



OREZONE GOLD CORPORATION

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## Orezone Reports Second Quarter 2023 Results

(All dollar amounts in USD unless otherwise stated).

**August 9, 2023 – Vancouver, BC - Orezone Gold Corporation (TSX: ORE, OTCQX: ORZCF)** (“Orezone” or “Company”) reported its operational and financial results for the three and six months ended June 30, 2023. The consolidated financial statements and Management’s Discussion and Analysis are available at [www.orezone.com](http://www.orezone.com) and on the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Company will host a conference call and webcast on August 10, 2023 commencing at 8:00am PDT to discuss the Company’s second quarter results. Additional details are provided at the end of this press release.

Patrick Downey, President and CEO, commented “The Bomboré mine delivered another solid quarter of gold production which allowed the Company to reduce its debt by a further \$19.1 million while maintaining a healthy cash balance. During the quarter, the operations team successfully completed several mill maintenance tasks including a full mill re-line with a new liner design that will increase liner life going forward. Processed head grades were lower than modelled in the first half of 2023 as we encountered a greater intensity of historical artisanal depletion in certain near-surface higher-grade ore zones mined. As a result, we now forecast that 2023 gold production will trend towards the low-end of our guidance range with a modest increase in AISC guidance.

With our value enhancing initiatives, we are advancing fieldwork to connect to Burkina Faso’s national grid and remain on track to receive grid power before year-end. Once completed, this will significantly reduce our cost for power which is currently being generated using on-site diesel gensets rented from a third party. In addition, our Phase II hard rock expansion feasibility study and LOM plan update is nearing completion with release of study results planned for the end of September.”

### SECOND QUARTER 2023 HIGHLIGHTS

#### Operational

- Produced 35,482 gold oz
- Sold 33,608 gold oz at an average realized price of \$1,970 per oz
- AISC<sup>1</sup> of \$1,109 per gold oz sold
- Zero lost-time injuries with 1,037,000 personnel hours worked

#### Financial

- Revenue of \$66.4 million
- Earnings from mine operations of \$27.5 million
- Net income and net income per share (basic) attributable to Orezone shareholders of \$11.4 million and \$0.03, respectively
- Adjusted earnings<sup>1</sup> and adjusted earnings per share<sup>1</sup> (basic) attributable to Orezone shareholders of \$11.2 million and \$0.03, respectively
- Cash flow from operations before changes in non-cash working capital of \$25.2 million (\$20.2 million after changes in non-cash working capital)
- Free cash flow<sup>1</sup> of \$8.0 million
- Principal repayment of \$19.1 million under the Coris Bank senior debt facility

- Cash of \$32.3 million at June 30, 2023

<sup>1</sup> Non-IFRS measures. See “Non-IFRS Measures” section below for additional details.

## PRODUCTION AND FINANCIAL SUMMARY

(All mine site figures are on a 100% basis)		Q2-2023	Q1-2023	H1-2023
<b>Operating Performance</b>				
Gold production	oz	35,482	41,301	76,783
Gold sales	oz	33,608	43,139	76,747
Average realized gold price	\$/oz	1,970	1,892	1,926
Cash costs per gold ounce sold <sup>1</sup>	\$/oz	924	799	854
All-in sustaining costs <sup>1</sup> (“AISC”) per gold ounce sold	\$/oz	1,109	926	1,006
<b>Financial Performance</b>				
Revenue	\$000s	66,396	81,712	148,108
Earnings from mine operations	\$000s	27,490	39,670	67,160
Net income attributable to shareholders of Orezone	\$000s	11,380	22,560	33,940
Net income per common share attributable to shareholders of Orezone:				
Basic	\$	0.03	0.07	0.10
Diluted	\$	0.03	0.06	0.09
Adjusted EBITDA <sup>1</sup>	\$000s	31,526	42,645	74,171
Adjusted earnings attributable to shareholders of Orezone <sup>1</sup>	\$000s	11,236	24,574	35,810
Adjusted earnings per share attributable to shareholders of Orezone <sup>1</sup>	\$	0.03	0.07	0.10
<b>Cash and Cash Flow Data</b>				
Operating cash flow before changes in working capital	\$000s	25,228	41,137	66,365
Operating cash flow	\$000s	20,155	38,926	59,081
Free cash flow <sup>1</sup>	\$000s	8,016	31,498	39,514
Cash, end of period	\$000s	32,309	45,172	32,309

<sup>1</sup> Cash costs, AISC, Adjusted EBITDA, Adjusted earnings, Adjusted earnings per share, and Free cash flow are non-IFRS measures. See “Non-IFRS Measures” section below for additional information.

