



**OREZONE GOLD CORPORATION**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 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 November 10, 2022, 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, 2022 ("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 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, planned expenditures on the Company's projects and the potential timing and milestones required to reach commercial production 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 is listed on the Toronto Stock Exchange ("TSX") under the symbols "ORE" (common shares) and "ORE.WT" (warrants), respectively. The Company's common shares also trade on the OTCQX market under the symbol "ORZCF".

The Company is engaged in the exploration, commissioning, and operations of gold properties in Burkina Faso, West Africa, focusing on its 90%-owned flagship Bomboré gold mine ("Bomboré"). The Company's strategic plan is to bring its multi-million ounce Bomboré mine into commercial production followed by a staged Phase II sulphide expansion.

The Bomboré mine poured its first gold in September 2022 and is working towards commercial production in Q4-2022.

### Q3-2022 Highlights and Significant Subsequent Events

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#### 1. Bomboré Construction, Commissioning, and First Gold

The Company achieved the following key construction and commissioning milestones to September 30, 2022:

- *Safety:* 5.3M hours worked by employees and contractors without a lost time injury since the start of project construction in 2021.
- *First Gold:* Pouring of first gold on September 10, 2022, in line with the Company's stated schedule, and gold production of 5,572 ounces for the month of September 2022.
- *Construction of process plant and mine:* Construction of the Bomboré process plant and mine infrastructure were essentially complete at quarter-end with overall construction progress at 99.6%. Project expenditures including pre-production mining but excluding power plant costs were at \$168.0M as of September 30, 2022 and compares favourably against the project approved budget of \$173.7M.
- *Power plant installation:* Equipment deliveries for the third-party managed power plant have been delayed, which has adversely impacted planned commissioning activities. As a result of these delays, the permanent power plant installation is behind schedule with costs to-date of \$13.2M against a budget of \$18.8M.
- *Commissioning:* Testing of process plant operable systems commenced in July 2022 with all systems successfully passing wet commissioning by August 2022. Continuous process plant feed of high-grade ore from both the pits and from stockpiles allowed smooth and continuous ramp-up of operations through September 2022. Commissioning of the power plant was staged based on delivery of the generator units ("gensets"); however, component failures and breakdowns resulted in intermittent operations of these gensets and an inability to power the process plant on a continuous basis. To ensure full and reliable power, in early October 2022, the Company contracted a rental power system from a well-established African power supplier to augment the site power generation capacity. As of the date of this MD&A, the rental power system has been installed and undergoing final commissioning, and once operational, should allow the process plant to quickly ramp up to daily nameplate tonnage. With the benefit of this additional installed power, the Company expects consistently higher throughput at or above design moving forward with achievement of commercial production later in Q4-2022.

## 2. Cash and Available Liquidity

- The aforementioned delays in the installation of a reliable power supply and the resulting shortfall in gold sales in October 2022 further reduced the Company's short-term liquidity at the date of this MD&A. With full power expected imminently, the Company forecasts a rapid ramp-up in process plant throughput and commensurate increases in gold production and sales for the remainder of the year. As a result, the Company estimates its cash holdings plus nearby gold sales will be sufficient to meet its obligations as they come due without the need for additional financings.
- At September 30, 2022, the Company had cash and available liquidity of \$7.4M and 4,923 ounces of gold bullion in finished goods inventory. The senior debt facility with Coris Bank International SA ("Coris Bank") was fully drawn in August 2022.
- In October 2022, Coris Bank agreed to defer monthly cash interest payments totalling XOF 2.1 billion (\$3.2M) to December 15, 2022 to help ensure adequate working capital during this extended commissioning period for Bomboré.
- A significant portion of the Company's trade payable balance at September 30, 2022 falls due in 2023. Payables with contractual payment terms that extend into 2023 include accruals made for the power plant, construction retentions, employee bonuses, and mining contractor works totalling \$16.5M.

### 2022 Outlook

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The Company's remaining strategic priority is to achieve commercial production in Q4-2022. Other main objectives for 2022 that remain ongoing are:

- Undertake operational readiness activities in H1-2022 to ensure an organized and integrated handover from commissioning to operations in H2-2022 which will help facilitate a smooth start-up and steady-state production in a timely manner.
- Deliver the project construction at completion including pre-production mining costs within the approved budget of \$192.5M.
- Continue exploratory drilling on high-priority targets to extend Bomboré sulphide expansion potential with the primary goal of converting sulphide resources from Inferred to the Measured and Indicated categories.

