OREZONE GOLD CORPORATION

Consolidated Financial Statements

For the years ended December 31, 2021 and 2020

(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	/s/ Peter Tam
Patrick Downey Chief Executive Officer	**Peter Tam** Chief Financial Officer
March 24, 2022	March 24, 2022

Deloitte LLP
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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, 2021 and 2020, 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, 2021 and 2020, 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.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2021. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Mineral Properties, Plant and Equipment — Establishment of the technical feasibility and commercial viability of the Bomboré Project— Refer to Notes 3(f), 4 and 8 to the financial statements

Key Audit Matter Description

The Company considers a mining property to be under development once the technical feasibility and commercial viability have been established. Thereafter, costs incurred directly related to the mine development and construction are capitalized. The determination of the Bomboré Project (the "Project") as a mine property under development required significant management judgment.

The determination of whether or not the technical feasibility and commercial viability of the project are established required management to evaluate the Company's right to extract the resources and/or reserves of the Project and the determination of the point when it is economically viable to mine the resources and/or reserves of the Project. This required a high degree of auditor judgment in applying audit procedures and evaluating the results of those procedures and this resulted in an increased extent of audit effort.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures relating to the determination of whether or not the technical feasibility and commercial viability of the Project have been established included the following, among others:

- Evaluated the Company's right to extract the resources and/or reserves by obtaining the mining permit granted by the State of Burkina Faso and the legal opinion confirming its validity.
- Evaluated the reasonableness of the determination of the point of economic viability of the Project by obtaining the secured binding approvals of full project financing for the development of the Project, including secured binding term sheets for the senior secured debt facility and the prospectus supplement for the bought deal equity offering.

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 and will 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 24, 2022

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

As at	**December 31, 2021**	December 31, 2020
ASSETS		
Current assets		
Cash	**$36,082,980**	$8,866,617
Inventories	**356,961**	507,651
Other current assets (Note 5)	**2,670,267**	271,949
Total current assets	**39,110,208**	9,646,217
Non-current assets		
Other financial assets (Note 6)	**403,144**	791,021
Deferred financing costs (Note 7)	**3,704,553**	-
Mineral properties, plant and equipment (Note 8)	**97,280,591**	2,551,385
Total assets	**$140,498,496**	$12,988,623
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables (Note 9)	**$19,359,315**	$3,127,618
Non-current liabilities		
Warrant liability (Note 10)	**8,633,726**	-
Loans and borrowings (Note 11)	**45,826,744**	-
Lease liabilities (Note 12)	**441,431**	167,632
Silver stream liability (Note 13)	**7,688,638**	-
Environmental rehabilitation provision (Note 14)	**4,672,139**	-
Total liabilities	**86,621,993**	3,295,250
Equity		
Share capital	**268,190,768**	212,546,551
Reserves	**29,162,636**	21,947,589
Accumulated deficit	**(233,369,481)**	(214,795,456)
Equity attributable to shareholders	**63,983,923**	19,698,684
Non-controlling interest	**(10,107,420)**	(10,005,311)
Total equity	**53,876,503**	9,693,373
Total liabilities and equity	**$140,498,496**	$12,988,623

Commitments (Note 19(b))
Subsequent Events (Note 22)

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 24, 2022:

/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, 2021 and 2020
(Expressed in United States dollars, except for number of share amounts)

	2021	2020
Expenses		
Exploration and evaluation costs (Note 16)	**$1,643,366**	$14,566,153
General and administrative costs (Note 16)	**4,905,791**	3,078,796
Share-based compensation (Note 15(d))	**1,778,065**	857,067
Depreciation (Note 8)	**257,841**	847,808
Operating expenses	**8,585,063**	19,349,824
Other (loss) income		
Foreign exchange loss	**(1,531,016)**	(128,892)
Finance income	**173,218**	161,696
Finance expense	**(28,773)**	(18,055)
Fair value (loss) gain on other financial assets (Note 6)	**(390,850)**	227,860
Fair value loss on warrant liability (Note 10)	**(7,820,009)**	-
Fair value loss on silver stream liability (Note 13)	**(538,638)**	-
Other (loss) income	**(10,136,068)**	242,609
Net loss before tax	**(18,721,131)**	(19,107,215)
Income tax expense (Note 17)	**-**	-
Net loss for the year	**(18,721,131)**	(19,107,215)
Net loss attributable to:		
Shareholders	**(18,574,025)**	(17,646,214)
Non-controlling interest	**(147,106)**	(1,461,001)
Net loss for the year	**(18,721,131)**	(19,107,215)
Other comprehensive income		
Foreign currency translation gain	**1,854,589**	77,552
Total other comprehensive income	**1,854,589**	77,552
Comprehensive loss for the year	**(16,866,542)**	(19,029,663)
Comprehensive (loss) income attributable to:		
Shareholders	**(17,182,295)**	(17,028,075)
Non-controlling interest	**315,753**	(2,001,588)
Comprehensive loss for the year	**(16,866,542)**	(19,029,663)
Net loss per common share attributable to the shareholders of the Company, basic and diluted	**($0.06)**	($0.07)
Weighted-average number of common shares outstanding, basic and diluted	**317,949,921**	248,711,809

