



**OREZONE GOLD CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021**

This Management's Discussion and Analysis ("MD&A") was prepared by management, and was reviewed and approved by the Board of Directors ("Board") on November 24, 2021, the date of this MD&A. The following discussion of performance, financial condition, and future prospects should be read in conjunction with the condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 ("Interim Financial Statements"), which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts in this MD&A are in United States dollars, unless otherwise specified. References to "\$" or "US\$" 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 determined by the currency of the primary economic environment in which it operates (the "functional currency"). Prior to July 1, 2021, the Company's functional currency was the CAD. Effective July 1, 2021, the Company determined that its functional currency had changed from the CAD to the USD and each of its Burkina Faso subsidiaries had changed from the CFA to USD. The change in functional currency reflects changes in nature of the Company's activities upon entering the development stage, commencement of construction activities, and the financing of such activities. 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 construction programs or the need for future financing are forward-looking statements. Statements regarding the potential for expansion of current mineral resources, expected results including, but not limited to, targeted economic parameters and production levels for Bomboré, planned expenditures on the Company's projects and the potential timing and milestones required to become a gold producer are also forward-looking statements. All forward-looking statements, including those not specifically identified herein, are made subject to cautionary language at the end of this MD&A.

### Corporate Information

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

The Company is engaged in the exploration and development of gold properties in Burkina Faso, West Africa, focusing on its 90%-owned flagship Bomboré gold project ("Bomboré" or "Bomboré Project"). The Company's strategic plan is to bring its multi-million ounce Bomboré Project into production.

On October 15, 2021, the Company closed on its project debt which is forecasted to fund Bomboré through construction and into commercial production. To-date, project construction is progressing well with first gold scheduled in Q3-2022.

### Q3-2021 Highlights

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#### 1. Bomboré Development and Construction Activities

The Company achieved the following key development and construction milestones during the current quarter:

- *Safety:* Over 1.18M hours worked by employees and contractors without a lost time injury since the start of project construction in 2021.
- *Detailed Engineering and Procurement:* As at September 30, 2021, engineering had reached 90% completion with procurement at 87% completion. Purchase orders for all major equipment and long-lead items have now been awarded and are under fabrication or delivery.
- *Pre-production Mining:* As of September 30, 2021, the Company has mined over 4.5M tonnes from the Off-Channel Reservoir ("OCR") pit and stockpiled 1.6M tonnes of ore for plant start-up and future processing. Mining of the OCR by the mining contractor commenced in April 2021 and is currently ahead of plan with a target completion date of February 2022.
- *Project construction:* Construction of the Bomboré processing plant and mine infrastructure remains on schedule and in line with budget estimate. As of September 30, 2021, overall construction progress was at 28% with \$46.6M in project expenditures incurred against a total project budget of \$177.2M, representing 26.3% of budgeted costs.

Refer to "*Bomboré Project Development and Construction Update*" section below for more details.

## 2. Project Financing Completion

- During the quarter, the Company significantly advanced definitive documentation on its \$96M senior loans, \$35M convertible notes, and \$7.15M silver stream ("Project Financings") that collectively is expected to fund Bomboré into operations and on-going exploration. On August 31, 2021, as a step to closing, the Company's shareholders voted overwhelmingly to approve the convertible note issuance to Resource Capital Fund VII L.P. ("RCF VII").
- On October 15, 2021, the Company closed on the Project Financings with concurrent drawdowns made on the convertible notes and silver stream. First drawdown under the Coris Bank International ("Coris Bank") senior loans is forecasted for the end of 2021.
- Upon closing of the Project Financings, the Company had available liquidity of ~US\$148M to use towards remaining construction, financing expenses, exploration, and commissioning costs for the Bomboré gold mine.

Refer to "Project Debt Facilities for Bomboré" and "Silver Stream" sections below for more details.

## 2021 Outlook

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The Company's current strategic focus is to advance the Bomboré gold mine into production in Q3-2022. Once ore is introduced, the Company expects the process plant will achieve a rapid ramp-up to its nameplate capacity of 5.2M tonnes per annum ("tpa") and to reach commercial production in Q4-2022.

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

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

The Company has completed or is currently on track to complete all of the above 2021 objectives based on project progress achieved to-date (see sections below for more details). As a result, the Company is on schedule for the start of gold production by Q3-2022.

## Bomboré Project Development and Construction Update

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In December 2020, the Company awarded the engineering, procurement, and construction management ("EPCM") contract for the process plant construction and commissioning to Lycopodium Minerals Pty Ltd. ("Lycopodium"), an EPCM firm with a long track record of success on similar projects in West Africa. The Owner's team will be responsible for all site infrastructure work including bulk earthworks, OCR and associated intake structure, TSF starter dam, surface water management structures, camp upgrades, site security and perimeter fencing, warehouses, workshops, laboratory, administration offices, and civil works such as roads and bridges.

During Q2-2021, the Company reviewed its project construction budget and schedule upon surpassing 30% engineering and completion of procurement for major equipment and bulks. An updated project budget of \$177.2M was subsequently approved and will serve as the project's baseline budget. The project's baseline schedule to reaching first gold in Q3-2022 remains on track. Despite the current rise in raw material prices for steel, copper, and plastics, the Company was able to maintain the

baseline budget within the capital cost estimate found in the 2019 feasibility study ("2019 FS"). This outcome reflects the high quality of the 2019 FS as bulk quantities such as earthworks, steel, piping, and platework all trended favourably to those estimated in the study, and the Company's early efforts to prioritize the placement of orders for major equipment and bulks such as HDPE liners, structural steel, and platework before price increases materialized.

