achieve the necessary size reduction. Subsequent test work was completed at SGS Lakefield which confirmed this review. Leach times are also relatively fast at 24 hours so the process will not require significant tankage. These changes, together with the elimination of the HL from the process flowsheet, is anticipated to save significant upfront capital and increase the overall process recovery due to the faster and better kinetics of tank leaching. This is the flowsheet and development plan currently being evaluated in the new FS anticipated for completion in June 2018.

Bomboré Exploration Potential

The Bomboré oxide resources have the potential for further expansion and upgrading through drilling the current inferred resources and the untested targets in the southern portion of the property with additional RC drilling. Furthermore, drill testing for mineralization in the untested gaps between the many smaller pits along the mineralized trend could result in the joining of several pits. This drilling, if successful, could add additional resources and may also marginally improve the overall strip ratio.

Approximately two km south and along the Bomboré shear zone trend is the P17S sulphide prospect that hosts an M&I resource of approximately 26 koz (310,000 tonnes at a grade of 2.6 gpt) based on 22 core and 7 RC boreholes. The gold mineralization occurs in a deformed and shallowly plunging granodiorite unit. SGS Lakefield was contracted to perform a metallurgical test program on 100 kg of representative composite samples from the P17S drill core and the results on average, are better than the whole ore cyanidation recoveries expected for main sulphide material at Bomboré based on a standard CIL circuit. These results are particularly interesting with grades above the average grade of the Bomboré resource and could have a positive impact on the project economics of the Phase 2 sulphide expansion. Drill results since November 2016 continue to indicate that the resource could be significantly larger.

Permit status

The original Bomboré I permit (104.5 km^2) expired on February 17, 2016; the Company applied for a mining permit during Q2 2015, well before the expiry of the Bomboré I permit.

On June 1, 2016, the Company re-applied for most of the exploration area that expired on February 17, 2016 and that was excluded from the May 2015 mining permit application. The three applications were approved, and new exploration permits were received on January 17, 2017.

On May 18, 2016, the Company received final approval from the Ministry of Environment, Green Economy and Climate Change for the RAP and the ESIA with respect to its May 2015 mining permit application for the Bomboré Project. On June 13, 2016, the Company completed a technical review of its Bomboré Project with the Burkina Faso National Commission of Mines ("NCM"). The NCM reviewed the project's then (now revoked) FS, including the environmental assessment and impact study, and the RAP. On August 12, 2016, the Council of Ministers of the Burkina Faso Government approved the mining permit application submitted by the Company's local subsidiary, Orezone Bomboré SA. The mining permit was granted by Decree[1] on December 30, 2016, copy of which was received on January 25, 2017 and published in the official government gazette on March 2, 2017. The permit refers to the 2015 Mining Code; however, the Company has not yet received the mining convention and all of the relevant details as to the fiscal policies of the 2015 Mining Code that would apply to the permit.

In May 2017, the Company received the Order that sets the 2-year construction fiscal regime period from December 30, 2016 to December 29, 2018. Since the Company is not expected to make a decision about the construction of the mine before the completion of the FS update scheduled for the end of June 2018 and as provided by the Mining Code, the Company applied for and the Minister of Mines approved on November 23, 2017, the request to suspend construction for up to two years. The Burkina Faso Mining Code provides for two 2-year exemption periods that can be applied for by the Company and, if granted, can delay the beginning of the 2-year construction fiscal regime by as much as four years.

The Bomboré project includes the mining permit (25 km^2) and four exploration permits; Toéyoko (46.7 km^2), Bomboré II (18.2 km^2), Bomboré III (48.1 km^2) and Bomboré IV (12.4 km^2). The second three-year term of the Toéyoko permit expired in July 2017 and the Company applied to renew the permit for the final three-year term in April 2017. The Company received the official renewal *Arrêté* for the last 3-year tenure from the Ministry of Mines on August 1, 2017. The Bomboré II, Bomboré III and Bomboré IV permits were granted on January 17, 2017, will expire in January 2020 and may be renewed for two additional three-year terms. In June 2017, the Company submitted applications to expand the surface area of its Bomboré II, Bomboré III and Bomboré IV exploration permits, essentially to cover various gaps between the mining permit and the explorations permits. The applications were all accepted and a new *Arrêté* issued for each of the three expanded permits on October 27, 2017, bringing the total surface area of the Bomboré Project to 150 km^2.

