



OREZONE GOLD CORPORATION

Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023
(Unaudited, expressed in thousands of United States dollars)

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

Notice to reader pursuant to National Instrument 51-102

Auditor's involvement:

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

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

As at	June 30, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	\$32,309	\$9,158
Inventories (Note 3)	7,495	12,729
Other current assets (Note 4)	19,792	9,334
Total current assets	59,596	31,221
Non-current assets		
Other financial assets	205	306
Long-term inventories (Note 3)	53,606	37,411
Mineral properties, plant and equipment (Note 5)	182,246	183,343
Total assets	\$295,653	\$252,281
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables (Note 6)	\$37,832	\$38,003
Income tax payable	9,570	-
Warrant liability (Note 7)	-	2,785
Current portion of loans and borrowings (Note 8)	14,935	32,990
Total current liabilities	62,337	73,778
Non-current liabilities		
Loans and borrowings (Note 8)	80,871	88,851
Lease liabilities	738	827
Silver stream liability (Note 9)	6,644	6,257
Environmental rehabilitation provision (Note 10)	13,097	12,241
Total liabilities	163,687	181,954
Equity		
Share capital	302,866	280,901
Reserves	31,826	30,658
Accumulated deficit	(198,500)	(232,440)
Equity attributable to shareholders	136,192	79,119
Non-controlling interest	(4,226)	(8,792)
Total equity	131,966	70,327
Total liabilities and equity	\$295,653	\$252,281

Commitments (Note 13(b))
Subsequent Events (Note 14)

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

These condensed consolidated interim financial statements were approved by the Board of Directors of Orezone Gold Corporation on August 9, 2023:

/s/ Patrick Downey

Patrick Downey
Director

/s/ Rob Doyle

Rob Doyle
Director

Orezone Gold Corporation

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

For the three and six month periods ended June 30, 2023 and 2022

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

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Revenue	\$66,396	-	\$148,108	-
Cost of sales				
Operating expenses	27,138	-	56,710	-
Depreciation and depletion (Note 5)	7,838	-	15,396	-
Royalties	3,930	-	8,842	-
Earnings from mine operations	27,490	-	67,160	-
Other expenses				
Exploration and evaluation costs	1,507	1,900	3,007	2,792
General and administrative costs	1,883	1,320	3,614	2,353
Share-based compensation (Note 11(d))	417	387	1,502	1,352
Depreciation (Note 5)	27	28	54	59
Operating income (loss)	23,656	(3,635)	58,983	(6,556)
Other income (loss)				
Foreign exchange gain (loss)	151	2,585	(1,396)	3,156
Finance income	269	12	373	27
Finance expense	(4,102)	(17)	(8,528)	(35)
Fair value (loss) gain on other financial assets	(60)	(200)	(107)	2
Fair value gain (loss) on warrant liability (Note 7)	-	4,068	(623)	1,249
Fair value loss on stream liability (Note 9)	(195)	(251)	(517)	(302)
Other (loss) income	(3,937)	6,198	(10,798)	4,097
Net income (loss) before tax	19,719	2,563	48,185	(2,459)
Income tax expense	(6,710)	-	(9,570)	-
Net income (loss) for the period	\$13,009	\$2,563	\$38,615	(\$2,459)
Net income (loss) attributable to:				
Shareholders	11,380	2,410	33,940	(2,642)
Non-controlling interest	1,629	153	4,675	183
Net income (loss) for the period	\$13,009	\$2,563	\$38,615	(\$2,459)
Other comprehensive income (loss)	-	-	-	-
Comprehensive income (loss) for the period	\$13,009	\$2,563	\$38,615	(\$2,459)
Comprehensive income (loss) attributable to:				
Shareholders	11,380	2,051	34,049	(3,145)
Non-controlling interest	1,629	512	4,566	686
Comprehensive income (loss) for the period	\$13,009	\$2,563	\$38,615	(\$2,459)
Net earnings (loss) per common share attributable to the shareholders of the Company, basic	\$0.03	\$0.01	\$0.10	(\$0.01)
Net earnings (loss) per common share attributable to the shareholders of the Company, diluted	\$0.03	\$0.01	\$0.09	(\$0.01)
Weighted-average number of common shares outstanding (in 000's), basic	359,739	328,334	353,130	326,610
Weighted-average number of common shares outstanding (in 000's), diluted	373,826	347,690	366,922	326,610

