



OREZONE GOLD CORPORATION

Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2022

(Unaudited, Expressed in United States dollars)

Orezone Gold Corporation
Condensed Consolidated Interim Financial Statements
(Unaudited, expressed in United States dollars)

Notice to reader pursuant to National Instrument 51-102

Responsibility for Financial Statements:

The accompanying unaudited condensed consolidated interim financial statements of Orezone Gold Corporation as at and for the three and six month periods ended June 30, 2022 have been prepared by the Company's management. Recognizing that the Company is responsible for both the integrity and objectivity of the condensed interim financial statements, management is satisfied that these condensed consolidated interim financial statements have been fairly presented.

Auditor's involvement:

The external auditors of the Company have not audited or performed a review of these condensed consolidated interim financial statements.

Orezone Gold Corporation
Condensed Consolidated Interim Statements of Financial Position
(Unaudited, expressed in United States dollars)

As at	June 30, 2022	December 31, 2021
ASSETS		
Current assets		
Cash	\$23,559,203	\$36,082,980
Inventories	322,357	356,961
Other current assets	3,838,901	2,670,267
Total current assets	27,720,461	39,110,208
Non-current assets		
Other financial assets	397,108	403,144
Deferred financing costs (Note 3)	652,532	3,704,553
Mineral properties, plant and equipment (Note 4)	187,868,398	97,280,591
Total assets	\$216,638,499	\$140,498,496
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	\$28,406,835	\$19,359,315
Warrant liability (Note 5)	4,483,265	-
Current portion of loans and borrowings (Note 6)	7,715,148	-
Total current liabilities	40,605,248	19,359,315
Non-current liabilities		
Warrant liability (Note 5)	-	8,633,726
Loans and borrowings (Note 6)	89,488,908	45,826,744
Lease liabilities	371,540	441,431
Silver stream liability (Note 7)	7,990,204	7,688,638
Environmental rehabilitation provision (Note 8)	17,057,787	4,672,139
Total liabilities	155,513,687	86,621,993
Equity		
Share capital	276,678,376	268,190,768
Reserves	29,879,581	29,162,636
Accumulated deficit	(236,011,623)	(233,369,481)
Equity attributable to shareholders	70,546,334	63,983,923
Non-controlling interest	(9,421,522)	(10,107,420)
Total equity	61,124,812	53,876,503
Total liabilities and equity	\$216,638,499	\$140,498,496

Commitments (Note 11(b))
Subsequent Events (Note 12)

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements were approved by the Board of Directors of Orezone Gold Corporation on August 10, 2022:

/s/ Patrick Downey

Patrick Downey
Director

/s/ Rob Doyle

Rob Doyle
Director

Orezone Gold Corporation

Condensed Consolidated Interim Statements of Profit and Loss and Comprehensive Profit and Loss

For the three and six month periods ended June 30, 2022 and 2021

(Unaudited, expressed in United States dollars, except for number of share amounts)