The Government of Burkina Faso requires an annual minimum exploration expenditure of 270,000 CFA (~US$514) per km^2 resulting in a minimum of 33,800,000 CFA (~US$64,380) for its exploration permits. Expenditures can be carried forward year

[1] *Décret No. 2016-1266 PRES/PM/MEMC/MINEFID/MEEVCC* dated 30 December 2016, published in the *Journal official du Burkina Faso No. 9 dated 2 March 2017*.

over year throughout the term and renewals of the permits. The Company has not had any difficulty in meeting these minimum requirements.

Ownership

The Company owns a 100% interest in the four exploration permits. The government of Burkina Faso retains a sliding scale NSR royalty of 3% to 5%, depending on the gold price, and a 10% carried interest if the project is mined. On June 26, 2015, the *Conseil National de la Transition* (National Council of Transition) approved a new mining code which was promulgated on October 29, 2015. Since January 2017, the government commenced the release of a series of Decrees and Orders that will progressively implement the 2015 Mining Code. See "New Burkina Faso Mining Code" section below for further details.

New Burkina Faso Mining Code ("2015 Mining Code")

The mining legislation of Burkina Faso provides for certain fiscal policies that are specific to mining activities and offers certain tax incentives for titleholders at different stages of their projects. On June 26, 2015, the *Conseil National de la Transition* approved a new Mining Code that was adopted by the parliament on July 16, 2015 and promulgated on October 29, 2015.

Since January 2017, the government commenced the release of a series of seven Decrees that will implement the 2015 Mining Code; these Decrees will be followed by several Orders that will further define how the 2015 Mining Code will be implemented. Items within the new Mining Code include, amongst others, the introduction of a new tax of 1.0% of the gross revenues to support a Mining Fund for Local Development, an effective increase in income tax rates from 17.5% to 27.5%, and for feasibility studies to include a plan for the training and the promotion of local mining executives.

Bondi Project

On May 24, 2016, the Company agreed to a sale and transfer of the Bondi project to Sarama for the consideration of 9.6M Sarama shares, plus 3M warrants with an exercise price of C$0.195 per share and an expiry of December 12, 2018 and 2M warrants with an exercise price of C$0.24 per share and an expiry of December 12, 2019. The transaction also includes a US$20/oz royalty on the first 200,000 ounces sold out of production from the Bondi Permit area. The Ministry of Mines delivered the new Djarkadougou Order ("Arrêté") in Sarama's name on August 18, 2017 and the Sarama shares and warrants issued to Orezone as part of the transaction were released from escrow on August 22, 2017. At the completion of the Bondi transaction, the Company recorded a gross gain of $1.6M reduced by previously capitalized permit costs and holding expenses incurred during 2017, resulting in a net gain of $1.4M. All exploration and evaluation costs incurred by the Company on Bondi in previous years were expensed in accordance with the Company's accounting policy for exploration and evaluation expenditures.

Selected Annual and Fourth Quarter Consolidated Financial Information

Total comprehensive losses for the years ended December 31 were as follows:

Table 2 – Financial Information

	2017	2016	2015
Expenses	**$**	**$**	**$**
Exploration and evaluation	**4,487,292**	2,721,160	3,446,962
General and administrative	**3,759,412**	2,045,758	2,508,262
Share-based compensation	**1,117,489**	244,977	212,643
Depreciation and amortization	**340,176**	461,936	713,577
Total Expenses	**9,704,369**	5,473,831	6,881,444
Other income (loss)	**935,761**	(19,208)	(604,899)
Net loss before tax	**(8,768,608)**	(5,493,039)	(7,486,343)
Income tax	**-**	(5,980)	(80,408)
Net Loss	**(8,768,608)**	(5,499,019)	(7,566,751)
Foreign currency translation gain (loss)	**1,208,065**	(658,541)	(630,363)
Other comprehensive gain (loss)	**1,208,065**	(658,541)	(630,363)
Comprehensive loss	**(7,560,543)**	(6,157,560)	(8,197,114)
Net loss per common share, basic and diluted	**(0.06)**	(0.04)	(0.07)

The Company's exploration and evaluation costs and metres drilled by project for the years ended December 31, 2017, 2016 and 2015 were as follows (all figures are presented in US$, except for metres drilled):

Table 3 – Exploration and Evaluation Costs

Year ended December 31, 2017	Metres Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**29,042**	1,855,970	1,489,473	960,672	181,177	**4,487,292**
Bondi	**-**	-	-	-	-	**-**
Total	**29,042**	**1,855,970**	**1,489,473**	**960,672**	**181,177**	**4,487,292**