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

Orezone Gold Corporation

Condensed Consolidated Interim Statements of Changes in Equity

For the six month periods ended June 30, 2023 and 2022

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

	Share capital		Reserves				Accumulated deficit	Equity attributable to shareholders	Non-controlling interest	Total Equity
	Shares #	Amount \$	Share-based payments \$	Foreign currency translation \$	Contributed surplus \$	Convertible note equity component \$				
Balance, January 1, 2023	336,328,240	280,901	20,535	489	5,466	4,168	(232,440)	79,119	(8,792)	70,327
Shares issued (Note 11(a))	13,000,000	12,057	-	-	-	-	-	12,057	-	12,057
Share issue costs (Note 11(a))	-	(452)	-	-	-	-	-	(452)	-	(452)
Shares issued for interest (Note 8(b))	1,207,372	1,112	-	-	-	-	-	1,112	-	1,112
Warrants exercised (Note 7)	8,171,288	8,278	-	-	-	-	-	8,278	-	8,278
Stock options exercised (Note 11(b))	1,067,290	726	(199)	-	-	-	-	527	-	527
RSUs redeemed (Note 11(c))	99,751	79	(79)	-	-	-	-	-	-	-
DSUs redeemed (Note 11(c))	193,463	165	(165)	-	-	-	-	-	-	-
Share-based compensation (Note 11(d))	-	-	1,502	-	-	-	-	1,502	-	1,502
Foreign currency translation	-	-	-	109	-	-	-	109	(109)	-
Net income for the period	-	-	-	-	-	-	33,940	33,940	4,675	38,615
Balance, June 30, 2023	360,067,404	302,866	21,594	598	5,466	4,168	(198,500)	136,192	(4,226)	131,966

	Share capital		Reserves				Accumulated deficit	Equity attributable to shareholders	Non-controlling interest	Total Equity
	Shares #	Amount \$	Share-based payments \$	Foreign currency translation \$	Contributed surplus \$	Convertible note equity component \$				
Balance, January 1, 2022	323,899,306	268,191	18,680	848	5,466	4,168	(233,369)	63,984	(10,108)	53,876
Shares issued for interest	928,764	1,003	-	-	-	-	-	1,003	-	1,003
Warrants exercised	6,124,700	6,728	-	-	-	-	-	6,728	-	6,728
Stock options exercised	490,332	339	(96)	-	-	-	-	243	-	243
RSUs redeemed	559,000	417	(417)	-	-	-	-	-	-	-
Share-based compensation	-	-	1,734	-	-	-	-	1,734	-	1,734
Foreign currency translation	-	-	-	(503)	-	-	-	(503)	503	-
Net (loss) income for the period	-	-	-	-	-	-	(2,642)	(2,642)	183	(2,459)
Balance, June 30, 2022	332,002,102	276,678	19,901	345	5,466	4,168	(236,011)	70,547	(9,422)	61,125

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

Orezone Gold Corporation
Condensed Consolidated Interim Statements of Cash Flows
For the six month periods ended June 30, 2023 and 2022
(Unaudited, expressed in thousands of United States dollars)

	Six months ended	
	June 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) for the period	\$38,615	(\$2,459)
Adjustments for the following items:		
Share-based compensation	1,502	1,352
Depreciation and depletion	15,450	59
Finance income	(373)	(27)
Finance expense	8,528	35
Unrealized foreign exchange loss (gain)	1,396	(3,156)
Fair value loss (gain) on other financial assets	107	(2)
Fair value loss (gain) on warrant liability	623	(1,249)
Fair value loss on silver stream liability	517	302
Changes in non-cash operating working capital (Note 12)	(7,284)	(418)
Total cash inflows (outflows) from (used in) operating activities	59,081	(5,563)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment (Notes 5 and 12)	(19,892)	(66,118)
Interest received	325	29
Total cash outflows from investing activities	(19,567)	(66,089)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued (Note 11)	12,057	-
Share issue costs (Note 11)	(452)	-
Proceeds from exercise of warrants (Note 7)	5,460	3,826
Proceeds from exercise of stock options (Note 11(b))	527	243
Senior debt principal repayments (Note 8(a))	(28,847)	-
Interest and fees paid	(5,306)	(2,120)
Lease principal payments	(99)	(61)
Senior debt proceeds	-	57,950
Debt issue costs	-	(748)
Total cash (outflows) inflows (used in) from financing activities	(16,660)	59,090
Effect of foreign currency translation on cash	297	38
Increase (decrease) in cash	23,151	(12,524)
Cash, beginning of period	9,158	36,083
Cash, end of period	\$32,309	\$23,559