	Three months ended		Six months ended	
	June 30,		June 30	
	2022	2021	2022	2021
Expenses				
Exploration and evaluation costs	\$1,899,371	\$723,668	\$2,791,627	\$1,224,248
General and administrative costs	1,319,299	1,239,737	2,352,632	2,211,492
Share-based compensation (Note 9(d))	387,358	432,911	1,352,149	1,230,200
Depreciation (Note 4)	28,494	28,478	59,439	100,773
Operating expenses	3,634,522	2,424,794	6,555,847	4,766,713
Other income (loss)				
Foreign exchange gain (loss)	2,585,276	(762,993)	3,155,884	(1,378,840)
Finance income	11,837	53,582	27,158	111,790
Finance expense	(17,271)	(3,371)	(35,421)	(7,060)
Fair value (loss) gain on other financial assets	(199,781)	78,512	2,510	(188,738)
Fair value gain on warrant liability (Note 5)	4,068,459	-	1,248,531	-
Fair value loss on silver stream liability (Note 7)	(250,837)	-	(301,566)	-
Other income (loss)	6,197,683	(634,270)	4,097,096	(1,462,848)
Net profit (loss) for the period	2,563,161	(3,059,064)	(2,458,751)	(6,229,561)
Net profit (loss) attributable to:				
Shareholders	2,409,855	(3,019,766)	(2,642,142)	(6,138,970)
Non-controlling interest	153,306	(39,298)	183,391	(90,591)
Net profit (loss) for the period	\$2,563,161	(\$3,059,064)	(\$2,458,751)	(\$6,229,561)
Other comprehensive income				
Foreign currency translation gain	-	879,883	-	1,854,589
Total other comprehensive income	-	879,883	-	1,854,589
Comprehensive income (loss) for the period	2,563,161	(2,179,181)	(2,458,751)	(4,374,972)
Comprehensive gain (loss) attributable to:				
Shareholders	2,050,949	(2,058,542)	(3,144,649)	(4,463,463)
Non-controlling interest	512,212	(120,639)	685,898	88,491
Comprehensive income (loss) for the period	\$2,563,161	(\$2,179,181)	(\$2,458,751)	(\$4,374,972)
Net earnings (loss) per common share attributable to the shareholders of the Company, basic and diluted	\$0.01	(\$0.01)	(\$0.01)	(\$0.02)
Weighted-average number of common shares outstanding, basic	328,333,883	323,129,191	326,610,226	312,156,762
Weighted-average number of common shares outstanding, diluted	347,690,007	323,129,191	326,610,226	312,156,762

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation
Condensed Consolidated Interim Statements of Changes in Equity
For the six month periods ended June 30, 2022 and 2021
(Unaudited, expressed in United States dollars, except for number of share amounts)

	Share capital		Reserves					Accumulated deficit	Equity attributable to shareholders	Non-controlling interest	Total Equity
	Shares #	Amount \$	Share-based payments \$	Foreign currency translation \$	Warrants \$	Contributed surplus \$	Convertible note equity component \$				
Balance, January 1, 2022	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
Shares issued (Note 6(b))	928,764	1,002,534	-	-	-	-	-	-	1,002,534	-	1,002,534
Warrants exercised (Note 5)	6,124,700	6,728,246	-	-	-	-	-	-	6,728,246	-	6,728,246
Stock options exercised (Note 9(b))	490,332	339,297	(96,631)	-	-	-	-	-	242,666	-	242,666
RSUs redeemed (Note 9(c))	559,000	417,531	(417,531)	-	-	-	-	-	-	-	-
Share-based compensation (Note 9(d))	-	-	1,733,614	-	-	-	-	-	1,733,614	-	1,733,614
Foreign currency translation	-	-	-	(502,507)	-	-	-	-	(502,507)	502,507	-
Net loss for the period	-	-	-	-	-	-	-	(2,642,142)	(2,642,142)	183,391	(2,458,751)
Balance, June 30, 2022	332,002,102	276,678,376	19,900,506	345,173	-	5,465,950	4,167,952	(236,011,623)	70,546,334	(9,421,522)	61,124,812

	Share capital		Reserves					Accumulated deficit	Equity attributable to shareholders	Non-controlling interest	Total Equity
	Shares #	Amount \$	Share-based payments \$	Foreign currency translation \$	Warrants \$	Contributed surplus \$	Convertible note equity component \$				
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	70,242,500	57,490,921	-	-	-	-	-	-	57,490,921	-	57,490,921
Share issuance costs	-	(2,595,976)	-	-	-	-	-	-	(2,595,976)	-	(2,595,976)
Warrants exercised	463,000	322,966	-	-	(24,127)	-	-	-	298,839	-	298,839
Stock options exercised	175,000	79,716	(20,702)	-	-	-	-	-	59,014	-	59,014
Share-based compensation	-	-	1,230,200	-	-	-	-	-	1,230,200	-	1,230,200
Foreign currency translation	-	-	-	1,675,507	-	-	-	-	1,675,507	179,082	1,854,589
Bomboré mining permit expansion	-	-	-	-	-	417,862	-	-	417,862	(417,862)	-
Net loss for the period	-	-	-	-	-	-	-	(6,138,970)	(6,138,970)	(90,591)	(6,229,561)
Balance, June 30, 2021	323,533,806	267,844,178	17,759,913	1,131,457	869,009	5,465,950	-	(220,934,426)	72,136,081	(10,334,682)	61,801,399

