OREZONE GOLD CORPORATION

Consolidated Financial Statements

For the years ended December 31, 2020 and 2019

(Expressed in United States dollars)

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates, and choice of accounting policies. Management maintains a system of internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial information reported is accurate and reliable.

The Board of Directors approves the consolidated financial statement and ensures that management discharges its financial reporting responsibilities principally through oversight by the Audit Committee of the Board. The Audit Committee has met with the Company’s independent auditors and Management to review the scope and results of the annual audit, and to review the consolidated financial statements and related reporting matters prior to submitting the consolidated financial statements to the Board for approval.

The Company’s independent auditors, Deloitte LLP, have conducted an audit in accordance with Canadian generally accepted auditing standards, and their report follows.

/s/ Patrick Downey

Patrick Downey
Chief Executive Officer

March 26, 2021

/s/ Peter Tam

Peter Tam
Chief Financial Officer

March 26, 2021

Deloitte.

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Independent Auditor's Report

To the Shareholders and the Board of Directors of Orezone Gold Corporation

Opinion

We have audited the consolidated financial statements of Orezone Gold Corporation (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Brenton Francis.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 26, 2021

Orezone Gold Corporation
Consolidated Statements of Financial Position
(Expressed in United States dollars)

As at	**December 31, 2020**	December 31, 2019
ASSETS		
Current assets		
Cash	**$8,866,617**	$11,855,497
Trade and other receivables	**30,468**	46,735
Inventories	**507,651**	471,371
Prepaid expenses and deposits	**241,481**	821,058
Total current assets	**9,646,217**	13,194,661
Non-current assets		
Mineral properties, plant and equipment (Note 5)	**2,551,385**	3,065,967
Marketable securities (Note 6)	**791,021**	516,213
Total assets	**$12,988,623**	$16,776,841
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$3,127,618**	$3,657,593
Non-current liabilities		
Lease liabilities (Note 7)	**167,632**	230,780
Total liabilities	**3,295,250**	3,888,373
Equity		
Share capital (Note 8)	**212,546,551**	198,203,211
Reserves	**21,947,589**	19,838,222
Accumulated deficit	**(214,795,456)**	(197,149,242)
Equity attributable to shareholders	**19,698,684**	20,892,191
Non-controlling interest	**(10,005,311)**	(8,003,723)
Total equity	**9,693,373**	12,888,468
Total liabilities and equity	**$ 12,988,623**	$16,776,841

Commitments (Note 14)
Subsequent Events (Note 16)

The accompany notes form an integral part of these consolidated financial statements.

These annual consolidated financial statements were approved by the Board of Directors of Orezone Gold Corporation on March 26, 2021:

/s/ Patrick Downey

Patrick Downey
Director

/s/ Ronald Batt

Ronald Batt
Director

Orezone Gold Corporation
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2020 and 2019
(Expressed in United States dollars, except for number of share amounts)

	2020	2019
Expenses		
Exploration and evaluation costs (Note 9)	**$14,566,153**	$17,325,061
General and administrative costs (Note 9)	**3,078,796**	3,825,932
Share-based compensation (Note 8)	**857,067**	1,232,437
Depreciation and amortization (Note 5)	**847,808**	624,793
Total Expenses	**19,349,824**	23,008,223
Other (loss) income		
Foreign exchange loss	**(128,892)**	(59,617)
Finance income	**161,696**	489,839
Finance expense	**(18,055)**	(24,088)
Fair value gain on marketable securities (Note 6)	**227,860**	179,994
Other income	**242,609**	586,128
Net loss before tax	**(19,107,215)**	(22,422,095)
Income tax expense (Note 10)	**-**	-
Net loss for the year	**(19,107,215)**	(22,422,095)
Net loss attributable to:		
Shareholders	**(17,646,214)**	(20,834,215)
Non-controlling interest	**(1,461,001)**	(1,587,880)
Net loss for the year	**(19,107,215)**	(22,422,095)
Other comprehensive income		
Foreign currency translation gain	**77,552**	1,050,982
Total other comprehensive income	**77,552**	1,050,982
Comprehensive loss for the year	**(19,029,663)**	(21,371,113)
Comprehensive loss attributable to:		
Shareholders	**(17,028,075)**	(19,862,485)
Non-controlling interest	**(2,001,588)**	(1,508,628)
Comprehensive loss for the year	**(19,029,663)**	(21,371,113)
Net loss per common share attributable to the shareholders of the Company, basic and diluted	**($0.07)**	($0.10)
Weighted-average number of common shares outstanding, basic and diluted	**248,711,809**	212,586,592

The accompany notes form an integral part of these consolidated financial statements.

Orezone Gold Corporation
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves						
	Shares #	**Amount** $	**Share-based payments** (Note 8) $	**Foreign currency translation** $	**Other Reserves** $	**Accumulated deficit** $	**Equity attributable to shareholders** $	**Non-controlling interest** $	**Total Equity** $
Balance, January 1, 2020	213,376,906	198,203,211	15,952,323	(1,162,189)	5,048,088	(197,149,242)	**20,892,191**	(8,003,723)	**12,888,468**
Units issued (Note 8)	37,595,900	14,387,860	-	-	996,935	-	**15,384,795**	-	**15,384,795**
Unit issuance costs (Note 8)	-	(1,109,195)	-	-	(76,856)	-	**(1,186,051)**	-	**(1,186,051)**
Warrants exercised	550,500	360,680	-	-	(26,943)	-	**333,737**	-	**333,737**
Stock options exercised	1,130,000	703,995	(258,975)	-	-	-	**445,020**	-	**445,020**
Share-based compensation	-	-	857,067	-	-	-	**857,067**	-	**857,067**
Foreign currency translation	-	-	-	618,139	-	-	**618,139**	(540,587)	**77,552**
Net loss for the year	-	-	-	-	-	(17,646,214)	**(17,646,214)**	(1,461,001)	**(19,107,215)**
Balance, December 31, 2020	**252,653,306**	**212,546,551**	**16,550,415**	**(544,050)**	**5,941,224**	**(214,795,456)**	**19,698,684**	**(10,005,311)**	**9,693,373**