The Company poured first gold on September 10, 2022 and declared commercial production on December 1, 2022 at its Bomboré mine. As a result, comparative figures for the corresponding quarter and year-to-date period in the prior year have not been presented as they are not meaningful as the Bomboré mine was under construction during this period. Operating and financial performance in the current quarter have been compared against Q1-2023 to highlight quarter-over-quarter movements in performance.

## 2023 Guidance Update

The Company previously issued 2023 gold production guidance of between 140,000 to 155,000 oz with AISC per gold ounce sold in the range of \$1,010 to \$1,110. The Company is now forecasting 2023 gold

production at the bottom end of its guidance range. Greater-than-anticipated artisanal depletion has been encountered in certain high-grade zones mined to the end of H1-2023 which has resulted in lower-than-modelled ore grades being delivered to the process plant. Significant artisanal workings were encountered in H1-2023 but evidence of artisanal activity has diminished as the Company mines towards lower pit benches. As a result, the Company expects historical artisanal activity to have less influence on the modelled mined grades in H2-2023. In addition, the mining contractor is currently approximately 10% behind plan in terms of material movement which has delayed access to areas of higher-grade ore. A second mining contractor, currently on-site assisting with the expansion of the tailings storage facility, has been hired on a temporary basis to improve mining volumes and to catch-up to plan by the end of 2023.

As planned, the Company has processed its last remaining stockpiles of higher-grade ore accumulated during construction in June 2023, and therefore, gold production in H2-2023 is expected to decline from production levels realized in H1-2023, offsetting the benefits of greater mining volumes and expected lower artisanal depletion.

AISC per ounce sold for 2023 is now revised upwards to \$1,100 - \$1,180, up from the previous guidance range of \$1,010 - \$1,110. The cost increase is driven mainly by the lower forecasted gold production and head grades. Other contributing factors include persistently high local diesel prices which affect both mining costs and on-site power generation, a stronger XOF currency, and additional government royalties from a higher-than-budgeted realized gold price.

#### BOMBORÉ GOLD MINE (100% BASIS) – OPERATING HIGHLIGHTS

		Q2-2023	Q1-2023	H1-2023
<b>Safety</b>				
Lost-time injuries frequency rate (LTIFR)	per 1M hours	0.00	0.00	0.00
Personnel-hours worked	000s hours	1,037	928	1,965
<b>Mining Physicals</b>				
Ore tonnes mined	tonnes	1,927,753	2,205,056	4,132,809
Waste tonnes mined	tonnes	3,152,264	2,382,135	5,534,399
Total tonnes mined	tonnes	5,080,017	4,587,191	9,667,208
Strip ratio	waste:ore	1.64	1.08	1.34
<b>Processing Physicals</b>				
Ore tonnes milled	tonnes	1,400,160	1,445,693	2,845,853
Head grade milled	Au g/t	0.87	0.96	0.92
Recovery rate	%	91.1	92.2	91.7
Gold produced	oz	35,482	41,301	76,783
<b>Unit Cash Cost</b>				
Mining cost per tonne	\$/tonne	2.86	2.91	2.89
Mining cost per ore tonne processed	\$/tonne	6.46	6.51	6.49
Processing cost	\$/tonne	10.72	9.21	9.95
Site general and admin ("G&A") cost	\$/tonne	3.73	3.23	3.47
Cash cost per ore tonne processed	\$/tonne	20.91	18.95	19.91
<b>Cash Costs and AISC Details</b>				
Mining cost (net of stockpile movements)	\$000s	9,050	9,417	18,467
Processing cost	\$000s	15,006	13,322	28,328
Site G&A cost	\$000s	5,217	4,667	9,883
Refining and transport cost	\$000s	164	148	312
Government royalty cost	\$000s	3,930	4,912	8,842
Gold inventory movements	\$000s	(2,299)	2,019	(280)
<b>Cash costs<sup>1</sup> on a sales basis</b>	<b>\$000s</b>	<b>31,068</b>	<b>34,485</b>	<b>65,552</b>
Sustaining capital	\$000s	4,308	3,530	7,838

