



**OREZONE GOLD CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

This Management's Discussion and Analysis ("MD&A") was prepared by management, and was reviewed and approved by the Board of Directors ("Board") on March 23, 2023, the date of this MD&A. The following discussion of performance, financial condition, and future prospects should be read in conjunction with the audited annual consolidated financial statements for the years ended December 31, 2022 and 2021 ("Annual Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts in this MD&A are in United States dollars, unless otherwise specified. References to "\$" or "US\$" or "USD" are to United States dollars, references to "C\$" or "CAD" are to Canadian dollars and references to "CFA" or "XOF" are to West African Communauté Financière Africaine francs. The functional currency for each entity consolidated with the Company is the USD. Throughout this document, abbreviations "M" means millions, "K" means thousands, "km" means kilometres, "m" means metres, and "oz" means troy ounces.

This MD&A contains forward-looking statements. Statements regarding the adequacy of cash resources to carry out exploration, development, and operations, or the need for future financing are forward-looking statements. Statements regarding the potential for expansion of current mineral resources, expected results including, but not limited to, targeted economic parameters and production levels for Bomboré, and planned capital expenditures and timing are also forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language at the end of this MD&A.

### Corporate Information

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". The Company's common shares also trade on the OTCQX market under the symbol "ORZCF".

The Company is a West African gold producer engaged in mining, developing, and exploring its 90%-owned flagship Bomboré gold mine ("Bomboré") in Burkina Faso. The Company achieved commercial production at its multi-million ounce Bomboré mine on December 1, 2022 and will now shift its strategic focus on the study update for its proposed Phase II Sulphide Expansion which is expected to markedly improve future annual gold production.

### 2022 Fourth Quarter and Annual Highlights and Significant Subsequent Events

(All mine site figures are on a 100% basis)		Q4-2022	FY2022
<b>Operating Performance</b>			
Gold production	oz	22,258	27,831
Gold sales	oz	24,676	24,676
Average realized gold price	\$/oz	1,760	1,760
All-in sustaining costs <sup>1</sup> ("AISC") per gold ounce sold	\$/oz	1,075	1,075
<b>Financial Performance</b>			
Revenue	\$000s	43,431	43,431
Earnings from mine operations	\$000s	16,660	16,660
Net income attributable to shareholders of Orezone	\$000s	3,763	930
<b>Net income per common share attributable to shareholders of Orezone:</b>			
Basic	\$	0.01	0.00
Diluted	\$	0.01	0.00
Operating cashflow before changes in working capital	\$000s	15,400	6,023
Operating cashflow	\$000s	23,235	6,582
Cash and cash equivalents	\$000s	9,158	9,158

<sup>1</sup> AISC is a non-IFRS measure. See "Non-IFRS Measures" section below for additional information.

- The Company poured first gold on September 10, 2022 and declared commercial production on December 1, 2022 at its Bomboré mine. As a result, comparative figures for the corresponding prior year periods have not been presented as they are not meaningful as the Bomboré mine was under construction.

- The Bomboré mine has continued to ramp up mill throughput since commercial production with monthly throughput exceeding design by 4% for December 2022 and by 12% for the first two months of 2023.

### **Corporate and Financial Highlights**

- Cash and cash equivalents stood at \$9.2M on December 31, 2022. The Company settled all outstanding interest and fees due for 2022 on its senior loan facility with Coris Bank International (“Coris Bank”) before year-end. Coris Bank had previously agreed to defer interest and fee payments totalling XOF 3.1 billion (\$5.1M) in Q4-2022 to assist the Company with its short-term working capital in view of the extended commissioning period for Bomboré caused by the power interruption as described later.
- Net debt totalled \$128.7M as of December 31, 2022 consisting of loan principals of XOF 57.5 billion (\$93.7M) on the Coris Bank senior loan facility and \$35.0M on the convertible debentures.
- On January 5, 2023, the Company enhanced its senior management team with the appointment of Rob Henderson as VP Technical Services and Kevin MacKenzie as VP Corporate Development and Investor Relations. These key appointments will allow the Company to advance key growth initiatives including ongoing continuous improvements at the Bomboré mine, advancement of its sulphide expansion plans, and the pursuit of value-enhancing strategic opportunities in the African region.
- On March 8, 2023, the Company completed a non-brokered private placement of 13.0M common shares at C\$1.27 per share resulting in net proceeds of \$11.5M after deductions for finder’s fees, listing, and legal costs (the “Offering”). The Offering was arranged with a large, well-established, global institutional fund manager. The Company intends to use the proceeds from the Offering to accelerate project development at Bomboré ahead of the Phase II Sulphide Expansion, to undertake additional targeted exploration drilling, and to advance the Company’s regional growth strategy.

### **Achievement of 2022 Guidance**

The Company achieved all of its previously outlined objectives for 2022 which included:

- Pouring of first gold on September 10, 2022.
- Declaration of commercial production at Bomboré on December 1, 2022.
- Delivery of the Bomboré project construction (excluding the third-party managed power plant) on schedule and under budget. Final project construction costs including pre-production mining but excluding power plant totalled \$168.9M, below the project approved budget of \$173.8M.
- Orderly transition from construction and commissioning to operations as the Company benefitted from operational readiness activities undertaken prior to first gold.
- Completion of its Phase III exploration drill campaign with the purpose of extending Bomboré sulphide expansion potential by converting sulphide resources from Inferred to the Measured and Indicated categories. The Phase III campaign successfully returned numerous wide, high-grade intercepts in mineralized zones within Maga, Siga, P8P9, and the P17 trend. The Company will incorporate these new and encouraging drill results into a revised mineral resource and mineral reserve (“MRMR”) estimate that is being prepared as part of the planned 2023 feasibility study update for the Phase II Sulphide Expansion.

### **2023 Outlook**

The Company expects to continue the strong operating performance at the Bomboré mine into 2023, building upon the solid monthly production results attained in December 2022. The Company intends to utilize operating cashflow generated by Bomboré to reduce its senior loans with Coris Bank and to fund growth initiatives that will improve the future cost structure and mine life of the Bomboré operation.

**2023 Guidance for Bomboré**

Operating Guidance (100% basis)	Unit	Revised Guidance FY2023	Original Guidance FY2023
Gold production	Au oz	140,000 – 155,000	140,000 – 150,000
All-In Sustaining Costs <sup>1</sup>	\$/oz Au sold	\$1,010 - \$1,110	\$975 - \$1,075
Sustaining capital	\$M	\$15 - \$16	\$10 - \$11
Growth capital	\$M	\$33 - \$38	\$33 - \$38
Exploration and evaluation	\$M	\$4.4	\$4.4

1. AISC is a non-IFRS measure. See "Non-IFRS Measures" section below for additional information.
2. Foreign exchange rates used to forecast cost metrics include XOF/USD of 625 and CAD/USD of 1.30.
3. Government royalties included in AISC assumes an average gold price of \$1,700 per oz.