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, 2021 and 2020
(Expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves								
	Shares \#	Amount $	Share-based payments $	Foreign currency translation $	Warrants $	Contributed surplus $	Convertible note equity component $	Accumulated deficit $	Equity attributable to shareholders $	Non-controlling interest $	Total Equity $
Balance, January 1, 2021	252,653,306	212,546,551	16,550,415	(544,050)	893,136	5,048,088	-	(214,795,456)	**19,698,684**	(10,005,311)	**9,693,373**
Shares issued (Note 15(a))	70,242,500	57,490,921	-	-	-	-	-	-	**57,490,921**	-	**57,490,921**
Share issuance costs (Note 15(a))	-	(2,595,976)	-	-	-	-	-	-	**(2,595,976)**	-	**(2,595,976)**
Warrants exercised (Note 10)	562,000	441,893	-	-	(24,127)	-	-	-	**417,766**	-	**417,766**
Warrants reclassified to liability (Note 10)	-	-	-	-	(869,009)	-	-	-	**(869,009)**	-	**(869,009)**
Stock options exercised (Note 15(b))	275,000	189,034	(46,530)	-	-	-	-	-	**142,504**	-	**142,504**
Restricted share units exercised (Note 15(c))	166,500	118,345	(118,345)	-	-	-	-	-	**-**	-	**-**
Share-based compensation (Note 15(d))	-	-	2,295,514	-	-	-	-	-	**2,295,514**	-	**2,295,514**
Bomboré mining permit expansion (Note 8)	-	-	-	-	-	417,862	-	-	**417,862**	(417,862)	**-**
Convertible note equity component (Note 11)	-	-	-	-	-	-	4,167,952	-	**4,167,952**	-	**4,167,952**
Foreign currency translation	-	-	-	1,391,730	-	-	-	-	**1,391,730**	462,859	**1,854,589**
Net loss for the year	-	-	-	-	-	-	-	(18,574,025)	**(18,574,025)**	(147,106)	**(18,721,131)**
Balance, December 31, 2021	**323,899,306**	**268,190,768**	**18,681,054**	**847,680**	**-**	**5,465,950**	**4,167,952**	**(233,369,481)**	**63,983,923**	**(10,107,420)**	**53,876,503**

	Share capital		Reserves								
	Shares \#	Amount $	Share-based payments $	Foreign currency translation $	Warrants $	Contributed surplus $	Convertible note equity component **$**	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	37,595,900	14,387,860	-	-	996,935	-	-	-	**15,384,795**	-	**15,384,795**
Unit issuance costs	-	(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)**	**893,136**	**5,048,088**	**-**	**(214,795,456)**	**19,698,684**	**(10,005,311)**	**9,693,373**

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, 2021 and 2020
(Expressed in United States dollars)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	**($18,721,131)**	($19,107,215)
Adjustments to reconcile net loss to cash used in operating activities:		
Share-based compensation (Note 15(d))	**1,778,065**	857,067
Depreciation (Note 8)	**257,841**	847,808
Finance income	**(173,218)**	(161,696)
Finance expense	**28,773**	18,055
Unrealized foreign exchange loss	**1,531,016**	128,892
Fair value loss (gain) on other financial assets (Note 6)	**390,850**	(227,860)
Fair value loss on warrant liability (Note 10)	**7,820,009**	-
Fair value loss on silver stream liability (Note 13)	**538,638**	-
Changes in non-cash operating working capital (Note 18)	**608,713**	317,857
Total cash outflows used in operating activities	**(5,940,444)**	(17,327,092)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Notes 8 and 18)	**(76,927,742)**	(462,993)
Interest received	**173,218**	176,022
Total cash outflows from investing activities	**(76,754,524)**	(286,971)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering (Note 15(a))	**57,490,921**	15,384,795
Offering issue costs (Note 15(a))	**(2,595,976)**	(1,186,051)
Senior debt proceeds (Note 11)	**17,200,000**	-
Convertible note proceeds (Note 11)	**35,000,000**	-
Silver stream proceeds (Note 13)	**7,150,000**	-
Debt issue costs (Note 7)	**(6,170,828)**	-
Proceeds from exercise of warrants (Note 10)	**362,474**	333,737
Proceeds from exercise of stock options (Note 15)	**142,504**	445,018
Lease principal payments (Note 12)	**(57,776)**	(67,035)
Interest paid (Note 12)	**(28,773)**	(18,055)
Total cash inflows from financing activities	**108,492,546**	14,892,409
Effect of foreign currency translation on cash	**1,418,785**	(267,226)
Increase (decrease) in cash	**27,216,363**	(2,988,880)
Cash, beginning of year	**8,866,617**	11,855,497
Cash, end of year	**$36,082,980**	**$8,866,617**

Supplemental cash flow information is provided in Note 18.

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 Toronto Stock Exchange (TSX) 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. On October 15, 2021, the Company closed its project debt package, which in combination with its bought-deal equity financing from January 28, 2021, are expected to fund the Company through mine construction and into commercial production.

The address of the Company's principal office is 505 Burrard Street, Suite 450, Vancouver, British Columbia, Canada, V7X 1M3.

References to "$" or "US$" or "USD" 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 24, 2022.

(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.

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.

(c) Change in functional currency

Effective July 1, 2021, the Company determined that its functional currency had changed from the Canadian dollar to the United States dollar and each of its Burkina Faso subsidiaries had changed from the CFA to USD. The change in functional currency reflects changes in nature of the Company's activities upon entering the development stage, commencement of construction activities, and the financing of such activities. The Company determined that the USD more faithfully represents the primary economic environment in which each entity operates. This has been accounted for prospectively in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates.* As further discussed in Note 10, the change in functional currency resulted in the reclassification of the Company's Canadian dollar denominated warrants from an equity instrument to a derivative financial liability.

(Expressed in United States dollars)

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.

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, 2021 and 2020 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 has a 10% carried equity interest in the company holding the Bomboré mining permit 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 presentation and the functional currency of the Company and each of its subsidiaries is the US dollar, as discussed in Note 2(c).

In preparing the consolidated financial statements and 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 translated 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.

(c) Financial instruments

Financial assets

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 and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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 that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

The Company's financial liabilities are its trade payables, accrued liabilities, warrant liability, loans and borrowings, lease liabilities and silver stream liability. Financial liabilities are classified as current or non-current based on their maturity dates.

Financial liabilities at FVTPL

Financial liabilities 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 liability 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.

The Company's financial liabilities at FVTPL are the silver stream liability and warrant liability.