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

Orezone Gold Corporation
Condensed Consolidated Interim Statements of Cash Flows
For the six month periods ended June 30, 2022 and 2021
(Unaudited, expressed in United States dollars)

	Six months ended June 30,	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(\$2,458,751)	(\$6,229,561)
Adjustments to reconcile net loss to cash used in operating activities:		
Share-based compensation	1,352,149	1,230,200
Depreciation	59,439	100,773
Finance income	(27,158)	(111,790)
Finance expense	35,421	7,060
Unrealized foreign exchange (gain) loss	(3,155,884)	1,378,840
Fair value (gain) loss on other financial assets	(2,510)	188,738
Fair value gain on warrant liability	(1,248,531)	-
Fair value loss on silver stream liability	301,566	-
Changes in non-cash operating working capital (Note 10)	(418,924)	25,379
Total cash outflows used in operating activities	(5,563,183)	(3,410,361)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Notes 4 and 10)	(66,118,117)	(19,501,889)
Interest received	29,021	101,498
Total cash outflows from investing activities	(66,089,096)	(19,400,391)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from public offering	-	57,490,921
Offering issue costs	-	(2,595,976)
Senior debt proceeds (Note 6)	57,950,000	-
Debt issue costs (Note 3)	(747,981)	-
Proceeds from exercise of warrants (Note 5)	3,826,316	-
Proceeds from exercise of stock options (Note 9)	242,666	59,014
Lease principal payments	(61,382)	(38,703)
Interest paid	(2,120,114)	(7,060)
Total cash inflows from financing activities	59,089,505	54,908,196
Effect of foreign currency translation on cash	38,997	792,201
(Decrease) increase in cash	(12,523,777)	32,889,645
Cash, beginning of period	36,082,980	8,866,617
Cash, end of period	\$23,559,203	\$41,756,262

Supplemental cash flow information is provided in Note 10.

Orezone Gold Corporation
Notes to the Condensed Consolidated Interim Financial Statements
For the three and six month periods ended June 30, 2022 and 2021
(Unaudited, expressed in United States dollars)

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. Construction of the Bomboré mine is substantially complete with commissioning activities advancing towards first gold before the quarter ending September 30, 2022.

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

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2021 (the “2021 Annual Financial Statements”), which have been prepared in accordance with IFRS.

These Interim Financial Statements were authorized for issue by the Board of Directors on August 10, 2022.

(b) Basis of measurement

The preparation of financial statements in conformity of IFRS also requires management to make estimates and judgments that may have a significant impact to these Interim 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 estimates and judgments were presented in Note 4 of the 2021 Annual Financial Statements and have been consistently applied in the preparation of these Interim Financial Statements for the three and six month periods ended June 30, 2022 and 2021.

These Interim Financial Statements are presented in United States dollars, unless otherwise indicated.

(c) Commercial production

The determination of when a mine enters the commercial production stage is a significant judgment. The development phase ends and the production phase begins when the mine is in the condition necessary for it to be capable of operating in the manner intended by management. Various relevant criteria are considered to assess when the mine is substantially complete and ready for its intended use. Management examines the following factors when making that judgment:

- All major capital expenditures to bring the mine to the condition necessary for it to be capable of operating in the manner intended by management have been completed;
- The completion of a reasonable period of testing of the mine plant and equipment;
- The mill has reached a pre-determined percentage of design capacity and mineral recoveries are near the expected production levels; and
- The ability to sustain ongoing production of ore.