*Revision to Original 2023 Guidance (refer to Company's press release of January 18, 2023)*

Sustaining capital has been revised upwards by \$5M to \$15M - \$16M from the Company's original guidance of \$10M - \$11M. The Company has decided to redirect nearby waste generated during the 2023 mine plan to continue with the stage 3 lift of the tailing storage facility ("TSF"). The previous guidance contemplated the commencement of this stage 3 lift in 2024 using waste with a longer-haul profile and additional re-handle. The acceleration of this construction activity will ensure sufficient available tailings storage ahead of the sulphide expansion and will result in lower overall costs for the TSF expansion as it eliminates waste re-handle costs. Once completed, the stage 3 lift is expected to provide TSF storage capacity to capture tailings from production to mid-2025.

Correspondingly, 2023 guidance for AISC per gold oz sold has also been revised upwards by \$35/oz to \$1,010/oz - \$1,110/oz.

*2023 Guidance Details*

Gold production is expected to be more weighted towards H1-2023 from better in-pit ore grades due to mine sequencing and from the reclaim of higher-grade stockpiles as supplemental mill feed. Plant throughput is forecasted to range between 5.6M to 5.8M tonnes with plant recoveries approximating 91%.

AISC per gold ounce sold is expected to be lower in the H1-2023 in step with the higher planned gold production for this period. Overall, AISC in 2023 will be impacted by the high cost of diesel-generated power from on-site rental gensets until the Company's connection to the national grid is energized.

Sustaining capital will range between \$15M - \$16M with \$9M dedicated towards the TSF lifts (stages 2 and 3). Other areas of sustaining capital include mine and mine infrastructure, processing, security, camp, information technology and safety. Capital covering camp and infrastructure improvements are considered one-time projects not contemplated during the main construction such as site-wide sewage treatment system, potable water treatment plant, and recreational facilities.

Growth capital consists of two main projects:

- (i) Power connection to Burkina Faso's national grid (\$15M - \$18M)

The Company plans to bring low-cost grid power supplied by SONABEL, Burkina Faso's stated-owned electricity company, to Bomboré before the end of 2023 to replace the high-cost, on-site diesel power generation. The Company has budgeted for the installation of a 23-km 132 kV transmission line, mine substation, and switching station needed to connect Bomboré to Burkina Faso's national grid. Energization of the powerline is scheduled for Q4-2023

- (ii) Resettlement Action Plan ("RAP") – Phases II and III (\$18M - \$20M for 2023)

RAP Phases II and III will see the construction of over 2,200 private and public structures in four new resettlement villages to help relocate communities occupying areas in the southern half of the Bomboré mining permit. During 2023, RAP costs are estimated to be \$18M - \$20M. The RAP is scheduled for completion in 2024 but will be significantly advanced in 2023.

Exploration and evaluation spending includes \$2.5M for the preparation of an updated Phase II Sulphide Expansion feasibility study and \$1.9M for the continuation of a reverse circulation ("RC") drill program to target mineralization outside of known resources and for advanced grade control. This drill program covers over 21,000 metres of RC drilling.

**Bomboré Gold Mine, Burkina Faso (100% Basis)****Operating Highlights**

		Q4-2022 <sup>2</sup>	FY2022 <sup>2</sup>
<b>Safety</b>			
Lost-time injuries frequency rate (LTIFR)	per 1M hours	0.00	0.00
Personnel-hours worked	000s hours	958	4,276
<b>Mining Physicals</b>			
Ore tonnes mined	tonnes	1,526,949	4,818,474
Waste tonnes mined	tonnes	3,087,950	8,695,210
Total tonnes mined	tonnes	4,614,899	13,513,684
Strip ratio	waste:ore	2.0	1.8
<b>Processing Physicals</b>			
Ore tonnes milled	tonnes	806,875	1,019,465
Head grade milled	Au g/t	0.93	0.92
Recovery rate	%	91.9	91.9
Gold produced	oz	22,258	27,830
<b>Unit Cash Cost<sup>1</sup></b>			
Mining cost per tonne	\$/tonne	2.57	2.54
Mining cost per ore tonne processed	\$/tonne	6.58	6.53
Processing cost	\$/tonne	12.47	11.86
Site general and admin cost	\$/tonne	4.87	5.32
Cash cost per ore tonne processed	\$/tonne	23.92	23.71
<b>Cash Cost Details</b>			
Mining cost (net of stockpile movements)	\$000s	5,306	6,653
Processing cost	\$000s	10,062	12,091
Site general and admin cost	\$000s	3,928	5,425
Refining and transport cost	\$000s	92	92
Government royalty cost	\$000s	2,608	2,608
Gold inventory movements	\$000s	2,010	(2,863)
Total mine-level cash cost on a sales basis	\$000s	24,006	24,006
Sustaining capital	\$000s	1,550	1,550
Corporate general and admin cost	\$000s	959	959
<b>All-In Sustaining Costs<sup>3</sup> on a sales basis</b>	<b>\$000s</b>	<b>26,515</b>	<b>26,515</b>
Gold sold	oz	24,676	24,676
<b>All-In Sustaining Costs per gold ounce sold<sup>3</sup></b>	<b>\$/oz</b>	<b>1,075</b>	<b>1,075</b>

<sup>1</sup> The Bomboré Mine entered into commercial production on December 1, 2022. Unit cash costs during pre-commercial production are not representative of cost performance expected under steady-state operations. Cost figures presented for Q4-2022 and FY2022 include a blend of costs before and during commercial production.

<sup>2</sup> The Bombore Mine did not process any significant quantity of ore for the month of October 2022 due to insufficient power as the power plant underwent repairs. As a result, departmental costs for processing and site general & admin have been excluded from the cash cost and AISC figures presented for Q4-2022 and FY2022. These costs have been capitalized as commissioning costs.

<sup>3</sup> Non-IFRS measure. See "Non-IFRS Measures" section for additional details.

Commissioning of the process plant with ore commenced in late August 2022, resulting in the pouring of first gold on September 10, 2022. Ore commissioning was delayed by approximately four weeks as the third-party managed power plant encountered numerous commissioning difficulties and was unable to provide sufficient power for mill operations. During September 2022, the process plant did commence operations but the on-site gensets fell significantly short of their rated power output, restricting mill throughput to a reduced level. In late September 2022, one of the two working permanent gensets experienced a major failure. As a consequence, mill operations were stopped in October 2022 and recommenced in November 2022 with the use of temporary rental gensets. With full and reliable power, the process plant quickly ramped-up daily mill tonnages leading to the achievement of commercial production on December 1, 2022. The process plant continued with its improved performance in December 2022 with mill throughput exceeding nameplate design by 4% and process recoveries reaching design levels. Strong operations at the Bomboré process plant have carried on into 2023 with mill throughput at 12% above nameplate for the first two months of 2023.