The following main objectives for 2022 have been completed:

- Finalize installation of the off-channel reservoir ("OCR") infrastructure to ready the OCR for water intake, storage, and distribution before the onset of the 2022 rainy season.
- Complete the construction of the Bomboré process plant, ancillary buildings, and tailings storage facility ("TSF") starter dam before the end of Q2-2022 to enable the start of dry and wet commissioning.
- Pour first gold in Q3-2022.

The Company plans to provide annual gold production and cost guidance for the upcoming year in January 2023.

An earlier-stated 2022 objective of publishing an updated mineral resource and mineral reserve ("MRMR") estimate, and a new NI 43-101 compliant technical report for Bomboré in Q2-2022 has been deferred into 2023. The Company decided to pause work on the 2022 MRMR estimate to allow completion of the ongoing infill drilling to upgrade existing Inferred sulphide resources into the Measured and Indicated categories. The Company intends to update the MRMR estimate in a new feasibility study for Bomboré in 2023 by incorporating results from the entire 2022 drilling program. With further exploration success combined with encouraging high-grade drilling results at the P17 trend, management envisions that a potentially larger Phase II sulphide expansion can be supported in comparison to the 2.2M tonnes per annum ("tpa") add-on sulphide circuit outlined in the current 2019 feasibility study ("FS"). The optimal size of the Phase II sulphide circuit and a new life-of-mine ("LOM") mine plan will be informed by the planned 2023 FS.

**Bomboré Gold Mine, Burkina Faso****Operating Highlights**

		<b>Q3-2022</b>
<b>Mining</b>		
Ore tonnes mined	tonnes	1,669,530
Waste tonnes mined	tonnes	2,045,269
Total tonnes mined	tonnes	3,714,799
Strip ratio	waste:ore	1.2
<b>Processing</b>		
Ore tonnes milled	tonnes	212,590
Head grade milled	Au g/t	0.89
Recovery rate	%	91.9
Gold produced	oz	5,572
Gold sold <sup>1</sup>	oz	Nil

<sup>1</sup> The Company sold its gold production after quarter-end in October 2022.

Processed tonnes and gold production for Q3-2022 have fallen below the Company's internal forecast as a direct result of the delays in the installation of the power plant, resulting in disruptions to normal processing operations and significant downtime from insufficient power. When operational, the performance of the process plant has met or exceeded design projections.

Refer to "Power Plant Operations" section below for more details.

**Project Costs and Schedule**

The Company estimates final project construction costs including pre-production mining but excluding power plant expenditures to be approximately \$169.0M, below the project approved budget of \$173.7M. Overall project construction progress, excluding the power plant, stood at 99.6% at September 30, 2022.

The permanent power plant installation with a budgeted cost of \$18.8M is currently incomplete and behind schedule with costs totalling \$13.2M as of September 30, 2022.

**Power Plant Operations**

The Company signed a power purchase agreement 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 liquified 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 has fallen significantly behind schedule and to-date, only three Genser-supplied gensets have been installed at site. Since start-up, the Genser gensets have only operated intermittently due to several breakdowns and many parts needing replacement.

Despite the Company's best attempts, including augmenting the Genser power plant with rental power gensets, processing of ore was temporarily halted at the end of September 2022 due to operational challenges with the power plant. Repairs to two of the Genser gensets were completed facilitating a restart of gold production at the end of October 2022. The process plant has operated continuously since then without any significant stoppages.

The Genser power plant is currently running on diesel as the gensets are not yet fully fitted for LNG operations nor has Genser established the infrastructure and permitting to import LNG into Burkina Faso to supply the Bomboré operations. The Company is currently in discussion with Genser to rectify these shortcomings.

In the interim, to address the start-up challenges of the permanent power plant, the Company has entered into a one-year rental for a turnkey power system from Africa Power Services ("APS"), a well-established African power company, to increase installed power capacity on a temporary basis. The APS power plant consists of eight 1.6MW Caterpillar power gensets, with six operational and two on reserve. As of the date of this MD&A, APS has mobilized their equipment and personnel to site, and is in the final stages of commissioning these gensets for operations. With a full and reliable power supply, the Company anticipates mill throughput will trend upwards quickly and operate on a sustained basis at or above nameplate capacity.

