



**OREZONE GOLD CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THREE MONTHS ENDED MARCH 31, 2021**

This Management's Discussion and Analysis ("MD&A") was prepared by management, and was reviewed and approved by the Board of Directors ("Board") on May 27, 2021, the date of this MD&A. The following discussion of performance, financial condition, and future prospects should be read in conjunction with the condensed consolidated interim financial statements for the three months ended March 31, 2021 ("Interim Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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" or "XOF" are to West African 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, "m" means metres, and "oz" means troy ounces.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out 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 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 MD&A.

## Corporate Information

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The Company was incorporated on December 1, 2008 under the Canada Business Corporations Act and has a Tier 1 listing on the TSX Venture Exchange ("TSXV") with its common shares and warrants trading under the symbols "ORE" and "ORE.WT", respectively. The Company's common shares also trade on the OTCQX market under the symbol "ORZCF".

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. On January 21, 2021, the Company announced the execution of binding term sheets for its project debt and equity financing that, in combination, are expected to fund the Company through mine construction and into commercial production.

## Q1-2021 Highlights

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### 1. Project Financing

- On January 21, 2021, the Company announced it had secured a financing package totalling \$182M and consisting of \$96M in senior secured loans, a \$35M convertible note, and a \$51M bought-deal equity offering to fund Bomboré into production. Refer to "Project Debt Facilities for Bomboré" section below for more details on the debt component of the financings.
- On January 28, 2021, the Company closed the bought-deal equity financing, including an overallotment exercise by the underwriters, for aggregate gross proceeds of C\$73.8M (\$57.5M) by issuing 70,242,500 common shares at C\$1.05 per share.
- On March 1, 2021, the Company announced the signing of a binding letter of intent for a stream agreement with Euro Ressources S.A. ("ERSA") to sell 50% of future silver production from Bomboré for \$7.15M.

### 2. Bomboré Development and Construction Activities

- The Company achieved the following key development milestones and activities in Q1-2021 towards its goal of pouring first gold by Q3-2022:
  - (a) *Mining Contractor Mobilization*: The Company selected Sila Equipement ET BTP SA ("Sila"), an established Burkinabé company, as its mining contractor. Sila organized manpower and equipment to site in February 2021 to commence preparatory ground works (e.g. clear and grub, and topsoil relocation) over the Off-Channel Reservoir ("OCR") footprint in anticipation for the scheduled start of mining in April 2021.
  - (b) *Award of EPCM Contract to Lycopodium*: The Company awarded the engineering, procurement, and construction management ("EPCM") contract for the process plant construction and commissioning to Lycopodium Minerals Pty Ltd. ("Lycopodium"), an EPCM firm with a long track record of success on similar

projects in West Africa. Detailed engineering and procurement of long-lead equipment commenced in January 2021.

- (c) *Ordering of Long-lead Ball Mill:* In early March 2021, the Company placed the purchase order for the ball mill, the long lead item on the project schedule's critical path. Fabrication times provided by the vendor is ahead of those estimated in the project schedule.
- (d) *Ordering of Other Mechanical Equipment and Bulks:* The Company has also placed firm purchase orders for a significant number of pieces of mechanical equipment including the mineral sizer, apron feeder, CIL agitators, inter-tank screens, cyclones, compressors and blowers, carbon re-generation kiln, and electrowinning cells. In addition, orders have been placed for CIL tank plating, concrete re-enforcing bar and HDPE liner for the tailings storage facility ("TSF"). Early placement of these orders has significantly reduced the risk of cost creep due to the increasing cost of raw materials. Fabrication times provided by these suppliers are generally well within those estimated in the project schedule.
- (e) *Signed Letter of Intent for Power Plant:* In February 2021, the Company signed a letter of intent for the Bomboré power plant under a build-own-operate ("BOO") arrangement with a proven independent power producer ("IPP") with extensive operations in West Africa.
- (f) *Recruitment of Owner's Project Development Team:* The Company hired additional experienced site-based personnel in construction, mining, supply chain, and project controls and will on-board these new employees in Q2-2021.
- (g) *Commencement of Early-Stage Bulk Earthworks:* The Company has direct hired several pieces of earth moving equipment and commenced the early stage earthworks for the TSF, site water management structures, and plant site. This early commencement will ensure all of this work will be completed before the start of the 2021 rainy season, and that all areas will be ready on or ahead of schedule for the construction of the process plant and ancillary facilities.

- Refer to "*Bomboré Project Development Activities*" section below for more details.

### **3. Phase I Resettlement Action Plan ("RAP")**

- Relocation of families into their new resettlement homes was completed in Q1-2021 following the finalization of construction of the nearby resettlement villages in Q4-2020.
- Completion of Phase I RAP has now opened access within the mining permit for all major areas required for the construction of the process plant, surface infrastructure, TSF, and OCR.

### **4. Bomboré Phase II Expansion Permitting**

- On March 23, 2021, the Company received the official government decree for the expanded Bomboré mining permit covering all aspects of the future Phase II Expansion. The decree is the culmination of the environment and social impact assessment ("ESIA") approval by the Ministry of Environmental and Sustainable Development in April 2020 and the successful technical review by Burkina Faso's National Commission of Mines in July 2020.
- The Phase II Expansion encompasses the 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.

## **2021 Outlook**

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The Company's near-term strategic focus is to advance the Bomboré gold mine into production by Q3-2022 within the \$189M of committed financing announced for the project. Once ore commissioning commences, the Company expects the process plant will achieve a fast ramp-up to its nameplate capacity of 5.2M tonnes per annum ("tpa") based on Lycopodium's successful track record on similar past projects and on the proposed circuit's simple and proven designs. The Company expects to reach commercial production in Q4-2022.

The current implementation schedule for the construction of the Bomboré process plant and surface infrastructure is 19 months from start of engineering by Lycopodium in January 2021. The project's capital budget and construction timeline from those estimated in the 2019 feasibility study are being updated as part of the first phase of detailed engineering and is scheduled for completion and release by the end of Q2-2021.

For 2021, the Company's objectives are centred on the following activities:

1. Close the senior secured debt, convertible note facility, and the sale of the Bomboré silver stream concurrently in Q3-2021 (*revised from Q2-2021 in order to finalize inter-creditor agreement among the financing parties and to seek shareholder approval for the convertible note issuance*).
2. Commence pre-production mining of the OCR in March 2021 to ensure the OCR is ready for water intake and storage before the onset of the 2022 rainy season.
3. Order the ball mill and all other critical long-lead items in H1-2021 to ensure the project schedule remains on track.
4. Complete detailed engineering and award all major equipment and contract packages before the end of 2021.
5. Finalize the power purchase agreement with the preferred IPP by Q2-2021 to allow for power plant installation at site prior to the commencement of the process plant commissioning in 2022.
6. Complete early civil works to provide for year-round access to all construction areas, and additional camp upgrades to meet peak construction occupancy, and begin site-wide bulk earthworks by the end of H1-2021 to facilitate the start of the process plant erection in H2-2021.
7. Start site preparation and initial embankment raise of the TSF.
8. Complete recruitment of the Owner's project development team.
9. Commence exploratory drilling on high-priority oxide and sulphide targets to extend Bomboré expansion potential.