		<b>Q2-2023</b>	<b>Q1-2023</b>	<b>H1-2023</b>
Sustaining leases	\$000s	-	187	187
Corporate G&A cost	\$000s	1,883	1,731	3,614
<b>All-In Sustaining Costs<sup>1</sup> on a sales basis</b>	<b>\$000s</b>	<b>37,259</b>	<b>39,933</b>	<b>77,192</b>
Gold sold	oz	33,608	43,139	76,747
<b>Cash costs per gold ounce sold<sup>1</sup></b>	<b>\$/oz</b>	<b>924</b>	<b>799</b>	<b>854</b>
<b>All-In Sustaining Costs per gold ounce sold<sup>1</sup></b>	<b>\$/oz</b>	<b>1,109</b>	<b>926</b>	<b>1,006</b>

<sup>1</sup> Non-IFRS measure. See "Non-IFRS Measures" section for additional details.

### Bomboré Production Results

Gold production in Q2-2023 was 35,482 oz, a decrease of 14% from the 41,301 oz produced in Q1-2023. The drop in gold production is attributable to decreases in head grades of 9%, plant throughput of 3%, and plant recoveries of 2% as compared to the prior quarter.

Head grades were lower in Q2 due to mine sequencing, greater prevalence of historical artisanal activity in areas mined, and the mill feed prioritization of better grade ore stockpiles in Q1.

Plant throughput declined marginally from Q1 which exceeded nameplate by approximately 13%. Lower plant availability in Q2 was the result of routine maintenance for the installation of newly designed mill liners in April 2023 and the replacement of worn shafts in the front-end mineral sizer in late May 2023. All major planned maintenance is now complete for 2023 with plant throughput expected to trend upwards again towards record levels.

As mining deepens in certain pits, the quantity of transition ore is starting to increase. The presence of transition ore results in slightly lower metallurgical recovery and the generation of additional ball mill scats that must be recirculated through the circuit to achieve the required grind size fraction. Consequently, plant recoveries were slightly lower in Q2 as compared to Q1.

To improve the treatment efficiency of scats and to crush hard oversize transition material, the Company has acquired a used mobile crushing system (a jaw crusher and a cone crusher) in good condition to pre-treat transition ore ahead of the ROM dump pocket and to crush scats prior to recirculation. The system is currently in transit from overseas and is scheduled to be placed into operations by the end of October 2023. This system will also provide additional process plant operational flexibility once the future Phase II Hard Rock plant expansion is in operation.

### Bomboré Operating Costs

AISC per gold ounce sold in Q2-2023 was \$1,109, an increase of 20% from the AISC per gold ounce sold of \$926 in Q1-2023. The increase in AISC was mainly driven by a combination of lower head grades, plant throughput, and recovery as explained above, higher unit operating costs, and timing of sustaining capital. Cash cost per ore tonne processed increased by 10% from \$18.95 per tonne in Q1 to \$20.91 per tonne in Q2 due primarily to lower plant throughput and higher processing costs for maintenance from the mill re-line and sizer shaft change-outs, and greater consumption of lime, grinding media, and power to treat a larger percentage of transition ore and scats. Site G&A also increased modestly from the planned spending increase on site security improvements including additional reinforcements of highly-trained guards and a greater frequency of patrols on and around the mining permit.

## **Bomboré Growth Capital Projects**

### *Grid Power Connection*

The project to connect Bomboré to Burkina Faso's national grid continues to advance and remains on schedule for completion before the end of the 2023 year.