Upon achieving commercial production, costs are transferred from assets under construction into the appropriate asset classification such as inventory, mineral properties, property, plant and equipment.

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Following the adoption of the amendment to IAS 16, *Property, Plant and Equipment* (“IAS 16”), as disclosed in Note 2(d), pre-commercial production sales of gold and silver, and related costs while bringing the mine into a condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss. The Company measures the cost of those items by applying the measurement requirements of IAS 2, *Inventories*.

Development expenditures incurred during the production phase to provide access to ore reserves in future periods; expand existing capacity; or generally provide future economic benefits will continue to be capitalized under the Company’s accounting policies for development costs, and mineral properties, plant and equipment.

(d) Change in accounting standard

These Interim Financial Statements have been prepared using accounting policies consistent with those used in the 2021 Annual Financial Statements, except as follows:

Amendments to IAS 16, Property, Plant and Equipment

The IASB issued an amendment to IAS 16, *Property, Plant and Equipment* to prohibit deducting from property, plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and related costs must be recognized in profit or loss. The amendment requires companies to distinguish between costs associated with producing and selling items before the item of property, plant and equipment is available for use and costs associated with making the item of property, plant and equipment available for its intended use. The Company adopted the amendment effective January 1, 2022 and will recognize any sales proceeds and production and selling costs upon commencement of gold production at Bomboré in the Consolidated Statements of Profit and Loss.

3. DEFERRED FINANCING COSTS

	Senior debt facility - medium-term	Senior debt facility - short-term	Convertible note facility	Total
Balance at January 1, 2021	-	-	-	-
Additions	4,549,451	454,945	1,166,432	6,170,828
Transaction costs allocated to debt	(1,299,843)	-	(1,022,742)	(2,322,585)
Transaction costs allocated to equity	-	-	(143,690)	(143,690)
December 31, 2021	\$3,249,608	\$454,945	-	\$3,704,553
Additions	312,704	435,277	-	747,981
Transaction costs allocated to debt (Note 6)	(3,562,312)	(237,690)	-	(3,800,002)
Balance at June 30, 2022	-	\$652,532	-	\$652,532

On February 25, 2022, the Company made its second drawdown of CFA 10.0 billion (\$17.3 million) from the Senior Debt Facility medium-term loan. Deferred transaction costs of \$1,299,843 were allocated to the second drawdown

On April 21, 2022, the Company made its third drawdown of CFA 15.0 billion (\$24.8 million) from the Senior Debt Facility medium-term loan. Deferred transaction costs of \$1,962,809 were allocated to the third drawdown.

On June 28, 2022, the Company made its first drawdown of CFA 5 billion (\$8.0 million) from the Senior Debt Facility short-term loan. Deferred transaction costs of \$237,690 were allocated to the first drawdown.

On June 30, 2022, the Company made its fourth drawdown of CFA 5 billion (\$8.0 million) from the Senior Debt Facility medium-term loan. Deferred transaction costs of \$299,660 were allocated to the fourth drawdown.

Orezone Gold Corporation
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4. 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, 2021	\$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
Additions	-	2,456	630,809	673,420	89,846,929	91,153,614
Disposals	-	-	(6,597)	-	-	(6,597)
Transfers	-	-	125,030	(125,030)	-	-
June 30, 2022	\$920,429	\$6,376,164	\$6,912,635	\$851,137	\$181,682,533	\$196,742,898
Accumulated depreciation						
January 1, 2021	-	\$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
Depreciation	-	190,168	375,639	-	-	565,807
Disposals	-	-	(6,597)	-	-	(6,597)
June 30, 2022	-	\$4,636,486	\$4,238,014	-	-	\$8,874,500
Carrying amounts						
December 31, 2021	\$920,429	\$1,927,390	\$2,294,421	\$302,747	\$91,835,604	\$97,280,591
June 30, 2022	\$920,429	\$1,739,678	\$2,674,621	\$851,137	\$181,682,533	\$187,868,398

Bomboré, Burkina Faso

The Company's only material mineral property right is the Bomboré Project.