The Company is currently on track to complete all of the above 2021 objectives based on project progress achieved to-date (see sections below for more details). As a result, the Company believes its schedule for first gold by Q3-2022 remains well founded.

### **Bomboré Project Development Activities**

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In Q1-2021, the Company advanced the development and construction of the Bomboré mine on several fronts. The tasks accomplished include:

- *OCR Mining:* In February 2021, Sila began mobilizing equipment and personnel to Bomboré to establish the mine site services and to prepare the OCR pit for mining. Mining of the first bench of the OCR commenced in late March 2021. In parallel, the Company expanded its mining team through recruitment in the areas of mine planning, grade control, surveying, and mine supervision. Sila is continuing its efforts to mobilize additional heavy equipment, to add and train new operators, and to complete the establishment of mine site services to ready the transition to continuous mining later in Q2-2021. Sila is currently operating on a day shift basis during its ramp-up period.
- *OCR Grade Control ("GC") program:* Assays results for the 19,759 metre GC drilling program were received and analyzed in Q1-2021, and incorporated into the OCR grade control model to assist with short-term mine planning.
- *Detailed Engineering and Design:* Lycopodium kicked-off engineering and design in early January 2021 and has worked closely with the Company's technical team in reviewing incremental design changes to optimize the plant's overall functionality and reliability. These design changes to-date include the introduction of a mineral sizer in the front-end feed circuit and the removal of the tails thickener using Lycopodium's field knowledge on similar past projects that have successfully commissioned into operations. Progress on layout designs has also identified opportunities to reduce steelwork and concrete quantities from those estimated in the 2019 feasibility study. Engineering activities for the process plant, TSF, and surface water management systems are progressing well.
- *Procurement and Logistics:* The procurement of longer-lead equipment was prioritized to ensure delivery dates did not impact the project schedule. The Company's first order of the ball mill was placed with a well-known supplier in early March 2021. Additional equipment and bulks have been subsequently awarded including the mineral sizer, apron feeder, CIL inter-tank screens and agitators, cyclone clusters, air compressors and blowers, carbon regeneration kiln, electrowinning cells, structural steel, tank platework, and HDPE liners. Early placement of equipment orders has reduced the risk of cost overruns due to escalating costs for bulk materials stemming from the rapid rise in raw material prices.
- *Power Plant:* The Company has significantly advanced all work to conclude the power purchase agreement ("PPA") with its chosen power provider upon the signing of a letter of intent in February 2021. The power plant will be operated under a BOO arrangement utilizing a clean energy solution that will offer power costs at favourable tariff rates to current

power generation costs at other mining operations in the region. The Company anticipates the signing of the PPA imminently. In the interim, the Company and the IPP continue to advance technical work to ensure the delivery and installation of the power plant remains on schedule.

- *Site earthworks and camp infrastructure:* The Company has commenced site-wide earthworks in several areas including: (i) clearing and grubbing of the TSF and process plant footprints; and (ii) construction of the Nobsin River haul bridge, plant and mine access roads, and temporary water collection and storage ponds. The Company is also advancing work on camp expansion upgrades including three new accommodation blocks, laundry room, and new offices. The Company expects these works under construction will be substantially complete by the end of Q2-2021 ahead of large construction deliveries and site mobilization by Lycopodium and other major contractors.
- *Recruitment of Site-Based Construction Team:* Hiring of personnel familiar with the construction of mining projects in Africa is ongoing. During Q1-2021, the Company added two new hires into senior project positions (civil superintendent and contracts manager) and subsequent to quarter-end, the Company filled other key openings (construction manager, senior construction engineer, chief earthwork surveyor, project planner and scheduler, and supply chain manager). The Company believes that it has now assembled the requisite Owner's team to successfully execute on the construction of Bomboré.

For the upcoming quarter, the Company expects to complete the following main engineering and construction activities:

- Award key contracts for transport and logistics and concrete works.
- Continue to accelerate procurement, where possible, of remaining bulks and equipment packages to provide better cost certainty, and negotiate vendor discounts to ensure best pricing.
- Complete substantially the site earthworks, civil structures, and camp upgrades vital to an orderly start of process plant and TSF construction in the H2-2021.
- Orientation and integration of new construction team members and start mobilization of Lycopodium construction team.

The Company will provide regular updates on the measured progress on detailed engineering, procurement activities, and construction milestones as development advances during the 2021-2022 construction period.

Management believes the early work completed in late 2020 and the steps already undertaken in 2021 will assist the Company in reaching its goal of pouring first gold by Q3-2022 under an accelerated project schedule of 19 months. The Company's guidance to first gold assumes that the risk of COVID-19 will not have a material effect on the normal movement of workers and contractors, delivery times, supply routes, and fabrication schedules. With the rollout of COVID-19 vaccinations worldwide and the later start of the primary fieldwork in the H2-2021, the Company believes it has a reasonable basis for this assumption.

### **Project Debt Facilities for Bomboré**

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In January 2021, the Company entered into binding commitments for \$131M of project debt for the development of the Bomboré gold mine. The project debt commitments consist of:

- a) \$96 million (XOF 52.5 billion) senior secured debt facility with Coris Bank International ("Coris Bank") ("Senior Debt Facility"), and
- b) \$35 million, 8.5% convertible note with Resource Capital Fund VII L.P. ("RCF VII") and Beedie Investments Ltd. ("Convertible Note Facility").

The Senior Debt Facility is a project-level debt and is divided into a Medium-term loan and a Short-term loan. The loans are denominated in XOF which will provide a natural currency hedge for local costs during construction.

The medium-term loan of \$64M (XOF 35.0 billion) has a term of 5 years, bears interest of 9.0% per annum, and is available for drawdown to June 30, 2022 with first drawdown by December 31, 2021. Principal repayments are deferred for the first 24 months and early repayments are permitted in the remaining years subject to a prepayment penalty of between 2% to 3%.

The short-term loan of \$32M (XOF 17.5 billion) has a term of 12 months from first drawdown, bears interest at 8.0% per annum, and is available to September 30, 2022 with first drawdown to commence only after the full drawdown of the Medium-term loan.