Derivative financial instruments

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Compound financial instruments

Compound financial instruments are split into equity and liability components in accordance with their substance based on the definitions of liability and equity. When the instrument is issued, the equity component is measured as the difference between the fair value of the compound instrument and the fair value of the liability component. The liability component of the compound financial instrument is subsequently measured at amortized cost using the effective interest method, accreting to maturity over the term of the note. The equity component is accounted for on the same basis as other equity instruments, that is retained in equity and not remeasured.

The Company's compound financial instrument is the Convertible Note Facility.

Embedded derivatives

Derivatives embedded in non-derivative host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts, and a separate instrument with the same terms as the embedded derivative would also meet the definition of a derivative.

(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 have any cash equivalents at December 31, 2021 and 2020.

(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, development, and production 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

<u>Pre-exploration expenditures</u>

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

<u>Exploration and evaluation expenditures</u>

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, 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.

<u>Mine development costs</u>

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, following an assessment of impairment, costs incurred directly related to mine development and construction are capitalized, including associated borrowing and 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. Upon entering the commercial production phase, development costs will be transferred to producing properties and will be amortized using the units of production method based on the estimated contained gold ounces in proven and probable reserves.

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 ("PP&E") 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.

PP&E not directly related to production are depreciated using the straight-line method over the estimated useful lives of the assets. Mineral properties, including mine development costs, are depleted on a unit-of-production basis over proven and probable mineral reserves. Land and non-depletable mineral property rights are 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. An item of PP&E is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net proceeds on disposal and the carrying amount of the asset, is recognized in profit or loss.

Depreciation and depletion are provided over the following estimated useful lives:

Buildings and leasehold improvements	5 – 20 years on a straight-line basis
Vehicles and equipment	2 – 5 years on a straight-line basis
Mineral properties	Units of production over mineral reserves

Borrowing Costs

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction, or production of qualifying assets, which are assets that take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of the rates applicable to the relevant borrowings during the period. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(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 (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) Environmental Rehabilitation Provision

The Company is subject to various government laws and regulations and constructive obligations related to environmental disturbances caused by exploration and evaluation, development, or ongoing production at a mineral property interest. The Company records the present value of the estimated costs of legal and constructive obligations required to restore the property interest in the period in which the obligation is incurred, including estimated costs of restoration, reclamation, and re-vegetation of the affected area. Discount rates using a pre-tax, risk-free rate that reflect the time value of money are used to calculate the net present value. 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 assessed each reporting period and the present value is adjusted, as required, for any legal or regulatory changes, increases or decreases to environmental disturbances, or current market discount rates and liability-specific risks. The liability is accreted over time to reflect the unwinding of the discount, and upon entering the production phase, the asset is amortized over its remaining useful life using the units of production method based on mineral reserves.

(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, 2021 and 2020 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

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, in addition to the exercise proceeds received.

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 recognized as a liability and adjusted at each reporting date for changes in fair value. The Company intends to equity settle its RSUs.

(3) *Deferred Share Units*

Deferred share units ("DSUs") are measured at grant date based on the fair value of the award. DSUs may be redeemed in shares or cash at the Company's option. The expense for DSUs to be redeemed in shares is recognized immediately in profit and loss, with a corresponding increase to reserves, as the DSUs are fully vested on the grant date. DSUs to be redeemed in cash are recognized as a liability and adjusted at each reporting date for changes in fair value. The Company intends to equity settle its DSUs.

(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, RSUs, DSUs, and warrants would be used to purchase common shares at the average market price during the period, and the Convertible Note Facility was converted at the Conversion Price.

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, RSUs, and DSUs would be anti-dilutive.

(o) Changes in accounting standards

Amendments to IAS 16: Proceeds before Intended Use

In May 2020, the IASB issued amendments to IAS 16, Property, Plant and Equipment ("IAS 16"), which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. As the Company is currently in the development phase as at December 31, 2021, the amendments to IAS 16 will be adopted prospectively upon commencement of gold production in 2022. The Company is currently evaluating the impact of adoption.

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 input prices, supply chain lead times, and funding 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, as disclosed in note 1(c), 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 the Company, including all subsidiaries is the US dollar.

Exploration and evaluation expenditures within Mineral Properties, Plant and Equipment

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. Judgment is applied in determining when commercial viability has been established. The Company determined that this threshold was met on January 21, 2021 upon securing binding project financing. Thereafter, costs incurred on mine development and construction are capitalized.

Loans and borrowings

On initial recognition of the convertible note, the fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The Company has used an effective interest rate with reference to the senior debt facility as the basis for determining the fair value of the convertible note.

On initial recognition of the senior debt facility, estimation is required on timing of future drawdowns, repayments, and interest payments and the allocation of transaction costs between the medium-term and short-term loans.

Silver stream

The silver stream liability is measured at FVTPL based on the discounted present value of future cashflows associated with the silver stream. Estimates of the discounted present value are influenced by the estimation of silver production, long-term silver prices, discount rates, and timing of cashflows.

(Expressed in United States dollars)

Environmental rehabilitation costs

The provisions for rehabilitation are based on the expected costs of environmental rehabilitation and inputs used to determine the present value of such provisions and the related accretion expense using the information available at the reporting date. To the extent the actual costs differ from these estimates, adjustments will be recorded and the profit or loss and future cashflows may be impacted.

5. OTHER CURRENT ASSETS

As at	**December 31, 2021**	December 31, 2020
Prepaid expenses	**$2,301,345**	$222,522
Deposits	**55,531**	18,959
Other receivables	**313,391**	30,468
Total other current assets	**$2,670,267**	$271,949

6. OTHER FINANCIAL ASSETS

At December 31, 2021, the Company's other financial assets consist of 3.2 million Sarama Resources Ltd. ("Sarama") common shares (December 31, 2020 – 3.2 million) each with a fair value of C$0.16 per share (December 31, 2020 – C$0.32). At December 31, 2021, the value of the Sarama investment is $403,144 (December 31, 2020 - $791,021) resulting in a fair value loss of $390,850 in the consolidated statement of loss for the year then ended (December 31, 2020 – gain of $227,860).