Supplemental cash flow information is provided in Note 12.

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

1. CORPORATE INFORMATION

Orezone Gold Corporation (the “Company”) was incorporated on December 1, 2008 under the Canada Business Corporations Act and is listed on the Toronto Stock Exchange (TSX) under the symbol ORE and on the OTCQX under the symbol ORZCF. The Company is a West African gold producer engaged in mining, developing, and exploring its 90%-owned flagship Bomboré gold mine (“Bomboré”) in Burkina Faso. The Company achieved commercial production at its multi-million ounce Bomboré mine on December 1, 2022 and is now strategically focussed on its proposed Phase II Expansion to markedly improve annual and life-of-mine gold production.

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

2. BASIS OF PRESENTATION

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements (the “Interim Financial Statements”) have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). These Interim Financial Statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2022 (the “2022 Annual Financial Statements”), which have been prepared in accordance with IFRS.

These Interim Financial Statements were authorized for issue by the Board of Directors on August 9, 2023.

(b) Basis of measurement

The preparation of financial statements in conformity of IFRS also requires management to make estimates and judgments that may have a significant impact to these Interim Financial Statements. Estimates are continuously evaluated and are based on management’s experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company’s critical accounting estimates and judgments were presented in Note 4 of the 2022 Annual Financial Statements and have been consistently applied in the preparation of these Interim Financial Statements for the three and six month periods ended June 30, 2023 and 2022.

(c) Changes in accounting standards

Issued but not yet effective - Amendments to IAS 1 – Presentation of Financial Statements

In January 2020 and October 2022, the IASB issued an amendment to IAS 1, Presentation of Financial Statements, to clarify the requirements under the standard for classifying a liability as non-current in nature. The amendments include:

- Specifying that an entity’s right to defer settlement must exist at the end of the reporting period;
- Clarifying that classification is unaffected by management’s intentions or expectations about whether the entity will exercise its right to defer settlement;
- Specifying that covenants whose compliance is assessed after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, disclosure of information about these covenants in the notes to the financial statements is required; and
- Clarifying if the settlement of a liability refers to the transfer of cash, equity instruments, other assets or services.

The Company will perform an assessment of the amendments on its financial statements prior to the effective date of January 1, 2024. Based on the currently available information, the Company does not anticipate any material impact from these amendments on its financial statements.

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

3. INVENTORIES

As at	June 30, 2023	December 31, 2022
Stockpiled ore	\$53,954	\$43,406
Gold-in-circuit	1,733	2,553
Finished goods	1,410	310
Materials and supplies	4,004	3,871
Total inventories	\$61,101	\$50,140
Less long-term stockpiled ore	(53,606)	(37,411)
Current inventories	\$7,495	\$12,729

At June 30, 2023, stockpiled ore with a carrying value of \$53,606 (December 31, 2022 - \$37,411) was classified as long-term.

The cost of inventories recognized as expense in the three and six months ended June 30, 2023 was \$27,138 and \$56,710, respectively (June 30, 2022 - \$nil and \$nil), and was included in operating expenses.

At June 30, 2023, non-cash costs, of \$1,376 (December 31, 2022 - \$257) relating to depreciation and depletion, were included in inventory.