As of December 31, 2022, there were 1,287 contractor personnel and 487 permanent and temporary Company employees directly involved with or supporting mining, processing, exploration, and capital project activities at Bomboré. Burkinabé citizens comprise over 98% of this direct workforce with female representation at 6%.

### **Power Plant Operations**

The Company signed a power purchase agreement (“PPA”) in June 2021 with Genser Energy Burkina S.A. (“Genser”) pursuant to which Genser is responsible for the construction and operation of an independent power plant facility to supply power to the Bomboré operations using liquefied natural gas (“LNG”) as the main fuel source. The final power plant design consisted of four 3.5 megawatts (“MW”) dual-fuel generators (LNG/diesel) with LNG to be supplied by Genser. Installation and commissioning of the Genser-managed power plant was scheduled to coincide with commissioning of the Bomboré process plant in July 2022.

Genser fell significantly behind schedule with only three Genser-supplied gensets fitted only for diesel use delivered to site with the third unit arriving late in September 2022. During commissioning, these Genser gensets have performed poorly with numerous breakdowns and many parts needing replacement. Furthermore, their actual power output is significantly below their contractually rated output of 3.5 MW each. The Company now understands these Genser-supplied gensets were built using old, refurbished engine cores and parts that were improperly assembled at the factory which have led to deficiencies during field operations.

Genser has not been able to rectify these problems with the genset manufacturer including fitting these gensets out for future LNG operations and has taken no proactive steps to establish the infrastructure and permitting required to import LNG into Burkina Faso to supply Bomboré operations. LNG prices rose significantly in 2022 and have remained above historical averages in 2023. Bomboré would have realized considerable cost savings in purchasing electricity at the low rate tariff set under the PPA had Genser fulfilled its contractual commitments to the Company.

Due to the myriad of issues encountered with the permanent power plant and the lack of urgency and responsibility shown by Genser to correct these issues, the Company investigated alternatives that could be quickly implemented to power Bomboré operations. Fortunately, the Company was able to source a standalone power system residing in a neighbouring country for immediate rental. In October 2022, the Company entered into a one-year rental for a turnkey power system from Africa Power Services (“APS”), a well-established African power company, to increase the installed power capacity at Bomboré. The APS power plant consists of eight 1.6 MW Caterpillar power gensets, with six operational and two on reserve. The APS power system was mobilized at the end of October 2022 and commissioned in the first half of November 2022. Since the APS system went into service, the Bomboré process plant has not encountered any power interruptions allowing mill throughput to exceed nameplate design.

Genser has stated to the Company that it will not now honour the terms of the PPA. In early 2023, the Company gave written notice to Genser that Genser was in default of the PPA and would look to seek recovery of current and future financial damages suffered by the Company.

As noted earlier, the Company plans to bring low-cost grid power from SONABEL to Bomboré before the end of 2023. Burkina Faso's national grid was expanded in 2022 to increase the import of clean electricity from neighbouring countries into Burkina Faso. With this additional capacity, SONABEL can now provide reliable power needed by current Bomboré operations as well as those under any future mine expansion.

### **Bomboré Debt and Stream Financings**

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#### **Senior Secured Debt Facility with Coris Bank**

The senior secured debt facility with Coris Bank is a project-level debt denominated in XOF and is divided into a Medium-term loan and a Short-term loan. The Company closed on this debt facility on October 15, 2021 and made its final loan drawdown in August 2022.

The Medium-term loan has a principal balance of XOF 40.0 billion (\$62.2M) and bears interest at 9.0% per annum with monthly loan amortization starting in October 2023 and ending in September 2026. Early principal repayments are permitted subject to a prepayment fee of between 2% to 3%.

The Short-term loan of XOF 17.5 billion (\$27.2M) has a term of 12 months from first drawdown and bears interest at 8.0% per annum. The loan will mature in June 2023 with monthly loan repayments scheduled to commence in February 2023 with final loan balance due at maturity.

#### **Convertible Note Facility**

The \$35M convertible note facility has a term of 5 years, bears interest of 8.5% per annum, and matures on October 15, 2026. Interest is payable up to 75% in common shares at the option of the Company and is convertible at the option of the holders at any time at the conversion share price of \$1.08 (“Conversion Price”). The note is non-callable with principal due only at maturity.

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

Both loan facilities are free of any hedging, cost overrun reserves, cash sweeps, royalties, streams, production payments, and metal offtakes. In addition, the debt covenants are light and accommodate the reinvestment of operating cashflows into the later-staged Phase II Sulphide Expansion.

### **Silver Stream**

On October 15, 2021, the Company closed on the sale of the silver stream to Euro Ressources S.A. ("ERSA") whereby Bomboré has agreed to sell 50% of future silver production over the life of mine for no additional proceeds in exchange for an upfront payment of \$7.15M ("Silver Stream") which was received on closing.

Under the Silver Stream agreement, Bomboré will make minimum annual delivery of 37,500 ounces of silver to ERSA commencing from the date of commercial production. If annual silver deliveries are below this minimum, the Company will make an initial shortfall payment only on the later of: (a) the fifth anniversary from the date of the initial silver delivery under the Silver Stream, and (b) repayment of the senior secured loans, to ensure that the aggregate minimum annual payment has been satisfied for each of the preceding years. Thereafter, the Company will make shortfall payments, if required, on an annual basis until the cumulative delivery or payment of 375,000 ounces of silver has been reached after which the minimum annual delivery guarantee will no longer apply.

### **Bomboré Exploration**

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

For the P17 sulphide zone, recent drilling has defined high-grade sulphide resources at P17S with grades more than double that of the overall average grade for the mine. Exploration drilling in 2022 defined a second shallow thick mineralized zone termed P17NE and ongoing drilling indicates that these deposits are still open and trending towards surface at P17, situated 1.2 kms to the north. Historical drilling at P17 has returned excellent intercepts and a large untested gap exists between these two areas. Future drilling is planned to infill this large, underexplored area.

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

In addition, high-grade sulphide inferred mineralized zones are present directly below or along strike of several sulphide pits in the current mineral reserves, and drilling of these zones as part of the Phase III exploration program in 2022 has intercepted wide and continuous intercepts confirming continuity at depth, and along strike and plunge at four main target areas (Maga, Siga South, Siga West, and P8P9).

The Company has completed its 2022 Phase III exploration program where a total of 64,433 m of definition and exploration drilling were conducted to upgrade Inferred mineral resources into Measured and Indicated on key deposits within the Bomboré mining concession and to add new Inferred resources. Phase III drilling was a required step in the Phase II Sulphide Expansion feasibility study update that the Company is currently undertaking in 2023. With the drilling success from the Phase III program, the Company is confident that a larger sulphide expansion will be supported by the finalized study.