	Share capital		Reserves						
	Shares #	**Amount** $	**Share-based payments** $	**Foreign currency translation** $	**Other Reserves** $	**Accumulated deficit** $	**Equity attributable to shareholders** $	**Non-controlling interest** $	**Total Equity** $
Balance, January 1, 2019	210,385,364	196,711,419	15,356,496	(2,133,919)	5,048,088	(176,315,027)	**38,667,057**	(6,495,095)	**32,171,962**
Stock options exercised	3,037,500	1,491,792	(636,610)	-	-	-	**855,182**	-	**855,182**
Shares cancelled	(45,958)	-	-	-	-	-	**-**	-	**-**
Share-based compensation	-	-	1,232,437	-	-	-	**1,232,437**	-	**1,232,437**
Foreign currency translation	-	-	-	971,730	-	-	**971,730**	79,252	**1,050,982**
Net loss for the year	-	-	-	-	-	(20,834,215)	**(20,834,215)**	(1,587,880)	**(22,422,095)**
Balance, December 31, 2019	**213,376,906**	**198,203,211**	**15,952,323**	**(1,162,189)**	**5,048,088**	**(197,149,242)**	**20,892,191**	**(8,003,723)**	**12,888,468**

The accompany notes form an integral part of these consolidated financial statements.

Orezone Gold Corporation
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019
(Expressed in United States dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	**($19,107,215)**	($22,422,095)
Adjustments to reconcile net loss to cash used in operating activities:		
Share-based compensation	**857,067**	1,232,437
Depreciation and amortization	**847,808**	624,793
Finance income	**(161,696)**	(489,839)
Finance expense	**18,055**	24,088
Unrealized foreign exchange loss	**128,892**	59,617
Fair value (gain) loss on marketable securities	**(227,860)**	(179,994)
Changes in non-cash operating working capital (Note 11)	**317,857**	211,518
Total cash outflows used in operating activities	**(17,327,092)**	(20,939,475)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Notes 5 and 11)	**(462,993)**	(949,054)
Interest received	**176,022**	521,735
Total cash outflows from investing activities	**(286,971)**	(427,319)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering (Note 8(a))	**15,384,795**	-
Unit issue costs (Note 8(a))	**(1,186,051)**	-
Proceeds from exercise of stock options	**445,018**	855,182
Proceeds from exercise of warrants	**333,737**	-
Lease principal payments (Note 7)	**(67,035)**	(56,802)
Interest paid (Note 7)	**(18,055)**	(24,088)
Total cash inflows from financing activities	**14,892,409**	774,292
Effect of foreign currency translation on cash	**(267,226)**	994,432
Decrease in cash	**(2,988,880)**	(19,598,070)
Cash, beginning of year	**11,855,497**	31,453,567
Cash, end of year	**$8,866,617**	$11,855,497

Supplemental cash flow information is provided in Note 11.

The accompany notes form an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

Orezone Gold Corporation (the "Company") was incorporated on December 1, 2008 under the Canada Business Corporations Act and is listed on the TSX Venture Exchange (TSXV) under the symbol ORE (common shares) and ORE.WT (warrants) and on the OTCQX under the symbol ORZCF (common shares). The Company is engaged in the exploration and development of gold properties in Burkina Faso, West Africa, focusing on its 90%-owned flagship Bomboré gold project ("Bomboré" or "Bomboré Project"). The Company's strategic plan is to bring its multi-million ounce Bomboré Project into production by commencing full-scale mine construction in 2021.

The address of the Company's principal office is 1111 Melville Street, Suite 910, Vancouver, British Columbia, Canada V6E 3V6.

References to "$" or "US$" are to United States dollars, references to "C$" are to Canadian dollars, references to "EUR" are to Euro and references to "CFA" are to West African Communauté Financière Africaine francs.

2. BASIS OF PRESENTATION

(a) STATEMENT OF COMPLIANCE

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The significant accounting policies followed in the preparation of these financial statements are presented in Note 3 and have been consistently applied in each of the years presented.

These financial statements were authorized for issue by the Board of Directors on March 26, 2021.

(b) BASIS OF MEASUREMENT

These financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value as disclosed elsewhere in the notes to the financial statements.

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments that may have a significant impact to the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgments and estimates are presented in Note 4.

These financial statements have been prepared on the accounting basis that the Company is a going concern which assumes the Company will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future that may affect the Company which includes, at a minimum, the next twelve months from the end of the reporting period. The Company has released the results of an updated feasibility study ("2019 FS") for the Bomboré Project which included a staged Phase II sulphide expansion. The 2019 FS demonstrates that the Bomboré Project has positive economics under a base case gold price of $1,300/ounce. As disclosed in note 16, subsequent to December 31, 2020, the Company announced the execution of binding term sheets for its project debt and closed an equity financing that, in combination, are expected to fund the Company through mine construction.

The Company has one operating segment, being the acquisition, exploration and development of precious metal properties.

These financial statements are presented in United States dollars, unless otherwise indicated.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by consolidating the financial statements of Orezone Gold Corporation and its subsidiaries, as defined in IFRS 10 *Consolidated Financial Statements*. Subsidiaries are consolidated from the date on which the Company obtains control and continue to be consolidated until control ceases. Control is established when the Company has the power to govern the financial and operating policy decisions of the entity so as to obtain benefits from the entity's activities, and generally exists where more than 50% of the voting power of the entity is held by the Company. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All intercompany transactions and balances are eliminated on consolidation.