## Mining

As of September 30, 2022, 16.6M tonnes had been mined to-date with 5.9M tonnes of ore stockpiled for plant start-up and future processing, including 1.0M tonnes of high-grade ore. Short-term mine sequencing has been adjusted to prioritize waste material for the next lift of the TSF which will help optimize ore delivery and reduce rehandling and provide operations considerable flexibility in ore feed sources once commercial production is achieved.

### Commissioning – Process Plant and Infrastructure

- **Commissioning:** All key operable systems successfully passed wet commission testing by August 2022. These systems included the OCR, TSF, ROM pad, feed prep and conveyance, milling, screening, leaching, elution and gold room, tails handling, reagents, water services, air services, and electrical services. Process plant commissioning activities are now closed and management of all systems have been handed over from the EPCM and Owner's projects teams to the site operations team. The EPCM commissioning team, and construction and commissioning contractors have demobilized from site.
- **Assay Laboratory:** A well-known certification services company was awarded the contract to finance, design, equip, and operate the on-site analytical laboratory at Bomboré. Laboratory equipment has been installed and technicians recruited and trained to commence laboratory operations.
- **11KV Overhead Powerline:** Construction of the overhead powerline to connect the power plant to the camp, TSF, OCR, and mining contractor's services area was 93% complete on September 30, 2022, and finished in early October 2022. However, the powerline has not been commissioned and energized due to current power limitations and commissioning difficulties with the Genser power plant. Temporary portable generators have been stationed at the OCR and TSF to provide remote power during operations.
- **Operational Readiness:** Commencing in 2022, a thorough operational readiness plan has been executed to ensure that the operations and management personnel are hired, trained, and familiar with all process systems and HSE protocols and procedures. All necessary information systems, supply chain and business processes have been implemented and active as Bomboré works towards steady-state operations. These readiness activities include:
  - **Recruitment:** Key operational management including the General Manager, Processing Manager, and Maintenance Manager were hired early to lead the organizational design and development of the Processing department. Recruitment of skilled positions in the areas of metallurgy, maintenance, and operations have been successfully completed with safety induction and training conducted for plant commissioning and operations. Additional hires in security, human resources, supply chain, and finance have also been made to reinforce these departments for operations.
  - **Operations planning:** Refinement of standard operating procedures, maintenance plans, and warehouse and inventory management along with staff onboarding and training have been completed.
  - **First fills and Opening Stocks:** First fills and opening stocks are in use and ready for ramp-up to meet the demands of commercial production.
  - **Parts and Spares:** Maintenance has catalogued all parts and further assessed spare requirements. Procurement of additional quantities of critical parts and spares are being made with the view of maximizing process plant availability during operations.
  - **Information Systems:** The Company's informational systems are undergoing upgrades to cover operational needs, and to improve workflow and automation. System modules to enhance procurement, maintenance, inventory control, and reporting are under various stages of implementation, testing, and use.
  - **Refining:** The Company made its first gold doré shipment in October 2022 to its contracted Swiss-based refinery without issue. The doré material was accepted and processed by the refinery free of any product concerns.
- **Project Personnel:** As of September 30, 2022, there were 1,180 contractor personnel and 338 permanent and temporary Company employees directly involved with or supporting the construction, commissioning, mining, and operational start-up activities at Bomboré. Burkinabé citizens comprise over 97% of this direct workforce with female representation at 7%.

### **COVID-19 Response**

The Company continues to monitor COVID-19 infections rates and applies a range of prevention measures including masking, social distancing, and augmented cleaning to maintain the health of its workforce including contractors and local communities while ensuring business continuity. The Company has only experienced a small number of COVID-19 cases during Q3-2022 and more recently, have worked certain weeks without any active cases.

The Company's guidance assumes that the risk of COVID-19 will not re-emerge and have a future material effect on the normal movement of workers and contractors, purchasing, and supply routes.

### **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 January 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"). The Company received the \$7.15M upfront payment 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 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.

## **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. Drilling just north of the P17S reserve pit indicates that the deposit is 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 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.

The Company is currently completing its 2022 Phase III exploration program where a total of 77,000 m of definition and exploration drilling are planned 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 is a required early step towards the proposed future mining and operations expansion study in 2023 as the Company now believes that Bomboré can support a significantly larger operation. As of September 30, 2022, the Company has drilled 31,534 m of this Phase III program.

### ***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 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 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 (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>).