All long lead equipment orders are in fabrication with certain deliveries already received at site. The main installation contractors have mobilized and fieldwork has commenced for the switching station, the main on-site substation, and the transmission line towers. SONABEL, Burkina Faso's state-owned electricity company, has approved the required drawings and designs for the powerline and substations while land compensation under the direction of SONABEL and ground clearing for the transmission line corridor are essentially complete. Pouring of concrete foundations for the 56 transmission towers are on-going with the first shipment of transmission towers and stringing gear expected to arrive in August 2023. The Company is reviewing opportunities to accelerate or to mitigate risks to schedule. The Company has also initiated discussions to formalize a power purchase agreement with SONABEL following the memorandum of understanding signed between the parties earlier in the year.

### *Resettlement Action Plan ("RAP") Phases II and III*

RAP Phases II and III involve the construction of four new resettlement villages (MV3, MV2, BV2, and BV1). The Company has sequenced MV3 as the first village to construct in order to gain access to mining areas that are currently contemplated in the 2024 mine plan. MV3 is the largest of the resettlement villages and requires the erection of over 1,200 private homes and public structures.

RAP construction is currently behind schedule as the construction start for the MV3 village was delayed for two months as communities conducted sacred ceremonies for the new resettlement grounds. The Company has engaged several local contractors to complete homes on distinct lots within the MV3 site. To improve the pace of construction, the Company has commenced the award of work to additional contractors along with the recruitment of a small owner's team to assist with procurement of building material and site construction activities.

RAP compensation for displaced households began in late Q2-2023 and has continued into Q3-2023.

### **2023 Feasibility Study ("2023 FS") Update for the Phase II Expansion**

The 2019 feasibility study ("2019 FS") contemplated the construction of a 2.2M tonnes per annum ("tpa") hard rock facility which would commence production in the third year of oxide operations. Based on the mineral reserves outlined in the 2019 FS, the overall plant capacity was to remain at a nominal 5.2Mtpa, comprising of 3.0Mtpa of oxides and 2.2Mtpa of hard rock, resulting in an average gold production profile of 134K oz per year for the first ten years of commercial operations.

Subsequent to the 2019 FS, over 150,000 m of drilling has been completed leading to the discovery of the near surface P17NE deposit and extensions of other known higher grade hard rock zones within the main Bomboré deposit. Results of drilling undertaken in 2022 are expected to successfully convert Inferred resources of higher grade hard rock material into the Measured and Indicated categories.

The Company expects the new hard rock expansion will be sized as a 4.4Mtpa standalone circuit to operate independently and in parallel to the existing 5.7Mtpa oxide circuit, a notable increase to the 5.2Mtpa combined circuit in the 2019 FS. The Company has chosen to expand the circuit size to 10.1Mtpa as it believes recent drilling successes have demonstrated that the Bomboré mine is capable of supporting a larger annual operation. The Bomboré deposit remains open to further extensions and potential new discoveries from future drilling.

Metallurgical test work is complete and confirms more rapid leach kinetics than those contemplated in the 2019 FS, leading to a significant reduction in required leach time from the 42 hours shown in the 2019 FS to the estimated 24 hours to be used in plant design for the 2023 FS. Flowsheet development is also complete and will follow the same design (e.g. carbon-in-leach and elution circuits) of the current operations where feasible to standardize equipment and processes. Firm quotes have been received for the SAG mill, which is on the critical path, and budgetary quotes for all other major equipment are in hand and under evaluation and will form the basis for the expansion capital estimate. Modelling of the new mineral resource estimate has concluded with modelling of the new mineral reserve estimate well-advanced. The Company remains on track to release the study results by the end of Q3-2023.

The Company has held early discussions with its senior lender, Coris Bank, about their participation in this future Phase II Expansion. Coris Bank has indicated they are supportive of this expansion and the Company intends to launch more formal discussions with Coris Bank as it draws closer to completing the 2023 FS when information about the new expansion economics and capital requirements are better known.

#### **NON-IFRS MEASURES**

The Company has included certain terms or performance measures commonly used in the mining industry that is not defined under IFRS, including “cash costs”, “AISC”, “EBITDA”, “adjusted EBITDA”, “adjusted earnings”, “adjusted earnings per share”, and “free cash flow”. Non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore, they may not be comparable to similar measures presented by other companies. The Company uses such measures to provide additional information and they should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. For a complete description of how the Company calculates such measures and reconciliation of certain measures to IFRS terms, refer to “Non-IFRS Measures” in the Management’s Discussion and Analysis for the three and six months ended June 30, 2023 which is incorporated by reference herein.