During Q3-2021, the Company advanced the development and construction of the Bomboré mine on several important fronts:

- *Capital Spending:* As of September 30, 2021, the Company has incurred \$46.6M in project expenditures against a total project budget of \$177.2M, representing 26.3% of budgeted costs. Project spending to-date is tracking well against estimate.
- *Pre-production Mining:* As of September 30, 2021, 4.5M tonnes has been mined from the OCR pit with 1.6M tonnes of ore stockpiled for plant start-up and future processing. Mining of the OCR performed well during the wet season and is currently ahead of plan with a revised target completion date of February 2022. Mined ore tonnes have reconciled positively to and mined ore grades are consistent with those predicted by the Company's existing reserve model.

Upon completion of the OCR, mining will progress to other nearby pits to source higher grade ore feed for early production. Despite the excellent ramp-up in mining productivity, mining rates will be measured until commercial production is achieved in order to manage the project budget. Grade control drilling of the Maga and P8/P9 pits in advance of mining are being planned with mobilization of drill and field personnel to take place in Q4-2021.

- *EPCM:* As of September 30, 2021, engineering reached 90% completion while procurement reached 87% completion based on the number of procurement packages awarded. The Lycopodium construction management team is now fully mobilized and supervision of site contractors to the project has commenced.
- *Procurement and Logistics:* Purchase orders for all mechanical and electrical equipment, and major bulk items were placed by quarter-end with only minor purchases for tooling, piping specials, plant instrumentation and control software outstanding. Extension of fabrication times for certain mechanical orders and tank plateworks have occurred with the delays attributable to numerous factors including electrical component shortages, unprecedented global demand, temporary union strikes, or COVID-19 related curfews imposed by local authorities. Mitigation steps such as the use of airfreight and daily/weekly monitoring of supplier progress are being utilized to keep the project on schedule. Float created by early procurement of critical long-lead items at project start is proving invaluable in buffering the longer fabrication and delivery times.
- *Major Construction Contract Awards:* For the five major site installation contracts, two contracts were awarded in the prior quarter: (a) the process plant concrete and (b) CIL tank erection and overland and tailings pipeline installation. During the current quarter, tenders for the plant's structural/mechanical/piping ("SMP") installation and the ball mill installation were issued with bids under evaluation at quarter-end. Subsequent to Q3-2021, all three remaining site contracts including electrical and instrumentation installation were awarded at quotes below budget.
- *Tailings Storage Facility:* Clearance and preparation of the TSF embankment foundation were completed during the current quarter allowing for the start of the TSF embankment construction at quarter-end. Completion of the TSF starter dam including HDPE liner installation and QA/QC sign-off by the independent engineer is forecasted for in Q2-2022. The pace of construction of the TSF embankment walls using hired equipment and operators under the Company's direct supervision have exceeded expectations to-date with early completion now anticipated for this work.
- *Process Plant Construction:*
  - (a) *Earthworks:* Bulk earthworks to prepare the process plant footprint for construction was completed during the quarter.
  - (b) *Concrete:* Concrete work commenced with the site mobilization of equipment, supplies, and personnel by the concrete contractor, and laydown area organized. A concrete batch plant was assembled and placed into operation. Area excavations for feed preparation, milling, and CIL ring beams, and pouring of the first CIL ring beam foundation were completed.
  - (c) *CIL Tank Erection:* The contractor commenced mobilization of personnel, transportation vehicles, and installation equipment by quarter-end.

- (d) *Water Storage Pond*: A large 155K m<sup>3</sup> water storage pond was excavated, lined, and partially filled during the current quarter. This pond will be the major source of construction water during the upcoming dry season including the water needs to meet the moisture conditioning requirements of the TSF embankment fill.
- *Assay Laboratory*: The Company has awarded a long-term services contract to a well-known certification services company to finance, design, equip, and operate the on-site analytical laboratory at Bomboré. This independent company will be responsible for procuring the specialized laboratory equipment while the Company will construct the laboratory building and related services. The laboratory is expected to be operational by the end of Q2-2022, ahead of wet commissioning of the process plant.
  - *Power Plant*: Following the signing of the power purchase agreement (“PPA”) with the Company in June 2021, Genser Energy Burkina S.A. (“Genser”) commenced detailed design and conducted a site survey for the power plant and overhead transmission lines as well as obtaining supplier proposals and negotiating terms and delivery times for the power gensets and ancillary equipment. Ongoing procurement of plant electrical and mechanical equipment will continue through Q4-2021 with construction of the plant civils and mechanicals scheduled to commence in Q1-2022.
  - *Site earthworks, civils, and camp infrastructure*: The Company has completed all key sections of the main hauls roads required for the project construction and earthworks. In the next quarter, the Company will continue construction work on the main trunk road connecting the camp to the process plant area. Camp expansion upgrades including three new permanent accommodation blocks, laundry room, and temporary offices and medical clinic were completed in Q3-2021. Telecommunications upgrades to improve mobile service and internet connectivity throughout the wider site area are ongoing and slated for completion in Q4-2021.
  - *Project Personnel*: As of September 30, 2021, there were 916 contractor personnel and 165 permanent and temporary Company employees directly involved with or supporting the construction and mining activities at Bomboré. Burkinabé citizens comprise 97% of this direct workforce with a female workforce at over 6%. The workforce is expected to peak in Q1-2022 as other site installation contractors mobilize to commence their work.