The Convertible Note Facility has a term of 5 years, bears interest of 8.5% per annum, and is available in one single drawdown to September 30, 2021. Interest is payable up to 75% in common shares at the option of the Company and is convertible at the option of the lenders at any time at the conversion share price of \$1.08 ("Conversion Price"). The note is non-callable with

principal due only at maturity. The Company may elect to convert up to 50% of the outstanding principal at the Conversion Price when commercial production has been achieved and if over 20 consecutive trading days within three months from the proposed date of conversion, the VWAP of the Company's common shares exceeds a 50% premium to the Conversion Price.

Both loan facilities are free of any hedging, cost overrun reserves, cash sweeps, royalties, streams, production payments, and metal offtakes. In addition, the debt covenants are moderate and accommodates the reinvestment of operating cashflows into the Phase II sulphide expansion during the terms of the loans.

Conditions precedent to loan drawdowns include execution and delivery of final loan documentation, security registration, and other customary conditions, including sufficiency of undrawn project debt to fully fund remaining construction. The Company will be seeking shareholder approval for the Convertible Note Facility to be issued to RCF VII as the conversion of such note into common shares of the Company could result in the creation of a new "Control Person", as such term is defined in the policies of the TSXV. Shareholder approval will be sought at a special meeting of shareholders expected to be held in Q3-2021.

The Company now anticipates the closing of both debt facilities concurrently with the silver stream agreement (see below) in Q3-2021.

### **Silver Stream**

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In March 2021, the Company entered into a binding letter of intent for a stream agreement whereby Bomboré has agreed to sell 50% of future silver production over the life of mine for no additional proceeds in exchange for an upfront payment of \$7.15M from ERSA ("Silver Stream"). Other key terms under the proposed Silver Stream include:

- Minimum annual delivery of 37,500 ounces of silver to ERSA commencing from the date of commercial production. Should there be a shortfall in the annual silver deliveries, the Company will make an initial catch-up payment only on the later of: (a) the fifth anniversary from the date of the initial silver delivery under the Silver Stream, and (b) repayment of the senior secured loans, to ensure the aggregate minimum annual payment has been satisfied for each of the preceding years. Thereafter, the Company will make shortfall payments, if required, on an annual basis until the cumulative delivery or payment of 375,000 ounces of silver has been reached after which the minimum annual payment guarantee will no longer apply.
- A buyback right to repurchase 50% of the Silver Stream from ERSA for \$7.15M if, within the first five years of life of mine, the Bomboré sulphide processing circuit achieves a plant throughput rate that is 50% higher than the 2019 feasibility study design capacity of 2.2Mtpa.
- ERSA has a right of first refusal over any further silver production from Bomboré that has not been purchased by ERSA pursuant to the Silver Stream.

The Company believes the Silver Stream is an attractive non-dilutive source of capital to fund exploration on high-priority oxide and newly identified high-grade sulphide targets during construction. Due to the lack of comprehensive silver assays, no silver production was included in the 2019 feasibility study for Bomboré. The sale of the Silver Stream is permitted under the proposed terms of the Company's announced project debt facilities.

Closing of the Silver Stream is expected concurrently with the closing of the project debt in Q3-2021.

### ***Bomboré Gold Project***

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The Company's material property is the Bomboré Project, the largest undeveloped gold deposit in Burkina Faso, West Africa. Gold resources occur at surface in several zones contained within a gold-in-soil anomaly that extends virtually uninterrupted for 14 km. The property is comprised of a block of contiguous permits totalling 14,934 hectares ("ha") located in the Ganzourgou Province, Burkina Faso, approximately 85 km east of the capital city of Ouagadougou.

The property is readily accessible by a paved national highway RN4 and is in an area of moderate population density supported by local infrastructure that includes access to sufficient water from seasonal streams, modern communications, a local labour force in the nearby town of Mogtédou, and a large pool of skilled in-country contractors and consultants from the country's burgeoning mining sector.

The Bomboré Project benefits from a large oxide resource (average depth of 45 m) that sits above a large sulphide resource. The average depth of over 520,000 m of drilling to date is about 45 m for the RC holes (oxide zone) and 110 m for the core holes (sulphide zone), with deeper core drilling where the sulphide resource reaches depths of up to 240 m within the CIL optimized pit shells that constrain the resource.

In accordance with the Burkina Faso mining laws, the Government of Burkina Faso has a 10% carried equity interest in Orezone Bomboré SA ("OBSA"), the Company's subsidiary that holds the mining permit for the Bomboré Project.

**2019 Feasibility Study ("FS") Update (inclusive of the Phase II Sulphide Expansion)**

On June 26, 2019, the Company announced the results of an updated NI 43-101 FS on the Bomboré Project. The NI 43-101 report with an effective date of June 26, 2019 can be found on the Company's website at [www.orezone.com](http://www.orezone.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

The 2019 FS was prepared for the Company under the direction of Lycopodium Minerals Canada Ltd. ("Lycopodium Canada"). The principal contributors to the 2019 FS were as follows:

Contributor	Scope
Orezone Gold Corporation	Project history, metallurgical test work, resettlement
Lycopodium	Metallurgy test work interpretation, process plant, project infrastructure, project development plan, compilation of capex and opex, financial modelling, coordination, and compilation of 2019 FS
Roscoe Postle Associates Inc. ("RPA")	Geology, mineral resources
AMC Consultants ("AMC")	Mining, reserve statement
Knight Piésold Consulting	Tailings storage facility ("TSF"), water management and supply
Antea Group	Environment, permitting and community relations

**2019 FS ECONOMICS AND HIGHLIGHTS**

Using the base case assumptions of \$1,300/oz gold and an exchange rate of 550 CFA:1 US\$, the project economics (on a 100% basis) were as follows:

- Undiscounted LOM pre-tax cash flows of \$694M and after-tax cash flows of \$507M
- Pre-tax NPV<sub>5%</sub><sup>1</sup> of \$513M and IRR<sup>1</sup> of 62% with a 1.5 year payback<sup>2</sup>
- After-tax NPV<sub>5%</sub><sup>1</sup> of \$361M and IRR<sup>1</sup> of 44% with a 2.5 year payback<sup>2</sup>
- Mine life of 13+ years with LOM gold production of 1.6M ounces and an average annual gold production of 134K ounces in the first 10 years
- Initial project construction costs estimated at \$153M<sup>3</sup>
- LOM expansion capital costs of \$63M
- LOM cash costs of \$681/oz with cash costs of \$629/oz in the first 10 years
- LOM AISC<sup>4</sup> of \$730/oz with AISC of \$672/oz in the first 10 years

Notes

1. Discounting for purposes of calculating NPV and IRR begins from start of commercial production as cash flows in the pre-production period are not discounted.
2. Payback period is from the start of commercial production.
3. Capital estimate is from Q3-2019 onwards. All project expenditures prior to Q3-2019 are considered sunk.
4. Site-based All-In Sustaining Costs ("AISC") excludes Corporate G&A.