Bomboré also has 10,048 hectares of exploration claims surrounding its mining permit with numerous prospective targets that have been identified including the KT and P13 prospects located to the northeast and to the southwest of the mining permit, respectively.

### **Social Responsibility and Sustainability**

The Company has made investments in local livelihood restoration initiatives and on community assistance programs with the purpose of improving the lives of those families living on or near the project and will continue with these investments during the project's life. The Company has contributed funding and in-kind resources toward community health and safety, educational programs, vocational training, food security, and regional development in addition to opportunities for local employment and support for small businesses. Examples include local hiring for Resettlement Action Plan ("RAP") construction, heavy equipment

skills training for future job applicants, process plant operations skills training, and computer skills training and upgrading. The Company also supports and promotes new community businesses and subsistence programs (e.g. soap making, blanket weaving, agricultural gardens, chicken breeding, tree nurseries, and promotion of land reclamation techniques to improve yields and areas of arable land).

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

As a result, the Company believes that community support for the Bomboré mine is strong.

#### **Permit status**

The Bomboré mine is permitted for construction and Phase I oxide operations. The Phase II sulphide expansion as envisioned under the current 2019 feasibility study has been approved with the formal decree issued on March 23, 2021.

The Bomboré mine consists of the expanded mining permit (28.9 km<sup>2</sup>) and four exploration permits: Bomboré II (12.3 km<sup>2</sup>), Bomboré III (33.3 km<sup>2</sup>), Bomboré IV (8.3 km<sup>2</sup>) and Bomboré V (46.2 km<sup>2</sup>).

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

#### **Review of Financial Results**

The Company transitioned from the exploration and evaluation ("E&E") phase to the development phase on January 21, 2021. In the development phase, costs that are directly attributable to project development are capitalized to mineral properties, plant, and equipment as mine under development. The Company achieved commercial production on December 1, 2022, after completing commissioning and a reasonable period of plant operation testing. Upon commercial production, the capitalization of certain mine development and construction costs cease. Subsequent costs are either recognized in inventory or expensed in the consolidated statements of income and comprehensive income depending on the nature of the expenditure.

#### **Financial Results for the Year Ended December 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	<b>\$43,431,156</b>	<b>\$ -</b>
<b>Cost of Sales</b>		
<b>Operating expenses</b>	<b>21,398,478</b>	<b>-</b>
<b>Depreciation and depletion</b>	<b>2,764,434</b>	<b>-</b>
<b>Royalties</b>	<b>2,607,622</b>	<b>-</b>
<b>Earnings from mine operations</b>	<b>16,660,622</b>	<b>-</b>
<b>Expenses</b>		
<b>Exploration and evaluation costs</b>	<b>7,932,307</b>	<b>1,643,366</b>
<b>General and administration costs</b>	<b>5,469,735</b>	<b>4,905,791</b>
<b>Share-based compensation</b>	<b>1,851,290</b>	<b>1,778,065</b>
<b>Depreciation</b>	<b>117,452</b>	<b>257,841</b>
<b>Operating income (loss)</b>	<b>1,289,838</b>	<b>(8,585,063)</b>
<b>Other income (loss)</b>	<b>596,371</b>	<b>(10,136,068)</b>
<b>Net income (loss) for the period</b>	<b>1,886,209</b>	<b>(18,721,131)</b>
<b>Net income (loss) attributable to shareholders of Orezone</b>	<b>929,986</b>	<b>(18,574,025)</b>
<b>Basic and diluted net income (loss) per share attributable to shareholders of Orezone</b>	<b>0.00</b>	<b>(0.06)</b>



**Revenue and cost of sales**

Revenue of \$43.4M were recognized from the sale of 24,676 gold ounces which included production from both commissioning and commercial production. The cost of sales associated with those revenues include \$21.4M of operating expenses, \$2.6M of government royalties, and \$2.8M of depreciation and depletion following the declaration of commercial production. Production costs were elevated in the period due to the high cost for power, fuel, and consumables combined with the process plant operating at below capacity during commissioning. The Bomboré mine was under construction in 2021, and therefore, there were no gold production, revenue, or cost of sales recognized in the comparative year.

**Exploration and Evaluation Costs**

E&E costs increased by \$6.3M from \$1.6M in 2021 to \$7.9M in 2022 as the Company undertook a larger Phase III drill program to follow-up on the exploration success in 2021 at the P17 trend and to convert Inferred sulphide resources into the Measured and Indicated categories in anticipation of a new mineral resource and mineral reserve estimate ("MRMR"). The new MRMR estimate is being prepared as part of the 2023 feasibility study update for the Phase II Sulphide Expansion at Bomboré. Unit drilling costs in 2022 were also higher due to price increases for fuel and consumables.

**General and Administrative ("G&A") Costs**

G&A costs increased by \$0.6M from \$4.9M in 2021 to \$5.5M in 2022 mainly as a result of increased insurance costs from higher coverage limits and rates, and greater business and marketing travel.

**Depreciation**

Depreciation expense in 2022 was consistent with 2021.

**Share-based Compensation**

Share-based compensation expense in 2022 was consistent with 2021.

**Other income (loss)**

Other income (loss) increased by \$10.7M from a loss of \$10.1M in 2021 to income of \$0.6M in 2022 as a result of:

- A \$1.9M fair value gain on remeasurement of the warrant liability in 2022 (2021: \$7.8M fair value loss) from a decrease in the trading price of the warrants on the TSX from C\$0.62 to C\$0.44 during the year.
- A \$1.4M fair value gain on remeasurement of the Silver Stream liability in 2022 (2021: \$0.5M loss) attributable to a downward revision in the forecasted silver production from Bomboré over the life-of-mine.

Partially offset by:

- A \$1.0M foreign exchange loss in 2022 (2021: \$1.5M foreign exchange loss) primarily related to a strengthening of foreign currencies against the USD resulting in foreign exchange losses on the revaluation of the XOF-denominated senior loans and non-USD denominated payables from mine activities.
- An increase of \$1.7M of finance expense from \$nil in 2021 to \$1.7M in 2022. Borrowing costs ceased to be eligible for capitalisation following the declaration of commercial production on December 1, 2022.
- \$0.1M fair value loss on the Sarama Resources Ltd. ("Sarama") shares in other financial assets (2021: \$0.4M fair value loss).