Year ended December 31, 2016	Metres Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**5,968**	419,697	937,331	1,002,810	130,408	**2,490,246**
Bondi	**521**	84,352	90,218	358	55,986	**230,914**
Total	**6,489**	**504,049**	**1,027,549**	**1,003,168**	**186,394**	**2,721,160**

Year ended December 31, 2015	Metres Drilled	Drilling & Assaying	General, Camp, Infrastructure & Other	Exploration & Development Studies	Exploration Surveys	Total Exploration & Evaluation Costs
	M	$	$	$	$	$
Bomboré	**-**	81,169	1,373,918	1,595,656	219,504	**3,270,247**
Bondi	**-**	11,589	66,533	1,777	96,816	**176,715**
Total	**-**	**92,758**	**1,440,451**	**1,597,433**	**316,320**	**3,446,962**

The components of general and administrative costs for the years ended December 31 were as follows:

Table 4 – General & Administrative Expenses

	2017	2016	2015
Expenses	**$**	**$**	**$**
Salaries and employee costs	**1,922,472**	1,079,302	1,551,246
Public company costs	**269,901**	214,653	247,864
Professional fees	**358,185**	288,229	278,807
General and office costs	**987,485**	305,889	270,428
Investor relations and travel	**221,369**	157,685	159,917
Total Expenses	**3,759,412**	2,045,758	2,508,262

Table 5 – Consolidated Balance Sheets (Summary)

	2017	2016	2015
	$	$	$
Cash	**11,148,801**	22,099,768	3,835,256
Interest in exploration properties	**1,999,549**	2,224,746	2,671,402
Marketable securities	**897,075**	-	-
Non-current liabilities	**-**	3,600,000	3,300,000
Shareholders' equity	**14,067,213**	20,443,098	3,465,709
Total assets	**14,677,679**	24,848,587	6,975,981

The Company is in the exploration and evaluation phase and does not yet have revenue-generating activities in any financial period, nor has the Company ever paid a dividend in any financial period. Accordingly, the Company's financial performance is largely a function of the level of exploration and evaluation activities undertaken on the active projects and the administrative expenses required to operate and carry out these activities as well as other items such as interest income and foreign exchange gains/losses. Discussion of the major items that impacted net losses for the years ended December 31, 2017 and 2016 are as follows.

Exploration and evaluation costs for 2017 increased by $1.8M from 2016 mainly due to:

- more exploration drilling activity (29,042 m) in 2017 versus 2016 (6,489 m) primarily due to 2017 drill programs completed on P17S to expand the resource on this high-grade near-surface sulphide target, and to test drill four target areas within the existing pit shells to identify high grade intercepts based on historic results and the Company's new interpretation of controls associated with higher grade mineralization; and

- increased camp activity and camp security to support the higher drilling activity.

General and administrative costs ("G&A") include both the Company's head office expenses and the local office related to the Company's subsidiaries. Head office G&A encompasses the costs of head office salaries and benefits, director compensation, professional fees, investor relations, travel, facilities and IT, as well as all costs associated with maintaining the Company's listing on the TSXV.

Total G&A costs for 2017 increased by $1.7M from 2016 mainly due to:

- salary and employee costs increased by $843k in 2017 due to severance costs paid to the previous President & CEO and implementing recommendations from the compensation review completed during the H1 2017, partially offset by a decrease in Burkina Faso G&A salaries as some these costs were allocated to Exploration and Evaluation during the ongoing drilling program;
- an increase in general & office costs of $681k in 2017 primarily due to Bomboré SA permit taxes (no such taxes were paid in 2016 as the Bomboré mining permit had not yet then been received), increased Burkina Faso travel, and added security and software training at the in-country administrative office as compared to the prior year;
- an increase of $63k in investor relations and travel costs in 2017 as compared to 2016 due to greater attendance at mining conferences, more marketing activities and a revamp to the Company's corporate website; and
- an increase of $55k in public company costs in 2017 as compared to 2016 due to costs related to higher Board expenses as well as an increase in filing fees.

Share-based compensation expenses recognized in 2017 increased by $872k over 2016 mainly due to the new grant of stock options in June 2017 to employees where the first tranche of these options vests immediately.

Depreciation and amortization expense decreased by $121k from 2017 over 2016 primarily due to a combination of minimal capital additions and a greater quantity of fully-depreciated capital equipment in 2017.