The Company will provide ongoing updates including regular construction progress videos to ensure stakeholders are fully informed of measured progress achieved on site construction and commissioning activities as the Company advances towards the start of gold production in Q3-2022.

#### *COVID-19 Measures*

The COVID-19 pandemic declared in March 2020 remains prevalent despite the uptake of COVID-19 vaccinations worldwide. The reported number of COVID-19 cases remains low in Burkina Faso and in areas near the Bomboré project. However, an outbreak of COVID-19 transmissions within the project site or surrounding communities could cause a temporary slowdown or suspension of project activities to ensure the well-being of the Company’s employees, contractors, and neighbours. To limit the exposure of the COVID-19 virus, the Company continues to strictly enforce its COVID-19 protocols which includes a negative test for COVID-19 for employees travelling to the project site and temperature screening of all workers and visitors prior to site entry. In addition, the Company is encouraging all employees and contractors to be vaccinated by arranging for vaccine doses to be administered by local health authorities. To-date, the Company has not experienced any significant COVID-19 impacts to its supply chain but has encountered a small number of instances of extended fabrication times or longer shipping durations brought on by the surge in pent-up consumer demand from COVID-19 or from temporary work restrictions imposed by governments to combat a high number of COVID-19 cases. The overall construction completion date for Bomboré remains unaffected but float to mitigate future delays has been reduced.

The Company’s guidance to first gold assumes that the risk of COVID-19 will not have a future material effect on the normal movement of workers and contractors, delivery times, supply routes, and existing fabrication schedules. Management believes the early work completed in late 2020 and the strong progress on procurement activities already achieved in 2021 have allowed the Company to maintain its target of reaching first gold by Q3-2022. With the rollout of COVID-19 vaccinations worldwide and within the Company’s own workforce, and from the later start of the primary construction fieldwork in the H2-2021, the Company believes it has a reasonable basis for this outlook.

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

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On October 15, 2021, the Company closed on its previously announced \$131M of committed project debt for the development of the Bomboré gold mine. The project debt facilities consisted of:

- a) \$96 million (XOF 52.5 billion) senior secured debt facility with Coris Bank (“Senior Debt Facility”), and

b) \$35 million, 8.5% convertible note with RCF VII and Beedie Investments Ltd. ("Convertible Note Facility").

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

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

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

The Convertible Note Facility has a term of 5 years, bears interest of 8.5% per annum. 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 moderate and accommodate the reinvestment of operating cashflows into the Phase II sulphide expansion during the terms of the loans.

The Company has drawn in full the Convertible Note Facility concurrently with its closing.

The Company expects to make its first drawdown on the Senior Debt Facility at the end of 2021. Remaining conditions precedent to loan drawdown include security registration and other customary conditions, including sufficiency of undrawn project debt to fully fund remaining construction.

### **Silver Stream**

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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"). The Company received the \$7.15M upfront payment on closing.

Key terms under the Silver Stream include:

- Minimum annual delivery of 37,500 ounces of silver to ERSA commencing from the date of commercial production. If annual silver deliveries are below this minimum, the Company will make an initial catch-up payment only on the later of: (a) the fifth anniversary from the date of the initial silver delivery under the Silver Stream, and (b) repayment of the senior secured loans, to ensure 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.
- A buyback right to repurchase 50% of the Silver Stream from ERSA for \$7.15M if, within the first five years of commercial production, the Bomboré sulphide processing circuit achieves a plant throughput rate that is 50% higher (3.3Mtpa) than the 2019 FS design capacity of 2.2Mtpa.
- ERSA has a right of first refusal on the sale of a silver stream on the remaining silver production from Bomboré that has not been purchased by ERSA pursuant to the Silver Stream.

The Company believes the Silver Stream is an attractive non-dilutive source of capital to fund exploration on high-priority oxide and newly identified high-grade sulphide targets during construction. Due to the lack of comprehensive silver assays, no silver production was included in the 2019 FS for Bomboré.

### **Bomboré Gold Project**

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

Province, Burkina Faso, approximately 85 km east of the capital city of Ouagadougou.

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

The Bomboré Project benefits from a large oxide resource (average depth of 45 m) that sits above a large sulphide resource. The average depth of over 525,000 m of drilling to date is about 45 m for the RC holes (oxide zone) and 110 m for the core holes (sulphide zone), with deeper core drilling where the sulphide resource reaches depths of up to 240 m within the CIL optimized pit shells that constrain the resource.

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

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

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

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

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

### **2019 FS ECONOMICS AND HIGHLIGHTS**

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

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

#### Notes

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

**MINERAL RESOURCES (INCLUSIVE OF MINERAL RESERVES)****Bomboré Mineral Resource Estimate as of January 5, 2017, RPA**

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

## Notes:

1. CIM definitions (2014) were followed for Mineral Resources.
2. Mineral Resources are inclusive of Mineral Reserves.
3. Oxide resources are made up of the regolith, saprolite and upper transition layers reported at a cut-off of 0.2 g/t Au.
4. Sulphide resources are made up of lower transition and fresh layers reported at a cut-off of 0.2 g/t Au and 0.38 g/t Au respectively.
5. Mineral Resources have been constrained within a preliminary pit shell generated in Whittle software.
6. Mineral Resources are estimated using a long-term gold price of US\$1,400 per ounce.
7. A minimum mining width of approximately 3 m was used.
8. Bulk densities vary by material type.
9. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
10. Numbers may not add due to rounding.