## Financial Results for the Three Months Ended December 31, 2022

	Three months ended December 31, 2022	Three months ended December 31, 2021
<b>Revenue</b>	<b>\$43,431,156</b>	-
<b>Cost of Sales</b>		
<b>Operating expenses</b>	<b>21,398,478</b>	-
<b>Depreciation and depletion</b>	<b>2,764,434</b>	-
<b>Royalties</b>	<b>2,607,622</b>	-
<b>Earnings from mine operations</b>	<b>16,660,622</b>	-
<b>Expenses</b>		
<b>Exploration and evaluation costs</b>	<b>3,065,495</b>	308,379
<b>General and administration costs</b>	<b>958,694</b>	1,599,452
<b>Share-based compensation</b>	<b>269,613</b>	112,008
<b>Depreciation</b>	<b>31,326</b>	128,308
<b>Operating income (loss)</b>	<b>12,335,494</b>	(2,148,147)
<b>Other loss</b>	<b>(8,103,012)</b>	(2,355,898)
<b>Net income (loss) for the period</b>	<b>4,232,482</b>	(4,504,045)
<b>Net income (loss) attributable to shareholders of Orezone</b>	<b>3,762,528</b>	(4,442,737)
<b>Basic and diluted net income (loss) per share attributable to shareholders of Orezone</b>	<b>0.01</b>	(0.02)

**Revenue and cost of sales**

Revenue of \$43.4M were recognized from the sale of 24,676 gold ounces which included production from both commissioning and commercial production. The cost of sales associated with those revenues include \$21.4M of operating expenses, \$2.6M of government royalties, and \$2.8M of depreciation and depletion following the declaration of commercial production. Production costs were elevated in the quarter due to the high cost for power, fuel, and consumables combined with the process plant operating at below capacity during commissioning. The Bomboré mine was under construction in 2021, and therefore, there were no gold production, revenue, or cost of sales recognized in the comparative quarter.

**Exploration and Evaluation Costs**

E&E costs increased by \$2.8M from \$0.3M in Q4-2021 to \$3.1M in Q4-2022 due to drill metres completed in Q4-2022 under the larger Phase III drill program undertaken in 2022. The Company completed only 250 m of drilling in Q4-2021.

**General and Administrative Costs**

G&A costs decreased by \$0.6M from \$1.6M in Q4-2021 to \$1.0M in Q4-2022 due to employee bonus accruals being made at the end of Q3-2022 (versus at year-end in 2021) upon the successful completion of the Bomboré mine construction partially offset by greater business and marketing travel.

**Depreciation**

Depreciation expense in Q4-2022 was consistent with Q4-2021.

**Share-based Compensation**

Share based compensation expense in Q4-2022 was consistent with Q4-2021.

**Other loss**

Other loss increased by \$5.7M from a loss of \$2.4M in Q4-2021 to a loss of \$8.1M in Q4-2022 mainly due to:

- A \$9.0M foreign exchange loss in Q4-2022 (Q4-2021: \$nil foreign exchange loss) primarily related to the strengthening of foreign currencies against the USD resulting in foreign exchange losses on revaluation of the XOF-denominated senior loans and non-USD denominated payables from mine activities.
- An increase of \$1.7M in finance expense from \$nil in Q4-2021 to \$1.7M in Q4-2022 as borrowing costs ceased to be eligible for capitalisation following the declaration of commercial production on December 1, 2022.

Partially offset by:

- A \$1.1M fair value gain on remeasurement of the warrant liability at the end of Q4-2022 (Q4-2021: \$1.8M fair value loss) driven by a decrease in the trading price of the warrants on the TSX from C\$0.59 to C\$0.44 during the quarter.
- A \$1.5M fair value gain on remeasurement of the Silver Stream liability at the end of Q4-2022 (Q4-2021: \$0.5M fair value loss) attributable to a downward revision in the forecasted silver production from Bomboré over the life-of-mine.

### Summary of Quarterly Results

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

	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
<b>Net income (loss) for the period</b>	4.23	0.11	2.56	(5.02)	(4.50)	(7.99)	(3.06)	(3.17)
<b>Net income (loss) attributable to shareholders of Orezone</b>	3.76	(0.19)	2.41	(5.05)	(4.44)	(7.99)	(3.02)	(3.12)
<b>Net income (loss) per common share attributable to shareholders of Orezone, basic and diluted</b>	0.01	(0.00)	0.01	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)

### Cash Flows

The following table represents the consolidated cash flows for the years ended December 31, 2022 and 2021. Discussion of the significant items impacting the cash flows is provided below:

	2022	2021
<b>Total cash inflows (outflows) from (used in) operating activities</b>	<b>\$6,581,653</b>	(\$5,940,444)
<b>Total cash outflows used in investing activities</b>	<b>(105,977,227)</b>	(76,754,524)
<b>Total cash inflows from financing activities</b>	<b>74,030,717</b>	108,492,546
<b>Effect of foreign currency translation on cash</b>	<b>(1,560,074)</b>	1,418,785
<b>(Decrease) increase in cash</b>	<b>(26,924,931)</b>	27,216,363
<b>Cash, beginning of period</b>	<b>36,082,980</b>	8,866,617
<b>Cash, end of period</b>	<b>9,158,049</b>	36,082,980

#### Operating cashflows

The Company generated \$6.6M from operating activities in 2022 as compared to the use of \$5.9M in 2021. The Bomboré mine commenced gold production in September 2022 and recognized gold sales of \$43.4M, resulting in positive operating cashflows for 2022. In 2021, Bomboré was in the development phase and operating cashflows consisted of exploration activities and corporate administration costs as expenditures directly related to project construction were capitalized and classified as investing activities.

#### Investing cashflows

Cash outflows from investing activities increased by \$29.2M from \$76.8 in 2021 to \$106.0M in 2022 due to the ongoing capitalization of Bomboré project development costs. During 2022, the Company continued with pre-production mining and site construction of the Bomboré process plant, surface infrastructure, and power plant. Site construction of the Bomboré mine was completed in Q4-2022 and commercial production was declared on December 1, 2022. For 2021, Bomboré project work consisted of detailed engineering and design, procurement activities, pre-production mining, and the beginning stages of site construction.

#### Financing cashflows

During 2022, cash inflows of \$74.0M from financing activities consisted of \$77.4M in drawdowns under the senior debt facility, \$5.6M from warrant exercises, and \$0.4M from option exercises, partially offset by \$0.2M in principal lease payments, \$0.7M of debt transaction costs, and \$8.5M in cash interest payments on the Company's project loans. In 2021, the \$108.5M of cash inflows originated from \$54.9M in net proceeds received from the January 2021 bought-deal common share offering, \$0.5M in

option and warrant exercises, and \$59.3M in aggregate proceeds received from the drawdown of the Coris Bank senior loan, the convertible note issuance, and the Silver Stream sale, partially offset by \$6.2M in debt transaction costs.