On February 26, 2019, the Company signed the mining convention with the Government of Burkina Faso in connection with the mining license for Bomboré. This mining convention clarifies the rights and obligations of the parties and to guarantee the Company stability, including taxation and foreign exchange regulations. The mining convention is not a substitute for the law

but specifies the provisions of the law. It is valid for the initial duration of the mining license and is thereafter renewable for one or more periods of five years at the request of the Company.

### Review of Financial Results

The Company is in the last stage of commissioning and does not yet have revenue-generating activities in any financial period as of September 30, 2022. 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.

### Financial Results for the Nine Months Ended September 30, 2022

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
<b>Expenses</b>		
Exploration and evaluation costs	\$4,866,812	\$1,334,987
General and administration costs	4,511,041	3,306,339
Share-based compensation	1,581,677	1,666,057
Depreciation	86,126	129,533
Operating expenses	11,045,656	6,436,916
Other income (loss)	8,699,383	(7,780,170)
Net loss for the period	(2,346,273)	(14,217,086)
Net loss attributable to shareholders of Orezone	(2,832,542)	(14,131,288)
Basic and diluted net loss per share attributable to shareholders of Orezone	(0.01)	(0.04)

### Exploration and Evaluation Costs

E&E costs increased by \$3.6M from \$1.3M in 9M-2021 to \$4.9M in 9M-2022 mainly due to:

- Completion of 32,536 m of exploratory diamond drilling in 9M-2022 at a cost of \$4.4M compared to 6,001 metres at a cost of \$1.2M during 9M-2021. The Company is undertaking a larger drill program in 2022 as a follow-up to 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 feasibility study in 2023 for the Phase II sulphide expansion at Bomboré. Unit drilling costs in 2022 are also higher due to price increases for fuel and consumables.
- In 9M-2022, the Company incurred \$0.5M of consultant costs for work on the now paused MRMR update for Bomboré, compared to \$0.1M in consultant costs during 9M-2021.

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

G&A costs in 9M-2022 increased by \$1.2M from \$3.3M in 9M-2021 to \$4.5M in 9M-2022 mainly as a result of an accrual for employee bonuses tied to the successful financing and construction of the Bomboré mine, increased insurance premiums from higher policy coverage and rates, higher regulatory filing fees from the graduation to the TSX in Q4-2021, and increased travel and conferences from loosening COVID-19 restrictions.

### Depreciation

Depreciation expense in 9M-2022 was consistent with 9M-2021.

### Share-based Compensation

Share-based compensation expense in 9M-2022 was consistent with 9M-2021.

### Other income (loss)

Other income (loss) increased by \$16.5M from a loss of \$7.8M in 9M-2021 to income of \$8.7M in 9M-2022 mainly due to:

- A \$8.0M foreign exchange gain in 9M-2022 (9M-2021: \$1.5M foreign exchange loss) primarily related to favourable movements in foreign exchange rates against the USD resulting in unrealized foreign exchange gains on revaluation of the XOF-denominated Senior Debt Facility and non-USD denominated payables from construction and mining activities.



- A \$0.8M gain from the fair value remeasurement of the warrant liability at the end of 9M-2022 (9M-2021: \$6.0M fair value loss) as a result of the market price of the warrants decreasing from C\$0.62 to C\$0.59.
- \$nil fair value movement on the Sarama Resources Ltd. ("Sarama") shares in other financial assets (9M-2021: \$0.4M fair value loss).

Partially offset by:

- A \$0.1M fair value loss on remeasurement of the Silver Stream liability in 9M-2022 (9M-2021: \$nil). The Silver Stream closed on October 15, 2021 and is remeasured at each reporting date.

### Financial Results for the Three Months Ended September 30, 2022

	Three months ended September 30, 2022	Three months ended September 30, 2021
<b>Expenses</b>		
Exploration and evaluation costs	\$2,075,185	\$110,739
General and administration costs	2,158,409	1,094,847
Share-based compensation	229,528	435,857
Depreciation	26,687	28,760
Operating expenses	4,489,809	1,670,203
Other income (loss)	4,602,287	(6,317,322)
Net profit (loss) for the period	112,478	(7,987,525)
Net loss attributable to shareholders of Orezone	(190,400)	(7,992,318)
Basic and diluted net loss per share attributable to shareholders of Orezone	(0.00)	(0.02)

#### Exploration and Evaluation Costs

E&E costs increased by \$2.0M from \$0.1M in Q3-2021 to \$2.1M in Q3-2022 mainly due to:

- Completion of 15,100 m of exploratory diamond drilling at a cost of \$2.0M in Q3-2022 as part of the Company's 2022 Phase III exploration program compared to no drilling in Q3-2021.