**MINERAL RESOURCES (INCLUSIVE OF MINERAL RESERVES)**

**Bomboré Mineral Resource Estimate as of January 5, 2017, RPA**

Classification	Cut-off Au g/t	Measured			Indicated			Measured + Indicated			Inferred		
		Tonnage 000 t	Grade Au g/t	Contained Au koz	Tonnage 000 t	Grade Au g/t	Contained Au koz	Tonnage 000 t	Grade Au g/t	Contained Au koz	Tonnage 000 t	Grade Au g/t	Contained Au koz
Oxides	0.20	31,600	0.62	628	75,300	0.53	1,273	106,900	0.55	1,901	20,900	0.40	265
Sulphides	0.2 / 0.38	9,000	0.90	260	113,600	0.79	2,894	122,600	0.80	3,154	32,400	0.81	842
<b>TOTAL</b>		<b>40,600</b>	<b>0.68</b>	<b>888</b>	<b>188,900</b>	<b>0.69</b>	<b>4,167</b>	<b>229,400</b>	<b>0.69</b>	<b>5,055</b>	<b>53,300</b>	<b>0.65</b>	<b>1,107</b>

Notes:

1. CIM definitions (2014) were followed for Mineral Resources.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Oxide resources are made up of the regolith, saprolite and upper transition layers reported at a cut-off of 0.2 g/t Au.
4. Sulphide resources are made up of lower transition and fresh layers reported at a cut-off of 0.2 g/t Au and 0.38 g/t Au respectively.
5. Mineral Resources have been constrained within a preliminary pit shell generated in Whittle software.

6. Mineral Resources are estimated using a long-term gold price of US\$1,400 per ounce.
7. A minimum mining width of approximately 3 m was used.
8. Bulk densities vary by material type.
9. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
10. Numbers may not add due to rounding.

RPA updated the mineral resource estimate used in the 2019 FS by incorporating the oxide material within the previously excluded Restricted Zones and the drilling completed to-date on the high-grade P17S deposit. The mineral resource estimate for the P17S deposit has an effective date of December 21, 2018 but the effective date of the deposit as a whole remains January 5, 2017 since the bulk of the mineral resources has not been updated since that estimate.

The 2019 FS mine plan is based on the above 2017 mineral resource estimate for Bomboré. The Company is currently working on updating the Bomboré mineral resource estimate by incorporating and re-modelling new and encouraging results from infill and step out drilling on both oxide and sulphide targets completed in 2017 to 2019. The Company expects to release updated mineral resource and mineral reserve estimates in 2021.

## MINERAL RESERVES

The Proven and Probable Mineral Reserves are the economically minable portions of the Measured and Indicated Mineral Resources as supported by the 2019 FS. The mineral reserves used in the 2019 FS includes all oxides, upper and lower transition, and sulphides delineated in the 2017 mineral resource estimate.

AMC prepared the following mineral reserve estimate using a long-term gold price assumption of \$1,250/oz.

### Bomboré Mineral Reserve Estimate – AMC, June 26, 2019

Classification	Cut-off Au g/t	Proven			Probable			Proven & Probable		
		Tonnage 000 t	Grade Au g/t	Contained Au koz	Tonnage 000 t	Grade Au g/t	Contained Au koz	Tonnage 000 t	Grade Au g/t	Contained Au koz
Oxides	0.300 - 0.325	20,213	0.73	473	32,326	0.66	687	52,539	0.69	1,161
Sulphides	0.466 - 0.555	3,241	1.31	136	14,320	1.17	538	17,561	1.19	675
<b>TOTAL</b>		<b>23,453</b>	<b>0.81</b>	<b>610</b>	<b>46,647</b>	<b>0.82</b>	<b>1,225</b>	<b>70,100</b>	<b>0.81</b>	<b>1,835</b>

#### Notes:

1. Oxides include regolith, saprolite and upper transition material.
2. Sulphides include lower transition and fresh material.
3. Mineral Reserves have been estimated in accordance with the CIM Definition Standards.
4. Mineral Reserves are estimated at an average long-term gold price of US\$1,250/troy oz.
5. Mineral Reserves are based on cut-off grades that range from 0.300 to 0.325 g/t Au for oxides, and 0.466 to 0.555 g/t Au for sulphides.
6. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
7. There are 1.7Mt of low-grade mineralized oxide material above cut-off grade remaining in the stockpiles that are not included in the Reserves Estimate.
8. Mining recovery factors estimated at 98% for oxides and 96%-100% for sulphides.
9. Processing recovery varies by grade, weathering unit and location.
10. Rounding of some figures may lead to minor discrepancies in totals.

## MINE PLAN AND PRODUCTION SUMMARY

The 2019 FS mine plan is based on an annual plant feed rate of 5.2Mtpa, delivering higher-grade ore in the early years by stockpiling lower-grade material for drawdown in later years. The first 2.5 years of production will be free-dig oxide ore only. In Year 3 of commercial production, the sulphide circuit will be commissioned and as it ramps up to 2.2Mtpa, the throughput of the oxide circuit will be correspondingly reduced to 3.0Mtpa to maintain a combined mill feed rate of 5.2Mtpa.

Estimated gold production, ore feed type, diluted head grades, and metallurgical recoveries for each year in the LOM are summarized in the table below.



## Summary Production Schedule – 2019 FS

Year	Oxide ore tonnes processed (Mt)	Oxide Gold grade (g/t)	Sulphide / LT ore tonnes processed (Mt)	Sulphide / LT Gold grade (g/t)	Total ore tonnes processed (Mt)	Gold grade (g/t)	Recoveries (%)	Gold Production ('000 ounces)
Pre-prod.	1.21	1.02	0.00	0.00	1.21	1.02	92.3%	36.63
1	5.19	1.03	0.00	0.00	5.19	1.03	92.3%	158.58
2	5.20	0.91	0.00	0.00	5.20	0.91	91.2%	138.56
3	3.75	0.73	1.45	1.59	5.20	0.97	88.7%	144.15
4	3.00	0.68	2.20	1.46	5.20	1.01	88.7%	149.70
5	3.00	0.76	2.20	1.23	5.20	0.96	87.2%	139.51
6	3.00	0.65	2.20	1.20	5.20	0.89	85.0%	125.82
7	3.00	0.70	2.20	1.12	5.20	0.88	86.0%	126.33
8	3.00	0.66	2.20	1.12	5.20	0.85	85.4%	121.83
9	3.00	0.66	2.20	1.12	5.20	0.85	85.3%	121.63
10	3.08	0.67	2.13	0.94	5.20	0.78	85.8%	112.07
11	4.55	0.57	0.65	0.92	5.20	0.62	85.8%	88.54
12	5.11	0.49	0.09 <sup>1</sup>	1.00	5.20	0.50	83.9%	70.32
13	5.16	0.40	0.04 <sup>1</sup>	0.87	5.20	0.40	80.1%	53.58
14	1.29	0.37	0.01 <sup>1</sup>	0.83	1.30	0.37	78.7%	12.32
<b>Life of Mine</b>	<b>52.54</b>	<b>0.69</b>	<b>17.56</b>	<b>1.19</b>	<b>70.10</b>	<b>0.81</b>	<b>87.2%</b>	<b>1,599.57</b>

Note 1: For these small yearly tonnages, the LT and sulphide feeds will be crushed and processed through the oxide circuit, thereby eliminating the need to operate the sulphide SAG mill.