7. DEFERRED FINANCING COSTS

	Senior debt facility	**Convertible note facility**	**Total**
Transaction costs incurred	$5,004,396	$1,166,432	**$6,170,828**
Transaction costs allocated to debt (Note 11)	(1,299,843)	(1,022,742)	**(2,322,585)**
Transaction costs allocated to equity (Note 11)	-	(143,690)	**(143,690)**
Balance at December 31, 2021	**$3,704,553**	**-**	**$3,704,553**

At December 31, 2021 the Company had $3,704,553 (December 31, 2020 - $nil) of deferred financing costs associated with the undrawn tranches of the medium-term loan ($3,249,608) and the entire short-term loan ($454,945) under the senior debt facility.

8. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Cost and accumulated depreciation	**Land and mineral property rights**	**Buildings and leasehold improvements**	**Vehicles and equipment**	**Construction in progress**	**Mine under development**	**Total**
Cost						
January 1, 2020	**$874,815**	**$4,554,396**	**$3,665,001**	**-**	**-**	**$9,094,212**
Additions	-	122,690	37,318	-	-	160,008
Disposals	-	(18,268)	(4,077)	-	-	(22,345)
Foreign currency translation	34,290	412,795	336,686	-	-	783,771
December 31, 2020	**909,105**	**5,071,613**	**4,034,928**	**-**	**-**	**10,015,646**
Additions	-	502,652	1,743,552	1,784,520	92,043,180	96,073,904
Disposals	-	-	(6,348)	-	-	(6,348)
Transfer	-	945,366	520,237	(1,465,603)	-	-
Foreign currency translation	11,324	(145,923)	(128,976)	(16,170)	(207,576)	(487,321)
December 31, 2021	**$920,429**	**$6,373,708**	**$6,163,393**	**$302,747**	**$91,835,604**	**$105,595,881**

(Expressed in United States dollars)

Accumulated depreciation						
January 1, 2020	**-**	**$3,320,925**	**$2,707,320**	**-**	**-**	**$6,028,245**
Depreciation	-	408,372	439,436	-	-	847,808
Disposals	-	(18,268)	(4,077)	-	-	(22,345)
Foreign currency translation	-	336,517	274,036	-	-	610,553
December 31, 2020	**-**	**4,047,546**	**3,416,715**	**-**	**-**	**7,464,261**
Depreciation	-	515,821	560,392	-	-	1,076,213
Disposals	-	6,348	(6,348)	-	-	-
Foreign currency translation	-	(123,397)	(101,787)	-	-	(225,184)
December 31, 2021	**-**	**$4,446,318**	**$3,868,972**	**-**	**-**	**$8,315,290**
Carrying amounts						
December 31, 2020	$909,105	$1,024,067	$618,213	-	-	$2,551,385
December 31, 2021	**$920,429**	**$1,927,390**	**$2,294,421**	**$302,747**	**$91,835,604**	**$97,280,591**

Bomboré, Burkina Faso

The Company's only material mineral property right is the Bomboré 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). On March 23, 2021, the Company received the official government decree for the expanded Bomboré mining permit to include all aspects of the future Phase II expansion. Effective on this date, Orezone Inc. SARL ("SARL"), an indirect wholly-owned Burkina Faso subsidiary of the Company, transferred previous expenditures of $4,178,625 relating to this expanded permit area by way of a CFA denominated intercompany loan, to Orezone Bomboré S.A. ("OBSA"), the Company's indirect 90% owned Burkina Faso subsidiary that holds the mining permit. The transfer of costs by intercompany loan will allow the Company to recover 100% of these former costs from OBSA from future earnings. The non-controlling interest's 10% share of the costs transferred is $417,862 and is presented as an equity transaction in the Consolidated Statements of Changes in Equity for the year ended December 31, 2021.

On January 21, 2021, upon the announcement of securing binding approvals of full project financing for the development of Bomboré, the Company considered the commercial viability for Bomboré to have been established and therefore, no longer under the exploration and evaluation phase. The project was assessed for impairment at January 21, 2021 and management concluded there was no impairment. As a result, development and construction costs directly attributable to the project have been capitalized in mine under development subsequent to this date. For the year ended December 31, 2021, $1,059,678 of borrowing costs and $818,372 of depreciation directly attributable to the project are included in mine under development and $257,841 of depreciation not directly attributable to the project is included in the Consolidated Statements of Loss and Comprehensive Loss.

Mine under development costs include costs directly related to bringing the mine into production and include the following:

- engineering costs to design the size and scope of the project;
- pre-construction work such as early on-site infrastructure upgrades;
- construction in progress;
- pre-production mining costs;
- environmental rehabilitation costs;
- borrowing costs; and
- other costs directly associated with mine development.

(Expressed in United States dollars)

9. TRADE AND OTHER PAYABLES

As at	December 31, 2021	December 31, 2020
Trade payables	**$6,309,167**	$677,407
Accrued liabilities	**12,669,742**	2,329,336
Lease liability, short-term portion (Note 12)	**137,082**	-
Taxes payable	**243,324**	120,875
Total trade and other payables	**$19,359,315**	$3,127,618

10. WARRANT LIABILITY

On January 29, 2020, the Company issued 18,797,950 warrants in connection with a bought-deal public offering of units. 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"). The Warrants have been listed for trading on the TSX under the symbol ORE.WT.