#### General and Administrative Costs

G&A costs in Q3-2022 increased by \$1.1M from \$1.1M in Q3-2021 to \$2.2M in Q3-2022 mainly as a result of an accrual for employee bonuses tied to the successful financing and construction of the Bomboré mine and increased travel and conferences from loosening COVID-19 restrictions.

#### Depreciation

Depreciation expense in Q3-2022 was consistent with Q3-2021.

#### Share-based Compensation

Share based compensation expense in Q3-2022 was relatively consistent with Q3-2021.

#### Other income (loss)

Other income (loss) increased by \$10.9M from a loss of \$6.3M in Q3-2021 to income of \$4.6M in Q3-2022 mainly due to:

- A \$4.9M foreign exchange gain in Q3-2022 (Q3-2021: \$0.2M foreign exchange loss) primarily related to favourable movements in foreign exchange rates against the USD resulting in unrealized foreign exchange gains on revaluation of the XOF-denominated Senior Debt Facility and non-USD denominated payables from construction and mining activities.
- A \$0.5M loss from the fair value remeasurement of the warrant liability at the end of Q3-2022 (Q3-2021: \$6.0M fair value loss) as a result of the market price of the warrants increasing from C\$0.50 to C\$0.59 during Q3-2022.
- A \$0.2M fair value gain on remeasurement of the Silver Stream liability in Q3-2022 (Q3-2021: \$nil). The Silver Stream closed on October 15, 2021 and is remeasured at each reporting date.
- A \$nil fair value loss on the Sarama shares in other financial assets (Q3-2021: \$0.2M fair value loss).

## 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 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
<b>Net profit (loss) for the period</b>	0.11	2.56	(5.02)	(4.50)	(7.99)	(3.06)	(3.17)	(5.78)
<b>Net (loss) profit attributable to shareholders of Orezone</b>	(0.19)	2.41	(5.05)	(4.44)	(7.99)	(3.02)	(3.12)	(5.36)
<b>Net (loss) profit per common share attributable to shareholders of Orezone, basic and diluted</b>	(0.00)	0.01	(0.02)	(0.02)	(0.02)	(0.01)	(0.01)	(0.02)

## Cash Flows

The following table represents the condensed cash flows for the nine months ended September 30, 2022 and 2021. Discussion of the significant items impacting the cash flows is provided below:

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
<b>Total cash outflows used in operating activities</b>	<b>(\$16,653,269)</b>	(\$4,705,647)
<b>Total cash outflows from investing activities</b>	<b>(91,684,676)</b>	(42,987,549)
<b>Total cash inflows from financing activities</b>	<b>79,200,721</b>	54,865,739
<b>Effect of foreign currency translation on cash</b>	<b>426,982</b>	732,371
<b>(Decrease) increase in cash</b>	<b>(28,710,242)</b>	7,904,914
<b>Cash and cash equivalents, beginning of period</b>	<b>36,082,980</b>	8,866,617
<b>Cash and cash equivalents, end of period</b>	<b>\$7,372,738</b>	\$16,771,531

### Operating

During 9M-2022, the Company used \$16.7M to fund its operating activities (9M-2021: \$4.7M). During the development phase, operating activities have primarily related to exploration activities and corporate administration costs. In addition, working capital movements associated with production activities and inventory at September 30, 2022 consisted of \$3.9M in finished goods for gold poured; \$1.0M in gold-in-circuit; and \$2.9M in materials and supplies. Expenditures 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 \$48.7M from \$43.0M in 9M-2021 to \$91.7M in 9M-2022 due to the ongoing capitalization of Bomboré project development costs. During 9M-2022, the Company continued with pre-production mining and site construction of the Bomboré process plant, surface infrastructure, and power plant. At September 30, 2022, site construction, with the exception of the power plant, was substantially complete. For 9M-2021, Bomboré project work consisted of detailed engineering and design, procurement activities, pre-production mining, and the beginning stages of site construction.