For the three and six month periods ended June 30, 2022 \$2,981,332 and \$5,142,505, respectively, of borrowing costs and \$254,273 and \$506,368, respectively, of depreciation directly attributable to the project are included in mine under development. Depreciation of \$28,494 and \$59,439, respectively, not directly attributable to the project are included in the Interim Statements of Profit and Loss.

5. WARRANT LIABILITY

	Warrants	Warrant Liability	Warrant FVTPL
	#	\$	\$
January 1, 2022	17,685,450	8,633,726	-
Exercised	(6,124,700)	(2,901,930)	-
Fair value gain on re-measurement	-	(1,248,531)	1,248,531
June 30, 2022	11,560,750	\$4,483,265	\$1,248,531

A total of 6,124,700 warrants were exercised in the six month period ended June 30, 2022 for proceeds of \$3,826,316 and \$2,901,930 of fair value was transferred to share capital.

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As at June 30, 2022, the weighted average remaining contractual life of the warrants is 0.58 years (December 31, 2021 – 1.08 years).

6. LOANS AND BORROWINGS

As at	June 30, 2022	December 31, 2021
Senior Debt Facility		
Senior debt principal (Note 6(a))	\$75,150,000	\$17,200,000
Transaction costs (Note 3)	(5,099,845)	(1,299,842)
Senior Debt Facility, net of transaction costs	70,050,155	15,900,158
Accumulated accretion	203,321	4,200
Foreign exchange	(3,275,724)	100,000
Senior Debt Facility, amortized cost	\$66,977,752	\$16,004,358
Convertible Note Facility		
Convertible note principal	\$35,000,000	\$35,000,000
Transaction costs (Note 3)	(1,166,432)	(1,166,432)
Convertible note equity component	(4,167,952)	(4,167,952)
Convertible Note Facility, net of transaction costs	29,665,616	29,665,616
Accumulated accretion	560,688	156,770
Convertible Note Facility, amortized cost	\$30,226,304	\$29,822,386
Total loans and borrowings	\$97,204,056	\$45,826,744
Less: current portion, Senior Debt Facility	(7,715,148)	-
Total non-current portion, loans and borrowings	\$89,488,908	\$45,826,744

The Company capitalized to mine under development the following finance costs for the three and six month periods ended June 30:

	Three months ended		Six months ended	
	June 30, 2022	2021	June 30, 2022	2021
Interest expense	\$1,917,804	-	\$3,184,147	-
Accretion	329,248	-	607,826	-
Other finance costs	734,280	-	1,350,532	-
Total finance costs	\$2,981,332	-	\$5,142,505	-

(a) Senior Debt Facility

The Senior Debt Facility is a project-level debt with Coris Bank International SA (“Coris”) and is divided into a medium-term loan and a short-term loan. The medium-term loan of CFA 35.0 billion bears interest at 9.0% per annum and is repayable in monthly principal instalments starting in October 2022 and matures in September 2026. The short-term loan of CFA 17.5 billion bears interest at 8.5% per annum and has a term of 12 months from first drawdown. The Senior Debt Facility is secured by a pledge of assets of the Bomboré mine and a parental guarantee.

On February 25, 2022, the Company made its second drawdown of CFA 10.0 billion (\$17.3 million) from the Senior Debt Facility medium-term loan.

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On April 21, 2022, the Company made its third drawdown of CFA 15.0 billion (\$24.8 million) from the Senior Debt Facility medium-term loan.

On June 28, 2022, the Company made its first drawdown of CFA 5.0 billion (\$8.0 million) from the Senior Debt Facility short-term loan. As at June 30, 2022, CFA 12.5 billion of the short-term loan remains available for drawdown.

On June 30, 2022, the Company closed on its loan amendment with Coris to increase the principal on the medium-term loan from CFA 35.0 billion to CFA 40.0 billion. Concurrent with the closing of this amendment, the Company drew on this principal increase of CFA 5.0 billion (\$8.0 million) and as a result, the medium-term loan is now fully drawn.