#### **CONFERENCE CALL AND WEBCAST**

Orezone will host a conference call and audio webcast to discuss second quarter 2023 results on Thursday, August 10, 2023 at 8:00am PDT (11:00am EDT).

## **Webcast**

Date: Thursday, August 10

Time: 8:00 am Pacific Time (11:00 am Eastern time)

Please register for the webcast here: [Orezone Q2-2023 Conference Call and Webcast](#)

## **Conference Call**

Toll-free in U.S. and Canada: 1-800-715-9871

International callers: +646-307-1963

Event ID: 1179590

## **QUALIFIED PERSONS**

The scientific and technical information in this news release was reviewed and approved by Dr. Pascal Marquis, Geo., Senior Vice President of Exploration, Mr. Rob Henderson, P. Eng, Vice President of Technical Services, and Mr. Patrick Downey, P.Eng. President and CEO, all of whom are Qualified Persons as defined under NI 43-101 *Standards of Disclosure for Mineral Projects*.

## **About Orezone Gold Corporation**

Orezone Gold Corporation (TSX: ORE OTCQX: ORZCF) is a Canadian mining company operating the open pit Bomboré Gold Mine in Burkina Faso.

Orezone is focusing on mining and processing the Phase I near surface free-dig oxides at a planned annual throughput of 5.7 million tonnes. The Company believes that Bomboré has a significant underlying sulphide resource to support a substantially larger Phase II expansion. The Company has recently completed a resource definition drill program, and plans to issue an updated mineral resource, reserve and life of mine plan, as part of this Phase II expansion. It is expected that the pending study will be completed in Q3-2023 to be followed by a production decision.

Orezone is led by an experienced team focused on social responsibility and sustainability with a proven track record in project construction and operations, financings, capital markets and M&A.

The technical report for the 2019 Feasibility Study on the Bomboré Project entitled NI 43-101 Technical Report (Amended) Feasibility Study of the Bomboré Gold Project is available on SEDAR+ under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca).

Patrick Downey

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**For further information please contact Orezone at +1 (778) 945-8977 or visit the Company's website at [www.orezone.com](http://www.orezone.com).**

*The Toronto Stock Exchange neither approves nor disapproves the information contained in this news release.*

#### **Cautionary Note Regarding Forward-Looking Statements**

This press release contains certain information that constitutes "forward-looking information" within the meaning of applicable Canadian Securities laws and "forward-looking statements" within the meaning of applicable U.S. securities laws (together, "forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "potential", "possible" and other similar words, or statements that certain events or conditions "may", "will", "could", or "should" occur. Forward-looking statements in this press release include, but are not limited to, statements with respect to the Bombové Growth Capital Projects and the 2023 Feasibility Study Update for the Phase II Expansion.

All forward-looking statements 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, terrorist or other violent attacks, the failure of parties to contracts to honour contractual commitments, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; social or labour unrest; changes in commodity prices; unexpected failure or inadequacy of infrastructure, the possibility of project cost overruns or unanticipated costs and expenses, accidents and equipment breakdowns, political risk, unanticipated changes in key management personnel, the spread of diseases, epidemics and pandemics diseases, market or business conditions, the failure of exploration programs, including drilling programs, to deliver anticipated results and the failure of ongoing and uncertainties relating to the availability and costs of financing needed in the future, and other factors described in the Company's most recent annual information form and management's discussion and analysis filed on SEDAR+ on [www.sedarplus.ca](http://www.sedarplus.ca). Readers are cautioned not to place undue reliance on forward-looking statements.

Forward-looking statements are based on the applicable assumptions and factors management considers reasonable as of the date hereof, based on the information available to management at such time. These assumptions and factors include, but are not limited to, assumptions and factors related to the Company's ability to carry on current and future operations, including: development and exploration activities; the timing, extent, duration and economic viability of such operations, including any mineral resources or reserves identified thereby; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs, including gold; foreign exchange rates; taxation levels; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Although the forward-looking statements contained in this press release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking

statements are made as of the date of this press release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this press release.