Other income for 2017 increased by $1.0M when compared to 2016 due primarily to:

- On August 22, 2017, the Company completed the sale of Bondi to Sarama and recorded a gain on the sale of Bondi of $1.4M (2016 – $nil); and

- As the Sandstorm royalty was repurchased in January 2017, the Company did not recognize a fair value loss in 2017 (2016 - $300k) as the repurchase obligation was fully accrued for at the end of 2016;

  offset by:

- A $738k impairment recognized on its investment in Sarama from management's assessment that the investment in Sarama had experienced a significant and prolonged decline in fair value.

Table 6 - Results for the Three Months ended December 31, 2017 and 2016

	Q4 2017	Q4 2016
Expenses	$	$
Exploration and evaluation	820,860	1,179,006
General and administrative	1,011,068	704,461
Share-based compensation	206,205	32,534
Depreciation and amortization	79,468	101,920
Total expenses	**2,117,601**	**2,017,921**
Other income (loss)	(683,916)	12,353
Net loss before tax	**(2,801,517)**	**(2,005,568)**
Income tax	-	-
Net Loss	**(2,801,517)**	**(2,005,568)**

Exploration and evaluation expenses for Q4 2017 decreased by $358k from Q4 2016 primarily due to lower drilling metres completed. In Q4 2016, the Company commenced a program to drill test its P17S and P13 targets, completing 5,968 m in the quarter versus Q4 2017 where the Company drilled 2,470 m in finishing its initial drill program to target four high priority targets within the main Bomboré deposit to identify further high-grade zones.

G&A expenses for Q4 2017 increased by $307k from Q4 2016 due to the award of higher 2017 year-end bonuses to corporate and site employees whereas no bonuses were awarded to corporate employees in 2016.

Share-based compensation expense for Q4 2017 increased by $174k from Q4 2016 mainly due to more stock options granted in 2017 versus 2016.

Other loss was $684K in Q4 2017 in comparison to other income of $12K in Q4 2016 primarily due to the impairment loss of $738k recognized on the Company's investment in Sarama in Q4 2017. No such impairment was recognized in Q4 2016.

Summary of Quarterly Results

The following summarized financial data has been prepared in accordance with IFRS. This data should be read in conjunction with the Company's condensed consolidated interim financial statements and consolidated annual financial statements for the respective periods. All net loss figures in the table are presented in US$ millions, except for the net loss per common share amounts (basic and diluted).

Table 7 – Summary of Quarterly Results

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
	$	$	$	$	$	$	$	$
Net loss attributable to common shareholders	(2.80)	(0.72)	(3.25)	(1.99)	(2.01)	(1.18)	(1.07)	(1.24)
Net loss per share, basic and diluted	(0.02)	(0.01)	(0.02)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Under the Company's current exploration and evaluation phase, the fluctuation in net loss between quarters is mainly a function of drilling activities and project study work undertaken. In Q3 2017, the Company recorded a net gain of $1.4M on the sale of the Bondi project and in Q2 2017, the Company recognized a non-recurring severance cost from a change in CEO which impacted the net loss reported in those quarters.

The Company is in the exploration and evaluation phase and does not yet have revenue-generating activities in any financial period, nor has the Company ever paid a dividend in any financial period.

Sandstorm Royalty

On January 27, 2015, the Company announced the completion of a royalty purchase agreement ("Agreement") with Sandstorm that provided up to $8.0M in financing to advance the Bomboré Project. Sandstorm initially purchased a 0.45% NSR royalty on future revenues from Bomboré (the "Upfront Royalty") for $3.0M. The Company exercised its option to buy back 100% of the Upfront Royalty in January 2017 for $3.6M.

The Agreement also granted Sandstorm a right of first refusal on all future gold stream financings completed by the Company for up to three years after to the commencement of commercial production on the Bomboré Project, regardless of the Company exercising its buy back option.

Liquidity and Capital Resources

The Company raises funds through the issuance of equity to conduct its activities, or through the sale of royalties or related interests. The Company has no mining operations and does not generate revenue from its operating activities.

The Company had cash of $11.1M at December 31, 2017, a decrease of $11.0M compared to the $22.1M cash position at December 31, 2016. The Company had a working capital of $11.2M at December 31, 2017.

On March 26, 2018, the Company announced the Private Placement of 56,150,000 common shares at a price per share of C$0.80 for gross proceeds of C$44.92M. The Private Placement is scheduled to close on or around April 9, 2018 subject to regulatory approval and satisfaction of closing conditions. The Company intends to use the proceeds from the Private Placement to advance the development of Bomboré and for general corporate purposes.