The LOM strip ratio is 2.34:1. The mine plan calls for 1.7Mt of unprocessed low-grade mineralized oxide material in stockpiles to remain at end of mine life. These stockpiles are not included in the mineral reserve estimate but are available for processing if future gold prices warrant.

## MINING

The Bomboré mine will be developed as an open pit operation mining oxide and sulphide material from over 60 separate pits of variable size and depth across a mineralized zone approximately 12.2 km long and 3 km wide.

Mining of ore and waste will be contracted out with an Owner's team responsible for mine planning, grade control, surveying, site management and contractor supervision.

### Oxides

Mining will be performed by conventional diesel-hydraulic excavators in tandem with a fleet of rigid body Sino dump trucks and Komatsu articulated dump trucks for deeper in-pit hauls. Ore and waste are readily excavated without the need for drill-and-blast ("free-dig"). Oxide mine waste will be used in the phased construction of the TSF with the remainder hauled either to the oxide waste rock dumps or to the environmental barriers.

### Sulphides

Mining of the sulphides in the first three years of Phase II will preferentially include higher-grade ore from P17S to be blended with higher-grade ore from other sulphide zones to maximize the value of the project. The mining schedule was developed to satisfy the physical and practical constraints including a sustainable production profile, achievable vertical advance rates, efficient use of low-grade stockpiling, and minimization of concurrent mining of oxides and sulphides within the same pits.

Approximately 24% of the 17.6Mt of sulphide circuit ore feed in the 2019 FS mine plan is comprised of LT ore.

## MINERAL PROCESSING

The process plant design prepared by Lycopodium is based on a robust metallurgical flowsheet developed for optimum recovery while minimizing initial capital expenditures and LOM operating costs. This flowsheet is based on unit operations (crushing, milling, Carbon-in-Leach ("CIL"), elution, gold electrowinning and carbon regeneration) that are well proven in the industry and

represents a low risk standard design that has been operating successfully at other similar West African gold mines.

The processing plant is designed with a nameplate capacity of 5.2Mtpa and will operate continuously year-round.

The Company has conducted extensive metallurgical test work on all Bomboré ore types since 2008. The most recent testing was completed in May 2019 by Base Metallurgical Laboratories Ltd. in Kelowna, Canada on LT and sulphide composite and variability samples to determine grinding and abrasion parameters and the effect of grind size, cyanide addition, pre-aeration and leach time on gold extraction. The most recent testing of oxide material was completed by SGS Canada Inc. in Quebec, Canada in Q4-2017 that included grinding and reagent optimization work.

### **Oxide Circuit**

The oxide flowsheet and plant have been designed to treat the soft, fine-grained oxide ore without the need for crushing and only minimal grinding to achieve LOM plant recovery in excess of 88%. A single-stage ball mill, in closed circuit with hydrocyclones, will be utilized to attain the optimal grind size of 80% passing 125 microns with the cyclone overflow discharge reporting to a single-stage leach tank in series with a seven-stage CIL tank circuit for optimal gold recovery. Residence time within the CIL tanks will be 24 hours due to the fast leach kinetics of the oxide ore. Gold will be recovered in a standard carbon desorption plant, finishing with electrowinning and smelting to produce gold doré bars.

The CIL tails will be pumped to a HDPE-lined TSF. The TSF is a fully lined facility and of downstream construction, designed to be zero discharge, with water recovered through a floating turret system and returned to the process water tank at the plant to maximize use of recycled water.

### **Sulphide Circuit**

The sulphide comminution circuit will consist of a primary jaw crusher followed by a SAG mill in closed circuit with hydrocyclones and a recirculation pebble conveyor system to achieve the optimal grind size of 80% passing 75 microns. A surge ore bin and dead ore stockpile are included in the design to provide surge capacity between the crushing and grinding stages. The cyclone overflow will report to a pre-leach thickener to increase leach slurry density, which minimizes leach tank volume and reduces overall reagent consumption. The slurry is then transferred to a pre-oxygenation tank followed by three leach tanks to provide 24 hours of residence time. The partially leached slurry is then pumped into the oxide circuit where it is combined with the oxide mill product and fed into the CIL circuit for an additional 24 hours of residence time to provide for an overall leach duration of 48 hours for the sulphide ores.

## **PROJECT INFRASTRUCTURE**

Bomboré is located in a mining-friendly jurisdiction and is favourably situated near the capital city of Ouagadougou. Burkina Faso has experienced rapid development of its mining sector over the past decade, which has contributed to the growth of available mining contractors, suppliers, and skilled labour. These project characteristics will help to keep construction and operating costs low. Additional infrastructure items pertaining to water supply, power, and accommodations are described below:

- (a) **Water Supply:** Raw water will be sourced from the seasonal Nobsin River during a portion of each wet season and diverted by a permanent weir into an off-channel reservoir. The OCR is essentially one of the mine pits excavated early and designed to hold sufficient water for the project on an annual basis. Pumps will transfer water from the OCR to the raw and process water tanks by pipeline. The amount of water that will be harvested each year will be a minor portion of the streamflow and will not negatively impact downstream users.
- (b) **Power Supply:** A power station will be constructed at the process plant by an IPP under a BOO agreement. Overhead transmission lines of 11kV will be constructed from the power station to the TSF, camp, and the mining contractor's area.
- (c) **Offices and Accommodation:** A main camp, kitchen, and office complex including warehousing, sample preparation facility, and small vehicle repair shop are fully functional at the project site. All communications systems, including internet, are in place. In Ouagadougou, the Company owns a fully functional office and warehouse facility which will serve as a management and logistics base for the Bomboré operation. Administrative functions such as procurement, accounting, and government relations will be based out of the Ouagadougou office to reduce the burden on site facilities.

## **PROJECT SENSITIVITIES**

The project economics are most sensitive to changes in gold price. At a gold price of \$1,500/oz, the project's after-tax NPV<sub>5%</sub>

increases by 44% to \$520M.

The table below highlights the sensitivity of the project's NPV at different average gold prices over LOM.