(b) Convertible Note Facility

The Convertible Note Facility bears interest at 8.5% per annum, has a term of 5 years, and matures on October 15, 2026. Interest is payable quarterly and up to 75% in common shares at the Company's option and is convertible at the option of the holder at any time at the conversion price of \$1.08 per share ("Conversion Price"). The note is non-callable with principal due on maturity. The Company may elect to convert up to 50% of the outstanding principal at the Conversion Price when commercial production has been achieved and if over 20 consecutive trading days within three months from the proposed date of conversion, the volume-weighted average price of the Company's common shares exceeds a 50% premium to the Conversion Price.

On January 7, 2022, the Company issued 475,387 shares as payment for \$452,363 of interest accrued to December 31, 2021 and on April 5, 2022, the Company issued 453,377 shares as payment for \$550,171 of interest accrued to March 31, 2022.

7. SILVER STREAM

As at	June 30, 2022	December 31, 2021
Opening balance	\$7,688,638	-
Carrying amount at initial recognition	-	\$7,150,000
Fair value loss on re-measurement	301,566	538,638
Closing balance	\$7,990,204	\$7,688,638

In 2021, the Company sold 50% of future silver production from Bomboré over the life of mine for no additional proceeds in exchange for an upfront payment ("Silver Stream"). The Company has a buyback right to repurchase 50% of the Silver Stream 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 (3.3 million tonnes per annum) than the 2019 feasibility study design capacity of 2.2 million tonnes per annum.

The Silver Stream is treated as a financial liability measured at fair value through profit or loss.

8. ENVIRONMENTAL REHABILITATION PROVISION

As at	June 30, 2022	December 31, 2021
Opening balance	\$4,672,139	-
Obligations incurred	12,723,679	4,672,139
Change in estimate	(443,829)	-
Accretion	105,798	-
Closing balance	\$17,057,787	\$4,672,139

The increase in the environmental rehabilitation provision obligations for the six month period ended June 30, 2022 is predominantly related to the ongoing disturbances being incurred at the Bomboré project site as construction advances.

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The undiscounted cash flows related to the environmental rehabilitation obligation as of June 30, 2022 totalled \$25.2 million (December 31, 2021 - \$6.1 million).

9. SHARE CAPITAL

(a) Capital stock

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

(b) Stock options

The following table summarizes the number of stock options that the Company has outstanding at June 30, 2022 including details of options granted, exercised, expired and forfeited during the period:

Grant date	Expiry date	Exercise price	Opening balance	Activity during the period			Closing balance	Vested and exercisable
				Granted	Exercised	Expired/ Forfeited		
		C\$	#	#	#	#	#	
02/08/2016	02/08/2026	0.30	890,000	-	-	-	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	2,430,000	-	-	-	2,430,000	2,430,000
07/23/2018	08/31/2022	0.80	83,334	-	-	-	83,334	83,334
07/23/2018	10/31/2022	0.80	166,666	-	-	-	166,666	166,666
02/21/2019	02/21/2024	0.53	2,896,666	-	-	-	2,896,666	2,896,666
02/21/2019	09/30/2023	0.53	350,000	-	-	-	350,000	350,000
04/17/2019	04/17/2024	0.53	550,000	-	-	-	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	-	-	-
11/21/2019	03/31/2023	0.62	400,000	-	-	-	400,000	400,000
05/05/2020	05/05/2025	0.54	4,324,334	-	-	-	4,324,334	4,324,334
05/05/2020	10/31/2024	0.54	516,000	-	-	-	516,000	516,000
05/05/2020	02/15/2022	0.54	66,666	-	66,666	-	-	-
02/12/2021	02/12/2026	1.05	200,000	-	-	-	200,000	133,333
03/30/2021	03/30/2026	1.05	1,201,000	-	-	-	1,201,000	800,661
03/30/2021	12/31/2024	1.05	71,000	-	-	23,667	47,333	47,333
03/30/2021	02/15/2022	1.05	23,666	-	23,666	-	-	-
03/30/2021	03/31/2023	1.05	100,000	-	-	-	100,000	66,666
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	629,666	-	-	-	629,666	209,888
12/22/2021	12/31/2024	1.25	30,105	-	-	20,070	10,035	10,035
02/03/2022	02/03/2027	1.18	-	603,965	-	-	603,965	201,322
03/09/2022	03/09/2027	1.50	-	150,000	-	-	150,000	50,000
04/11/2022	04/11/2027	1.60	-	200,000	-	-	200,000	66,666
06/24/2022	06/24/2027	1.32	-	84,057	-	-	84,057	28,019
Totals			22,022,603	1,038,022	490,332	43,737	22,526,556	20,181,089
Weighted average exercise price			C\$0.71	C\$1.32	C\$0.63	C\$1.14	C\$0.74	C\$0.68