### Financing

During 9M-2022, cash inflows from financing activities of \$79.2M mainly consisted of \$77.4M in drawdowns on the Senior Debt Facility, \$4.5M from warrant exercises, and \$0.3M from option exercises, partially offset by \$0.7M of transaction costs on the Senior Debt Facility, and \$2.1M in cash interest payments on the Company's project loans. In 9M-2021, the \$54.9M cash inflows were the result of the net proceeds from the January 2021 bought-deal common share offering.

## Financial Position

The following table represents the condensed financial position for the periods ended September 30, 2022 and December 31, 2021. Discussion of the significant items impacting the financial position is provided below:

	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$7,372,738	\$36,082,980
Other current assets	12,983,054	3,027,228
<b>Total current assets</b>	<b>20,355,792</b>	39,110,208
<b>Non-current assets</b>		
Other financial assets	337,672	403,144
Deferred financing costs	-	3,704,553
Mineral properties, plant and equipment	217,440,816	97,280,591
<b>Total assets</b>	<b>\$238,134,280</b>	\$140,498,496
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables	\$33,333,884	\$19,359,315
Current portion of warrant liability	4,503,267	-
Current portion of loans and borrowings	25,421,638	-
<b>Total current liabilities</b>	<b>63,258,789</b>	19,359,315
<b>Non-current liabilities</b>		
Warrant liability	-	8,633,726
Loans and borrowings	86,127,871	45,826,744
Lease liabilities	945,157	441,431
Silver stream liability	7,755,969	7,688,638
Environmental rehabilitation provision	16,675,262	4,672,139
<b>Total liabilities</b>	<b>174,763,048</b>	86,621,993
<b>Total equity</b>	<b>63,371,232</b>	53,876,503
<b>Total liabilities and equity</b>	<b>\$238,134,280</b>	\$140,498,496

### **Total current assets**

Current assets decreased by \$18.7M from \$39.1M at the end of 2021 to \$20.4M at September 30, 2022 as a result of cash utilized primarily on the construction of Bomboré.

### **Deferred financing costs**

Deferred financing costs decreased by \$3.7M from \$3.7M at the end of 2021 to \$nil at September 30, 2022 from the allocation of transaction costs to the drawdowns made in 9M-2022 on the Senior Debt Facility. The Senior Debt Facility is fully drawn at September 30, 2022.

### **Mineral properties, plant and equipment**

The increase of \$120.1M from \$97.3M at the end of 2021 to \$217.4M at September 30, 2022 is attributable to capitalized project expenditures made during 9M-2022. These expenditures include \$21.4M in pre-production mining costs, \$8.9M of capitalized borrowing costs, and \$12.0M on the increase in the Company's environmental rehabilitation provision.

**Trade and other payables**

The increase of \$13.9M from \$19.4M at the end of 2021 to \$33.3M at September 30, 2022 is primarily the result of peak levels of development, construction, and mining activities at Bomboré, which are anticipated to decrease in Q4-2022 as construction is substantially complete as of September 30, 2022.

**Warrant liability**

The \$4.1M decrease from \$8.6M at the end of 2021 to \$4.5M at September 30, 2022 is driven by the early exercise of 7,197,300 warrants and from a slight decrease in the trading price of the warrants on the TSX from C\$0.62 to C\$0.59 during the period.

**Loans and borrowings**

The increase of \$65.7M from \$45.8M at the end of 2021 to \$111.5M at September 30, 2022 is primarily related to \$77.4M (XOF 47.5 billion) in drawdowns on the Senior Debt Facility partially offset by \$4.5M of allocated transaction costs and a \$8.3M foreign exchange gain. The Senior Debt Facility's short-term loan has been classified as a current liability.

**Silver stream liability**

The \$0.1M increase from \$7.7M at the end of 2021 to \$7.8M at September 30, 2022 is the result of the remeasurement of the liability at September 30, 2022.

**Environmental rehabilitation provision**

The \$12.0M increase from \$4.7M at the end of 2021 to \$16.7M at the end of 9M-2022 is predominantly related to the additional disturbances being incurred at the Bomboré mine site as construction reached substantial completion.

**Liquidity and Capital Resources**

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The Company has historically raised 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 commercial production and did not realize any gold sales from its current operating activities for the nine months ended September 30, 2022.

As of September 30, 2022, the Company had cash and available liquidity of \$7.4M and 4,923 ounces of gold bullion in finished good inventory. The Senior Debt Facility with Coris Bank was fully drawn in August 2022. In October 2022, Coris Bank agreed to defer monthly cash interest payments totalling XOF 2.1 billion (\$3.2M) to December 15, 2022 to help ensure adequate working capital during this extended commissioning period for Bomboré.