Gold Price (\$/oz)	Base Case				
	\$1,100	\$1,200	\$1,300	\$1,400	\$1,500
NPV <sub>5%</sub> (\$M) After-Tax	186.6	273.8	361.0	434.7	520.0
IRR After-Tax	25.8%	34.7%	43.8%	51.8%	61.4%

### ***Bomboré Exploration Potential***

The Bomboré project spans over 13kms and is yet to be fully defined. Several isolated mineralized zones are believed to be continuous but have not been drilled sufficiently to confirm such continuity. Two such zones identified as high priority drill targets are the P17 sulphide zone and the hanging wall oxide zone at Maga.

For the P17 sulphide zone, recent drilling has defined high-grade sulphide resources at P17S with grades more than double that of the overall average grade for the project. Drilling just north of the P17S reserve pit indicates that the deposit is still open and trending towards surface at P17, situated 1.2kms to the north. Historical drilling at P17 has returned excellent intercepts and a large untested gap exists between these two areas. Future drilling is planned to infill this large, underexplored area.

For Maga, oxide targets in the hanging wall were previously inaccessible prior to the recent relocation of families to their new resettlement villages. Limited previous drilling together with auger drilling and historic artisanal gold workings all outside of current reserve pits provide a strong indication that the mineralized structures hosting the current reserves display good lateral continuity and are highly prospective to reserve expansion.

In addition, high-grade sulphide inferred mineralized zones are present directly below or along strike of several sulphide pits in the current mineral reserves, and previous drilling suggests that these zones are both wide and continuous at Siga South where the sulphide zone definition drilling is most advanced. The Company has identified three main target areas (Maga, Siga South, and Siga East) for sulphide resource drilling that warrant future exploration.

Bomboré also has 12,047 hectares of exploration claims surrounding its mining permit with numerous prospective targets that have been identified including the KT and P13 prospects located to the northeast and to the southwest of the mining permit, respectively.

### ***Social Responsibility and Sustainability***

The Company has made investments in local livelihood restoration initiatives and on community assistance programs with the purpose of improving the lives of those families living on or near the project and will continue with these investments during the project's life. The Company has contributed funding and in-kind resources toward community health and safety, educational programs, vocational training, food security, and regional development in addition to opportunities for local employment and support for small businesses. Examples include local hiring for RAP construction, heavy equipment skills training for future job applicants, and support for new community businesses and subsistence programs (e.g. soap making, blanket weaving, agricultural gardens, chicken breeding, tree nurseries, and promotion of land reclamation techniques to improve yields and areas of arable land).

In addition, the Company is committed to open and responsive engagement with local stakeholders. The Company holds monthly meetings with planning committees comprised of local leaders and government officials and makes regular visits to nearby villages to disseminate information on project activities and to address any concerns. The Company has instituted a grievance mechanism whereby residents can lodge any project-related issues with the Company. The Company strives to respond rapidly and in a fair manner to all grievances received.

As a result, the Company believes that community support for the Bomboré Project remains strong.

### ***Permit status***

The Bomboré Project is permitted for construction and Phase I oxide operations. The Phase II sulphide expansion has been approved with the formal decree issued on March 23, 2021.

The Bomboré Project consists of the expanded mining permit (28.9 km<sup>2</sup>) and four exploration permits: Bomboré II (17.2 km<sup>2</sup>), Bomboré III (45.5 km<sup>2</sup>), Bomboré IV (11.6 km<sup>2</sup>) and Bomboré V (46.2 km<sup>2</sup>). The Bomboré II, Bomboré III and Bomboré IV permits have been renewed once for another 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 Toéryoko permit, which expired during 2020, and not included in the expanded mining permit.

Effective March 15, 2021, the Company received written confirmation that its application for a full re-instatement of the 2-year construction order was approved by both the Ministry of Energy and Mines, and the Ministry of Finance. The valid application of the 2-year construction order entitles the Company to the main benefit of reduced custom duties on the importation of equipment and materials during the Bomboré construction period.

### **2015 Burkina Faso Mining Code ("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* (National Council of 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. A sliding scale government NSR royalty of 3% to 5%, depending on the gold price, remains.

On February 26, 2019, the Company signed the mining convention with the Government of Burkina Faso in connection with the mining license for Bomboré. This mining convention clarifies the rights and obligations of the parties and to guarantee the Company stability, including taxation and foreign exchange regulations. The mining convention is not a substitute for the law but specifies the provisions of the law. It is valid for the initial duration of the mining license and is thereafter renewable for one or more periods of five years at the request of the Company.

### **REVIEW OF FINANCIAL RESULTS**

The Company is in the development stage and does not yet have revenue-generating activities in any financial period. As of January 21, 2021, the Company transitioned from the exploration and evaluation ("E&E") phase to the development phase. In the development phase, costs that are directly attributable to project development are capitalized to mineral properties, plant and equipment as mine under development. Discussion of the major items that impacted net losses for the three months ended March 31, 2021 and 2020 is provided below.

#### **Financial Results for the Three Months Ended March 31, 2021**

	Three months ended March 31, 2021	Three months ended March 31, 2020
<b>Expenses</b>		
Exploration and evaluation costs	<b>\$500,580</b>	\$5,345,143
General and administration costs	<b>971,755</b>	930,304
Share-based compensation	<b>797,289</b>	132,441
Depreciation	<b>72,295</b>	204,045
<b>Total expenses</b>	<b>2,341,919</b>	6,611,933
<b>Other loss</b>	<b>(828,578)</b>	(260,186)
<b>Net loss for the period</b>	<b>3,170,497</b>	6,872,119
<b>Net loss attributable to shareholders of Orezone</b>	<b>3,119,204</b>	6,354,345
<b>Basic and diluted net loss per share attributable to shareholders of Orezone</b>	<b>(0.01)</b>	(0.03)

#### **Exploration and Evaluation Costs**

E&E costs decreased by \$4.8M in Q1-2021 as compared to Q1-2020 mainly due to:

- the Bomboré Project entering the development phase on January 21, 2021 causing \$1.8M of project salaries, overhead, and other support costs incurred in Q1-2021 to be capitalized as mine under development rather than E&E.

- a decrease of \$3.1M in RAP costs following completion of the Phase I RAP construction and the majority of household relocations in Q4-2020. In Q1-2020, the Company incurred \$3.2M in RAP costs during the peak of RAP construction activities.

### General and Administrative Costs

General and administrative ("G&A") costs of \$1.0M in Q1-2021 is comparable to G&A costs of \$0.9M in Q1-2020. G&A costs increased in Q1-2021 to reflect a new hiring in engineering for EPCM supervision, security consulting, and higher public company costs from the OTCQX listing completed in April 2020 offset by costs reductions in financial advisory and due diligence fees incurred in Q1-2020 when the Company was seeking project financing from a syndicate of international banks.