The Black-Scholes option valuation model input factors for stock options granted during the six months ended June 30, 2022 were as follows:

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Grant date	Expiry date	Grant date market price	Exercise price	Weighted average value per stock option				Grant date fair value
				Risk-free interest rate	Expected life	Expected volatility	Dividend yield	
		C\$	C\$	%	(in years)	%	%	C\$
02/03/2022	02/03/2027	1.15	1.18	0.95	3.0	0.67	-	0.53
03/09/2022	03/09/2027	1.50	1.50	1.49	3.0	0.67	-	0.72
04/11/2022	04/11/2027	1.60	1.60	2.21	3.0	0.67	-	0.73
06/24/2022	06/24/2027	1.32	1.32	2.48	3.0	0.67	-	0.60

The outstanding options as at June 30, 2022 have a weighted average remaining contractual life of 3.19 years (December 31, 2021 – 3.57 years).

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

	RSUs		DSUs	
	Outstanding	Vested	Outstanding	Vested
	#	#	#	#
December 31, 2021	2,851,164	437,000	398,000	398,000
Granted	65,000	-	627,418	-
Vested	-	474,000	-	627,418
Redeemed	(559,000)	(559,000)	-	-
Forfeited	(136,372)	-	-	-
June 30, 2022	2,220,792	352,000	1,025,418	1,025,418

RSUs

Each RSU is redeemable into one common share of the Company.

On February 3, 2022, the Company granted 35,000 RSUs with a grant date fair value of C\$1.18 each to an employee of the Company. The RSUs will vest in one installment on August 26, 2023.

On April 11, 2022, the Company granted 30,000 RSUs with a grant date fair value of C\$1.60 to an employee of the Company. The RSUs will vest in equal installments on the first and second anniversaries of the grant date.

On April 30, 2022, 136,372 unvested RSUs were forfeited by a former employee of the Company.

DSUs

Each DSU is redeemable into one common share of the Company.

On February 3, 2022, the Company granted 550,765 DSUs to directors of the Company. The DSUs are fully vested on the grant date at the fair value of C\$1.18 each

On June 24, 2022, the Company granted 76,653 DSUs to a director of the Company. The DSUs are fully vested on the grant date at the fair value of C\$1.32 each.

(d) Share-based compensation

The following table summarizes share-based expense by unit type for the three and six month periods ended June 30:

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	Three months ended		Six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Stock options	\$234,856	\$160,871	\$551,588	\$506,940
Restricted share units	273,806	272,040	589,513	435,182
Deferred share units	78,961	-	592,513	288,078
Total share-based compensation	587,623	432,911	1,733,614	1,230,200
Less amount capitalized to mine under development	(200,265)	-	(381,465)	-
Share-based compensation, net of capitalized portion	\$387,358	\$432,911	\$1,352,149	\$1,230,200

10. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Changes in non-cash operating activities

Supplemental details of the changes in non-cash operating activities for the six month periods ended June 30:

	2022	2021
Inventories	\$43,498	-
Other current assets	(30,317)	(263,918)
Trade and other payables	(432,105)	289,297
	(\$418,924)	\$25,379