(Expressed in United States dollars)

Where the ownership of a subsidiary is less than 100%, and a non-controlling interest exists, any losses of that subsidiary are attributed to the non-controlling interest even if it results in a deficit. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The subsidiaries of the Company and their principal activities as at December 31, 2020 and 2019 were as follows:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Orezone Inc.	British Virgin Islands	100%	Exploration & Development
Orezone Inc. SARL	Burkina Faso	100%	Exploration & Development
Orezone Bomboré SA	Burkina Faso	90%[1]	Exploration & Development
Burkina Resources Inc.	British Virgin Islands	100%	Inactive

[1] *In accordance with the mining laws of Burkina Faso, the Government of Burkina Faso will have a 10% carried equity interest in the company holding the mining permit for any mineral project of the Company in Burkina Faso.*

(b) FOREIGN, FUNCTIONAL, AND PRESENTATION CURRENCIES

The functional currency of each of the Company's entities is determined using the currency of the primary economic environment in which that entity operates. The Company's functional currency is the Canadian dollar while the functional currency of its Burkina Faso subsidiaries is the CFA. The presentation currency of these financial statements is the US dollar.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rate of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at rates prevailing at the reporting dates and are recognized in profit and loss in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purpose of preparing the consolidated financial statements, the assets and liabilities are first expressed in the entity's respective functional currency and translated into the presentation currency using exchange rates prevailing at the reporting date, while the income and expense items are translated at the average exchange rates for the period. Translation differences are recognized in other comprehensive loss and recorded in the "foreign currency translation reserve" included in equity.

(c) FINANCIAL INSTRUMENTS

On initial recognition, a financial asset is classified as: amortized cost, fair value through profit and loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification of financial assets is made in accordance with their contractual cash flow characteristics and the business models under which they are held.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in profit and loss. Gains or losses on equity financial assets classified as FVTOCI remain within accumulated other comprehensive income.

The Company's financial assets are cash, trade and other receivables, deposits, and marketable securities.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current or non-current based on their maturity dates.

Financial assets at FVTPL

Financial assets at FVTPL are initially recognized at fair value and transaction costs are expensed in profit and loss. Realized and unrealized gains and losses arising from changes in fair value of the financial asset held at FVTPL are included in profit and loss in the period in which they arise. Derivatives are also recognized as FVTPL unless they are designated as hedges.

Financial assets at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investment in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment.

Financial Liabilities

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provision of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial liabilities are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to their initial recognition, financial liabilities are measured at amortized cost using the effective interest method.

The Company's financial liabilities are its accounts payable and accrued liabilities and lease liabilities. Financial liabilities are classified as current or non-current based on their maturity dates.

(d) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in interest-bearing accounts with high credit quality financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. The Company does not currently have cash equivalents at December 31, 2020 and 2019.

(e) INVENTORIES

Inventories are measured at the lower of cost and net realizable value and consist of materials and supplies to be consumed in exploration activities. The cost of inventories is based on weighted average cost formula, and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

(f) MINERAL PROPERTIES, PLANT AND EQUIPMENT

Pre-exploration expenditures

Costs during the pre-exploration phase are expensed as incurred in profit and loss.

Exploration and evaluation expenditures

Once the legal right to explore a mineral property has been acquired, costs directly related to the acquisition of the mineral property rights are capitalized and accounted for on either an individual property or area-of-interest basis. Subsequently, the mineral property rights are carried at cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by management, or sale. Purchased mining properties are recognized as assets at their acquisition date fair value if purchased as part of a business combination. Exploration expenditures incurred during the exploration and evaluation phase are expensed as incurred in profit and loss.

Mine development costs

Once the technical feasibility and commercial viability of a mineral property have been established, the property is no longer in the exploration and evaluation phase and is considered to be a mine property under development. Thereafter, costs incurred directly related to mine development and construction are capitalized, including associated acquisition costs, directly attributable administrative or support costs and depreciation of related property, plant and equipment, and are accounted for on either an individual property or area-of-interest basis. Subsequently, the mine properties under development are carried at the aforementioned cost, less any impairment, until such time as the assets are substantially ready for their intended use, being commercial production at operating levels intended by management, or sale.

Technical feasibility and commercial viability are established once all of the following conditions have been met:

- The Company has established a NI 43-101 compliant estimate of property resources and/or reserves;
- The Company has obtained a mining permit or otherwise has the right to extract the resources and/or reserves; and
- The Company has established that it is economically viable to mine the resources and/or reserves. This includes the completion of a NI 43-101 compliant study to a pre-feasibility level at a minimum and binding approval of project financing for the development of the project.

Property, Plant and Equipment

Upon initial acquisition, property, plant and equipment including land are valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. In subsequent periods, property, plant and equipment excluding land are stated at cost less accumulated depreciation and any impairment in value, while land is stated at cost less any impairment in value.

Property, plant and equipment unrelated to production are depreciated using the straight-line method over the estimated useful lives of the assets. Mineral properties are depleted on a unit-of-production basis over mineral reserves or the life of the mine. Land is not depreciated. Where significant components of assets have differing useful lives, depreciation is calculated on each separate component.

Estimates of remaining useful lives and residual values are reviewed annually, with any changes accounted for prospectively.

Depreciation and amortization are provided on a straight-line basis over the following estimated useful lives:

Buildings	5 – 20 years
Field equipment	2 – 10 years
Equipment and furniture	2 – 5 years
Vehicles	3 – 5 years
Capital improvements	2 – 10 years

(g) LEASES

At the commencement date of a lease, the Company recognizes a lease liability and an asset representing the right to use the underlying asset during the lease term (i.e. the “right-of-use” asset) unless the underlying asset has a low value or the lease term is twelve months or less, which are expensed in the period incurred. At this date, the right-of-use asset is measured at cost, which includes the initial amount of the lease liability, adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred and also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset. The right-of-use asset is then depreciated using the straight-line method from the lease commencement date to the earlier of the end of the lease term or the end of the useful life of the asset. The right-of-use asset may also be reduced for any impairment losses, if any.