As discussed in Note 2(c), effective July 1, 2021, the Company transitioned to a US dollar functional currency. Prior to the functional currency change, the Warrants were classified as an equity instrument due to the exercise price being denominated in the same currency as the Company's then C$ functional currency. As a result of the functional currency change, the Warrants are no longer denominated in the same currency as the Company's new USD functional currency and, therefore, do not meet the criteria for equity classification criteria in IAS 32, *Financial Instruments: Presentation*. Consequently, as of July 1, 2021, the warrant equity reserve has been derecognized and a warrant liability has been recognized using the market traded price of the Warrants as the basis of measurement. The warrant liability has been classified as a financial liability at fair value through profit or loss ("FVTPL"). Accordingly, subsequent to July 1, 2021, the warrant liability is re-measured at each period-end with any associated gains or losses recognized through profit or loss in the period in which they occur. The effect on the initial recognition of the Warrants as a liability, the effect of derecognizing the warrant equity reserve and the re-measurement of the Warrants as at December 31, 2021 are detailed in the table below:

	Warrants			
	Outstanding	**Warrant Equity**	**Warrant Liability**	**Warrant FVTPL**
	#	$	$	$
December 31, 2020	**18,247,450**	**893,136**	**-**	**-**
Exercised	(463,000)	(24,127)	-	-
June 30, 2021	**17,784,450**	**869,009**	**-**	**-**
Effect of change in functional currency	-	(869,009)	7,459,821	(6,590,812)
Fair value loss on re-measurement	-	-	1,229,197	(1,229,197)
Exercised	(99,000)	-	(55,292)	-
December 31, 2021	**17,685,450**	**-**	**8,633,726**	**(7,820,009)**

On June 30, 2021, 463,000 Warrants were exercised for proceeds of $298,839 and $24,127 of fair value was transferred to share capital.

On October 21, 2021 and October 27, 2021, 84,300 and 14,700 Warrants were exercised, respectively. Proceeds of $63,635 and $55,292 of fair value were transferred to share capital.

As at December 31, 2021, the weighted average remaining contractual life of the Warrants is 1.08 years (December 31, 2020 – 2.08 years).

(Expressed in United States dollars)

11. LOANS AND BORROWINGS

As at	December 31, 2021	December 31, 2020
Senior Debt Facility		
Senior debt principal (Note 11(a))	**$17,200,000**	-
Transaction costs (Note 7)	**(1,299,842)**	-
Senior Debt Facility, initial recognition	**$15,900,158**	-
Accretion	**4,200**	-
Foreign exchange	**100,000**	-
Senior Debt Facility, amortized cost	**$16,004,358**	-
Convertible Note Facility		
Convertible note principal (Note 11(b))	**$35,000,000**	-
Transaction costs (Note 7)	**(1,166,432)**	-
Convertible note equity component (Note 11(b))	**(4,167,952)**	-
Convertible Note Facility, initial recognition	**29,665,616**	-
Accretion	**156,770**	-
Convertible Note Facility, amortized cost	**$29,822,386**	-
Total loans and borrowings	**$45,826,744**	-

The Company incurred and capitalized to mine under development, the following finance costs for the years ended December 31:

	2021	2020
Interest expense	**$624,651**	-
Accretion	**160,970**	-
Other finance costs	**274,057**	-
Total finance costs	**$1,059,678**	-

(a) Senior debt facility

On October 15, 2021, the Company closed its CFA 52.5 billion ($90.8 million at December 31, 2021) senior secured debt facility with Coris Bank International ("Senior Debt Facility"). The Senior Debt Facility with Coris Bank International consists of a medium-term loan and a short-term loan:

- The medium-term loan of CFA 35.0 billion ($60.5 million at December 31, 2021) 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 fee. At December 31, 2021, CFA 10.0 billion ($17.3 million) has been drawn on this facility.
- The short-term loan of CFA 17.5 billion ($30.3 million at December 31, 2021) 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 after the full drawdown of the medium-term loan. At December 31, 2021, no amount has been drawn on this facility.

Transaction costs for loan origination fees, debt advisory, legal, due diligence, and loan security registration totalling $5,004,396 (Note 7) have been incurred on the Senior Debt Facility.

The Senior Debt Facility is secured by a first ranking charge on the mining permit, PP&E, and future gold inventory and receivables from the Bomboré Project.

(Expressed in United States dollars)

(b) Convertible note facility

On October 15, 2021, the Company closed its $35.0 million 8.5% convertible note with Resource Capital Fund VII L.P. and Beedie Investments Ltd ("Convertible Note Facility"). The Convertible Note Facility has a term of 5 years, bears interest of 8.5% per annum, and was fully drawn in a single tranche on October 19, 2021. Interest may be 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 (the "Conversion Price"). The note is non-callable with principal due on maturity, subject to the conversion options. The Company may elect to force conversion of 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 a three month period from the proposed date of conversion, the volume-weighted average price of the Company's common shares exceeds a 50% premium to the Conversion Price.

The Convertible Note Facility has been accounted for as a compound financial instrument, in accordance with IAS 32, *Financial Instruments: Presentation*. The initial carrying amount of the Convertible Note Facility was allocated to its equity and liability components. The carrying amount of the liability component was determined first by measuring the fair value of a similar liability, the Senior Debt Facility, without an associated equity component. The equity component being the convertible feature of this note was assigned the residual amount of $4,167,952 after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The convertible feature is classified as an equity instrument in accordance with IAS 32, *Financial Instruments: Presentation*.

12. LEASES

Lease liabilities recognized at December 31, 2021 and 2020 are as follows:

	2021	**2020**
Balance at the beginning of the year	**$167,632**	$230,780
Additions	**468,917**	-
Payments of lease liabilities	**(86,549)**	(85,090)
Interest expense on lease liabilities	**28,773**	18,055
Foreign currency translation	**(260)**	3,887
Balance, end of year	**$578,513**	$167,632
Less current portion (Note 9)	**(137,082)**	-
Non-current portion of lease liabilities, end of year	**$441,431**	$167,632

The Company made lease payments of $307,320 (2020: $497,871) of which $220,681 (2020: $412,781) related to short-term leases.