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

The 2019 FS mine plan is based on the above 2017 mineral resource estimate for Bomboré. The Company is currently working on updating the Bomboré mineral resource estimate by incorporating and re-modelling new and encouraging results from infill and step out drilling on both oxide and sulphide targets completed in 2017 to 2019. The Company expects to release updated mineral resource and mineral reserve estimates including a new NI 43-101 technical report in H1-2022.

**MINERAL RESERVES**

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

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

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

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

## Notes:

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



## MINE PLAN AND PRODUCTION SUMMARY

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

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

### Summary Production Schedule – 2019 FS

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

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

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

## MINING

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

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

### Oxides

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

### Sulphides

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

efficient use of low-grade stockpiling, and minimization of concurrent mining of oxides and sulphides within the same pits.

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

## MINERAL PROCESSING

The process plant design prepared by Lycopodium Canada is based on a robust metallurgical flowsheet developed for optimum recovery while minimizing initial capital expenditures and LOM operating costs. This flowsheet is based on unit operations (crushing, milling, Carbon-in-Leach ("CIL"), elution, gold electrowinning and carbon regeneration) that are well proven in the industry and represents a low risk standard design that has been operating successfully at other similar West African gold mines.

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

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

### Oxide Circuit

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

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

### Sulphide Circuit

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

## PROJECT INFRASTRUCTURE

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

- (a) **Water Supply:** Raw water will be sourced from the seasonal Nobsin River during a portion of each wet season and diverted by a permanent weir into an off-channel reservoir. The OCR is essentially one of the mine pits excavated early and designed to hold sufficient water for the project on an annual basis. Pumps will transfer water from the OCR to the raw and process water tanks by pipeline. The amount of water that will be harvested each year will be a minor portion of the streamflow and will not negatively impact downstream users.
- (b) **Power Supply:** A power station will be constructed at the process plant by an IPP under a build-own-operate agreement. Overhead transmission lines of 11kV will be constructed from the power station to the TSF, camp, and the mining contractor's area.
- (c) **Offices and Accommodation:** A main camp, kitchen, and office complex including warehousing, sample preparation

facility, and small vehicle repair shop are fully functional at the project site. All communications systems, including internet, are in place. In Ouagadougou, the Company owns a fully functional office and warehouse facility which will serve as a management and logistics base for the Bomboré operation. Administrative functions such as procurement, accounting, and government relations will be based out of the Ouagadougou office to reduce the burden on site facilities.

## PROJECT SENSITIVITIES

The project economics are most sensitive to changes in gold price. At a gold price of \$1,500/oz, the project's after-tax NPV<sub>5%</sub> increases by 44% to \$520M.

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

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

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

The Bomboré project spans over 13kms and 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 project. Drilling just north of the P17S reserve pit indicates that the deposit is still open and trending towards surface at P17, situated 1.2kms to the north. Historical drilling at P17 has returned excellent intercepts and a large untested gap exists between these two areas. Future drilling is planned to infill this large, underexplored area.

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

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

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

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

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

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

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

### **Permit status**

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

The Bomboré Project consists of the expanded mining permit (28.9 km<sup>2</sup>) and four exploration permits: Bomboré II (17.2 km<sup>2</sup>), Bomboré III (45.5 km<sup>2</sup>), Bomboré IV (11.6 km<sup>2</sup>) and Bomboré V (46.2 km<sup>2</sup>). The Bomboré II, Bomboré III and Bomboré IV permits have been renewed once for another three-year term expiring on January 16, 2023. On November 24, 2020, a new exploration permit ("Bomboré V") was issued covering the area under the former Toéyoko permit, which expired during 2020, and not included in the expanded mining permit.

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

### **2015 Burkina Faso Mining Code ("Mining Code")**

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The mining legislation of Burkina Faso provides for certain fiscal policies that are specific to mining activities and offers certain tax incentives for titleholders at different stages of their projects. On June 26, 2015, the *Conseil National de la Transition* (National Council of Transition) approved a new Mining Code that was adopted by the parliament on July 16, 2015 and promulgated on October 29, 2015.

Since January 2017, the government commenced the release of a series of seven Decrees that will implement the 2015 Mining Code; these Decrees will be followed by several Orders that will further define how the 2015 Mining Code will be implemented. Items within the new Mining Code include, amongst others, the introduction of a new tax of 1.0% of the gross revenues to support a Mining Fund for Local Development, an effective increase in income tax rates from 17.5% to 27.5%, and for feasibility studies to include a plan for the training and the promotion of local mining executives. A sliding scale government NSR royalty of 3% to 5%, depending on the gold price, remains.

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

### **REVIEW OF FINANCIAL RESULTS**

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The Company is in the development stage and does not yet have revenue-generating activities in any financial period. As of January 21, 2021, the Company transitioned from the exploration and evaluation ("E&E") phase to the development phase. In the development phase, costs that are directly attributable to project development are capitalized to mineral properties, plant, and equipment as mine under development.

Effective July 1, 2021, the Company determined that its functional currency had changed from the CAD to the USD and each of its Burkina Faso subsidiaries had changed from the CFA to USD. The change in functional currency reflects changes in nature of the Company's activities upon entering the development stage, commencement of construction activities, and the financing of such activities. The Company determined that the USD more faithfully represents the primary economic environment in which each entity operates. This has been accounted for prospectively in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*. As further discussed in Note 4 of the Interim Financial Statements, the change in functional currency resulted in the reclassification of the Company's CAD denominated warrants from equity to a derivative financial liability.