4. OTHER CURRENT ASSETS

As at	June 30, 2023	December 31, 2022
Prepaid expenses	\$6,428	\$3,239
Deposits	756	739
Taxes receivable	9,978	2,282
Other receivables	2,630	3,074
Total other current assets	\$19,792	\$9,334

Taxes receivable are primarily related to Value Added Tax ("VAT") paid to vendors for goods and services purchased in Burkina Faso. These balances are expected to be collected in the next twelve months.

5. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Cost and accumulated depreciation	Land and Mineral Properties	Plant and Infrastructure	Buildings and Leasehold Improvements	Vehicles and equipment	Construction in progress	Mine under development	Total
Cost							
January 1, 2022	\$921	-	\$6,373	\$6,163	\$303	\$91,836	\$105,596
Additions	49	64	5	1,688	1,599	129,036	132,441
Disposals	-	-	-	(6)	-	(18)	(24)
Transfer to Stockpile Inventory	-	-	-	-	-	(42,412)	(42,412)
Transfers	17,503	149,775	1,565	4,082	5,517	(178,442)	-
December 31, 2022	\$18,473	\$149,839	\$7,943	\$11,927	\$7,419	-	\$195,601
Additions	626	503	-	245	14,122	-	15,496
Disposals	-	-	(267)	-	-	-	(267)
Transfers	-	3,258	1,247	489	(4,994)	-	-
June 30, 2023	\$19,099	\$153,600	\$8,923	\$12,661	\$16,547	-	\$210,830

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

Accumulated depreciation	Land and Mineral Properties	Plant and Infrastructure	Buildings and Leasehold Improvements	Vehicles and equipment	Construction in progress	Mine under development	Total
January 1, 2022	-	-	\$4,446	\$3,869	-	-	\$8,315
Depreciation	268	2,386	387	908	-	-	3,949
Disposals	-	-	-	(6)	-	-	(6)
December 31, 2022	\$268	\$2,386	\$4,833	\$4,771	-	-	\$12,258
Depreciation	1,662	13,935	259	737	-	-	16,593
Disposals	-	-	(267)	-	-	-	(267)
June 30, 2023	\$1,930	\$16,321	\$4,825	\$5,508	-	-	\$28,584
Carrying amounts							
December 31, 2022	\$18,205	\$147,453	\$3,110	\$7,156	\$7,419	-	\$183,343
June 30, 2023	\$17,169	\$137,279	\$4,098	\$7,153	\$16,547	-	\$182,246

Bomboré, Burkina Faso

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

During the three and six month periods ended June 30, 2023, \$278 and \$1,143 (June 30, 2022 - \$nil and \$nil) of depreciation and depletion, respectively, were included in stockpile inventory.

6. TRADE AND OTHER PAYABLES

As at	June 30, 2023	December 31, 2022
Trade payables	\$12,440	\$17,481
Accrued liabilities	23,745	19,646
Lease liability, short-term portion	203	203
Payroll and indirect taxes payable	1,444	673
Total trade and other payables	\$37,832	\$38,003

7. WARRANT LIABILITY

	Warrants	Warrant Liability	Warrant FVTPL
	#	\$	\$
January 1, 2023	8,576,698	\$2,785	-
Exercised	(8,171,288)	(2,652)	(756)
Expired	(405,410)	(133)	133
June 30, 2023	-	-	(\$623)

8,171,288 warrants were exercised in January 2023 for proceeds of \$4,870, and these warrants, at the time of exercise, had a fair value of \$3,408 which was transferred to share capital. 405,410 warrants expired on January 29, 2023 unexercised.

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

8. LOANS AND BORROWINGS

As at	June 30, 2023	December 31, 2022
Senior Debt Facility		
Senior debt principal (Note 8(a))	\$65,753	\$94,600
Transaction costs	(5,752)	(5,752)
Senior Debt Facility, net of transaction costs	60,001	88,848
Accumulated accretion	3,858	2,889
Foreign exchange	825	(560)
Senior Debt Facility, amortized cost	\$64,684	\$91,177
Convertible Note Facility		
Convertible note principal (Note 8(b))	\$35,000	\$35,000
Transaction costs	(1,166)	(1,166)
Convertible note equity component	(4,168)	(4,168)
Convertible Note Facility, net of transaction costs	29,666	29,666
Accumulated accretion	1,456	998
Convertible Note Facility, amortized cost	\$31,122	\$30,664
Total loans and borrowings	\$95,806	\$121,840
Less: current portion, Senior Debt Facility	(14,935)	(32,990)
Total non-current portion, loans and borrowings	\$80,871	\$88,851