At the lease commencement date, the lease liability is measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate, which is the rate the Company would pay for similar assets at similar locations over a similar term. The lease liability is measured at amortized cost using the effective interest method.

The lease liability is re-measured when there is a change in future lease payments due to a change in an index or rate, a change in the Company's estimate of an amount payable under residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, termination or extension option. When the lease liability is re-measured, a corresponding adjustment is made to the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(h) REHABILITATION LIABILITIES

The Company is subject to various government laws and regulations and constructive obligations related to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred, including estimated costs of restoration, reclamation and re-vegetation of the affected exploration sites. When the liability is recognized at the present value of the estimated costs, the carrying amount of the capitalized related mining assets is correspondingly increased. Subsequently, the liability is adjusted for changes in the present value based on current market discount rates and liability-specific risks.

The Company does not currently have any rehabilitation liabilities.

(i) IMPAIRMENTS

(1) Financial assets at amortized cost

At each reporting date, the Company assesses whether there has been a significant increase in credit risk that would provide objective evidence that a financial asset at amortized cost is impaired. The Company recognizes a loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

(2) Non-financial assets

At each reporting date, the Company reviews its mineral properties, plant and equipment at the cash generating unit ("CGU") level to determine whether there is any indication that these assets are impaired. If any such indication exists, the recoverable amount of the relevant CGU is estimated in order to determine the extent of impairment. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Company's principal CGU is Bomboré.

Impairment of a CGU is assessed when facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, being the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows associated with the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For fair value less costs to sell, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Discounted cash flow techniques require management to make estimates and assumptions concerning future production revenues and expenses. The determination of discounted cash flows is dependent on many factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures and site rehabilitation costs. If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount with the impairment recognized in profit and loss. As at December 31, 2020 and 2019 and for the years then ended, no facts and circumstances were identified that would suggest the carrying amount of the Bomboré CGU may exceed its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there had been a change in the estimates used to determine the recoverable amount. If an impairment is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, subject to the amount not exceeding the carrying amount that would have been determined had impairment not been recognized for the asset in prior periods. Capitalized mineral property rights are tested for impairment before the assets are transferred to the mineral property costs upon achieving technical and commercial feasibility.

(j) PROVISIONS

Provisions are recognized when the Company has a present obligation, legal or constructive, as a result of past events for which it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the present value of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

(k) INCOME TAXES

Income tax expense consists of current and deferred income taxes and includes all domestic and foreign taxes based on taxable profits. Current and deferred income taxes are included in profit and loss except to the extent that they relate to a business combination or items recognized directly in equity or other comprehensive income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income (loss) for the current period and any adjustment to income taxes payable or receivable in previous periods. Current income taxes are determined based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income taxes are determined using the liability method where there are differences between the carrying amounts and tax bases of assets and liabilities, and unused tax losses and credits. Deferred tax liabilities and assets are measured by applying tax rates that are expected to apply when the amounts are realized or settled respectively, based on enacted or substantively enacted tax rates and laws at the end of the current financial reporting year. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be realized and is later reduced if the Company determines it is no longer probable to be realized. The Company has not currently recognized any deferred tax assets or liabilities. In particular, no deferred tax asset has been recognized in respect of tax loss carry-forwards or deductible temporary differences as it is not probable at the end of the financial reporting year that future taxable profits will be available such that a tax asset can be realized.

(l) SHARE-BASED COMPENSATION

(1) Stock Options

The Company's stock option plans are described in Note 8. Compensation costs are measured at the grant date based on the fair value of the award and are recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. Upon exercise, common shares are issued from treasury and the amount reflected in reserves is credited to share capital, as adjusted for any consideration paid.

The Black-Scholes option pricing model is used to determine the fair value of new grants. This model incorporates subjective assumptions, including volatility and expected life. At the end of each reporting period, the Company revises its estimate of the number of options expected to vest. The impact of the revision, if any, is recognized in profit and loss, with a corresponding adjustment to reserves.

Options issued to non-employees are measured based on the fair value of the services received at the date of receiving those services. If the fair value of the goods or services cannot be estimated reliably, the options are measured by determining the fair value of the options granted using the Black-Scholes option pricing model.

(2) Restricted Share Units

Restricted share units ("RSUs") are measured at grant date based on the fair value of the award. RSUs may be redeemed in shares or cash at the Company's option. The expense for RSUs to be redeemed in shares is recognized on a graded basis over the vesting period in profit and loss, with a corresponding increase to reserves. RSUs to be redeemed in cash are adjusted at each reporting date for changes in fair value. The Company intends to equity settle its RSUs.

(m) SHARE CAPITAL

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issuance of common shares are shown in equity as a deduction from the proceeds of issuance.

(n) EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is computed by dividing the net income (loss) attributable to common shareholders of the Company by the weighted-average number of outstanding common shares for the year.

Diluted earnings (loss) per share is computed by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted-average number of outstanding common shares for the year including all additional common shares that would have been outstanding if potentially dilutive equity instruments were converted to common shares. The weighted average number of common shares used to calculate the dilutive effect assumes that the proceeds that could be obtained upon exercise of stock options and warrants would be used to purchase common shares at the average market price during the period.

In periods where a net loss is incurred, basic and diluted loss per share is the same as the effect of outstanding stock options, warrants, and restricted share units would be anti-dilutive.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the application of accounting policies and the reported amounts of assets, liabilities and expenses. Actuals outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

Significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and efforts to contain it have had a significant effect on commodity prices and capital markets. We have adopted certain procedures to respond to COVID-19, and to date, our operations have not been significantly impacted, nor have any of the significant estimates or judgments used in these consolidated financial statements.