### Financial Position

The following table represents the condensed financial position for the years ended December 31, 2022 and 2021. Discussion of the significant items impacting the financial position is provided below:

	December 31, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$9,158,049	\$36,082,980
Inventories	12,728,956	356,961
Other current assets	9,333,514	2,670,267
<b>Total current assets</b>	<b>31,220,519</b>	39,110,208
<b>Non-current assets</b>		
Other financial assets	307,011	403,144
Deferred financing costs	-	3,704,553
Long-term inventories	37,410,620	-
Mineral properties, plant and equipment	183,342,965	97,280,591
<b>Total assets</b>	<b>\$252,281,115</b>	\$140,498,496
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	\$38,003,961	\$19,359,315
Current portion of warrant liability	2,785,052	-
Current portion of loans and borrowings	32,989,899	-
<b>Total current liabilities</b>	<b>73,778,912</b>	19,359,315
<b>Non-current liabilities</b>		
Warrant liability	-	8,633,726
Loans and borrowings	88,850,517	45,826,744
Lease liabilities	827,329	441,431
Silver stream liability	6,256,566	7,688,638
Environmental rehabilitation provision	12,241,223	4,672,139
<b>Total liabilities</b>	<b>181,954,547</b>	86,621,993
<b>Total equity</b>	<b>70,326,568</b>	53,876,503
<b>Total liabilities and equity</b>	<b>\$252,281,115</b>	\$140,498,496

### Cash

Cash decreased by \$26.9M from \$36.1M at the end of 2021 to \$9.2M at the end of 2022 as cash was directed toward the construction completion of the Bomboré mine that was funded by the remaining drawdowns on the senior debt facility, warrant exercises and net cash generated from gold sales. Refer to the consolidated statements of cash flows for further detail.

### Current Inventories

Inventories increased by \$12.3M from \$0.4M at the end of 2021 to \$12.7M at the end of 2022 as a direct result of Bomboré entering into commercial production. Ending inventories at December 31, 2022 comprised of \$5.9M in stockpiled ore, \$2.9M in gold-in-circuit and finished gold bullion, and \$3.9M of operational supplies and consumables.

**Other current assets**

Other current assets increased by \$6.6M from \$2.7M at the end of 2021 to \$9.3M at the end of 2022 primarily related to the commencement of operations at Bomboré. Other current assets include taxes receivable, deposits, supplier advances, and prepayments.

**Deferred financing costs**

Deferred financing costs decreased by \$3.7M to \$nil at December 31, 2022 from the allocation of transaction costs to the final set of drawdowns made in 2022 on the senior debt facility.

**Long-term inventories**

Long-term inventories have increased by \$37.4M from \$nil at the end of 2021 to \$37.4M at the end of 2022 as a result of declaring commercial production at the Bomboré mine on December 1, 2022. Upon commercial production, \$42.4M of stockpiled ore was transferred from mine under development and into inventories. At December 31, 2022, stockpiled ore with a carrying value of \$37.4M was classified as long-term as processing of this material is not expected within the next 12 months.

**Mineral properties, plant and equipment**

The increase of \$86.0M from \$97.3M at the end of 2021 to \$183.3M at the end of 2022 is primarily due to spending in finalizing construction of the Bomboré mine, partially offset by the transfer of \$42.4M in stockpiled ore from mine under development to inventory upon commercial production. In addition, \$13.5M of borrowing costs and \$7.5M for the Bomboré environmental rehabilitation provision were capitalized in 2022.

**Trade and other payables**

The increase of \$18.6M from \$19.4M at the end of 2021 to \$38.0M at the end of 2022 is primarily the result of additional trade creditors for services, materials, and consumables from the operational start-up at Bomboré which declared commercial production on December 1, 2022 overlapping with remaining vendor payables from the mine construction and Phase III drill program. Trade payables at the end of 2022 also include \$4.0M in employee construction bonuses paid in Q1-2023 and \$8.3M accrued to Genser which is currently in dispute.

**Warrant liability**

The \$5.8M decrease from \$8.6M at the end of 2021 to \$2.8M at the end of 2022 is driven by the exercise of 9,108,752 warrants and from a decrease in the trading price of the warrants on the TSX from C\$0.62 to C\$0.44 during the year.

**Loans and borrowings**

The increase of \$76.0M from \$45.8M at the end of 2021 to \$121.8M at the end of 2022 is primarily related to drawdowns of \$77.4M (XOF 47.5 billion) on the senior debt facility and \$2.9M of interest accretion, partially offset by \$4.5M of allocated transaction costs. Scheduled principal payments under the senior debt facility in 2023 have been classified as a current liability.

**Silver stream liability**

The \$1.4M decrease from \$7.7M at the end of 2021 to \$6.3M at the end of 2022 is the result of the remeasurement of the liability at December 31, 2022 as early silver production have been lower than expected, resulting in a downward revision of future silver production and consequently, silver deliveries under the Silver Stream.

**Environmental rehabilitation provision**

The \$7.5M increase from \$4.7M at the end of 2021 to \$12.2M at the end of 2022 is predominantly related to the additional disturbances at the Bomboré mine from the construction completion and the start-up of commercial production.

## Liquidity and Capital Resources

The Company has historically raised funds to conduct its activities and to execute its business plans through debt or equity issuances, the exercise of warrants and options, or through the sale of royalties or related interests.

As of December 31, 2022, the Company had cash and available liquidity of \$9.2M. The Company has historically raised funds to conduct its activities and to execute its business plans through debt or equity issuances, the exercise of warrants and options, or through the sale of royalties or related interests. The Company declared commercial production on December 1, 2022 and recognized \$43.4M of revenue on the sale of 24,676 gold ounces during Q4-2022. While the Company believes its gold production will continue to provide adequate operating cash flow to fund its capital and exploration expenditures, service scheduled debt repayments, and meet working capital requirements, there can be no assurance of continued operational success. The Company expects to fund its ongoing costs over the next twelve months with (1) cash on hand and (2) cash generated from operations. After considering its plans to mitigate the going concern risk, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of twelve months from the balance sheet date.

## Share Capital

As of March 23, 2023, the Company had 358,642,698 common shares, 23,439,334 stock options, 2,888,365 RSUs, and 1,472,088 DSUs issued and outstanding.

## Contractual Obligations

The following table summarizes the contractual maturities of the Company's operating, capital, and financing commitments at December 31, 2022 shown in contractual undiscounted cashflows:

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	\$38,003,961	-	-	<b>\$38,003,961</b>
Capital commitments	1,526,654	-	-	<b>1,526,654</b>
Operating commitments	5,582,548	1,500,000	-	<b>7,082,548</b>
Lease commitments	104,490	1,040,620	-	<b>1,145,110</b>
Senior debt facility	42,193,700	71,245,425	-	<b>113,439,125</b>
Convertible note facility	2,975,000	43,305,548	-	<b>46,280,548</b>
<b>Total</b>	<b>\$90,386,353</b>	<b>\$117,091,593</b>	<b>-</b>	<b>\$207,477,946</b>

The senior debt facility and the convertible note facility presented include both contractual principal and interest payments, and in the case of the convertible note facility, excludes the exercise of the equity conversion rights.

The Company has a Silver Stream to deliver 50% of future silver production from the Bomboré mine to ERSA with minimum annual silver delivery obligations, which if not met, may require shortfall payments by the Company.