The Bomboré activities underway include exploration drilling as well as updating the reserves, mine plan and completing a revised FS based on an optimized process flowsheet. Other activities include training programs for local people in the Bomboré region in combination with initial resettlement work and minor infrastructure construction. The Company expects to expend between $17.0M to $19.0M on its 2018 activities, assuming average 2018 foreign currency exchanges rates of 1.28 CAD and 550 CFA to one USD. Within this expected 2018 spending, the Company anticipates expenditures of approximately $7.0M for the Phase I RAP field work. Management is confident that the current working capital and existing cash resources, along with the gross proceeds from the anticipated closing of the Private Placement in April 2018 will be sufficient to fund budgeted activities for 2018 and to sustain the Company's exploration and evaluation, project development, and general and administrative activities into 2019.

Upon completion of an updated and positive FS, management will commence work to determine the optimum financing alternatives for construction of the Bomboré Project. Additional financing will be needed to construct and to develop the Bomboré Project.

Use of Proceeds from Financings

On March 21, 2016, the Company announced the arrangement of a non-brokered private placement of $3.8M (C$5M) whereby it issued 10,000,000 common shares at a price of C$0.50 per share. The private placement closed March 30, 2016 and the Company has used all proceeds for expenditures to advance the Bomboré Project through the permitting process and for general corporate purposes.

On July 19, 2016, the Company completed a $20.3M (C$26.5M) short form prospectus financing that resulted in net proceeds of $19.1M (C$24.8M) whereby 26,450,000 common shares were issued at a price of C$1.00 per share. However, as a result of subsequent events, including its comprehensive review of the Bomboré Project following the appointment of its new CEO, the use of proceeds set out in the short-form prospectus, has been reallocated. The reallocation has principally been to provide the Company with the necessary funding to prepare an updated resource and feasibility study that were not anticipated at the time of the prospectus. As of December 31, 2017, the Company has used $8.6 M of the net proceeds as outlined in table 8 below:

Table 8 – Use of Net Proceeds from the July 2016 Financing

2016 Financing Categories	July 2016 Prospectus $ M	Actual Expenditures to December 31, 2017 $ M
Bomboré detailed engineering	1.9	-
Relocation preparation	1.0	-
Construction of bridge and fence	1.6	-
Camp construction	3.1	-
Construction of new village	5.4	-
Buyout of Sandstorm Royalty	3.6	3.6
Working capital and general corporate purposes	2.5	2.2
Exploration & Feasibility Study expenses	-	2.8
Total use of proceeds	19.1	8.6

Share Capital

As at April 4, 2018, the Company had 154,235,364 common shares and 13,346,000 stock options issued and outstanding.

Contractual Obligations

As at December 31, 2017, the Company had contractual obligations for head office rent, the completion of the feasibility study update, RAP planning, and a drilling program in the amount of $1,580,613 (as at December 31, 2016 – $707,076). The schedule of certain payments is dependent upon the contractors' ability to complete various milestones; however, it is expected that most of these commitments will be paid throughout 2018.

Off Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Transactions with Related Parties

The Company had no transactions with related parties in 2017. Refer to notes 18 and 19 to the accompanying Annual Financial Statements for the year ended December 31, 2017.

Proposed Transactions

The Company continually reviews potential merger, acquisition, investment and other joint venture and strategic alternative transactions that could enhance shareholder value. However, there are no proposed transactions currently under examination other than the Private Placement anticipated to close on April 9, 2018.

Risks and Uncertainties

The Company is in the business of exploring for minerals and if successful, ultimately mining them. The natural resource industry is by its nature, both cyclical and with significant risks as listed below. There is no assurance that the Company's projects will become economically viable. Once a potentially economic deposit is identified, the Company's ability to establish a profitable mining operation is subject to a host of variables including technical considerations, regulatory and political issues and economic factors (including the need to source the capital required to develop the project). Many of these are beyond the control of the Company. The most significant risks and uncertainties faced by the Company are:

- The speculative nature of resource exploration and development projects;
- Orezone's ability to successfully establish mining operations and profitably produce gold;
- Permitting and license risks;
- Changes in, and volatility of, the price of gold;
- Operating in West Africa, including changes in government related unrest, protests and vandalism, government sanctions and related operational delays due to acts of protest and/or terrorism, government instability and war;