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

	Building	**Equipment and furniture**	**Total**
Balance, January 1, 2020	**$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**
Additions	468,917	-	468,917
Depreciation for the year	(167,596)	(4,857)	(172,453)
Foreign currency translation	581	(106)	475
Balance, December 31, 2021	**$450,161**	**$1,146**	**$451,307**

(Expressed in United States dollars)

13. SILVER STREAM LIABILITY

The effect on the initial recognition of the Silver Stream as a liability, and the re-measurement of the Silver Stream is detailed in the table below for the years ended December 31:

	Silver Stream	
As at	**December 31, 2021**	**December 31, 2020**
Carrying amount at initial recognition	**7,150,000**	-
Fair value loss on re-measurement	**538,638**	-
Balance at the end of the year	**$7,688,638**	**-**

On October 15, 2021, the Company closed a silver stream agreement with Euro Ressources S.A ("ERSA") to sell 50% of the future silver production from the Bomboré Project for an upfront cash payment of $7.15 million, which was received on October 18, 2021 ("Silver Stream"). Other key terms under the 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 Debt Facility, to ensure the aggregate minimum annual deliveries have 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 delivery guarantee will no longer apply.
- A buyback right to repurchase 50% of the Silver Stream from ERSA for $7.15 million if, within the first five years of commercial production, the Bomboré sulphide processing circuit achieves a plant throughput rate that is 50% higher than the 2019 feasibility study design capacity of 2.2 million tonnes per annum.
- ERSA has a right of first refusal over any sale of an additional Silver Stream from Bomboré that has not been purchased by ERSA pursuant to the Silver Stream.

The Company has assessed the Silver Stream and has concluded it to be a financial liability subject to the recognition and measurement requirements of IFRS 9, *Financial Instruments.* Laws and regulations in Burkina Faso require all funds from commodity sales to be repatriated which prevents the physical delivery of silver. As such, the Silver Stream agreement has been classified as a financial liability at fair value through profit or loss ("FVTPL"). Accordingly, the Silver Stream liability is re-measured at each period-end with any associated gains or losses recognized through profit or loss in the period in which they occur, unless they pertain to changes in the credit risk, in which they will be recognized in other comprehensive income.

14. ENVIRONMENTAL REHABILIATION PROVISION

As at	**December 31, 2021**	December 31, 2020
Balance at the beginning of the year	-	-
Change in estimates and obligations incurred	**4,672,139**	-
Rehabilitation work performed	-	-
Balance at the end of the year	**$4,672,139**	**-**

An environmental rehabilitation provision for the Bomboré Project has been recognized at December 31, 2021 based on disturbances incurred during the development phase. Rehabilitation activities include backfilling, soil-shaping, re-vegetation, water treatment, plant and building decommissioning, administration, closure and monitoring activities. The majority of rehabilitation expenditures are expected to occur towards the end of the mine life. The Company measures the provision at the expected value of future cash flows including inflation rates of approximately 2.73% discounted to the present value using average discount rates of 2.01%. Future cash flows are estimated based on estimates of rehabilitation costs and current disturbance levels. The undiscounted cash flows related to the environmental rehabilitation obligation as of December 31, 2021 totalled $6.1 million (December 31, 2020 - $nil).

(Expressed in United States dollars)

15. SHARE CAPITAL

(a) Capital stock

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

On January 28, 2021, the Company closed the bought-deal equity financing, including an exercise of the overallotment option by the underwriters, for aggregate gross proceeds of C$73,754,625 ($57,490,921) by issuing 70,242,500 common shares at price of C$1.05 per share ("Shares"). The net proceeds received from the share issuance were C$70,428,241 ($54,894,945) after underwriter commissions, legal fees, and other offering expenses. In connection with the bought-deal share offering, the Company paid the underwriters a cash commission equal to 4.0% of the gross proceeds.

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"). 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") and the 2016 Stock Option Plan ("2016 Plan"). The Company's 2016 Plan is a 10% "rolling" plan and is 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 may not exceed 10% of the Company's issued and outstanding common shares on a non-diluted basis. 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. The board of directors also determines the time period during which options shall vest and the method of vesting.

The following table summarizes the number of stock options that the Company has outstanding at December 31, 2021 including details of options granted, exercised, expired and forfeited during the year:

				Activity during the period				
Grant date	Expiry date	Exercise price	Opening balance	Granted	Exercised	Expired/ Forfeited	Closing balance	Vested and exercisable
		C$	#	#	#	#	#	#
02/08/2016	02/08/2026	0.30	980,000	-	90,000	-	890,000	890,000
06/23/2017	06/23/2027	0.78	4,200,000	-	-	-	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	1,193,500	-	-	-	1,193,500	1,193,500
07/23/2018	07/23/2023	0.80	2,680,000	-	-	-	2,680,000	2,680,000
02/21/2019	02/21/2024	0.53	3,258,332	-	11,666	-	3,246,666	3,246,666
04/17/2019	04/17/2024	0.53	600,000	-	50,000	-	550,000	550,000
04/23/2019	04/23/2024	0.53	200,000	-	-	-	200,000	200,000
11/21/2019	02/15/2022	0.62	400,000	-	-	-	400,000	400,000
11/21/2019	03/31/2023	0.62	400,000	-	-	-	400,000	400,000
05/05/2020	05/05/2025	0.54	4,863,668	-	23,334	-	4,840,334	3,204,662
05/05/2020	02/15/2022	0.54	100,000	-	-	33,334	66,666	66,666
02/12/2021	01/01/2023	1.05	-	300,000	100,000	200,000	-	-
02/12/2021	02/12/2026	1.05	-	200,000	-	-	200,000	66,666
03/30/2021	03/30/2026	1.05	-	1,272,000	-	-	1,272,000	423,994
03/30/2021	02/15/2022	1.05	-	71,000	-	47,334	23,666	23,666
03/30/2021	03/31/2023	1.05	-	100,000	-	-	100,000	33,333
07/12/2021	07/12/2026	1.42	-	200,000	-	-	200,000	66,666
11/01/2021	11/01/2026	1.20	-	600,000	-	-	600,000	-
12/22/2021	12/22/2026	1.25	-	659,771	-	-	659,771	219,923

(Expressed in United States dollars)

Totals	**19,175,500**	**3,402,771**	**275,000**	**280,668**	**22,022,603**	**18,165,742**
Weighted average exercise price	**C$0.64**	**C$1.14**	**C$0.64**	**C$0.99**	**C$0.71**	**C$0.67**

The outstanding options as at December 31, 2021 have a weighted average remaining contractual life of 3.57 years (December 31, 2020 – 4.53 years).