Discussion of the major items that impacted net losses for the three and nine months ended September 30, 2021 and 2020 is provided below.

**Financial Results for the Nine Months Ended September 30, 2021**

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
<b>Expenses</b>		
Exploration and evaluation costs	<b>\$1,334,987</b>	\$10,172,021
General and administration costs	<b>3,306,339</b>	2,217,878
Share-based compensation	<b>1,666,057</b>	689,594
Depreciation	<b>129,533</b>	626,416
Operating expenses	<b>6,436,916</b>	13,705,909
Other (loss) income	<b>(7,780,170)</b>	379,024
Net loss for the period	<b>14,217,086</b>	13,326,885
Net loss attributable to shareholders of Orezone	<b>14,131,288</b>	12,310,660
Basic and diluted net loss per share attributable to shareholders of Orezone	<b>(0.04)</b>	(0.05)

**Exploration and Evaluation Costs**

E&E costs decreased by \$8.8M for the 9M-2021 as compared to the 9M-2020 mainly due to:

- The Bomboré Project entering the development phase on January 21, 2021, causing \$8.7M of project salaries, overhead, and other support costs incurred in the 9M-2021 to be capitalized as mine under development. This transition into the development phase resulted in E&E employee costs decreasing by \$2.5M, and overhead and other support costs by \$1.9M when compared to the 9M-2020.
- A decrease of \$4.9M in RAP costs following completion of Phase I RAP construction and household relocations in Q4-2020. For the 9M-2020, the Company incurred \$4.9M in costs for RAP construction activities.

partially offset by:

- An increase in exploration costs of \$0.5M for the 9M-2021 for 6,001 metres of step-out drilling focussing on the northeastern extension of the higher-grade P17S sulphide deposit. The Company did not undertake any exploratory drilling for the 9M-2020.

**General and Administrative Costs**

General and administrative ("G&A") costs rose by \$1.1M to \$3.3M for the 9M-2021 from \$2.2M for the 9M-2020. The increase was driven by the hiring of technical personnel to provide corporate oversight to the development of Bomboré, recruitment costs related to hiring activities, general salary increases, and the end of the temporary reduction of management salaries and board fees implemented in 2020. This increase was partially offset by the reduction in financial advisory fees as the Company was actively pursuing a mandate and non-binding term sheets for project debt from a syndicate of international banks in 2020 with such advisory activity concluding upon announcement of binding debt commitments in January 2021.

**Share-based Compensation**

Share-based compensation expense increased by \$1.0M from \$0.7M for the 9M-2020 to \$1.7M for the 9M-2021 mainly due to:

- Stock-option expense remained consistent with \$0.7M incurred for both the 9M-2021 and 9M-2020 with the lower number of options granted in 2021 offset by higher fair values for these options. The Company granted 2,143,000 options with a weighted-average fair value of C\$0.39 for the 9M-2021 as compared to the 5,167,000 options granted with a weighted average fair value of C\$0.22 for the 9M-2020.
- Restricted share unit ("RSU") compensation of \$0.7M for the 9M-2021 for RSUs granted in 2021 and in Q4-2020 with majority of RSUs granted vesting over a two year period. There was no equivalent expense for the 9M-2020 as the first grant under the Company's newly adopted RSU plan was not made until December 2020.
- Deferred share unit ("DSU") expense of \$0.3M for the 9M-2021 from the grant of 398,000 DSUs to directors of the Company with these DSUs vesting on issuance. There was no equivalent expense for the 9M-2020.

**Depreciation**

Depreciation expense decreased by \$0.5M from \$0.6M for the 9M-2020 to \$0.1M for the 9M-2021 as a result of Bomboré entering the development phase as of January 21, 2021. Subsequent to this date, \$0.5M of depreciation directly related to the project construction was capitalized as mine under development within mineral properties, plant, and equipment.

**Other loss**

Other loss increased by \$8.2M from a gain of \$0.4M for the 9M-2020 to a loss of \$7.8M for the 9M-2021 mainly due to:

- An \$1.4M increase in loss from foreign exchange from a \$0.1M loss for the 9M-2020 to a \$1.5M loss for the 9M-2021. Majority of the 2021 loss relates to the period prior to the Company's functional currency change to the USD on July 1, 2021, with the loss originating from the Company's USD cash holdings being weaker against the Company's then CAD functional currency. From July 1, 2021, the Company experienced a \$0.1M unrealized foreign exchange loss on the revaluation of its non-USD payables and non-USD cash.
- An \$0.8M increase in loss due to fair value movements in the Company's shareholdings in Sarama Resources Ltd. An unrealized fair value loss of \$0.4M was reported for the 9M-2021 compared to a \$0.4M unrealized gain for the 9M-2020.
- A \$6.0M fair value loss on the warrant liability for the 9M-2021 compared to a \$nil loss for the 9M-2020. The change in functional currency to the USD on July 1, 2021 resulted in the reclassification of the Company's CAD denominated warrants from equity to a derivative financial liability. Subsequent to July 1, 2021, the warrant liability is re-measured at each period-end with any associated gains or losses are recognized through profit or loss in the period in which they occur. The fair value loss for the 9M-2021 includes a loss on initial recognition on July 1, 2021 of \$6.6M, partially offset by revaluation gain of \$0.6M for Q3-2021.