(b) Changes in non-cash investing activities

Supplemental details of the changes in non-cash investing activities for the six month periods ended June 30:

	2022	2021
Acquisition of mineral properties, plant and equipment	\$19,327,185	\$2,365,585
	\$19,327,185	\$2,365,585

(c) Changes in non-cash financing activities

Supplemental details of the changes in non-cash financing activities for the six month periods ended June 30:

	2022	2021
Fair value of warrant exercises (Note 5)	(\$2,901,930)	-
Accretion on loans and borrowings (Note 6)	607,826	-
Other finance costs (Note 6)	1,350,532	-
Shares issued for interest (Note 6)	1,002,534	-
Non-cash and accrued interest (Note 6)	779,122	-
Fair value loss on silver stream liability (Note 7)	301,566	-
	\$1,139,650	-

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11. 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 six month period ended June 30, 2022.

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

As at June 30, 2022	US\$	C\$	EUR & CFA¹	Other	Total
Financial assets					
Cash	\$76,385	\$3,089,097	\$20,013,038	\$380,683	\$23,559,203
Other current assets	1,793,928	85,171	451,193	63,393	2,393,685
Other financial assets	-	397,108	-	-	397,108
	\$1,870,313	\$3,571,376	\$20,464,231	\$444,076	\$26,349,996
Financial liabilities					
Trade and other payables	\$9,579,052	\$1,537,750	\$15,442,207	\$1,480,382	\$28,039,391
Warrant liability	-	4,483,265	-	-	4,483,265
Loans and borrowings	30,226,304	-	66,977,752	-	97,204,056
Lease liabilities	-	371,540	-	-	371,540
Silver stream liability	7,990,204	-	-	-	7,990,204
Net financial instruments	(\$45,925,247)	(\$2,821,179)	(\$61,955,728)	(\$1,036,306)	(\$111,738,460)
As at December 31, 2021					
	US\$	C\$	EUR & CFA¹	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)

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

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

As at	June 30, 2022	Dec. 31, 2021
C\$	\$282,118	\$570,661
EUR & CFA	\$6,195,573	\$1,426,019
Others	\$103,631	\$145,776

(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 June 30, 2022, shown in contractual undiscounted cashflows:

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	\$28,406,835	-	-	\$28,406,835
Capital commitments	18,642,227	390,377	-	19,032,604
Operating commitments	464,229	-	-	464,229
Lease commitments	164,489	481,101	63,343	708,933
Senior Debt Facility	15,390,240	75,486,481	-	90,876,721
Convertible Note Facility	2,233,288	45,546,986	-	47,780,274
Total	\$65,301,308	\$121,904,945	\$63,343	\$187,269,596

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

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	Level 1	Level 2	Level 3	June 30, 2022	Level 1	Level 2	Level 3	December 31, 2021
Cash	\$23,559,203	-	-	\$23,559,203	\$36,082,980	-	-	\$36,082,980
Other financial assets	397,108	-	-	397,108	403,144	-	-	403,144
Warrant liability	(4,483,265)	-	-	(4,483,265)	(8,633,726)	-	-	(8,633,726)
Loans and borrowings	-	(97,204,056)	-	(97,204,056)	-	(45,826,744)	-	(45,826,744)
Silver stream liability	-	-	(\$7,990,204)	(\$7,990,204)	-	-	(\$7,688,638)	(\$7,688,638)

The Company did not transfer any assets or liabilities between levels on the fair value hierarchy and has not offset any of its financial assets against its financial liabilities.

12. SUBSEQUENT EVENTS

On July 7, 2022, the Company issued 522,507 shares as payment for \$556,284 of interest accrued to June 30, 2022 on the Convertible Note Facility. Under the terms of the facility, the Company may elect to pay up to 75% of the interest due in common shares.

On July 26, 2022, 118,600 warrants were exercised at a price of C\$0.80 for proceeds of C\$94,880 (\$73,376).