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* based on the primary economic environment in which the entities operate and has determined that the current functional currency of all entities is the Canadian dollar except for its subsidiaries, Orezone Inc. SARL and Orezone Bomboré SA, which have a current functional currency of the CFA.

Exploration and evaluation expenditures within Mineral Properties, Plant and Equipment

(Expressed in United States dollars)

The Company expenses exploration and evaluation expenditures during the exploration and evaluation phase. Once the technical feasibility and commercial viability of a mineral property have been established, the property is no longer in the exploration and evaluation phase and is now a mine property under development. Thereafter, costs incurred on mine development and construction are capitalized.

With the release of the updated feasibility study in 2019 on Bomboré, the Company assessed whether the technical feasibility and commercial viability of Bomboré had been established. Management concluded that the commercial viability has not yet been achieved as project financing is not yet reasonably advanced to provide adequate assurance that Bomboré will be fully financed into commercial production. As disclosed in note 16, subsequent to December 31, 2020, this was achieved following binding approval of project financing for the development of Bomboré.

Current income taxes

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

Share-based compensation related to stock options

Management assesses the fair value of stock options 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.

5. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment	**As at December 31, 2020**	As at December 31, 2019
	$	$
Cost, beginning of year	**9,094,212**	7,741,656
Additions	**160,008**	1,500,056
Disposals	**(22,345)**	(126,483)
Foreign currency translation	**783,771**	(21,017)
Cost, end of year	**10,015,646**	9,094,212
Accumulated depreciation, beginning of year	**6,028,245**	5,556,803
Depreciation	**847,808**	624,793
Disposals	**(22,345)**	(126,483)
Foreign currency translation	**610,553**	(26,868)
Accumulated depreciation, end of year	**7,464,261**	6,028,245
Carrying amounts, beginning of year	**3,065,967**	2,184,853
Carrying amounts, end of year	**2,551,385**	3,065,967

(Expressed in United States dollars)

Assets not subject to depreciation	Land	Mineral property rights	Construction in progress	Total
	$	$	$	$
Cost, being carrying amount				
Balance, January 1, 2019	**156,581**	**692,318**	**304,495**	**1,153,394**
Additions	-	-	245,360	245,360
Transfers	-	-	(544,416)	(544,416)
Foreign currency translation	(2,700)	28,616	(5,439)	20,477
Balance, December 31, 2019	**153,881**	**720,934**	**-**	**874,815**
Foreign currency translation	14,398	19,892	-	34,290
Balance, December 31, 2020	**168,279**	**740,826**	**-**	**909,105**

Assets subject to depreciation	Building	Capital improve-ments	Field equipment	Vehicles	Equipment and furniture	Total
	$	$	$	$	$	$
Cost						
Balance, January 1, 2019	**2,167,129**	**1,379,049**	**2,169,650**	**502,726**	**369,708**	**6,588,262**
Additions	461,644	95,934	4,774	203,441	488,903	1,254,696
Disposals	-	-	(19,810)	(4,720)	(101,953)	(126,483)
Transfers from CIP	498,370	10,200	32,232	-	3,614	544,416
Foreign currency translation	(34,435)	(23,495)	20,854	(10,584)	6,166	(41,494)
Balance, December 31, 2019	**3,092,708**	**1,461,688**	**2,207,700**	**690,863**	**766,438**	**8,219,397**
Additions	-	122,690	-	-	37,318	160,008
Disposals	-	(18,268)	-	(4,077)	-	(22,345)
Foreign currency translation	269,640	143,155	203,392	64,642	68,652	749,481
Balance, December 31, 2020	**3,362,348**	**1,709,265**	**2,411,092**	**751,428**	**872,408**	**9,106,541**
Accumulated depreciation						
Balance, January 1, 2019	**1,761,909**	**1,277,904**	**1,782,128**	**499,925**	**234,937**	**5,556,803**
Depreciation for the year	294,478	36,917	92,378	63,799	137,221	624,793
Disposals	-	-	(19,810)	(4,720)	(101,953)	(126,483)
Foreign currency translation	(28,396)	(21,887)	29,132	(6,681)	964	(26,868)
Balance, December 31, 2019	**2,027,991**	**1,292,934**	**1,883,828**	**552,323**	**271,169**	**6,028,245**
Depreciation for the year	351,364	57,008	120,254	64,641	254,541	847,808
Disposals	-	(18,268)	-	(4,077)	-	(22,345)
Foreign currency translation	211,200	125,317	175,730	56,810	41,496	610,553
Balance, December 31, 2020	**2,590,555**	**1,456,991**	**2,179,812**	**669,697**	**567,206**	**7,464,261**
Carrying amounts as at						
December 31, 2019	1,064,717	168,754	323,872	138,540	495,269	2,191,152
December 31, 2020	**771,793**	**252,274**	**231,280**	**81,731**	**305,202**	**1,642,280**

Bomboré, Burkina Faso

The Company’s only material mineral property right is the Bomboré gold project.

The Bomboré project consists of the mining permit (28.9 km²) and four exploration permits; Bomboré II (17.2 km²), Bomboré III (45.5 km²), Bomboré IV (11.6 km²) and Bomboré V (46.2 km²).

(Expressed in United States dollars)

The Bomboré II, Bomboré III and Bomboré IV permits were renewed in 2020 for an additional three-year term expiring on January 16, 2023. On November 24, 2020, a new exploration permit ("Bomboré V") was issued covering the area under the former Toéyoko permit, which expired during the year, and not included in the expanded mining permit.

On November 23, 2020 Burkina Faso's National Commission of Mines approved the modification of the Bomboré mining permit to include all aspects of the future Phase II expansion. The approval encompasses the Phase II mining and processing of higher-grade fresh rock and lower transition reserves, and the high-grade P17S deposit, in addition to the Phase I oxide reserves covered under the original mining permit. The Company received the official government decree for the expanded Bomboré mining permit on March 23, 2021.