The aforementioned commissioning delays has reduced the Company's short-term liquidity as a result of the shortfall in expected gold sales to the end of October 2022. With full power imminent, the Company anticipates a rapid ramp-up in process plant throughput, leading to immediate increases in gold production and sales for the remainder of the year. In addition, a significant portion of the Company's trade payable balance at September 30, 2022 falls due in 2023. Payables with contractual payment terms that extend into 2023 include accruals made for the power plant, construction retentions, employee bonuses, and mining contractor works totalling \$16.5M.

As a result, the Company estimates its cash holdings plus nearby gold sales will be sufficient to meet its obligations as they come due without the need for additional financings.

**Share Capital**

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As of November 10, 2022, the Company had 334,615,440 common shares, 10,274,498 warrants, 22,276,556 stock options, 2,220,792 RSUs, and 1,025,418 DSUs issued and outstanding.

**Contractual Obligations**

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The following table summarizes the contractual maturities of the Company's operating, capital, and financing commitments at September 30, 2022 shown in contractual undiscounted cashflows:

	Less than 2 Months	Between 2 Months and 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	\$14,102,334	\$19,231,550	-	-	<b>\$33,333,884</b>
Capital commitments	250,000	3,358,436	1,750,000	-	<b>5,358,436</b>
Operating commitments	2,142	340,369	-	-	<b>342,511</b>
Lease commitments	62,382	266,419	1,112,906	32,123	<b>1,473,830</b>
Senior Debt Facility	620,833	33,132,002	69,837,303	-	<b>103,590,138</b>
Convertible Note Facility	-	2,975,000	44,055,411	-	<b>47,030,411</b>
<b>Total</b>	<b>\$15,037,691</b>	<b>\$59,303,776</b>	<b>\$116,755,620</b>	<b>\$32,123</b>	<b>\$191,129,210</b>

The Company's capital commitments relate to non-cancellable purchase orders or contracts entered into by the Company with respect to construction, mining, and operational activities at its Bomboré mine.

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.

### 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.

### Risks and Uncertainties

The Company's business at the present stage of exploration, development, and commissioning of the Bomboré mine 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, 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).

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

The Company is currently in the last stage of commissioning and does not yet have any revenue generating activities in any financial periods as of September 30, 2022. Even though the Company anticipates achieving commercial production in Q4-2022, there is no assurance that this milestone will be met. To the extent that commercial production is not reached or is delayed, the Company expects to raise additional funds to meet its ongoing obligations. However, there can be no assurance that additional debt, capital, or other type of financings will be available when needed or available on terms that the Company finds favourable.

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

The global COVID-19 health crisis continues to evolve and the management thereof remains a significant focus for the business. Any future emergence and spread of similar pathogens will and could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of its suppliers, contractors and service providers.

The Company continues to closely monitor developments and is taking necessary measures to manage the impact of the COVID-19 pandemic on its personnel, the construction, commissioning and pending operations of the Bomboré mine, and exploration activities.

#### *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 September 30, 2022, the Company had 3,200,000 common shares of Sarama with a fair value of \$337,672 (December 31, 2021: \$403,144).

As of September 30, 2022, the Company had 10,488,150 warrants outstanding (December 31, 2021: 17,685,450) with a fair value liability of \$4,503,267 (December 31, 2021: \$8,633,726). 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 0.33 years (December 31, 2021: 1.08 years). Effective July 1, 2021, the change in functional currency to the USD resulted in the reclassification of the Company's CAD denominated warrants from an equity instrument to a derivative financial liability.

As of September 30, 2022, the fair value of the Company's Silver Stream liability was \$7,755,969 (December 31, 2021: \$7,688,638).

As of September 30, 2022, the carrying amount of the Company's loans and borrowings held at amortized cost was \$111,549,509 (December 31, 2021: \$45,826,744), of which \$25,421,638 is due within one year.

### **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 2021 annual MD&A as well as Note 4 in the Company's 2021 annual consolidated financial statements for significant estimates and judgments used in applying accounting policies that have the most significant effect on the amounts recognized in the Interim Financial Statements for the three and nine months ended September 30, 2022. There have been no significant changes compared to December 31, 2021.

### **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.

There were no changes in our internal controls over financial reporting during the three and nine months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our 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 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.