### Share-based Compensation

Share-based compensation expense increased by \$0.7M from \$0.1M in Q1-2020 to \$0.8M in Q1-2021 mainly due to:

- Stock-option expense increased by \$0.2M from \$0.1M in Q1-2020 to \$0.3M in Q1-2021 mainly to the timing of option grants. The Company granted 1,943,000 options with a weighted-average fair value of C\$0.36 in Q1-2021, whereas in Q1-2020, no options were granted.
- Restricted share unit ("RSU") compensation of \$0.2M in Q1-2021 for RSUs granted in Q1-2021 and Q4-2020. RSUs vest in two tranches on the first and second anniversary of the grant dates. There was no equivalent expense in Q1-2020 as the RSU program had yet to be introduced.
- Deferred share unit ("DSU") expense of \$0.3M from the grant of 398,000 DSUs to directors of the Company with these DSUs vesting on issuance. There was no equivalent expense in Q1-2020 as the DSU program had yet to be introduced.

### Depreciation

Depreciation expense decreased by \$0.1M from \$0.2M in Q1-2020 to \$0.1M in Q1-2021 as a result of the Bomboré Project entering the development phase as of January 21, 2021. Subsequent to this date, depreciation directly related to the project construction is capitalized as mine under development within mineral properties, plant, and equipment.

### Other loss

Other loss increased by \$0.6M from \$0.3M in Q1-2020 to \$0.9M in Q1-2021 mainly due to a \$0.6M unrealized foreign exchange loss on the Company's USD cash holdings as a result of a lower USD in relation to the Company's CAD functional currency.

### 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).

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
<b>Net loss for the period</b>	(3.17)	(5.78)	(4.12)	(2.34)	(6.87)	(7.18)	(5.71)	(5.29)
<b>Net loss attributable to shareholders of Orezone</b>	(3.12)	(5.36)	(3.79)	(2.17)	(6.35)	(6.60)	(5.27)	(4.94)
<b>Net loss per common share attributable to shareholders of Orezone, basic and diluted</b>	(0.01)	(0.02)	(0.02)	(0.01)	(0.03)	(0.03)	(0.02)	(0.02)

The reduction in the net loss in Q1-2021 versus prior quarters is the result of the transition from the E&E phase to the development phase. Fluctuations in net losses in quarters prior to March 31, 2021 is mainly a function of timing associated with project development, exploratory drilling, and project study work undertaken.

## Cash Flows

The following table represents the condensed cash flows for the three months ended March 31, 2021 and 2020. Discussion of the significant items impacting the cash flows is provided below.

	Three months ended March 31, 2021	Three months ended March 31, 2020
Total cash outflows used in operating activities	(\$1,655,403)	(\$6,485,873)
Total cash outflows from investing activities	(3,026,639)	(129,736)
Total cash inflows from financing activities	54,931,861	14,214,878
Effect of foreign currency translation on cash	564,549	(1,462,017)
<b>Increase in cash</b>	<b>50,814,368</b>	<b>6,137,252</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>8,866,617</b>	<b>11,855,497</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$59,680,985</b>	<b>\$17,992,749</b>

### Operating

In Q1-2021 the Company used \$1.7M in operating cash as compared to \$6.5M in Q1-2020. The \$4.8M reduction is primarily due to the Company entering the development phase and completion of the Phase I RAP construction in Q4-2020. During the development phase, costs directly related to project construction are capitalized to mineral properties, plant and equipment, and classified as investing activities.

### Investing

Cash outflows from investing activities increased by \$2.9M from \$0.1M in Q1-2020 to \$3.0M in Q1-2021 mainly due to the commencement of project development activities and related capital expenditures. In Q1-2021, the Company incurred \$3.1M on advancing the Bomboré Project including engineering and procurement; site civil works and camp expansion; and payments on equipment orders. These outflows were partially offset by \$0.1M in interest received.

### Financing

Cash inflows from financing activities increased by \$40.7M from \$14.2M in Q1-2020 to \$54.9M in Q1-2021 primarily due to the bought-deal equity offerings completed in each of the respective quarters.

## Financial Position

The following table represents the condensed financial position for the periods ended March 31, 2021 and December 31, 2020. Discussion of the significant items impacting the financial position is provided below.

	March 31, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$59,680,985	\$8,866,617
Other current assets	1,103,706	779,600
<b>Total current assets</b>	<b>60,784,691</b>	<b>9,646,217</b>
<b>Non-current assets</b>		
Other financial assets	533,635	791,021
Mineral properties, plant and equipment	7,219,795	2,551,385
<b>Total assets</b>	<b>\$68,538,121</b>	<b>\$12,988,623</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	\$5,138,115	\$3,127,618

<b>Non-current liabilities</b>		
Lease liabilities	151,165	167,632
<b>Total liabilities</b>	<b>5,289,280</b>	3,295,250
<b>Total equity</b>	<b>63,248,841</b>	9,693,373
<b>Total liabilities and equity</b>	<b>\$68,538,121</b>	\$12,988,623

**Total current assets**

Current assets increased by \$51.2M in Q1-2021 from \$9.6M at the end of Q4-2020 to \$60.8M at the end of Q1-2021 primarily as a result of the closing of the \$54.9M bought deal equity financing offset by operating and investing activities discussed in the "Cash Flows" section above.

**Other financial assets**

The decrease of \$0.3M from \$0.8M at end of Q4-2020 to \$0.5M at end of Q1-2021 is mainly due to the decrease in the fair value of the 3.2M shares of Sarama Resources Ltd. held by the Company.

**Mineral properties, plant and equipment**

The increase of \$4.6M from \$2.6M at end of Q4-2020 to \$7.2M at end of Q1-2021 is attributable to \$5.0M in project additions made during the quarter with small offsets from \$0.2M in depreciation and \$0.1M in foreign currency movements. Capitalized project expenditures relate to engineering, design, and procurement work by EPCM consultants, payments on plant equipment orders and vehicle deliveries, site civil works, and camp expansion upgrades including new accommodation blocks.

**Total liabilities**

The increase of \$2.0M from \$3.1M at end of Q4-2020 to \$5.1M at end of Q1-2021 is the result of increased trade payables associated with the greater level of development and construction activities at Bomboré during Q1-2021. New trade vendors include EPCM consultants, mining contractor, and equipment suppliers.

**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 is not yet in production and does not generate revenue from its current operating activities.

The Company had cash of \$59.7M as at March 31, 2021, an increase of \$50.8M from cash of \$8.9M at December 31, 2020 as a result of the proceeds raised in the January 2021 public offering of common shares, offset by project and corporate expenditures incurred in Q1-2021.

On January 21, 2021, the Company announced a full financing package totaling \$131M in binding loan commitments and a bought-deal common share offering of \$51M. On January 28, 2021, the Company closed the bought-deal offering for gross proceeds of \$57.5M and net proceeds of \$54.9M after the exercise of the over-allotment option by the underwriters. The Company is now funded for construction of its Bomboré Project with first gold scheduled for Q3-2022.