- Potential changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation;
- Potential changes to the mining code of Burkina Faso, tax laws, and related government guarantees or stabilization agreements thereof and the ability of the Company to dispute any changes that may negatively impact the value of the project and shareholder returns;
- The accuracy of Orezone's mineral resource and reserve estimates;
- The fact that Orezone has a history of losses and expects to incur losses for the foreseeable future;
- Orezone's reliance on its management team;
- The availability of local labour, local and outside contractors and equipment when required to carry out the Company's exploration and development activities;
- The Company's ability to finance the development of its mineral projects;
- Uncertainties related to title to the Company's mineral projects;
- The Government of Burkina Faso's interests in subsidiaries of Orezone holding mining permits;
- Health risks associated with the mining workforce in Burkina Faso;
- Environmental risks;
- Operational risks and hazards inherent in the mining industry including the security and protection of its employees against unforeseen events;
- The potential inability to maintain the infrastructure necessary to carry out mining, processing, development and exploration activities;
- Operations of the Company are carried out in geographical areas which are subject to various other risk factors;
- The Company's property interests are held in areas in Burkina Faso that have historically been mined by artisanal miners;
- Mining companies face increasing public scrutiny and monitoring of their activities to demonstrate that operations will benefit local governments and communities surrounding projects;
- Impact of evolving anti-corruption laws;
- The potential unavailability of insurance to cover certain risks;
- The competitive nature of the mining industry;
- Currency fluctuations;
- The Company does not intend to pay dividends in the foreseeable future;
- Investors may have difficulty enforcing judgments;
- Shareholders' interest in the Company may be diluted in the future;
- Factors that have historically made Orezone's share price volatile; and
- Investors outside of Canada may have difficulty bringing actions and enforcing judgments against the Company, its directors, its executive officers and some of the experts named in this MD&A.

Financial Risks

- Foreign currency risk;
- Market price risk;
- Liquidity risk;
- Credit risk; and
- Title risk, including renewals and application delays.

For a more detailed discussion of the above risk factors, refer to the Company's Annual Information Form and the Company's Annual Financial Statements filed for the year ended December 31, 2017.

Accounting Changes and Recent Accounting Pronouncements

Financial Instruments

In February 2016, the IASB issued IFRS 9 – *Financial Instruments* to replace IAS 39, IFRIC 9 and earlier versions of IFRS 9. The objective of this Standard is to establish principles for the financial reporting of financial assets and financial liabilities in respect of the amounts, timing and uncertainty of an entity's future cash flows. IFRS 9 is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted.

IFRS 9 provide three different measurement categories for financial assets – subsequently measured at amortized cost, fair value through profit or loss or fair value through other comprehensive income – while all financial liabilities are classified as subsequently measured at amortized cost. The category into which a financial asset is placed and the resultant accounting treatment is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

The Company expects the adoption of the new standard will not have a material impact on the measurement of the Company's reported financial instruments except the Company's investment in the common shares and common share purchase warrants in Sarama. The Company's investment is currently classified as available-for-sale with any unrealized gains or losses recognized in other comprehensive income ("OCI") except for any impairment recognized which is reclassified into net income (loss). Under the new standard, the Company will recognize and classify its Sarama equity investment as fair value through profit or loss. The Company does not intend to invoke the election to present investment in equity instruments in OCI. Any changes to the Company's financial assets prior to adoption will require additional assessment of the impact on adoption.

Revenue recognition

In May 2014, the IASB issued IFRS 15 – *Revenue from Contracts with Customers* which supersedes IAS 11 – *Construction Contracts*; IAS 18 – *Revenue*; IFRIC 13 – *Customer Loyalty Programmes*; IFRIC 15 – *Agreements for the Construction of Real Estate*; IFRIC 18 – *Transfers of Assets from Customers*; and SIC 31 – *Revenue – Barter Transactions involving Advertising Services*. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

The Company expects the new standard will not have a material impact as the Company's mineral properties will not be in commercial production prior to the effective date. The Company will adopt IFRS 15 upon achieving future commercial production for its mineral properties.

Leases

The IASB issued IFRS 16 – *Leases* replacing IAS 17 – *Leases*. The new standard requires the recognition of almost all lease contracts on a lessee's statement of financial position as a lease liability reflecting future lease payments and a "right-of-use" asset with exceptions for certain short-term leases and leases of low-value assets. The new standard is likely to result in increases to both the asset and liability positions of lessees as well as reported depreciation expense and finance costs of these entities in the statement of profit or loss. The Company is currently evaluating the financial impact the new standard will have on its financial results.

IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted.