## Off-Balance Sheet Arrangements

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

## Transactions with Related Parties

The Company had no transactions with related parties except for compensation of key management personnel (refer to Note 20 of the 2022 Annual Financial Statements).

## Proposed Transactions

The Company continually reviews potential merger, acquisition, investment, and other joint venture and strategic alternative transactions that could enhance shareholder value. However, there are no proposed transactions currently under examination.

## Non-IFRS Measures

The Company has included certain terms or performance measures commonly used in the mining industry that is not defined under IFRS, including "all-in sustaining costs". Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore they may not be comparable to similar measures presented by other companies. The Company uses such

measures to provide additional information and they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### All-In Sustaining Costs ("AISC") and AISC per gold ounce sold

The measure is intended to reflect the expenditures required to produce and sell an ounce of gold from current operations. AISC include mine site operating costs (mining, processing, administration, royalties, and selling charges), sustaining capital, sustaining exploration, and corporate general and administration costs. Excluded from the Company's AISC definition are depreciation and depletion, accretion and amortization of reclamation costs, growth capital, growth exploration, financing costs, and share-based compensation. AISC per gold ounce sold is determined by dividing AISC by the number of gold ounces sold.

The Company believes that the use of AISC per gold ounce metric will assist investors, analysts, and other stakeholders of the Company in assessing the operating performance and cashflow generation of current operations.

(\$000s except for ounces sold and per ounce sold figures)	Q4-2022 <sup>1</sup>	FY2022 <sup>1</sup>
Operating expenses from mine operations	21,398	21,398
Royalties	2,608	2,608
Sustaining capital	1,550	1,550
Sustaining exploration	-	-
Corporate general and admin	959	959
<b>All-In Sustaining Cost on a sales basis</b>	<b>26,515</b>	<b>26,515</b>
Gold ounces sold	24,676	24,676
<b>All-In Sustaining Costs per gold ounce sold</b>	<b>1,075</b>	<b>1,075</b>

<sup>1</sup> Sales of September 2022 gold production were made in October 2022 and therefore, all 2022 gold production were sold in Q4-2022.

### Sustaining and Growth Capital

(\$000s)	Q4-2022	FY2022
Additions to mineral properties, plant and equipment	11,385	132,440
Growth capital (including capitalized borrowing costs)	9,835	130,890
Sustaining capital	1,550	1,550

The distinction of sustaining capital from growth (non-sustaining) capital follows the guidance set forth by the World Gold Council which defines non-sustaining capital as costs incurred at new operations and costs related to major projects at existing operations where these projects will materially benefit the operation. A material benefit to an existing operation is considered to be at least 10% increase in annual or life-of-mine production, net present value, or reserves compared to the remaining life of mine of the operation.

For 2022, predominantly all capital expenditures are considered non-sustaining as they relate to the construction, pre-production mining, and commissioning of the Bomboré mine. Sustaining capital primarily relates to the stage 2 lift of the TSF expansion.

### Sustaining Exploration Expense

(\$000s)	Q4-2022	FY2022
Exploration and evaluation costs	3,065	7,932
Non-sustaining exploration and evaluation costs	3,065	7,932
Sustaining exploration expense	nil	nil

For 2022, exploration and evaluation costs were dedicated to exploratory drill programs to add new Inferred resources and to upgrade existing Inferred mineral resources into Measured and Indicated, and to study costs towards an updated Phase II Sulphide Expansion feasibility study to be released in 2023.

## Risks and Uncertainties

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The Company's business at the present stage of exploration, development, and operations of the Bomboré mine involves a high degree of risk and uncertainty. In addition, the natural resource industry is by its nature, both cyclical and with significant risks as listed below. The Company declared commercial production on December 1, 2022. The Company's ability to maintain a profitable mining operation is subject to a host of variables including economic factors, technical and operational considerations, and regulatory and political issues. Many of these are beyond the control of the Company. For discussion on all the risk factors that affect the Company's business generally, please refer to the Company's most recent Annual Information Form filed on SEDAR at [www.sedar.com](http://www.sedar.com). The most significant risks and uncertainties faced by the Company are:

- The Company's economic prospects and the viability of the Bomboré mine is subject to changes in, and volatility of, the price of gold.
- The Company's failure to achieve production, cost and other estimates could have a material adverse effect on the Company's future cash flows, profitability, results of operations and financial condition.
- The Bomboré Mine is subject to operational risks and hazards inherent in the mining industry.
- The Company's ability to pay interest, repay the principal or to refinance its indebtedness depends on the Company's future performance.
- Fluctuations in the price and availability of infrastructure and energy and other commodities could impact our profitability and development of projects.
- Failure to continue to have strong local community relations may impact the Company
- Risks related to the Company's planned Phase II Sulphide Expansion.
- The RAP is a complex and costly activity and the remaining phases may not go according to plan.
- Security concerns in Burkina Faso
- The Company's operations are subject to the risks normally associated with the conduct of business in foreign countries and such risks may be increased because the Bomboré mine is in Burkina Faso.
- Mineral exploration and development projects are inherently speculative in nature and involve significant risks and uncertainties.
- The Company's operations are dependent on receiving and maintaining required permits and licenses.
- Government regulations and permitting may have an adverse effect on Orezone's activities.
- Adverse changes may be made to the Mining Law, tax rates, and related regulations.
- There is the potential for the Company to become subject to additional tax liabilities.
- Mineral Resource and Mineral Reserve estimates are only estimates and may not reflect the actual deposits or the economic viability of gold extraction.
- Uncertainties and risks relating to feasibility studies.
- The Company's operations rely on the availability of local labour, local and outside contractors and equipment when required to carry out our exploration, development, and operational activities.
- The Bomboré mine is subject to risks associated with its location, lack of infrastructure and other resources, including its required water supply.
- Artisanal miners may impact operations.
- Orezone relies on its management team and the loss of one or more of these persons may adversely affect Orezone.
- The mining industry is extremely competitive.
- Currency fluctuations may affect Orezone's financial performance.
- The Bomboré mine, and future projects, are subject to title risks.
- The Bomboré mine is subject to environmental risks which may affect operating activities or costs.
- Failures of information systems or information security threats.
- Limited operating history.
- The Company's insurance coverage does not cover all of its potential losses, liabilities and damages related to its business and certain risks are uninsured or uninsurable.
- Evolving anti-corruption laws may result in fines or other legal sanctions.
- Shareholders' interest in Orezone may be diluted in the future.
- Orezone's common shares are publicly traded on the TSX and the OTCQX and are subject to various factors that have historically made Orezone's share price volatile.
- Repatriation of funds may be difficult in the future.
- The Company may be an acquisition target which may distract management and the Board.
- Activities of the Company may be impacted by the spread of the COVID-19 novel coronavirus.



- There are health risks associated with the mining workforce in Burkina Faso that may impact the availability of labour
- The Company has significant shareholders.
- The Company is subject to litigation risks.
- Investors may have difficulty enforcing judgments in Canada, the United States and elsewhere.