**Use of Net Proceeds from the January 2021 Public Offering**

On January 28, 2021, the Company completed a bought deal equity financing of 70,242,500 common shares at price of C\$1.05 per share for gross proceeds of C\$73,754,625 (\$57,490,921) and net proceeds of C\$70,542,234 (\$54,939,252). As of March 31, 2021, the Company has used nil of the net proceeds.

Activity or Nature of Expenditure	Net Proceeds Raised C\$ M	Actual Expenditures to March 31, 2021 C\$ M
Development and construction of the Bomboré Project	69.5	-
General and administrative	1.0	-
<b>Total Use of Net Proceeds</b>	<b>70.5</b>	<b>-</b>

#### Use of Net Proceeds from the January 2020 Public Offering

On January 29, 2020, the Company completed a bought deal equity financing of 37,595,900 units of the Company at a price per unit of C\$0.54. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant of the Company exercisable at a price of C\$0.80 per share at any time on or before January 29, 2023. The Company received gross proceeds of C\$20,301,786 (\$15,384,795) and net proceeds of C\$18,736,673 (\$14,198,744). As of March 31, 2021, the Company has used C\$16.7M of the net proceeds as outlined below:

Activity or Nature of Expenditure	Net Proceeds Raised C\$ M	Actual Expenditures to March 31, 2021 C\$ M
Phase I RAP – direct costs of construction of remaining private residences, compensation and relocation of affected families and communities	8.8	3.8
Indirect costs for advancement of Bomboré and RAP	7.2	9.1
Bomboré capital expenditures including security upgrades, and mine planning software and hardware	0.9	1.5
Bomboré detailed engineering and design of water management structures	0.5	0.3
General and administrative	1.3	2.0
<b>Total Use of Net Proceeds</b>	<b>18.7</b>	<b>16.7</b>

#### Share Capital

As of May 27, 2021, the Company had 323,000,806 common shares, 18,247,450 warrants, 21,013,500 stock options, 2,038,000 restricted share units, and 398,000 deferred share units issued and outstanding.

#### Contractual Obligations

The following table summarizes the contractual maturities of the Company's operating and capital commitments at March 31, 2021, shown in contractual undiscounted cashflows:

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	5,138,115	-	-	5,138,115
Capital commitments	10,592,590	462,798	-	11,055,388
Operating commitments	13,744,155	3,971,009	-	17,715,164
Lease liabilities	-	151,165	-	151,165
<b>Total</b>	<b>\$29,474,860</b>	<b>\$4,584,972</b>	<b>-</b>	<b>\$34,059,832</b>

#### Off Balance Sheet Arrangements

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



### **Transactions with Related Parties**

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The Company had no transactions with related parties except for compensation of key management personnel.

### **Proposed Transactions**

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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.

### **Risks and Uncertainties**

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The Company's business at the present stage of exploration and development of the Bomboré Project involves a high degree of risk and uncertainty. For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements, annual MD&A, and annual information form for the year ended December 31, 2020 which are available on the Company's website at [www.orezone.com](http://www.orezone.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Coronavirus (COVID-19) and health crisis*

The current outbreak of COVID-19 and any future emergence and spread of similar pathogens will and could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers, the ability to close on the project financing and maintain necessary liquidity, and its ability to advance its development project.

The COVID-19 outbreak and its declaration as a global pandemic have and continue to cause companies and governments around the world to impose sweeping restrictions on the movement of people and goods, including social distancing measures and restrictions on group gatherings, isolation and quarantine requirements, closure of business and government offices, travel advisories and travel restrictions.

To date, the Company has been able to continue to further the development of the Bomboré Project by obtaining binding financing commitments in Q1-2021 and beginning the construction ramp-up. However, the Company cannot provide any assurances that its planned development and capital expenditures for the foreseeable future will not be delayed, postponed or cancelled as a result of the COVID-19 pandemic or otherwise. The COVID-19 pandemic could continue to affect financial markets, including the price of gold and the trading price of the Company's shares, and could adversely affect the Company's ability to close its project financings or to raise any additional capital. Furthermore, the Company may also experience regional risks which include, but are not limited to, delays in the supply chain, the impact on the delivery of critical capital orders for the project, employee health and productivity, and increased medical costs and insurance premiums.

### **Financial Instruments and Related Risks**

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The fair values of the Company's financial instruments consisting of cash, trade and other receivables, and trade and other payables approximate their carrying values because of their short terms to maturity. The fair value of marketable securities held in other financial assets is determined based on quoted market prices.

At March 31, 2021, the Company had 3,200,000 common shares of Sarama Resources Ltd. with a fair value of \$533,635 (December 31, 2020 - \$791,021).

### **Critical Accounting Estimates, Judgments, and Assumptions**

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The preparation of the Company's 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. Actual 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.

See "Critical Accounting Estimates and Judgments" in the Company's 2020 annual MD&A as well as Note 4 in the Company's 2020 annual consolidated financial statements for significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements for the three months ended March 31, 2021. There have been no significant changes compared to December 31, 2020.

## **Additional Disclosure of Venture Issuers Without Significant Revenue**

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Additional disclosure concerning the Company's exploration and evaluation expenses, and general and administrative expenses is provided in the Company's Interim Financial Statements for the three months ended March 31, 2021 which are available on the Company's website at [www.orezone.com](http://www.orezone.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Forward-Looking Statements**

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This MD&A refers to and contains certain forward-looking statements and information ("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 statements may include statements about closing on project financings, mineral reserve and resource estimates and the timing of updates thereof, planned expenditures on the Company's projects, obtaining renewed exploration permits, 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.

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 forward-looking 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.

Shareholders (both current and potential) are cautioned not to place undue reliance on forward-looking statements. By its nature, forward-looking statements involve 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**

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Unless otherwise indicated, all mineral resource and mineral reserve estimates included in this MD&A have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining and Metallurgy Classification System. NI 43-101 is a rule developed by the Canadian securities administrators, which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission. Accordingly, mineral resource and mineral reserve estimates, and other scientific and technical information, contained in this MD&A may not be comparable to similar information disclosed by U.S. companies.

### **Qualified Persons**

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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. Patrick Downey, P. Eng., the President and Chief Executive Officer and Mr. Ian Chang, P. Eng., Vice President of Projects, are also a qualified person 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.

The Company has prepared and filed a current amended technical report on the Bomboré Project titled "NI 43-101 Technical Report (Amended) Feasibility Study of the Bomboré Gold Project Burkina Faso" with an effective date of June 26, 2019. This technical report includes relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource and reserve estimates at the Bomboré Project, as well as information regarding data verification, and other matters relevant to the scientific and technical disclosure contained in this MD&A.

Technical and scientific information in this MD&A has been extracted from, and is supported by, the filed Technical Report.