**Financial Results for the Three Months Ended September 30, 2021**

	Three months ended September 30, 2021	Three months ended September 30, 2020
<b>Expenses</b>		
Exploration and evaluation costs	\$110,739	\$3,260,052
General and administration costs	1,094,847	656,339
Share-based compensation	435,857	159,208
Depreciation	28,760	217,618
Operating expenses	1,670,203	4,293,217
Other (loss) income	(6,317,322)	175,520
Net loss for the period	7,987,525	4,117,697
Net loss attributable to shareholders of Orezone	7,992,318	3,789,362
Basic and diluted net loss per share attributable to shareholders of Orezone	(0.02)	(0.02)

**Exploration and Evaluation Costs**

E&E costs decreased by \$3.1M in Q3-2021 as compared to Q3-2020 mainly due to:

- The Bomboré Project entering the development phase on January 21, 2021, causing \$3.6M of project salaries, overhead, and other support costs incurred in Q3-2021 to be capitalized as mine under development. This transition into the development phase resulted in E&E employee costs decreasing by \$0.9M, and overhead and other support costs by \$0.6M when compared to Q3-2020.
- A decrease of \$1.6M in RAP costs following completion of Phase I RAP construction and household relocations in Q4-2020. In Q3-2020, the Company incurred \$1.6M in costs for RAP construction activities.

**General and Administrative Costs**

G&A costs increased by \$0.4M to \$1.1M in Q3-2021 from \$0.7M in Q3-2020. The Q3-2021 increase was driven by the staffing of technical personnel to provide corporate oversight to the development of Bomboré, recruitment costs related to hiring activities, general salary increases, and the end of the temporary reduction of management salaries and board fees commencing

in 2020. This increase was partially offset by the reduction in financial advisory fees as the Company actively pursued project debt in Q3-2020 with such activity concluding on the entering of binding debt commitments in January 2021.

### Share-based Compensation

Share-based compensation expense increased by \$0.2M from \$0.2M in Q3-2020 to \$0.4M in Q3-2021 mainly due to:

- Stock-option expense remained consistent with \$0.2M incurred in both Q3-2021 and Q3-2020 with the continued vesting of previously granted options in prior quarters of 2021 and 2020 respectively.
- RSU compensation of \$0.3M in Q3-2021 for RSUs granted in previous quarters. There was no equivalent expense in Q3-2020.

### Depreciation

Depreciation expense decreased by \$0.2M from \$0.2M in Q3-2020 to \$nil in Q3-2021 as a result of the Bomboré Project entering the development phase as of January 21, 2021. In Q3-2021, \$0.2M of depreciation directly related to the project construction was capitalized as mine under development within mineral properties, plant, and equipment.

### Other loss

Other loss increased by \$6.5M from a gain of \$0.2M in Q3-2020 to a loss of \$6.3M in Q3-2021 mainly due to:

- A \$0.2M increase in loss from foreign exchange. Subsequent to the functional currency change to the USD on July 1, 2021, the Company reported a \$0.2M unrealized foreign exchange loss related to the revaluation of the non-USD payables and non-USD cash in Q3-2021, compared to a \$nil loss in Q3-2020 when the Company's functional currency was still the CAD.
- A \$0.4M increase in loss due to fair value movements in the Company's shareholdings in Sarama Resources Ltd. An unrealized fair value loss of \$0.2M was reported in Q3-2021 compared to a \$0.2M unrealized gain in Q3-2020.
- A \$6.0M fair value loss on the warrant liability in Q3-2021 compared to a \$nil loss in Q3-2020. The change in functional currency to the USD on July 1, 2021 resulted in reclassification of the Company's CAD denominated warrants from equity to a derivative financial liability. Subsequent to July 1, 2021, the warrant liability is re-measured at each period-end with any associated gains or losses are recognized through profit or loss in the period in which they occur. The fair value loss for Q3-2021 includes a loss on initial recognition on July 1, 2021 of \$6.6M, partially offset by a revaluation gain of \$0.6M at the end of Q3-2021.

### Summary of Quarterly Results

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

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Net loss for the period</b>	(7.99)	(3.06)	(3.17)	(5.78)	(4.12)	(2.34)	(6.87)	(7.18)
<b>Net loss attributable to shareholders of Orezone</b>	(7.99)	(3.02)	(3.12)	(5.36)	(3.79)	(2.17)	(6.35)	(6.60)
<b>Net loss per common share attributable to shareholders of Orezone, basic and diluted</b>	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)	(0.01)	(0.03)	(0.03)

The significant increase in the net loss for Q3-2021 compared to prior quarters in 2021 is primarily the result of the change in functional currency to the USD on July 1, 2021 resulting in the reclassification of the Company's CAD denominated warrants from equity to a derivative financial liability. The fair value loss on recognition of the derivative liability in Q3-2021 was \$6.0M. The reduction in the quarterly net losses in 2021 versus quarters in prior years is the result of the transition from the E&E phase to the development phase on January 21, 2021. Fluctuations in quarterly net losses prior to 2021 is mainly a function of timing associated with project development, exploratory drilling, and project study work undertaken.

## Cash Flows

The following table represents the condensed cash flows for the nine months ended September 30, 2021 and 2020. Discussion of the significant items impacting the cash flows is provided below.