Financial Instruments and Related Risks

Financial assets and liabilities are initially recognized at fair value when the Company or its subsidiaries become party to the contracts that give rise to them. Subsequent measurement depends on whether the financial instrument is classified as fair value through profit and loss ("FVTPL"), available-for-sale, held-to-maturity, loans and receivables or other financial liabilities. Financial instruments classified as: FVTPL are measured at fair value with unrealized gains and losses recognized in net income (loss); available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss); and held-to-maturity, loans and receivables and other financial liabilities are measured at amortized cost. Transaction costs in respect of FVTPL financial instruments are recognized in net income (loss) at the transaction date whereas transaction costs in respect of other financial instruments are included in the initial fair value measurement of the financial instrument.

The Company may also enter into financial instruments or other contracts that contain embedded derivatives. Embedded derivatives (e.g. a lease denominated in a currency other than that of either counterparty to the contract) are accounted for separately from the host contract at fair value as derivatives when the risks and characteristics of the embedded derivatives are not closely related to those of their host contract, and the host contract is not classified as FVTPL.

The Company does not currently have derivative instruments.

The Company has made the following classifications with respect to its financial instruments:

- Cash is classified as FVTPL, which is measured at fair value.
- Trade and other receivables, excluding taxes receivable balances that do not meet the definition of a financial instrument, and refundable deposits included in prepaid expenses and deposits, are classified as loans and receivables, which are measured at amortized cost, using the effective interest method, less any impairment losses.
- Marketable securities are classified as available-for-sale, which is measured at fair value.

- Accounts payable and accrued liabilities, excluding taxes payable balances that do not meet the definition of a financial instrument, are classified as other financial liabilities, which are measured at amortized cost, using the effective interest method.
- The royalty-based obligation relating to the upfront royalty from Sandstorm is classified as a financial liability at FVTPL which is measured at fair value with unrealized gains (losses) recognized in net income (loss).

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is considered impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Use of Judgments and Estimates in Applying Critical Accounting Policies

The preparation of the Annual Financial Statements requires management to make estimates and assumptions about the future that affect the amounts recorded in the Annual Financial Statements. These estimates and assumptions are based on the Company's experience and management's expectations about future events that are believed to be reasonable under the circumstances, and they are continually being evaluated based on new facts and experience. Actual results may differ from these estimates and assumptions. The effect of a change in accounting estimate is recognized prospectively in the year of change and future years if the change impacts both years.

Going concern risk assessment

Management considers whether there exists any event(s) or condition(s) that may cast significant doubt on the Company's ability to continue as a going concern. Considerations take into account all available information about the future including the availability of debt and equity financing as well as the Company's working capital balance and future commitments.

Determination of functional currency

Management has made determinations with respect to its functional currency in accordance with *IAS 21, "The Effects of Changes in Foreign Exchange Rates,"* and as such, has determined that the functional currency of all of its entities is the Canadian dollar with the exception of its subsidiaries, Orezone Inc. SARL and Orezone Bomboré SA, which have a functional currency of the Communauté Financière Africaine francs.

Accounting policy selection for interest in exploration properties including property, plant and equipment

As further disclosed in note 3(i) of the Annual Financial Statements, management judgment is applied in capitalizing costs related to acquired mineral property rights and property, plant and equipment. Management has determined that expenditures incurred during the exploration and evaluation phase will be expensed as incurred until it determines that the technical feasibility and commercial viability of a mineral property has been established.

Impairment of financial and non-financial assets

Management assesses financial and non-financial assets for impairment as disclosed in note 3(l) of the Annual Financial Statements.

Deferred income taxes

Judgment is required to determine whether to recognize deferred tax assets and/or liabilities on the statement of financial position. Management must assess the extent to which it is probable that the Company and its subsidiaries will have future taxable profits available against which it can recognize unused tax losses or unused tax credits as well as sufficient loss carry-forwards to offset potential tax liabilities. The amount and availability of deferred tax assets and liabilities are directly influenced by future changes to tax laws in the jurisdictions in which the Company and its subsidiaries operate.

Current income tax liabilities

The Company's operating subsidiary tax filings may be reviewed from time to time in accordance with the Burkina Faso Code. The Company's interpretations of underlying tax regulations may differ from those of the tax department. Judgment is required to determine the appropriate accounting and disclosure treatment based on the facts. To the extent that a dispute arises, management must determine whether it's probable that a tax liability exists and whether the extent of the liability may be estimated and accrued in its Statement of Financial Position in addition to determining the appropriate level of disclosure regarding the dispute.

Classification of royalty as royalty-based obligation

Management has determined that based on the specific agreements reached with Sandstorm the royalty obligation should be classified as a financial liability at FVTPL.

Fair value of the Sandstorm upfront royalty

Management has assessed the fair value of the upfront royalty as the value of the royalty plus any buyback premiums based on its assumption that the Company will have the necessary funds to repurchase the royalty from Sandstorm prior to the expiry of the irrevocable buyback option.