(a) Senior Debt Facility

The Senior Debt Facility is a project-level debt with Coris Bank International SA ("Coris") and was originally divided into a medium-term loan and a short-term loan. The medium-term loan of CFA 40.0 billion bears interest at 9.0% per annum and is repayable in monthly principal instalments starting in October 2023 and matures in September 2026. The short-term loan of CFA 17.5 billion bore interest at 8.0% per annum, and had a term of 12 months maturing on June 28, 2023. The Senior Debt Facility is secured by a pledge of assets of the Bomboré mine and a parental guarantee.

The Company made principal repayments totalling CFA 17.5 billion (\$28.8 million) on the short-term loan during the six month period ended June 30, 2023 with the loan fully extinguished on maturity.

(b) Convertible Note Facility

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

During the three and six-month periods ended June 30, 2023, the Company issued 583,248 and 1,207,372 shares, respectively, as payment for \$550 and \$1,112 of interest, respectively, on the Convertible Note Facility.

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

9. SILVER STREAM

As at	June 30, 2023	December 31, 2022
Opening balance	\$6,257	\$7,689
Revenue recognized on silver ounces delivered	(130)	(20)
Fair value loss (gain) on re-measurement	517	(1,412)
Closing balance	\$6,644	\$6,257

In 2021, the Company sold 50% of future silver production from Bomboré over the life of mine for no additional proceeds in exchange for an upfront payment ("Silver Stream"). Under the Silver Stream, Bomboré will make annual delivery of 37,500 ounces of silver to the stream holder 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 Debt Facility, 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.

The Silver Stream is treated as a financial liability measured at fair value through profit or loss. During the three and six month periods ended June 30, 2023, the Company recognized \$195 and \$517, respectively, (June 30, 2022 - \$251 and \$302) of fair value loss on re-measurement of the silver stream in the Interim Statements of Income and Loss.

10. ENVIRONMENTAL REHABILITATION PROVISION

As at	June 30, 2023	December 31, 2022
Opening balance	\$12,241	\$4,672
Obligations incurred	627	11,771
Change in estimate	-	(4,590)
Accretion	229	388
Closing balance	\$13,097	\$12,241

The undiscounted cash flows related to the environmental rehabilitation obligation as of June 30, 2023 totalled \$23.2 million (December 31, 2022 - \$22.1 million). During the three and six month periods ended June 30, 2023, the Company recognized \$116 and \$229, respectively (June 30, 2022 - \$nil and \$nil), of accretion in the Interim Statements of Income and Loss.

11. SHARE CAPITAL

(a) Capital stock

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

On March 8, 2023, the Company completed a non-brokered private placement of 13,000,000 common shares of the Company at a share price of C\$1.27 for gross proceeds of C\$16,510 (\$12,057). The net proceeds received from the share issuance was C\$15,891 (\$11,605) after commissions, legal and other fees.

(b) Stock options

The following table summarizes changes in stock options for the six month period ended June 30, 2023 and the year ended December 31, 2022.

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

	Stock options	
	Outstanding	Weighted average exercise price
	#	C\$
January 1, 2022	22,022,603	0.71
Granted	1,038,022	1.32
Exercised	(740,332)	0.69
Expired / Forfeited	(243,737)	1.37
December 31, 2022	22,076,556	0.73
Granted	2,042,309	1.26
Exercised	(1,067,290)	0.67
Expired / Forfeited	(156,715)	1.20
June 30, 2023	22,894,860	0.78

The following table summarizes information about the Company's stock options outstanding at June 30, 2023:

Range of exercise prices	Options outstanding			Options exercisable		
	Outstanding as at June 30, 2023	Weighted average remaining contractual life	Weighted average exercise price	Outstanding as at June 30, 2023	Weighted average exercise price	
	#	Years	C\$	#	C\$	
0.30 – 0.60	9,457,000	1.39	0.52	9,457,000	0.52	
0.61 – 0.90	7,840,000	2.90	0.79	7,840,000	0.79	
0.91 – 1.20	2,576,283	2.93	1.11	2,170,306	1.10	
1.21 – 1.60	3,021,577	4.22	1.29	1,366,840	1.31	
Totals	22,894,860	2.45	0.78	20,834,146	0.73	

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

	June 30, 2023	June 30, 2022
Expected life (years)	3.0	3.0
Expected volatility (%)	65.04	67.12
Expected dividend yield (%)	-	-
Risk-free interest rate (%)	4.04	1.39
Weighted average exercise price (C\$)	1.26	1.32
Weighted average fair value (C\$)	0.58	0.60

(c) Restricted Share Units ("RSUs") and Deferred Share Units ("DSUs")

	RSUs		DSUs	
	Outstanding	Vested	Outstanding	Vested
	#	#	#	#
January 1, 2022	2,851,164	437,000	398,000	398,000
Granted	65,000	-	627,418	-
Vested	-	1,340,396	-	627,418
Redeemed	(574,000)	(574,000)	-	-
Forfeited	(186,372)	-	-	-
December 31, 2022	2,155,792	1,203,396	1,025,418	1,025,418
Granted	839,073	-	513,337	-
Vested	-	347,500	-	513,337
Redeemed	(99,751)	(99,751)	(193,463)	(193,463)
Forfeited	(44,430)	-	-	-
June 30, 2023	2,850,684	1,451,145	1,345,292	1,345,292

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

RSUs

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

On January 19, 2023, the Company granted 839,073 RSUs with a grant date fair value of C\$1.26 each to employees of the Company. The RSUs will vest in two equal installments on the first and second anniversaries of the grant date.

During the six months ended June 30, 2023, 99,751 RSUs were redeemed for an equal number of common shares of the Company, and 44,430 unvested RSUs were forfeited.

DSUs

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

On January 19, 2023, the Company granted 446,670 DSUs to directors of the Company. The DSUs are fully vested on the grant date at the fair value of C\$1.26 each.

On June 15, 2023, the Company granted 66,667 DSUs to a director of the Company. The DSUs are fully vested on the grant date at a fair value of C\$1.20 each.

During the six months ended June 30, 2023, 193,463 DSUs were redeemed for an equal number of common shares of the Company.

(d) Share-based compensation

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Stock options	\$155	\$235	\$595	\$552
Restricted share units	202	274	428	590
Deferred share units	60	79	479	592
Total share-based compensation	417	588	1,502	1,734
Less amount capitalized to mine under development	-	(201)	-	(382)
Share-based compensation, net of capitalized portion	\$417	\$387	\$1,502	\$1,352

12. SUPPLEMENTAL CASH FLOW INFORMATION

(a) Changes in non-cash operating activities

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

	2023	2022
Inventories	(\$9,818)	\$43
Other current assets	(9,756)	(30)
Trade and other payables	2,720	(431)
Income tax payable	9,570	-
	(\$7,284)	(\$418)

(b) Changes in non-cash investing activities

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

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

	2023	2022
Acquisition of mineral properties, plant and equipment	(\$4,663)	\$19,327
	(\$4,663)	\$19,327

(c) Changes in non-cash financing activities

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

	2023	2022
Fair value of warrant exercises (Note 7)	(\$3,408)	(\$2,902)
Accretion on loans and borrowings (Note 8)	1,319	608
Other finance costs	(173)	1,351
Shares issued for interest (Note 8)	1,112	1,003
Non-cash and accrued interest (Note 8)	555	778
Fair value loss on silver stream liability (Note 9)	517	302
	(\$78)	\$1,140

13. FINANCIAL INSTRUMENTS AND RISKS

The Company's existing operations involve the exploration, development, and mine operation of its Bomboré mine in Burkina Faso which exposes the Company to a variety of financial instrument related risks. These risks include foreign currency risk, liquidity risk, credit risk and other risks. The Company's board of directors provides oversight for the Company's risk management processes.