The Black-Scholes option valuation model input factors for stock options granted in 2021 were as follows:

				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$
02/12/2021	01/01/2023	0.98	1.05	0.15	1.9	72.67	-	0.35
02/12/2021	02/12/2026	0.98	1.05	0.15	3.0	66.62	-	0.41
03/30/2021	03/30/2026	0.91	1.05	0.23	3.0	66.08	-	0.36
07/12/2021	07/12/2026	1.42	1.42	0.44	3.0	68.62	-	0.64
11/01/2021	11/01/2026	1.20	1.20	0.42	3.0	68.27	-	0.54
12/22/2021	12/22/2026	1.25	1.25	1.04	3.0	67.81	-	0.56

(c) Restricted Share Units (“RSUs”) and Deferred Share Units (“DSUs”)

	RSUs		DSUs	
	Outstanding	**Vested**	**Outstanding**	**Vested**
	#	#	#	#
December 31, 2020	1,207,000	-	-	-
Granted	1,933,664	-	398,000	-
Vested during the year	-	603,500	-	398,000
Redeemed	(166,500)	(166,500)	-	-
Forfeited	(123,000)	-	-	-
December 31, 2021	**2,851,164**	**437,000**	**398,000**	**398,000**

RSUs

During 2021, the Company granted a total of 1,933,664 RSUs to officers and employees of the Company. Each RSU is redeemable into one common share of the Company upon vesting. RSUs generally vest in two equal installments on the first and second anniversaries from the grant date. The fair value of each RSU on grant date ranged from C$0.91 to C$1.42.

DSUs

On March 30, 2021, the Company granted 398,000 DSUs to directors of the Company. Each DSU is redeemable into one common share of the Company upon the holder ceasing to be a director of the Company. The DSUs have no vesting conditions and a grant date fair value of C$0.91 each.

(d) Share-based compensation

Share-based compensation by incentive instruments for the years ended December 31 were as follows:

	2021	2020
Stock options	**$934,640**	$821,811
Restricted share units	**1,072,801**	35,256
Deferred share units	**288,073**	-
Total share-based compensation	**$2,295,514**	$857,067
Less amount capitalized to mine under development	**($517,449)**	-
Share-based compensation, net of capitalized portion	**$1,778,065**	$857,067

(Expressed in United States dollars)

Share-based compensation capitalized relates to employees who contribute directly to the development and construction of the Bomboré project.

16. NATURE OF EXPENSES

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

	2021	2020
Salaries and employee costs	**$568,960**	$4,120,141
Exploration and development studies	**259,173**	217,385
Resettlement Action Plan implementation	**34,230**	7,090,067
General, camp, infrastructure and other	**272,586**	2,757,597
Drilling and assaying	**508,417**	380,963
Total exploration and evaluation costs	**$1,643,366**	$14,566,153
Salaries and employee costs	**$3,201,621**	$1,725,615
Professional fees	**334,262**	713,984
Public company costs	**563,786**	278,513
General and office costs	**547,645**	221,199
Investor relations	**258,477**	139,485
Total general and administrative costs	**$4,905,791**	$3,078,796

The Bomboré Project entered the development phase on January 21, 2021. Subsequent to this date, costs that are directly attributable to project development are capitalized to mineral properties, plant, and equipment as mine under development.

The Resettlement Action Plan ("RAP") implementation relates to the relocation of several villages to nearby resettlement sites required to access key areas for construction within the Project's mining lease. The RAP construction and relocation were substantially completed in 2020.

17. 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 for the years ended December 31:

	2021	2020
Loss before income taxes	**($18,721,131)**	($19,107,215)
Statutory Canadian federal and provincial tax rates	**27.0%**	27.0%
Expected income tax recovery	**5,054,705**	5,158,948
Effect of income taxes recorded at rates other the Canadian income tax rate	**(100,158)**	135,156
Effect of expenses that are not deductible for tax purposes	**(2,755,235)**	(156,531)
Unrecognized change in Canadian deductible temporary differences	**384,732**	(26,224)
Unrecognized change in foreign resource-related deductible temporary differences	**4,835,813**	-
Unrecognized change in share issuance and debt costs	**(929,590)**	(183,147)
Unrecognized change in Canadian non-capital loss carry-forwards	**(1,025,171)**	(966,436)
Unrecognized change in foreign resource-related income tax deductions	**(5,465,096)**	(3,961,766)
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:

(Expressed in United States dollars)

As at	**December 31, 2021**	December 31, 2020
Canadian non-capital loss carry-forwards	**$9,379,705**	$7,407,825
Foreign resource-related income tax deductions	**39,875,759**	37,788,731
Unamortized share issuance costs deductible for tax purposes	**1,261,104**	331,514
	$50,516,568	$45,528,070

If not utilized, these Canadian non-capital loss carry-forwards expire between 2029 and 2041. The unamortized share issuance costs as at December 31, 2021 will be deductible for Canadian income tax purposes between 2021 and 2025.

The resource-related deductions generated by the Company's foreign subsidiaries are available to reduce future income taxes in Burkina Faso for a period of five years beginning in the year that production commences. 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 realized on permit sales if such a sale is undertaken. The effective corporate income tax rate in Burkina Faso is 27.5% (2020 – 27.5%).

18. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Changes in non-cash operating activities

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

	2021	**2020**
Inventories	**($7,687)**	($35,611)
Other current assets	**183,223**	780,355
Trade and other payables	**433,177**	(426,887)
	$608,713	$317,857

(b) Changes in non-cash investing activities

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

	2021	2020
Acquisition of mineral properties, plant and equipment	**$19,146,162**	($302,985)
	$19,146,162	($302,985)

(c) Changes in non-cash financing activities

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

	2021	**2020**
Fair value of warrant exercises (Note 10)	**$55,292**	-
Accretion on loans and borrowings (Note 11)	**160,970**	-
Other finance costs (Note 11)	**274,057**	-
Fair value loss on silver stream liability (Note 13)	**538,638**	-
	$1,028,957	-

19. 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. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. There has been no change in the Company's objectives and policies for managing this risk during the period ended December 31, 2021.

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

As at December 31, 2021	**US$**	**C$**	**EUR & CFA[1]**	**Other**	**Total**
Financial assets					
Cash	$19,719,336	$4,775,870	11,138,247	$449,527	$36,082,980
Other current assets	7,485	121,830	171,444	-	300,759
Other financial assets	-	403,144	-	-	403,144
	$19,726,821	$5,300,844	$11,309,691	$449,527	$36,786,883
Financial liabilities					
Trade and other payables	5,710,891	1,932,301	9,565,518	1,907,282	19,115,992
Warrant liability	-	8,633,726	-	-	8,633,726
Loans and borrowings	29,822,386	-	16,004,358	-	45,826,744
Lease liabilities	-	441,431	-	-	441,431
Silver stream liability	7,688,638	-	-	-	7,688,638
Net financial instruments	**($23,495,094)**	**($5,706,614)**	**($14,260,185)**	**($1,457,755)**	**($44,919,648)**

As at December 31, 2020	**US$**	**C$**	**EUR & CFA[1]**	**Other**	**Total**
Financial assets					
Cash	$71,199	$8,281,072	$514,346	-	$8,866,617
Other current assets	24,592	64,360	124,092	-	213,044
Other financial assets	-	791,021	-	-	791,021
	$95,791	$9,136,453	$638,438	-	$9,870,682
Financial liabilities					
Trade and other payables	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**

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):

As at	**December 31, 2021**	December 31, 2020
C$	**$570,661**	($867,143)
EUR & CFA	**$1,426,019**	$176,900
Others	**$145,776**	-

[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)

(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.

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

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	$19,359,315	-	-	**$19,359,315**
Capital commitments	56,785,524	443,610	-	**57,229,134**
Operating commitments	311,237	13,217	-	**324,454**
Lease commitments	193,676	494,761	128,611	**817,048**
Senior Debt Facility	1,952,738	19,363,025	-	**21,315,763**
Convertible Note Facility	2,975,000	46,280,548	-	**49,255,548**
Total	**$81,577,490**	**$66,595,161**	**$128,611**	**$148,301,262**

The Company's capital commitments relate to non-cancellable purchase orders or contracts entered into by the Company with respect to mine construction and pre-production mining activities at its Bomboré Project in Burkina Faso.

The Company has a Silver Stream with ERSA to deliver 50% of future silver production from the Bomboré Project to ERSA for no further payments.

The Senior Debt Facility and the Convertible Note Facility presented include both contractual principal and interest payments, where applicable, and, in the case of the Convertible Note Facility, exclude the exercise of the equity conversion rights.

(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 Company's cash is held with highly rated financial institutions in interest-bearing accounts, the concentration of cash held in any one institution is regularly monitored, 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:

(Expressed in United States dollars)

	Level 1	**Level 2**	**Level 3**	**December 31, 2021**	Level 1	December 31, 2020
Cash	**$36,082,980**	**-**	**-**	**$36,082,980**	$8,866,617	$8,866,617
Other financial assets	**403,144**	**-**	**-**	**403,144**	$791,021	791,021
Warrant liability	**(8,633,726)**	**-**	**-**	**(8,633,726)**	-	-
Loans and borrowings	**-**	**(45,826,744)**	**-**	**(45,826,744)**	-	-
Silver stream liability	**-**	**-**	**($7,688,638)**	**($7,688,638)**	-	-

The fair value of these financial instruments approximates their carrying value.

20. 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 increase borrowings. 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. On October 15, 2021, the Company announced the closing of its project debt package, which in combination with its bought-deal equity financing from January 28, 2021, are expected to fund the Company through mine construction and into commercial production.

The Company considers the components of shareholders' equity, loans and borrowings, and the Silver Stream liability to be its capital, which at December 31, 2021 totalled $117,499,305 (December 31, 2020 - $19,698,684)

The Company is not subject to any externally imposed capital requirements, with the exception of complying with covenants under the Senior Debt Facility and Convertible Note Facility. As at December 31, 2021, the Company was in compliance with these covenants.

21. KEY MANAGEMENT COMPENSATION

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

	2021	2020
Short-term key management personnel compensation and benefits and director fees	**$1,809,998**	$1,285,476
Share-based compensation	**1,891,718**	750,668
	$3,701,716	$2,036,144

22. SUBSEQUENT EVENTS

On January 7, 2022, the Company issued 339,562 and 135,825 shares to Resource Capital Fund VII L.P. and Beedie Investments Ltd respectively as payment for interest on the Convertible Note Facility.

On February 3, 2022, the Company issued 603,965 stock options, 35,000 RSUs, and 550,765 DSUs. The stock options are exercisable at C$1.18.

On February 4, 2022, 274,000 RSUs were redeemed for an equal number of common shares of the Company.

On February 7, 2022, 490,332 stock options were exercised at strike prices ranging from C$0.54 to C$1.05.

On February 25, 2022, the Company made its second drawdown of CFA 10.0 billion ($17.1 million) from the Senior Debt Facility medium-term loan.

On March 4, 2022, 500 warrants were exercised at a price of C$0.80 for proceeds of C$400 ($314).

On March 9, 2022, the Company issued 150,000 stock options. The stock options are exercisable at C$1.50.