Share-based compensation related to stock options

Management assesses the fair value of stock options and warrants, as disclosed in note 3(r) of the Annual Financial Statements, using the Black-Scholes option pricing model. This model requires management to make estimates and assumptions with respect to inputs including the risk-free interest rate, volatility and expected life of the equity-settled instruments. As well, management must make assumptions about anticipated forfeitures based on the historical actions of plan participants which may not be a true representation of future participant exercise behaviour.

Useful lives of property, plant and equipment

As disclosed in note 3(k) of the Annual Financial Statements, management reviews its estimate of the useful life of property, plant and equipment annually and accounts for any changes in estimates prospectively.

Forward Looking Statements

This MD&A may contain or refer to certain forward-looking statements relating, but not limited to, the Company's expectations, intentions, plans and beliefs. Forward-looking statements can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

Forward-looking information may include reserve and resource estimates and the timing of updates thereof, planned expenditures on the Company's projects, obtaining renewed exploration permits, obtaining the mining convention, the ability to demonstrate the economic feasibility of the mineral deposits to a level up to and including that of a full feasibility study, the ability to obtain adequate financing as needed in the future to fund ongoing exploration or production activities, the results of exploration and drilling activities, the timing of commencement of operations, and estimates of the amount of time the Company may carry on operations with existing cash resources and available funding, and is based on current expectations that involve a number of business risks and uncertainties. Specific forward-looking statements in this MD&A include statements regarding the completion of an updated FS for the Bomboré Project by the end of Q2 2018; statements regarding issuing a Bomboré mineral resource update in Q3 2018; statements regarding completing a 24,000 m drill program; statements regarding the finalization, planning and approval of the RAP by Q2 2018 and beginning Phase I RAP field work in H2 2018, and expected expenditures of between $17.0M and $19.0M on 2018 activities.

All such forward-looking statements are based on certain assumptions and analyses made by management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and contemplated studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of material which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals and sufficient financing, inflation, changes in exchange rates, delays in the development of projects, unexpected increases in budgeted costs and expenditures, and other factors.

This MD&A also contains references to estimates of Mineral Resources. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation, which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on, among other things: (i) fluctuations in the price of gold; (ii) results of drilling; (iii) results of metallurgical testing, process and other studies; (iv) changes to proposed mine plans; (v) the evaluation of mine plans subsequent to the date of any estimates; and (vi) the possible failure to receive required permits, approvals and licences.

Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements.

Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur.

The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Cautionary Note to U.S. Investors Concerning Resource Estimates

The resource estimates in the MD&A were prepared in accordance with the standards of the CIM and disclosed in accordance with NI 43-101 adopted by the Canadian Securities Administrators. The disclosure requirements of NI 43-101 differ significantly from the requirements of the United States Securities and Exchange Commission (the "SEC"). The MD&A uses the terms "measured", "indicated" and "inferred" resources. Although these terms are recognized and required in Canada, the SEC does not recognize them. The SEC permits US mining companies, in their filings with the SEC, to disclose only those mineral deposits that constitute "reserves". Under United States standards, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally extracted at the time the determination is made. United States investors should not assume that all or any portion of a measured or indicated resource will ever be converted into "reserves". Further, "inferred resources" have a great amount of uncertainty as to their existence and whether they can be mined economically or legally, and United States investors should not assume that "inferred resources" exist or can be legally or economically mined, or that they will ever be upgraded to a higher category.

Qualified Persons

Dr. Pascal Marquis, Geo., Senior Vice President of Exploration, the Company's qualified person under NI 43-101, supervises all work associated with exploration and development programs in West Africa. Mr. Tim Miller, the Company's Chief Operating Officer, and Mr. Patrick Downey, P. Eng., the President and Chief Executive Officer, are also qualified persons under NI 43-101. One or more of the Company's qualified persons have reviewed, approved and verified the technical information in this MD&A.

Orezone has also filed a current technical report on the Bomboré Gold Project titled "Technical Report On The Updated Mineral Resource Estimate For The Bomboré Gold Project, Burkina Faso, West Africa" and dated January 12, 2017 which contains detailed information about assay methods and data verification measures used to support the scientific and technical information disclosed in this MD&A. Technical and scientific information in this MD&A has been extracted from, and is supported by, the filed Technical Report.

Other MD&A Requirements

Additional information related to the Company including the Company's Annual Information Form and technical reports can be found on SEDAR at **www.sedar.com**.