(a) Foreign currency risk

The Company is exposed to currency risk due to business transactions in foreign countries. The Company mainly transacts in Canadian dollars, United States dollars, Euros, and CFA. Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Exchange rate fluctuations may affect the costs that the Company incurs in its operations. There has been no change in the Company's objectives and policies for managing this risk during the six month period ended June 30, 2023.

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

As at June 30, 2023	US\$	C\$	EUR & CFA ¹	Other	Total
Financial assets					
Cash	\$54	\$11,541	\$20,681	\$33	\$32,309
Other current assets	4,206	88	2,174	460	6,928
Other financial assets	-	205	-	-	205
	\$4,260	\$11,834	\$22,855	\$493	\$39,442
Financial liabilities					
Trade and other payables	\$11,850	\$1,771	\$17,307	\$532	\$31,460
Loans and borrowings	31,122	-	64,684	-	95,806
Lease liabilities	416	322	-	-	738
Silver stream liability	6,644	-	-	-	6,644
Net financial instruments	(\$45,772)	\$9,741	(\$59,136)	(\$39)	(\$95,206)

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

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

As at December 31, 2022	US\$	C\$	EUR & CFA ¹	Other	Total
Financial assets					
Cash	\$87	\$164	\$8,898	\$9	\$9,158
Other current assets	2,811	662	940	18	4,431
Other financial assets	-	306	-	-	306
	\$2,898	\$1,132	\$9,838	\$27	\$13,895
Financial liabilities					
Trade and other payables	\$15,907	\$2,692	\$18,198	\$535	\$37,332
Warrant liability	-	2,785	-	-	2,785
Loans and borrowings	30,664	-	91,176	-	121,840
Lease liabilities	504	323	-	-	827
Silver stream liability	6,257	-	-	-	6,257
Net financial instruments	(\$50,434)	(\$4,668)	(\$99,536)	(\$508)	(\$155,146)

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

As at	June 30, 2023	Dec. 31, 2022
C\$	(\$974)	\$467
EUR & CFA	\$5,914	\$9,954
Others	\$4	\$51

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial obligations as they fall due. The Company manages its liquidity by preparing cash flow forecasts on a regular basis to assess whether the Company will likely have sufficient cash resources to meet its future operational and working capital requirements.

The following table summarizes the contractual maturities of the Company's operating, capital and financing commitments at June 30, 2023, shown in contractual undiscounted cashflows:

	Within 1 year	Between 1 and 5 years	Thereafter	Total
Trade and other payables	\$37,832	-	-	\$37,832
Capital commitments	8,297	-	-	8,297
Operating commitments	16,698	1,000	-	17,698
Lease commitments	90	903	-	993
Senior Debt Facility	22,346	59,193	-	81,539
Convertible Note Facility	2,983	41,822	-	44,805
Total	\$88,246	\$102,918	-	\$191,164

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, exclude 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 the stream holder for no further payments.

(c) Credit risk

The Company's cash and trade and other receivables are exposed to credit risk, which is the risk that the counterparties to the Company's financial instruments will fail to discharge their obligations to the Company. The amount of credit risk

Orezone Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six month periods ended June 30, 2023 and 2022

(Unaudited, expressed in thousands of United States dollars except per share amounts, unless otherwise noted)

to which the Company is exposed is considered insignificant as the Company's cash is held with highly rated financial institutions in interest-bearing accounts and the concentration of cash held in any one institution is regularly monitored.

(d) Fair value measurements

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

	Level 1	Level 3	June 30, 2023	Level 1	Level 3	December 31, 2022
Cash	\$32,309	-	\$32,309	\$9,158	-	\$9,158
Other financial assets	205	-	205	306	-	306
Warrant liability	-	-	-	(2,785)	-	(2,785)
Silver stream liability	-	(\$6,644)	(\$6,644)	-	(\$6,257)	(\$6,257)

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

14. SUBSEQUENT EVENTS

On July 5, 2023, the Company issued 420,048 and 168,019 shares to Resource Capital Fund VII L.P. and Beedie Investments Ltd, respectively, as payment for interest on the Convertible Note Facility.

In July 2023, a total of 2,430,000 stock options were exercised for total proceeds of C\$1,917 (\$1,449).