	Nine months ended September 30, 2021	Nine months ended September 30, 2020
<b>Total cash outflows used in operating activities</b>	<b>(\$4,705,647)</b>	(\$13,772,802)
<b>Total cash outflows from investing activities</b>	<b>(42,987,549)</b>	(213,241)
<b>Total cash inflows from financing activities</b>	<b>54,865,739</b>	14,900,242
<b>Effect of foreign currency translation on cash</b>	<b>732,371</b>	(592,753)
<b>Increase in cash</b>	<b>7,904,914</b>	321,446
<b>Cash and cash equivalents, beginning of period</b>	<b>8,866,617</b>	11,855,497
<b>Cash and cash equivalents, end of period</b>	<b>\$16,771,531</b>	\$12,176,943

### Operating

For the 9M-2021, the Company used \$4.7M in operating activities as compared to \$13.8M for the 9M-2020. The \$9.1M reduction is primarily due to the Company entering the development phase in January 2021 and completion of the Phase I RAP construction in Q4-2020. During the development phase, costs directly related to project construction are capitalized to mineral properties, plant and equipment, and classified as investing activities.

### Investing

Cash outflows from investing activities increased by \$42.8M from \$0.2M for the 9M-2020 to \$43.0M for the 9M-2021 due to the capitalization of Bomboré project development costs. For the 9M-2021, the Company invested \$34.5M towards the design, procurement, and site construction of the Bomboré processing plant and surface infrastructure. In addition, investing activities for the 9M-2021 included \$8.3M in pre-production mining costs from the mining of the OCR pit. There were no corresponding costs for the 9M-2020 as the Company had not yet achieved the required criteria to capitalize early development costs.

### Financing

Cash inflows from financing activities increased by \$40.0M from \$14.9M for the 9M-2020 to \$54.9M for the 9M-2021 as a result of the individual bought-deal equity offerings completed in each of the respective periods.

## Financial Position

The following table represents the condensed financial position for the periods ended September 30, 2021 and December 31, 2020. Discussion of the significant items impacting the financial position is provided below.

	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$16,771,531	\$8,866,617
Other current assets	1,902,439	779,600
<b>Total current assets</b>	<b>18,673,970</b>	9,646,217
<b>Non-current assets</b>		
Other financial assets	402,779	791,021
Mineral properties, plant and equipment	48,572,871	2,551,385
<b>Total assets</b>	<b>\$67,649,620</b>	\$12,988,623



**LIABILITIES AND EQUITY**

<b>Current liabilities</b>		
Trade and other payables	<b>\$7,301,404</b>	\$3,127,618
<b>Non-current liabilities</b>		
Lease liabilities	<b>112,083</b>	167,632
Warrant liability	<b>6,855,411</b>	-
<b>Total liabilities</b>	<b>14,268,898</b>	3,295,250
<b>Total equity</b>	<b>53,380,722</b>	9,693,373
<b>Total liabilities and equity</b>	<b>\$67,649,620</b>	\$12,988,623

**Total current assets**

Current assets increased by \$9.1M for the 9M-2021 from \$9.6M at the end of 2020 to \$18.7M at the end of Q3-2021 primarily as a result of the closing of the \$54.9M equity financing in January 2021, partially offset by operating and investing activities discussed in the "Cash Flows" section above.

**Other financial assets**

The decrease of \$0.4M from \$0.8M at end of 2020 to \$0.4M at the end of Q3-2021 is mainly due to the decrease in the fair value of the 3.2M shares of Sarama Resources Ltd. held by the Company.

**Mineral properties, plant and equipment**

The increase of \$46.0M from \$2.6M at end of 2020 to \$48.6M at the end of Q3-2021 is attributable to \$47.0M in capitalized project expenditures made during the 9M-2021 with minor offsets from \$0.6M in depreciation and \$0.4M in foreign currency movements. Also included in the additions for the 9M-2021 is \$8.3M in pre-production mining costs from the mining of the OCR pit.

**Total liabilities**

The increase of \$11.0M from \$3.3M at end of 2020 to \$14.3M at end of Q3-2021 is the result of a \$4.2M increase in trade and other payables associated with the greater level of development, construction, and pre-production mining activities at Bomboré. Additionally, effective July 1, 2021, the change in functional currency resulted in the reclassification of the Company's CAD denominated warrants from equity to a derivative financial liability, resulting in a \$6.9M liability as of September 30, 2021. There was no equivalent balance at the end of 2020 due to the then equity classification of these warrants.

**Liquidity and Capital Resources**

The Company raises funds to conduct its activities and to execute its business plans through debt or equity issuances, or through the sale of royalties or related interests. The Company is not yet in production and does not generate revenue from its current operating activities.

The Company had cash of \$16.8M as of September 30, 2021, an increase of \$7.9M from cash of \$8.9M at December 31, 2020 as a result of the proceeds raised in the January 2021 public offering of common shares, offset by project and corporate expenditures incurred for the 9M-2021.

On January 21, 2021, the Company announced a full financing package totaling \$131M in binding loan commitments and a bought-deal common share offering of \$51M. On January 28, 2021, the Company closed the bought-deal offering for gross proceeds of \$57.5M and net proceeds of \$54.9M after the exercise of the overallotment option by the underwriters. On March 1, 2021, the Company entered into a binding letter of intent to sell 50% of future silver production from its Bomboré mine for an upfront payment of \$7.15M. On October 15, 2021, the Company closed its Senior Debt Facility (~\$96M), Convertible Note Facility (\$35M), and Silver Stream (\$7.15M) totaling ~\$138.2M. As of November 24, 2021, the Company had fully drawn on the Convertible Note Facility and Silver Stream. With this project financing in hand, the Company is fully funded for construction and commissioning of its Bomboré Project for first gold in Q3-2022.