#### *Negative Cash Flows from Current Operations*

The Company declared commercial production on December 1, 2022 and recognized \$43.4M of revenue on the sale of 24,676 gold ounces during the fourth quarter of 2022. While the Company believes its gold production will continue to provide adequate operating cash flow to fund its capital and exploration expenditures, service scheduled debt repayments, and meet working capital requirements, there can be no assurance of continued operational success. The Company expects to fund its ongoing costs over the next twelve months with (1) cash on hand and (2) cash generated from operations. After considering its plans to mitigate the going concern risk, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of twelve months from the balance sheet date.

#### *Supply chain macroeconomic risk*

Operations may be affected by the Company's potential inability to source and receive critical materials and services. Supply chains are subject to a number of risks not wholly within the Company's control, including: terrorism, political instability, exchange rate fluctuation, inflation and changes in law (including increased environmental standards, international sanctions and local content requirements). Any disruption to supply chains could impact production, may require unplanned expenditure and could negatively impact cash flows.

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

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The fair values of the Company's financial instruments consisting of cash, other receivables, and trade and other payables approximate their carrying values because of their short terms to maturity. The fair value of marketable securities held in other financial assets and the warrant liability is determined based on quoted market prices. The loans and borrowings were initially recognized at fair value and, subsequently, have been measured at amortized cost. The Silver Stream liability is determined using inputs that are not based on observable market data. The fair value of these financial instruments approximates their carrying value.

As of December 31, 2022, the Company had 3,200,000 common shares of Sarama with a fair value of \$0.3M (December 31, 2021: \$0.4M).

As of December 31, 2022, the Company had 8,576,698 warrants outstanding (December 31, 2021: 17,685,450) with a fair value liability of \$2.8M (December 31, 2021: \$8.6M). 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 weighted average remaining contractual life of the warrants is 0.08 years (December 31, 2021: 1.08 years).

As of December 31, 2022, the fair value of the Company's Silver Stream liability was \$6.3M (December 31, 2021: \$7.7M).

As of December 31, 2022, the carrying amount of the Company's loans and borrowings held at amortized cost was \$121.8M (December 31, 2021: \$45.8M), of which \$33.0M is due within one year.

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

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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. Actual outcomes could differ from these estimates and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which estimates are revised and in any future period affected.

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:

#### *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.

Following the adoption of the amendment to IAS 16, *Property, Plant and Equipment* ("IAS 16"), as disclosed in Note 3(p), 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.

The Company achieved commercial production on December 1, 2022, based on achieving 30 consecutive days of mill throughput, exceeding 70% of nominal nameplate capacity of 14,250 tonnes per day ("tpd") and recovery reaching design levels of 90%. During November 2022, the mill processed 364,123 ore tonnes (12,137 tpd) at a recovery rate of 91%.

#### *Going concern*

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

The Company has historically raised funds to conduct its activities and to execute its business plans through debt or equity issuances, the exercise of warrants and options, or through the sale of royalties or related interests. The Company declared commercial production on December 1, 2022 and recognized \$43.4M of revenue on the sale of 24,676 gold ounces during the fourth quarter of 2022. While the Company believes its gold production will continue to provide adequate operating cash flow to fund its capital and exploration expenditures, service scheduled debt repayments, and meet working capital requirements, there can be no assurance of continued operational success. The Company expects to fund its ongoing costs over the next twelve months with (1) cash on hand and (2) cash generated from operations. After considering its plans to mitigate the going concern risk, management has concluded that there are no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern for a period of twelve months from the balance sheet date.

#### *Inventory valuation*

All inventory is valued at the lower of average cost or net realizable value. Management is required to make various estimates and assumptions to determine the value of stockpiled ore, gold-in-circuit and finished goods inventory. The estimates and assumptions included surveyed quantities of stockpiled ore, in-circuit volumes, contained metal content, recoverable metal content, costs to recover saleable metal and metal prices. Changes in these estimates can result in changes to the carrying amounts of inventories and mine operating costs in future periods.

#### *Mineral reserves and resources*

Determining mineral reserves and resources is a complex process involving numerous variables and is based on a professional evaluation using accepted international standards for the assessment of mineral reserves. Estimation is a subjective process, and the accuracy of such estimates is a function of the quantity and quality of available data, the assumptions made and judgment used in engineering and geological interpretation. Mineral reserve estimation may vary as a result of changes in the price of gold, production costs, and with additional knowledge of the ore deposits and mining conditions. Changes to management's assumptions, including economic assumptions such as gold prices and market conditions, could have a material effect in the future on the Company's results and financial position. The mineral reserves used for depletion is based on the oxide mineral reserves as the sulphide expansion to process sulphide reserves has not yet occurred.

#### *Determination of functional currency*

Management has made determinations with respect to its functional currency in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates* based on the primary economic environment in which the entities operate and has determined that the current functional currency of the Company, including all subsidiaries, is the US dollar.

#### *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.

#### **Internal Controls Over Financial Reporting and Disclosure Controls and Procedures**

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Management is responsible for establishing and maintaining adequate internal controls over financial reporting and disclosure controls and procedures. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Any system of internal controls over financial reporting and disclosure, no matter how well designed, has inherent limitations. The effectiveness of internal controls is also subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies or procedures may change.

Management evaluated the design and operating effectiveness of the Company's disclosure controls and procedures, and based on this evaluation, the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") have concluded that as of December 31, 2022, the disclosure controls and procedures were effective.

Management has also evaluated the Company's internal controls over financial reporting, and based on this evaluation, the Company's CEO and CFO have concluded that as at December 31, 2022, the internal controls over financial reporting were effective and able to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes in the Company's internal controls over financial reporting during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

#### **Forward-Looking Statements**

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

Forward-looking statements may include statements about mineral reserve and resource estimates and the timing of updates thereof, planned expenditures on the Company's projects, obtaining renewed exploration permits, the ability to demonstrate the economic feasibility of the mineral deposits to a level up to and including that of a full feasibility study, the ability to obtain adequate financing as needed in the future to fund ongoing exploration, development, or production activities, the results of exploration and drilling activities, the timing of commencement of operations, and estimates of the amount of time the Company may carry on operations with existing cash resources and available funding, and is based on current expectations that involve a number of business risks and uncertainties.

All such forward-looking statements are based on certain assumptions and analyses made by management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances.

These forward-looking statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and contemplated studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other factors that could cause actual results to differ materially from any forward-looking statement include, but are

not limited to, failure to establish estimated resources and reserves, the grade and recovery of material which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, delays in the development of projects, unexpected increases in budgeted costs and expenditures, and other factors.

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

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

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

#### **Cautionary Note to U.S. Investors Concerning Resource Estimates**

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

#### **Qualified Persons**

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

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

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