6. MARKETABLE SECURITIES

At December 31, 2020, the Company's marketable securities consist of 3.2 million Sarama Resources Ltd. ("Sarama") common shares (December 31, 2019 – 9.6 million). The number of shares held at December 31, 2020 incorporates a 3:1 share consolidation by Sarama on October 7, 2020.

7. LEASES

The Company's right-of-use assets are included in mineral properties, plant and equipment.

	Building	Equipment and furniture	Total
January 1, 2019	**$261,819**	**$17,024**	**$278,843**
Depreciation for the year	(63,437)	(5,685)	(69,122)
Foreign currency translation	11,248	377	11,625
Balance, December 31, 2019	**$209,630**	**$11,716**	**$221,346**
Depreciation for the year	(64,171)	(5,892)	(70,063)
Foreign currency translation	2,800	285	3,085
Balance, December 31, 2020	**$148,259**	**$6,109**	**$154,368**

Lease liabilities recognized at December 31, 2020 and 2019 are as follows:

	2020	2019
Lease liabilities as at January 1	**$230,780**	**$278,843**
Payments of lease liabilities	(85,090)	(80,890)
Interest expense on lease liabilities	18,055	24,088
Foreign currency translation	3,887	8,739
Lease liabilities as at December 31	**$167,632**	**$230,780**

During the year ended December 31, 2020, the Company made lease payments of $497,871 (2019: $292,934) of which $412,781 (2019: $212,044) related to short-term leases.

8. SHARE CAPITAL

(a) CAPITAL STOCK

Authorized capital stock consists of an unlimited number of common shares, without par value.

On January 29, 2020, the Company closed a bought-deal public offering of 37,595,900 units at a price of C$0.54 per unit ("Units") for gross proceeds of C$20,301,786 ($15,384,795) and net proceeds of C$18,736,673 ($14,198,744) after underwriter commissions, legal fees, and other offering expenses. Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole share purchase warrant, a "Warrant").

(Expressed in United States dollars)

The Company has allocated the gross proceeds from the unit issuance between the common shares and warrants using their relative fair values with unit issuance costs allocated on the same basis.

(b) STOCK OPTIONS

The equity compensation plans which the Company has in place are the 2009 Stock Option Plan ("2009 Plan") that was re-approved by the shareholders at the Annual and Special Meeting of Shareholders on June 11, 2015 and the 2016 Stock Option Plan ("2016 Plan") that was adopted by the Company in connection with the Company's voluntary move from the TSX to the TSXV in December 2015. The Company's 2016 Plan is a 10% "rolling" plan and, under the policies of the TSXV, must be approved on an annual basis by the shareholders of the Company. The number of shares reserved for issuance under the 2009 Plan and the 2016 Plan combined shall not exceed 10% of the Company's issued and outstanding common shares on a non-diluted basis. The 2016 Plan allows for options to be issued to directors, officers, employees and consultants of the Company or a subsidiary of the Company. Options granted must be exercised no more than ten years from the date of grant or such lesser period as may be determined by the Company's board of directors and in accordance with the policies of the TSXV. The board of directors also determines the time period during which options shall vest and the method of vesting which are also subject to the policies of the TSXV.

The following table summarizes the number of stock options that the Company has outstanding at December 31, 2020 including details of options granted, exercised, expired and forfeited during the year:

				Activity during the year				
Grant date	**Expiry date**	**Exercise price**	**Opening balance**	**Granted**	**Exercised**	**Expired/ Forfeited**	**Closing balance**	**Vested and exercisable**
		C$	**#**	**#**	**#**	**#**	**#**	**#**
07/08/2010	07/08/2020	0.85	295,000	-	295,000	-	-	-
10/21/2010	10/21/2020	2.35	200,000	-	-	200,000	-	-
02/08/2016	02/08/2026	0.30	1,405,000	-	425,000	-	980,000	980,000
06/23/2017	06/23/2027	0.78	4,500,000	-	-	300,000	4,200,000	4,200,000
07/17/2017	07/17/2027	0.78	300,000	-	-	-	300,000	300,000
01/11/2018	01/11/2028	0.81	1,293,505	-	-	100,005	1,193,500	1,193,500
07/23/2018	07/23/2023	0.80	2,968,333	-	-	288,333	2,680,000	2,680,000
02/21/2019	02/21/2024	0.53	3,815,000	-	290,002	266,666	3,258,332	2,120,006
04/17/2019	04/17/2024	0.53	600,000	-	-	-	600,000	400,000
04/23/2019	04/23/2024	0.53	200,000	-	-	-	200,000	133,333
11/21/2019	11/04/2024	0.62	800,000	-	-	-	800,000	533,332
05/05/2020	05/05/2025	0.54	-	5,167,000	119,998	83,334	4,963,668	1,602,326
2020 Totals			**16,376,838**	**5,167,000**	**1,130,000**	**1,238,338**	**19,175,500**	**14,142,497**
Weighted average exercise price			**C$0.69**	**C$0.54**	**C$0.53**	**C$0.97**	**C$0.64**	**C$0.67**
2019 Totals			16,431,000	5,665,000	3,037,500	2,681,662	16,376,838	11,457,383
Weighted average exercise price			C$0.68	C$0.54	C$0.38	C$0.69	C$0.69	C$0.72

The outstanding options as at December 31, 2020 have a weighted average remaining contractual life of 4.53 years (2019 – 4.42 years).