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

On January 28, 2021, the Company completed a bought deal equity financing of 70,242,500 common shares at price of C\$1.05 per share for gross proceeds of C\$73,754,625 (\$57,490,921) and net proceeds of C\$70,428,241 (\$54,894,945). As of September 30, 2021, the Company has used C\$51.8M of the net proceeds as outlined below.

Activity or Nature of Expenditure	Net Proceeds	Actual Expenditures to
	Raised	September 30, 2021
	C\$ M	C\$ M
Development and construction of the Bomboré Project	69.5	49.3
General and administrative	1.0	2.5
<b>Total Use of Net Proceeds</b>	<b>70.5</b>	<b>51.8</b>

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

On January 29, 2020, the Company completed a bought deal equity financing of 37,595,900 units of the Company at a price per unit of C\$0.54. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant of the Company exercisable at a price of C\$0.80 per share at any time on or before January 29, 2023. The Company received gross proceeds of C\$20,301,786 (\$15,384,795) and net proceeds of C\$18,736,673 (\$14,198,744). As of September 30, 2021, the Company had used the entire C\$18.7M of the net proceeds as outlined below:

Activity or Nature of Expenditure	Net Proceeds Raised	Actual Expenditures to
	C\$ M	September 30, 2021
	C\$ M	C\$ M
Phase I RAP – direct costs of construction of remaining private residences, compensation and relocation of affected families and communities	8.8	3.9
Indirect costs for advancement of Bomboré and RAP	7.2	9.6
Bomboré capital expenditures including security upgrades, and mine planning software and hardware	0.9	2.7
Bomboré detailed engineering and design of water management structures	0.5	0.4
General and administrative	1.3	2.1
<b>Total Use of Net Proceeds</b>	<b>18.7</b>	<b>18.7</b>

**Share Capital**

As of November 24, 2021, the Company had 323,632,806 common shares, 17,685,450 warrants, 21,743,500 stock options, 2,603,000 restricted share units, and 398,000 deferred share units issued and outstanding.

**Contractual Obligations**

The following table summarizes the contractual maturities of the Company's operating and capital commitments at September 30, 2021, shown in contractual undiscounted cashflows:

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	\$7,301,404	-	-	<b>\$7,301,404</b>
Capital commitments	49,770,319	-	-	<b>49,770,319</b>
Operating commitments	170,381	437,352	136,673	<b>744,406</b>
Lease liabilities	-	112,083	-	<b>112,083</b>
<b>Total</b>	<b>\$57,242,104</b>	<b>\$549,435</b>	<b>\$136,673</b>	<b>\$57,928,212</b>

### **Off-Balance Sheet Arrangements**

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

### **Transactions with Related Parties**

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

### **Proposed Transactions**

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

### **Risks and Uncertainties**

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

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

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

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

To date, the Company has been able to continue to further the development of the Bomboré Project by obtaining binding financing commitments in Q1-2021, closing the financing commitments in Q4-2021, and commencing and continuing construction throughout 2021. However, the Company cannot provide any assurances that its planned development and capital expenditures for the foreseeable future will not be delayed, postponed or cancelled as a result of the COVID-19 pandemic or otherwise. The COVID-19 pandemic could continue to affect financial markets, including the price of gold and the trading price of the Company's shares, as well as the ability to raise any additional capital. Furthermore, the Company may also experience regional risks which include, but are not limited to, delays in the supply chain, the impact on the delivery of critical capital orders and operating consumables for the project, employee health and productivity, and increased medical costs and insurance premiums.

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

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

As of September 30, 2021, the Company had 3,200,000 common shares of Sarama Resources Ltd. with a fair value of \$402,779 (December 31, 2020 - \$791,021).

As of September 30, 2021, the Company had 17,784,450 warrants outstanding with a fair value liability of \$6,855,411 (December 31, 2020 - \$nil). 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 1.33 years (December 31, 2020 – 2.08 years). Effective July 1, 2021, the change in functional currency resulted in the reclassification of the Company's CAD denominated warrants from equity to a derivative financial liability.

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

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

See "Critical Accounting Estimates and Judgments" in the Company's 2020 annual MD&A as well as Note 4 in the Company's 2020 annual consolidated financial statements for significant estimates and judgments which, except as discussed below, have been consistently applied in the preparation of the interim financial statements for the three and nine month periods ended September 30, 2021 and 2020.

Effective July 1, 2021, the Company determined that its functional currency had changed from the CAD to the USD and each of its Burkina Faso subsidiaries had changed from the CFA to USD. The change in functional currency reflects changes in nature of the Company's activities upon entering the development stage, commencement of construction activities, and the financing of such activities. The Company determined that USD more faithfully represents the primary economic environment in which each entity operates. This has been accounted for prospectively in accordance with IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

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

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Additional disclosure concerning the Company's exploration and evaluation expenses, and general and administrative expenses is provided in the Company's Interim Financial Statements for the three and nine months ended September 30, 2021 which are available on the Company's website at [www.orezone.com](http://www.orezone.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Forward-Looking Statements**

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

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

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

These forward-looking statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and contemplated studies to deliver anticipated results or results that would justify and support continued studies, development or operations. Other factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of material which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, 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 Project titled "NI 43-101 Technical Report (Amended) Feasibility Study of the Bomboré Gold Project Burkina Faso" with an effective date of June 26, 2019. This technical report includes relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource and reserve estimates at the Bomboré Project, as well as information regarding data verification, and other matters relevant to the scientific and technical disclosure contained in this MD&A.

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