The Black-Scholes option valuation model input factors for stock options granted in 2019 and 2020 were as follows:

(Expressed in United States dollars)

				Weighted average value per stock option				
Grant date	**Expiry date**	**Grant date market price**	**Exercise price**	**Risk-free interest rate**	**Expected life**	**Expected volatility**	**Dividend yield**	**Grant date fair value**
		C$	C$	%	(in years)	%	%	C$
02/21/2019	02/21/2024	0.53	0.53	1.81	2.8	69.05	-	0.24
04/17/2019	04/17/2024	0.48	0.53	1.47	2.7	64.53	-	0.18
04/23/2019	04/23/2024	0.47	0.53	1.47	2.0	53.99	-	0.12
11/21/2019	11/04/2024	0.62	0.62	1.59	3.0	57.92	-	0.25
05/05/2020	05/05/2025	0.53	0.54	0.66	3.0	63.96	-	0.22

(c) WARRANTS

On January 29, 2020, pursuant to the bought-deal public offering disclosed in Note 8(a), the Company issued 18,797,950 Warrants. Each Warrant entitles the holder to acquire one common share of the Company until January 29, 2023 at an exercise price of C$0.80. The Warrants have been listed for trading on the TSXV under the symbol ORE.WT. The Company has allocated the gross proceeds from the unit issuance between the common shares and warrants using their relative fair values with unit issuance costs allocated on the same basis.

As at December 31, 2020, 18,247,450 warrants are outstanding. During the year ended December 31, 2020, 550,500 warrants were exercised for proceeds of $333,737. The weighted average remaining contractual life of the warrants is 2.08 years.

(d) RESTRICTED SHARE UNITS (“RSUs”)

On December 10, 2020, the Company granted 1,207,000 RSUs to officers and employees of the Company. Each RSU is redeemable into one common share of the Company upon vesting. The RSUs will vest in two equal installments on the first and second anniversaries from the date of grant. The fair value of each RSU on grant date was C$0.91.

As at December 31, 2020, 1,207,000 RSUs are outstanding.

9. NATURE OF EXPENSES

Exploration and evaluation costs and general and administrative costs for the years ended December 31 were as follows:

	2020	2019
Salaries and employee costs	**$4,120,141**	$3,739,958
Exploration and development studies	**217,385**	2,587,871
Resettlement Action Plan implementation	**7,090,067**	7,703,273
General, camp, infrastructure and other	**2,757,597**	3,134,743
Drilling and assaying	**380,963**	159,216
Total exploration and evaluation costs	**$14,566,153**	$17,325,061
Salaries and employee costs	**$1,725,615**	$2,140,359
Professional fees	**713,984**	819,878
Public company costs	**278,513**	281,013
General and office costs	**221,199**	469,200
Investor relations	**139,485**	115,482
Total general and administrative costs	**$3,078,796**	$3,825,932

The Resettlement Action Plan (“RAP”) implementation relates to the relocation of several villages to eight nearby resettlement sites required to access key areas for construction within the project’s mining lease.

(Expressed in United States dollars)

10. INCOME TAXES

The provision for income taxes differs from the expected amount calculated using the combined Canadian federal and provincial statutory income tax rates as follows:

	2020	2019
Loss before income taxes	**($19,107,215)**	($22,422,095)
Statutory Canadian federal and provincial tax rates	27.0%	27.0%
Expected income tax recovery	**5,158,948**	6,053,966
Effect of income taxes recorded at rates other the Canadian income tax rate	**135,156**	129,751
Effect of changes in income tax rates	**-**	-
Effect of expenses that are not deductible for tax purposes	**(156,531)**	(655,695)
Unrecognized change in deductible temporary differences	**(26,224)**	(17,310)
Unrecognized change in share issuance costs	**(183,147)**	58,553
Unrecognized change in Canadian non-capital loss carry-forwards	**(966,436)**	(976,444)
Unrecognized change in foreign resource-related income tax deductions	**(3,961,766)**	(4,600,307)
Other	**-**	7,486
Income tax expense	**$-**	$-

The following deferred tax assets have not been recognized as it is not considered probable that sufficient future taxable profit will be generated to allow these assets to be recovered as at the following dates:

As at	**December 31, 2020**	December 31, 2019
Canadian non-capital loss carry-forwards	**$7,407,825**	$6,017,702
Foreign resource-related income tax deductions	**37,788,731**	30,456,839
Unamortized share issuance costs deductible for tax purposes	**331,514**	141,703
	$45,528,070	$36,616,244

If not utilized, these Canadian non-capital loss carry-forwards expire between 2029 and 2038. The unamortized share issuance costs as at December 31, 2020 will be deductible for Canadian income tax purposes between 2020 and 2022.

The resource-related deductions generated by the Company’s foreign subsidiaries are available to reduce future income taxes in Burkina Faso over an indefinite period. These deductions are tracked by project and can be applied to reduce future profit earned in Burkina Faso on the same respective projects should they be taken into production or can be used to offset taxable gains associated with associated permit sales if such a sale is undertaken. The effective corporate income tax rate in Burkina Faso is 27.5% (2019 – 27.5%).

11. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental details of the changes in non-cash working capital for the years ended December 31 were as follows:

	2020	2019
Changes in non-cash working capital impacting cash flows from operating activities were as follows:		
Trade and other receivables	**$8,241**	$38,873
Inventories	**(35,611)**	(90,486)
Prepaid expenses and deposits	**772,114**	(249,830)
Accounts payable and accrued liabilities	**(426,887)**	512,961
	$317,857	$211,518

Changes in non-cash working capital impacting cash flows from investing activities were as follows:

Trade and other receivables, related to interest received	**$14,326**	$31,896
Prepaid expenses and deposits, related to property, plant and equipment	**(76,175)**	161,937
Accounts payable, related to property, plant and equipment	**(226,810)**	99,531

12. FINANCIAL INSTRUMENTS AND RISKS

The Company's existing operations involve the exploration and development of its Bomboré gold project in Burkina Faso which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, liquidity risk, credit risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

(a) Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars, United States dollars, Euros, and CFA. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The US dollar equivalent of the Company's financial instruments by originating denomination currency was as follows:

As at December 31, 2020	**US$**	**C$**	**EUR & CFA[1]**	**Total**
Financial assets				
Cash	$71,199	$8,281,072	$514,346	$8,866,617
Trade and other receivables	2,436	17,495	66	19,997
Deposits	22,156	46,865	124,026	193,047
Marketable securities	-	791,021	-	791,021
	$95,791	$9,136,453	$638,438	$9,870,682
Financial liabilities				
Accounts payable and accrued liabilities	301,907	298,892	2,405,943	3,006,742
Lease liabilities	-	166,136	1,496	167,632
Net financial instruments	**($206,116)**	**$8,671,425**	**($1,769,001)**	**$6,696,308**

As at December 31, 2019	US$	C$	EUR & CFA[1]	Total
Financial assets				
Cash	$224,939	$10,846,293	$784,265	$11,855,497
Trade and other receivables	2,721	24,661	641	28,023
Deposits	3,547	11,146	762,042	776,735
Marketable securities	-	516,213	-	516,213
	$231,207	$11,398,313	$1,546,948	$13,176,468
Financial liabilities				
Accounts payable and accrued liabilities	302,017	226,459	3,003,129	3,531,605
Lease liabilities	-	226,864	3,916	230,780
Net financial instruments	**($70,810)**	**$10,944,990**	**($1,460,097)**	**$9,414,083**

A 10% weakening against the US dollar of the currencies to which the Company had exposure would have had the following effects (a 10% strengthening against the US dollar would have had the opposite effect):

[1] *The financial instruments held in EUR and CFA have been presented together as the CFA is pegged to the EUR.*

(Expressed in United States dollars)

As at	Dec. 31 2020	Dec. 31, 2019
C$	**($867,143)**	($1,094,499)
EUR & CFA	**$176,900**	$146,010

The Company is also exposed to foreign currency risk on the CFA currency held, as the peg rate to the EUR is periodically reviewed and could be adjusted which may result in a devaluation of currency on hand. The Company manages this risk by minimizing the amount of CFA held and by monitoring for any available information concerning a possible adjustment to the peg rate prior to its implementation.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations as they fall due. The Company manages its liquidity by preparing cash flow forecasts on a regular basis to assess whether the Company will likely have sufficient cash resources to meet its future operational and working capital requirements.

As the Company is in the exploration and pre-development stage, the Company will periodically need to raise funds to continue operations. As disclosed in note 16, subsequent to year-end the Company announced the execution of binding term sheets for its project debt and closed an equity financing that, in combination, are expected to fund the Company through mine construction.

(c) Credit risk

The Company's cash and trade and other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments will fail to discharge their obligations to the Company. The amount of credit risk to which the Company is exposed is considered insignificant as the majority of the Company's cash is held with a large Canadian chartered bank in interest-bearing accounts and from the limited carrying amount of trade and other receivables.

(d) Fair value measurements

The fair value of a financial instrument is measured within a "fair value hierarchy" that prioritizes the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2: Valuation techniques using input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3: Valuation techniques using inputs for the asset or liability that are not based on observable market data.

The following table sets forth the Company's financial instruments measured at fair value by level within the fair value hierarchy:

	Level 1	Dec. 31, 2020	Level 1	Dec. 31, 2019
	$	**$**	$	$
Cash	**8,866,617**	**8,866,617**	11,855,497	11,855,497
Marketable securities	**791,021**	**791,021**	516,213	516,213

The fair value of the Company's trade and other receivables, deposits, and accounts payable and accrued liabilities approximate their carrying value due to the short-term nature of these balances. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of each reporting period. The Company does not have any financial assets or liabilities measured at and recognized at fair value on a non-recurring basis.

(Expressed in United States dollars)

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or acquire new debt. The Company does not currently pay dividends.

The realization of the Company's long-range strategic objectives is dependent on its ability to raise financing from lenders, shareholders and other financiers. Management continues to regularly review and consider financing alternatives to fund the Company's future exploration and development efforts.

The Company considers the components of shareholders' equity to be its capital. The Company is not subject to any externally imposed capital requirements.

14. COMMITMENTS

As at December 31, 2020, the Company had contractual obligations of $69,000 (2019 – $1,547,000). The following table summarizes the remaining contractual maturities of the Company's operating and capital commitments at December 31, 2020, shown in contractual undiscounted cashflows:

	2020
Less than one year	**$69,000**
Between one and five years	**-**
Thereafter	**-**
	$69,000

15. KEY MANAGEMENT COMPENSATION

Key management and director compensation for the years ended December 31 was as follows:

	2020	2019
Short-term key management personnel compensation and benefits and director fees	**$1,285,476**	$1,378,340
Key management personnel termination benefits	**-**	307,431
Share-based compensation	**$750,668**	1,052,935
	$2,036,144	$2,738,706

16. SUBSEQUENT EVENTS

On January 21, 2021, the Company announced the signing of binding term sheets for project debt consisting of a CFA 52.5 billion (approximately $96 million) senior secured debt facility with Coris Bank International with interest rates of 8.0% and 9.0% and a $35 million 8.5% convertible note with Resource Capital Fund VII L.P. and Beedie Investments Ltd.

On January 28, 2021, the Company completed a bought deal equity financing whereby the Company issued 70,242,500 common shares at a price of C$1.05 per share for gross proceeds of C$73,754,625.

On February 16, 2021, 500,000 stock options and 100,000 RSUs were issued. The stock options are exercisable at C$1.05. On February 8, 2021, 23,334 and 11,666 stock options were exercised at an exercise price of C$0.54 and C$0.53, respectively.

On March 1, 2021, the Company announced the signing of a binding letter of intent for a silver streaming agreement with EURO Ressources S.A. to sell 50% of the future payable silver production from the Bomboré Project for an upfront cash payment of $7,150,000.